

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTE of Meeting of the EXECUTIVE
COMMITTEE held in the Council Chamber,
Council Headquarters, Newtown St Boswells,
TD6 0SA on Tuesday, 15 November, 2016 at
10.00 am

- Present:- Councillors D. Parker (Chairman), S. Aitchison, S. Bell, C. Bhatia, M. J. Cook, V. M. Davidson (from para 2.2), G. Edgar, J. G. Mitchell, D. Moffat, F. Renton and R. Smith
- Apologies:- Councillors D. Paterson
- In Attendance:- Depute Chief Executive - Place, Corporate Transformation and Services Director, Chief Financial Officer, Clerk to the Council, Democratic Services Officer (F. Walling).

1. **MINUTE**

The Minute of meeting of the Executive Committee of 1 November 2016 had been circulated.

DECISION

APPROVED for signature by the Chairman.

2. **QUARTERLY CORPORATE PERFORMANCE REPORT (QUARTER 2, 2016/17)**

- 2.1 With reference to paragraph 4 of the Minute of the Executive Committee of 16 August 2016, there had been circulated copies of a report by the Chief Executive presenting a summary of Scottish Borders Council quarterly performance information for Members. In her introduction, the Corporate Performance and Information Manager, Sarah Watters, explained that this was the 11th report over a 3 year period of reporting against the 8 priorities that the Council wished to be addressed. Performance Indicators had continued to evolve to reflect policy and service changes; a summary of the main changes being provided in Section 4 of the report. One of the changes was to reflect work done by Health and Social Care Locality Co-ordinators and to include locality data within the infographic. This would be built upon as local health and social care work developed. A high level summary of performance against the Council's corporate priorities was given in Section 5 of the report with a more detailed presentation and explanation of each Performance Indicator (PI) provided in the Appendix to the report. Where possible, information that was collected on a quarterly basis was presented but this was not possible for all areas of Council business, for example, school attainment. All information contained within the report was also made available on the SBC website using the public facing part of SBC's Performance Management software (Covalent). This could be accessed at http://www.scotborders.gov.uk/info/691/council_performance/1353/our_performance_as_a_council and by clicking on "Scottish Borders Performs".

MEMBER

Councillor Davidson joined the meeting during the discussion below.

- 2.2 Mrs Watters referred to the main improvement areas and key concerns summarised within the report and Members asked questions about the background to the data provided. Responses were given about the way in which Adult and Child Protection

concerns and incidents were recorded and any relationship between improving attainment in schools and the number of exams taken. Clarification was also given about how the measurement of energy consumption had been calculated. With regard to the reduction in average time to determine planning applications it was noted that this trend should continue due to implementation of Scottish Planning Policy to reduce the use of legal agreements and replace these where possible with planning conditions. In a discussion about the occupancy rate for Council-owned industrial and commercial units it was suggested that this quarter's rate of 86% was an acceptable balance between the desire for income from occupation of lets and ensuring availability of vacant property for businesses to move into. It was agreed that it would be useful to receive data on occupancy rates at a locality level in future performance reports. In relation to Priority 3 'Provide High Quality Support, Care and Protection' a question was asked about the impact to services of the increase in uptake of the Self Directed Support (SDS) approach. In recognising the complexity of the issues Members agreed with officers' suggestion that a report on SDS be brought to a future meeting.

DECISION

(a) NOTED:-

- (i) the changes to performance indicators outlined in Section 4 of the report; and**
- (ii) the performance presented in Section 5 and within Appendix 1 and the action being taken within Services to improve or maintain performance.**

(b) AGREED:-

- (i) that data on occupancy rates of Council-owned industrial and commercial units be provided on a locality level in future Corporate Performance Reports; and**
- (ii) that the Depute Chief Executive – People would present a report on the impact to services of the increase in uptake of the Self Directed Support approach to a future Executive Committee meeting.**

3. MONITORING OF THE GENERAL FUND REVENUE BUDGET 2016/17

- 3.1 There had been circulated copies of a report by the Chief Financial Officer which provided the budgetary control statements for the Council's General Fund based on actual expenditure and income to 30 September 2016 and explanations of the major variances between projected outturn expenditure/income and the current approved budget. The revenue monitoring position set out in the report was based on actual income and expenditure to 30 September 2016. The Chief Financial Officer confirmed that the Council was projecting a balanced position to 31 March 2017 with identified pressures currently being managed within departmental budgets. This balanced position assumed that £0.539m relating to the IT contract, where CMT had given a corporate commitment to fund the pressures, would be addressed in the remainder of the financial year. Pressures of £0.290m to support the Corporate Transformation programme also required to be funded. At 30 September 2016, 71% of savings had been delivered (£6.959m planned efficiency savings delivered as per the Financial Plan with £0.108m achieved by alternative, permanent measures and £1.759m delivered temporarily). The remaining 29% (£3.534m) was profiled to be achieved during the remainder of 2016/17. A detailed review of remaining savings was given in Appendix 3 to the report. Further emphasis during 2016/17 needed to be placed on delivering the savings permanently as required by the Financial Plan. The current value of savings delivered temporarily in 2016/17 was £1.759m; these savings needed to be delivered on a permanent basis and considered as part of the budget process. Full details of pressures, risks and challenges were detailed

in Appendix 1 to the report alongside the significant majority of areas of the Council's operation where approved budget plans remained on track. Appendix 2 detailed budget virement requirements.

- 3.2 Members discussed the report and received answers to their questions. With regard to the CGI contract, the Chief Financial Officer confirmed that the Enterprise Resource Planning (ERP) solution was on track to go live on 1 April 2017. Members expressed concern regarding the continuation of the delay in the Scottish Wide Area Network (SWAN) project, referred to in the report as an area of significant pressure. Officers gave further information on the current position and about the action being taken by the Council to pursue recompense for excess costs. It was agreed to provide a further update to the Executive Committee on the SWAN project within the budget monitoring report in 3 months. Discussion continued on the Children and Young People's Service and the area of potential pressure relating to External Placements. Members requested a report with some analysis of the results of the work of the Multidisciplinary Team around the child, to which additional financial resource had been directed and on how the Council's approach to out of area placements was assisting with pressures and improving outcomes for children. With regard to the pressure relating to planning and the income from planning fees it was noted that, in an independent review of the Scottish Planning System, a two-stage process to raise fees had been recommended to ensure that planning authorities were better resourced. Following the review, the Scottish Government aimed to consult fully on a White Paper which should be published soon.

DECISION

(a) NOTED:-

- (i) the corporate monitoring position projected at 30 September 2016, the underlying cost drivers and the identified areas of financial risk as reflected in Appendix 1;**
- (ii) the progress made in achieving Financial Plan savings in Appendix 3 and the ongoing action to ensure delivery of 2016/17 Financial Plan savings on a permanent basis; and**
- (iii) that all management teams were focused on delivering measures to ensure a balanced outturn position was delivered in 2016/17 including delivery of £0.539m of savings to fund IT contract costs and £0.290m to support Corporate Transformation.**

(b) APPROVED:-

- (i) the virements attached as Appendix 2 to the report; and**
- (ii) the transfer of £1.683m into Allocated Reserves to contribute towards IT Transformation (£0.177m) and agreed contribution to the 2017/18 Financial Plan (£1.506m).**

(c) AGREED:-

- (i) to receive an update on the SWAN project as part of the monitoring report in February 2017; and**
- (ii) that the Depute Chief Executive – People would present a report, on the work of the Multidisciplinary Team around the child as this related to the**

budget pressure associated with External Placements, to a future meeting of the Executive Committee.

4. MONITORING OF THE CAPITAL FINANCIAL PLAN 2016/17

There had been circulated copies of a report by the Chief Financial Officer providing an update on the progress of the 2016/17 Capital Financial Plan, and seeking approval for projected outturns and associated virements, and the reallocation of funds. Details of the update were shown in four appendices to the report. The monitoring tables in Appendix 1 reported on actual expenditure to 30 September 2016. Key issues identified in these tables were summarised within the main report. The tables identified a projected net variance of £2.179m against the approved budget. The net in-year budget increase of £1.162m was primarily due to a gross-up of external funding received from the Society of Chief Officers for Transport in Scotland (SCOTS) of £0.503m for Roads and Bridges and an increase in the projection for the Plant and Vehicle Replacement, fully funded from the Plant and Vehicle Fund. The net budget timing movements to future years amounted to £3.341m, the most significant of which was £0.6m for the Street Lighting Energy Efficiency Project, £0.485m for Selkirk Flood Protection and £1.475m for Early Learning and Childcare. Appendix 3 contained a summarised list of timing and budget movements within the 2016/17 Capital Plan. Appendix 2 contained a list of the block allocations approved for this year and the various approved and proposed projects to be allocated from them within the 2016/17 Capital Plan. A list of estimated whole project capital costs for single projects which would not be completed in the current financial year was included in Appendix 4. The Chief Financial Officer highlighted the key parts of the report and answered questions on specific points. With regard to the Street Lighting Energy Efficiency project, he explained that the timing movement of £0.6m to 2017/18 was the result of savings made in the current works programme due to a reduction in the cost of lanterns. Members welcomed this saving and noted that the decision about whether to use this balance to extend the programme or use elsewhere would be made as part of the budget process.

DECISION

(a) AGREED:-

- (i) the projected outturns in Appendix 1 to the report as the revised capital budget; and**
- (ii) to approve the virements as detailed in Appendix 3.**

(b) NOTED:-

- (i) the budget virements previously approved by the Chief Financial Officer and Service Director Assets and Infrastructure under delegated authority, detailed in Appendix 2;**
- (ii) the list of block allocations detailed in Appendix 2; and**
- (iii) the list of whole project costs detailed in Appendix 4.**

5. PROJECTED BALANCES AT 31 MARCH 2017

There had been circulated copies of a report by the Chief Financial Officer which provided an analysis of the Council's balances as at 31 March 2016 and advised Members of the projected balances at 31 March 2017. The unaudited Council's General Fund useable reserve (non-earmarked) balance was £7.082m at 31 March 2016. The first monitoring position reported to the Executive Committee in August 2016 reflected a balance of £5.638m in line with the approved Financial Strategy. The report confirmed that the projected balance as at 31st March 2017 remained £5.638m. The Council's allocated

reserve balance was £3.360m at 31 March 2016 and was projected to be £5.501m at 31 March 2017. The increase from the last reported position was as a result of an allocation of £0.177m from the revenue budget into the IT Transformation allocated reserve and an allocation of £1.506m from the revenue budget to support the 2017/18 Financial Plan as approved by full Council on the 11 February 2016. The total of all useable balances, excluding developer contributions, at 31 March 2017 was projected to be £20.570m, compared to £31.163m at 31 March 2016. The difference related almost entirely to earmarking. As the financial year progressed, earmarked balances to be carried forward to 2017/18 and future years were expected to increase. The report explained that the projected balance on the Capital Fund of £1.350m would be affected by any further capital receipts, developer contributions, interest credited and any expenditure authorised to be financed from the Fund during the remainder of the financial year. There followed a discussion on the approach taken to the balance being maintained in the Council's general fund reserve. It was noted that Scottish Borders Council's strategy was to use reserves to manage unforeseen risks and support the delivery of the financial plan including the major transformation programme being taken forward to ensure sustainability of the budget in the face of future challenges and risks. In response to a question about the Council's future development and use of renewable energy it was confirmed that this was a major part of the Transformation Programme.

DECISION

NOTED:-

- (a) the projected revenue balances at 31 March 2017 as detailed in Appendices 1 and 2 to the report;**
- (b) the projected balance in the Capital Fund detailed in Appendix 3; and**
- (c) the allocation of £1.683m from the revenue budget to the allocated reserve to support IT contract as approved by Council and the 2017/18 Financial Plan both reflected in the revenue monitoring report.**

6. CORPORATE TRANSFORMATION PROGRESS REPORT

With reference to paragraph 8 of the Minute of 16 August 2016, there had been circulated copies of a report by the Corporate Transformation and Services Director which provided an update on progress in developing and delivering the Council's Corporate Transformation Programme and set out planned activity in the reporting period to February 2017. The current areas of work within the Programme were detailed in the tracker in Appendix 1 to the report under the 8 Corporate Priorities. Included was a brief description of the purpose of each Programme, a summary of progress made to date (rating them Red, Amber or Green) and key milestones in the next quarter. Section 4 of the report set out the key highlights over the last reporting period. The Borders Railway reached its one year anniversary in September 2016 with over 1 million passengers having used the service in the first year. Significant progress was being made across the Blueprint programme. Detailed performance reporting infographics relating to the Borders Railway and Sustainable Transport were set out in Appendices 2 and 3 to the report. The Corporate Transformation and Services Director drew attention to the key sections of the report. With regard to the Digital Transformation Programme, he referred to the emerging collaborative approach, with two meetings of the Borders Digital Forum having taken place. Representatives were in attendance from communities across the Borders in addition to suppliers and regulators. With regard to the Borders Railway, the Director advised that the Council had held discussions with ScotRail about service performance issues which had been the focus of concern. Members welcomed the approval of funding for the ScotRail Retail Hub at Tweedbank Station. There was further discussion and questions asked about the rate of progress of the Localities Programme. The Director explained how the programme was linked to the Community Planning Partnership and to the opportunities presented through the Community Empowerment Act. It was confirmed that the timing of the development of Local Outcome Improvement Plan and the Locality

Plans would be discussed at the next meeting of the Community Planning Strategic Board.

DECISION

NOTED the continued progress made in developing and delivering the Corporate Transformation Programme.

7. SCRUTINY COMMITTEE RECOMMENDATION

- 7.1 There had been circulated copies of a Minute extract from the Scrutiny Committee meeting of 27 October 2016. This followed a report to the Committee by the Service Director Assets and Infrastructure providing information on the Council's bridge assets. The report included a list of all bridges in the Scottish Borders, current processes for inspection and maintenance, planned investment, key issues around bridge condition and plans for improvement. The Service Director had explained at that meeting that the current Scottish Borders Council's Road Asset Management Plan (RAMP), approved in 2014, detailed what was required to manage the road network assets, including bridges. However, ensuring that all bridges were inspected regularly to assess condition and then undertaking necessary works was increasingly difficult in the current financial climate. The report presented the current planned investment in bridges and the process around identifying planned maintenance work with future planned actions around performance reporting. After discussion the Scrutiny Committee had agreed that the need to carry out inspections of the bridges asset was paramount in order to prioritise repairs using the Code of Practice for Management of Highway Structure recommendations. Once the inspections had been carried out, the results could then be incorporated into the regular performance monitoring reports to Executive Committee. The Committee also asked that officers continued to assess, on a case by case basis, any opportunities for funding to assist with future repairs to bridges.

MEMBER

Councillor Edgar left the meeting during the discussion below.

- 7.2 In a discussion of the Minute extract and recommendation, Members welcomed the work carried out by the Scrutiny Committee and agreed that it was right to highlight the importance of regular inspection of the Council's bridge assets. They also agreed that it was appropriate to receive an annual report on the condition of bridges and a prioritised list for repair. However the view of Members was that an annual report on the condition of bridges should be incorporated into the Roads Asset Management Plan (RAMP) process rather than through the quarterly performance reports to the Executive Committee. It was therefore agreed to amend the part of the recommendation regarding the reporting procedure.

DECISION

AGREED:-

- (a) **to endorse the following parts of the recommendation from the Scrutiny Committee that:-**
- (i) **the current Roads Review should take account of the need to inspect bridges within the Code of Practice for Management of Highway Structures recommendations and that, if possible, some additional resources be identified to allow this work to be carried out in line with the priorities within the Roads Asset Management Plan;**
 - (ii) **when considering future repairs to historic and iconic Borders bridges, officers continued to assess on a case by case basis any opportunities for external funding**

- (b) that, once the inspection of bridges had been carried out, the condition of all bridges be categorised and incorporated into an annual report to the Executive Committee as part of the Roads Asset Management Plan process.**

The meeting concluded at 11.40 am