

THE MORAY COUNCIL

MINUTE OF MEETING OF THE POLICY AND RESOURCES COMMITTEE

TUESDAY 30 AUGUST 2016

COUNCIL CHAMBERS, ELGIN

PRESENT

Councillors S Cree (Chair), A Wright (Deputy Chair), G Alexander, G Coull, J Cowe, L Creswell, P Gowans, G Leadbitter, G McDonald, S Morton, M Shand and D Ross.

APOLOGIES

Apologies were intimated on behalf of Councillors P Paul and A Skene

IN ATTENDANCE

The Corporate Director (Corporate Services), the Head of Financial Services, the Head of Legal and Democratic Services, the Head of Development Services, the Head of Housing and Property, the Property Resources Manager, the Estates Manager, the Payments Manager, the Corporate Policy Unit Manager, the Asset Management Co-ordinator and Mrs Lissa Rowan, Committee Services Officer as Clerk to the Meeting.

1. CONDOLENCES

The Committee joined the Chair in offering sincere condolences to Councillor Skene following the recent death of her husband.

2. DEFERRED REPORT

In terms of Standing Order 29, the Chair advised the Committee that agenda item 14 "Tennis Courts, Cooper Park, Elgin" had been deferred to a future meeting of this Committee, to allow officers to consider new funding information that had recently come to light.

3. DECLARATION OF GROUP DECISIONS AND MEMBERS' INTERESTS

In terms of Standing Order 20 and the Councillors' Code of Conduct, Councillor Wright declared an interest in item 19 "Elgin Flood Alleviation Scheme – Compensation Claim" (minute paragraph 23) due to a family friendship.

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 or any declarations of members' interests in respect of any item on the agenda.

4. EXEMPT INFORMATION

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting during consideration of the items of business appearing at the relevant paragraphs of this minute as specified below, so as to avoid disclosure of exempt information of the class described in the appropriate paragraphs of Part 1 of Schedule 7A of the Act.

<u>Paragraph No. of Minute</u>	<u>Paragraph No. of Schedule 7A</u>
20	1 & 6
21	8 & 9
22	6, 8 & 9
23	8 & 12

5. MINUTE OF THE POLICY AND RESOURCES COMMITTEE DATED 7 JUNE 2016

The Minute of the meeting of the Policy and Resources Committee dated 7 June 2016 was submitted and approved subject to the recommendation at para 7 (vi) being amended to reflect that the requested report on Poverty and Social Inclusion will be brought to a meeting of The Moray Council before the end of the year.

6. WRITTEN QUESTIONS

The Committee noted that no written questions had been submitted.

7. ANNUAL REPORT ON ENERGY STRATEGY/ACTIONS

A report by the Corporate Director (Economic Development, Planning and Infrastructure) advised the Committee on actions to minimise the Council's energy consumption, as well as progress and developments on a number of energy issues. The report explained that, although the Council's energy consumption rose marginally in 2015/16, the weather adjusted heating consumption fell by 15.5% and energy costs by 3.9%. The report further stated that there is still potential for further significant reductions in energy consumption through a programme of energy projects, property rationalisation, use of Building Energy Management Systems and staff awareness/behaviour changes which are necessary to minimise the Council's carbon emissions, energy costs and the associated impact of the Carbon Reduction Commitment Energy Efficiency Scheme.

Following consideration, the Committee agreed to note:

- (i) the terms of the 2015/16 Annual Report as set out in Appendix 1 of the report;
- (ii) that the Council's energy bill decreased by £106,000 (3.9%) in 2015/16; and

- (iii) that although the Council's energy consumption in non-domestic operational properties increased by 1.7%, weather adjusted heating consumption fell by 15.5%.

8. DEVELOPER OBLIGATIONS

A report by the Corporate Director (Economic Development, Planning and Infrastructure) invited the Committee to consider requests for the use of Developer Obligations.

Councillor Morton joined the meeting during discussion of this item.

During discussion, a query was raised as to whether there was a requirement for a report to the Policy and Resources Committee to approve requests from Associated School Groups Developer Obligation funding, as it was considered that this decision could be taken in conjunction with local Elected Members.

In response, the Head of Development Services advised that he would have to be given delegated authority to carry out this duty which would require an amendment to the Scheme of Delegation.

The Chair then sought the agreement of the Committee to ask for a report to be brought to a future meeting of The Moray Council extending the delegation of the Head of Development Services to disburse funds from Developer Obligations in consultation with local Elected Members. This was agreed.

During further discussion, clarification was sought as to how much Development Obligation funding was available within other ASGs.

In response, the Head of Development Services agreed to provide Elected Members with an update on Developer Obligations funding available within their area.

Thereafter, the Committee agreed:

- (i) to approve the provision of £5,000 from the Lossiemouth Associated School Group (Community Facilities) Developer Obligation Fund to extend the functional use of Lossiemouth Town Hall, as detailed in section 4 of the report;
- (ii) that a report be brought to a future meeting of The Moray Council extending the delegation of the Head of Development Services to disburse funds from Developer Obligations in consultation with local Elected Members; and
- (iii) that Elected Members be provided with an update on Developer Obligations funding available within their area.

9. CAPITAL PLAN 2016/17

A report by the Corporate Director (Corporate Services) advised the Committee of the expenditure to 30 June 2016 under the Capital Plan for financial year 2016/17

and of the estimates of projected expenditure profiled into quarters.

During discussion, concern was raised in relation to the increase in the final cost of the Elgin Flood Scheme by £1,906,000 due to the Council's share of pain/gain of more than 600 additional events and it was queried why Elected Members were not advised of this potential increase when the flood scheme was last reported to the Council in June 2016.

In response, the Corporate Director (Corporate Services) advised that, as there was no Officer present who could provide clarity as to why there was such a considerable difference in the estimate provided to the Council in June compared to the estimated final cost, sought the agreement of the Committee to provide a further report to the next meeting of this Committee with further information in relation to the reasons behind the increase in the estimated final cost for the Elgin Flood Alleviation Scheme from £83.206 million to £85.112 million. This was agreed.

During further discussion in relation to the Newmill flood scheme, it was queried how the scheme was progressing and if there was an estimated date for completion of the scheme.

In response, the Corporate Director (Corporate Services) agreed to provide local Elected Members with a progress update and estimated time for completion of the Newmill flood scheme.

Thereafter, the Committee agreed:

- (i) to note expenditure to 30 June 2016 of £9,224,000, 102% of projected spend as detailed in Appendix 1 of the report;
- (ii) the current projected expenditure of £44,515,000 for 2016/17 profiled into quarters as detailed in Appendix 1 of the report;
- (iii) the projected overall expenditure for projects spanning more than one financial year, as set out in Appendix 2 of the report;
- (iv) that a further report be brought to the next meeting of this Committee with further information in relation to the reasons behind the increase in the estimated final cost for the Elgin Flood Alleviation Scheme from £83.206 million to £85.112 million; and
- (v) that local Elected Members be provided with a progress update and estimated time for completion of the Newmill flood scheme.

10. TRUST FUNDS – SUMMARY INCOME AND EXPENDITURE FOR 2015/16 AND ESTIMATED DISPOSABLE INCOME FOR 2016/17

A report by the Corporate Director (Corporate Services) informed the Committee of the disbursements made from Trusts in 2015/16 and the estimated disposable income for 2016/17.

During discussion, the Head of Legal and Democratic Services advised the Committee that the New Moray Charitable Trust was in the process of being implemented, having recently been approved by the Office of the Scottish Charity Regulator (OSCR), and that a further report would be brought to a future meeting of this Committee in this regard. This was noted.

Thereafter, the Committee agreed:

- (i) to note the disbursements from Trust Funds in 2015/16 as detailed in Appendix 1 of the report;
- (ii) the estimated income to be distributed in 2016/17 from trusts, as detailed in Appendix 2 of the report, with a cumulative disposable income greater than £50;
- (iii) to note the revised loans fund interest rate of 1.50% from 1 April 2016;
- (iv) to note the position of a number of Trust Funds with declining reserves as detailed in paragraph 5.6.1 of the report; and
- (v) to note that the New Moray Charitable Trust is in the process of being implemented, having recently been approved by the Office of the Scottish Charity Regulator (OSCR), and that a further report will be brought to a future meeting of this Committee in this regard.

11. COMMON GOOD FUNDS – SUMMARY EXPENDITURE FOR 2015/16 AND ESTIMATED DISPOSABLE INCOME FOR 2016/17

A report by the Corporate Director (Corporate Services) informed the Committee of the final position of Common Good Funds at 31 March 2016 and the estimated income available for disbursement in 2016/17.

During discussion in relation to Appendix 1 which showed details of the estimated income and actual disbursements approved for 2015/16 for each Common Good Fund, clarification was sought as to whether the Committee was being asked to note the actual amount that had been disbursed or the estimated amount.

In response, the Head of Financial Services advised that the figures detailed in Appendix 1 showed the estimated figures that Members approved last year and the actual amount disbursed for each Common Good Fund and that Members were being asked to note those figures.

It was therefore suggested, for clarity, that recommendation (i) be amended to reflect that the Committee was being asked to note the actual disbursements approved for 2015/16 for each of the Common Good Funds as shown in Appendix 1 of the report. This was agreed.

Thereafter, the Committee agreed:

- (i) to note the actual disbursements approved for 2015/16 for each of the Common Good Funds as shown in Appendix 1 of the report;

- (ii) to approve the carry forward of the undisbursed balances for 2015/16 for the Buckie, Cullen, Dufftown, Elgin, Portknockie and Keith Funds to be made available in 2016/17; and
- (iii) the Estimated Income available for disbursement in 2016/17 as shown in Appendix 2 of the report.

12. REVENUE BUDGET MONITORING TO 30 JUNE 2016

A report by the Corporate Director (Corporate Services) advised the Committee of the Revenue Budget Monitoring position to 30 June 2016.

During discussion in relation to the cost of out of area placements, clarification was sought as to whether the new facility at Llanbryde had reduced this budget.

In response, the Head of Financial Services agreed to provide the Committee with an update as to whether there has been a decrease in the cost of out of area placements, now that the new facility is operational in Llanbryde

During further discussion surrounding workforce culture, a request was made for an update report on workforce culture and the spend to date.

In response, the Corporate Director (Corporate Services) advised that at the last meeting of the Workforce Culture group, it was agreed that a report on the activities of the group be submitted to the Policy and Resources Committee and agreed to include an update in terms of cost.

Thereafter, the Committee agreed:

- (i) to note the Budget Monitoring position of £927,000 under budget for 2016/17 as at 30 June 2016;
- (ii) to note that additional savings of £89,000 have been identified since the budget was approved on 17 February 2016 and amendments approved on 29 June 2016,
- (iii) to approve the release from provisions to meet budget pressures of £451,000 as identified in the report and summarised in paragraph 5.10;
- (iv) that the Committee be provided with an update as to whether there has been a decrease in the cost of out of area placements, now that the new facility is operational in Llanbryde; and
- (v) that the previously planned report on the activities of the Workforce Culture Group include an update in terms of costs.

13. EFFICIENCY STATEMENT FOR 2015/16

A report by the Corporate Director (Corporate Services) provided the Committee with a copy of the Council's annual Efficiency Statement for 2015/16.

During discussion surrounding shared services, clarification was sought as to what discussion had taken place with officers at Aberdeen City, Aberdeenshire and Highland Councils in relation to the joint procurement project that they were embarking on.

In response, the Corporate Director (Corporate Services) advised that the Chief Executive meets regularly with other Chief Executives of other Local Authorities and public service partners in the North East of Scotland and, after considering the project in conjunction with the Procurement Manager, it was decided that the project did not suit The Moray Council and agreed to provide the Committee with the reasons why the project was unsuitable in the confidential session. This was agreed.

The Committee joined the Chair in commending senior officers and Heads of Service on the efficiency savings achieved in difficult financial times and thereafter agreed to consider the annual Efficiency Statement for 2015/16 in the closed confidential session.

14. PROCUREMENT PERFORMANCE (2015/16) AND PRIORITY REPORT (2016/17)

Under reference to paragraph 6 of the Minute of this Committee dated 22 May 2012, a report by the Corporate Director (Corporate Services) provided members with an update report on Procurement, in particular on procurement efficiency performance for 2015/16 and the strategic procurement priorities for 2016/17 which will incorporate the changes required by the Procurement Reform (Scotland) Act 2014 (the Reform Act).

Following consideration, the Committee agreed to:

- (i) note the procurement performance for 2015/16 set out in Appendix 1a & 1b of the report; and
- (ii) approve the 2016/17 strategic targets as set out in Appendix 4 of the report.

15. PROPERTY ASSET PERFORMANCE

Under reference to paragraph 14 of the Minute of this Committee dated 7 June 2016, a report by the Corporate Director (Economic Development, Planning and Infrastructure) informed the Committee of the current performance of the operational property portfolio in terms of suitability and condition.

Following consideration, the Committee agreed to note that:

- (i) 192 of the Council's operational property assets, accounting for 85% of operational floor area, are fit for purpose in terms of suitability for their current use as detailed in section 5 of the report;
- (ii) 107 of the Council's operational property assets, accounting for 41% of operational floor area, are fit for purpose in terms of condition as detailed in section 6 of the report;
- (iii) although current investment in the school estate will result in an improvement in overall portfolio performance of up to 4 percentage points for suitability and up to 12 percentage points for condition, this level of investment is insufficient to address all immediate needs or sustain a long term improvement in overall condition;
- (iv) property asset performance data will continue to be used to inform the ongoing programme of property reviews and the development of property asset management plans; and
- (v) the Asset Management Working Group will continue to report progress annually on developing asset management plans.

16. COMPLAINTS ANNUAL REPORT

Under reference to paragraph 5 of the Minute of The Moray Council dated 3 February 2016, a report by the Chief Executive asked the Committee to consider the Complaints Annual Report 2015/16. The report suggested that there was a general improving trend with a reduction of 6% in the number of complaints received in comparison to 2014/15 in conjunction with a 1% rise in population.

Following consideration, the Committee agreed to:

- (i) approve the content of the Complaints Annual Report as set out in Appendix 1 of the report; and
- (ii) note that the Annual Report will be submitted to the Scottish Public Sector Ombudsman.

17. COMMUNITY ASSET TRANSFER – TOMINTOUL & GLENLIVET DEVELOPMENT TRUST

A report by the Corporate Director (Corporate Services) invited the Committee to consider an asset transfer request from Tomintoul and Glenlivet Development Trust in respect of the Youth Hostel located in Main Street and the former Museum located in The Square, both Tomintoul.

During discussion, concern was raised that there was no local Elected Members present at the Committee to advise whether they were in favour of the community

asset transfer (CAT) or not. It was also noted that the report did not state whether local Elected Members had been consulted and it was suggested that, in future, local Elected Members are consulted on CAT reports prior to the report being submitted to Committee for consideration.

The Chair stated that he was aware that both Councillors Murdoch and Paul had spoken up for the proposed CAT in the past. Councillor Wright also stated that both Councillors Murdoch and Paul were regular attenders at the Tomintoul and Glenlivet Trust meetings, where this proposal had first been suggested.

In response, the Corporate Director (Corporate Services) advised that local Ward Members are notified when CAT expressions of interest are received, however it was not current practice to consult with local Ward Members when the report is being prepared for the Committee, and agreed to amend the current procedure to reflect that local Elected Members are consulted on CAT reports prior to the report being submitted to Committee for consideration.

Thereafter, the Committee agreed:

- (i) to approve the transfer of title, at nil consideration, to the Tomintoul and Glenlivet Development Trust of:
 - (a) the Youth Hostel, Main Street, Tomintoul; and
 - (b) the former Museum, The Square, Tomintoul;
- (ii) to remit the matter to the Estates Manager and the Legal Services Manager (Property and Contracts) to complete the transfer of titles; and
- (i) that local Elected Members be consulted on Community Asset Transfer reports prior to the report being submitted to Committee for consideration.

18. JUBILEE COTTAGES

A report by the Chief Officer (Moray Integration Joint Board) sought Committee approval to use Jubilee Cottages for the provision of a rehabilitation service for the elderly and informed the Committee of the progress to date. The report stated that the new facility will provide a unique opportunity in Moray for the public and employees to work in an integrated, person centre, outcome based environment aimed at improving mental wellbeing, reducing premature mortality, improving support for people with care needs, reducing emergency admission to hospital and improving the quality of healthcare experience.

Following consideration, the Committee agreed to:

- (i) note the positive progress on joint planning for the Jubilee Cottages as a rehabilitation service for the elderly;
- (ii) authorise Community Care to deliver the rehabilitation service from Jubilee Cottages in terms of Para 4 (c), (e) and (f) of this report;

- (iii) authorise Community Care to adapt Jubilee Cottages to meet the requirements of the rehabilitation and maintain them thereafter;
- (iv) note that the rehabilitation service will fulfil the trust purposes governing Jubilee Cottages by providing free accommodation for the elderly; and
- (v) note that the rehabilitation service and adaption of Jubilee Cottages and all associated costs will be met by the resources directed by the Moray Integration Joint Board.

19. QUESTION TIME

Under reference to paragraph 11 of the minute of this Committee dated 7 June 2016, Councillor Coull made reference to a report providing a breakdown of the £35000 requested for training for the Project Management Team that was expected to this Committee meeting and asked when it would be brought before the Committee.

In response, the Corporate Director (Corporate Services) advised that a complete training programme was not yet finalised and sought the Committee's agreement to bring this report to a future meeting of the Committee and that meantime, a number of briefings would be arranged for Elected Members in relation to Project Management within the Corporate Plan. This was agreed.

Councillor Gowans raised a query in relation to council assets that no longer fit with council strategies, and asked if such assets were offered to other Sections of the Council and wider partners, with a view to being used in other council priorities. In particular, Councillor Gowans made reference to the Step Forward joinery workshop in Pinefield, Elgin, and asked if this could be used for any other purpose.

In response, the Corporate Director (Corporate Services) advised that the Council does have a policy to share properties across the Council in the first instance and then with Partners, prior to being declared surplus. In relation to the Step Forward joinery workshop, the Corporate Director (Corporate Services) advised that he would look into this matter further and provide a response to Councillor Gowans.

20. EFFICIENCY STATEMENT FOR 2015/16 CONTINUED [PARA 1 & 6]

Under reference to paragraph 13 of this Minute, the Committee continued discussion of the Council's annual Efficiency Statement for 2015/16 after agreeing that officers would provide the reasons why the joint procurement project with Aberdeen City, Aberdeenshire and Highland Councils was unsuitable for The Moray Council, in the confidential session.

The Corporate Director (Corporate Services) advised the Committee of the reasons why officers had considered that the Council would not benefit from becoming involved with the joint procurement project, however concern was raised that Elected Members had not been made aware of these reasons earlier, and requested that a briefing providing further information in relation to the reasons why The Moray Council did not join Aberdeen City, Aberdeenshire, and Highland Council in their joint

procurement project, be arranged. In response, the Corporate Director (Corporate Services) agreed to this request.

Thereafter, the Committee agreed:

- (i) to note the annual Efficiency Statement for 2015/16; and
- (ii) that a briefing be provided to Elected Members in relation to the reasons why The Moray Council did not join Aberdeen City, Aberdeenshire, and Highland Council in their joint procurement project.

21. TENDER RETURNS [PARA 8 & 9]

Under reference to paragraph 14 of the Minute of this Committee dated 7 June 2016, a report by the Corporate Director (Economic Development, Planning and Infrastructure) informed the Committee of problems experienced in relation to the return of competitive tenders for construction projects and confirmed proposals for changes in the tendering process, following detailed discussion with the Procurement Section.

Following consideration, the Committee agreed:

- (i) to note the range of tender return problems encountered to date throughout 2016;
- (ii) that Officers proceed with option 4 for a trial project under the Quick Quote system where the contract limit is likely to significantly exceed the current Procurement Procedures threshold of £50,000, allowing a temporary extension up to £300,000 on the £50,000 limit as detailed in paragraph 4.5 of the report; and
- (iii) to note that Officers will continue to develop new innovative frameworks and dynamic purchasing arrangements in co-ordination with the Procurement team.

22. COMPENSATION FOR ROAD SCHEMES [PARA 6, 8 & 9]

A report by the Corporate Director (Economic Development, Planning and Infrastructure) asked the Committee to approve a policy relating to compensation claims for costs incurred by third parties (in connection with property issues) relating to the a road scheme in Moray.

Following consideration, the Committee agreed to approve the policy in relation to compensation claims for roads schemes as detailed in Section 5 of the report.

**23. ELGIN FLOOD ALLEVIATION SCHEME – COMPENSATION CLAIM
[PARA 8 & 12]**

A report by the Corporate Director (Economic Development, Planning and Infrastructure) asked the Committee to approve a compensation payment arising from the Elgin Flood Alleviation Scheme.

Following consideration, the Committee agreed to:

- (i) approve the compensation payment, as detailed in para 5.1 of the report; and
- (ii) remit the Legal Services Manager (Property & Contracts) to document the transaction accordingly.