

# **MORAY COUNCIL**

## **Minute of Special Meeting of the Moray Council**

**Wednesday, 1 March 2023**

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

### **PRESENT**

Councillor James Allan, Councillor Peter Bloomfield, Councillor Neil Cameron, Councillor Tracy Colyer, Councillor Theresa Coull, Councillor John Cowe, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Juli Harris, Councillor Sandy Keith, Councillor Scott Lawrence, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Paul McBain, Councillor Neil McLennan, Councillor Shona Morrison, Councillor Bridget Mustard, Councillor Kathleen Robertson, Councillor Derek Ross, Councillor John Stuart, Councillor Draeyk Van Der Horn, Councillor Sonya Warren, Councillor Ben Williams

### **APOLOGIES**

No apologies were submitted.

### **IN ATTENDANCE**

Also in attendance at the above meeting were the Chief Executive, Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Chief Financial Officer, Head of Governance, Strategy and Performance, Head of Housing and Property and Tracey Sutherland, Committee Services Officer.

#### **1. Chair**

The meeting was chaired by Councillor Kathleen Robertson.

#### **2. Declaration of Group Decisions and Members Interests \***

In terms of Standing Order 20 and the Councillors' Code of Conduct, Councillors Robertson, Leadbitter, and Keith declared that their respective groups had discussed Items 4 and 6 of the agenda at length and no whip on voting had been given.

Councillors Cowe and Ross also declared that they had discussed the budget at length.

There were no other declarations from Group Leaders of Spokespersons in regard to any prior decisions taken on how Members will vote on any other items on the agenda or any declarations of Member's interests in respect of any item on the agenda.

#### **3. Tribute to Former Councillor**

The Council joined the Chair in expressing their condolences to the family of the former Councillor Ronnie Sim.

In leading the tribute, Councillor Keith confirmed that this was the 8th anniversary of the former Councillor's passing and thanked the Chair for allowing him to acknowledge the date and the work that Councillor Sim had done in his time as Councillor for the Cathedral Ward in Elgin.

#### **4. Accounting for Service Concessions**

A report by the Depute Chief Executive (Economy, Environment and Finance) provided the Council with information on the changes permitted to how local authorities account for the repayment of debt on service concession arrangements and request approval of the Council revising its methodology for accounting accordingly.

Following consideration the Council agreed to approve:

- i) the implementation of the option in the guidance on service concessions to revise the accounting methodology as detailed in section 4, resulting in recurring savings of £1.2million and a retrospective benefit of £11.2 million to be approved; and
- ii) the saving from the retrospective benefit be ear-marked for loads charges associated with school new build/refurbishments as set out in paragraph 4.8.

#### **5. 2023-24 Budget 2023-26 Financial Plan**

A report by the Depute Chief Executive (Economy, Environment and Finance) asked the Council to set the level of Council Tax for 2023/24, to agree the Council's revenue and capital budgets for 2023/24 and to consider the Council's Financial Plan for 2023 to 2026.

The Chair advised members of her intention to go through the speeches in order of political group size, so the Administration Group followed by the SNP, Labour Group, Councillor Van Der Horn and then Councillor McLennan. She further added that in light of the paperwork circulated to members before the meeting in regards to Councillor McLennan's amendment, she invited the Monitoring Officer to provide some advice to the Council.

The Monitoring Officer advised that the proposed amendment to the budget from Councillor McLennan was received late in terms of the budget setting protocol. This combined with its complexities had not given Officers sufficient time to give due consideration to its terms as a whole. He had marked up a copy of the amendment to highlight his concerns in terms of competency which was circulated to Members prior to the meeting. These included being at the inappropriate Committee and using the budget setting process to seek actions which would normally require Service Committee consideration or notice of motion, the lack of fair notice and insufficient or unverified information. The number of outstanding concerns on competency gave him concerns about the integrity of the amendment as a whole and his recommendation to the Chair was that she considered ruling the amendment as not competent for the reasons stated.

The Chair sought a short adjournment and sought further advice from the Monitoring Officer.

On the resumption of the meeting the Chair, based on the advice given by the Monitoring Officer, was minded to declare the amendment as a whole from Councillor McLennan as not competent and sought views from the Council in terms of Standing

Order 49(c) and whether Members felt they had sufficient information before them to come to a reasoned and balanced decision on this particular amendment.

Councillor Bloomfield stated that having read the amendment and listened to the advice of the Monitoring Officer he was in agreement with the advice given and that the amendment was incompetent.

Councillor McLennan sought clarification on whether the amendment will be published with the comments provided by the Monitoring Officer. He further sought clarification on whether the amendments not marked could be considered by the Council.

In response, the Monitoring Officer clarified that Councillor McLennan's budget amendment had been published as part of the papers and did not propose publishing the marked up copy which was circulated to members prior to the meeting.

He further added that it is open to any member to raise any issues at a meeting with regards to the reports in front of them. If the issue was a new issue and not one that had already been commented on then it would be considered on its merits.

The Chief Executive confirmed that the recommendation from the Monitoring Officer was that the amendment in its entirety was deemed incompetent and the Chair was seeking, in terms of the relevant Standing Order a view from the Council.

The Chair then advised, having listened to the advice from the Monitoring Officer and Chief Executive, she was ruling that Councillor McLennan's amendment was not competent in terms of Standing Order 49(c).

Before introducing the Administration Group Budget, the Chair wished to thank the Depute Chief Executive (Economy, Environment and Finance) and the Chief Financial Officer in particular who had overall responsibility for preparing the budget. She further thanked the Heads of Service who worked hard to provide detail against their budget areas. She also wished to thank the elected members who participated in the Budget Sharing protocol and the Political Group Leaders meetings.

The Chair said that the previous Council was criticised for not agreeing a collegiate approach to the budget setting and financial processes. Over the past few months, elected members, had all been involved in budget discussions both collegiately and through individual political parties. Today there were a number of amendments to the budget which she hoped showed that all parties had been well informed and involved in the process to enable meaningful contributions and hoped that this approach would continue in 2024-25 when difficult budget decisions would be faced.

The Chair further added that the approval earlier in the meeting of service concessions allows the Council to plan for the anticipated spend on the Council's learning estate, in particular the pending LEIP projects to replace Buckie High School and Forres Academy. The additional budget pressures for the reduction in brown bin charges and the sustainable rate for early learning and childcare, both agreed at previous meetings to support the local community.

The budget proposes a 5% increase in Council Tax which is in common with many other local authorities. £300k is proposed to be set aside for roads maintenance. £4.4m worth of savings have been identified over the year. Covid reserves provide the opportunity to provide temporary funding to allow the Council to take a measured and considered approach to transforming services to address the projected savings for 2024-25.

Following the Chair's introduction, she moved that the Council approve:

- (i) An increase of 5% on Council Tax for 2023/24;
- (ii) Provision of £9,598,000 for budget pressures as listed in APPENDIX 2;
- (iii) Service developments totalling £704,000 as described in paragraph 4.14;
- (iv) Savings totalling £1,677,000 as listed in APPENDIX 3;
- (v) Budgeted expenditure of £260,130,000 for 2023/24;
- (vi) Indicative budgets for 2024/25 and 2025/26 as set out in APPENDIX 1;
- (vii) Capital expenditure of £59,186,000 for 2023/2024 as set out in the indicative ten year Capital Plan in APPENDIX 4;
- (viii) Funding for Moray Integration Joint Board (MIJB) to increase by Moray's share of the £100 million still undistributed in 2023/24 compared to 2022/23, less £412,000 per the settlement letter from Scottish Government;
- (ix) Use of ear-marked reserves totalling £1,613,000 for transformation, £759,000 for Moray Growth Deal cash flow and of £14,768,000 from Covid reserves to balance the budget; and
- (x) An increase of up to 27% in temporary accommodation charges to mitigate the budgetary impact as detailed in paragraph 5.7 as there has not been an uprating since 2015.

It was further recommended that the Council noted:

- (i) There will be conditions placed on the Council in terms of the settlement letter from the Depute First Minister and that these are still the subject of on-going communications;
- (ii) Projected additional savings requirements of £18,741,000 in 2024/25 and £756,000 in 2025/26; and
- (iii) A review of services is underway and will be the basis for community engagement on proposals to bring the Council's budget back into balance for 2024/25;

This was seconded by Councillor Gatt.

The Chair then invited Councillor Leadbitter, Co-Leader of the SNP group to introduce their amendment.

Councillor Leadbitter, seconded by Councillor Stuart, introduced the SNP budget amendment.

N.B. - 2 years in the table to reflect any partial savings in 23/24 that convert to full year in 24/25.

**SERVICE INVESTMENT - NEW SPEND**

N.B. All items recurring, unless otherwise stated.

| Item   | 2023/24<br>(000's) |
|--|--------------------|
| <b>Moray Women's Aid</b> – Provide additional grant funding to support staffing levels to cope with a large increase in demand and need for overnight support.   | 25                 |
| <b>Fuel Poverty Grant</b> - Introduce a short-term grant scheme for people in fuel poverty – one off spend in 23/24.   | 100                |
| <b>Youth Workers</b> - Increase Detached Youth Worker provision across Moray.  | 125                |
| <b>Community Wardens</b> - Increase Community Wardens by a further 2 FTE recognising significant pressure on the service due to increased neighbour disputes and anti-social behaviour. This would also enable support for Youth Work Services and Community Policing at targeted times. | 70                 |
| <b>Climate Change</b>  |                    |
| <b>LHEES Officer</b> - Reinstate LHEES Officer to ensure capacity is retained within the Climate Change Team to deliver the agreed Action Plan.  | 50                 |
| <b>Green Building Review</b> - To ensure we are going down the most Environmentally and economically effective routes to contribute to the Climate Change Action Plan and energy savings. Would be required for 2 consecutive years.   | 50                 |

**ADDITIONAL SAVINGS / INCOME**

| Item  | 2023/24<br>(000's) | 2024/25<br>(000's) |
|---|--------------------|--------------------|
| <b>Corporate</b>  |                    |                    |
| <b>Vacancy Management</b> - Increase target to 7%, reflecting ongoing recruitment challenges.   | 300                |                    |
| <b>Economic Development &amp; Infrastructure Services</b>   |                    |                    |
| <b>Electric vehicle charging</b> - Increased rate for EV charge points in chargeable car parks.<br><br>Increase our rapid charge rate, which is currently less than many providers are charging.<br><br>Introduce a time limit on chargers and introduce and overstay rate to encourage turnover in usage and increase availability of charge points. | 4                  | 3                  |

\* Noting that the 100k Fuel Poverty Grant is a one off grant for 2023/24 to mitigate current Cost of Living pressures for households, any remaining difference will be funded from the Council's Covid Reserve.

The Chair invited Councillor Keith, Leader of the Labour Group to introduce their amendment.

Councillor Keith, seconded by Councillor Divers proposed an amendment as detailed:

1. A donation of £5,000 to assist local efforts for the relief of suffering in Turkey/Syria.
2. A further donation of £20,000 to Moray Foodbank.
3. £15,000 for each ward (Total £120,000) to be spent by elected members for that ward in consultation with each other to address minor works/concerns.
4. Increase budget for road safety matters by £50,000.
5. Establishment of an Education Investment Fund for schools of £500,000 to address pressures in schools arising from the impact of Covid by providing short term funding in support of the Council's objective of improving attainment. Detailed proposals to address this to be the subject of a report for agreement.
6. Reinstatement of the Employee Assistance Programme funding.

Items 1-5 all non-recurring, for 2023/24 only, 1-6 to be funded from Covid reserves.

The Chair invited Councillor Van Der Horn to introduce his amendment.

Councillor Van Der Horn, seconded by Councillor Fernandes proposed the amendment as detailed:

- i) Allocate £500,000 from the Covid reserve to help deliver and build upon the Moray Food Growing Strategy 2019 and reflect Moray's biodiversity, food and societal resilience, with an additional £50,000 p.a. to fund a temporary post that will deliver the action plan within its lifespan to year end 2025. This will increase capacity to apply for funding applications as well forwarding items listed in the action plan: such as a therapeutic garden, expansion of food growing areas for Moray Schools as part of Active Schools and develop food growing training sites across Moray.
- ii) Allocate £50,000 from transformation reserves to commission a team from an external organisation to work with staff across the council to help transform (through personal growth and development) wellbeing and relationships at work, in order to strengthen and improve the council's working environment.

The Monitoring Officer sought agreement from Councillor Van Der Horn to remove the reference to Active Schools, as he had received information from a colleague that confirmed the Active Schools initiative is part funded by SportScotland and there was no agreement that Active Schools could participate in the food growing initiative.

In response, Councillor Van Der Horn confirmed that he was happy to remove the reference.

Having heard all the amendments, the Chair invited the Chief Financial Officer to provide some financial guidance on what has been proposed.

In response, the Chief Financial Officer confirmed that in regards to the amendments put forward, Officers had been able to give advice and comment on those individually and thought it was important before they were debated, that as Section 95 Officer, she gave some advice collectively and looking at the accumulative approach, as across the amendments there was a clear trend of increased spend and although some Members had recognised in their speeches the difficult situation in which the Council found itself, it was incumbent to remind Members that the Council was looking at a structural deficit of £15million in the coming year and projecting to find savings of £20million in the following financial year.

She further added that, it was a very significant sum to find and that it will be a challenge for the Council and in that context, as the Section 95 Officer, had to advise that proposals to increase expenditure which was not designed to create efficiencies or control costs for the future was not prudent and in some cases sought to use funding from reserves, which decreases the Council's resilience to cope with future cuts and to spread them out over a longer more palatable timeframe and if the proposals were made to increase recurring expenditure it would raise the bar for the future. The advice given was to set the context of the debate.

The Chair advised the Council that she was going to open up the debate from the floor to any Councillors who had not already spoken.

Councillor Ross thanked the Conservative Group for the collegiate working that had been carried out in preparing the budget. He further added that himself and Councillor Cowe had been kept informed the whole way through the process.

He further raised concerns about the consistent cutting of funding being received by the Council and was sure that no Councillor was elected to cut job and services within Moray. He urged all Local Authorities in CoSLA to work together and campaign together for a re-boot of Council allocations.

Councillor Cowe, having listened to the debate thus far, added that the proposed budget could be seen as bold for saving all services in the hope of a bigger grant next year or it could be called bland for not taking the necessary steps now to cushion what lies ahead. Continuing to draw on reserves is unsustainable and further burdens are continually being put on the Council.

Councillor Warren welcomed the proposed investment at the Gollachy Recycling Centre as she felt it was important that the Council promotes and encourages recycling. She further added that she hoped Councillors would support the Community Warden and Youth Worker amendments.

Councillor McLennan sought clarification on recommendation (ix) of the report where Members were being asked to approve the use of ear-marked reserves, and whether Members had enough information on the spend to be able to agree the recommendation.

In response, the Chief Financial Officer confirmed that the balance of the money was previously set aside by the Council to fund its transformation project and it was intended, as with the detail in the capital plan, would be reported back to Service Committees but the detail and the use of the money would be reported to Moray Council for agreement before any money is spent.

Councillor Allan thanked the Depute Chief Executive (Economy, Environment and Finance) and the Chief Financial Officer for taking time to discuss his queries on the budget. He also thanked all the staff for dedication and commitment to the Council.

The Chair thanked all Members and advised that rooms had been allocated to the groups to allow further discussion and proposed an adjournment to allow all members to discuss what has been proposed.

On the resumption of the meeting the Chair asked if there were any changes to the proposed amendments previously tabled. She further added that a change was proposed to the Administration Group motion, as in consultation with the Administration and Labour Group the 6 amendments proposed by the Labour Group would now be included as part of the proposed budget. This was seconded by Councillor Keith. This change resulted in the original motion being withdrawn.

The Chair then gave all proposers and seconders the opportunity to sum up their proposals and advised on how the various proposals would be voted on. The amendments by the SNP and Councillor Van Der Horn would be voted on first with the successful amendment then being voted on against the motion.

As part of his summing up, Councillor Leadbitter clarified an issue raised by Councillor Ross earlier regarding the role of the President of CoSLA.

On the division there voted:

|   |   |
|---|---|
| For Amendment 1 – SNP (9)                     | Councillors Leadbitter, Stuart, Cameron, Coull, Fernandes, Harris, Lawrence, Morrison and Warren  |
|   |   |
| For Amendment 2 - Councillor Van Der Horn (1) | Councillor Van Der Horn   |
|   |   |
| Abstain (16)                                  | Councillors Allan, Bloomfield, Colyer, Cowe, Divers, Dunbar, Gatt, Gordon, Keith, Macrae, McBain, McLennan, Mustard, Robertson, Ross and Williams |

Accordingly Amendment 1 became the finding of the meeting and would now be voted on against the motion.

On the division there voted:

|                        |   |
|------------------------|---|
| For the Motion (15)    | Councillors Robertson, Keith, Allan, Bloomfield, Cowe, Colyer, Divers, Dunbar, Gatt, Gordon, Macrae, McBain, Mustard, Ross and Williams |
|                        |   |
| For the Amendment (10) | Councillors Leadbitter, Stuart, Cameron, Coull, Fernandes, Harris, Lawrence, Morrison, Van Der Horn and Warren                          |
|                        |   |
| Abstain (1)            | Councillor McLennan   |

Accordingly the motion became the finding of the meeting and the Council agreed:



- (i) An increase of 5% on Council Tax for 2023/24;
- (ii) Provision of £9,598,000 for budget pressures as listed in APPENDIX 2;
- (iii) Service developments totalling £704,000 as described in paragraph 4.14;
- (iv) Savings totalling £1,677,000 as listed in APPENDIX 3;
- (v) Budgeted expenditure of £260,130,000 for 2023/24;
- (vi) Indicative budgets for 2024/25 and 2025/26 as set out in APPENDIX 1;
- (vii) Capital expenditure of £59,186,000 for 2023/2024 as set out in the indicative ten year Capital Plan in APPENDIX 4;
- (viii) Funding for Moray Integration Joint Board (MIJB) to increase by Moray's share of the £100 million still undistributed in 2023/24 compared to 2022/23, less £412,000 per the settlement letter from Scottish Government;
- (ix) Use of ear-marked reserves totalling £1,613,000 for transformation, £759,000 for Moray Growth Deal cash flow and of £14,768,000 from Covid reserves to balance the budget;
- (x) An increase of up to 27% in temporary accommodation charges to mitigate the budgetary impact as detailed in paragraph 5.7 as there has not been an uprating since 2015;
- (xi) A donation of £5,000 to assist local efforts for the relief of suffering in Turkey/Syria;
- (xii) A further donation of £20,000 to Moray Foodbank;
- (xiii) £15,000 for each ward (Total £120,000) to be spent by elected members for that ward in consultation with each other to address minor works/concerns;
- (xiv) Increase budget for road safety matters by £50,000;
- (xv) Establishment of an Education Investment Fund for schools of £500,000 to address pressures in schools arising from the impact of Covid by providing short term funding in support of the Council's objective of improving attainment. Detailed proposals to address this to be the subject of a report for agreement; and
- (xvi) Reinstatement of the Employee Assistance Programme funding.

Items (xi) – (xvi) all non-recurring, for 2023/24 only, (xi) – (xvi) to be funded from Covid reserves.

It was further recommended that the Council noted:

- (xvii) There will be conditions placed on the Council in terms of the settlement letter from the Depute First Minister and that these are still the subject of on-going communications;

- (xviii) Projected additional savings requirements of £18,741,000 in 2024/25 and £756,000 in 2025/26; and
- (xix) A review of services is underway and will be the basis for community engagement on proposals to bring the Council's budget back into balance for 2024/25.

## **6. Treasury Management Prudential Indicators**

A report by the Depute Chief Executive (Economy, Environment and Finance) asked Members to approve the Treasury Management Strategy and the Investment Strategy for 2023/24 and to approve the indicators which will be used to measure the Council's performance in capital investment decisions.

Following consideration the Council agreed to:

- i) approve the Treasury Management Strategy Statement for 2023/24;
- ii) approve the Investment Strategy for 2023/24 in Appendix 1;
- iii) approve the Prudential Indicators and Limits for 2023/24 in Appendix 3; and
- iv) note the indicative Prudential Indicators and limits for 2024/25 and 2025/26.

## **7. Housing Revenue Account Annual Budget 2023-24**

A report by the Depute Chief Executive (Economy, Environment and Finance) presented details of the proposed Housing Revenue Account (HRA) Budget Proposal for 2023/24 for approval.

The Chair advised Members that following the receipt of the proposed amendment from Councillor McLennan the Monitoring Officer would provide some advice.

The Monitoring Officer referred to the amendment circulated to Members prior to the meeting and expressed concern that the amendments would be something that would normally be raised at the Service Committee and not as part of the budget setting process so for that reason the advice was that the amendments are not competent and it would be for the Chair to determine the issue. He further added that there would be means for Councillor McLennan to raise the issues at the Housing and Community Safety Committee.

On the basis of the advice given, the Chair sought views from the Council in terms of Standing Order 49(c) on whether they have sufficient information before them to come to a reasoned and balanced decision on this particular amendment.

As no members wished to make any further comment, and taking on board the advice given by the Monitoring Officer, the Chair deemed the amendment submitted by Councillor McLennan is not competent in terms of Standing Order 49(c).

The Chair moved the recommendations in the report. This was seconded by Councillor Dunbar as Chair of the Housing and Community Safety Committee.

Councillor Keith asked whether rolling out solar panels to the Council's housing stock would assist in making the houses as energy efficient as possible. He had discussed

this previously with the Head of Housing and Property who had indicated that air source heat pumps were also being used to improve energy efficiency. Councillor Keith proposed allocating some of the EESH funding to run a trial in a variety of locations where properties are fitted with solar panels and air source heat pumps to explore the energy efficiency.

The Monitoring Officer, on the basis of fairness and on the position already outlined regarding Councillor McLennan's amendment, suggested that the issue raised by Councillor Keith is something that could be determined at the Housing and Community Safety Committee and not directly related to the budget setting process and Councillor Keith may wish to raise himself at the Service Committee.

In response, Councillor Keith confirmed that he would be happy to accept the advice of the Monitoring Officer and would raise the suggestion through the Service Committee.

In confirming that there were no other comments and there was no one otherwise minded the Council agreed:

- i) to note material changes since the Housing Business Plan 2022 Review and the forth coming rent restructure, as detailed in sections 3 and 4;
- ii) the proposed HRA budget for 2023/24 (Appendix I) and Housing Investment Plan (Appendix II), including the level of HRA reserves in line with the Housing Reserves Policy as detailed in paragraph 7.13;
- iii) to note the results of the consultation with tenants on options for the 2023/24 rent increase as detailed in section 6;
- iv) Council house rents increase of 3.5% for 2023/24;
- v) that garage site rents are increased by 8.5% (this is a two yearly increase);
- vi) that grass cutting charges are increased by 3.5%;
- vii) provision of £150k for service developments, as detailed in paragraph 8.18; and
- viii) to note the three year projection to 2025/26 (Appendix III).