

**THE MORAY COUNCIL**  
**SPECIAL MINUTE OF MEETING OF THE MORAY COUNCIL**

**THURSDAY 11 FEBRUARY 2010**

**COUNCIL OFFICE, ELGIN**

**PRESENT**

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

**APOLOGIES**

An apology for absence were intimated on behalf of Councillor M. McConachie,

**IN ATTENDANCE**

The Chief Executive, the Director of Community Services, the Director of Educational Services, the Director of Environmental Services, the Chief Financial Officer, the Chief Legal Officer, the Chief Housing Officer, the Head of Financial Services, the Head of ICT Services in respect of item10 and the Senior Committee Services Officer, Clerk to the Meeting.

**1. ADDITIONAL BUSINESS**

In terms of Standing Order 25 (iv) the Council agreed to accept the as an additional item of business to be transacted at the meeting a report by the Chief Financial Officer, to be taken as Item 3 (a) on the Agenda, in regard to proposed Devolved School Management Budget Reductions on the Convener certifying that, in his opinion, it required to be considered on the grounds of urgency in order to give early considerations to the proposals.

**2. ORDER OF BUSINESS**

In terms of Standing Order 28 the meeting noted that Item 2(a) 'Resolution' and Item 9 'Voluntary Severance and Voluntary Early Retirement Applications [Paragraph 1] had been withdrawn from the Agenda.

**3. DECLARATION OF GROUP DECISIONS**

In terms of Standing Order 20 and the Councillors' Code of Conduct the meeting noted that that the Council's Administration Group, the SNP Group and the Labour Group respectively had discussed item 3 on the Agenda 'Financial Plan Review'. It was also noted that there was no whip on the

decision of Members of any Group and no sanctions in place to encourage them to vote in any particular way.

Councillor Young declared a personal interest in Council fisheries referred to on page 21 of the report.

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.

#### **4. FINANCIAL PLAN REVIEW**

There was submitted a report by the Chief Financial Officer asking the Council to review the Council's four year financial plan, set the level of the Council Tax for 2010/11 and approve the revenue budget for 2010/11. There was appended to the report Appendices 1 – 7 respectively providing a summary of the proposed budget for 2010/11; a list of a number of adjustments that relate to items already agreed that have not yet been allocated, non-recurrent budget allocations and cost pressures identified for which budget provision has yet to be made; details of the additional budgets required to meet government priorities; a list of local priorities, a list of other budget pressures; savings from the consultation process; additional savings and other savings. Also appended to the report Appendices 8 – 9 respectively providing details of restricted funds and the Capital Programme 2010/11 onwards.

##### **(i) Council Tax Level for 2010/11**

On the invitation of the Convener, Councillor Wright, in his capacity as Chair of the Policy and Resources Committee, put forward the budget proposals on behalf of the Council's Administration Group. He referred to events which had occurred over the past year in particular, the current economic climate, the flooding of September and November and the exceptional weather during December and January which together added £1.7m to revenue spending.

He advised that, despite the Corporate Management Team keeping a tight rein on expenditure, with so many demand-led services and the adverse weather, the Council will close the current financial year with a deficit of £3.2million which will require to be covered from reserves, reducing them to approximately £6m, close to the prudent level of £5m, and with years of budget uncertainty ahead.

Before going into the detail of the next financial year, he stated that there will, for the third year in a row, be no increase in council tax for the next financial year and moved approval of recommendation 2.1(b) of the report. There being no one otherwise minded this was agreed unanimously.

##### **(ii) Revenue Budget for 2010 /11**

Thereafter Councillor Wright referred to the current world economic climate and the consequential effect it would have on this local authority. He stated

that whilst the grant income for 2010/11 from the Scottish Government is £3m higher than last year, it is £2.5m short of what was indicated in the three year settlement figure. It is now clear that grant funding will reduce in real terms over at least the next four years but that the exact amount will not be known until after the next government spending review but that it has been estimated that this authority will be required to save at least £20m over the next four years.

He referred to the various financial pressures on the budget which had been experienced over the past six months such as extra maternity pay for teachers, the change to the funding allocation of the "Fairer Scotland Fund" and the revaluation of non-domestic rates which has added £250k to the council's rates bill. He then referred Members to the detail within the budget papers, referring to some areas especially influenced by the budget consultation in particular Additional Special Needs where the reduction was reduced from £340k to £100k, retaining the target of reducing class sizes for S1 and S2 for English and Maths, reduce the proposed reduction in Youth Work Service from £120K to £60k and other smaller positive amendments on playground inspections, road safety, and the Heritage Centre.

In regard to the financial year ahead he stated that the number of P1/3 pupils in classes of 18 or less will increase by 100% with the employment of three extra teachers; free school meals will be delivered not only to those qualifying under an extension to entitlement but also to all P1/3 pupils in three schools within the area of Moray officially regarded as suffering multiple deprivation; the continuation of the year on year growth of £250k in the care of the elderly budget, the continuing investment in the budget for telecare and the first phase of efficiency savings will be forthcoming from the designing better services initiative. However in order to fund the foregoing savings have had to increase in other areas and he referred to the four major ones namely the management restructuring within Education and Social Services which will deliver at least £120k during the next financial year and a commitment to further savings from a rationalisation of management across the council; a proposal to reduce the spend on subsidised bus services, which includes a reduction in the grant to the BABS dial-a-bus service of less than 25%, with the intention to target the subsidy to the times and routes that the Council want rather than have it regarded as a general subsidy to the operators; an increase in car parking charges in Elgin and a reduction in the budget for the Fairer Scotland Fund by £80k.

Thereafter he formally moved approval of the Revenue Budget for 2010/11 as detailed in recommendation 2.1(a) of the report. Councillor Paul seconded the motion.

In seconding the motion Councillor Paul intimated that, given the severity of the savings required, the SNP Group appreciated that it could do more good for the people of Moray working with the Administration Group. As well as meeting with the Administration Group to discuss draft budget proposals SNP Group members attended many of the formal consultation meetings, locally organised meetings and parent council meetings. The Group also met with

union members to discuss educational issues and the feedback from these consultative meetings gave the SNP Group a clear picture of the priorities of the people of Moray. Through negotiations with the Administration Group the SNP Group were successful in the reinstatement of the secondary school S1/S2 class size budgets up £240,000, the ASN support for early years budget £30,000, the Rape and Abuse Line £3,000, the road safety initiatives £8,000, the Heritage Centre Officer Post £37,000 and the reinstatement of 50% of the used service budget which was £60,000. Agreement was also reached in reinstating almost a quarter of a million pounds on the SN budget, the remaining £100,000 savings will have no impact on staffing needs therefore protecting front line services.

Councillor Paul also intimated that whilst not a perfect budget the SNP Group were in a position, having obtained a number of concessions, to support it. She also advised that it had been agreed that several reports in regard to devolved school management budgets, the promotion of swimming for beginners, how to maximise and expand the work of the Heritage Centre, the impact of further cuts on the mobile library service, a review of how to maximise income and leisure services; and a report in the autumn on vandalism in unmanned toilets would come before the Council in the new financial year in advance of next year's financial budget process:

Councillor Paul also advised that as the main opposition party in Moray Council the SNP Group will continue its scrutiny role as budget cuts can have unforeseen consequences and will be calling on all Councillors to review cases of hardship or those which are seriously detrimental to the community of Moray.

There being no-one otherwise minded the motion was approved unanimously and it was agreed to:-

- (a) approve the proposed Revenue Budget for 2010/11; and
- (b) note the Revenue Budget estimates for future years and the need to agree further substantial savings beyond 2010/11.

Thereafter Members expressed the views on the budget proposals and the Council agreed:-

- to note the concerns expressed in regard to the proposed substantial increase in car parking charges and the introduction of pay and display facilities at the Lossie Green Car Park in Elgin;
- that regular monitoring reports on the impact of the increase in car parking charges be submitted to the appropriate Service Committee;
- that consideration be given to introducing pay and display facilities to the staff and Members car parking provision at the Council Office, Elgin;

- that Scottish Water be requested to give consideration to making Glen Latterach available for fishing;
- that a report be submitted to a future meeting on how best to utilise and promote the work of the Heritage Centre; and
- that a report be submitted to a future meeting on the promotion of swimming for beginners;

(iii) Capital Plan for 2010 /11

In referring to the Revised Capital Plan for Councillor Wright reminded the Meeting that all Members had received the revised capital plan at the beginning of December 2009 which showed that a £3.3m per year reduction was required and referred to Appendix 9A of the report which provided details of the plans for achieving these savings.

In regard to flood alleviation schemes he stated that £470k had been added in the coming year in regard to small flood alleviation measures, including £250k for the breakwater at Lossiemouth with an extra £300k per year from 2012 for schemes requiring further investigation. However it was with considerable regret and sadness he stated that the Elgin High School improvements and the proposed regional sports centre have been deferred and whilst it still appears on the capital plan for the future it would be wrong to say other than that hopes have taken a severe setback. He further stated that a fresh look will be taken as to whether or not there is any realistic source of major outside funding and perhaps look separately at improvements for the school itself.

In conclusion he stated that as hard financial times stretch before the Council and having saved £5m from the Revenue Budget and £3.3m from the capital budget, the same task lies ahead for 2011 and 2012. Thereafter he moved approval for the capital budget for the year ahead as recommendation E of the report and the remainder of the recommendations.

Members expressed their views in regard to the Capital plan proposals and agreed:-

- to note the assurance given that the outstanding programme of works required at Elgin High School will be looked at closely as to what can be done and where funding can be secured works will be progressed;
- that it be remitted to the Director of Environmental Services to circulate information to Members on the biomass presentation to be given to the Council by the Forestry Commission's Biomass Officer at 2.00 pm on Tuesday 2 March 2010;
- that the report covering the position relative to the Elgin High School project be re-circulated to Members;

- that a report on the condition of the Council's harbours be submitted to a future meeting of the Audit & Performance Review Committee; and
- to note the Scottish Government's position in regard to forward committing funding for flood alleviation schemes and that it was understood appropriate funding will be made available to the Council once work on the schemes commences.

Thereafter and there being no-one otherwise minded the motion became the finding of the meeting and it was agreed unanimously:-

- (a) that the existing commitment to fund £700,000 of the proposed Regional Sports Facility and £250,000 of the Office Accommodation from the General Fund be transferred to commitments against future Capital Plans;
- (b) to approve the revised Capital Plan for 2010/11 and agree that all Capital Project allocations are subject to detailed reports being submitted to the appropriate service committee for approval;
- (b) to approve the revised Capital Plan for 2011/12 to 2014/15 as an indicative plan and that it will be subject to further review once capital grant figures are announced by the Scottish Government;
- (c) to note that the cost of implementation for the "Designing Better Services" programme will be reported to Policy and Resources Committee on 2 March 2010 and these non-recurring costs will be funded from Council reserves.

The meeting joined the Convener in paying tribute to Councillor Wright and Officers of the Council for all their efforts in the preparation of the budget proposals. The Convener also paid tribute to the support of non-Administration Members of the Council in the preparation of the budget proposals.

## **5. DEVOLVED SCHOOL MANAGEMENT BUDGET REDUCTIONS**

There was submitted a report by the Chief Financial Officer inviting the Council to consider approving budget savings for Primary and secondary Schools for the four year period from 2010/11 to 2013/14.

The meeting noted that the Council's Voluntary Severance Scheme will only be able to be used by schools if the Council approves a budget savings of 2% for the Devolved School Management (DSM) budgets to be achieved by 2013/14.

Following consideration the Council agreed to approve the reductions in DSM budgets for Primary and Secondary Schools, as described in the budget consultation documents as follows:-

- (i) Primary Schools – 0.5% reduction rising by a further 0.5% each year for the next four years with a saving of £100,000 in 2010/11 rising to £400,000 by 2013/2014; and
- (ii) Secondary Schools – 0.5% reduction rising by a further 0.5% each year for the next four years with a saving of £125,000 in 2010/11 rising to £500,000 by 2013/14

On the determination of this item Councillors Ross and Young left the meeting.

## **6. COUNCIL TAX - ADMINISTRATION AND ENFORCEMENT POLICIES 2010 - 11**

There was submitted a report by the Chief Financial Officer inviting the Council to determine for the next financial year, 2010-11, the policies which will govern the conduct of Council Tax administration and enforcement in this year.

Following consideration the Council agreed, for the next financial year 2010-11:-

- (a) to offer cheque, direct debit, payment-card and standing order as the methods by which Council Tax demand notices be paid;
- (b) that the monthly instalment payment date for non direct debit methods of payment in the months April 2010 to January 2011, inclusive, shall be the first day of each month;
- (c) that monthly instalment payment date for direct debit methods of payment due in the months April 2010 to January 2011, inclusive, shall be the fifth, fifteenth, or twenty fifth day of each month;
- (d) the monthly instalment payment date for direct debit methods of payment in the months April 2010 to March 2011, inclusive, shall be the fifth, fifteenth, or twenty fifth day of each month;
- (e) that the following additional non monthly instalment profiles be made available and limited to Council Tax payers choosing to pay by direct debit:
  - (i) a weekly instalment profile, the first payment date being on 2<sup>nd</sup> April 2010, and thereafter being payable weekly on each subsequent Friday;
  - (ii) a fortnightly instalment profile the first payment date being on 8<sup>th</sup> April 2010, and thereafter being payable fortnightly on alternating Thursdays;

- (iii) a quarterly instalment profile with payment dates on 30<sup>th</sup> May, 30<sup>th</sup> August, 30<sup>th</sup> November 2010 and 28<sup>th</sup> February 2011; and
  - (iv) a half yearly instalment profile with payment dates on 30<sup>th</sup> May and 30<sup>th</sup> November 2010-02-04 an annual instalment profile with a payment date on 30<sup>th</sup> June 2010
- (f) that the date for a single annual payment by non direct debit methods of payment shall be 1<sup>st</sup> April 2010;
  - (g) that any demand-notice issued after the last instalment on the account's statutory instalment-profile has become payable shall be payable in full fourteen days after its date of issue; and
  - (h) to instigate recovery-action against debtors whom have failed to make payment of one of the monthly-instalments printed on their Council Tax demand-notice seven working days after the unpaid monthly-instalment's payment date has passed.

## **7. NON-DOMESTIC RATES - ADMINISTRATION AND ENFORCEMENT POLICIES 2010-11**

There was submitted a report by the Chief Financial Officer inviting the Council to determine for the next financial year, 2010-11, the methods of payment and payment-dates which may be made available to Non-Domestic Rates payers in this year.

Following consideration the Council agreed, for the new financial year 2010-11:-

- (a) to offer cheque, direct debit and standing order as the methods Non-Domestic Rates demand notices may be paid;
- (b) that the payment date for monthly instalments due in the months May 2010 to February 2011 inclusive shall be the 21<sup>st</sup> day of each month;
- (c) that the payment date for settlement of a Non-Domestic Rates demand-notices in a single annual instalment shall be 30<sup>th</sup> September 2010;
- (d) that the following non-monthly instalment profiles are made available to rate payers making payment by direct debit;
  - (i) a quarterly instalment profile, with payment dates on 21<sup>st</sup> May, 21<sup>st</sup> August, 21<sup>st</sup> November 2010 and 21<sup>st</sup> February 2011;
  - (ii) a single cumulative amount payable on 21<sup>st</sup> September which is equivalent to the instalments payable in May to September, inclusive, and thereafter reverts to payment on the 21<sup>st</sup> day of

each month, October to February inclusive of the standard monthly instalment;

- (iii) a quarterly instalment profile, with payment dates on 21<sup>st</sup> May, 21<sup>st</sup> August and 21<sup>st</sup> November 2010 and 21<sup>st</sup> February 2011;
  - (iv) a half yearly instalment profile with payment dates on 21<sup>st</sup> May and 21<sup>st</sup> November 2010; and
  - (v) an annual instalment profile, with a payment date on 21<sup>st</sup> September 2010
- (e) that 1<sup>st</sup> June 2010 or a date equivalent to the fourteenth day after the date of issue of a demand notice (whichever is later) be the date by which appeals against liability for the payment of Non-Domestic Rates must be lodged with the Chief Financial Officer; and
- (f) hear any appeals against liability for the payment of Non-Domestic Rates at a meeting to be held in June 2010 or any subsequent meeting which might be necessary in terms of Section 238 of the Local Government (Scotland) Act 1947;

## **8. CAPITAL INVESTMENT AND TREASURY MANAGEMENT PERFORMANCE INDICATORS**

There was submitted a report by the Chief Financial Officer asking Members 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) adopt the Prudential Indicators and Limits for 2010/11 to 2012/13 contained in this report; and
- (iii) approve the Treasury Management Strategy for 2010/11 and the Treasury Prudential Indicators for 2010/11 to 2012/13.

## **9. HOUSING REVENUE ACCOUNT BUDGET 2010 / 11**

There was submitted a report by the Director of Community Services presenting the Housing Revenue Account (HRA) Budget and Housing Investment Strategy for 2010/11 to the Council for approval.

On the invitation of the Chairman, Councillor McGillivray presented the Housing Revenue Account (HRA) budget for 2010/11 to the Council for approval.

Following consideration the Council agreed:

- (i) the proposed HRA Budget (APPENDIX I) and Investment Strategy (APPENDIX II);
- (ii) the three year project to 2013 (APPENDIX III);
- (iii) service development proposals amounting to £0.015m;
- (iv) that any slippage from 2009/10 is carried forward to 2010/11';
- (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%; and
- (ix) that grass cutting charges are increased by 3.5%

#### **10. PROCUREMENT OF NEW DATA CENTRE**

There was submitted a report by the Chief Financial Officer seeking approval to proceed with the procurement of a new data centre included in the 2010-11 Capital Plan.

Following consideration the Council agreed to approve the inclusion of a new data centre in the tender for the Aldi conversion.