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## Moray Council

Wednesday, 02 September 2020

**NOTICE IS HEREBY GIVEN** that a Meeting of the **Moray Council** is to be held at remote locations via video conference, on **Wednesday, 02 September 2020** at **09:30**.

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|           | Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration. |                      |

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

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

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

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

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

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

Clerk Name:

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# **THE MORAY COUNCIL**

## **Moray Council**

### **SEDERUNT**

Councillor Shona Morrison (Chair)  
Councillor Graham Leadbitter (Depute Chair)  
Councillor George Alexander (Member)  
Councillor James Allan (Member)  
Councillor David Bremner (Member)  
Councillor Frank Brown (Member)  
Councillor Theresa Coull (Member)  
Councillor John Cowe (Member)  
Councillor Gordon Cowie (Member)  
Councillor Paula Coy (Member)  
Councillor Lorna Creswell (Member)  
Councillor John Divers (Member)  
Councillor Tim Eagle (Member)  
Councillor Ryan Edwards (Member)  
Councillor Claire Feaver (Member)  
Councillor Donald Gatt (Member)  
Councillor Marc Macrae (Member)  
Councillor Aaron McLean (Member)  
Councillor Maria McLean (Member)  
Councillor Ray McLean (Member)  
Councillor Louise Nicol (Member)  
Councillor Laura Powell (Member)  
Councillor Derek Ross (Member)  
Councillor Amy Taylor (Member)  
Councillor Sonya Warren (Member)  
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**REPORT TO: MORAY COUNCIL ON 2 SEPTEMBER 2020**

**SUBJECT: DRAFT CLIMATE CHANGE STRATEGY 2020 - 2030**

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

## **1. REASON FOR REPORT**

- 1.1 This report seeks the Council to agree the draft Climate Change Strategy for 2020-2030 for consultation.
- 1.2 The report is submitted to Committee in terms of Section II (13) of the Council's Scheme of Administration relating to the approval of Council Reports and Strategies of a corporate nature including Local Development and Housing Plans.

## **2. RECOMMENDATION**

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

- i) **consider and agree the draft Climate Change Strategy 2020 -2030 in Appendix 1 for public consultation and engagement from 3 September to 30 October 2020;**
- ii) **notes the draft Action Plan in Appendix 2 which gives an early indication of the actions currently proposed to implement the strategy, noting that these require further development and to be reviewed in light of the consultation feedback on the strategy itself; and**
- iii) **notes that a final Strategy and Action Plan will be presented to Council on 20 January 2021.**

## **3. BACKGROUND**

- 3.1 Climate Change is defined as a change in global or regional climate patterns. This is largely attributed to an increase of atmospheric carbon dioxide that is produced by the use of fossil fuels. Carbon dioxide, together with other greenhouse gases such as methane and nitrous oxide stop heat escaping

from the Earth into space which in turn can lead to global warming and climate change.

- 3.2 Climate change is the biggest challenge that we face in our lifetime and for future generations. There is clear scientific evidence that change is accelerating quicker than expected and action is needed now to combat the direct and current impact and to agree a pathway for a sustainable future.
- 3.3 The potential impact for Moray arising from climate change includes:
- Changes in rainfall patterns – Moray has suffered serious flooding in recent years;
  - An increase in sea levels – Coastal flooding continues to have a negative impact for coastal communities; and
  - Pollution from burning fossil fuels (coal, oil, gas) – this is a known contributory factor for asthma and other respiratory diseases.
- 3.4 On 27 June 2019, the Council recognised that climate change is an ecological emergency and that it needed to take action to protect Moray, the country and the world. It agreed to form a Climate Change Group to help direct, develop and scrutinise the Council's approach to Climate Change with the aim of being carbon neutral by 2030 (Paragraph 6 of the Minute refers).
- 3.5 Since June 2019, members of the Climate Change Group (which has included cross-party member representation) have worked together to develop a draft Climate Change Strategy. The strategy has taken account of the environmental, economic and social aspects of climate change and sustainability and also provides a strategic direction for the Council to follow over the next 10 years.

#### **4. AIMS AND OBJECTIVES**

- 4.1 The Council's Corporate Plan 2019–2024 states that the Council will work to protect and enhance our environment by creating a more resilient and sustainable future. The draft Climate Change Strategy (**APPENDIX 1**) supports these aims and objectives by stating its future vision of the Council as:
- “A resource efficient, carbon neutral council that works with partners to mitigate the worst effects of Climate Change to create a resilient, biodiverse, fair and more sustainable future for everyone within Moray”.**
- 4.2 In addition to the Corporate Plan, the strategy should inform and link to other council policies, programmes and plans so there is a corporate cohesion in terms of all council activities, work-streams and operating practice. The main climate change themes include:
- Leadership, Governance and Policy;

- Communication, Training and Awareness;
- Energy, Buildings and Digital Connectivity;
- Transport;
- Waste; and
- Land use, Biodiversity and Adaptation.

4.3 Common throughout is the need to ensure that our work and other activities must be undertaken in such a way to benefit the people of Moray and that any associated costs do not unfairly burden those least able to pay or whose livelihoods are directly or indirectly at risk as the economy shifts and changes. To reflect these objectives, actions in the draft Action Plan have been prioritised on factors and contexts that include inequality and poverty; return on investment, ongoing service delivery; and organisational priorities.

## 5. **KEY ACTIONS**

5.1 Climate change will impact on every area of Council business. No service will be immune. It is important that council staff at all levels understand the reasons for change and that council leaders work together in order to achieve transformational change.

5.2 The Climate Change Working Group identified 57 proposed actions to help reduce the impacts of climate change. Of these, 25 actions could be completed within 1 to 2 years, 9 within 2 to 5 years, 9 within 5 to 10 years and 14 would include on-going elements. Given the overarching nature of climate change and the 2030 target, it is proposed to phase the implementation of the draft Climate Change Strategy over the next 10 years.

5.3 **APPENDIX 2** contains the draft Action Plan for the strategy which sets out 57 proposed climate change actions. Of these, subject to further investigation, it is anticipated that 42 could be realistically taken forward either within existing resources or with a moderate increase in staff resources and capital investment, 8 would require more significant resource (staff and capital investment) and 7 would require external resourcing and/or external facilitation. Decisions to increase staff and allocate additional resources can only be taken when the consultation has been completed, the Strategy reviewed in light of feedback and the Action Plan adjusted accordingly. Further work will then be undertaken on the Action Plan to ensure that the final outcomes are suitably framed and that outcome indicators are SMART. At that stage budget implications (where known) will be included, but it is anticipated that the phasing of actions as indicated above will enable the Action Plan to be managed effectively.

5.4 The main proposed actions in the draft Action Plan can be summarised as follows:

### Leadership, Governance and Policy

5.4.1 There are 16 proposed actions that fall within this category. Most involve policy and guidance changes; setting new carbon reduction targets; increasing staff awareness of climate change; and ensuring that all future committee reports

include a climate change and biodiversity assessment within the summary of implications. Strategic changes that will require further investigation include:

- The possible introduction of carbon budgets across all services;
- Departmental Procurement Action Plans that address climate change; and
- Future investment decisions that apply zero and low carbon objectives.

#### Communication, Training and Awareness

- 5.4.2 There are 7 proposed actions that fall within this category. Developing a communication strategy; working and engaging with partners and ensuring that there is a greater emphasis on raising the awareness of climate change within all educational settings (Early Learning/Primary/Secondary) are viewed as key actions. School meal menus are currently focused on more sustainable foods that reduce carbon impact. This includes the promotion of vegetarian options (e.g. “meat free” days and vegan options). It is important that the number of children/young people accessing schools meals is monitored on a regular basis. Any potential decrease in uptake could suggest an increase in food poverty amongst some of the more vulnerable children/young people as a consequence of well-intended menu changes.

#### Energy, Buildings and Digital Connectivity

- 5.4.3 There are 12 proposed actions that fall within this category. These relate mainly to the improvement of buildings (houses, corporate buildings and the Learning Estate). Improving energy efficiency within the council’s housing stock is an ongoing action and the Council also promotes home improvement energy schemes for households living in the private housing sector. Raising awareness to reduce energy use and utility costs would also be promoted. Actions that will require a degree of strategic planning and leadership include:

- Developing a sustainable approach that promotes online working;
- Review the workstyles of all staff (fixed/flexible/mobile);
- Reducing the need for fixed buildings by adopting the above workstyles.

Digitisation is an existing project within the Improvement and Modernisation Plan and the ability to redesign services and rationalise our estate in light of changes to workstyles introduced as a result of the pandemic is already a live consideration, with redesign of service delivery methods being considered as part of the progress towards full recovery. Significant investment will be required to ensure that all corporate buildings (including the Learning Estate) achieve a net zero carbon target by 2030. In part, this will be achieved through prudential borrowing but external funding will ultimately be required to address the condition of the Learning Estate.

#### Waste

- 5.4.4 There are 2 proposed actions that fall within this category. These focus on encouraging a reduction of waste and also an increase in recycling rates that includes the Learning Estate. The elimination of single use plastic, packaging and a greater use of recyclable materials across school catering services improving recycling and the disposal of food waste is also proposed.



#### Land use, Biodiversity and Adaptation.

- 5.4.5 There are 12 proposed actions that fall within this category. These focus on the use of land to support carbon reduction; an integrated land use spatial framework bringing together the opportunities for food production, renewable energy and wood planting; additional planting and safeguarding of existing woodland; a greater emphasis of carbon reduction within the planning process and a requirement to have carbon free masterplans.

#### Transport

- 5.4.6 There are 8 proposed actions that fall within this category. These include the provision of public charging points; Travel Plans (for Council employees; major employers and schools); and change behaviours around active travel. Significant investment will be required to replace the council's fossil fuelled fleet by 2030. In part this will be achieved through prudential borrowing but external funding will be required in order to achieve the 2030 target.

### **6 PUBLIC ENGAGEMENT**

- 6.1 If the draft Climate Change Strategy is approved by Council, it is proposed to carry out a wider consultation with the public and other key stakeholders including our community planning partners over the next 8 weeks ending on 30 October 2020.
- 6.2 The consultation will involve a press release; the use of social media (i.e. council website, Facebook and Twitter), copies sent to Community Councils, partner agencies, private companies working within Moray and ongoing dialogue with key stakeholders using 3 webinars sessions hosted by the Community Support Unit. An online survey will also be available to enable interested parties to make comment. The strategy will also be shared with community planning partners for comment and engagement on potential shared action. It is also intended to gather the views of children and young people through in-school groups on Learning for Sustainability and Global Citizenship.
- 6.3 All comments received during the consultation period will be considered by the Climate Change Working Group to inform the final version of the Strategy and Action Plan.

### **7 DELIVERING THE STRATEGY**

- 7.1 To achieve a carbon neutral target by 2030, will require significant internal transformational change. If the draft Climate Change Strategy is approved, other key strategic plans will need to be reviewed and climate change actions added where appropriate. The main plans that fall into this category include:
- Local Development Plan 2020
  - Local Housing Strategy 2019-2024
  - Departmental Management Plans
  - Service Plans per individual service

- 7.2 Service Plans for 2021/22 will be updated later in this financial year. All climate change actions that are relevant to individual services and which can be accommodated within existing resources will be included in updated Service Plans taking into consideration elements of feedback from the community consultation. Where there are budget or resource implications, this will be considered when the final strategy and action plan is approved but may require to be deferred for consideration as part of the 2021/22 budget setting process depending on the scale of budgetary requirement and impact of phasing.

## **8. NEXT STEPS**

- 8.1 In addition to the consultation process, there are a number of factors that Council will need to consider in terms of the proposed timescales for progressing the Climate Change Strategy and Action Plan:

### Recovery and Renewal

- 8.1.1 Recovery and Renewal of Council Services must take priority at this time and whilst sustainability including protecting our environment is a principle within the draft Recovery and Renewal Strategic Framework, staffing resources are under significant pressure.

### Climate Change Action Plan

- 8.1.2 There is a need to refine the 57 proposed actions set out in **APPENDIX 2** to make them smart and ensure that each of the planned outcomes is clear and measurable.

### Resources

- 8.1.3 There is a need to scope out future staffing resources and consider the wider budget implications related to implementing the Climate Change Strategy and the role of phasing within this.

### Lead Officer

- 8.1.4 The Council is currently recruiting a new Head of Housing and Property who will support the Depute Chief Executive as the lead officer responsible for implementing the Climate Change Strategy and Action Plan. It is unclear when the successful candidate may be in post but an opportunity for the new Head of Service to retain an ability to influence the final strategy, given this will sit within their portfolio, is desirable.

- 8.2 Given all the above, it is proposed to present a final Climate Change Strategy and refined Action Plan to Council on 20 January 2021.

## **9. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan 2019-2024 and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)).**

The draft Climate Change Strategy 2020-2030 supports the priorities set out in the Corporate Plan 2019-2024. The Council has declared a climate change emergency and the measures set out in the draft strategy seek to create a

resilient, biodiverse, fair and more sustainable future for everyone within Moray”.

**(b) Policy and Legal**

As a public body the Council has a number of statutory duties under the Climate Change Act 2009 in relation to reporting. Whilst there is no statutory duty to reduce emissions, the position the Council adopts in a number of our statutory plans (e.g. Planning, Transport, Procurement, Housing, etc.) will have a significant bearing on emissions.

**(c) Financial Implications**

Further work will be required to scope out the financial implications relating to climate change. These costs will be considered when the Action Plan is finalised and reviewed before each of the key actions are taken forward.

**(d) Risk Implications**

Climate change is arguably the biggest challenge that we face in our lifetime and for future generations. Action is needed now to combat the direct and current impact and to agree a pathway for a sustainable future.

**(e) Staffing Implications**

There will be staffing implications linked to climate change. There will be some areas where work will cease and others where an increase in staff resources are required. This will be scoped out in more detail when the final Climate Change Strategy and Action Plan is agreed. There will be an ongoing requirement to keep staffing levels under periodic review.

**(f) Property**

There will be property implications linked to the Climate Change Strategy. The Strategy will impact on council housing, corporate buildings and the Learning Estate. These implications will be set out in more detail as the key actions relating to Property are progressed.

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

Climate Change will impact on every service area delivered by the Council. It has the potential to impact on Equalities for example in respect of support for active travel and fuel poverty and will also have a socio economic impact.

**(h) Consultations**

Consultations have been undertaken with the Chief Executive, the Deputy Chief Executive (Economy, Environment and Finance), the Deputy Chief Executive (Education, Communities and Organisational Development), all Heads of Service, and the Climate Change Working Group. Where comments have been received, these have been included within the report.

## **10 CONCLUSION**

- 10.1 The Council is asked to approve the draft Climate Change Strategy 2020–2030 in APPENDIX 1 and the draft Action Plan set out in APPENDIX 2. The Strategy will thereafter be the subject of a wider**

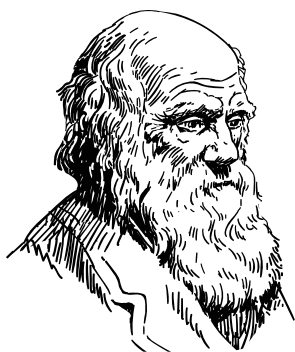
**consultation with partners and other key stakeholders before being presented to Council on 20 January 2021 for final approval along with a final Action Plan.**

Author of Report: Richard Anderson, Head of Housing and Property  
Background Papers: With Author

# DRAFT CLIMATE CHANGE STRATEGY 2020-2030



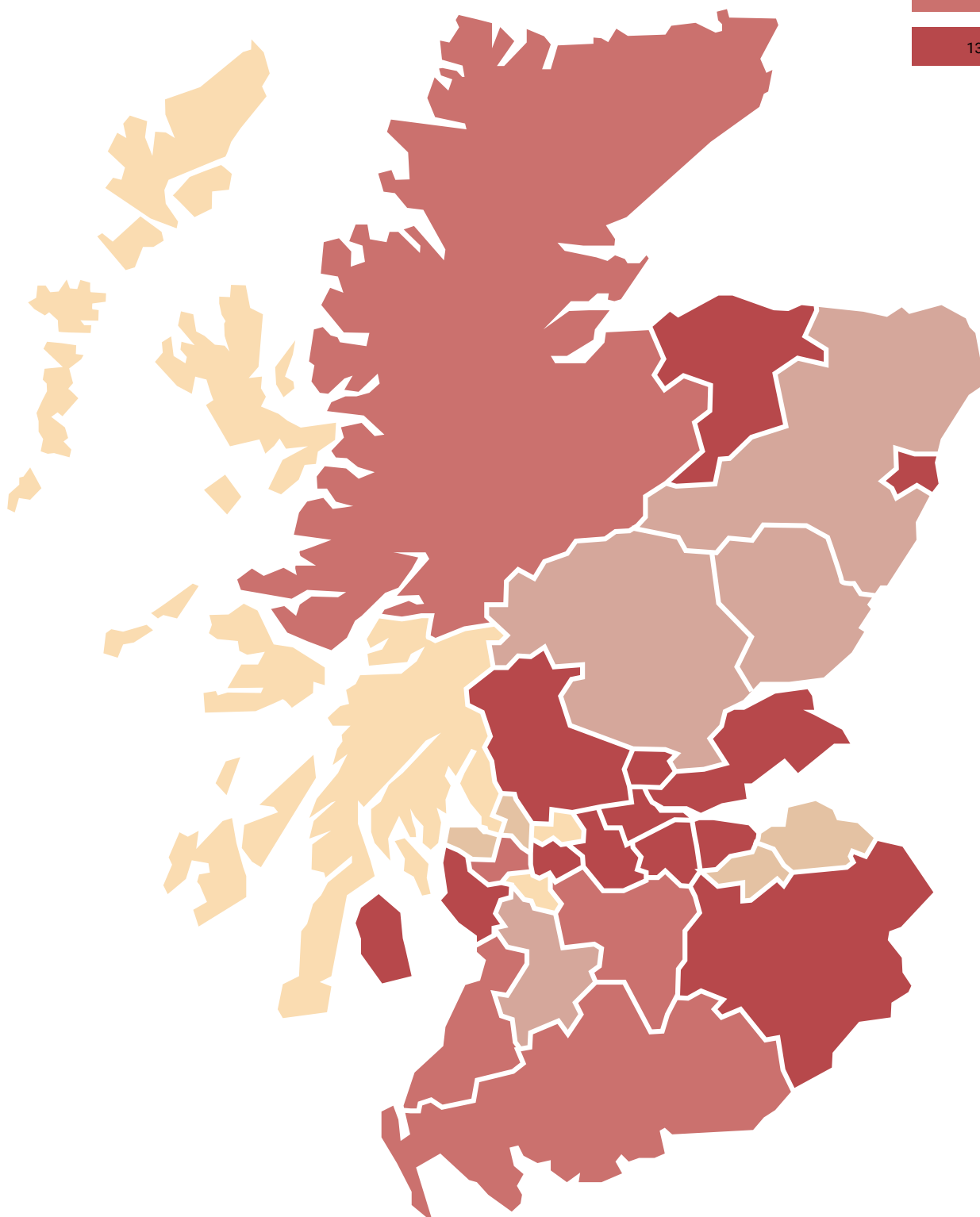
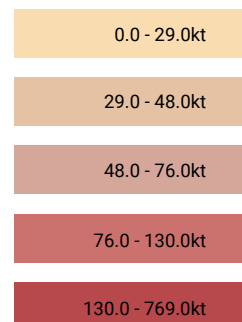
**DRAFT**



*"Only those who adapt to change survive"*

– Charles Darwin

Local authority areas with  
colours indicating levels of  
CO<sub>2</sub> emission (kt).



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# FOREWORD

Moray Council is committed to improving the quality of life for people in Moray, and making this the best possible place to live, work and do business. Climate change presents a major challenge to deliver this commitment. Already local impacts are already being felt with water shortages, wildfires and rising sea levels all occurring in recent times. Climate change impacts are predicted to increase in magnitude under all forecast scenarios and this will affect Moray. The Council has already been active in responding to this task with over £200 million invested in flood protection measures, however we recognise that more needs to be done.

Our response to this evolving challenge is the introduction of this *Climate Change Strategy* which, together with our *Local Development Plan*, is designed to provide a co-ordinated and appropriate response to help all within Moray to deal with the challenges that climate change is expected to bring.

On the 27 June 2019, Moray Council declared a **Climate Change Emergency**. It was agreed that a *Climate Change Strategy* and action plan would be prepared and adopted with the aim of becoming carbon neutral by 2030.

Climate change is the biggest challenge we face in our lifetime and for future generations. There is clear scientific evidence that indicates that it is accelerating quicker than expected and action needs to be taken now. Not just to combat the direct and current impact, but we also need to use common sense and follow a clear vision to create a sustainable future.

The *Climate Change Strategy* marks our commitment to take action on climate change locally. It provides a framework for our actions aimed at reducing carbon emissions and preparing for the unavoidable impacts of changing weather patterns through the period 2020-2030 and beyond.

Efforts to lessen the impact of climate change can also bring opportunities, such as cost savings from reduced energy bills and making better use of our resources. New business and employment opportunities. Supporting healthier, more sustainable lifestyles and making our communities more resilient. The strategy aims to make sure Moray is well placed to benefit from these opportunities.

No single person or organisation can tackle climate change alone, so we are asking partners, businesses, community groups and individuals to embrace the changes that must take place. There are many small changes we can all make that, together, will help secure a better future for everyone in Moray.

Cllr Louise Nicol

Roddy Burns

Chair of Climate Change Working Group

Chief Executive  
Climate Change Corporate Champion

# Introduction

There are a growing number of people and organisations in Moray taking action on climate change. We already know many of the things we need to do to tackle climate change; but we need to do them more widely and faster. Many of these actions will make Moray a better place: healthier, less polluted, more accessible and self-reliant. Whilst climate change is a global problem, it is in local communities – our workplaces, our early years settings & schools, our families – where the impacts are felt. It is here on the ‘front-line’ where many solutions lie.

This *Climate Change Strategy* identifies the key areas that the Council will prioritise within available resources to not only help reduce its own impact on the environment, but how it will seek to influence and encourage the wider community. To ensure it is appropriate and suitable for Moray a public consultation will be undertaken during 2020/21 to make sure residents and businesses of Moray have a voice in shaping the Strategy.

The strategy, and its associated action plan, detail a range of measures that will contribute directly to achieving key outcomes. Details of how the key actions will be delivered, along with timescales, targets and resource requirements, will be further developed and defined, and be subject to regular review.

This *Climate Change Strategy* comprises the council’s response to the national and international priority of tackling climate change and shall be taken account of in all future planning and policy work undertaken by Moray Council.

# BACKGROUND

**There is a global climate emergency.  
The evidence is irrefutable.  
The science is clear.**

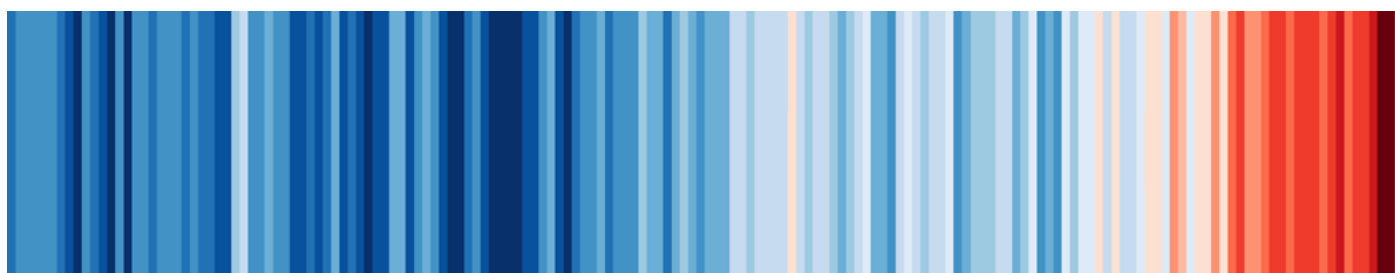
Climate change is defined as a change in global or regional climate patterns, in particular a change apparent from the mid to late 20th century onwards and attributed largely to the increased levels of atmospheric carbon dioxide produced by the use of fossil fuels. Carbon dioxide, together with other greenhouse gases such as methane and nitrous oxide, stop heat escaping from the Earth into space. An increased greenhouse effect can lead to global warming and climate change.

Relevant impacts of climate change for Moray include:

- Changes in rainfall patterns – Moray has suffered serious flooding in recent years.
- Increase in sea levels – Moray includes coastal towns and villages. Coastal flooding continues to have a negative impact in some of these communities.
- Pollution from burning fossil fuels (coal, oil, gas) is a contributory factor for asthma and other respiratory diseases – based on the 2011 census, Moray has a population of 93,295 and the council and other public bodies have a duty to protect their health and wellbeing.

Due to the delay in cause and effect of carbon emissions, it is predicted<sup>2</sup> that even if carbon emissions were brought to zero tomorrow, the earth will still increase in temperature for the next 40 years.

If greenhouse gas emissions are reduced early and rapidly, the extent and impact of climate change can be mitigated to an extent. However, if emissions continue unabated, the implications grow more severe, posing even greater risks. In view of the threat and risks of inaction, it is essential that public bodies put climate change strategies in place and act sustainably to address climate change in Scotland.



Climate change is a complex global issue; however, the following graphic<sup>1</sup> highlights in clear terms how annual global temperatures have changed since 1850. The colour of each stripe represents the temperature of a single year, ordered from the earliest available data to 2017. The colour scale represents the change in global temperatures covering 1.35°C

Figure 1 – Annual global temperatures from 1850-2017

1 [www.climate-lab-book.ac.uk/2018/warming-stripes/](http://www.climate-lab-book.ac.uk/2018/warming-stripes/)

2 [climate.nasa.gov/faq/16/is-it-too-late-to-prevent-climate-change/](https://climate.nasa.gov/faq/16/is-it-too-late-to-prevent-climate-change/)

# VISION

This Strategy aims to achieve the following:

- Supporting a just transition to a low carbon economy
- A carbon neutral Council by 2030 with an on-going reduction in greenhouse gas emissions from the Council area as a whole (from homes and business)
- Ensure the Council, and its partners, are better prepared to deal with the current and future impacts/consequences of climate change
- Work to retain, protect and enhance biodiversity across Moray
- Identify on-going activity that contributes to climate change mitigation and adaptation and develop new policy and actions to address any gaps in our approach
- Embed climate change mitigation and adaptation action throughout the organisation to ensure it becomes integral to the operation of the Council
- Ensure the climate change agenda is acknowledged in departmental service planning and integrated into Council decision-making processes
- Seek to have the strategy endorsed by the community partners with commitments to joint action where possible

# VISION STATEMENT

The council's vision for tackling climate change is summarised as:

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

This strategy is hoped to be an inspiration to our community planning partners, businesses and everyone who lives or works in the area. We all have an important part to play in ensuring the Moray area is a safer, wealthier, fairer, healthier and greener place for the generations to come.







## CLIMATE & ECOLOGICAL EMERGENCY DECLARATION

In June 2019, Moray Council's Elected Members unanimously agreed to declare a ***Climate Change Emergency***. Following consideration, we:

- I. recognised that climate change is an ecological emergency and needs to be serious about taking necessary actions to protect our area, country and planet;
- II. agreed to form a Climate Change Group made up of officers and elected members, to direct and scrutinise the climate change strategy currently being prepared and the need for increasing biodiversity;
- III. agreed to appoint an Elected Member to be a Climate Change Champion;
- IV. agreed to consider and approve a final climate change strategy and action plan and ensure it is adopted and informs policy for all departments; and
- V. agreed that the strategy will set a goal of being carbon neutral by 2030 and that the Council, it's officers and members will work with others across Moray to deliver that goal.

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# CLIMATE CHANGE STRATEGY WORKING GROUP

A working group with cross-party member and key service representation was initiated and has co-ordinated the development of this *Climate Change Strategy* and associated action plan.

The strategy has been developed with consideration to the environmental, economic and social aspects of climate change and sustainability. The key actions identified have been arrived at by thinking of the council as:

**Carbon Emitter:** consumption of energy in council properties, schools, management of council fleet vehicles, waste management etc.

**Developer:** design of new council properties such as affordable housing, installation of renewable energy generation.

**Customer:** sustainable procurement and whole lifecycle costing.

**Enabler:** leadership, education, advice and guidance, land use policy, business support.

**Protector:** to our community, landscape and biodiversity.

The strategy has been designed to mainstream climate change action within our organisation and make it a natural part of decision-making processes, with the aim of keeping associated potential costs as low as possible.

It is expected that this strategy will evolve over time: through engagement with the people of Moray, as new opportunities are discovered, as new initiatives come forward, and as understanding and technology advances. The strategy is therefore a starting point, rather than an exhaustive list of opportunities.

The *Climate Change Strategy* will be used to promote conversation on sustainability, both internally and externally. Some of the key objectives will only be effectively achieved by a range of partners, such as the Community Planning Partnership and Highlands & Islands Enterprise, working together with a common understanding of what sustainability looks like and what we are aiming to achieve. It is also recognised that the realisation of carbon reduction for some actions will be in part dependent upon external factors, e.g. the generation of all electricity requirements from renewable sources and the provision of external funding to support projects and initiatives. The council can lead on this in a variety of different ways, including making the issue locally relevant, and also through the specific actions outlined within the strategy.





# CONTEXT

## MORAY COUNCIL

The council sets out its purpose in strategies, policies and action plans. As the council has a legal obligation to build climate change and sustainable development into all of its work, it is important that these are considered in a full, transparent and auditable manner. Policies, developments and decisions must be prepared and considered with due regard to their environmental impacts.

Activities identified within the strategy will drive change in areas such as procurement, waste production/disposal, travel & transport, and asset management. The council continues to operate in a sustained period of fiscal constraint, combined with increasing energy costs and environmental levies.

Projects and initiatives with a capital expenditure or resource requirement will be evaluated on a case-by-case basis and business cases developed. Available resources shall be prioritised following assessment against factors relevant to the project mandating process.

Although it is a time of intense pressure on resources, it is recognised that the expanding green economy also presents an opportunity to set a positive agenda. For example, the use of renewable and low carbon technologies can stimulate jobs, reduce reliance on fossil fuels with associated harmful carbon emissions, reduce energy costs, and create an income to the council through government initiatives such as the Renewable Heat Incentive.





## COUNCIL PLANS

### LOCAL OUTCOME IMPROVEMENT PLAN (LOIP)

The overarching aim and purpose of the Moray 10 Year Plan is Raising Aspirations through expanded choices, improved livelihoods and well-being, with the four priorities identified within the plan being:

1. **Building a better future for our children and young people in Moray**
2. **Empowering and connecting communities**
3. **Developing a diverse, inclusive and sustainable economy**
4. **Improving the wellbeing of our population**

### CORPORATE PLAN

Moray Council Corporate Plan 2019-2024 sets out the council's priorities, including how we will meet the priorities areas set out in the Local Outcome Improvement Plan. The priorities of the Corporate Plan are as set out below.

- **Our people:** Provide opportunities for people to be the best they can be throughout their lives with a strong and sustained focus on those individuals and groups in our society who experience the most disadvantage and discrimination
- **Our place:** Empower and support communities to build capacity
- **Our future:** Drive economic development to create a vibrant economy for the future

Linked to these priorities are key actions that are reflected in the aspirations of the *Climate Change Strategy*.

- Improve health and well-being for the people of Moray.
- Work to preserve, protect and enhance our environment, creating a more resilient and sustainable future.

## MORAY'S CHANGING CLIMATE

An independent assessment<sup>3</sup> in 2016 by the Adaptation Sub-Committee of the UK Committee on Climate Change of Scotland's Adaptation Programme (SCCAP) highlighted that Scotland's unique geography creates both resilience and vulnerabilities to the impacts of extreme weather and climate change. Scotland's iconic industries, including forestry, fisheries and whisky, rely on climate-sensitive natural resources. Changes in weather patterns and sea level rise will test our transport, communication, fuel, and energy networks and challenge the delivery of health and social care services.

The effects of a changing climate are already beginning to be seen in Moray with increasingly frequent severe weather events requiring responses from the council, the emergency services and our Community Planning Partners. Even if all greenhouse gas emissions were stopped now, past and current global emissions mean that some level of climate change will still occur.

Relevant impacts of climate change for Moray include:

- Food supply security
  - Warmer temperatures might mean that Moray could grow more food. However, the threat of pests, diseases and invasive non-native species could result in damage to some food production
- Increased risk of droughts
  - Summer droughts may occur more often, causing water quality and supply issues - as suffered during a prolonged period in 2018 in Moray
  - Reduced rainfall increases the risk of wildfires, as experienced recently with numerous gorse fires and a very large heather fire near Knockando
  - Competition for water may increase to meet domestic, agricultural and industrial demands, as our climate warms and rainfall patterns change

<sup>3</sup> [www.theccc.org.uk/publication/scottish-climate-change-adaptation-programme-an-independent-assessment-for-the-scottish-parliament/](http://www.theccc.org.uk/publication/scottish-climate-change-adaptation-programme-an-independent-assessment-for-the-scottish-parliament/)

- Increased risk of flooding
  - Climate change is likely to alter rainfall patterns and bring more heavy downpours, causing more flooding in the future. Moray has suffered serious river flooding in recent years which caused serious problems for people, businesses, communities and our heritage
- Rising sea levels
  - Coastal habitats can help to protect us from rising sea levels, storm surges and associated flooding events. Moray contains many towns and villages and coastal flooding continues to have a negative impact in some of these communities

Details of recent past changes in climate and projected changes in climate for Moray over the next 100 years are shown below. The main changes of importance to Moray include an overall rise in temperature, a decrease in summer rainfall and an increase in winter rainfall. There will also be an increased likelihood of experiencing extreme weather events.

### Climate projections – projected changes in climate

Moray's climate is projected to change significantly over this century. Table 2 describes projected changes in Scotland's temperature and rainfall.

The graphics overpage are based upon UKCP18 climate projections for Scotland showing change in mean temperature and precipitation from 1961 – 2100 under a high emission scenario. These are probabilistic projections: the dashed line is 50% central estimate; inner shading 25-75%; middle shading 10-90%; outer shading 5-95%. All values are compared to a 1981-2000 baseline average.

UKCP18 by Met Office Hadley Centre:  
[ukclimateprojections.metoffice.gov.uk](https://ukclimateprojections.metoffice.gov.uk)

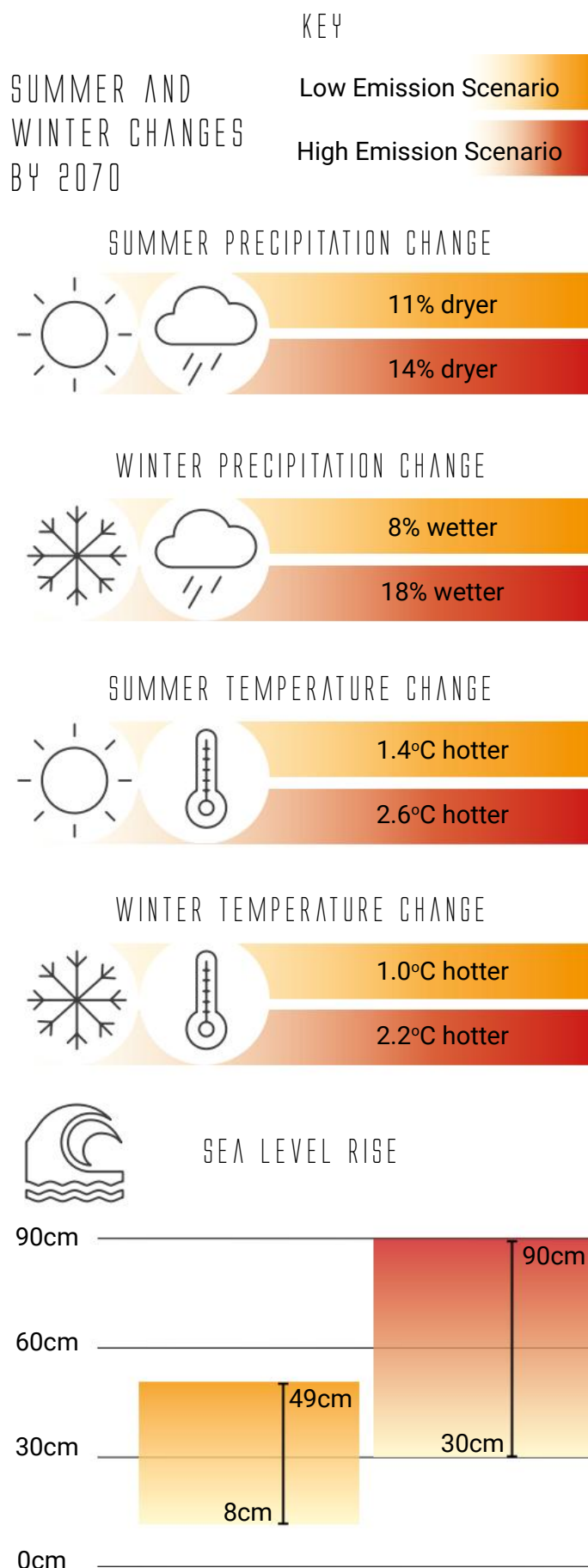
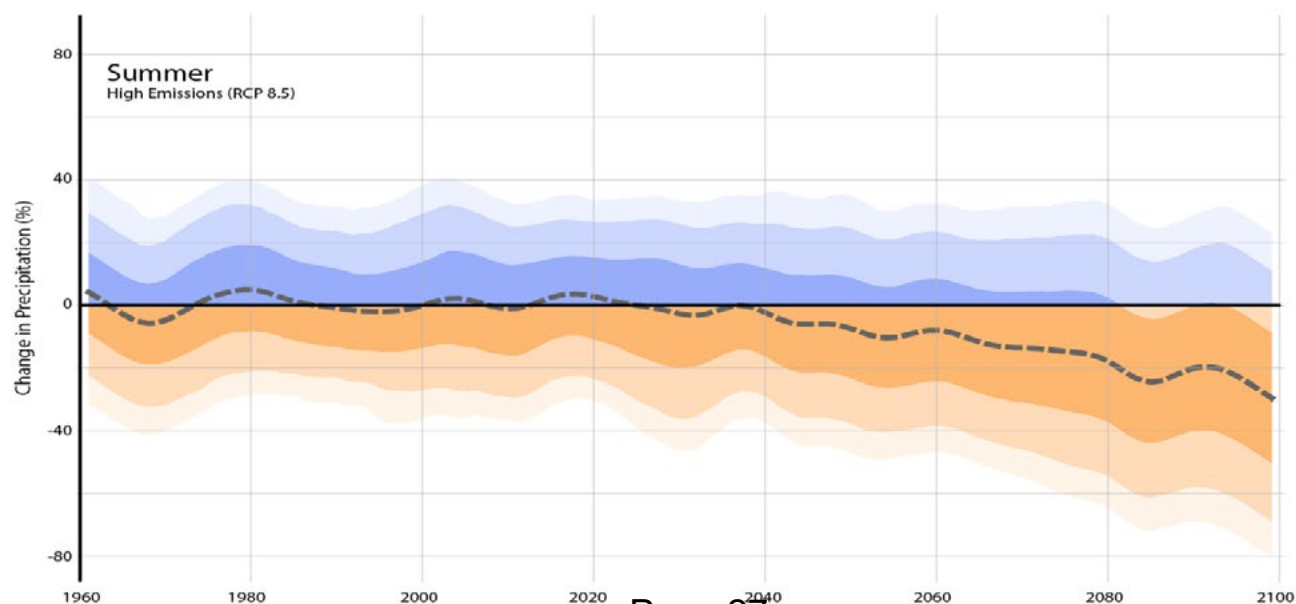
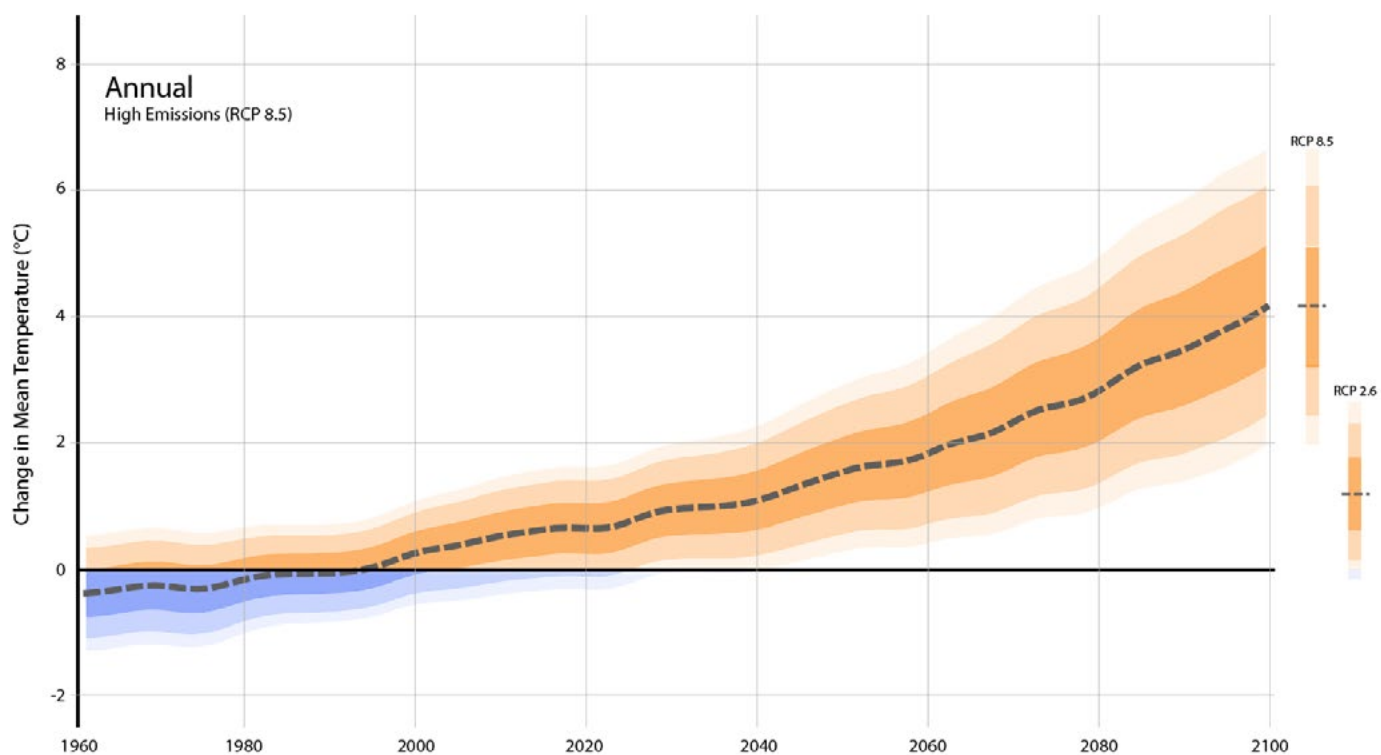
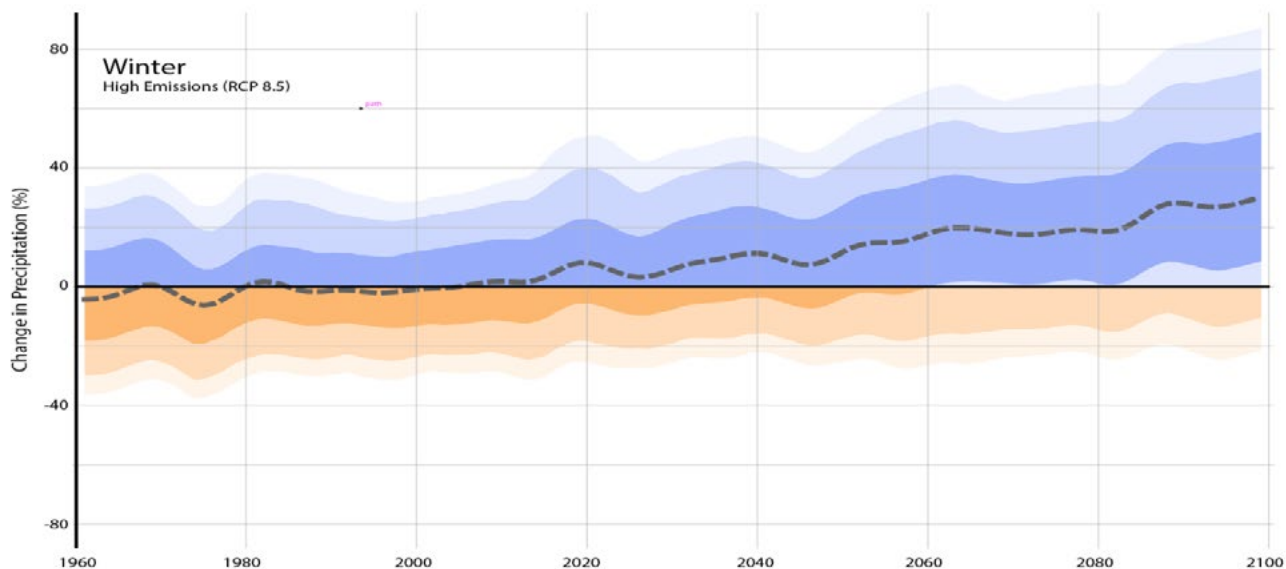


Table2 : Projected changes in temperature and rainfall in Scotland.



# CLIMATE CHANGE LEGISLATION

The Climate Change (Scotland) Act 2009 is the centrepiece of the climate change framework and supports the transition to a sustainable low-carbon economy. It requires that actions are taken in relation to both climate change mitigation and adaptation.

## CLIMATE CHANGE DUTIES

The Act place duties on the Public Sector and requires that a public body must, in exercising its functions, act:

- in the way best calculated to contribute to the delivery of the Act's (national) emissions targets
- in the way best calculated to deliver any statutory adaptation programme
- in a way that it considers the most sustainable

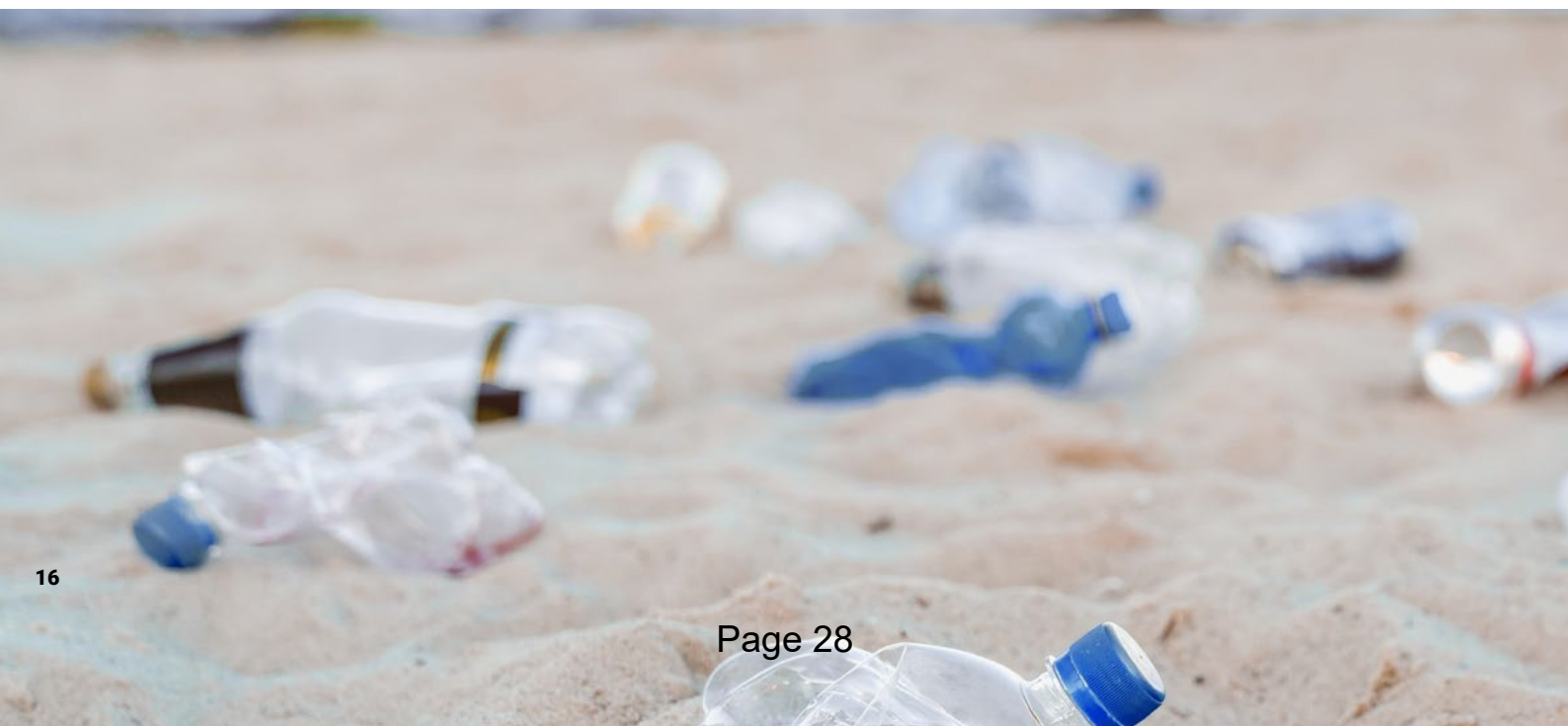
The council acknowledges the targets and duties of the Climate Change Act and aims to:

- Raise awareness of climate change locally
- Share and communicate good practice on carbon reduction measures and ways of adapting to climate change
- Show leadership, by working within the council's sphere of influence and control, to
  - Examine ways to reduce carbon emissions and their impact within Moray
  - Help Moray respond proactively to predicted climate changes

## LOCAL AUTHORITY SPECIFIC

The guidance to the Act recommends public bodies embed climate change action in all core corporate and business planning processes and report on their progress annually. The scope of the duties are summarised in the guidance as:

- All public bodies are required to comply with the climate change duties.
- Public bodies are encouraged to take a broad approach when complying with the duties and include all direct, indirect and influenced emissions.
- Climate change action should address (the three aspects of the duty) *"mitigation, adaptation and acting sustainably"* and be embedded across all departments via corporate planning.
- Public bodies should know the national targets and trajectory and think about how they can assist in meeting these objectives.





## CLIMATE CHANGE PLAN

The Plan is designed to set out the path to a low carbon economy while helping to deliver sustainable economic growth and secure the wider benefits to a greener, fairer and healthier Scotland in 2032.

The plan sets out the context for the Scottish Government's climate change proposals and policies. It shows the emissions reductions pathway to 2032 and identifies key roles that will be played by local authorities, the wider public sector (including the planning system), communities and individuals. It also addresses the impacts on the economy of both action and inaction.

Within the plan, the Scottish Government details their expectations with regard to Scotland's public bodies; specifically, to lead by example in combating climate change and make a valuable contribution towards achieving our emissions reduction targets. The public sector is viewed as critical to the successful delivery of the Climate Change Plan: influencing and enabling positive behaviours; driving change; and acting as an exemplar of climate action and low carbon innovation.

## CLIMATE CHANGE ADAPTATION PROGRAMME

In September 2019, the Scottish Government published the statutory Climate Change Adaptation Programme. Covering a five-year period, it is designed to address climate risks for the country, with actions centred around communities, climate justice, infrastructure and the environment.

## SCOTTISH ENERGY STRATEGY

The Strategy is designed to guide the decisions that the Scottish Government, working with partner organisations, needs to make over the coming decades. It will support work already planned or underway to achieve long-term climate change targets, and to address the impact of poor energy provision.

The strategy sets out the Scottish Government's vision for the future energy system in Scotland, to 2050. It articulates the priorities for an integrated system-wide approach that considers both the use and the supply of energy for heat, power and transport.

The Strategy sets two new targets for the Scottish energy system by 2030:

- The equivalent of 50% of the energy for Scotland's heat, transport and electricity consumption to be supplied from renewable sources.
- An increase by 30% in the productivity of energy use across the Scottish economy.

Further, as the legislation continues to evolve the council may be required to incorporate changes to existing plans and policies.

The Scottish Government recognises the importance of energy efficiency in achieving climate change and fuel poverty objectives and has accordingly designated it a National Infrastructure Priority. The cornerstone of this is the Scottish Energy Efficiency Plan (SEEP), which, when fully operational, is intended to significantly improve the energy efficiency of domestic and non-domestic buildings, as well as decarbonise the heat supply of buildings.



# TARGETS - INTERNATIONAL AND NATIONAL

International bodies and national governments have responded to the climate change emergency by setting increasingly ambitious targets. The following summarises the most significant targets arising from international, EU, UK and Scottish sources.

## INTERNATIONAL

The main targets are:

- **Paris Agreement 2015:** sets a target to keep the global temperature rise below 2°C above pre-industrial levels and to attempt limiting the overall increase to 1.5°C.
- **United Nations Sustainable Development Agenda 2030:** Goal 13: Climate Action – sets the requirement for nations to ‘Take urgent action to combat climate change and its impacts’ by 2030.

## UNITED KINGDOM

To deliver its international obligations and comply with EU legislation, the UK Government has set a target to be carbon neutral by 2050, with the introduction of the Climate Change Act 2008. This includes both carbon and other greenhouse gases.

## SCOTTISH

The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which amends the Climate Change (Scotland) Act 2009, set new targets to reduce Scotland’s emissions:

- Net-zero greenhouse gas emissions by 2045
- New interim targets, to reduce greenhouse gas emissions – 56% by 2020, 75% by 2030, and 90% by 2040

Scottish Government’s Programme for Scotland 2019-20 confirms the net zero targets for greenhouse gas emissions by 2045 and sets ambitious targets, which may be included in future legislation.

The targets for transport are:

- Phasing out new petrol and diesel cars by 2032.
- Creating the conditions to phase out the need for all new petrol and diesel vehicles in Scotland’s public sector fleet by 2030.
- Phasing out the need for all petrol and diesel cars from the public sector fleet by 2025.

The Programme’s targets for the energy sector are:

- Developing regulations so that all new homes from 2024 must use renewable or low carbon heat.
- Phase in renewable and low carbon heating systems for new non-domestic buildings consented from 2024.
- Reaching Energy Performance Certificate (EPC) Band C by 2040 for all Scottish homes.
- Under the new Fuel Poverty Act 2019, no more than 5% of Scottish households will be in fuel poverty, and no more than 1% will be in extreme fuel poverty by 2040.

# OUR EMISSIONS

## MORAY'S CARBON FOOTPRINT

Data published by the Department for Business, Energy & Industrial Strategy provides CO<sub>2</sub> emission estimates at local authority and regional level covering industry, commercial, domestic and road transport emissions. The figures from 2005 to 2017 (Table 1 below) indicate that emissions have generally decreased across Moray.

Table 1: Department for Business, Energy & Industrial Strategy – Local Authority CO<sub>2</sub> emissions estimates 2005-2017 (kt CO<sub>2</sub>).

Year	Industry and Commercial Total	Domestic Total	Transport Total	N.LULUCF Net Emissions	Grand Total	Population ('000s, mid-year estimate)	Per Capita Emissions (t)
2006	557	274	160	-271	721	90.8	7.9
2007	548	267	165	-262	718	91.4	7.9
2008	551	269	159	-288	691	92.8	7.4
2009	492	245	155	-296	596	93.2	6.4
2010	524	264	153	-281	660	93.7	7.0
2011	490	228	149	-278	589	93.5	6.3
2012	553	241	148	-206	736	92.9	7.9
2013	571	231	148	-251	700	94.4	7.4
2014	470	200	152	-264	558	94.8	5.9
2015	491	193	155	-269	571	95.5	6.0
2016	475	184	160	-271	549	96.1	5.7
2017	431	167	166	-275	488	95.8	5.1

Since 2015, emissions have decreased in 370 out of the 391 Local Authorities (95 per cent). The main drivers of the decrease in UK emissions has been a change in the fuel mix for electricity generation, with a decrease in the use of coal and more use of gas and renewables.

However, with respect to CO<sub>2</sub> emissions within the scope of influence of Local Authorities, as defined by the Department for Business, Energy & Industrial Strategy, per capita emissions of Moray are the highest of any Local Authority in Scotland. This is attributable in large part to Industry and Commercial emissions per capita, 7.7t CO<sub>2</sub> per person, compared to the Scottish average of 5.4t CO<sub>2</sub> per person, and more specifically – the consumption of gas. These high relative emissions are assignable to Moray's whisky distilling sector, food producers and two MOD military facilities.

It is also worth noting that Moray is the 4<sup>th</sup> largest local authority carbon sink, primarily through its extensive forestry coverage.

# MORAY COUNCIL'S CARBON FOOTPRINT

## EMISSION SCOPES

Emissions-releasing activities are classified into three groups known as scopes. These are defined in the GHG Protocol Corporate Standard and are described below.

**Scope 1 – Direct** – Emissions that occur directly from sites or assets owned or controlled by the organisation (e.g. gas boilers within buildings, fleet vehicles)

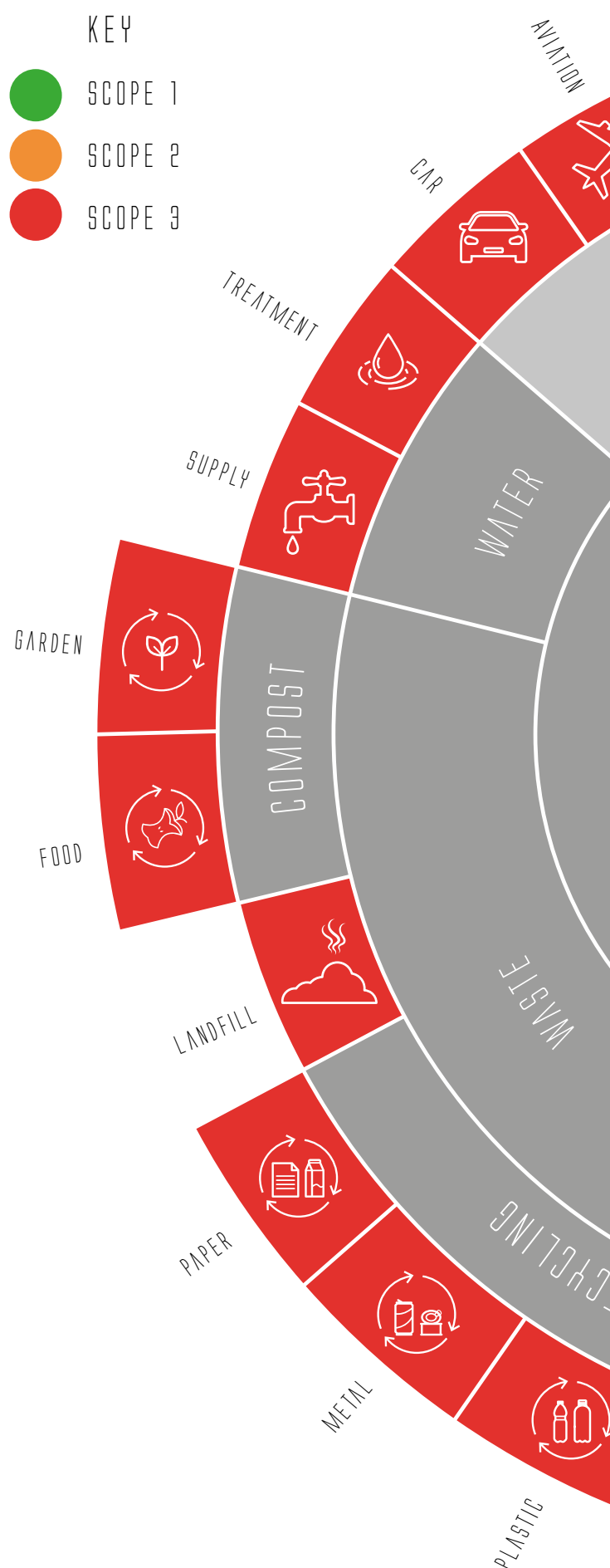
**Scope 2 – Indirect** – Emissions from purchased electricity, heat or steam.

**Scope 3 – Indirect other** – Emissions that occur due to the organisation's activities / products / services, but at assets not owned or controlled by us (e.g. travel in employee-owned vehicles or public transport, purchased goods and services)

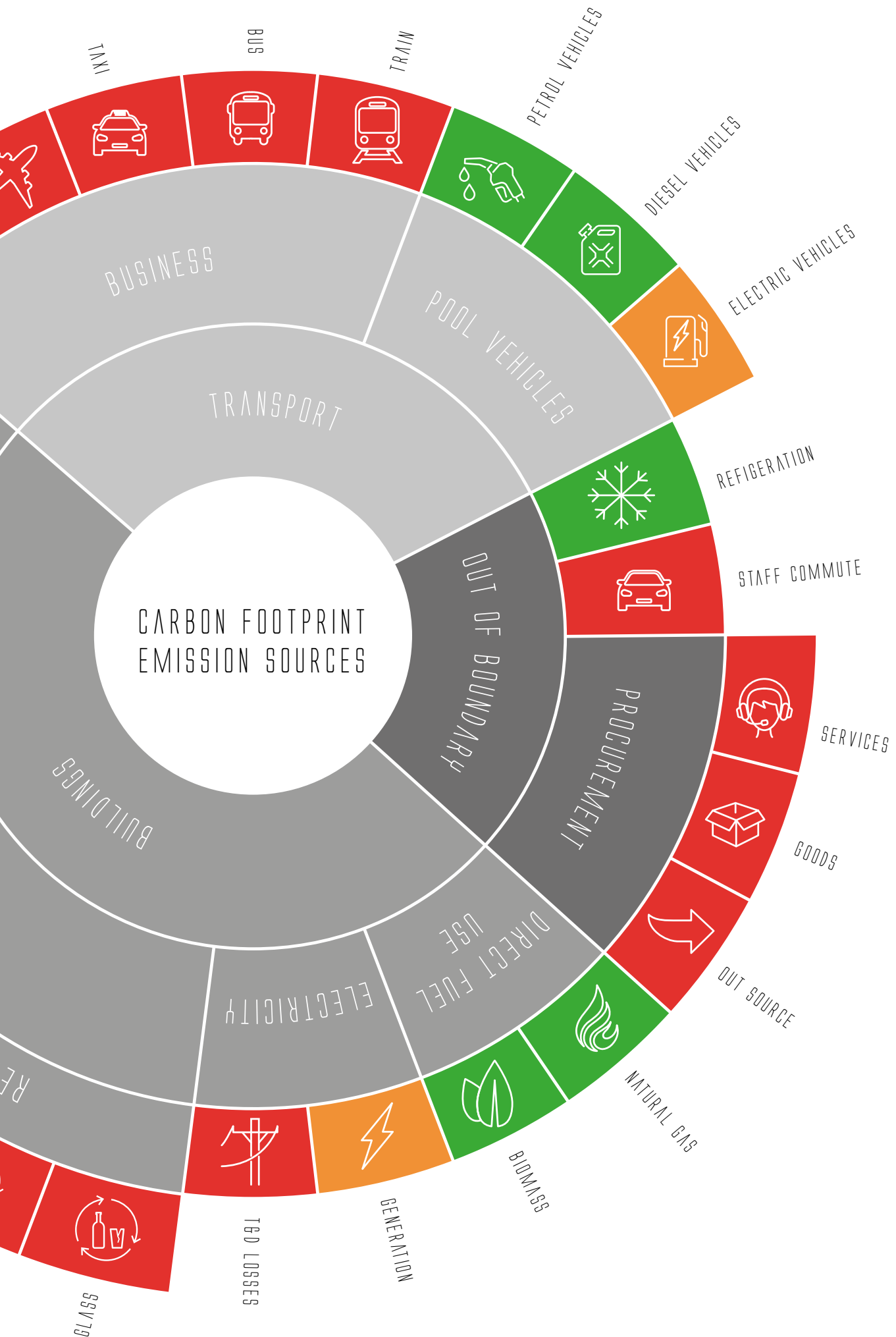
The following figure graphically depicts the key sources of carbon emissions from council activities and identifies their associated scope.

Scope 3 emissions are typically more complex and fragmented to account for, and additionally the required data often lies with other organisations. As a result, there is a higher degree of estimation for scope 3 categories. With respect to emissions associated with Procurement, it is the intention to incorporate these into the council's reporting footprint when availability and consistency of information permits.

Figure 3 – Moray Council Carbon Footprint







# Strategy Themes

This strategy provides the strategic direction that our climate change and environmental initiatives will be aligned to over the next 10 years. The strategy has been developed taking in to account the important role the council plays in protecting and improving the lives and livelihoods of its residents, communities and businesses.

The strategy is also intended as a foundation for considering how council policies, programmes, plans and strategies can contribute to the delivery of the council's main climate change themes, as set out below:

- Leadership, Governance & Policy
- Communication, Training & Awareness
- Energy, Buildings & Digital Connectivity
- Transport
- Waste
- Land Use, Biodiversity & Adaptation

## JUST TRANSITION

Common throughout all themes is the recognition that our work and activities are undertaken in such a way as to ensure the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk as the economy shifts and changes.

Actions to support these themes are contained within the accompanying Action Plan, which details measures to deliver on these aspirations. Prioritisation of actions will be based on factors and contexts including:

- inequality and poverty
- return on investment
- on-going service delivery
- organisational priorities

## LEADERSHIP, GOVERNANCE & POLICY

Through the strategy, the council will work to pursue equality of opportunity in ways that also promote environmental benefits, including reducing fuel poverty and stimulating green jobs and skill development. Global equalities will also be considered, recognising the impact that we have on the wider world, especially the poorest countries, and ensuring that those we depend on are given a fair deal in return for the goods and services they provide us with.

The council, together with partners who hold shared agendas (such as Highlands and Islands Enterprise), will look to continue to encourage the start-up and retention of successful local businesses through supportive policies, provision of infrastructure and sound purchasing decisions. As part of the common commitment to economic development, various services are provided to support new and existing local businesses. There is scope to further improve these services to better link them to environmental and social goals; to encourage socially responsible business models and adoption of circular economy principles across the business community and will lead by example by demonstrating efficiency in its day-to-day operations.

Approach:

**Integrate and mainstream climate change considerations into day-to-day council business.**

## COMMUNITY ENGAGEMENT, TRAINING & AWARENESS

The council will continue to promote health and wellbeing within the workforce and in the wider community and will do this in a way that is joined-up with environmental objectives including active travel and provision of high-quality greenspace that protects and enhances the environment.

Engaging with young people is recognised as vital. Many schools have developed eco-councils. Working with children and young people through eco-councils, managers from early years settings, and head teachers from schools, we will look to develop the idea of school climate change and environment strategies and link these to future skills provision, improving careers advice and guidance and building behavioural change.

Creating a sustainable future and quality of life for young people must involve the voices of, and engagement with young people. Current and future generations are inheriting a changing climate as a result of fossil fuel combustion worldwide and will experience even greater impacts of more extreme weather in their everyday lives, to that which we are experiencing today. The infrastructure developed now: housing, transport, energy and digital, will shape the way young people live their lives.

Education, from early years provision through to schools, colleges and universities, is working hard to equip young people with the knowledge and skills on climate change impacts and preparing them for their future responsibilities. Tomorrow's decision makers, engineers and technologists already exist and it will be important to bring their new ideas and ambitions into the infrastructure we are designing and decisions we are taking now. Planning the transition from today's workforce to the future workforce needs development, ensuring the skills and knowledge are in place to make a successful and happy succession.

Approach:

**Educate, train, inform and communicate with pupils, staff, people, businesses and organisations across Moray.**

# ENERGY, BUILDINGS & DIGITAL CONNECTIVITY

To mitigate climate change, carbon reduction will be pursued by applying the energy hierarchy, (see below) particularly in relation to the built environment. This will include identifying and implementing opportunities to reduce carbon emissions, increasing renewable energy generation, specifying appropriate low carbon design in future work and encouragement of similar measures in the wider community through partners such as the CPP and HIE.

The council will seek to use materials that minimise environmental harm, including consideration of embodied energy<sup>4</sup> and chemicals known to be harmful, particularly in the construction and refurbishment of buildings.

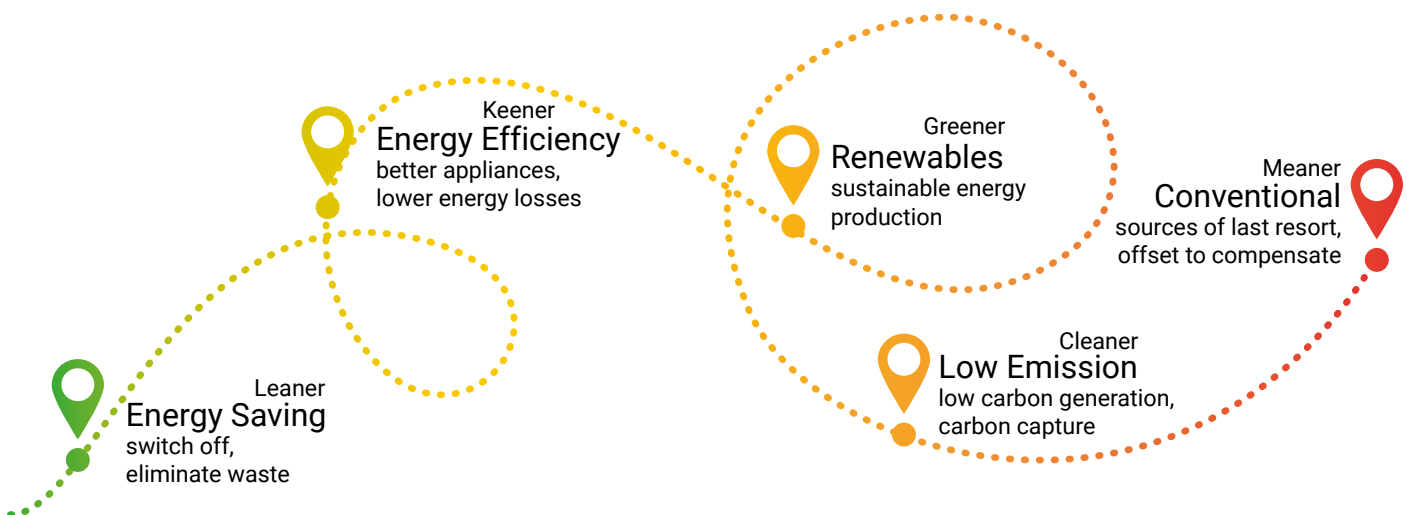
For capital investment decisions the consideration of whole life costing will be evaluated as the standard metric to encourage that low initial capital costs are not favoured at the expense of higher on-going carbon emission and running costs.

The council will seek to reduce the carbon footprint of its information and communications technology infrastructure through increased use of the virtual environment and associated ways of working. A council wide digital approach to communication and business interaction will be supported by enhanced flexible and mobile working opportunities which will continue to be developed and expanded in line with advancing technology.

Approach:

**Raise the standards of the built environment and associated infrastructure to net zero carbon.**

Figure 4 – The Energy (inc Water) Hierarchy with the most favoured options at the top



4 Embodied energy is the amount of energy consumed to extract, refine, process, transport and fabricate a material or product (including buildings). Similarly, embodied carbon is the amount of carbon emitted to produce a material.

# LAND USE, BIODIVERSITY AND ADAPTATION

From dramatic mountain scenery, to fertile agricultural land, to a world-famous and award-winning coastline, Moray has a rich and varied biodiversity. The council, in conjunction with its delivery of statutory duties, will protect and enhance the local natural environment to help to maximise the variety of native species and habitats.

Through the *Local Development Plan*, supported by supplementary guidance prepared on Sustainable Design and Construction, we will protect and enhance the environment and improve resilience of the natural and built environment to climate change. For example, a greater priority being placed upon the re-use of brownfield land over greenfield and town centre masterplanning to promote behavioural change. Work will be undertaken to better understand the likely impacts, on service providers and users and on the wider community, arising from changes in weather patterns, and action will be taken to reduce risk and increase resilience to the anticipated future effects of climate change.

A strategic level spatial framework considering opportunities for woodland expansion, onshore wind and food production will be incorporated into the Regional Spatial Strategy which will be included in the National Planning Framework (NPF4).

Land management practices which mitigate the impacts of drought and flooding would be encouraged, such as the restoration of natural wetland features, which act as barriers to wild fires and reduce the flow of flood water.

Approach:

**Protect and enhance the environment.  
Improve the resilience of the natural and  
built environment to climate change.**

# WASTE

Reduction of landfill and protection of the natural environment will also be recognised for their role in reducing carbon emissions. The Council will stimulate a reduction in the amount of materials being used and disposed of by supporting the 'zero waste Scotland' vision, which describes a Scotland where all waste is seen as a resource; Waste is minimised; valuable resources are not disposed of in landfills, and most waste is sorted, leaving only limited amounts to be treated.

Approach:

**Encourage the reduction of waste and increase recycling rates.**

# TRANSPORT

Transport is the fastest-growing contributor to greenhouse gas emissions. Moving away from carbon-intensive, private transport towards decarbonised, more efficient, more active forms of travel offers a wide variety of benefits environmentally, socially and economically. Shift of focus.

Approach:

**Transition to non-fossil fuel transport system. Promote, develop and encourage active travel.**









# Delivering the Strategy

## ACTION PLAN

The Action Plan contained in Appendix 1 details the significant changes and challenges required to achieve a net zero carbon council by 2030. It demonstrates the scope and extent of the direction the council needs to take to realise its stated targets and deliver upon the aspirations contained within this Strategy.

Due to the overarching nature of climate change and how it impacts on all aspects of the council's operation, co-operation and input has been sought across all services to discuss and agree key actions. The implementation of the Action Plan will require to be appropriately phased and integrated over the period of the strategy. Consideration to other council priorities and workstreams will be undertaken on an on-going basis to ensure that efficiencies, both financial and operational, are realised wherever possible.

It is acknowledged that there are many variables which have the potential to impact upon the delivery of the Action Plan, including external factors such as funding programme timescales, technology development, service delivery, amongst others. Whilst this makes it difficult to forecast accurately over the life of the strategy, the uncertainty strengthens the need to develop a detailed action plan to ensure that the Council is aware of potential scenarios and can take decisions with long-term consequences with an appreciation of issues which may lie ahead.



It is recognised that close collaboration, particularly with the Community Planning Partnership, is vital to the successful delivery of the strategy, and its associated benefits, throughout the wider community. It is also acknowledged that progression of some actions is reliant upon external funding and/or legislation, and engagement with external bodies will be actively pursued in support of the progression of these actions.

These actions will be developed further with detailed targets, costings, resource requirements, milestones and KPIs.

The Action Plan is intended to be a living evolving document which is able to account for Climate Change related legislative and societal changes expected over the coming years. As such it will be subject to annual reviews to ensure it remains fit for purpose and appropriate.

The overall target and individual target for each action are to provide the performance management framework for the strategy. Progress will be monitored 6-monthly through P&R committee.

# OWNERSHIP AND GOVERNANCE OF THE STRATEGY

The Policy and Resources Committee will have overall ownership of the strategy and will act as the lead committee for co-ordination, monitoring and management. The arrangements will include responsibility for identifying and ensuring delivery of the council's climate change outcomes, and assessing, informing and influencing progress on actions and targets.

The Chief Executive will be the corporate champion and have responsibility to promote the *Climate Change Strategy* at Corporate and Community Planning level.

The Depute Chief Executive (Economic Development, Planning and Infrastructure) will be the lead officer for co-ordination and management of the Strategy internally within the Council supported by the Head of Housing and Property Services.

Due to the wide scope of climate change and climate change related activities, Heads of Service will have responsibility and accountability for climate change actions and targets within their service area, although they may delegate their responsibility to third tier managers to ensure that day to day management responsibilities are clear and that delegated decision making is undertaken at the appropriate level.



# CORPORATE INTEGRATION

The Strategy will support the delivery of the (LOIP) and Moray Council's Corporate Plan 2024, which established the following vision:

**"A life of opportunity for all. Where people can thrive in vibrant communities and we work together to enrich our future."**

The strategy is aligned to deliver the priorities:

- Ensuring a just transition for all in the shift to a low carbon economy
- Addressing inequalities of fuel poverty
- Empowering individuals and communities through education and information provision to make informed choices with respect to climate change
- Protecting and enhancing the world we live in to protect it for the future
- Being innovative in identifying solutions for cost reduction and income generation opportunities

The *Climate Change Strategy* does not seek to replicate work already being undertaken, but rather draw together and focus attention on the key areas where the council needs to do more, to achieve an enhanced cross-service response and to maximise best value.

It is recognised that successful delivery will also depend on integration with other council and partner strategies, management and action plans. The key linkages within the council are:

- Corporate Plan
- LOIP – Poverty Priority
- Property Asset Management Strategy
- Local Development Plan and associated Supplementary Guidance
- Local Flood Risk Management Plans
- Moray Economic Strategy
- Open Space Strategy
- Procurement Strategy
- Local Housing Strategy
- Moray Food Growing Strategy
- Moray Woodlands Strategy
- Draft School Estate Strategy
- Service Plans
- Active Travel Strategy
- Vehicle Asset Management Plan

Each key service area will have a lead officer with the following areas of responsibility:

- Setting, monitoring and reviewing the actions and interim targets for mitigation of, and adaptation to, climate change.
- Disseminating Climate Change activities and initiatives to service areas including through management and team meetings.
- Ensuring that climate change and sustainability understanding, and action, is embedded in all core corporate and business planning processes across the council.
- Promoting the implementation of climate change actions and projects and removing obstacles to successful implementation.
- Reviewing and championing plans for the financial provision of climate change projects.
- Promoting a culture of low carbon and sustainable behaviour within the council as a whole and amongst staff at all levels.
- Supporting the council's budget strategy through reducing the cost and impact of the council's use of resources, including water, energy, and transport fuel.

All members, managers and staff will be responsible for implementing the strategy through relevant actions within the Action Plan and ensuring that Council policies, decisions, projects and procurement are delivered in line with the priorities in the Strategy.

For elements of the strategy and action plan which relate to activity outwith the direct control of the council, these will be undertaken in conjunction with partners such as the Community Planning Partnership and Highlands & Islands Enterprise.

# PERFORMANCE AND REVIEW

Outcome measures have been identified for all actions which are proposed to be the primary method for monitoring progress on climate change objectives and targets. These indicators will be reviewed annually to ensure they are fit for purpose to monitor progress on actions for the life span of the strategy. Progress will be reported to and monitored by the Policy and Resources Committee.

Possible key CCS KPIs:

- Progression to Net Zero Carbon Emissions for Council Activities
- Moray wide Carbon emissions
- Biodiversity/Ecology Performance?

Statutory reporting under the Climate Change (Scotland) Act 2009 on Public Bodies Climate Change Duties commenced in 2015/16. Annual progress reports require to be submitted by the following November of each financial year.

New developments and solutions in monitoring and reporting carbon emissions will also be explored, including modelling forecast tools, to permit monitoring of actions for progress and evaluate the quantifiable reductions in carbon emissions where possible.

# NATIONAL PERFORMANCE FRAMEWORK

The National Performance Framework provides a vision for Scotland with measures of national wellbeing covering a range of economic, health, social and environmental indicators and targets. Of the eleven national outcomes, the *Climate Change Strategy* is expected to contribute positively to five of the outcomes.

National Outcome	Detail	Link to <i>Climate Change Strategy</i>
Children and Young People	We grow up loved, safe and respected so that we realise our full potential	
Communities	We live in communities that are inclusive, empowered, resilient and safe.	Yes
Culture	We are creative and our vibrant and diverse cultures are expressed and enjoyed widely.	
Economy	We have a globally competitive, entrepreneurial, inclusive and sustainable economy.	
Education	We are well educated, skilled and able to contribute to society.	Yes
Environment	We value, enjoy, protect and enhance our environment.	Yes
Fair Work and Business	We have thriving and innovative businesses, with quality jobs and fair work for everyone.	
International	We are open, connected and make a positive contribution internationally.	
Health	We are healthy and active.	Yes
Human Rights	We respect, protect and fulfil human rights and live free from discrimination.	
Poverty	We tackle poverty by sharing opportunities, wealth and power more equally.	Yes

# STRATEGY BENEFITS

Beyond the direct reduction in carbon emissions, it is recognised that delivering the outcomes of the Moray's *Climate Change Strategy* can also bring a range of benefits for the council, partners and the wider community.

## WIDER BENEFITS

### For the council and partners

- Financial and non-financial savings (RES estimate savings of £2.9 billion in Scotland alone from making more efficient use of our resources)
- Supports informed decision and policymaking
- Compliance with legal requirements
- More efficient working, making best use of resources
- Recycling and preparing waste for re-use reduces costs for the council, generates an income and stimulates business
- External funding opportunities for climate change related projects
- Large scale projects have potential to reduce costs significantly (e.g. district heating in council buildings)
- Income generated from renewables such as solar PV and cost savings from reduced grid electricity consumption

### For householders

- Financial savings (reduced energy bills and more affordable heating)
- Supports healthier lifestyles
- Helping to reduce risk to well-being and home security – reduces fuel poverty

### For businesses

- Financial savings (reduced energy bills)
- Increased efficiency /productivity
- Economic opportunities in sectors such as low carbon technology, renewables and the rural economy, tourism and recreation
- New market opportunities and increased sales (e.g. waste by-products – linked to the circular economy)
- Competitive advantage and reduced risk

### For council taxpayers

- Improved value for money
- Reliable council services which are resilient to changes in climate
- Infrastructure improvements (e.g. sustainable transport options to reduce congestion and improve access to jobs and services)

### For the local environment

- Healthier ecosystems and cleaner air
- Species and habitats resilient to the changing climate
- Promotes the redevelopment of brownfield land providing opportunities in close proximity to goods and services
- Encourages the sustainable design of new buildings

### For future generations

- A stable and secure future less exposed to risk





Net Zoo







Action Number	INDICATIVE ACTIONS	Planned Outcome	Outcome Measures	Completion Target	Lead Service /Section	Delivery Indicator
1	Develop detailed targets, costings, milestones, reporting and KPIs for all actions. Assess and define baseline position with respect to carbon emissions	Fully developed Climate Change Strategy action plan with high level indicative costs for each action <b>Item 4</b>	Definition of route-map to net zero carbon emissions by 2030	Mar-21	All Services	1
2	Work with our partners, including the Scottish Government, to source and focus specific funding, measures and resources to support the Climate Change Strategy at local level.	Increased external funding for Climate Change projects and initiatives	No of projects that benefit from funding Value of funding leveraged	On-going to 2030	All Services	**
3	Work with all Council Service Areas and key partners including the Scottish Government to improve the integrity of our emissions data and reporting mechanisms.	Comprehensive, accurate data and reporting system in place	Corporate emissions publicly reported	On-going to 2030	All Services	**
4	Embed the targets, aims and aspirations of the Climate Change Strategy within Moray Council's Corporate Plan	Incorporation of Climate Change priorities and actions within relevant plans	Priorities and actions incorporated	Jun-21	All Services	2
5	Ensure the Climate Change Strategy and associated Action Plan are living documents and remain fresh and valid until 2030.	CCS reviewed after 12 months, and subsequently every 3 years. Action Plan reviewed Annually	Reviews undertaken in line with defined schedule	On-going to 2030	All Services	2
6	Include a Climate Change and Biodiversity assessment as part of all committee papers	Relevant council decisions are made with reference to Carbon and Biodiversity implications	Carbon & Biodiversity assessment in place	Oct-20 to 2030	All Services	1
7	Establish effective governance for Climate Change priorities in partnership with the CPP, including public, private and community organisations, and implement a system for monitoring and reporting progress. Seek to embed CCS priorities within the Local Outcome Improvement Plan	CPP supportive of CCS with appropriate leadership in place and engagement with a wide range of stakeholders. Monitoring and reporting system in place	Improved results in area-wide emissions as calculated by BEIS  CCS included within LOIP as a priority	Apr-22	All Services Community Partners	2
8	Develop a Communications Strategy for the Climate Change Strategy to consult, raise awareness, communicate and engage with staff, people, businesses and organisations across Moray	Effective Communications Strategy in place. Reduced Carbon emissions in Moray	No of households and businesses who engage with Communication Strategy.	On-going to 2030	Community Support Unit ICT All Services	2
9	Support and help to promote national campaigns, including the Scottish Government's 'Greener Scotland' campaign, to consider the carbon footprint of our everyday lifestyle and behaviour choices.	Increased awareness and engagement of Climate Change issues	Improved results in Moray-wide emissions as calculated by BEIS	On-going to 2030	Corporate Comms All Services	**
10	Make school meals more sustainable with a reduced carbon impact. Develop and promote more vegetarian options, e.g. 'meat free' days and vegan options	Increase in the use of locally sourced food and produce. Increase in the provision of vegetarian and vegan options available	Percentage of food and produce sourced locally Percentage of meal options offered that are vegetarian or vegan	Ongoing	Direct Services/Catering	1
11	Early learning and childcare settings and schools will be supported to engage with pupils, parents/carers and their local community on the climate emergency and the actions which can be taken to tackle it, ensuring that all early learning and childcare settings and schools are aware of and engage with the Climate Change strategy.	Increased awareness of Climate issues	No of training/CPD sessions delivered to staff	On-going	Education	1
12	Increase opportunities for Learning for Sustainability within the curriculum for children and young people. Managers of early learning and childcare settings and head teachers of schools will ensure that children and young people have their entitlement to learning for sustainability education, delivered through curriculum for excellence's four contexts of learning.	All early years settings and schools have Learning for Sustainability (LfS) within their curriculum	No of early years settings/ schools with Learning for Sustainability (LfS) in their curriculum	Rolling programme to 2025	Education	2
13	Moray Council will work closely with schools, local colleges and universities to build the skills and capacity for a greener economy, including a focus on new low carbon technologies and the circular economy, ensuring the provision of green apprenticeships and other opportunities.	Increased provision of relevant skills and knowledge	No of college, university courses with a green economy focus, development of awareness, knowledge and skills within our schools	Ongoing to 2030	Education	1
14	Improve sustainability and recycling in schools including reduction / elimination of single use plastic packaging, a greater selection of recyclable materials across school catering services, improved recycling & food composting facilities in schools	Increase in recycling and composting rates, decrease in use of single use plastics	Percentage of waste recycled in schools, percentage of food waste composted, reduction in use of single use plastics	On-going	Education Environmental & Commercial Services	1
15	Active Travel to School campaign and promotion, including parking management around schools, and supporting modal shift from vehicles to active travel wherever feasible	Increase in Active Travel to school activity	No of pupils using active travel	On-going	Education Environmental & Commercial Services	1
16	Continue to purchase vehicles with anti idling technology and provide managers with idling reports from the vehicle monitoring system	Reduction in fuel consumption and carbon output	Fossil fuel reduction of 20% by 2022, with additional 10% annually 2030.	2020 through to 2030	Environmental & Commercial Services - Fleet Legal Education	**

Action Number	INDICATIVE ACTIONS	Planned Outcome	Outcome Measures	Completion Target	Lead Service /Section	Delivery Indicator
17	Support our Legal Section with the promotion of ULEV Taxis	Provision of technical support	Fully ULEV taxi fleet in Moray	2030	Environmental & Commercial Services - Fleet Legal	**
18	Promotion of travel behaviour change through targeted programmes, including Active Travel infrastructure measures from the Active Travel Strategy and website information provision	Increased numbers of people travelling by foot, cycle, public transport and car sharing and/or reducing the numbers of journeys made by private fossil fuelled vehicles. Information available for residents, employers and visitors to Moray to assist in making low carbon travel choices	Mode of transport survey information. Quantity of new active travel infrastructure provided Number of website 'hits'	On-going	Environmental & Commercial Services - Transportation	2
19	Develop Strategy and Guidance for provision of Public Electric Vehicle Charging facilities in Moray and implement as funding becomes available.	Access is available to public EV charging facilities in all settlements across Moray	Number and Type of public EV chargers.	EV Charging Strategy 2021, provision of EV chargers on-going	Environmental & Commercial Services - Transportation	1 & **
20	Complete Switched on Towns and Cities feasibility study for Elgin and implement outcomes.	Provision of Evidence to assist with applications for grant funding for EV charging infrastructure.	Increased amount of funding received.	To be completed 2020.	Environmental & Commercial Services - Transportation	1
21	Aim to displace fossil fuelled vehicles and plant with ULEV options	Aim to have 70% of our vehicle and plant fleet converted	Fossil fuel consumption reduced by 60% by 2030. 70% of fleet transferred to ULEV by 2030.	2030 but as highlighted, variations in timescales could have significant cost advantages	Environmental & Commercial Services - Transportation	3
22	Develop and promote Travel Plans for Moray Council, Major Employers and Schools	Increased numbers of people travelling by foot, cycle, public transport and car sharing for their journey to work	Staff Surveys on Travel Behaviour. Moray Council Travel Plan developed Number of schools with Travel Plans implemented. Number of businesses with Travel Plans implemented.	Moray Council Travel Plan completed 2020/21. School Travel Plans completed by 2025 Business Travel Plans promotion will be on-going	Environmental & Commercial Services - Transportation Education	1 & **
23	Ensure new developments make provisions for Electric Vehicle Charging facilities, including communal charging facilities where no on-plot parking is available	There are no barriers to the ownership/use of electric vehicles by residents of new developments	Numbers of Electric Vehicles owned by residents.	On-going	Environmental & Commercial Services - Transportation Development Services	**
24	Ensure all new developments make provisions for Cycle Parking, including secure cycle parking for flats and properties with no gardens.	There are no barriers to the ownership/use of cycles	Increased levels of cycle ownership and use.	On-going	Environmental & Commercial Services - Transportation Development Services	**
25	Continue to encourage a reduction of waste arising's (top of waste hierarchy) and thereafter increase recycling rates.	Reduction of waste landfilled through diversion to recycling and energy recovery	95% diversion from landfill by 2023	Aug-22	Environmental & Commercial Services - Waste	2
26	Investigate the implications of introducing carbon budgets	Carbon emissions by Services are managed and monitored from a financial model of scrutiny? Reduction of emissions would be phased in line with CCS targets	Carbon budgets allocated to Services	Mar-22	Finance	1
27	Apply zero and low carbon objectives as a factor in all investment decisions in relation to budgets and the Capital Plan	Carbon impact is a key component of all investment decisions and has been considered as a factor within the Capital Plan. Whole Life Costing applied as part of design development process and project appraisals	No of investment decisions incorporating carbon factors. No and type of resultant mitigating actions % of projects evaluated using WLC	On-going to 2030	Finance/ All Services	1
28	Review of standard (weighted) sustainability tender question To create a wide suite of non-cash benefits categorisation to include the detail sustainable topics.	All relevant tenders include the standard question, resultant contract impact statements to include the non-cash benefit categorisation	To allow consideration during tender evaluation of the contractors approach to sustainability. To record the outcome as a procurement non cash benefit. To have the ability to report on the sustainable outcomes (as a categorisation)	Mar-21	Finance/Procurement Team	1
29	Review and develop further the sustainable procurement section of the Annual Procurement Strategy	To ensure that goods and services are procured responsibly, with due consideration to ethical, carbon and sustainable factors, including through the supply chain and sub-contractors	Policy approved and adopted	Mar-22	Finance/Procurement Team	1

Action Number	INDICATIVE ACTIONS	Planned Outcome	Outcome Measures	Completion Target	Lead Service /Section	Delivery Indicator
30	To further develop Sustainable Procurement guidance (and training module) and embed within the Council's tender process to reflect priorities and actions of the Climate Change Strategy	To support and inform departmental lead officers through the new process. Improvement of sustainability aspects and responses within tender process	Greater awareness of the various sustainable issues Increase in the number of sustainable measures noted and incorporated in tender submissions	Mar-21	Finance/Procurement Team	1
31	Carry out Sustainability Prioritisation exercise during current round of Dept Proc Action Plan process, undertake analysis and subsequently roll-out to departmental officers to complete.	Provision of appropriate sustainability priorities to services/teams for on-going integration into procurement activity	Increase in Services specifying carbon and sustainability criteria in specifications and tenders	Mar-21	Finance/Procurement Team	1 & **
32	Develop carbon assessment tool and report on performance in relation to the procurement of goods and services	Services able to efficiently monitor and report carbon impact associated with procurement of goods and services	% of appropriate procured goods and services assessed for carbon impact	Apr 2025 and on-going	Finance/Procurement Team	3
33	Introduce consideration of carbon implications in staff related policies and training	Mainstream consideration of carbon implications in all future activity	Review of relevant policies and training requirements	Jun-21	HR, ICT & OD	1
34	Undertake promotional staff campaign. Provide Climate Change awareness training as part of staff induction process. Develop e-learning module on reducing your carbon footprint, for all Council employees; explore options to make this available to community / third sector organisations, via the wider e-learning platform.	Improved employee awareness and understanding	Number and range of communication and engagement activities Staff awareness levels through pulse surveys	Mar-21	HR, ICT & OD	1
35	Establish network of staff climate change champions	Ongoing promotion of climate change and energy efficiency to encourage colleagues to adopt improved habits at work and home	E-module developed and included in corporate e-induction	Mar-21	HR, ICT & OD	1
36	Increase use of virtual environment to reduce server network and consequent electricity consumption By default operate PCs and related equipment in the most energy efficient mode, e.g. auto switch off	Rationalised server provision All PCs operated under optimum energy efficiency settings	Reduced number and/or use of servers Increased use of virtual environment Reduced electrical consumption	Incorporate into ICT Digital Strategy - draft by 2023	HR, ICT & OD	2
37	Investigate and promote on-line working Increase Flexible / Mobile working opportunities beyond current staff. Provide a council-wide digital collaboration tool to allow quick and easy contact between colleagues, which does not rely on attending meetings, e.g. Skype	Office space reduced Flexible working the 'norm'	Reduction in office space. Reduction in officer travel time and costs. Increase in flexible working arrangements Increased use of digital technology for meetings, communication and collaboration	Approach under review as part of Improvement & Modernisation Programme	HR, ICT & OD	2
38	Participate in the Scottish Government's Local Heat and Energy Efficiency Strategy (LHEES) pilot and prepare for the introduction of a statutory framework for LHEES in Moray	Delivery of output report Development and deployment of Statutory framework	Accepted recommendations incorporated into on-going considerations. Moray Council meets Statutory obligations	Report by March 21 and on-going action	Housing & Property Economic Growth & Development	1
39	Development of shared co-location facilities for all community areas (e.g. business, volunteers, leisure)	Move to more energy efficient buildings, and more efficient use of technology and workspace	Reduction in single use accommodation Increase number of co-located partnership arrangements	Ongoing	Housing & Property	3
40	Engage with local communities to facilitate information provision and discussion for local renewable energy schemes / Community Energy Schemes with local benefits, following on from LHEES pilot	Increase in provision of advice and engagement with community	Increase in number of renewable and community energy schemes	On-going to 2030	Housing & Property Economic Growth & Development	3
41	Aim to convert all fossil-fuel based building heating systems to low or zero carbon alternatives	All Council buildings are net zero carbon	Building SAP Ratings; % of carbon neutral council buildings	15% conversion annually from 2021/22 for 8 years	Housing & Property Services	3
42	Increase building user awareness of ways of reducing energy use and saving utility costs. This includes tenants and Council staff	Energy is used efficiently in Council buildings	Reduced utility energy consumptions by 10%, and maintain improved levels	Mar 2021 and ongoing performance retention	Housing & Property Services	1
43	Aim to achieve zero carbon standards in all new buildings, including housing and schools	All new buildings meet net zero carbon standards	% of new buildings that are net zero carbon standard	Ongoing and applicable to all new buildings constructed	Housing & Property Services	**
44	Council to develop and adopt design standard for sustainable construction and maintenance.	New buildings incorporate standards	% of sustainable material used	Standard in place by Mar 2021 and applied forthwith.	Housing & Property Services	1
45	Achieve Energy Efficiency Standard for Social Housing (EESH) for all Council houses.	All Council houses are carbon neutral	% of Council houses carbon neutral	EESH1 Dec 2020 EESH2 2030	Housing & Property Services	1 & **
46	Improve the energy efficiency of private sector housing in Moray by delivering the Home Energy Efficiency Programme for Scotland (HEEPS)	Reduce carbon emission from private sector housing	SHCS - % of private sector dwellings with SAP B or C.	Ongoing to 2030	Housing & Property Services	**
47	Investigate, develop and install renewable energy generation projects on Council buildings and land.	Increased renewable energy generation	Capacity (kW) of energy generation installed	Ongoing until 2030; Council assets to be reviewed by March 2021	Housing & Property Services	3



Action Number	INDICATIVE ACTIONS	Planned Outcome	Outcome Measures	Completion Target	Lead Service /Section	Delivery Indicator
48	Develop integrated land use spatial framework for Moray identifying opportunities for food production, renewable energy and woodland planting (currently these are done individually)	Increase renewable energy generation, increase area of woodland cover and safeguard prime agricultural land	Current woodland cover v potential and current RE generation and current area of prime agricultural and number of community food growing areas	Draft by June 2021	Strategic Planning and Development	1
49	Promote sustainable urban drainage systems incorporating blue and green networks in all new developments	Increase biodiversity of new development and promote natural flood management	Number of developments compliant with policy on this issue	Ongoing, LDP policy	Strategic Planning and Development	1
50	Safeguard existing woodlands and promote additional planting in all new developments	Increase in woodland cover in Moray	Area of woodland "lost" to development.	Ongoing, LDP policy	Strategic Planning and Development	1
51	Promote use of brownfield sites over greenfield	Reduction in number of vacant properties and vacant/ derelict sites	Reduction in number of vacant properties and vacant/ derelict sites	Ongoing, LDP policy, Moray Growth Deal Housing Mix project and SHIP	Strategic Planning and Development	3
52	Prepare programme of carbon free / carbon reduction Town Centre Masterplans	Reduce carbon impacts in town centres	Increase in active travel	Draft Elgin TC MP to P&RS Committee April 2020. Programme thereafter to be developed.	Strategic Planning and Development	3
53	Work collaboratively with developers on programme of carbon reduction/ carbon free Masterplans	Sustainable development that mitigates climate impacts	Number of masterplans accounting for carbon	Programme to be developed.	Strategic Planning and Development	**
54	Safeguard and enhance biodiversity resources, promote planting for pollination. Additional guidance for developers, including multi benefit greenspaces- where drainage, biodiversity, play facilities etc are all incorporated.	Enhance biodiversity in new developments and protect and enhance existing greenspaces and create new multibenefit spaces	Hectares of new greenspace created. Number of proposals scoring green for biodiversity in Quality Auditing.	Ongoing. Draft guidance to developers - November 2020.	Strategic Planning and Development	1
55	Include policy on coastal change in Local Development Plan	Reduce risk for coastal future developments	Number of applications complying with policy	New LDP2020 adopted in July 2020 - Action Complete	Strategic Planning and Development	1
56	Prepare additional guidance on sustainable design and construction and seek to have policy incorporated into NPF4 and Building Standards and introduce a Planning Condition for developers to report on their actions taken to reduce the carbon emissions from the build and from the completed development.	Reduce the carbon impact of development	Legislation and Policy reflect the need for improved	Draft guidance to Committee - November 2020.	Strategic Planning and Development	1
57	Review land use designations to consider climate change implications and encouraging lifestyle changes.	Reduced carbon impacts from daily living	Land use changes to reflect town and transport masterplans and strategies for low carbon	Ongoing and integrate into Masterplans and next LDP as required.	Strategic Planning and Development	3

**Delivery Indicator Codings**

Implemented within 2 years	1
Implemented within 2-5 years	2
Over 5 years	3
On-going	**

Achievable within existing resources, or realistic prospect of additional resources (such as ongoing)	
Additional resourcing required, potentially self funded subject to approval	
Additional external resourcing and/or facilitation required	

**Lead Service/Section Indicator Codings**

All Services	
Community Support/Corporate	
Direct Services/Catering	
Education	
Environmental & Commercial Services - Transport	
Environmental & Commercial Services - Waste	
Finance	
HR, ICT & OD	
Housing & Property	
Economic Growth & Development	
Strategic Planning and Development	



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**REPORT TO: MORAY COUNCIL ON 2 SEPTEMBER 2020**

**SUBJECT: RURAL TOURISM INFRASTRUCTURE FUND & COASTAL COMMUNITIES FUND PROPOSAL**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the Rural Tourism Infrastructure Fund and of Scottish Ministers' arrangements for Scottish Crown Estate net revenue allocations for 2020-2021 to coastal local authorities for funding coastal community benefit.
- 1.2 This report is submitted to Council in terms of Section III A (2) of the Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

**2.1 Council is asked to:**

- (i) consider the Moray Coast to Country proposal and agree for the submission of an Expression of Interest on behalf of the partnership to the Rural Tourism Infrastructure Fund
- (ii) subject to the project being accepted to proceed to the next stage, instructs officers to prepare a stage 2 application for consideration at meeting of Economic Growth, Housing and Environmental Sustainability on 6 October 2020
- (iii) note Scottish Crown Estate net revenue allocations for 2020-2021 as Moray's Coastal Community Fund
- (iv) approve the reallocation of this year's Coastal Community Fund of £138,192 from the participatory budgeting framework to provide match funding for the coastal area of this proposal

### 3. **BACKGROUND**

- 3.1 The Scottish Governments Rural Tourism Infrastructure Fund can provide for Local Authorities or National Park Authority in Scotland grants from £75,000 to a maximum of £375,000 at an intervention rate of up to 70% for capital expenditure only.
- 3.2 The Rural Tourism Infrastructure Fund (RTIF) will continue to support collaborative projects that focus on improving the visitor experience in rural parts of Scotland that have faced pressure on their infrastructure or negative impacts on communities due to significant increases in visitor numbers. It will also look forward to address anticipated future pinch points as a result of growth initiatives such as route development, major events, the anticipated resurgence in the Cruise market, film and TV production as well as the continued growth in the motorhome sector within the context of the changes in behaviour of visitors, communities and any legal requirements resulting from the COVID-19 crisis. It is only for 'accessible and remote rural areas', excluding settlements above 3000 people.
- 3.3 Grants are available for:
- New or upgraded Car Parking including new disabled parking and dedicated motorhome and coach parking
  - Paths of not more than 500m to and from car parks and scenic areas to ease access and address pressure points. These should be of a suitable width to enable distancing as required
  - Scenic roadside viewpoints
  - Overnight Motorhome Bays with or without electrical hook up points adequately spaced to meet regulations on distancing
  - New or upgrades to existing Toilets where this creates additional provision and promotes Equality of access, particularly where these meet the new requirements for health and hygiene in the wake of COVID-19
  - Chemical waste disposal facilities, water supplies and black and grey waste disposal facilities for campers and motorhomes
  - Recycling Points
  - Directional road signage, waymarks and improved external interpretation
- 3.4 The Coast to Country proposal is a Moray-wide partnership between Council, Visit Moray Speyside Tourism BID, HIE & the Findhorn Village Conservation Company to provide much needed waste disposal units for an increase in Camper vans & additional infrastructure such as toilets, parking & signage in the eligible rural areas of Moray.
- 3.5 The details so far include the following:

<b>Location</b>	<b>Proposed works</b>
Cullen	Chemical Toilet Waste disposal
Portknockie - Bow Fiddle Rock Harbour	Interpretation, Signage, upgrade path, Car Parking/Layby Chemical Toilet Waste disposal
Portgordon	Chemical Toilet Waste disposal

Hopeman	Extended car parking adjacent to park/beach
Findhorn	Chemical Toilet Waste disposal, Toilet, barriers, Camper van parking marking and numbering motorhome parking bays, improving surface drainage (drain, plastic grating and chips at certain points), repair of pot holes in 'road', signage, repairing fences, picnic tables, area for recycling bins, reaction solar lighting, three fire extinguishers, repair boardwalks and steps to beach, improve access roads and cycle tie-up point
Craigellachie - Fiddich Park	Electric charging points, cycle racks, replace dilapidated set of wooden steps, carpark upgrading & extending poss. for Camper van parking
Ballindalloch	Waste disposal –poss. 2 Cubicle Toilets
Ben Rinnes	Extend car park and provide cycle parking
Other areas	Other eligible areas are being considered for Chemical Toilet Waste disposal and electric hook ups

- 3.6 This proposal directly links into Moray wide strategic coordinated proposal being developed by Visit Moray Speyside Tourism BID with support from HIE to enable community groups, i.e. local development trusts in the key tourism 'hot spots' to create business cases which would enable them to apply to key funding streams, such as windfarm community benefit, to takeover and operate the toilets in their areas on long-term, financially viable basis.
- 3.7 At this stage the full details are still being worked up for an Expression of Interest application deadline on 18 September 2020. As a minimum of 30% match funding is required, it is proposed to utilise this year's Coastal Community Fund allocation.
- 3.8 In response to the Covid-19 pandemic, Scottish Ministers' arrangements for Scottish Crown Estate net revenue allocations for 2020-2021 to coastal local authorities confirmed that it can be used for a range of support measures as long they are aligned with coastal community benefit. This year's allocation for Moray is £138,192. Prior to the pandemic, this Coastal Community fund had been considered for developing as participatory budgeting scheme. The participatory budgeting framework and policy for Moray was approved at a meeting of the Policy and Resources Committee on 14 January 2020 (paragraph 16 of the minute refers). However due to the unprecedented circumstances any development work has come to a halt and if the recommendations are agreed, it would provide the necessary match funding for works in the coastal areas. The Participatory Budgeting paper also being considered at this meeting sets out alternative participatory budgeting proposals for 20/21.
- 3.9 For proposals in the country area, HIE indicated that they are considering providing the necessary match funding. If the Expression of Interest is successful, a further report will be submitted to Council on 6 October 2020 with full details for a stage II application submission by 14 October 2020.

- 3.10 This presents an opportunity to address increasing issues with mobile homes and disposal of waste and has the potential to create a network of facilities across Moray that will contribute to tourism and relieve pressure on local beauty spots by utilising the revised model standards and innovative approach to planning for such facilities approved at the Planning and Regulatory Services Committee on 8 October 2019 (Paragraph 22 of the minute refers).
- 3.11 Options currently being explored include charging mechanisms for the use of the campervan/motorhomes waste disposal facilities. This in turn would potentially incentivise community ownership of toilets where an additional income stream could be realised that could offset the costs of running the toilet.

#### **4. SUMMARY OF IMPLICATIONS**

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

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

**(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan. For any partnership agreement Legal will be consulted.

**(c) Financial implications**

The full details of the proposal are still being finalised and at this stage the indicative costs are in the region of over £400,000. If the request to use this year's Coastal Community Fund allocation as match funding for the coastal works is approved, it would allow to seek further match funding for the works in the country side from HIE. Also the Findhorn Village Conservation Company will provide in kind contribution of value of land for the Camper van parking area and possibly cash contribution, details still to be confirmed.

Maintenance - The Chemical Waste Disposal Units will be installed at the outside of public toilets regardless whether they are operational or not and should not occur any ongoing maintenance cost. The toilet block at Findhorn will be maintained by Findhorn Village Conservation Company, which are in the process of working on a Community Asset Transfer. Any other monitoring and maintenance cost will be accommodated within the Environmental and Commercial Section exciting budgets with the aim to find a permanent solution for all toilets in Moray.

**(d) Risk Implications**

To mitigate any risks, a partnership agreement will be drawn up at full application stage outlining all partner's contribution and commitment to the project.



**(e) Staffing Implications**

The overall project management for the works will be undertaken by a Senior Engineers from the Consultancy section.

Staff from the Economic Growth & Regeneration section will provide support for submitting the applications, interim and final claims to the Funders and make arrangements for claimed funds for works carried out at Findhorn to be transferred to the Findhorn Village Conservation Company.

**(f) Property**

If the funding applications are successful any Chemical Waste Disposal Units will be installed at the outside of public toilets in the identified areas. It will also allow to create new and upgrade or extend some of the parking areas to deal with some of the visitor pressure points and provide additional infrastructure at the various sites.

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

The fund will bring economic investment into Moray's coastal and country areas of which some are characterised by low wages, low rates of full-time employment, wealth deprivation and child poverty.

**(h) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Head of Environment and Commercial Services, Environmental Protection Manager, Consultancy Manager, the Head of Financial Services, the Head of Legal and Democratic Services, the Equalities Officer and the Democratic Services Manager have been consulted and comments incorporated into this report.

**5. CONCLUSION**

- 5.1 The proposal is a collaborative approach that focusses on improving the visitor experience in rural parts of Moray that have faced pressure on the infrastructure or has negative impacts on communities due to significant increases in visitor numbers. In particular the growth in the motorhome sector within the context of the changes in behaviour of visitors, communities and any requirements resulting from the COVID-19 crisis.**
- 5.2 If the funding applications are successful it will allow to alleviate some of the problems through investment in the infrastructure such as car and camper van parking, toilet facilities, chemical toilet waste disposals and signage.**
- 5.3 It also complements and links into the development work by Visit Moray Speyside Tourism BID with support from HIE to find long term sustainable solution for toilets in Moray.**

Background Papers:

Documents on file in Economic Growth & Regeneration section.

Ref:




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**REPORT TO: MORAY COUNCIL ON 2 SEPTEMBER 2020**

**SUBJECT: 2019/20 REVENUE OUT-TURN VARIANCES FROM BUDGET**

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

## **1. REASON FOR REPORT**

- 1.1 To advise the council of the major variances from the approved budget in the actual out-turn for 2019/20 and to seek approval of adjustment to the budget for 2020/21 where income and expenditure trends are forecast to continue into 2020/21.
- 1.2 This report is submitted to council in terms of Section II (25) of the Council's Scheme of Administration relating to the approval of the annual estimates of revenue expenditure for all services and of Section III (B) (6) relating to monitoring current expenditure in relation to approved estimates.

## **2. RECOMMENDATION**

**2.1 It is recommended that the Council considers and notes:**

- (i) **The major variances from those anticipated when the budget for 2022/21 was approved, as summarised in APPENDIX 1; and**
- (ii) **The major variances from the approved budget for 2019/20 totalling £7,672,000 as summarised in APPENDIX 2.**

**2.2 It is recommended that the Council approves adjustments amounting to net savings of £156,000 for variances which are anticipated to continue into 2020/21, as detailed in the table in paragraph 3.24.**

## **3. BUDGET VARIANCES**

- 3.1 The unaudited accounts for 2019/20 were reported to the Emergency Cabinet on 1 July 2020 (paragraph x of the Minute refers). The unaudited accounts show an increase in the balance on free general reserves of £2,363,000 at 31 March 2020 compared to 31 March 2019.

- 3.2 The Council at a meeting on 27 February 2019 approved budgeted net expenditure of £203,954,000 which anticipated the use of £5,188,000 free General Fund reserves (paragraph 4 of the minute refers). The final budget for the year, after adjustments for additional funding from reserves, additional government grant funding announced during the year and additional savings, approved was for expenditure of £207,397,000, including use of ear-marked reserves: Devolved School Management (DSM) balances brought forward of £10,000; Early Learning Childcare expansion carried forward of £61,000 and Pupil Equity Funding carried forward of £583,000. The final budgeted use of free general reserves was £3,483,000, against an actual return to reserves of £2,363,000, a variance of £5,846,000.

- 3.3 The budgeted use of general reserves is set out in the table below:

	£000s	£000s
Budgeted use of free general reserves @ February 2019		5,188
Additional budget approved and drawn down during the year	121	
Increase in Council Tax budget approved in year	(1,826)	
Final budgeted use of free general reserves		3,483

- 3.4 Expenditure against budget was reported to Committee on a quarterly basis during the financial year. Quarter one was reported to Policy & Resources Committee on 3 September 2019; Quarter two to Moray Council on 27 November 2019 and quarter three to Moray Council on 12 February 2020 (paragraph 12 of the minute refers). The forecast at the end of quarter three was use of free general reserves £272,000 plus £704,000 release from repairs and renewals reserve - £3,339,000 difference from the actual out turn. The forecast for the year is used as a key part of the budget setting process and the differences highlighted in this report can be used to amend the budget for 2020/21. The main changes from the out-turns forecast at the end of December 2019 are summarised in **APPENDIX 1**. The principal variances from that forecast are Business Rates Incentivisation Scheme retention (£1,859,000) as reported to the Emergency Cabinet on 1 July 2020 and services outturn £1,799,000 less than forecast. Loans charges were £623,000 higher than forecast. Council Tax income was £289,000 less than forecast

Movement since final estimated actual	£000s	£000s
BRIS retention of NDRI		1,859
Underspend in services	2,696	
Less transfer to ear-marked reserves adj for PEF 2018/19 carry forward	(887) 583	
		2,392
Loans charges		(623)
Council Tax		(289)
Total		3,339

- 3.5 The significant difference between departmental out-turn and that forecast indicates that a review of budget variance may highlight scope for additional savings.
- 3.6 A summary of the variance against budget for the year by type of spend across the Council is set out in the table below:

	<b>Overspend £000s</b>	<b>Underspend £000s</b>	<b>Net £000s</b>
Staff	(833)	1,622	
Income / recharges to capital and HRA	(1,139)	910	
VAT refund / insurance claim (net)		1,194	
Purchase of children's services / looked after children	-	334	
School budgets	-	471	
Repairs and maintenance	(8)	693	
Energy costs		59	
Software licences	(122)	47	
Roads and Winter Maintenance	(294)	-	
PEF funding	-	685	
Other	(1,055)	1,922	
Share of MIJB overspend	(767)		
	-----	-----	
Service underspend	(4,218)	7,937	3,719
Loans charges	(416)	-	
Balance on central provisions	-	4,626	
Council Tax	(289)		
BRIS retention	-	1,859	
Transfer to / from ear-marked reserves	(3,785)	660	
Capital Grant unapplied / capital receipts used	(1,008)	480	
<b>Total variance</b>	<b>(9,716)</b>	<b>15,562</b>	<b>5,846</b>

- 3.7 Major variances at departmental level are set out in **APPENDIX 2**.
- 3.8 The variances against the budget have been reviewed and classified as one-off or likely to be recurring. The classification takes into account the savings and other adjustments made when the budget for 2020/21 was approved. The overall position is summarised below:



	Para ref	Recurring  £000s	Non- recurring  £000s	Impact already included 2020/21 Budget £000s	Proposed further adjustment to 2020/21 Budget £000s
<b>Overspends</b>					
Staff / subcontractors	3.9	-	(833)	-	-
Income	3.10	(380)	(759)	-	211
Software licenses		(56)	(66)	-	-
Roads maintenance	3.11	(47)	(247)	-	47
Other		(82)	(981)	-	-
Share of MIJB overspend	3.12	(767)			
<b>Total overspends</b>		<b>(1,332)</b>	<b>(2,886)</b>	<b>-</b>	<b>258</b>
<b>Underspends</b>					
Staff / subcontractors	3.13	-	1,622	-	117
Income / funding	3.14	275	635	48	-
VAT refund / insurance claim			1,194		
Purchase / provision of care	3.15	-	334	-	-
School budgets	3.16	-	471	-	-
Repairs and maintenance	3.17	100	593	100	-
Energy cost	3.18	25	34	-	25
PEF	3.19		685		
Other	3.20	113	1,856	-	103
<b>Total underspends</b>		<b>513</b>	<b>7,424</b>	<b>148</b>	<b>245</b>
Loan charges	3.21	-	(416)		
Balance on provisions	3.22		4,626		
BRIS retention	3.23	1,859			
Transfer to ear- marked / capital reserves			(3,653)		
Council Tax			(289)		
<b>Total net (over)/ underspend</b>		<b>1,040</b>	<b>4,806</b>		

- 3.9 The main areas of overspend on staff and subcontractors were in Fleet services and supply teachers. Difficulty in recruiting staff for Fleet services necessitated the use of sub-contractors, which is a more expensive way of delivering the service and resulted in an overspend of £236,000. That

situation has continued into 2020/21 but the recent down-turn in the oil and gas industry has seen an easing of the situation and it is not proposed to adjust the budget at present. The central supply budget was overspent by £482,000, due to difficulties in recruiting teaching staff, sickness levels and an increase in maternity cover. This situation is not expected to continue and the use of central supply will be managed by the service. Vacancies or savings from appointments not at top of scale considerably outweigh staffing overspends. (see paragraph 3.13 below). One-off costs associated with staff redundancies to achieve approved budget savings amounted to £111,000.

- 3.10 Income was under budget in various services. The largest single shortfall (£174,000) was for Employment Services. This service is currently managed with Social Care services but consideration is therefore being given to transferring some or part of this service into the Council's Economic Development function. The budget shortfall will be considered as part of the review of service delivery, structure and management and no adjustment to budget is proposed at this juncture. Part of the shortfall (£83,000) lies within Property Services, where the historic budget for property fees for capital projects does not match the pattern of planned work following the cessation of the Make Do and Mend policy. This budget will be reviewed by the service when the capital plan is reviewed later this year. Income generation by the library service was under budget during 2019/20. Part of the shortfall is due to a change in how the European Computer Driving Licence (ECDL) is funded. It is therefore recommended that the budget is adjusted to reflect a more reasonable target income under the new arrangement. The COVID-19 lockdown will clearly result in a further shortfall in 2020/21 but an adjustment of £27,000, reflecting the 2019/20 shortfall, is proposed, to ensure that the base budget is consistent with normal operation of the service. Throughout 2019/20 the income from sale of recyclates has been below budget and the overall variance at the year was a shortfall of £140,000. The Council no longer receives income from waste paper and cardboard and it is recommended that the budget of £209,000 is removed. Income from scrap metal has been £28,000 against a budget of £3,500 for the past 2 years and it is recommended that the removal of the budget for sale of waste paper and cardboard is partly offset by increasing the budget for sale of scrap metal by £24,500.
- 3.11 Expenditure on roads maintenance exceeded budget by £269,000, this was predominantly due to winter maintenance. The costs of salt used has been fairly consistent over the past 2 years and it is recommended that the budget of £353,000 is increased to £400,000 to reflect the cost of salt.
- 3.12 The budget position of MIJB will be reviewed when estimated actuals for 2020/21 are developed. No provision to cover any recurrent overspend is proposed at present. This is however a high risk area for the Council.
- 3.13 Staff turnover can result in underspends, as the process of filling posts takes longer than the one month notice which most staff have to give. Underspends then accrue from vacancies whilst posts are filled and from new staff being appointed on lower points on the salary scale than more experienced staff who have left. (Posts are budgeted for a top of scale). This is on-going and the council recognised that when setting its budget, by incorporating estimates of underspends arising from staff turnover. The estimate was originally based

on 3.5% of budgeted salaries in areas where vacancies are not automatically covered by relief staff or sub-contractors. The estimate was a conservative one, and has consistently been exceeded. The current provision across the council (excluding Health and Social Care) is £3,914,000. The net underspend on staff and sub-contractors in 2019/20 was £900,000. This is particularly high due to vacancies in pre-school provision as the service prepares to expand the hours of early learning offered. Allowing for that, and also that some savings arising from vacant posts were taken when the budget for 2020/21 was set, it is still considered that there is scope to increase the vacancy provision in 2020/21. It is recommended to increase the vacancy target by 3%, totalling £117,000, in line with the pay award, and thereafter to increase the provision by a further £169,000, bringing the total vacancy provision for 2020/21 to £4,200,000 which is around 5% of the non-social care, non-schools staffing budgets. Given the level of underspend in 2019/20 and the fact that recruitment has been paused during lockdown this is considered to be a low risk saving.

- 3.14 Income above budget has been generated in a number of areas. The main areas – car parking, industrial estate rentals – either have been or are likely to be considerably reduced in 2020/21 as a result of lockdown. Consequently no budget amendments are recommended.
- 3.15 There is an underspend of £334,000 in the purchase/provision of care for young people. This consists of an underspend of £199,000 in fostering and adoption, £109,000 in Self Directed Support and £26,000 on Continuing Care. Children's Services are currently being reviewed and it is not recommended that any revision to budget is made at this time.
- 3.16 The schools' budget is underspent by £471,000 which predominately relates to the devolved school budgets: primary schools £232,000 and secondary schools £234,000. This underspend is carried forward in an ear-marked reserve.
- 3.17 The budget for property repairs and maintenance was underspent, split equally between corporate properties and schools. This was partly due to slippage in planned repairs to corporate properties and partly due to capitalisation of expenditure of £253,000 originally set against the revenue budget provision for schools repairs and maintenance but on review considered to be more appropriately treated as capital work. A budget reduction of £100,000 on corporate repairs and maintenance was included in the 2020/21 budget when that budget was approved in March 2020. Not further budget amendments are proposed.
- 3.18 Spend on electricity was under budget in a number of locations. Completion of the street lighting LED replacement programme resulted in further reductions in the cost of electricity for street lighting and it is proposed that the £25,000 underspend in 2019/20 is taken as a further saving in 2020/21.
- 3.19 The Pupil Equity Fund (PEF) is in the form of ring-fenced funding, and the underspends in this area, arising from the timing of projects, which are planned to spend by academic year, are held in ear-marked reserves and consequently do not impact on the free General Fund Reserve balance.

- 3.20 The budget for contaminated land investigations has been underspent by £52,000 in 2018/19 and 2019/20. It is therefore proposed that this budget is reduced. The budget for landfill tax was underspend by £51,000 in 2019/20 as the tonnage of waste to landfill continues to reduce. It is proposed that this budget is reduced in 2020/21.
- 3.21 There is a one-off overspend on loans charges. Part of the overspend is due to slippage on the three major projects where assets are still under construction in 2019/20 and on which the Council had budgeted to capitalise interest. Overall expenditure on these projects was £4.4 million less than planned and therefore the proportion of interest paid by the Council on borrowing over the year was significantly less than planned. That increased the proportion of interest which was charged to revenue.
- 3.22 The balance on central provision which was underspent can be analysed into £656,000 additional savings being identified during the year; £1,206,000 additional funding received but utilised at the year end; £414,000 balance of ELC grant, which will be carried forward into 2020/21; budget pressures totalling £2,020,000 that were approved at the start of 2019/20 that were not required, and a general contingency provision of £330,000 which was not required during 2020/21. The additional savings have been reported as and when identified and include £517,000 reduction in NDR following appeals as to the valuation of buildings, mainly schools. Funding received in 2019/20 and planned to be spent in 2020/21 was the subject of a report to the emergency Cabinet on 12 August 2020 paragraph x of the Minute refers). A budget pressure of £1,049,000 for Out of Area placements was approved when the budget for 2019/20 was set. However, the young people to which this pressure related made the transition to adult services during 2019/20 and the pressure was therefore removed as the expenditure is now accounted for against the MIJB budget.
- 3.23 The Business Rates Incentivisation Scheme (BRIS) sets targets over a three year period. 2019/20 was the first year of the current three year period. The Council exceeded its target buoyancy and was permitted to retain £1,859,000 for each of the three years in the period. Consequently this retention has now been included in the budget for 2020/21 and 2021/22.
- 3.24 In summary, the following budget adjustments are recommended:

	Budget increase £000s	Budget savings £000s	Net effect £000s
Income:			
ECDL	27		
Sale of recyclates	184		
Salt for winter maintenance	47		
Street lighting electricity		(25)	
Vacancy target		(286)	
Contaminated land investigation		(52)	
Landfill tax		(51)	
<b>Total</b>	<b>258</b>	<b>(414)</b>	<b>(156)</b>

- 3.25 The proposed budget increase of £258,000 is covered by the proposed budget savings of £414,000, a net saving of £156,000.

#### **4. SUMMARY OF IMPLICATIONS**

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

Effective budget management is essential for the delivery of council services on a sustainable basis. Review of budget against actual for trends which are likely to continue assists in the process of budget management.

**(b) Policy and Legal**

No policy or legal implications arise directly from the contents of this report.

**(c) Financial implications**

Financial implications are discussed throughout the report. Net savings of £156,000 are recommended in 2020/21.

**(d) Risk Implications**

No risks arise directly from this report. The Council's base budget is over-committed and it requires to make savings over the next two years. The net savings recommended in this report help towards this.

**(e) Staffing Implications**

None arise directly from this report. The increase in staff savings recommended is intended to reflect the reality of staff turnover rather than to act as a restriction on the ability of services to recruit towards their approved establishment.

**(f) Property**

No property implications arise directly from this report.

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

No equalities implications arise directly from this report.

**(h) Consultations**

The Corporate Management Team and Heads of Service have been consulted in the preparation of this report and any comments incorporated into the report.

#### **5. CONCLUSION**

- 5.1 The Council's final out-turn position on the General Fund as at 31 March 2020 was an improvement on the position forecast when the budget for**



**2020/21 was set. This report identifies major areas of variance between estimated actual and actual for 2019/20.**

- 5.2 The report also recommends considers variances against budget with a view to identifying trends in expenditure and recommends a reduction to the net budget of £156,000 to reduce ongoing variances in 2020/21.**

Author of Report: Deborah O'Shea, Principal Accountant

Background Papers:

Ref: LP/LJC/



APPENDIX 1

**Moray Council Outturn v Forecast**  
**As at 31st March 2020**

**SERVICE**

	Actual £'000s	Forecast Outturn at 31.12.19 £'000s	Var vs Prediction £'000s
Education	59,476	60,502	1,026
Education Resources & Communities	17,429	17,540	111
Childrens Services	18,359	18,823	464
Moray Council Social Care	146	128	(18)
General Services Housing & Property	2,149	2,719	570
Environmental & Commercial Services	21,977	22,155	178
Economic Growth & Development	2,948	3,113	165
HR, ICT & Organisational Development	4,766	4,931	165
Financial Services	771	759	(12)
Governance, Strategy & Performance	5,303	5,417	114
Other Services	2,737	2,828	91
Transfer of Interest to Capital Reserves & Stat Funds	23	0	(23)
<b>SERVICES excl MIJB</b>	<b>136,084</b>	<b>138,915</b>	<b>2,831</b>
MIJB	43,024	42,889	(135)
<b>TOTAL SERVICES incl MIJB</b>	<b>179,108</b>	<b>181,804</b>	<b>2,696</b>
Loans Charges	20,065	19,442	(623)
Provision for Contingencies and Inflation	0	(48)	(48)
Additional Costs	0	1,365	1,365
Unallocated Savings	0	(88)	(88)
<b>TOTAL PROVISIONS</b>	<b>0</b>	<b>1,229</b>	<b>1,229</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>199,173</b>	<b>202,475</b>	<b>3,302</b>

**Commentary**

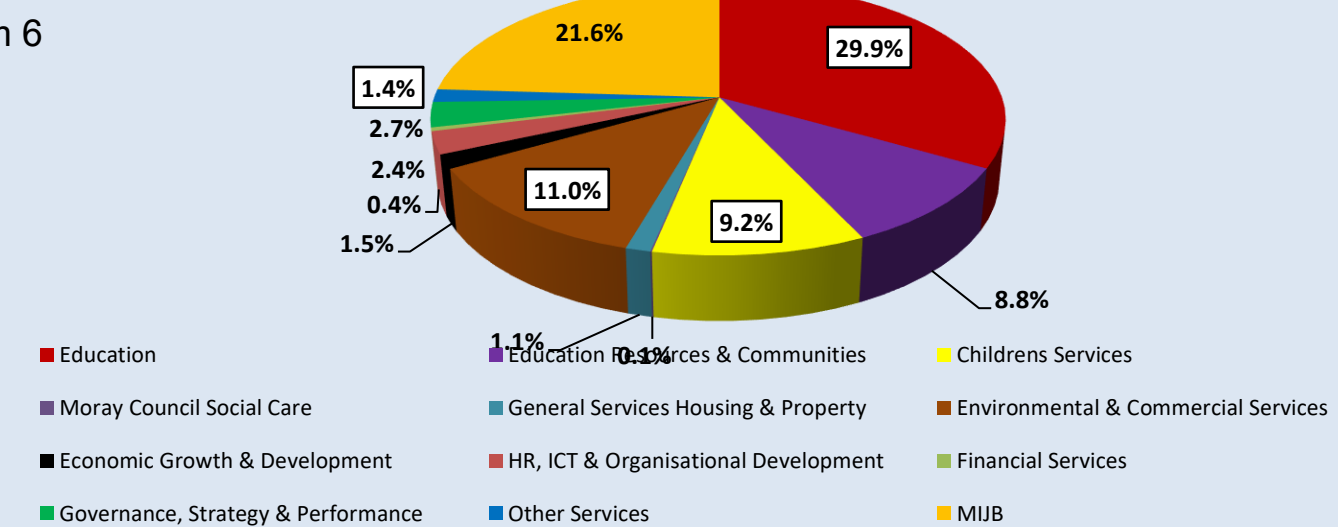
Education : larger underspends in Devolved School Management, PEF & ELC than expected.

Childrens Services: underspend in out of area placements and resource package not utilised.

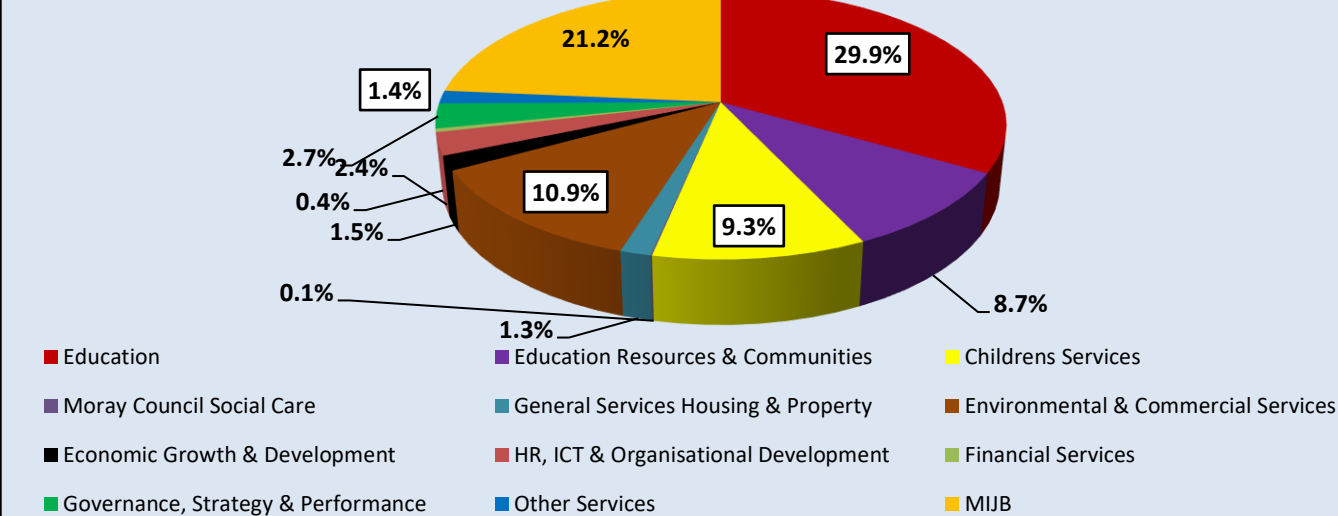
General Services Housing & Property: property fee income shortfall less than expected and larger underspend in repairs and maintenance.

Loans charges more than expected due to slippage in capital plan.

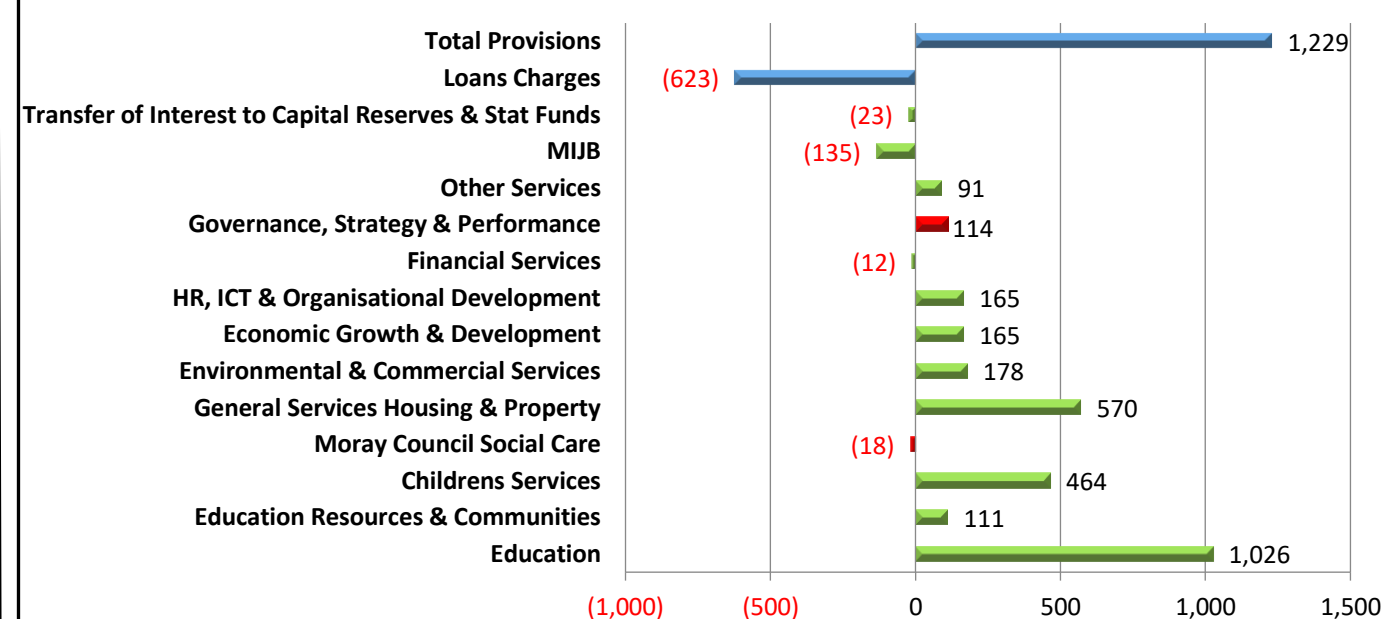
**Actual % of Total**



**Predicted Outturn % of Total**



**Variance vs Prediction £000's**





# APPENDIX 2

## Moray Council Outturn report

As at 31st March 2020

### SERVICE

	Actual £'000s	Budget £'000s	Var vs Budget £'000s
Education	59,476	60,667	1,191
Education Resources & Communities	17,429	17,920	491
Childrens Services	18,359	19,205	846
Moray Council Social Care	146	(28)	(174)
General Services Housing & Property	2,149	3,049	900
Environmental & Commercial Services	21,977	22,178	201
Economic Growth & Development	2,948	3,090	142
HR, ICT & Organisational Development	4,766	5,049	283
Financial Services	771	1,605	834
Governance, Strategy & Performance	5,303	5,437	134
Other Services	2,737	2,687	(50)
Transfer of Interest to Capital Reserves & Stat Funds	23	0	(23)
<b>SERVICES excl MIJB</b>	<b>136,084</b>	<b>140,859</b>	<b>4,775</b>
MIJB	43,024	42,257	(767)
<b>TOTAL SERVICES incl MIJB</b>	<b>179,108</b>	<b>183,116</b>	<b>4,008</b>
Loans Charges	20,065	19,649	(416)
Provision for Contingencies and Inflation	0	330	330
Additional Costs	0	3,640	3,640
Unallocated Savings	0	656	656
<b>TOTAL PROVISIONS</b>	<b>0</b>	<b>4,626</b>	<b>4,626</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>199,173</b>	<b>207,391</b>	<b>8,218</b>

### Commentary

Education : underspends in Devolved School Management, PEF & ELC.

Childrens Services: underspend in out of area placements and resource package not utilised.

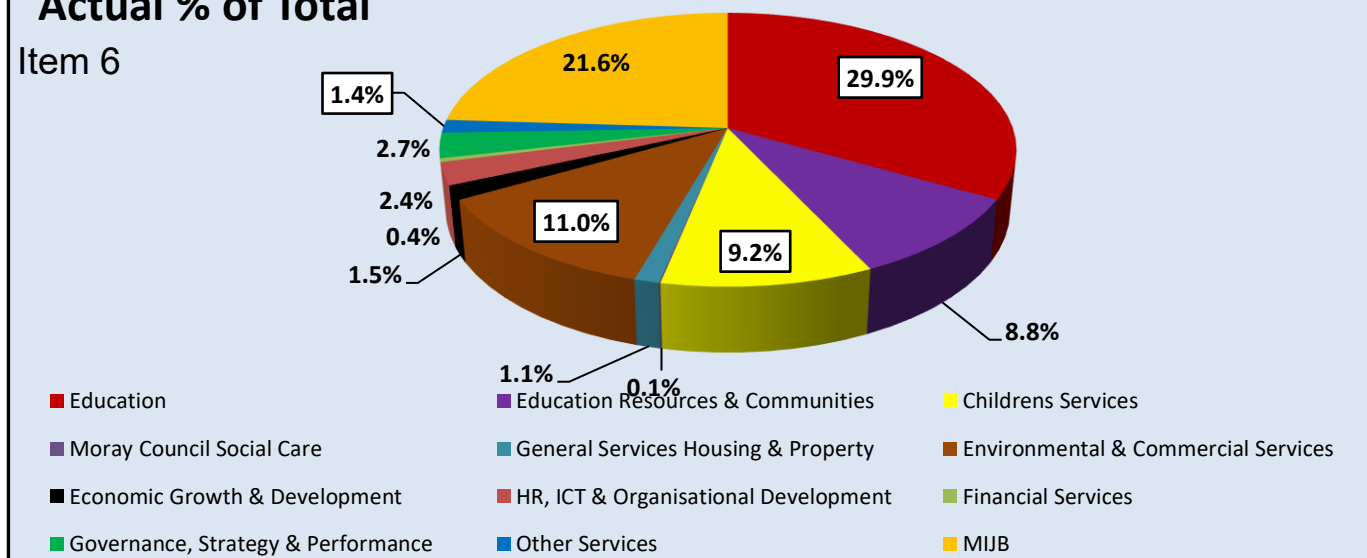
General Services Housing & Property: property fee income shortfall less than expected and underspend in repairs and maintenance.

Financial Services: VAT claim refund received.

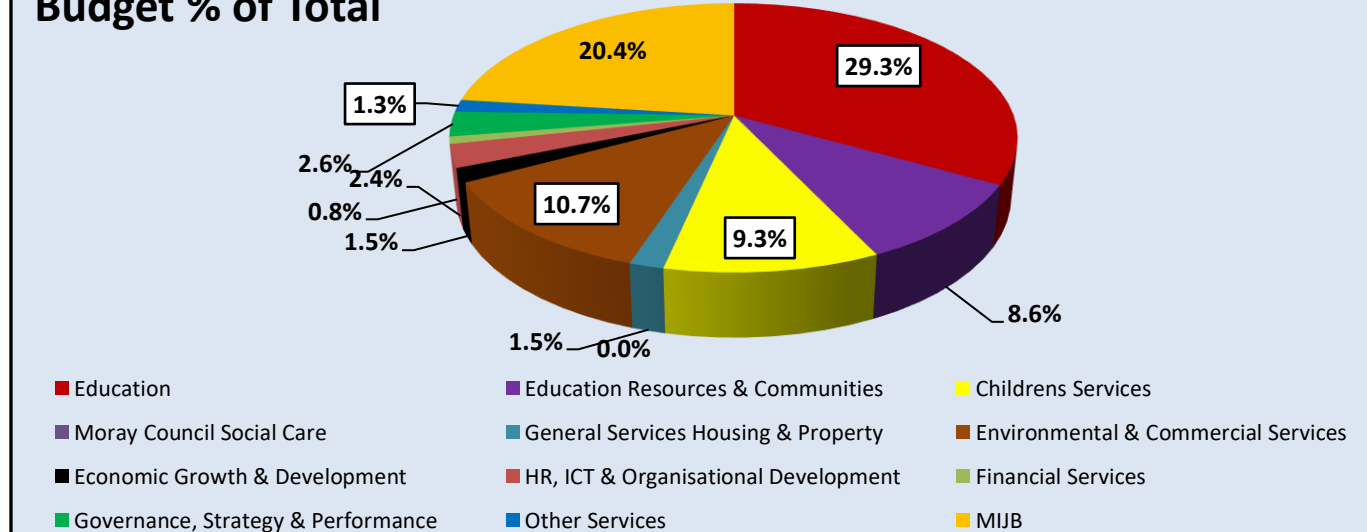
MIJB: Moray Council's element of the actual overspend incurred at year end.

### Actual % of Total

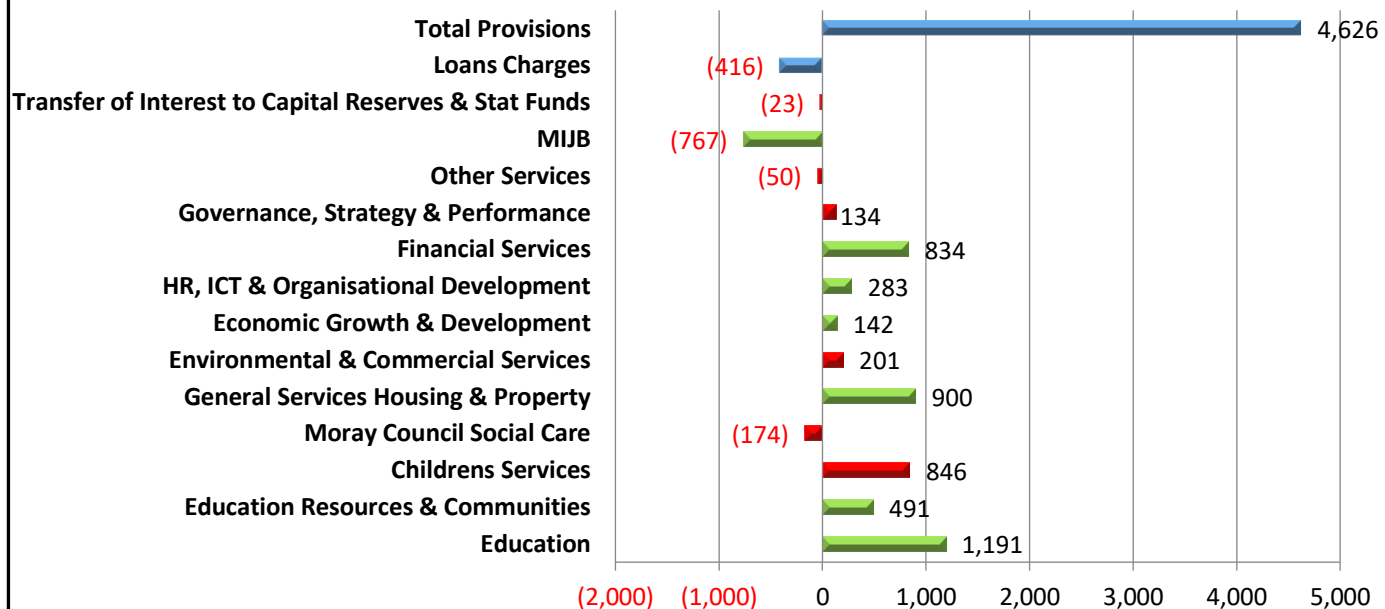
Item 6



### Budget % of Total



### Variance vs Budget £000's










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**REPORT TO: MORAY COUNCIL ON 2 SEPTEMBER 2020**

**SUBJECT: REPORT ON TREASURY MANAGEMENT PERFORMANCE AND  
TREASURY AND CAPITAL INVESTMENT PRUDENTIAL  
INDICATORS FOR 2019/20**

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

**1. REASON FOR REPORT**

- 1.1 To provide Council with the annual outturn report on Treasury Management and details of the Council's Prudential Indicators for Treasury Management and Capital Investment for the year ended 31 March 2020.
- 1.2 This report is submitted to Committee in terms of Sections III B (3) of the Council's Scheme of Administration relating to Treasury Management and the Capital Plan.

**2. RECOMMENDATION**

- 2.1 **It is recommended that the Council consider and note the Treasury Management Performance and the Council's Treasury Management and Capital Investment Prudential Indicators for 2019/20 as set out in the attached APPENDIX 2.**

**3. BACKGROUND**

- 3.1 Members have agreed that reports on Treasury Management Performance are submitted twice annually. One report to agree the Treasury Management and Investment Strategies with relevant Performance Indicators and the second report to submit the annual review and actual performance of Treasury Management activities. Quarterly Treasury Management monitoring reports are posted on the Members Portal throughout the year.
- 3.2 The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector 2017 (the Code) and the Local Government Investment (Scotland) Regulations 2010. All treasury management activities are carried out in accordance with the Code and regulations.

3.3 The primary requirements of the Code are as follows:

- An approved Treasury Management Policy, which sets out the policies and objectives of the Council's treasury management activities.
- Approved Treasury Management Practices, which set out the manner in which the Council will seek to achieve those policies and objectives.
- An annual treasury management strategy report to Council for the year ahead and an annual review report to Council of the previous year.

3.4 The Local Government (Scotland) Act 2003 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities and to produce the prudential indicators set out in the Prudential Code. These indicators are designed to support and record affordable and sustainable capital investment and treasury management.

#### **4. TREASURY PERFORMANCE 2019/20**

4.1 This annual Treasury Management performance report covers:

- The Economy and Interest Rates 2019/20
- Treasury Management Strategy for 2019/20
- Annual Investment Strategy 2019/20
- Investment Outturn for 2019/20
- Long Term Borrowing and Debt Rescheduling
- Short Term Borrowing
- Prudential Code for Capital Finance in Local Authorities

##### **The Economy and Interest Rates 2019/20**

4.2 During 2019/20, oil prices peaked at \$67.31 a barrel in December 2019. Since then, the Covid-19 pandemic has seen a major slump in prices reaching \$32.01 per barrel in March 2020, and falling further in April. Prices are starting to recover as lockdown restrictions begin to lift.

4.3 UK Consumer Price Inflation (CPI) for March 2020 was up 1.5% year-on-year, broadly in line with the Bank of England's Inflation Report. The labour market data for the three months to March 2020 showed that the employment rate was at a record high of 76.6%, while the unemployment rate was 3.9%. The growth rate in the rate of pay had been rising steadily but the same three month period saw this slow to 2.7% for regular pay. Once adjusted for inflation, real wages were up 1.0%. The above figures are before the current pandemic. The figures since then have shown a slight decrease in the employment rate but the real impact of the pandemic will likely not be known until the end of the furlough scheme introduced by the UK Government. The growth rate for pay has also decreased and did not increase faster than inflation in the three months to June 2020.

- 4.4 During 2019, quarterly growth in GDP slowed to between 0.2% and 0.3% on average with the construction sector and production output both seeing falls. Annual GDP growth was 1.1%, down from 1.4 in the previous year.
- 4.5 Interest rates were at 0.75% for the majority of 2019/20. However, in response to the Covid-19 pandemic, and in an attempt to help the economy, rates were cut in March 2020, first to 0.25% and then further to 0.1%, where it has since remained. The Governor of the Bank of England has said that he cannot see an immediate need to cut interest rates to negative levels but that it was part of the Bank's "toolbox".
- 4.6 Both globally and domestically, the Covid-19 is having a major impact on the countries around the world. Some countries have seen spikes which has raised the prospect of a so-called "second wave" and talk of the re-imposition of lock down restrictions. The IMF has forecasted the UK economy to contract by 10% this year, with 5% forecasted for the global growth forecast. All 16 countries that the IMF provides forecasts for were forecast to decline, with the exception of China, whose economy is expected to grow by 1%.
- 4.7 Considerable uncertainty also still surrounds the UK's departure from the EU. It is still unknown if a deal can be reached between the UK and the other 27 Member States prior to our leaving date of 31<sup>st</sup> December 2020. It is hoped that a deal can be reached by October in order for that to be approved at the EU meeting that month. Undoubtedly, this uncertainty is still having an impact on the economy.

#### **2019/20 Treasury Management Strategy**

- 4.8 The Treasury Management Strategy, incorporating the Annual Investment Strategy, was approved by the Council at its meeting on 27 February 2019 (paragraph 5 of the minute refers).
- 4.9 The Council's main objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which the funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 4.10 Given the significant cuts to local government funding, the Council's borrowing strategy continued to address the key issues of affordability without compromising the longer term stability of the debt portfolio. With short-term interest rates much lower than long-term rates, it was more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. By adopting this approach, the Council is able to reduce net borrowing costs and reduce overall treasury risk.
- 4.11 The Public Loans Works Board (PWLb) is the Council's preferred source of long-term borrowing given the transparency and control that its facilities continue to provide.

## Annual Investment Strategy

- 4.12 The Council's primary principle when investing is the security of capital and liquidity of investments. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. It is considered prudent to only invest with highly credited UK financial institutions that have a long-term credit rating of BBB+ or higher.
- 4.13 The Council's creditworthiness policy has been formulated after consultation with Arlingclose, the Council's treasury advisers. The Chief Financial Officer maintains a counterparty list in compliance with the minimum criteria approved by Full Council on 27 February 2019 (para 5 refers) and any revision to the criteria is submitted to Council for approval as necessary.
- 4.14 All credit ratings are monitored daily and the Counterparty list is amended to reflect any changes.

## Investment Outturn for 2019/20

- 4.15 The Council manages its investments in-house and invests with the institutions listed on the Council's approved Counterparty list.
- 4.16 The table below shows the overall investment undertaken by the Council during 2019/20:

	<b>Total Sum Deposited (£m)</b>	<b>Average Rate (%)</b>
Approved Financial Institutions	67,300	0.71
Council's Bankers	219,664	0.61
<b>TOTAL</b>	<b>286,964</b>	<b>0.66</b>

The above figures are cumulative and the actual amounts invested at any one time ranged from £7.70 million to £35.35 million.

- 4.17 The average rate of interest earned on investments during the year was 0.66%, compared to the average 7 day London Inter Bank Bid Rate (LIBID) of 0.67%.
- 4.18 As at 31 March 2020, the following balance was invested:

<b>Counterparty</b>	<b>Investment</b>	<b>Amount (£m)</b>	<b>Interest Rate (%)</b>
Bank of Scotland	Call Account	1.528	0.00
Aberdeen Standard	Money Market Fund	5.000	0.48
Federated	Money Market Fund	5.000	0.41
Blackrock	Money Market Fund	5.000	0.37
Insight	Money Market Fund	2.000	0.27
		<b>18.528</b>	<b>0.30</b>



## Long Term Borrowing and Debt Rescheduling

- 4.19 The Council's long term external debt position at 31 March 2020 compared with the position at the end of the last financial year was as follows:

	31 March 2019			31 March 2020		
	Actual (£000)	Rate (%)	Average Life (years)	Actual (£000)	Rate (%)	Average Life (years)
Fixed Rate Funding – PWLB	146,253	4.82	19.40	145,062	4.82	18.27
Fixed Rate Funding – Market	33,400	4.68	54.82	33,400	4.68	53.82
Variable Rate Funding – PWLB	-	-	-	-	-	-
Variable Rate Funding – Market	-	-	-	-	-	-
<b>TOTAL DEBT</b>	<b>161,203</b>	<b>4.80</b>		<b>178,462</b>	<b>4.75</b>	

- 4.20 The Council has been maintaining an under borrowed position which means that the capital borrowing need (Capital Financing Requirement) has not been fully funded with loan debt. Cash supporting the Council's reserves, balances and cash flows has been used as a temporary measure to offset the need to borrow.
- 4.21 The strategy of effectively delaying new long term borrowing by utilising internal and temporary borrowing has served well at a time when comparatively cheaper temporary borrowing from other local authorities is readily available, counterparties meeting the Council's investment criteria are limited, and historically low investment returns give rise to potentially significant carrying costs for new long-term borrowing.
- 4.22 To avoid having too large a percentage of short-term debt (i.e. repayable in less than 12 months) compared to the overall debt portfolio, advantage was taken of historically low interest rates to borrow the following long term loans for the Public Works Loans Board (PWLB):

Amount (£)	Rate (%)	Term (years)	Repayment Type
5,000,000	1.02	12	EIP*

\*The loan will be paid by equal annual instalments (EIP) over the period of the loan.

- 4.23 No debt rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and PWLB premature repayment rates made rescheduling unviable.
- 4.24 CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Codes have been incorporated into Treasury Management strategies and monitoring reports.

### **Short Term Borrowing**

- 4.25 During the year, twenty two new temporary loans totalling £73.5m were borrowed from other UK local authorities. A table detailing the short term loans outstanding at 31 March 2020 can be found at **APPENDIX 1**.

### **The Prudential Code for Capital Finance in Local Authorities**

- 4.26 The Local Government (Scotland) Act 2003 requires the Council to undertake its treasury activities with regard to the Prudential Code for Capital Finance in Local Authorities.
- 4.27 The Code requires the Council to produce mandatory indicators aimed at assisting members in ensuring that proposed capital investment levels and treasury management decisions satisfy the key requirements of affordability, prudence and sustainability. The Prudential Indicators for 2019/20 were approved at Full Council on 27 February 2019 (paragraph 5 of the minute refers). There were no breaches of these indicators during 2019/20. Performance against key indicators is shown in the **APPENDIX 2**.

## **5. SUMMARY OF IMPLICATIONS**

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

None arising specifically from this report.

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

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

The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector which details best practice The Local Government Investment (Scotland) Regulations 2010.

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

**(c) Financial implications**

The financial implications are highlighted within the report and the attached **APPENDIX 2**.

**(d) Risk Implications**

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

**(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**

This report has been produced in consultation with Arlingclose Limited, the Council's Treasury Advisers.

**6. CONCLUSION**

- 6.1** The Council's requirements for funds continues to be managed in accordance with the agreed Treasury Management Strategy Statement. All treasury management and capital investment activities have been undertaken with the limits set by the Prudential Code Performance Indicators for 2019/20.

Author of Report:	Laurie Milne, Senior Accountant
Background Papers:	Various working papers held within Financial Services.
Ref:	



## APPENDIX 1

**Short Term Loans Outstanding as at 31<sup>st</sup> March 2020**

<b>Organisation</b>	<b>Maturity Date</b>	<b>Borrowing Rate (%)</b>	<b>Amount (£m)</b>
Blaby District Council	2/4/2020	1.15	3.00
Leeds District Council	7/4/2020	1.75	5.00
Corby District Council	7/4/2020	0.72	2.50
Wealdon District Council	22/4/2020	0.85	4.00
Torbay Council	30/4/2020	0.78	3.00
South Lanarkshire Council	8/6/2020	0.85	3.00
Renfrewshire Council	15/6/2020	0.83	5.00
Western Isles Council	29/7/2020	0.95	5.00
London Borough of Ealing	28/10/2020	0.93	3.00
London Borough of Ealing	28/10/2020	0.93	2.00
East Riding of Yorkshire	6/11/2020	0.98	5.00
North Somerset Council	19/2/2021	1.00	3.00
Local Government Association	1/3/2021	1.10	1.50
Royal Borough of Kensington & Chelsea	11/3/2021	1.30	5.00
Spelthorne Borough Council	25/3/2021	1.05	5.00
Vale of Glamorgan Council	30/3/2021	1.00	3.00
		<b>1.02</b>	<b>58.00</b>





## APPENDIX 2

## TREASURY AND PRUDENTIAL INDICATORS

## External Debt and Treasury Indicators

## 1. The Authorised Limit for External Debt

The authorised limit for external debt is required to separately identify external borrowing and other liabilities such as PPP, DBFM and finance lease obligations. This limit provides a maximum figure to which the Council could borrow at any given point during the financial year.

Authorised Limit	2019/20 Approved Indicator	2019/20 Estimated Indicator	2019/20 Actual Maximum
	£000	£000	£000
Borrowing	319,819	276,080	239,433
Other Liabilities	59,508	59,508	57,508
<b>Total External Debt</b>	<b>379,327</b>	<b>335,588</b>	<b>296,941</b>

The table shows that the limit was not breached.

## 2. Operational Boundary for External Debt

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

Operational Boundary	2019/20 Approved Indicator	2019/20 Estimated Indicator	2019/20 Actual Maximum
	£000	£000	£000
Borrowing	309,819	271,080	239,433
Other Liabilities	58,508	58,508	57,508
<b>Total External Debt</b>	<b>368,327</b>	<b>329,588</b>	<b>296,941</b>

The table shows that the limit was not breached.

## 3. Actual External Debt

This is measured at the end of each financial year. The actual external debt reported in the annual accounts for the previous year is required to be shown as an indicator for comparison purposes only.

Actual Debt	At 31 March 2019	At 31 March 2020
	£000	£000
Borrowing	214,891	237,990
Other Liabilities	57,508	56,009
<b>Total Debt</b>	<b>272,399</b>	<b>293,999</b>

Other Liabilities include the PPP finance liability for the two schools which became operational during 2011/12, the DBFM finance liability for Elgin High School and the finance liability for the multi-functional devices.

#### 4. Treasury Management Indicator

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

- Upper limits on variable rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due to refinancing within the same financial year, and are required for upper and lower limits.
- Following changes arising from the new Investment Regulations applicable from 1 April 2010, the Council can invest for periods longer than 364 days. The Council does not currently take advantage of this change and so has set a limit of Nil for investing over 364 days.

#### Fixed and Variable Rate Limits

	2018/19 Actual	2019/20 Approved Limits	2019/20 Actuals
Interest Rate Exposures	Upper Limit	Upper Limit	Upper Limit
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	0%	35%	0%

#### Maturity Structure of Fixed Interest Rate Borrowing

	2018/19 Actual	2019/20 Approved Limits		2019/20 Actual
		Lower	Upper	
< 12 months	18.83%	0%	30%	28.18%
12-24 months	3.88%	0%	20%	3.36%
2-5 years	9.82%	0%	25%	8.65%
5-10 years	9.86%	0%	50%	8.44%
>10 years	57.61%	0%	85%	51.37%

## Maximum Principal Sums Invested Greater than 364 days

	2018/19 Actual	2019/20 Actual
Principal sums invested >364 days	£0m	£0m

## Capital Expenditure Indicators

### 5. Capital Expenditure

This indicator is included so the Council complies with the Local Government in Scotland Act 2003 which requires the Council to establish and keep under review capital investment plans which are affordable.

	2019/20 Approved Indicator	2019/20 Revised Indicator	2019/20 Revised Capital Plan	2019/20 Actual
	£000	£000	£000	£000
<b>Capital Expenditure</b>				
General Services	60,291	72,668	68,825	56,728
HRA	22,264	23,365	23,365	18,124
	<b>82,555</b>	<b>96,033</b>	<b>92,190</b>	<b>74,852</b>
<b>Financed by:</b>				
Capital Receipts	400	-	-	-
Capital Grant & Contributions	31,788	31,068	35,885	34,612
Reserves	525	525	525	450
Revenue	5,000	3,705	3,705	3,895
	<b>37,713</b>	<b>35,298</b>	<b>40,115</b>	<b>38,957</b>
<b>Net Financing Need for the Year</b>	<b>44,842</b>	<b>60,735</b>	<b>52,075</b>	<b>35,895</b>

The General Services Capital Programme for 2019/20 amounted to £68.8 million. Expenditure for the year was £56.7 million, representing a net underspend of £12.1 million. The schools programme underspent by £4.3 million, including £3.2 million on the projects to build new schools Linkwood Primary and Lossiemouth High, and £0.9 million on projects under the Early Learning and Childcare Expansion. Delays in the Town Centre Fund Initiative added £1.1 million to the underspend. Delays to various roads and bridges projects added £0.7 million and £0.6 million to the underspend respectively. Underspends on projects at various Harbours added £0.6 million to the underspend. All ICT projects saw delays which added £0.8 million to the underspend. Delays in the delivery of vehicles added £0.8 million to the underspend. The Housing Capital Programme amounted to £23.3 million and actual expenditure was £18.1 million. The underspend relates mainly to slippage in the new build housing projects and existing housing stock upgrades.

## Prudence Indicators

### 6. Gross Debt and the Capital Financing Requirement

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

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

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

	<b>2018/19 Actual</b>	<b>2019/20 Approved Indicator</b>	<b>2019/20 Revised Indicator</b>	<b>2019/20 Actual</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	214,891	258,855	248,087	237,990
Other Liabilities	57,508	56,009	56,009	56,009
Gross Debt	272,399	314,864	304,096	293,999
CFR	296,394	349,157	328,091	321,161
<b>Under Limit By</b>	<b>23,995</b>	<b>34,293</b>	<b>23,995</b>	<b>27,162</b>

The above figures confirm that the Council's borrowing is well under the Capital Financing Requirement.

## Affordability Indicators

### 7. Ratio of Financing Costs to Net Revenue Stream

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

<b>Service</b>	<b>2018/19 Actual</b>	<b>2019/20 Approved Indicator</b>	<b>2019/20 Revised Indicator</b>	<b>2019/20 Actual</b>
General Services	9.95%	9.52%	9.86%	9.50%
Housing	20.33%	19.72%	20.38%	21.46%



The outturn is broadly in line with the estimates.

#### **8. Estimates of Incremental Impact of New Capital Investment Decisions on Council Tax and House Rents**

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

<b>Service</b>	<b>2018/19 Actual</b>	<b>2019/20 Approved Indicator</b>	<b>2019/20 Revised Indicator</b>	<b>2019/20 Actual</b>
Council Tax – Band D	£35.00	£(20.40)	£11.12	£(2.86)
Average Weekly Housing Rents	£0.92	£1.60	£0.18	£0.84

The calculated amount on Council Tax reflects the reduction in financing costs in 2019/20 due to the change in policy whereby the Council capitalises interest on several major projects. The actual amount was a lower reduction than anticipated due to the amount on slippage on the capital programme, which meant the amount of financing costs which could be capitalised was less.





**REPORT TO: MORAY COUNCIL ON 2 SEPTEMBER 2020**

**SUBJECT: SHORT TERM FINANCIAL PLANNING**

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

## **1. REASON FOR REPORT**

- 1.1 To inform the Council of the updated financial projections for 2020/21 and 2021/22.
- 1.2 To consider the approach to development of proposals to reduce the budget pressure in 2020/21 and budget gap in 2021/22.
- 1.3 This report is submitted to Council in terms of Section III (A) (2) of the Council's Scheme of Administration relating to considering Capital and Revenue budgets and long term financial plans.

## **2. RECOMMENDATION**

### **2.1 It is recommended that the Council:**

- (i) **Notes the revised budget estimates for 2020/21 and 2021/22 as a result of the COVID-19 pandemic;**
- (ii) **Notes the requirement to deliver savings in 2021/22;**
- (iii) **Notes that a further update on the financial impact of the pandemic will be brought to the meeting of Council on 25 November 2020; and**
- (iv) **Agrees that the focus in 2020/21 should be on the potential to redesign services during service recovery.**

## **3. BACKGROUND**

- 3.1 When the budget for 2020/21 was set, the Council planned to balance its budget by using £2.3 million free general reserves after making savings of £3.1 million. The projected budget gap for 2021/22 was £6.9 million. Since then the COVID-19 pandemic has seen significant unplanned impact on the Council's finances and the short-term position falls to be reviewed with a view to (a) recovering the position for 2020/21 as much as possible in the time available and (b) starting to work towards balancing the budget for 2021/22,

based on the approach outlined to the Emergency Cabinet on 1 July 2020 (paragraph 11 of the minute refers).

### **Latest Financial Position**

- 3.2 The first estimate of the full year effect of the pandemic was reported to the Emergency Cabinet in the same report referred to in paragraph 3.1. At that stage the net impact was estimated as a shortfall of £5.5 million. Since then further costs have been identified. These are listed below, summarised in the table at paragraph 3.5 and a full update included as APPENDIX 1 to this report.

### **Cost of recovery of services**

- 3.3 There were no estimates of the cost of recovery of services at the beginning of July and so the original estimated impact was known to be understated. Since then estimated costs of additional cleaning to allow the council's corporate buildings to re-open have been developed, and are estimated at £142,000 full year effect. These costs are likely to be recurring into at least 2021/22. Additional costs associated with schools re-opening have also been developed and these are estimated at £400,000 full year effect. The Council has incurred one-off costs associated with the blended learning model – estimated to be in the order of £100,000. The requirement for social distancing impacts on the cost of delivery of school meals. For the first four weeks of the new school term a sandwich lunch option is being provided with additional costs to the Council associated with (eco-friendly) packaging and grab-bags for individual delivery. This is estimated as an additional weekly cost of £11,000 per week. Delivery will be reviewed after that period with a view to reverting to the normal options for a hot meal if possible and no additional costs beyond the initial four week period are included below. A further one-off cost of £13,000 arises from the early opening of schools per Scottish Government timetable. Scottish Government have announced additional funding for schools re-opening. The bulk of this is ring-fenced and can only be used for additional teaching and support staff. The first tranche of this funding to be announced had £562,000 in 2020/21 and £294,000 in 2021/22 for the Council. The grant letter indicated an element of flexibility to use this funding for other purposes if the Council is unable to employ additional staff with costs up to the full amount of the grant. However any such use must be agreed with Scottish Government. The table below does not assume any flexibility to cover cleaning and catering costs. The method of distribution of the further funding which is expected (which can be used to cover the cost of additional cleaning and other non-teaching costs of opening) has not yet been announced and an estimate has been included in the table below described as flexible funding. Further costs of recovery of services are still emerging.

### **Updated costs of lockdown**

- 3.4 Additional costs of £300,000 for running the Hubs have been incurred, as has £46,000 for homeless accommodation. Income from car parking charges had been assumed to accrue from the beginning of August. This has been modified to reflect the Council's decision to pause charging until the review in

October. Scottish Government has indicated that the Council has an element of flexibility to use the ring-fenced grants (revenue and capital) for Early Learning and Childcare to fund support for children during lockdown. Work is on-going to estimate what the level of flexibility might be. The Council is negotiating with contractors on some capital projects as to the level of supplier relief appropriate under contract to support them during lockdown so as to ensure they are able to promptly start construction work when lockdown was eased. Negotiations are still taking place but interim payments are being made. It has been assumed that these costs will be capitalised and an estimate of the additional loans charges due included and this will impact on the flexibility remaining. Further work is being carried out to refine the estimated impact of reduced capital spend due to lockdown on the staff costs charged to capital and indications are that the £1.6 million included in the original estimate reported on 1 July 2020 is significantly underestimated, although the picture remains unclear. A further £1 million is included as a likely additional cost to revenue. This figure could still increase.

3.5 The current estimated out-turn position is summarised below:

	£000s
First estimate net spend on pandemic, as reported to Emergency Cabinet on 1 July 2020	5,495
Estimated costs of recovery	
Cleaning (eight months)	
Corporate buildings	95
Schools	265
Blended learning costs incurred	100
Additional cost of school meals four weeks)	57
Estimate of flexible funding (£20m, assumed to be spread across the academic year and distributed on pupil numbers)	(230)
Additional costs of response:	
Staffing at hubs	300
Homeless accommodation	46
Supplier relief (capital projects)	100
Increased impact of capital slippage on staff costs capitalised	1,000
Further lost income	210
Revised estimate net spend	7,433

3.6 Not all funding for the pandemic which has been allocated to local government by Scottish Government has been distributed. As mentioned in paragraph 3.3 funding for Education recovery has been announced but not all has been distributed. There are indications that Scottish Government is planning a scheme to fund local government for loss of income, using Barnett consequential from the scheme developed by UK government for English local authorities. The scheme in England is restricted to non-commercial income, ALEOs are excluded, and the scheme aims to compensate for 75% of losses after the first 5%, which is to be borne by the local authority. COSLA have asked Scottish Councils to estimate loss of income for 2020/21 to scope the issue. As noted on **APPENDIX 4** the current estimate of lost income for the year from fees and charges is £1,022,000. This will be further refined as recovery progresses. One tranche of additional funding for the Scottish



Welfare Fund (SWF) has been allocated and distributed, a further tranche is awaited. No funding is included in the summary above as it is assumed that all funding will be retained within SWF and that SWF will be managed within budget. Funding for Council Tax Reduction was announced in March 2020 but not allocated or distributed and as yet there are no indications of how that funding will be allocated. Consequently no impact of that potential funding is included above. One tranche of funding for local social care mobilisation plans has been allocated to Health Boards to be passed to local authorities, a further tranche has been announced but not allocated. No costs of social care are included in the above summary as these have been separately reported to Scottish Government along with health costs. It has been assumed that all additional costs of health and social care will be fully funded by Scottish Government. There is also capital funding. This will not impact on the revenue costs summarised above.

- 3.7 Unless in-year savings can be generated or further government funding is received or other concessions made by UK Government or Scottish Government as requested by COSLA (such as interest payment holidays on loans charges), this sum will fall to be funded from free general reserves. Free general reserves are held to enable the Council to cope with unplanned calls for expenditure, and as such the use of reserves for an emergency such as the pandemic is appropriate. However, the Council has to be careful not to erode its ability to cope with a further emergency in 2021/22. For that reason the policy minimum of £5 million free general reserves should still be adhered to if at all possible. The current position can be summarised as below:

	£000s	£000s
Balance on free reserves @ 31 March 2020		14,639
Approved to balance budget 3 March 2020	(2,348)	
Approved to fund from reserves 12 August 2020	(437)	
Adjusted for BRIS retention	1,859	(926)
Pre-pandemic projection of free reserves @ 31 March 2021		13,713
Current estimate net spend on pandemic		(7,433)
Estimated free reserves @31 March 2021		6,280

- 3.8 The Council benefited in 2019/20 from Non Domestic Rates Income (NDRI) retained under the Business Rates Incentivisation Scheme (BRIS). This was the first of a three year period and the scheme allows retention across that period. So the Council will be able to retain £1.859 million NDRI under BRIS in 2020/21 and 2021/22. This is a considerable benefit in terms of easing budget pressure in the short term.
- 3.9 It can be seen from the emerging information above that while it should be recognised that an ability to weather the remainder of 2020/21 and emerge with reserves at near the policy minimum would represent a positive milestone which some other councils suggest they will not achieve, this reduces the flexibility which the Council has in 2021/22 to augment budget savings with

use of reserves to balance the budget. It also reinforces the need to achieve additional in-year savings in 2020/21 wherever possible. Although the savings originally estimated as required in 2021/22 of £6.9m can be reduced by BRIS retention (albeit that this is a temporary saving which will require to be met by further savings in future years), additional savings will be required to cover covid costs and this presents an immense challenge given demands around covid recovery, possible second waves, Brexit etc, Nonetheless, given the uncertainties highlighted above, reliance cannot be placed on government funding and flexibilities alone and the council is still required to ensure that every effort is being made to narrow that gap, currently estimated at £5.3 million (see paragraph 3.19). It should also be noted that the Council would be liable to pay a share of any overspend from Moray Integration Joint Board (MIJB). MIJB overspent on services in the last two financial years. The response to the pandemic has clearly had a significant impact on MIJB. Current indications from Scottish Government are that the costs of mobilisation to deal with the pandemic will be met in full. There is however always a risk that there will be additional cost which fall to be met by the MIJB partners of NHS Grampian and Moray Council. It is not possible to quantify that risk. Current estimated costs of mobilisation are £7 million but this does not include supplier relief.

### **SHORT TERM MEASURES TO REDUCE BUDGET SHORTFALL**

3.10 Over the last two years the Council's short term strategy has been to reduce the underlying over-commitment in the budget – evidenced by planned use of reserves – by a combination of the following:

- Income generation
- savings from efficiencies
- review of capital plan
- service re-design: tailor, target, stop
- workforce management
- procurement
- working with local communities.

The potential for these to be used to generate savings in the short term is discussed in the ensuing paragraphs.

#### **3.11 Income generation**

The Council generates income from Council Tax and from charges for services. There is only one opportunity to set Council Tax for the year and a review of Council Tax rates for 2020/21 is not an option even had the Council not increased rates by the maximum allowed by Scottish Government. Given the impact of covid 19 on the tourism industry, a Transient Visitor Levy is no longer a feasible income-generating option in the short term. The Council also planned to explore generating income through sponsorship and increased commercialisation of Council services. Work on this was paused due to the pandemic. Although a practical long-term goal, this is unlikely to be a material part of a short term solution given the current trading environment. The Council should however consider whether an increase of charges for services in year and above inflation for 2021/22 would be a reasonable step to take in reducing the budget gap. The “inflationary” increase in charges approved for

2020/21 was anticipated to generate additional income of £47,000, so this is unlikely to generate significant savings particularly given the impact of the recently declared recession on spending but should not be rejected as an option on those grounds as cumulatively small savings can generate a significant amount. Although the Council's Charging Policy stipulates an annual review of charges, it is possible for the Council to review charges more often and an option for the Council to make savings in the short term would be to increase charges again during 2020/21. This option is not recommended however, for a number of reasons: even if successful, a relatively small amount would be generated, given that it would be November before a revised set of charges could be presented for approval; many of the Council's income-generating activities are paused and are likely to be re-opened with restrictions in terms of social distancing, further depressing the likely impact of increased charges; increasing charges can have the side-effect of decreasing uptake of services, and the timing of increasing charges as furlough comes to an end and the impact on the local economy and jobs is yet unclear would not be good timing. Delaying a review of charges until 2021/22 gives an opportunity to reflect on the changed landscape for service delivery and to establish what the impact of the pandemic is on the local economy immediately post-lockdown.

### **3.12 Savings from efficiencies**

Generally speaking efficiency savings require some investment in terms of time and – typically – technology. Services should review their recovery plans to ensure any efficiencies which can be generated from new ways of working during lockdown are captured. It is unlikely that any other efficiencies will be captured in the short term

### **3.13 Review of the capital plan**

Capital expenditure is funded in part by borrowing, which impacts on revenue expenditure by way of loans charges. There is relatively little scope to make significant savings in the short term by reviewing the capital plan which, by its nature, has relatively lengthy lead-in times for most capital projects. Loans charges are also typically spread over a significant period of time, lessening the impact in one year of any reduction in spend. The converse of this is that additional capital expenditure has less impact on revenue than increased directly funded revenue spend. There is therefore scope for the Council to stimulate the local economy through capital projects in a more affordable fashion than by increasing revenue spend.

### **3.14 Service redesign**

This is the area which gives most scope in the short term to generate savings. Some services have been stood down during lockdown and active consideration should be given as to how quickly these should be returned and in what format. Services which have already been recovered must also be considered. This will require a full review of service delivery arrangements by reference to both scope and standards. Examples where changes may be possible include customer services and libraries, with digital services having played a major part in response in both these areas and also pool car management given more staff will be working from home and more meetings will be virtual. The impact of digital services is already part of the Council's Improvement and Modernisation Programme (IMP) and will be considered in

that context. Experiences of service delivery during the pandemic should be used wherever possible to prompt consideration of action which can be taken now to facilitate potential service transformation in early course.

**3.15 Workforce management**

The known process of vacancy management before recruitment has been reinstituted as a control mechanism to ensure only necessary recruitment takes place. The Council allows a factor in its budget for underspend resulting from staff turnover and it may be that that factor can be increased for 2021/22 to assist in balancing the budget.

**3.16 Procurement**

The Council has generated significant savings through prudent procurement. It is unclear what scope there will be to generate further savings in the short term, particularly as supply chains continue to be stretched and in many areas increased prices can be expected as businesses pass on the cost of social distancing to their customers.

**3.17 Working with local communities**

Processes such as Community Asset transfer (CAT) can both generate savings for the Council and preserve amenities for local communities. During lockdown the Council has continued to see interest expressed in CAT by community groups. However, this is not a quick process and is unlikely to generate in-year savings.

**3.18 Savings 2020/21**

Given the above options it is recommended that members instruct officers to:

- incorporate consideration of service redesign including scope, standards and phasing into recovery plans
- review service scope and standards as part of redesign in recovered services where this would generate savings
- identify any other savings options (bearing in mind that following many years of savings there is unlikely to be many obvious quick wins)

In order for this to have the most immediate impact the results of this should be reported to Council on 25 November 2020 as part of a financial update on the cost of recovery and the implications for the 2021/22 budget.

Complementary to this approach to identify savings which can be quickly achieved but have potential to generate recurring savings in future years, the Council will also take the customary steps to reduce or remove avoidable spend in the short term. As mentioned in paragraph 3.15, vacancy management has been re-introduced. Budget managers have also been asked to ensure that they restrict purchase of goods and services to that which is strictly necessary. This measure will require to be modified by consideration of how the Council's procurement of goods and services can help local economic recovery.

**3.19 Savings 2021/22**

As noted in paragraph 3.1, the estimated budget gap for 2021/22 when the budget for 2020/21 was set was £6.9 million. It is unlikely that the Council will have significant free reserves to contribute towards that gap and so the main

vehicle for setting a balanced budget will be savings. As noted in paragraph 3.8 the Council will benefit from BRIS retention for the final year in 2021/22. There is a strong likelihood that additional costs relating to building cleaning will continue and therefore the base budget for 2021/22 has been adjusted to include these. The current estimated budget gap is set out below:

	£000s
Budget gap for 2021/22 estimated when budget for 2020/21 set	6,824
BRIS retention 2021/22	(1,859)
Full year costs of additional building cleaning	452
Estimate of grant relating to schools (4 months)	(115)
NDR savings from revaluation appeals	(37)
Current estimate of budget gap	5,295

- 3.20 The options set out in paragraph 3.10 and particularly those identified in paragraph 3.18 as most likely to generate savings in the short term should be pursued. However, looking to the longer term the Council will be unable to rely on cumulative small scale savings from minor adjustments to services and after ten years of savings has little truly discretionary spend to remove. Going into preparation for the 2021/22 budget the Council must increasingly focus on transformation of service delivery. This is being progressed through the IMP. The pandemic lockdown impacted on the delivery of IMP and will continue to do so, with flexible working and the use of technological solutions for staff and the public accelerated and social distancing altering the solutions possible from the Property Asset Management Review, at least in the short term. A report on progress on the IMP and the way forward will be given to future meetings of the Education, Communities and Organisational Development, on 23 September 2020 with a view to a revised IMP being presented to the Committee on 18 November 2020. It is hoped that more detail on government funding will be available by that date. Thereafter the Council's approach to transformation will again inform the financial planning process. Significant savings are needed from transformation but it is not currently clear the extent to which IMP as presently framed can deliver these at the level required and estimation of this will form part of the review of the programme. The Council has set aside ear-marked reserves of £3,581,000 to invest in transformation and corporate priorities. This was a prudent step and is all the more pertinent given that the planned use of capital receipts originally budgeted at as £2,000,000 in 2020/21 will be seriously compromised by a six month period in which few property transactions were possible due to lockdown restrictions and also due to the anticipated impact of the pandemic on the property market. The Council has capital receipts of £1.182 million held in reserve which could be used in 2020/21 or 2021/22 to fund transformation. Savings from the proposed transformation must be agree as deliverable before use of capital receipts can be approved. Service redesign as described in paragraph 3.14 could create a springboard to facilitate early transformation of service delivery and if so this opportunity should be taken.
- 3.21 The revised three year budget position for 2020 to 2023 is included as **APPENDIX 1** to this report. A preliminary re-assessment of the savings approved for 2020/21 when the budget was set is included as **APPENDIX 2** to this report. The centrally held provisions approved have also been reviewed

and this review is included as **APPENDIX 3** to this report. As can be seen from the preliminary reviews of savings and provisions there is considerable uncertainty regarding the achievement of savings and the timing of release of provisions. These will be kept under review and the opening position for 2021/22 adjusted as necessary when the estimated out-turn for the year is reported to the Economic Growth, Housing and Environmental Sustainability Committee on 1 December 2020.

### **3.22 Wider environment**

There has been considerable rhetoric from politicians at the national level, both at Westminster and Holyrood, about avoiding a return to austerity both before the pandemic and as we start to move through the recovery stages. However, recent views expressed by the Institute of Fiscal Studies and other bodies tend to suggest that this is a political aspiration rather than a financially realistic option. The Chancellor's autumn statement will give the first guide as to what might be expected in terms of available government support for the public sector. In the meantime it would be prudent to expect a continuation of austerity.

### **3.23 Housing Revenue Account**

The response to the pandemic will impact on the Housing Revenue Account (HRA) and a separate report on this will be prepared and presented to members. The HRA is ring-fenced and therefore as a general rule is independent of the Council's General Fund. However, there are costs budgeted for within the General Fund to be recharged to the HRA. The most significant of these are the Council's Building Services DLO. Current advice from Audit Scotland is that such costs should continue to be charged to the HRA irrespective of whether the services have been affected by lockdown. If the situation changes and costs budgeted for within the HRA have to be absorbed by General Services then additional costs in excess of £1.5 million would fall to be met.

## **4. SUMMARY OF IMPLICATIONS**

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

The Council's budget should reflect the Council's priorities as expressed in the Corporate Plan and LOIP.

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

The Council must set a balanced budget as required by the Local Government Finance Act 1992 (section 93).

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

The response to the COVID-19 pandemic has placed considerable strain on the Council's finances and is likely to continue to have an adverse effect at least into 2021/2. It is therefore important that the Council starts to contain expenditure across its services as they are in recovery mode, looking to achieve savings in 2020/21 where possible and to meet the estimated budget gap in 2021/22 from savings.



**(d) Risk Implications**

There are many risks inherent in financial planning. The main risk which the Council faces at present is an inability to balance the budget in 2021/22 if savings are not made in early course and transformation of services moved forward at pace.

**(e) Staffing Implications**

None arising directly from this report.

**(f) Property**

None arising directly from this report.

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

All potential savings identified as a result of the recommended reviews require an Equalities Impact Assessment.

**(h) Consultations**

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

**5. CONCLUSION**

**5.1 The significant and increasing costs of the pandemic require prompt action to contain expenditure in 2020/21.**

**5.2 The budget gap in 2021/22 will require to be met from savings.**

**5.3 Short term savings could be generated from increased charges; service redesign both during and after recovery including reviewing service standards, scope and recovery phasing to manage resources and deliver savings.**

**5.4 Longer term the Council needs to look for savings from transformation. Work needs to re-commence on this as soon as possible. Changes arising from the pandemic may give opportunities to identify areas for early transformational change.**

Author of Report: Lorraine Paisey, Chief Financial Officer

Background Papers:

Ref:

## BUDGET OVERVIEW AS AT 14 AUGUST 2020

	Actual 2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
<b>Revenue Expenditure</b>					
Service allocations (assuming prior year savings are achieved)	198,459	202,422	210,305	211,780	211,067
Adjustments to brought forward figure:		(3)	415	(110)	24
Opening budget	198,459	202,419	210,720	211,670	211,091
Pay and price increases		4,400	4,000	4,000	4,110
(Decrease) / Increase in Loan Charges		1,700	(300)	1,700	1,367
New Burdens		5,195	720	0	0
Budget pressures:					
- Approved or noted for future years when budget set		4,528	2,050	270	200
MIJB deficit (37% share)	767				
Investment in Change		2,000	400		
Funded by capital receipts	480	(2,000)	(400)		
	199,706	218,242	217,190	217,640	216,758

	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Revenue Funding</b>					
General Revenue Grant / NDRI	159,898	161,897	162,311	162,021	161,731
New burdens funding not included in grant above	0	5,195	383	0	0
Council Tax	43,723	45,700	47,342	49,046	50,812
BRIS retention	1,859	1,859	1,859		
<b>Funding from General Reserves:</b>					
Amount From Reserves to balance budget	(6,541)	2,348			
Other one-off funding from reserves		437			
Estimated impact of the Covid-19 pandemic		7,433			
MIJB deficit (37% share)	767				
	<u>199,706</u>	<u>224,869</u>	<u>211,895</u>	<u>211,067</u>	<u>212,543</u>
<b>SAVINGS REQUIRED</b>		<u>3,446</u>	<u>5,295</u>	<u>6,573</u>	<u>4,215</u>
<b>Savings Summary</b>					
<b>Savings Approved:</b>					
Approved	9,717	1,979	451	115	0
Approved subject to consultation		181	31	0	
Temporary savings	241	705	43	24	0
Indicative Savings from I&M Programme	250	360	63		
<b>Other savings proposed</b>		221	263	0	0
<b>Savings to be identified</b>			4,444	6,434	4,215
	<u>10,208</u>	<u>3,446</u>	<u>5,295</u>	<u>6,051</u>	<u>4,215</u>
<b>Estimated Free Balance on General Reserves</b>	<u>14,639</u>	<u>6,280</u>	<u>6,280</u>	<u>6,280</u>	<u>6,280</u>





## APPENDIX 2

SAVINGS APPROVED	Report date & Cttee ref	Amt £000s	RAG	Comment
<b>Financial Services</b>				
AP Electronic processing - staff saving	MC 27/02/2019	20		Dependent on ICT development – o/s
Purchasing card rebate	MC 12/02/2020	8		Posted, relates to spend level
<b>HR, ICT &amp; Organisational Development</b>				
SWAN	MC 27/02/2019	30		
Transform - cease electronic matching	MC 27/02/2019	14		
Contracts - contract renewal	MC 27/02/2019	10		
ICT Contract Review	MC 12/02/2020	20		
Employee Assistance Programme	MC 12/02/2020	15		Contract extended in response to pandemic
<b>Governance, Strategy &amp; Performance</b>				
Contact Centre - reduce staffing complement	MC 27/02/2019	22		Done
Taxation - reduce processor post with e-forms	MC 27/02/2019	22		
Customer Services - reduce stationery cost with e-forms	MC 27/02/2019	14		Lower take up of e-forms than forecast
Mailroom - reduce staffing complement	MC 27/02/2019	20		Done
Restructure	MC 27/02/2019	23		Done
Members service reduction in hours	MC 03/03/2020	3		Can't realise savings until postholder returns



SAVINGS APPROVED	Report date & Cttee ref	Amt £000s	RAG	Comment
Environmental & Commercial Services				
Building Cleaning - Reduce cleaning hours at schools	MC 27/02/2019	84		Savings achieved. Additional costs will be incurred for recovery of service under current requirements.
Cleaning and catering management restructure	MC 12/02/2020 subj to consultation	21		
Waste Collection - increased charge for garden waste	P&R 14/01/2020	94		
Landfill tax - reduction in tonnage landfilled	MC 27/02/2019	58		
Waste Management - reduce overtime	MC 27/02/2019	40		
Closure of public conveniences	MC 12/02/2020 subj to alt provision	32		
Core paths maintenance funded from Dorenell Wind Farm monies	ED&I 27/01/2020	13		
Increase burial charges	P&R 14/01/2020	77		
Car park income	MC 12/02/2020	48		Income reduced because of pandemic
Parking charges - Additional charged locations	MC 27/02/2019	27		
Transportation - charge for staff parking at HQ	MC 27/02/2019	11		
School crossing patrollers - Remove remaining provision	MC 27/02/2019	49		

<b>SAVINGS APPROVED</b>	<b>Report date &amp; Cttee ref</b>	<b>Amt £000s</b>	<b>RAG</b>	<b>Comment</b>
Transportation management restructure	MC 12/02/2020 subj to consultation	7		
Reduce street lighting maintenance	MC 12/02/2020	50		
Reduce vehicle fuel consumption	MC 12/02/2020	77		It will be difficult to assess whether the planned improvement in fuel efficiency has been achieved but there will certainly be savings due to reduced vehicle use during lockdown.
<b>Economic Growth &amp; Development</b>				
Economic Development - Support for projects	MC 27/02/2019	120		
Business Gateway Review	ED&I 20/01/2020	11		
Museums - transfer to trust/closure of service	MC 27/06/2019	30		
Charge for processing viability assessment (planning)	MC 12/02/2020	3		
Reduce consultancy budget (Planning)	MC 12/02/2020	3		
Building Standards establishment	MC 12/02/2020 subj to consultation	34		
<b>GS Housing &amp; Property Services</b>				
Homelessness Allocations - service reprovion	MC 27/02/2019	59		Done (saving of £54,000 only)
Property Services - reduce corporate repairs and maintenance budgets	MC 27/02/2019	100		Budget reduced. Underspend in 2019/20.

<b>SAVINGS APPROVED</b>	<b>Report date &amp; Cttee ref</b>	<b>Amt £000s</b>	<b>RAG</b>	<b>Comment</b>
Property Services - review of service	MC 27/02/2019	55		Taken in IMP management restructure
Estates rental review	MC 27/02/2019	30		Saving posted but impact of pandemic not clear
Rental income from new industrial sites / units	MC 27/02/2019	20		Saving posted but impact of pandemic not clear
Homelessness Allocations - Marleon House	MC 03/03/2020	32		
Housing Information Officer	MC 12/02/2020 subj to consultation	34		Vacant post – awaiting confirmation of consultation
Homelessness central admin	MC 12/02/2020 subj to consultation	53		Vacant post – awaiting confirmation of consultation
<b>Education</b>				
Reduce DSM budget	MC 27/02/2019	36		Implemented at start of last academic year
Increase class sizes P2 and P3	MC 27/02/2019	70		Implemented at start of last academic year
0.5% DSM budget saving	MC 27/02/2019	55		Implemented at start of last academic year
Music Instruction - Increased cost recovery amended proposal	MC 27/02/2019	20		Saving made against staffing
Charge cost of SQA music tuition to schools	MC 03/03/2020	9		Schools should be able to pay this
<b>Education Resources &amp; Communities</b>				
Sports/Leisure Service - commercialisation of service	MC 27/02/2019	83		CMP being prepared therefore little chance of savings this year (will be able to quantify when CMP finalised)

<b>SAVINGS APPROVED</b>	<b>Report date &amp; Cttee ref</b>	<b>Amt £000s</b>	<b>RAG</b>	<b>Comment</b>
Relocate staff from Auchernack	MC 27/02/2019	52		Unlikely to make full savings – there will be residual budget required for Auchernack in the short term
Active Schools	MC 27/02/2019	4		Implemented
VAT (leisure services)	MC 12/02/2020	118		Saving posted but additional income will not be achieved due to closure of premises
Moray Leisure Centre	MC 03/03/2020	60		Grant payment reduced
<b>Corporate</b>				
Inflationary increase in charges	P&R 14/01/2020	48		£46,000 increase posted.
Increase in NI threshold	MC 27/02/2019	15		£36,000 savings posted
Telephone book review	MC 12/02/2020	16		£14,000 savings posted (balance relates to MIJB)
<b>IMP</b>				
Senior Management restructure (Part year effect)	MC 26/09/2019	93		
Stream 1: Asset Management	MC 03/03/2020	148		
Stream 2: ICT & Digital - Schools Admin	MC 03/03/2020	87		
Stream 2: ICT & Digital - Open Revenues Portal (Council Tax)	MC 03/03/2020	85		
Stream 2: Customer Services RE-Design - Access Point	MC 03/03/2020	40		
<b>TOTAL</b>		<b>2,532</b>		



APPENDIX 3

Provisions approved	£000s	RAG	Comment
<b>Budget pressures</b>			
RHI payments cease	65		Advised no longer applicable
H&SC funding per settlement letter	1,792		Mandated in settlement
2 new Senior Social Worker posts (Children's services)	92		Posts filled and provision released in full
Additional Support for Learning	257		Additional funding from 2019/20 also to be utilised
Linkwood PS running costs	275		Project delayed.
School roll numbers	450		Drawn down in part
Additional whole life costing Lossiemouth HS	40		Project delayed
Public Sector Pension Scheme discount rate	913		Required in full and drawn down
School meals (change of regulations)	139		Will also be impacted by COVID-19
New post (Business Support for Education and Social Care)	18		Drawn down in full
Reduction in DWDP funding	22		Drawn down in full
Moray Growth Deal economic assessments	80		Likely to be required but will be assessed on a case-by-case basis
Winter gritting	15		Drawn down in full
Removal of statutory mitigation for flexi-leave and TOIL accrual	150		Estimate
Microsoft licences	100		Provision light by £30,00 but will be covered by contingency
Loans charges	1,820		To be reassessed in the light of COVID
IMP	2,000		To be reassessed in the light of COVID
Capital receipts	(2,000)		To be reassessed in the light of COVID
<b>New burdens</b>			
Rapid Rehousing Transition	101		
School Counselling	272		
Parental Employability	115		
NDR reform	57		
Community Justice Partnership	12		
<b>COVID-19 pandemic - funding</b>			

Provisions approved	£000s	RAG	Comment
Hardship fund	853		
SWF top-up	261		
Food Fund	448		
Tranche 2 funding	2,644		
Registrars	11		
Additional DHP			
Education recovery	535		
<b>Inflation</b>			
Pay awards	3,593		£3.585 m drawn down
PPP uplift	110		
Transport contract uplifts	72		
Other contract inflation	146		
Non Domestic Rates	168		
Fostering allowances	64		Required in part only
Electricity / gas prices	141		Prices fluctuating
Landfill tax	64		Released in full
Grampian Valuation Joint Board	62		Met from new burdens
Contingency	59		
<b>TOTAL</b>	16,016		



## APPENDIX 4

	Estimated Total Cost £'000	
	Recurring	One-off
<b>LG Mobilisation Costs</b>		
Social Care Costs Outwith Remit of IJBs		
Children's Services (non delegated) and ELC	856	0
Housing and Support to Vulnerable Communities	741	1
Workforce Costs (excl IJB workforce)	607	110
Non-Workforce Costs	100	10
Total mobilisation costs	2,304	121
<b>Lost Income &amp; Other Costs</b>		
Closures	1,412	50
Fees and Charges	1,022	0
Savings not achieved	222	0
Total local income and other costs	2,656	50
<b>Recovery Costs</b>		
Education	422	
Early Learning and Childcare	0	
Waste and Environment	4	
Culture and Leisure	872	
Vulnerable Communities	0	
Non-delegated social care	0	
Office estate, etc.	95	
Test, protect & shielding	0	
Total recovery costs	1,389	
<b>Overall Total Costs</b>	<b>6,349</b>	<b>171</b>
<b>Reduced costs</b>	<b>811</b>	<b>0</b>
<b>Net additional costs</b>	<b>5,538</b>	<b>171</b>

**Funding from Scottish Government**

Hardship Fund	853	
Food Fund	448	
Tranche 2 funding	2,644	
Safe opening for schools	230	
Total estimated funding applicable to above	4,175	
Net cost	1,363	171
Reduction in Council Tax	2,400	
Reduction in Industrial estate rental	900	
Impact of reduced capital spend	2,600	
	<b>7,263</b>	<b>171</b>





**REPORT TO: MORAY COUNCIL ON 2 SEPTEMBER 2020**

**SUBJECT: PARTICIPATORY BUDGETING**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

## **1. REASON FOR REPORT**

- 1.1 To inform the Council of the current progress in developing Participatory Budgeting (PB) within Moray, including work by officers on an initiative with COSLA and the Alan Turing Institute regarding the use of the next generation of the digital platform Consul, as a pilot study.
- 1.2 This report is submitted to Council in terms of Section III (B) (1) of the Council's Scheme of Administration relating to the financial and budgetary policy of the Council.

## **2. RECOMMENDATION**

### **2.1 It is recommended that the Council:**

- (i) notes the delay caused by the COVID-19 Pandemic upon the development of Participatory Budgeting within Moray
- (ii) considers the initial exploratory work on the enhanced Artificial Intelligence (AI) module of Consul and instruct Officers to continue to progress this work with the intention of running a pilot PB exercise on the platform as outlined in para 5.3
- (iii) agrees that representatives from Money For Moray (M4M) are to be involved as part of the delivery team for a pilot PB exercise run on the enhanced AI module of Consul
- (iv) agrees to the use of £50,000, Scottish Government funding to support Care Experienced Children and Young People to be allocated via Participatory Budgeting using a method suitable for this ring-fenced funding stream.

## **3. BACKGROUND**

- 3.1 The Community Empowerment (Scotland) Act 2015 provides a range of powers to strengthen community voices with decision-making that directly

impacts them. It makes particular provisions on participation in public decision making and the role that Participatory Budgeting can play in this.

- 3.2 As a consequence of this, on the 29 October 2017, the Scottish Government and COSLA agreed a framework to work together to have at least 1% of Council budgets subject to PB by the end of the 2020/21 Financial Year.
- 3.3 The 1% has been defined as: "Total estimated expenditure for revenue, as per the local government finance circular, less assumed council tax intake". This is a minimum target and can be made up of revenue and capital expenditure. For Moray in 2020/21 that amount would be equal to £1.7m.
- 3.4 The participatory budgeting framework and policy for Moray was approved at a meeting of the Policy and Resources Committee on 14 January 2020 (paragraph 16 of the minute refers).
- 3.5 Pre-Covid, officers had been working on identifying a number of potential areas for running a PB exercise together with organising a series of briefing meetings for Council Officers, Elected Members and Community Representatives, to be led by Officers from the PB Delivery Team in partnership with the COSLA Participatory Budgeting Training Officer. As a consequence of the pandemic the work on PB was de-prioritised to allow capacity and resources to be directed into emergency response activity.
- 3.6 Pre-Covid the PB Steering Group had identified five potential pilot exercises which covered capital, economic, geographical and service related budgets. The initial areas identified were:
  - (i) **Lands & Parks:** children's' play park equipment covering 3 areas of Moray
  - (ii) **Children's Services:** looked after children funding (see Section 5)
  - (iii) **Economic Development:** Crown Estate Scotland Coastal Improvement Funding
  - (iv) **HRA:** Tenants' Forum
  - (v) **Capital:** Public realm in the vicinity of the replacement Lossiemouth Bridge

With the outset of the Covid-19 pandemic, other than (ii) above, where the funding is time limited, the work on the these pilots has had to be suspended and a new re-evaluation exercise will be required.

- 3.7 At a COSLA PB Officers network meeting held virtually on the 25 May 2020 - attended by an officer from Moray Council PB team - a number of Local Authorities expressed concerns about the impacts of the pandemic on their capacity to deliver against the 1% Framework Agreement in this fiscal year (2020/21). Concerns were also raised about the expected long-term vulnerabilities and impacts of the pandemic on the wellbeing of individuals, families and communities and the exacerbation of existing inequalities in the lives of the most vulnerable communities of place and experience. It is considered that the development of PB across Scotland should reflect emerging concerns arising from the pandemic and that the timescales for achieving 1% budget to allocated by PB should be amended to allow for this.

#### **4. CONSUL DIGITAL PLATFORM**

- 4.1 Consul is an open source digital platform designed to facilitate citizen participation in decision making. It allows any organisation to freely use and modify it. The software was developed by Madrid City Council with funding from the EU and is used in 135 institutions across 35 countries.
- 4.2 COSLA has been actively engaged to develop a pilot that explores the broad range of features of the platform, particularly to facilitate PB. The pilot is a partnership with the Scottish Government, the Digital Office for Scottish Local Government, the Improvement Service and the Democratic Society. COSLA is hosting the platform for member Councils. The first phase of the pilot began with online voting on a PB exercise for West Dunbartonshire Council which ran between 8 and 23 February 2019 with over 4,000 votes being cast.
- 4.3 The Corporate Management Team (CMT) as the PB Steering Group recognised the potential benefit to Moray of adopting Consul as the Council's digital platform for community consultation and instructed the PB team to begin the preliminary set up work which included design of a Moray Participatory Budgeting logo and strap line for use on the site (**APPENDIX 1**).
- 4.4 Officers from the PB team approached COSLA to enquire on the potential use of Consul for generating ideas and analysing feedback in wider community engagements. COSLA responded that prior to lockdown they were working with the Alan Turing Institute and Warwick University who are building and testing artificial intelligence (AI) to be applied to Consul to some of these more complex issues. It had been planned to approach all 32 Local Authorities to enquire if any would be interested in working together with them and the Alan Turing institute on testing the application modules they had developed. Officers of the PB implementation team expressed their interest in being involved.
- 4.5 From officers' expression of interest, an initial meeting was held with representatives from the Alan Turing Institute and COSLA where there was the opportunity to understand the purpose of AI and what would be required from the Council in terms of a pilot. It was explained that the development of AI uses a variety of techniques for grouping and analysing responses from the community and comprised of 4 modules. It was agreed that due to potential GDPR issues, module 4 would not be considered at this time.
- 4.6 It is proposed that officers from the PB team work in conjunction with Senior Officers and the PB Steering Group to identify a suitable project in which to pilot the enhanced AI Consul. The project will be required to allow for input from the community in discussion which will test the various AI modules; from the analysis of the results a resulting full participatory budgeting exercise would be conducted. To assist in community engagement and to ensure that PB within Moray is a partnership between the Council and the citizens, it is envisaged that representatives from Money for Moray (M4M) would be involved as part of the delivery team, for this pilot exercise.

## **5. CARE EXPERIENCED CHILDREN AND YOUNG PEOPLE FUNDING**

- 5.1 Prior to the Covid-19 lockdown the Acting Head of Children and Families and Justice Social Work identified a potential funding stream ring-fenced for Care Experienced Children and Young People to support raising attainment that could be suitable for a PB exercise.
- 5.2 At the beginning of June 2020 this possibility was scrutinised by a cross service group of officers including the Corporate Parenting and Commissioning Manager and officers from education, social care and the PB team and it was agreed to recommend this as a pilot.
- 5.3 In line with the Participatory Budgeting Framework document presented to the Policy and Resource Committee on the 14 January 2020 it is now proposed that a delivery team be formed, with membership consisting of officers from Education & Social Care, the PB team, representative from Who Cares? Scotland and young care experienced people themselves. If approved by Council, the delivery team will agree on the format, content and running of the PB exercise. Due to the very defined nature of the funding criteria and potential recipients, it has been agreed that it would not be a suitable project to run on the Consul platform

## **6. SUMMARY OF IMPLICATIONS**

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

The Council's Corporate Plan recognises the value of increasing the involvement and influence of our communities in service design and elements of our budget. The plan commits to empowering and supporting communities to build capacity by becoming involved, influential and active in service design and delivery. Participatory Budgeting will help to take these commitments forward.

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

The Community Empowerment (Scotland) Act 2015 makes particular provisions on participation in public decision making and the role that Participatory Budgeting can play in this

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

There will be cost implications associated with Participatory Budgeting, in particular from communicating and promoting the exercise within the Community; together with potential costs for setting up IT system to run an online PB voting exercise. These will be identified as part of the Council's financial planning cycle

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

There are no risk implications arising directly from this report

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

It is anticipated that there will be resource implications associated with Participatory Budgeting, with a requirement that Officers of the Community Support Unit, ICT and from participating service areas will be

required to set up and / or assist in the running of Participatory Budgeting. It is expected that these will be met from existing resources and no additional staff will be required

**(f) Property**

There are no property implications arising directly from this report.

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

There are no equalities issues arising directly from this report.

**(h) Consultations**

Members of the Corporate Management Team, the Democratic Services Manager, Chief Financial Officer, Acting Head of Children and Families and Justice Social Work, Committee Services Manager, Head of Education (Resources and Communities), Organisational Development Manager and the Equal Opportunities Officer have been consulted in the preparation of this report.

## **7. CONCLUSION**

**7.1 This report provides details on the current situation with regards to Participatory Budgeting within Moray and the delay caused by the Covid-19 pandemic to the process.**

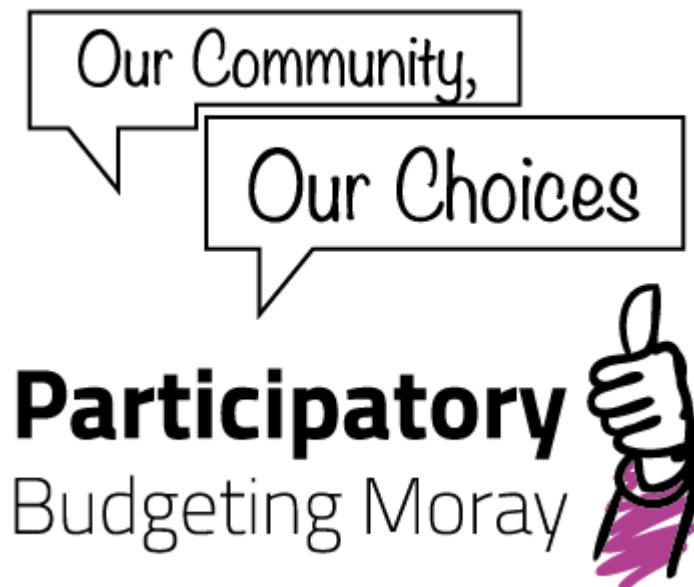
**7.2 The report identifies an opportunity to collaborate with COSLA and The Alan Turing Institute on the Artificial Intelligence (AI) module for the Consul digital platform and to be the first Local Authority to pilot and launch these modules within Scotland.**

**7.3 The report details the proposed first pilot Participatory Budgeting exercise to be conducted within Moray within Education & Social Care by utilising £50,000 funding made available for raising the attainment of looked after children using a method of consultation appropriate for this ring-fenced funding.**

Author of Report: Paul Connor, Principal Accountant  
Background Papers:  
Ref:











**REPORT TO: MORAY COUNCIL ON 2 SEPTEMBER 2020**

**SUBJECT: APPOINTMENT TO OUTSIDE BODIES/PARTNERSHIPS AND BOARDS**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the current appointments to outside bodies/partnership/boards as detailed in **Appendix 1** of the report and to consider if there is a need to review these appointments in light of the political balance allocations for Committees as agreed by the Council on 12 February 2020 (Para of the Minute refers).
- 1.2 This report is submitted to Council in terms of Section II (11) of the Council's Scheme of Administration relating to appointments to Committees.

**2. RECOMMENDATION**

- 2.1 **It is recommended that the Council consider if there is a need to review the appointments in light of the political balance allocations for Committees as agreed by the Council on 12 February 2020.**

**3. BACKGROUND**

- 3.1 At its meeting on 12 February 2020 the Council agreed to increase the main Committees membership from 13 to 14 with a political balance of 5 SNP, 5 Conservatives, 2 COG, 1.5 MAG and 0.5 Labour.
- 3.2 It was also agreed that a separate report on any implications the change may have in regard to appointments to outside bodies would be provided to the next meeting. However this was delayed due to the impact of COVID-19 and the restrictions imposed.

**4. APPOINTMENTS TO OUTSIDE BODIES/PARTNERSHIPS/BOARDS**

- 4.1 The Council traditionally looks to make appointments to outside bodies/partnerships and Boards at the beginning of each new term of office and also makes occasional appointments for various reasons during each term if required. These appointments are usually circulated in advance in order to allow individual groups the opportunity to discuss and agree

nominations to be put forward at the meeting. Where there are more nominations than places available, a vote is taken to determine the allocation.

- 4.2 The majority of appointments are allocated in this way, however, there are some that are traditionally accepted as being open only to the Administration of the day.

## **5. SUMMARY OF IMPLICATIONS**

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

None.

**(b) Policy and Legal**

None

**(c) Financial implications**

Allowances for nominated Members attendance at meetings of organisations appointed to are covered in the Councillors & Members Allowance Scheme.

**(d) Risk Implications**

None.

**(e) Staffing Implications**

None.

**(f) Property**

None.

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

None.

**(h) Consultations**

None.

## **6. CONCLUSION**

- 6.1 That the Council consider if there is a need to review the appointments to outside bodies/partnerships/boards in light of the political balance allocations for Committees as agreed by the Council on 12 February 2020.**

Author of Report: Moira Patrick, Democratic Services Manager

Background Papers: Held by Author

Ref:

Item 10

OUTSIDE BODY	Agreed Councillor 1	Agreed Councillor 2	Agreed Councillor 3	Agreed Councillor 4	Agreed Councillor 5	No of Places	SNP	Cons	COG	MAG	Labour	
Adult Protection Sub Committee	P Coy	L Powell				2	1	1				
Armed Forces and Veterans Champion	D Gatt					1		1				
Auchernack Trust	G Alexander	L Creswell	C Feaver	A McLean		4	1	1	2			
Banffshire Educational Trust Joint Board of Governors	D Ross	S Warren	T Coull			3	2			1		
Business Gateway	J Cowe					1			1			
Business Loans Scotland	T Coull					1	1					
Cairngorms National Park	D Ross					1				1		
Castle to Cathedral	R McLean					1		1				Think this may be defunct as not on CMIS
Citizens Advice Bureau (CAB) Board of Directors (Advisers)	J Divers	S Morrison				2	1				1	
City of Elgin Business Improvement District (BID)	J Divers	P Coy (Observer)				1					1	
Community Planning Board	G Leadbitter	G Alexander	J Divers	T Eagle	S Warren	5	2	1	1		1	
Convention of Scottish Local Authorities	G Leadbitter, D Bremner (as at 27.03.19) S Morrison, L Nicol, S Warren, T Eagle,					6	5	1				
Convention of the Highlands & Islands	G Leadbitter					1	1					
County of Banff Bursary Fund: Board of Governors						1						Was Ron Shepherd - no new appointment

Dick Bequest Trust Scheme	D Ross							1					1			
Elgin CARS	No appointments - Scheme is Finished															
Equalities Champion	S Morrison							1	1							
Findhorn Bay Local Nature Reserve Management Committee	C Feaver							1		1						
Findhorn, Nairn, Speyside Local Plan District Strategic Steering Group	A McLean							1	1							
Forres Golf Course: Board of Trustees	L Creswell	A McLean						2	1		1					
Foundation of the University of the Highlands & Islands	C Feaver	A Taylor						2	1	1						
Grampian NHS Board	S Morrison							1	1							
Grampian Valuation Joint Board	G Leadbitter	T Coull	F Brown					3	2	1						
Grampian Venture Capital Fund Limited	No further meetings but appointments required to sign off final accounts when needed - D Bremner and J Cowe							2	1		1					
Highland and Moray Area Support Team	F Brown	S Warren						2	1	1						
Highland Reserve Forces & Cadets Association – Northern Area Committee	F Brown							1		1						
Highlands & Islands Strategic Transport Partnership (HITRANS)	J Cowe	G Leadbitter (Substitute)						1			1					
Highlands and Islands European Partnership	G Leadbitter							1	1							
Highlands and Islands Territorial Committee	G Leadbitter							1	1							
Integration Joint Board	S Morrison	T Coull	T Eagle					3	2	1						
Integration Joint Board APR	T Coull	T Eagle						2	1	1						
Integration Joint Board CCG	T Eagle							1	0	1						
Joint Energy from Waste Project - Elected Members Engagement Group	G Leadbitter	J Divers	G Cowie	D Bremner (Substitute)				3	1		1			1		



Knockando Woolmill Trust	D Ross			1				1		
Leadership Board to the Highlands and Islands Schience Skills Academy	S Warren			1	1					
Moray Chamber of Commerce	G Leadbitter			1	1					
Moray Child Protection Committee	P Coy	L Powell	S Warren	3	2	1				
Moray Community Justice	J Divers	L Creswell		2			1		1	
Moray Economic Partnership * from 16/06/20	G Leadbitter	T Eagle *	J Cowe *	3	1	1	1			
Moray Leisure Centre - Board of Directors	R McLean	M Macrae	A Taylor	3	1	2				
Moray Local Outdoor Access Forum (Loaf)	L Nicol			1	1					
Moray Twinning Association	J Allan			1		1				
Moray Women's Aid - Board of Directors	G Leadbitter	P Coy (Substitute)		1						CMIS has no name against this one
North East Local Plan District Steering Group	D Bremner			1	1					
North East Scotland Agricultural Advisory Group	T Eagle	D Bremner		2	1	1				
North East Scotland Fisheries Development Partnership	M Macrae	S Warren		2	1	1				
North East Scotland Pension Fund – Pensions Board	J Cowe			1			1			
North East Sensory Services	T Coull			1	1					
Northern Roads Collaboration	G Cowie	T Coull		2	1		1			
Scotland Excel Joint Committee	A McLean			1	1					
Scottish Joint Council for Local Government Employees	J Divers			1					1	
Scottish National War Memorial	D Gatt			1		1				
Victim Support Moray	P Coy			1	1					
Percentage per Group				89	43	22	12	4	6	
					48%	25%	13%	4%	7%	

