

Public Performance

Report 2017



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Introduction

Moray council is responsible for providing services to the local population of over 93,000 people. These services include education, social care, waste management, housing and the local roads infrastructure.

Elections are held every five years to appoint the 26 Councillors, whom form the membership of the council. The elected members are supported by the Chief Executive and three Corporate Directors to establish priorities for service delivery and continuous improvement. During 2016/17 the council's Administration comprised of 11 councillors (9 Independent and 2 Scottish Conservative and Unionists), the SNP Group also has 11 members, Scottish Labour 2, a non-aligned Scottish Conservative and Unionist councillor and a non-aligned Independent councillor.

The Chief Executive and Directors are supported by a workforce of around 4,200 people to deliver local services, assisted by a range of contracts with both the private sector and the third sector.

Moray is a largely rural area covering a land mass of 2,238 sq km. It also has a long coastline on the Moray Firth with a variety of harbours fishing villages and world-class beaches. There is one main commercial harbour at Buckie. The main centre of population is Elgin, which is home to more than one quarter of the people living in Moray. Other towns of population between 5,000 and 10,000 are located at Forres, Buckie, Lossiemouth and Keith.

The council's vision, values and priorities are set out in the Corporate Plan. Our vision is that 'Everyone in Moray has a role to play in making Moray a great place to live and work. Moray council will work with public, private, community and voluntary sectors to identify what we can do together to make life better for everyone, especially those in need'.

Underpinning this vision are five priorities:



1. Sustainable economic development



2. Ambitious and confident children and young people



3. Healthier citizens



4. Adults living healthier, sustainable independent lives



5. Safer communities

A number of targets have been agreed to measure our success in delivering against these priorities and the Community Planning Board has established six partnership groups to take responsibility for the targets.



Strategy and Objectives

Working in partnership with other public sector agencies is key to the effective delivery of local services. The council is the lead in Moray for community planning and, in this regard, led an extensive amount of work to identify the priorities for public services in Moray for the 10 years ahead. For the first time evidence from a wide-ranging social media campaign was used to inform and highlight particular areas of need.

The 10 year plan, was updated in 2016 (Moray 2026) and used by the council to prepare a council Corporate Plan to 2017.

The Corporate Plan recognises that the financial backdrop presents an extremely challenging environment for the changes the council aims to implement, and outlines the key elements that will support the improvement agenda.

These are:

- Customer focus
- Community Engagement
- Workforce Culture
- Technology/Digital Services
- Governance

Progress against the Corporate Plan during 2016/17

The following is an appraisal of actions and performances of council services as they progress against the Corporate Plan targets.

It is not a definitive catalogue of all that was delivered but will show areas of good performance, where these are improving or where more effort is needed to meet targets.



1. Sustainable economic development

A significant strategic development in 2016/2017 was the agreement by the council, Moray Economic Partnership and the Community Planning Board to create a Growth Bid for Moray – our own local version of a City Deal.

Work on the vision for the bid and identifying the key constraints in Moray's economy began in the autumn of 2016 through a series of workshops. Four major themes also emerged from this vision around skills and employability, Moray as a place, connections and the priority sectors in Moray.

The need for inward private sector investment and the ability to attract external funding from both the Scottish and UK Governments is critical to delivering the main economic objectives in the 2012 Moray Economic Strategy.

These are:

- increase in population,
- more high quality jobs
- and higher wage levels.

By March 2017, this was refined to reflect the need to attract and retaining young people, and also to reduce occupational segregation. Outline business cases to achieve these objectives are being prepared.

In November 2016, it was confirmed that the army base at Kinloss had a long term future, and a few months later investment of £400 million in RAF Lossiemouth was announced. This investment by the MoD secures RAF Lossiemouth as one of only 3 fast jet bases in the UK and the future home of the Poseidon maritime patrol fleet.

Work was also underway on creating a masterplan for Barmuckity Business Park and development of March Road in Buckie. Securing a sustainable supply of employment land in Moray has been a long term objective within our Corporate Plan. Planning and development of another major infrastructure project – the Elgin Transport Strategy – received huge public support and the draft strategy was subsequently approved by council.

Business Gateway was taken in-house having been hosted by a neighbouring council for some years, and agreement was reached on a new energy-from-waste plant to be built and operated in partnership with Aberdeen City and Aberdeenshire Councils.

Social Enterprise flourished in several areas across Moray; the Tomintoul and Glenlivet Regeneration Project won the community-led regeneration category of the Scottish Urban Regeneration Forum awards.

Elsewhere, events in towns across Moray helped to attract international attention including Piping at Forres, Seafest in Lossiemouth and the annual Spirit of Speyside Whisky Festival.

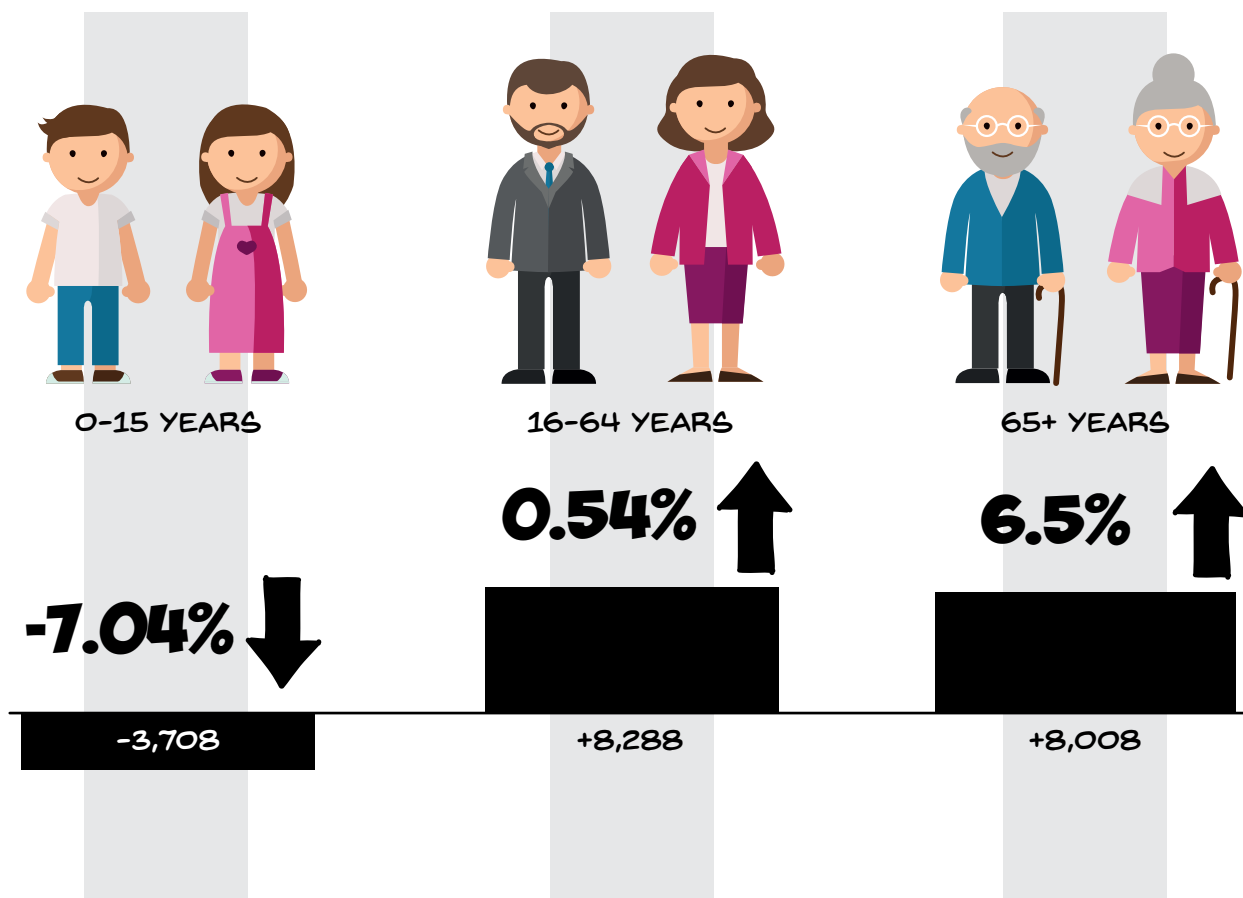
All in all, whilst limited progress was made with development of Buckie harbour and the regeneration masterplan for Elgin, very satisfying progress was made in the economic objectives of the Corporate Plan.

People

Moray's population continues to grow. The key area of growth is in the higher age range, while simultaneously we are losing our young people to larger conurbations.

Population change

1981-2016 (35 years)



	2014/15	2015/16	2016/17	Trend
15% increase in the population between 1981 and 2016 96,070 is estimated population in Moray (NRS mid-year 2016)	94,770	95,510	96,070	↑
21% of population aged over 65 19,754 is estimated population in Moray aged over 65	19,008	19,389	19,754	↑
17% of population aged 0-15 16,527 is estimated population in Moray aged 0-15	16,591	16,502	16,527	↓
Average Gross Full-time Weekly Wage	£452.10	£489.80	£491.80	↑
% workforce in Private Sector (APS)	79.2%	79.0%	77.7%	↓

2. Ambitious and confident children and young people



After the successful pilot of the Schools for the Future policy in the Forres Associated Schools Group (ASG) in 2015/16, this has been implemented in Lossiemouth and Buckie ASGs. This in-depth review of the quality of educational provision in 14 Moray schools has provided vital self-evaluation information which has informed and guided the work of central officers. Rezoning work has been undertaken in the Forres ASG and further zoning changes are being made in Keith, Buckie and in Elgin.

what the educational requirements will be, initially in Elgin, by 2035. Officers have also been involved in discussions with the RAF with regards the expansion of RAF Lossiemouth and the implications this will have on local pupil numbers.

One of the biggest challenges over the years ahead will be implementing the Scottish Government's expansion of funded early learning and childcare places from 600 to 1140 hours per year. Initial preparatory work has been undertaken on this.



The Community Planning Partnership (CPP) has established a new partnership group, Employability Moray, which is leading forward the CPP's employability strategy including its approach to developing Scotland's young workforce. Good progress has been made to date with all secondary schools having received additional funds to create capacity to lead this agenda forward and additional Skills Development Scotland support to roll out career management skills in Moray. The Moray Chamber of Commerce is taking a lead role in this area, working closely with education officers and schools. A Moray Skills Pathway has been developed to allow clear engagement from ages 3 to 18 in Moray's eight key employment sectors and all young people will have an opportunity to engage with each sector as they move through education before making final option choices. Thereafter, clear progressive pathways will be available through the senior phase. There has been engagement with employers in pulling this together and the pathway will ensure we are best preparing our young people for life and opportunities in Moray post-school.

Work has progressed well on the replacement to Elgin High School, due to open in October 2017. Initial planning has been undertaken for the replacement of Lossiemouth High School, which is due to be completed by April 2020. The refurbishment of four large primary schools is entering its final stages, with significant transformational changes evident.

Planning work is also continuing for the new Linkwood Primary School, due to open in its new site in 2019. At present, this school is housed in temporary accommodation in the East End Primary School Annexe. Officers are also currently reviewing capacities in schools and how capacities are calculated, learning from other areas to consider

Meaningful May was introduced for the first time in 2016 to provide opportunities for targeted employability development for young people in May who were not sitting national qualifications and local schools continue to engage with the Youth Philanthropy Initiative, Career ready and other similar programmes to enhance opportunities for young people post-school. Moray College (UHI) has also reviewed its 'offer' to senior phase young people and will introduce three Foundation Apprenticeship frameworks in 2017/18.

The joint services inspection for children's services

has highlighted significant areas for improvement and a Chief Officers' Group comprising Police Scotland, Local Authority and NHS Grampian chief officers has been established to lead forward much of the improvement activity required. Further work is required in relation to improving standards of operational practice, improving initial responses to risk, leadership and governance, joint self-evaluation and corporate parenting. There is significant commitment from all partners to make the necessary improvements and to improve our collective leadership and our processes for children's services planning.

The Children's Service's structure has been reviewed and a new structure is being implemented, this will result in a reduction of strategic groups and clarity of accountability and governance. Our CPP Children's Service Plan 2017-2020 has been published, we have a clear action plan from that and we have completed a Profile of Moray's Children.

Locality Management Groups (LMGs) were established as the natural next steps in the implementation of GIRFEC and these will give professionals an opportunity to focus on data and intelligence at a local level to ensure a preventative approach is taken and to ensure resources are appropriately targeted where they are required. All LMGs have locality profiles providing detailed information regarding the children and young people in each area.

Moray's Corporate Parenting Board is up and running and a draft strategy has been prepared. Plans are well underway to adopt the 'Family Firm' approach when supporting our young people post formal education. We had a successful bid to the Life Changes Trust and are in the process of establishing a Champions Board.

Our Fostering and Adoption, Placement Services and Supported Lodgings services have also, once again, received very positive inspection ratings over the course of the past year.

A three year Additional Support Needs (ASN) funding arrangement was agreed to allow time to work on a longer term authority wide ASN strategy

to respond to the huge increase in the number of young people with additional support needs. This strategy has now been developed and consultation will be on-going until summer 2017.

A number of schools have received post inspection support throughout 2016/17 with a few involved in continuing engagement activity. This has stretched the small central team. The attainment advisor from Education Scotland has provided welcome support by running training sessions for peer reviewers. The pool of reviewers has been widened to include depute headteachers and principal teachers ASN. A significant amount of work has been undertaken to provide support to secondary curricular groupings in terms of moderation of progress within the Broad General Education. In addition to this there are a large number of working groups providing strategic guidance and advice in a number of priority areas including tracking and monitoring, learning and teaching and the curriculum to name a few. Within schools, staffing remains a huge concern with a number of posts having to be re-advertised several times. There remains a serious issue with Head Teacher vacancies and we continue to have to re-advertise vacancies regularly due to the low number of applicants. Almost a fifth of Primary schools have acting headteacher arrangements and almost a half have had a change in leadership arrangements in the last couple of years. The leadership framework continues to be developed providing professional development opportunities for all staff at varying levels.

The Education and Social Care department continues to use its overarching strategic plan for its services to cover the period from 2016 to 2019. The key priority areas within the plans are;

- GIRFEC
- Curriculum for Excellence
- Lifelong Learning and Employability
- Leisure
- Resources
- Leadership

Heads of Service will use these priority areas to inform their own team plans and priorities and the plan will be reviewed annually and updated as required as national and local objectives change.



3. Healthier citizens

The period of 2016/17 has seen the formal establishment of Health and Social Care Partnership (HSCP), which is responsible for the delivery of Adult Community Health and Social Care services across the area; directed by The Moray Integration Joint Board (MIJB) and in partnership between with Moray council and NHS Grampian:

‘To enable people of Moray to lead independent, healthy and fulfilling lives in active and inclusive communities where everyone is valued, respected and supported to achieve their own goals’.

To support this strategic goal of **‘more people living well in their communities’**, the MIJB focuses on delivering early intervention and preventing ill health through proactive services. The planning and delivery of this aim has developed through listening to the feedback from users of our health services, unpaid carers, the public and our employees within the communities of Moray.

As a result the following programmes have been shaped by this approach:

- I. Reshaping Care for Older People:** through the Change Fund, the focus has been to shift service delivery from reactive interventions to proactive support with preventative care at home or in the community.
- II. Housing as Partners:** The HSCP has developed relationships with housing as a key partner inclusive of the commissioning cycle. The outcomes and well-being of individuals can be increased and delivered with coordinated delivery of services/
- III. Community Care Design:** Focused around planning the future delivery of services in light of a growing older population in Moray, this Community Care Redesign initiative centres on a single point of access for all community care services along with developing a more personal outcomes based approach to the way services are delivered.
- IV. Moray Partners in Care:** The HSCP has developed a joint policy that aims to promote the independence if people who access adult health and social care services in Moray. The model is based on three choices – Help to help yourself, help when you need it and ongoing support for those that need it.



V. Jubilee Cottages: These six small Victorian cottages were renovated to provide purpose-built accommodation to rehabilitate older people following hospital stays, and to enable residents to reach their maximum independence in all aspects of daily living, ultimately reducing the level of ongoing home care support required.

VI. Varis Court: Working in partnership with Hanover (Scotland) Housing Association, HSCP are developing three specialist homes primarily for the elderly. While two of these developments are at the planning or construction phase, Varis Court in Forres is now fully operational. This 33-unit sheltered housing facility aims to test new approaches in supporting older people to live as independently as possible in their own homes. It incorporates five units to support the reablement and recovery of people who have recently been discharged from hospital. These units will be used to test new models of delivering health and social care, informing the further development of delivering integrated health and social care services.



The long term success of these initiatives will require users, communities, unpaid carers and staff having input to the design and delivery of community services offered by the HSCP/. A whole systems approach will be the key to successful integration and the efficient delivery of improved Health Care for the people of Moray

4. Adults living healthier, sustainable and independent lives



A transformation initiative within the Community Learning Disability Team (CLDT) was launched.

This is a 15-month initiative that takes a whole systems approach to improving the way that the team supports people who access learning disability services in Moray. The aim is to help adults with learning disabilities achieve their aspirations for independence.

The project will focus on three key work streams; professional practice development (CLDT), commissioning support and in-house support. At the end of the initiative, the project will have supported the team to deliver better personal outcomes for people in a more financially sustainable way.



5. Safer Communities



The Community Safety Partnership has continued to ensure greater information sharing and early intervention with key partners on a number of Community Safety issues.

The Scottish Fire & Rescue Service has highlighted the partnership working made possible by the Community Safety Hub, which has been a key factor in significantly increasing the delivery of Home Fire Safety Visits.

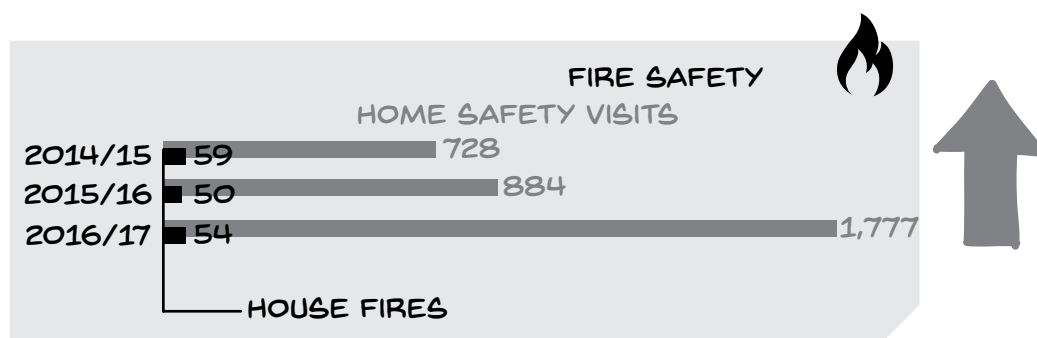
To ensure local communities are aware of current issues and ongoing work, a Community Safety Partnership report has been introduced for all Community Councils. This monthly report contains information covering emerging Community Safety issues along with area specific updates from all partners.

Partners including Police, Trading Standards and Community Wardens have targeted bogus callers and doorstep criminals via Operation Monarda. This annual operation included a day of enforcement action against known offenders and education on the warning signs of this type of crime for potential victims and their families.

The Community Safety Partnership worked to address the problem of alcohol misuse via another successful Safer Streets initiative in December while Alcohol Brief Interventions (ABIs), providing advice and onward referral into support services for those struggling with substance misuse, which continued to be provided at Dr Gray's hospital.

For over ten years, the Community Safety Partnership has also targeted underage drinking via intelligence-led Operation Avon. Both local and national statistics show a move away from alcohol by those aged under 18, however the Operation Avon format continues to be used where necessary as an effective means of targeting youth-related antisocial behavior.

Compared to previous years antisocial behaviour has continued to fall in Moray. Some areas have recorded an increase in the last year in cases of abandoned vehicles and dog fouling. The issue with abandoned vehicles appears to be a national problem, with other councils reporting similar increases. In response to complaints from the local community, the Warden team continue to target dog fouling via patrols, media releases, posters and work with schools.



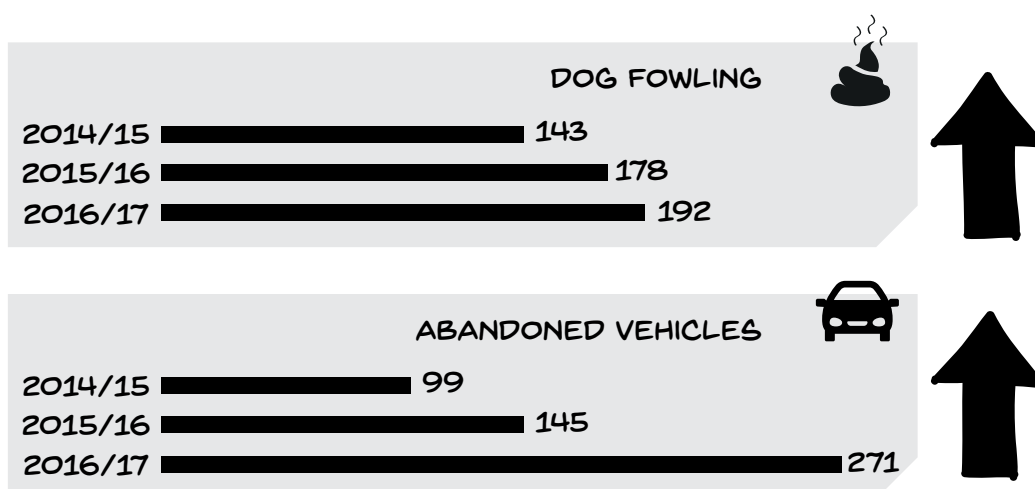
Trading Standards

Trading Standards (in partnership with the community safety team and Police Scotland) have been involved in a number of actions during the year, including Operation Monarda which targeted bogus callers and doorstep criminals, sharing intelligence in a bid to deal with an increase in the number of unlicensed second-hand car dealers, and making the public aware of Financial/investment scams, Money back scams, Computer and Website scams, and potentially lethal toys. The service was also actively involved in the seizing counterfeit goods.

Customer Focus

The council agreed a Customer Focus Strategy and Charter 2 years ago. A recent best value audit said that we should increase the momentum of our approach to customer focus by using the Strategy to drive an improved culture of customer focus using customer satisfaction results more systematically to improve services.

Over the past year we carried out a council wide customer satisfaction survey. This has given us a general picture of how the public rate our services and some actions have been picked up by individual services. We have also committed all services, over the course of this year, to carry out a formal self-assessment of how well they engage with their customers using a recognised public sector model. This assessment should give us a council-wide view of how well each service is performing and which areas we need to focus on for future improvement.



Workforce Culture

The council has well established workforce planning in place with the rolling plan and strategy being reviewed and approved on an annual basis. This has included surveying employees for their views and a programme of employee engagement work to respond to these. To deliver further improvement, work aimed at creating a positive workforce culture where morale is good, people are proud to work for Moray Council and would recommend it to others began in 2015 led by a joint councillor/ trade union/officer group. Early work resulted in revised policies and guidance, an employee charter and improved communications around culture issues. Improvements were reported across virtually all areas in the 2015 employee survey, for example a 22% point increase against leadership and a 16% point increase in satisfaction with communications. Where results showed scope for improvement bespoke work has been undertaken in services with specific actions developed to respond to detailed workforce feedback. As a result one to one employee review sessions and team meetings have been reinvigorated across a range of services. Impact will be measured as part of the 2017 employee survey.

In addition to culture and engagement, other priorities identified in the council's workforce strategy include leadership development and capacity, transformation and change and recruitment and skills development. The workforce plan sets out how the council will address these priorities.

Technology/Digital Services

The council has long established robust arrangements in place to match its ICT resources to support the delivery of council priorities. The council has committed to an agile approach to ICT development, which recognises the rapid evolution of technology and the different ways in which the public would like to interact with the council. Success in this area is seen as a key to the future sustainability of many council services and includes the promotion of a shift towards more people choosing to communicate via digital means. Online services have been developed for Housing including tenancies, rent balances and waiting list enquiries and there has been a reduction in calls to the Contact Centre for these services. The council website provides services such as applying for a taxi licence, reporting various issues (e.g. anti-social behaviour, damaged equipment, dog fouling) and uses mapping technology to provide information about play parks and winter gritting. The developments have seen a 40% increase in web site use and an increase in online reporting of roads faults, street lights and special collections.

The council launched myAccount to the public in March 2017 as a secure personal account for online transactions. Almost 900 Moray residents have registered to date. Work has progressed on major software systems to provide a solid foundation for future online services including bookings (e.g. for sports classes, housing repairs, appointments); payments (e.g. school meals, trips, uniforms and bookings payments); and online council tax bills and school registrations.

This work provides a strong basis for future development of online services that customers will choose to use and that are more efficient for the council to provide.

A photograph of a large, multi-span bridge crossing a wide river. The bridge features stone piers and a steel truss structure. The sky is filled with dramatic, colorful clouds from a sunset or sunrise, with warm light reflecting on the water. A black rectangular box with a diagonal cutout is overlaid on the upper left portion of the image.

Core Service Delivery

Education

Moray's performance in national literacy and numeracy measures is in a similar position to previous years although leavers are performing slightly below national average at level 4 and at level 5. In 2016, school leavers in Moray are attaining slightly better than the virtual comparators (set by the government as an initial benchmark for the new system of pupil assessment) for our least able 20%, but lower than the national figure. Our middle 60% and highest 20% of school leavers performed less well than both the virtual comparator and the national figure.

There has also been a level of consistency in the trend in post-school participation for our young people over the past three years with Moray achieving a figure of 92.66% in 2015/16; although the performance for this session was very slightly below both the virtual and national average in comparison with previous years.

The authority is further embedding its Learning and Teaching Strategy in order to improve strategies to raise attainment and build upon work on assessment and moderation as well as tracking and monitoring to support pupil progress and achievement. This is also being carried to support the authority in its aims to be ambitious to achieve excellence together and also to meet national expectations of excellence and equity.

Targeted investment has limited the extent of ongoing deterioration in the overall condition of the school estate. However, whilst there has been an increase in the condition rated as 'B' or better, there are still only 11 of the council's 53 schools in that category, with the majority rated as 'C'. Forty eight of Moray schools were rated B or above for suitability which is 90.6%, which compares favourably with the national figure of 82.1% of schools rated B or above for suitability - 43 of 45 primary schools and 5 of 8 secondary schools. Four schools were rated C (Poor) (2 primary and 2 secondary) and 1 secondary school rated D (Bad). Nationally 82.1% of schools are rated B or above for suitability.

*(Linkwood not included in the school estate publication at time of reporting)

At the 2016 September census Moray had a total 11,941 pupils, with 7,026 primary and

4,915 secondary. A total of 813 FTE teachers are employed by the council, with 412 primary teachers and 401 secondary teachers. Moray has 46 primary schools and 8 secondary schools spread across the local authority.

The cost for each registration of pupils for 2016/17 was as follows (compared with national average):



74% of adults rated that they were satisfied with local schools in Moray (Scottish Household Survey data covering 2013-2016), this compares to a national average of 78%.

Of the 54 council schools in Moray the following percentage of schools have occupancy rates:

School Occupancy Rates	
<50%	15% (8 schools)
50 – <75%	39% (21 schools)
75% – <90%	33% (18 schools)
90% – <100%	13% (7 schools)
>100%	0% (0 schools)

Looked After Children

The proportion of children looked after by the local authorities that are out of area has remained within target for 2016/17. However the proportion of children looked after in a family placement decreased to 79% in 2016/17, and those accommodated in a residential placement have continued to increase to 12% in Q2 2016/17. The unit cost of care purchased for residential care is higher than our comparator authorities. The council aims to tackle this issue in the longer term through its prevention activities and in the medium term through investment in new local residential provision and in the short term by continuing to work with families and foster carers. A new local residential facility for 6 children was opened in December 2015; this received a poor inspection by the Care Inspectorate in October 2016 and has subsequently been reviewed internally and revisited by the Care Inspectorate. Following a robust improvement plan being implemented the Care Inspectorate has indicated that the service is improving.

School census data for 2016/17 showed that 27.8% of Moray pupils had at least one **additional support need**, this compares with the national average of 24.2%. Of the 278 school leavers with an ASN in 2015/16, 87.1% entered a positive destination compared to a national average of 88.6%.

9% of those children looked after in Moray were in 3 or more placements during the reporting year, this compares to the national average of 6%.

Libraries and Leisure

Between 2015/16 and 2016/17 there was a 4% decrease in attendances to council operated swimming pools and health & fitness facilities, to 361,377. The fall in numbers was essentially due to the closure of Forres swimming pool for 7 months due to refurbishment. The Fit Life scheme launched by the council in January 2015 now has a membership of 3,028. This includes both individual and family memberships. A total of 7,917 cards are currently active as at the end of March 2017.

The Leisure Review group has continued to debate the future management of the leisure estate and have investigated several options involving developing trusts, wholly owned by Moray council or in collaboration with neighbouring authorities.

Library facilities continue to be well used with the number of items borrowed 405,228 and the number of visits to libraries totalling 551,858. Attendances on adult learning programmes and family learning programmes is well evidenced and is increasingly an important element in improving the quality of life for Moray's citizens. The Local Heritage Service has settled well into the first floor of Elgin Library and continues to provide quality services to residents and visitors alike. The number of Heritage Service visitors was 3,235.

Moray Council operate 10 Community Centres (including 7 with Fitness & Health rooms), 5 swimming pools, 9 venues with synthetic pitches/ grass pitches (with pavilions) and 2 multisports areas (with tennis courts). Moray council also operate 11 libraries and one mobile library.



Development Services

The National e-Building Standards System was introduced in August 2016 accommodating on-line submissions allowing Moray to move away from a paper based system and becoming fully digitised.

General promotion of Moray as a place to live and work included a 'This is Moray' video, launched in June 2016 and a Christmas TV campaign promoting Moray produce for the festive season.

Elgin South, Dallas Dhu, and Findrassie Masterplans all featured in a submission which won an award at the Scottish Awards for Quality in Planning in November 2016, with Findrassie also winning an individual award.

Roads and Infrastructure

Moray's A & B classification roads which represent 29% of our total network are currently ranked 17th and 8th respectively across Scotland. The remaining % of Moray's network roads are ranked 4th overall but are now showing a steady decline in condition. The council has indicated that as part of its budget strategy, road condition will be targeted at a level equivalent to the average in Scotland in order to achieve financial savings over the next few years.

The winter season has again been relatively mild and the council's need to respond to snow events was less than in previous years. The number of winter treatments carried out during 2016/17 has reduced from an average of 1,945 treatments to 1,441 up to the end of February.

During the year a draft Elgin Transport Strategy has been prepared to support the Local Development Plan. Elgin is forecast to see significant growth, particularly in housing, between 2016 and 2030 with an additional 2,700 houses forecast to be built in that period. The strategy is aimed at providing for that growth, whilst encouraging as much mode shift to walking/cycling and public transport as can be feasibly achieved.

Tourism generates over 10% of Moray's total employment and 3.8% of the total turnover of businesses. Visitor spending in Moray is in the region of £85m-90m per year. This year the Castle to Cathedral to Cashmere heritage experience brought over 1000 years of history to life through various mediums. The Sword, Fire & Stone event alone showed over 26,000 internet hits and 24,000 for the video- clip at Re-enactment Event Scotland.

The prime objective in the Elgin Town Regeneration this year involved carrying out an audit, working in partnership with the Elgin CARS Officer, Planning & Building Standards Officers, Elgin Bid, Owners and Tenants to actively facilitate the re-use of these assets which when occupied contribute positively to the vitality of the town centre.

Decription	2014/15	2015/16	2016/17	Trend
Number of daily cycle journeys made on shared use/national cycle network within Moray	475	472	455	↓
Percentage of A class roads that should be considered for maintenance treatment	20.1% rank 6	24.5% rank 15	25.2% rank 17	↓
Percentage of B class roads that should be considered for maintenance treatment	17.7% rank 1	22.5% rank 5	22.8% rank 8	↓
Overall percentage of road network that should be considered for maintenance treatment	26.3% rank 5	27.9% rank 6	26.9% rank 4	↑

Service	Performance	Target	2014/15	2015/16	2016/17	Trend
Percentage of building warrant first reports issued within 20 working days	67% of Building Warrant first reports issued within 20 working days	100%	94%	74%	67%	↓
Average time (weeks) to deal with local planning applications	7 day average to deal with local planning applications	10.4	7.2	6.7	7.0	↓
% of Local Planning Applications determined in less than 2 months	96% of Local Planning Applications determined in less than 2 months		93%	96%	96%	
Average Time (Wks) Per Commercial Planning Application	8 day average to deal with Commercial planning applications		10.02	7.69		↑
EH – Percentage of responses for high-priority pest control services which met the national target	100% of high priority pest control services meeting national targets		78%	100%	100%	
EH - Food Safety - percentage of category A (6 month) premises inspected within time during quarter	100% of Food Safety Category A premises inspected on schedule	100%	84.6%	96%	100%	↑
New business start-ups receiving assistance through Business Gateway	132 new business start-ups receiving assistance through Business Gateway		121	128	132	↑
EH – Food Safety – % of registered food premises which are broadly compliant with food law (of all rated premises)	89.2% of rated registered food premises broadly compliant with food law	80%	78.8%	77%	89.2% Q3	↑
Number of Small or Medium Enterprises assisted through the Business Gateway	795 Small or Medium Enterprises assisted through the Business Gateway		769	821	795	↓
Business Gateway 3 year survival rate	84% of Business Gateway new-starts survive to reach 3-year target		78%	80%	84%	↑
No of business gateway start-ups per 10,000 population	14.34 Business Gateway start-ups per 10,000 population		12.66	14.34		↑
P&D – Vacancy rate of retail floor space	11.9% vacancy rate of retail floor space	10%	12.9%	N/A	11.9%	↑
Rate of visits to/usages of council funded or part funded museums per 1000 population (Falconer only)	595 virtual museum visits per 1,000 population		298	536	595	↑
Number of visits to/usages of council funded or part funded museums (Falconer only)	56,784 virtual museum visits		28,262	50,794	56,784	↑

Waste Management

The council continues to improve on its recycling rate with an unaudited figure of 58.7% for 2016 compared to 57.4% in 2015 (when the council were the second highest performer in Scotland). The Intervention Campaign, which takes the message to residents but also looks at capturing more material by making it as easy as possible for residents to participate, has continued to prove its worth. Ongoing campaigns and liaison with community groups have assisted our efforts in achieving targets.

In 2016 the amount of household waste collected increased by 1,142 tonnes but we recycled more waste, increasing the recycling by nearly 1,300t. This resulted in 150t less going to landfill in 2016 than the previous year. The increase in recycling has been helped by the positive effect of an intervention campaign.

The council has signed a second inter-authority agreement in October 2016 with Aberdeen City and Aberdeenshire Councils to progress delivery of a joint Energy from Waste facility. This second agreement committed each council to a joint procurement exercise to identify a preferred bidder for the delivery of the services. The initial procurement stage will run from January to May 2017 ending in the shortlisting of four bidders who will then be invited to discuss their proposals further with the councils. By November 2017, the four bidders will have submitted their detailed proposals and by the end of 2017, following evaluation, the councils hope to identify two of those bidders to take part in further discussions and to submit final tenders. The preferred bidder should be known by April 2018 with the contract awarded in the autumn of 2018. And an operational start date is expected in 2021 to coincide with the ban of organic waste going to landfill.

WASTE RECYCLED (DIVERTED FROM LANDFILL)

2014/15	54.4%
2015/16	57.4%
2016/17	58.7%



Energy

In order to meet the rising cost of energy charges and our own challenging carbon reduction targets the council is investing £5.5m on a spend to save initiative to replace 17,600 streetlights with lower carbon LED lanterns over the next five years. During 2016/17, almost 3,000 LED lanterns have been installed, which is on target to meet the original 5 year timescale. It is intended to accelerate the delivery of the programme to achieve quicker financial savings for the council in 2017/18.

Housing

The council's current stock of dwellings is 6,015, although only 5,926 are lettable stock as some properties are used or held for homelessness temporary accommodation.

The council completed 96 new build properties in 2015/16 with a further 16 built in 2016/17 against an average annual target of 50. During the year the council has concentrated its resources on acquiring 4 new sites, at a total cost of £2.3m, and is currently pursuing 2 further sites (Elgin South and Findrassie) and other opportunities for land banking purposes. The council's new build programme relies on having land to build and longer term these land opportunities will provide sites for approximately 130 additional houses, so the average annual target for new builds has been increased to 70 houses per year over the next three years.

Following a restructure just prior to the start of 2016/17, Building Services DLO service has seen improvements in many business areas and has achieved many of its KPI work performance targets, including voids and repairs, and is expected to have one of the lowest rent arrears in Scotland.



Welfare Services

The council provides a range of welfare support services and the largest volume of financial support relates to Housing Benefit and the council Tax Reduction Scheme. The transition to Universal Credit commenced in November 2015 with a phased implementation, which will increase significantly from May 2018 with full roll-out in Moray. This, together with other Welfare changes introduced by the Department for Work and Pensions, has had an impact with more people presenting as requiring support from the Scottish Welfare Fund and Discretionary Housing Payments. An Income Maximisation team has also been established utilising matched funding available through European funding. The team's objectives are to increase intervention capability with regard to Poverty and Social inclusion.

Service	Performance	Target	2014/15	2015/16	2016/17	Trend
Percentage of money advice clients who agreed that 'The service helped to sort out their debt problem'	100% positive feedback from Money Advice clients		100%	100%		
Percentage of money advice clients who were 'very satisfied' or 'fairly satisfied' with service received.	100% positive feedback from Money Advice clients	95%	100%	97%	100%	↑
Welfare Benefit clients – percentage of clients with successful appeals	83% success on Welfare Benefit clients' appeals	75%		80%	83%	↑
Percentage of welfare benefits clients who were 'very satisfied' or 'fairly satisfied' with service received	96% positive feedback from Welfare Benefits clients		97.5%	100%	96%	↓
Number of consumer complaints received	493 consumer complaints received by Trading Standards		704	520	493	↑

Financial Performance for 2016/17

The council's finances are separated between General Services and Housing. Housing refers solely to operating the council's estate of just over 6,000 houses for rent and other housing services, such as support for the homeless and housing benefits are part of General Services.

General Services Revenue Income – The total level of revenue support from the Scottish Government is determined by Scottish Ministers in discussion with COSLA as part of the spending review process which normally takes place every two years but the timing of spending reviews is linked to the similar process carried out by the UK Government. Since 2013/14 these reviews have taken place annually.

Within General Services, total revenue support is made up of three components: Specific ring-fenced Grants, Non-Domestic Rate Income (NDRI) and General Revenue Grant (GRG). In Moray revenue grants from the government fund around 71% of expenditure (including income directed by Moray Integration Joint Board) with 11% coming from the council Tax and the remaining 18% from fees and charges for services. council Tax has been frozen at 2008 levels following the Concordat between the Scottish Government and Scottish Local Authorities in 2008/09. Therefore, increases in income from council Tax are limited to growth in the number of households. Band D council Tax in Moray is £1,135.

General Services Revenue Expenditure – The council at a Special Meeting on 17 February 2016 approved a budget of £206 million net of charges for General Services for 2016/17. This anticipated the use of £6.8 million from the General Reserve. During the year, a further £0.8 million additional budget from reserves was approved. Budget reductions totalling £1.9 million and further income to meet Social Care budget pressures of £1.0 million from the Scottish government. This resulted in a revised used of reserves totalling £4.7 million. At 31 March 2017, there was an actual net contribution to the General Reserve of £2.1 million which brought the balance to £21.7 million. .

The main reasons for movement in what was budgeted to be used in 2016/17 and the actual position at 31 March 2017 is detailed below:

	£'000	£'000
Budgeted use of reserves		(6,815)
Additional budget approved and allocated in year		(754)
Budget reductions approved after Final Outturn for 2015/16		2,816
Transfer to earmarked reserves		(89)
		(4,842)
Service underspend	1,735	
Additional Savings	503	
Overspend on provisions	(1,129)	
Income retained under Business Rates Incentivisation Scheme	153	
Reduction in Revenue Support Grant	(5)	
Loans underspend	718	
Higher than anticipated council Tax Income	616	
Transfer from ear marked reserves	129	2,720
Net Contribution to General Reserve at 31 March 2017		2,122

Housing Revenue Account

The council approved expenditure of £17.6 million for 2016/17, to be funded from rents, government grant and other income. As shown in the Movement on the Housing Revenue Account Statement, there was a deficit of £0.2 million, decreasing the Housing Revenue Account balance to £1.1 million.

The £0.2 variance was mainly as a result of three significant variances. There was a £0.4 million underspend in repairs and maintenance comprising a £0.5 million underspend on planned maintenance and void property works and a £0.1 million overspend in response repairs. Financing costs were also underspent by £0.4 million due to reduced borrowing and lower interest rate charges. Capital works financed by revenue budget was increased to £1.0 million more than budget to help minimise borrowing costs and support the council's new build housing programme whilst broadly maintaining the level of reserves carried forward.

Business Model

Income generation is largely fixed by the government which represents 67% of overall income, including income directed by Moray Integration Joint Board and the government effectively controlled the 2016/17 level of council tax by specifying a council Tax freeze or the council would lose a portion of its Revenue Grant. Income that comes from fees and charges for services is 17% and a further 5% from council House rents. The council's financial strategy is to balance need and affordability of service to minimise the risk of exclusion and isolation. In terms of expenditure the model is driven by a combination of legislative requirements, government priorities and local priorities.



Financial Strategy

The council has responded effectively to the budget pressures it has faced over the past five years and it is recognised that each year it becomes more difficult to reduce costs without impacting on services and to contribute to the outcome targets in the council's 10 year plan.

Given the limitations in respect of increasing council Tax and the government's austerity programme, the council recognises that it is in the midst of fundamental change, driven by significant cut in government funding. This leaves the council with three areas to balance its budget: efficiency measures, reduce service provision, or increase direct charges for services. The council has been successful in its application of these methods, reducing its annual net operating costs by £30 million since 2010.

An updated financial strategy was agreed by the council's Administration Group at the start of the year and is summarised as follows:

It is clear that the current arrangements for providing council services are not sustainable. Therefore, senior managers need to work with councillors to identify all possible options for reducing costs and this will cover: efficiency savings, remodelling services, service cuts and increasing charges. It is proposed that this work be taken forward as a strategy involving:

- Changes focused on increasing the efficiency of service delivery;
- Sustainable services;
- Continue to review and amend underlying assumptions.

There will be some overlap between these strands of the strategy, specifically the second strand which will incorporate service remodelling, which may include the application of more efficient service delivery (in particular new technology) and some elements of service reduction.

In December 2015, the council received details of its 2016/17 Revenue Support Grant from the government and the amount had reduced by £5M compared with the grant for the previous year. The Administration Group responded by announcing that they did not wish to reduce service provision any further and that they would be proposing an 18% increase in council Tax to the council. The Scottish Government subsequently announced measures to deter local authorities from increasing council tax and the local proposal was withdrawn. The council's strategy is now to focus on engagement with all stakeholders: government, communities, partners and staff, whilst also continuing to implement efficiency savings and identify further savings. It is likely that the council will increase council tax by any amount permitted by the government in future years. The council agreed a number of non-recurring savings and used its reserve funds to meet the shortfall in income against expenditure in 2016/17.

Capital Expenditure

Total capital expenditure in 2016/17 was £49.6 million. Significant additions are school building improvement works £16.4 million, (including £12.9 million on refurbishment of four primary schools as part of a total £21.4 million Schools for the Future programme), improvements to roads infrastructure and street lighting £6.2 million, major flood schemes completed £5.5 million and council dwellings completed and under construction £9.2 million. The General Services Capital Programme for 2016/17, including balances carried forward from 2015/16 amounted to £41.4 million. Expenditure for the year was £39.8 million, representing a net underspend of £1.6 million.

The schools programme underspent by £1.0 million. A significant element of this represents the anticipated overall underspend expected on the Schools for the Future programme. The street lighting project underspent by £0.2 million, a further £0.2 million was underspent on a new facility for adults with complex housing needs and slippage on ICT projects added £0.2 million to the underspend. Flood alleviation works overspent £0.5 million in total. Elgin and Forres flood schemes overspent by £0.9 million during the year. This was because of timing differences between budget allocation and expenditure, although overall these projects remain within total budget allocation. Underspends on other flood schemes totalled £0.4 million. Other underspends across the programme totalled £0.5 million. The Housing Capital Programme amounted to £11.8 million and actual expenditure was £9.2 million. The underspend relates mainly to slippage in the new housing build projects. The remaining £0.6 million of capital expenditure relates to copiers that are leased but which are accounted for as finance leases adding to capital expenditure.

Capital expenditure is supported by capital grants from the Scottish Government and £11.2 million of grants were received in 2016/17. Capital receipts generated £1.0 million, £0.5 million of developer contributions were utilised and £3.7million was funded from revenue. The balance was funded by borrowing. The level of capital expenditure permitted to local authorities is governed by the provisions of the Prudential Code, which requires that any borrowing is required to be prudent, sustainable and affordable.

The council has formally recognised that it is currently not compliant with the prudential code as current service provision is not financially sustainable and has agreed to work towards rectifying this position over the next two years. The council has also agreed to a number of constraints to minimise the potential cost of abortive work due to current policy of achieving a satisfactory level of condition for and suitability, being unaffordable and has adopted its 'Mend and Make Do Policy'.

Pension Assets and Liabilities

The calculation required by International Accounting Standard 19 – Employment Benefits, shown in Note 37 to the accounts, is based on a snapshot valuation of the North East Scotland Local Government Pension Scheme administered by Aberdeen City council as at 31 March 2017. The requirement to recognise the council's share of net liabilities of the Aberdeen City Scheme in the balance sheet has resulted in a Pension Reserve debit balance of £162.2 million at 31 March 2017 (£97.9 million at 31 March 2016).

The main assumption to determine the liabilities in the pension scheme is the discount rate which is set by the value of high quality corporate bond yields. A lower discount rate leads to a higher value being placed on scheme liabilities. A decrease in yield values has meant that the discount rate at 31 March 2017 was 2.5% compared to 3.5% at 31 March 2016 resulting in a considerable increase in the value of pension liabilities. The North East Scotland Pension Fund is required to carry out actuarial valuations every three years. The methodology that will be used to calculate the value of liabilities as at 31 March 2017 will not reflect the value of bond yields and will instead use real returns to determine the discount rate. The results of the triennial valuation will be used to establish the funding levels of the whole Pension Fund and the funding level for each participating employer to meet the commitments of the Fund. Accordingly, the Annual Accounts have been prepared on a going concern basis.

The Teachers' Pension Scheme is administered by the Scottish Government through the Scottish Public Pensions Agency. It is not possible to identify a share of the underlying liabilities in the scheme attributable to the council's employees.

Risk and Uncertainties

The most significant risk the council faces at this time is identifying the changes to be made to deal with the financial position:

- Annual operating costs will need to be reduced by around £14 million by March 2019
- To bring all assets up to, and then maintained at, a satisfactory level as regards condition and suitability will cost approximately £300 million over the next 10 years. The council could afford around half of this figure without having to make further reductions to annual operating costs.
- The council has £22 million as free balances in its General Reserve at 31 March 2017 but £8 million is earmarked for specific purposes. This leaves a free balance of £14 million which can only be used once although it is anticipated that £1.4 million will be added to this balance after the Outturn report is considered by Moray Council on 29 June 2017.

From a recent report by the Accounts Commission, it is clear that Moray is not alone in terms of the scale of financial challenge, with a number of other local authorities in Scotland reporting similar concerns. Following the recent Scottish Parliamentary elections and the introduction of independent tax raising powers it is possible that the government will review the level of funding provided to council's.

The council has had some success in relation to recruiting teachers, but this remains a difficulty and impacts on the department's capacity to develop and implement improvements.

In addressing the financial situation and the existing capacity issues the council will be mindful of the most vulnerable people for whom it cares and protects.

Future Developments

With its partners, the council reviewed the 10 year plan and prepared a revised, updated and extended plan, Moray 2026. A strategy of continuous engagement with communities has been adopted in 2016 with the aim of more effective engagement in the production of Moray 2027. Thereafter, the board has committed to updating and extending the plan on a biennial basis. The Community Empowerment Act places further requirements on all partners, in relation to locality planning and to be able to respond effectively to participation requests.

The Corporate Management Team will report on an interim review of the Corporate Plan and also aim to undertake a more fundamental review to work with the new council in May 2017 on a new plan. The new plan will place a greater emphasis on matching resources to the council's priorities and will, accordingly, incorporate the council's financial plan.

The council embarked on an engagement programme with all stakeholders during 2016/17, in relation to its financial situation and is committed to addressing the fact that current service provision is not financially sustainable over the next two years. The engagement programme aimed to give local residents the opportunity to influence the future direction and priorities for all council services. Meanwhile, work is continuing on to identify other additional savings options/ income generation for the council.

In the longer term prevention and early intervention will contribute to better outcomes and lower cost. Continuing to invest in prevention and tackling the related issues of poverty and social inclusion will be challenging for the council given the shortfall in funding to sustain existing service provision. As part of the council's next phase of service reviews we will consider how and where resources are invested to identify improved future outcomes which will lead to financial savings. This will likely include disinvestment in some areas to focus on others and robust local data will be central to achieving this.

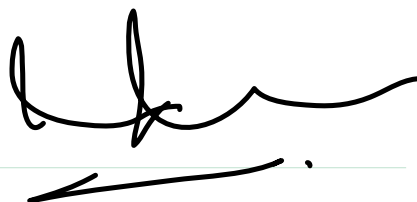
Councillor George Alexander

Leader of the council



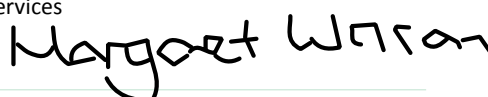
Roderick D Burns

Chief Executive



Margaret Wilson

Head of Financial Services



29 June 2017

