

THE MORAY COUNCIL

MINUTE OF SPECIAL MEETING OF THE MORAY COUNCIL

THURSDAY 10 FEBRUARY 2011

COUNCIL OFFICE, ELGIN

PRESENT

Councillors G McIntyre (Convener), A Wright (Depute Convener), L Bell, G Coull, S Cree, L Creswell, 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 and D Stewart.

APOLOGY

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

IN ATTENDANCE

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

1 DECLARATION OF GROUP DECISIONS

In terms of Standing Order 20 and the Councillors' Code of Conduct the meeting noted that the Council's Administration Group, the SNP Group and the Labour Group respectively had discussed item 2 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.

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. FINANCIAL PLAN REVIEW

Councillor Paul joined the meeting during discussion of this item.

The meeting took up consideration of a report (and accompanying update to the report showing savings required) by the Chief Financial Officer asking the Council to review the Council's financial plan and to agree the level of the Council Tax for 2011/12.

There was appended to the report the following APPENDICES:-

- APPENDIX 1 – Financial Plan Overview
- APPENDIX 2 – Local Council Priorities
- APPENDIX 3 – Other Council budget pressures
- APPENDIX 4 – the package of measures from Local Government 2011/12 budget settlement from the Scottish Government (founded on the relationship established between the Scottish Government and COSLA in 2007)
- APPENDIX 5 - Schedule of savings already approved or having minimal impact on service delivery
- APPENDIX 6 - Administration Group savings proposals
- APPENDIX 7 – the Moray Council Capital Programme 2011/12
- [APPENDIX 8 Withdrawn]
- APPENDIX 8(a) The Moray Council Capital Programme: Elgin Flood Alleviation Scheme Funding Profile.

The meeting also took up consideration of a Schedule listing the SNP Group savings proposals (copies previously circulated) and of an assessment, in terms of equalities, of the impact of Group's proposed savings.

(i) Council Tax Level for 2011/12

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, he referred to the requirement for the Council to sign up to the agreement which came from negotiations between the Scottish Government and Cosla that would see the Council's grant reduced by 2.6% in return for a raft of commitments, detailed at Appendix 4 in the papers and advised that following this Meeting, the Council is required to send a letter to John Swinney confirming that it has set a budget that complies with those conditions.

He further stated that failure to accept any of the conditions would have been penalised by a 6.4% reduction in grant. However, the grant distribution formula worked against Moray and a 2.6% reduction became 4%.

He then highlighted a number of factors leading to that reduction and one in particular. The reduction in the Moray school roll cost the Council £1m and he stated that in his opinion this highlights the urgent need for a thorough review of the school estate as a matter of urgency.

Before going into the detail of the next financial year, he stated that one of the commitments was to continue for another year the freeze on council tax and therefore there will 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 2011 /12

Thereafter Councillor Wright stated that an effective grant of £163m for the current financial year has become £156.5m for 2011/12 and the gap, plus unavoidable budget pressures, gave a savings target of £9.5m. This is a figure for this council and considerably worse than the four-year forecasts made back in 2008. The only certainty is that further cuts, hopefully not quite so severe, will follow in the years ahead.

He then outlined how has the administration reached the savings target which had resulted from a series of meetings with the Corporate Management Team and other senior staff, all of whom he thanked for the extremely tight rein they have kept on spending during the year that will see last year's savings target of more than £4m achieved and also for the constructive way they helped tackle the £9.5m shortfall.

He referred to a list of more than 130 potential revenue savings that had been the subject of a public consultation process and stated that he was confident that everyone who wanted to had the opportunity to air their views and thanked all those who participated including, for the first time, young people who took part in the on-line challenge and also the staff teams who organised the consultation process and then disseminated the results.

In response to the consultation he advised that prior to Christmas he was able to announce that the administration remains committed to establishing a trust for all of the council's leisure facilities and that, for the coming year, there would be no closure of swimming pools, community centres, public halls, libraries, or museums and that in today's final savings submission, the Administration stand by that and it also means there will be no cut in the current council subsidy to Moray Leisure.

He then outlined a list of things that were in the consultation papers which the Administration will not be implementing:

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- (1) Will not charge Common Good Funds for the maintenance of common good land.
- (2) Will continue to provide and maintain hanging baskets and flower tubs in local communities.
- (3) Will not implement charges for lining football pitches.
- (4) Will not reduce our flood prevention and coastal protection budget.
- (5) Will not withdraw the Speyside and Forres dial a bus services though will increase charges.
- (6) Will not remove the community car scheme in Upper Speyside.
- (7) Will not sell off any car parks and we will not increase car park charges.
- (8) Will not re-tender addiction services.
- (9) Will not remove the additional staff support from New Elgin Primary.
- (10) Will not cut or remove grants to village halls.
- (11) Will not cut youth work funding nor our support for the Duke of Edinburgh Award Scheme.
- (12) Will continue to support the Moray Youth Orchestra and will not charge for music instruction for pupils following SQA music courses at S3 to S6.
- (13) Will not cut our support to support Voluntary Action Moray and Citizen's Advice.

In addition he advised that the Administration no longer plan to cease the community warden service although it is an area the Council may wish to revisit especially if operational changes require wardens taking on more and more duties from the police; in regard to the Cullen/Buckie/Keith bus service, due to an error by Scottish Executive officers, which resulted in a cut of £600k in the Supporting People Grant, and following talks with the Finance Secretary, Cosla has secured acceptance of the 'unintended consequence' resulting in a financial adjustment to the Grant. Whilst the level of return to Moray is not yet finalised the Administration propose to use £50k of it to continue a substantial level of the Cullen/Buckie/Keith service, concentrating on the travel to work element. The proposal has been agreed with the operator. He further stated that the rebate will also allow the continuation of the £19k subsidy to Shopmobility in Elgin and that in the year ahead the Council will work with them to find cheaper accommodation.

In conclusion he stated that it is a one-year budget as the Council have received a one-year settlement from government and based on the Chief Financial Officer's best estimate, which is based on a grant freeze, he stated that a further £6m of savings will be required over the next two years.

Thereafter he formally moved approval of the administration revenue budget for 2011/12 and the attendant recommendations 2.1(c), (f), (g), (h), (i), (j), and (k) at the front of the budget papers. Councillor McIntyre seconded the motion.

In response, Councillor G McDonald presented to the Meeting the SNP Group budget proposals for 2011/12. He stated that, whilst taking into consideration the feedback from the consultation, the SNP Group has striven to minimise the cuts to front line services and jobs and in view of the impact of the severe weather over the last year and in the interests of road safety, only a small reduction to the roads maintenance budget. They have also protected the Village Officer budget which is seen as vital by communities. Another priority for the SNP Group was to protect teacher numbers and therefore they chose not to deplete the number of S1/S2 English and maths additional teacher funding and as they view education to be important from the 'cradle to the grave', they have chosen not to remove quality assurance staff within the nursery sector, the adult literacy co-ordinator post nor the library book fund.

He further stated that the SNP Group chose not to go forward at this time with the restructuring of supervisory and stewarding staff in leisure services and with regard to the current economic situation would not reduce the economic development budget. On taking into account the comments and responses from the public consultation the SNP Group has taken substantial savings from the Lands and Parks budget.

In conclusion he stated that the SNP Group proposed not to make the following cuts:

- (1) Village Officers
- (2) Roads Maintenance
- (3) Roads Maintenance Staffing
- (4) Forres Town Centre Bus Service
- (5) Cullen/Buckie/Keith Bus Service
- (6) Economic Development
- (7) Shopmobility
- (8) Quality assurance staff in Nurseries
- (9) S1/S2 in English and Maths Assisted Learning
- (10) Restructuring of supervisory and stewarding staff within leisure services
- (11) Library Book Fund
- (12) Adult Literacy Co-ordinator
- (13) Centralised Registrar Services

Thereafter, as an amendment, Councillor G McDonald, seconded by Councillor Coull proposed the SNP Budget and the attendant recommendations at 2.1(c), (f), (g), (i), (j), and (k) of the report.

On a division there voted:

For the Motion (14)

Councillors Wright, McIntyre, Bell, Cree, Creswell, Divers, Hamilton, Hogg, Jarvis, McGillivray, J MacKay, Ross, Russell and Shepherd

For the Amendment (11)

Councillors G McDonald, Coull, Leadbitter,
A McDonald, A Mckay, Murdoch, Ogilvie,
Paul, Shand, Sharp and Stewart.

Abstentions (0)

Accordingly the Motion became the finding of the Meeting and it was agreed to:-

- (a) approve the Administration Revenue Budget for 2011/12;
- (b) note the Revenue Budget estimates for future years and the need to agree further substantial savings beyond 2011/12;
- (c) a letter being issued to the Cabinet Secretary for Finance and Sustainable Growth confirming that the Council has set a budget complying with the conditions on APPENDIX 4 to the report;
- (d) approve the saving for the Social Work Voluntary Sector item 37 on APPENDIX 5 as an incremental reduction from 2011/12 to 2014/15. (£35,000 reduction in 2011/12 and a further reduction of £35,000 in each year until 2014/15);
- (e) approve the saving for the removal of additional funding for Maths and English classes to be phased in over two years with a saving of £240,000 in 2011/12 and a further saving of £240,000 in 2012/13 (as detailed in APPENDIX 5 item 49 of the report);
- (f) note that a report to review the DBS programme will be provided to Policy & Resources Committee on 15th March 2011;
- (g) note for any savings where finalisation is subject to Committee approval that the Council acknowledges that any shortfall will require alternative savings to be identified or will impact on Council Reserves, and
- (h) Approve the progression of the Waste Strategy initiatives and associated additional expenditure as reported to Policy and Resources Committee on 18th January 2011.

(iii) Capital Plan

In referring to the Capital Plan Councillor Wright referred to Appendix 7 of the report which is very little different from the capital plan presented for noting at Policy and Resources on 23 November 2010 and which gives the full list of commitments totalling £14.7m. It includes £250k investment in harbours, the bulk of it in Buckie where the Council have high hopes of a major industrial revival in servicing off-shore wind turbines. This is a commitment to economic development.

In particular he referred to two items listed at paragraph 8.2 of the report; the first is to spread the cost of replacing the hatted accommodation at Forres Academy over two years. The other, the synthetic pitch and changing accommodation at Keith, to be completed over two years and he sought the Council's approval for these. There being no one otherwise minded this was agreed unanimously.

He further referred to Page 2 of Appendix 7 of the report and in regard to the two school projects that rely on assumed but not confirmed 50% government funding and asked the Meeting to note that the one at Milne's is not scheduled to receive any funding until 2013/14.

In regard to leisure facilities he advised that the Administration were proposing a programme of refurbishment and upgrade of leisure facilities including Moray Leisure and a commitment of £200k for that in the year ahead. He also advised that although indicative there was an increase in the proposed future spend on Elgin Town Hall. He further stated that there is a reduction in the coming year's allocation for Elgin Traffic management with a separate budget line for the extension of Edgar Road to service the housing development.

With reference to the flood prevention capital funding profile (Appendix 8a), the Chairman intimated in terms of the order of business that any debate on the extent of the Scottish Government funding would be taken under item 8 on the Agenda ("Elgin Flood Alleviation Scheme: Award of Works Contract").

Thereafter he moved approval of the revised capital plan for 2011/12 and the indicative plan for the following four years as covered by recommendations 2.1 (d) and (e), and APPENDICES 7 and 8(a) .

Councillor McIntyre seconded the motion.

There being no one otherwise minded, the motion became the finding of the meeting and it was agreed unanimously:

- (a) to approve the revised Capital Plan for 2011/12 as set out in APPENDICES 7 and 8(a)
- (b) that all Capital Project allocations are subject to detailed reports being submitted to the appropriate service committee for approval, and
- (c) to approve the revised Capital Plan for 2012/13 to 2015/16 as an indicative plan and that it will be subject to further review once capital grant figures are announced by the Scottish Government.

3. COUNCIL TAX: ADMINISTRATION AND ENFORCEMENT POLICIES 2011-12

There was submitted a report by the Chief Financial Officer inviting the council to determine for the next financial year, 2011-12, the policies which will govern the conduct of Council Tax administration and enforcement in this year.

Following discussion the Meeting agreed that, for the next financial year, 2011-12, the council:

- (i) offer direct debit, payment-card, and standing order as the methods by which demand-notices may be paid;
- (ii) that the monthly-instalment payment-date for non-direct debit methods of payment in the months April 2011 to January 2012, inclusive, shall be the first day of each month;
- (iii) that monthly-instalment payment-date for direct debit methods of payment due in the months April 2011 to January 2012, inclusive, shall be the fifth or fifteenth or twenty-fifth day of each month;
- (iv) the monthly-instalment payment-date for direct debit methods of payment in the months April 2011 to March 2012, inclusive, shall be the fifth or fifteenth or twenty-fifth day of each month;
- (v) that the following additional non-monthly instalment-profiles be made available, and limited, to payment by direct debit:
 - (a) weekly instalment-profile, the first payment-date being on 1st April, 2011 and payable thereafter on each subsequent Friday;
 - (b) a fortnightly instalment-profile, the first payment-date being on 7th April, 2011 and payable thereafter on alternating Thursdays;
 - (c) a quarterly instalment-profile, with payment-dates on 30th May, 30th August, 30th November, 2011, and 28th February, 2012;
 - (d) a half-yearly instalment-profile, with payment-dates on 30th May, and on 30th November, 2011;
 - (e) an annual instalment-profile, with a payment-date on 30th June, 2011.
- (vi) that the date for a single annual payment by non-direct debit

methods of payment shall be 1st April, 2011;

- (vii) 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;
- (viii) to instigate recovery-action against debtors who 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.

4. NON DOMESTIC RATES – ADMINISTRATION AND ENFORCEMENT POLICIES 2011-12

There was submitted a report by the Chief Financial Officer inviting the council to determine for the next financial year, 2011-12, the methods of payment and payment-dates which may be made available to ratepayers in this year. It is also invited to determine the dates which will be set for hearing appeals against liability for the payment of rates.

Following consideration the Meeting agreed for the new financial year, 2011-12 that the Council

- (j) offer cheque, direct debit, and standing order as the methods by which demand-notices may be paid;
- (ii) agree that the payment-date for monthly-instalments due in the months May, 2011, to February, 2012, inclusive, shall be the 21st day of each month;
- (iii) agree that the payment-date for settlement of a demand-notice in a single annual instalment shall be 30th September, 2011;
- (iv) agree that the following non-monthly instalment-profiles are made available to ratepayers making payment by direct debit:
 - (a) a single instalment payable on 21st September, which is equivalent to the five standard monthly instalments payable in May to September, inclusive, reverting thereafter to payment on the 21st day of each month, October to February, inclusive, of the standard monthly instalment;
 - (b) a quarterly instalment-profile, with payment-dates on 21st May, 21st August, and 21st November, 2011, and 21st February, 2012;

- (c) a half-yearly instalment-profile, with payment-dates on 21st May and 21st November, 2011; and
- (d) an annual instalment-profile, with a payment-date on 21st September, 2011;
- (v) agree that 1st June, 2011, 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 rates must be lodged with the Chief Financial Officer;
- (vi) hear any appeals against liability for the payment of rates at a meeting to be held in June, 2011, or any subsequent meeting which might be necessary in terms of Section 238 of the Local Government (Scotland) Act 1947.

5. 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 and to approve the Annual Investment Strategy for the year ahead.

Following consideration the Meeting agreed to:

- (i) Approve the Treasury Management Strategy Statement for 2011/12 contained in this report.
- (ii) Adopt the Prudential Indicators and Limits for 2011/12 to 2013/14 as detailed in APPENDIX 1 of the report.
- (iii) Approve the Annual Investment Strategy for 2011/12 as detailed in APPENDIX 2 of the report.

6. HOUSING REVENUE ACCOUNT BUDGET 2011/12

There was submitted a report by the Director of Community Services presenting the Housing Revenue Account (HRA) Budget and Housing Investment Plan for 2011/12 to the Council for approval.

Following consideration the Meeting agreed:-

- (i) the proposed HRA Budget (APPENDIX I) and Housing Investment Plan (APPENDIX II);

- (ii) to note the three year projection to 2014 (APPENDIX III);
- (iii) service development proposals amounting to £0.060m;
- (iv) that any slippage from 2010/11 is carried forward to 2011/12;
- (v) that council house rents are increased by 3.5%;
- (vi) that hostel rents are increased by 3.5%;
- (vii) that garage site 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%.

7. ELGIN FLOOD ALLEVIATION SCHEME: AWARD OF WORKS CONTRACT

Councillor McGillivray left the meeting during discussion of this item.

With reference to para 2 (iii) (b) above, there was submitted a report by the Head of Direct Services asking Council to agree the award of the works contract for Elgin Flood Alleviation Scheme, including start date, contract period, Target Cost, funding arrangements and arrangements to manage the works on site.

Following discussion the Meeting agreed:-

- (i) In accordance with the contract for Moray Flood Alleviation Schemes (para 11 of Minute of Environmental Services Committee dated 26 November 2003 refers) to authorise acceptance of a target cost of FORTY EIGHT MILLION FIVE HUNDRED AND TWENTY SEVEN THOUSAND TWO HUNDRED POUNDS (£48,527,200) for the construction of the Elgin Flood Alleviation Scheme, and associated programme as submitted by Morrison Construction, audited and adjusted by EC Harris and amended on 26 January 2011 at a final risk and value management workshop, all as set out in the "Moray Flood Alleviation Scheme Commencement Report: February 2011" by E C Harris, appended to the report.
- (ii) a total budget for the Elgin Flood Alleviation Scheme (inclusive of the target construction cost of £48,527,200) of EIGHTY SIX MILLION, TWO HUNDRED THOUSAND POUNDS (£86,200,000).

- (iii) a start date of Monday 4 April 2011 having noted that some accommodation works will be undertaken in advance of that date.
- (iv) a contract period of 195 weeks for the construction works followed by 10 weeks for removing temporary works and demobilisation and 8 weeks of contractors risks, accordingly with a start date of 4 April 2011, completion of the works will be 18 December 2014 and completion of the Scheme itself will be 6 May 2015, after removal of temporary works and demobilisation.
- (v) to note that progress will be monitored by the Flood Alleviation Sub-Committee.
- (vi) to note that there remains uncertainty regarding the level of Scottish Government Capital Grant support and the final amount of funding support will impact on other Council services.
- (vii) in principle the management arrangements set out in this report including recruiting to the vacant post of Senior Engineer (Flood Risk Management) arising from these management arrangements, details to be reported to the Economic Development and Infrastructure Committee for approval, and
- (viii) that a briefing to members be arranged at an early date in regard to the ongoing talks regarding funding between Officers and the Scottish Government

8. ROYAL WEDDING – PUBLIC HOLIDAY

Under reference to paragraph 11 of the Minute of the Meeting of The Moray Council dated 2 February 2011, there was submitted a report by the Head of Personnel Services asking the Council to approve the arrangements in relation to council services and employees on 29 April 2011 which has been designated as a public holiday in recognition of the Royal Wedding.

Following consideration the Meeting agreed;

- (i) the allocation of an additional day of annual leave to all employees for 2011 only, fixed to 29th April 2011. Employees who are unable to take leave on this day can take the extra day of annual leave at a time to be agreed in advance with their manager (pro-rata for part-time staff);
- (ii) Under the terms of section 133 (4) of the Education (Scotland) Act 1980, Ministers' consent for the exceptional closure of all Moray schools on 29 April 2011, the day of the Royal Wedding, has been sought and granted.