

THE MORAY COUNCIL
MINUTE OF SPECIAL MEETING OF THE MORAY COUNCIL
THURSDAY 14 FEBRUARY 2007
COUNCIL OFFICE, ELGIN

PRESENT

Councillors G McIntyre (Convener), A G Wright (Depute Convener), L A Bell, G S Coull, J S Cree, J Hamilton, J C Hogg, B Jarvis, G Leadbitter, J Mackay, A D McDonald, G McDonald, E M McGillivray, A C McKay, F J Murdoch, I Ogilvie, P Paul, D G Ross, J G Russell, R H Shepherd, D C Stewart & I R Young

APOLOGIES

Apologies for absence were submitted on behalf of Councillors J A Divers, M J McConachie and M Shand.

IN ATTENDANCE

The Chief Executive, the Chief Financial Officer, the Chief Legal Officer, the Director of Community Services, the Director of Educational Services, the Chief Housing Officer, the Head of Development Services, the Head of Direct Services and the Senior Committee Services Officer, Clerk to the Meeting.

1. DECLARATION OF GROUP DECISIONS

In terms of Standing Order 20 the meeting noted that that the Council's Administration Group and SNP Group had discussed item 3 on the Agenda 'Revenue Budget and Capital Plan 2008/09. There were no other declarations from group leaders or spokespersons in regard to any prior decisions taken on how members will vote on any item on the Agenda.

2. REVENUE BUDGET AND CAPITAL PLAN 2008/09

There was submitted a report by the Chief Financial Officer inviting the Council to consider establishing a Revenue Budget and Capital Plan for 2008/09, setting the Council Tax for 2008/09 and agreeing to finalise the Four Year Financial Plan in May 2008. There were appended to the report as Appendices 1-9 respectively a summary of the Revenue Budget 2008/09, details of the opening position reported to the Policy Committee on 19 December 2007, adjustments from review of estimated actual, former ring-fenced grants, former quality of life funded projects, a summary of the Capital Programme for 2008/09, an extract from the Concordat between the Scottish Government and CoSLA and details of items to be funded from Reserves.

There was also tabled at the meeting a copy of the Council's Administration Group 2008/09 Budget recommendations, an amended Appendix 4 relating to 'Formerly Ring-Fenced Grants' and details of proposed leisure facilities admission prices for 2008.

On the invitation of the Convener, Councillor Wright, in his capacity as Joint Chair (Finance & Service Reform) of the Policy Committee, put forward the budget proposals on behalf of the Council's Administration Group. He referred to the historical Concordat between the Scottish Government and CoSLA, which has lead to no increase in Council Tax for the people in Moray for the next financial year. For Moray this meant that the average council tax, based on band D valuations, remains at £1135 which is one of the lowest in Scotland. Scottish Water however would be increasing their water charges by 3.7% and waste water charges by 3.8%, which will be reflected in the single bill to householders.

To compensate for a council tax freeze, the Scottish Government has given Moray Council an extra grant of £1.1m and whilst still expected to produce efficiency savings of 2% each year, the Council is being allowed to retain those savings and utilise them towards the Council's priorities.

Councillor Wright also advised that another welcome change in the settlement is the removal of all ring fencing of monies given to councils and included in the global settlement figure. For Moray this amounts to £13.5m and had been something that CoSLA, and all councils, had lobbied on for years. The meeting noted however, that there are a number of unresolved issues to be clarified as well as the Single Outcome Agreement, which the Council must deliver as part of the settlement. A report on these issues would be submitted to a future meeting.

Prior to putting forward the Administration Group's Budget proposals Councillor Wright paid tribute to the work of the Chief Financial Officer and his staff and Service Departments in the provision of information that informed the Administration Group's decisions.

Councillor Wright then proceeded to summarise the main points of the Administration Group's proposals. The meeting noted that taking the opening budget, including former ring-fenced allocations of almost £186m to which has been added more than £3m to boost spending in the areas identified by the Administration Group. The meeting also noted that in order to balance the budget it was necessary to identify savings, efficiencies, and increases in charges of more than £2m.

The Administration Group's proposed budget for 2008 will see a record spend of £187m, consisting of a government grant of £150.5m and £36.2m, which will include:-

- (a) the creation of a single economic development fund of more than £500k of which £150k is new money;
- (b) an increase the budget for care of the elderly of not less than £400k, including an extra £100k on telecare and an extra £50k on respite care for carers;
- (c) an investment of £125k in creating apprenticeship opportunities, including within the Council, for young people not in education or training;
- (d) spending of £170k on continuing the current service to those needing support with drugs or alcohol misuse;
- (e) the overall amount of expenditure on roads increasing by £1.4m.

Councillor Wright also made reference to the recent agreement to develop a single child protection unit, in conjunction with Grampian Police, and the need to support local initiatives previously supported directly by the Scottish Government. In this regard he advised that the proposed budget proposals included a grant of £70k to the BABS dial a bus scheme, £13k to the Speyside community car share scheme, £15k to the support scheme for the Duke of Edinburgh awards and £17k to the Prince's Trust support scheme.

In regard to the proposed savings and efficiencies required to balance the budget it was proposed to align the Council's leisure and community centre charges with other authorities and increase these by £174k, as set out in the amended paper tabled at the meeting, which intimated that there will continue to be no charges for the unemployed and disabled. It was also proposed to increase car park charges by £100k and whilst increases in the efficiency of the roads operation results in a saving of £250k capital spending on roads will be increased by £1.65m. Councillor Wright also advised that the Administration Group was confident that 2% savings (£276k) can be achieved through the review of the former ring-fenced budget.

In regard to the Capital Plan, Councillor Wright referred to the continued uncertainty over funding for flood alleviation. He advised the meeting that over the next three-year period the council will receive grant funding of £40m from the Scottish Government for flood alleviation projects, which is £23m less than the Council expected to claim under the current funding scheme whereby the government pays 80% of the costs. Whilst verbal assurances have been given by CoSLA and the local MSP that there is no intention to reduce the level of funding for schemes in Moray, covering a six-year funding period,

it was noted that in the event of the Scottish Government not providing the required £80m, in the second three-year period, the Council will require to raise this amount in order to complete the schemes.

In regard to the Council's reserves the meeting noted that this currently stood at about £9m and the Chief Financial Officer indicates that £5m is a prudent level of reserves for emergencies and other unforeseen cost pressures. Councillor Wright advised the meeting the Administration Group will also establish a £1m fund from reserves which Departments can bid for 'spend to save' projects. I was also anticipated that the shared services review will identify further efficiencies, many of which will require capital investment to help reduce our current levels of annual expenditure.

Thereafter Councillor Wright, seconded by Councillor McIntyre, moved that the Council agree the following amended recommendations tabled at the meeting:-

- (i) to approve of the Budget and Capital Plan for 2008/09, as set out in the report by the Chief Financial Officer;
- (ii) to approve of the additions and savings detailed in the additional papers tabled at the meeting;
- (iii) to freeze the rate of Council Tax at the current rate with Band D remaining at £1,135;
- (iv) to finalise the 4 year financial plan in May 2008;
- (v) to establish a budget of £1m from the General Reserve for 'spend to save' projects;
- (vi) to delegate authority to the Joint Chair of Policy (Finance & Service Reform), in consultation with Group Leaders to agree temporary funding arrangements, of up to 3 months, for any services funded from former ring-fenced funding arrangements still to be identified.

Councillor P.B. Paul on behalf of the Scottish National Party put forward the SNP Group budget proposals for 2008. A copy of the SNP Group's proposed Budget amendments was also tabled at the meeting. Councillor Paul, in welcoming the Scottish Government's policy to implement a Council Tax freeze, also welcomed the retention of efficiency savings and an overall increase, in real terms, in the budget settlement.

In regard to the Administration Group's proposals to increase leisure facility charges the SNP Group, in welcoming the decision not to charge the unemployed and disabled, proposed to make no charges for Senior Citizens and Luncheon Club funding. The Groups proposals also include a £10k increase in Harbour Maintenance and oppose the proposed £250k reduction in roads maintenance budget.

Councillor Paul also advised that, in welcoming the Administration Group's proposals in regard to the creation of apprenticeship opportunities, the SNP Group was of the view that the Council, as the largest employer in Moray, should take the lead and would wish to put forward the 'Grow your Own' scheme, developed within the Council as an alternative. In this regard the SNP Group would welcome the opportunity to work with the Administration in formulating a comprehensive apprenticeship scheme for Moray.

In regard to the SNP Group's alternative proposals, tabled at the meeting, Councillor Paul advised that the proposed increases would be financed as follows:-

➤ removal of Health Improvement Funding as this is considered a Health Board matter	£ 50,000
➤ removal from Social Work Training budget given that an underspend of this amount was highlighted in a recent report the Educational Services Committee	£213,000
➤ increase efficiencies of former ring fenced budgets to 2.33%	£ 47,000
➤ increase car parking charges for 2-4 hours @ £2.00 and 4-10 hours @ £4.00	£ 30,000
➤ remove proposed apprentice scheme and replace with 'Growing your Own' scheme	£125,000
	<u>£465,000</u>

Councillor Paul also advised that as the timescale for perusal of this year's budget was shorter than normal the SNP Group reserved the right to challenge proposals such as the proposed restructuring and relocation of registrar services and any other proposals which may have an adverse impact on the community.

Thereafter Councillor Paul, seconded by Councillor G McDonald, moved approval of the SNP Group's alternative 2008 Budget proposals as an amendment to the motion.

On a division there voted:-

For the Motion (14)	Councillors Bell, Cree, Hamilton, Hogg, Mackay, McGillivray, McIntyre, McKay, Murdoch, Ross, Russell, R Shepherd, Wright & Young
For the Amendment (7)	Councillors Coull, Leadbitter, A McDonald, G McDonald, Ogilvie, Paul and Stewart.
Abstentions (1)	Councillor Jarvis

Accordingly the motion became the finding of the meeting and it was agreed:-

- (vii) to approve of the Budget and Capital Plan for 2008/09, as set out in the report by the Chief Financial Officer;
- (viii) to approve of the additions and savings detailed in the additional papers tabled at the meeting;
- (ix) to freeze the rate of Council Tax at the current rate with Band D remaining at £1,135;
- (x) to finalise the 4 year financial plan in May 2008;
- (xi) to establish a budget of £1m from the General Reserve for spent to save projects;
- (xii) to delegate authority to the Joint Chair of Policy (Finance & Service Reform), in consultation with Group Leaders to agree temporary funding arrangements, of up to 3 months, for any services funded from former ring-fenced funding arrangements still to be identified.

3. HOUSING REVENUE ACCOUNT BUDGET 2008/09

There was submitted a report by the Director of Community Services presenting the proposed Housing Revenue Account (HRA) Budget and Housing Investment Strategy for 2008/09 for Council approval. There were appended to the report as Appendices I,II,III & IV respectively, details of the proposals for 2008/09 in respect of the HRA Budget, Draft Housing Investment Strategy; Three Year Budget projection & Service Development Proposals.

Councillor McGillivray, in his capacity as Joint Chair (Communities) of the Policy Committee, presented the proposed HRA Budget for 2008/09. The meeting noted that for the last three years the Council has had the lowest rents in Scotland and the proposed rent increase of 3.5% for 2008/09 is below the current inflation rate. The meeting also noted that the largest investment proposals continues to be investment in the Council's housing stock to meet the Scottish Housing Quality Standard and the more demanding Moray Housing Standard. It was also noted that the three-year budget projection indicates that the HRA is projected to operate within surplus over the next three years and that the specific Service Development proposals, detailed in the report, will enable the Housing Service to respond to the expectations of the service from tenants and the regulatory body.

Following consideration, and on the motion of Councillor McGillivray, seconded by Councillor Wright, the Council agreed to approve:-

- (i) the proposed HRA Budget, as detailed in Appendix I to the report and the Investment Strategy, as detailed in Appendix II to the report;
- (ii) the three year budget projection to 2011, set out in Appendix III to the report;
- (iii) the service development proposals amounting to £0.300m, set out in Appendix IV to the report;
- (iv) that any slippage from 2007/08 is carried forward to 2008/09;
- (v) that council house rents are increased by 3.5%;
- (vi) that hostel rents are increased by 3.5%;
- (vii) that garage rents are increased by 7% (this is a two yearly increase);
- (viii) that service charges for temporary accommodation are increased by 3.5%;
- (ix) that grass-cutting charges are increased by 3.5%; and
- (x) that an additional rent free week is introduced for 2008/09 only.

4. COUNCIL TAX - ADMINISTRATION AND RECOVERY POLICIES 2008/09

There was submitted a report by the Chief Financial Officer inviting the Council to determine for the next financial year, 2008-09, the policies which will govern the conduct of Council Tax administration and enforcement.

Following consideration the Council agreed:-

- (a) that, for the next financial year, 2008/09:-
 - (i) to offer cheque, direct debit, payment-card, and standing order as the methods of payment by which Council Tax demand-notices may be paid;
 - (ii) that the payment-date for monthly instalments paid by non-direct debit methods of payment (*i.e.* cheque, payment-card and standing order) in the months of April 2008 to January 2009, inclusive, shall be the first day of each month in which an instalment is payable;
 - (iii) that the payment-date for monthly instalments paid by direct debit methods of payment due in the months of April 2008 to January 2009, inclusive, shall be the fifth, fifteenth or twenty-fifth day of each month in which an instalment is payable;
 - (iv) that the payment-date for instalments paid by direct debit in the months of April 2008 to March 2009, inclusive, shall be the fifth, fifteenth or twenty-fifth day of each month in which an instalment is payable;
 - (v) that the following non-monthly instalment-profiles be made available to Council Tax-payers choosing to pay by direct debit;
 - (vi) to a weekly instalment-profile, the first payment-date being due on 4th April, 2008 and then payable weekly on each Friday thereafter;
 - (vii) to a fortnightly instalment-profile, the first payment-date being due on 10th April, 2008 and then payable fortnightly on each Thursday thereafter;
 - (viii) to a quarterly instalment-profile, with payment-dates on 30th May, 2008, 30th August, 2008, 30th November, 2008 and 28th February, 2009;

- (ix) to a half-yearly instalment-profile, with payment-dates on 30th May, 2008 and on 30th November, 2008;
 - (x) to an annual instalment-profile, with a payment-date on 30th June, 2008;
 - (xi) that the due date for full yearly payments for non-direct debit methods of payment shall be 1st April, 2008;
 - (xii) that any demand-notice issued after the last instalment on the account's instalment-profile has become payable shall be due to be paid in full fourteen days after the date of issue; and
 - (xiii) agree to instigate recovery against debtors whom have made no payment seven working days after their instalment's payment-date.
- (b) to approve a joint-promotional radio-advertising campaign to be conducted in March 2008 in conjunction with Highland Council.

5. NON-DOMESTIC RATES : ADMINISTRATION AND RECOVERY POLICIES 2008/09

There was submitted a report by Chief Financial Officer inviting the Council to determine for the next financial year, 2008-2009, the methods of payment and the payments-dates which are to be made available to Non-Domestic Rates-payers. The Committee was also invited to determine the dates which will be set for hearing appeals against liability for the payment of Non-Domestic Rates.

Following consideration, the meeting agreed that for the new financial year, 2008-09, the Council agree:-

- (i) to offer cheque, direct debit, and standing order as the methods of payment by which Non-Domestic Rates demand-notices may be paid;
- (ii) that the payment-date of instalments for Non-Domestic Rates from May, 2008 to February, 2009, be the 21st day of each month in which an instalment is payable;
- (iii) that 30th September, 2008 be fixed as the payment-in-full date;
- (iv) that the following non-monthly instalment-profiles are also made available to Non-Domestic Rates-payers choosing to pay by direct debit:-
 - (a) a quarterly instalment-profile, with payment-dates on 21st May 2008, 21st August 2008, 21st November 2008, and 21st February, 2009; and
 - (b) a half-yearly instalment-profile, with payment-dates on 21st May 2008 and 21st November 2008.
- (v) that either 2nd June, 2008, or the date which would be the fourteenth day after the date of issue of a demand-notice (whichever is the later), be the day by which appeals against liability for the payment of Non-Domestic Rates must be lodged with the Chief Financial Officer;
- (vi) to hear any appeals against liability for the payment of Non-Domestic Rates at a meeting to be held in June, 2008, or any subsequent meeting which might be necessary in terms of Section 238 of the Local Government (Scotland) Act 1947.