

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTES of Meeting of the EXECUTIVE
COMMITTEE held in Council Chamber,
Council Headquarters, Newtown St Boswells,
TD6 0SA on Tuesday, 9 June, 2015 at 10.00
am

Present:- Councillors D. Parker (Chairman), S. Aitchison, S. Bell, C. Bhatia, J. Brown,
M. J. Cook, V. M. Davidson, G. Edgar, J. G. Mitchell, D. Moffat, D. Paterson,
F. Renton, R. Smith

Also Present:- Councillors G Logan, S Mountford, A Nicol, T Weatherston
In Attendance:- Depute Chief Executive People, Corporate Transformation & Services
Director, Chief Financial Officer, Service Director Neighbourhood Services,
Service Director Regulatory Services, Democratic Services Team Leader,
Democratic Services Officer (K. Mason)

1. **MINUTE.**
The Minute of meeting of the Executive Committee of 12 May 2015 had been circulated.

DECISION
APPROVED for signature by the Chairman.

2. **QUARTERLY CORPORATE PERFORMANCE REPORT.**
With reference to paragraph 2 of the Minute of Meeting of 10 March 2015, there had been circulated copies of a report by the Chief Executive presenting a quarterly performance update for members. The report advised that a high level summary of performance was provided at Section 4 of the report and Appendix 1 provided a more detailed presentation and explanation of each Performance Indicator (PI). Where possible, information which was collected on a quarterly basis was presented but this was not possible for all areas of Council business, for example, school attainment. The presentation used in Appendix 1 to the report was consistent with what was presented to Council on 26 June 2014 and to the Executive Committee each quarter thereafter. All information contained within the report was also made available on the SBC website using the public facing part of Council's Performance Management software. By means of a power point presentation, Members were given background information by the Corporate Performance and Information Manager highlighting performance measures in the following two categories – key successes and below target. Proposed changes included (i) planning – alignment of PIs with the Planning Performance framework; (ii) People Department PIs – changes in structure and integration of health and social care; (iii) Complaints – alignment with Scottish Public Sector Ombudsman requirements; and (iv) Community Benefits – “adding value to community through procurement” policy. The Service Director Regulatory Services advised that three new PIs relating to the Scottish Government's Planning Performance Framework would be introduced for 2015/16 performance reporting. The focus would now be on the average time taken to process all planning applications split into three categories – major development; local development (non-household); and householder developments. These would replace the existing “0% determined within 2 Months” PI. The Principal Assistant Social Care and Health/Group Manager then went on to give information on the delivery of Social Care in the Scottish Borders and the effect legislative changes had on the way information was reported. Information on the options available for self-directed support was given. In response to a question asked about self-directed support it was noted that a new personal assessment tool was being introduced. It was hoped that the tool would go live in December 2015 or January 2016 and would

help speed up the process. With reference to cash seizures under the Proceeds of Crime Act it was noted that no reply had been received from Scottish Government regarding use of this money and it was agreed that this would be followed up.

DECISION

AGREED to:-

- (a) acknowledge and note the performance presented within Appendix 1 to the report and the action which was being taken within Services to improve or maintain performance;**
- (b) note the changes proposed in Section 5 of the report.**

MEMBER

Councillor Davidson joined the meeting during discussion of the above item.

3. 2014/15 UNAUDITED REVENUE OUTTURN.

There had been circulated copies of a report by the Chief Financial Officer providing a statement comparing final revenue outturn expenditure and income for 2014/15 with the final budget for the year and explanations for significant variances. The revenue account for 2014/15 delivered an outturn Net Expenditure of £258.522m against a revised budget of £258.925m (after adjusting for the carry forward of earmarked balances.) An unaudited outturn underspend of £0.403m was achieved. It was proposed that the unaudited underspend be allocated initially to the general fund unallocated reserve. The £0.403m underspend (0.16% of Final Approved Budget) was delivered following a number of earmarked balances approved by Executive during 2014/15. In total, these amounted to £7.492m and related to a number of initiatives across departments and specifically included £1.721m of carry forward for Devolved School Management. £5.352m of balances was brought forward to 2014/15 from previous years, thus producing a net increase in balances of £2.140m during 2014/15. In addition to those above, provision had been made of £0.1m to meet the additional costs projected in 2015/16 relating to the expected COSLA residential care home uplift and new PVG arrangements for SBCares, £0.3m for the continuation of Energy Efficiency initiatives (continuation of CEEF) and £0.1m roads maintenance which was work in progress at the end of the financial year. Members discussed adverse press reports relating to the 2014/15 Unaudited Revenue Outturn and the Chief Financial Officer advised that letters from the Depute Leader (Finance) had been sent this week to the Border Telegraph and the Southern Reporter correcting the information reported. A letter, in similar terms, would also be sent to the Berwickshire News

DECISION

(a) NOTED:-

- (i) the underspend of £0.403m as the draft unaudited final revenue outturn position for 2014/15, as detailed in Appendix 1 to the report;**
- (ii) that the draft unaudited outturn position would inform the budgetary control process and rolling quarterly financial planning process for the current and future years.**

(b) APPROVED

- (i) the adjustments to earmarked balances as detailed in Appendix 1 to the report; and**
- (ii) subject to conclusion of the statutory audit process, the transfer to the unallocated general fund reserve of £0.403m and provisions of £.0.5m to meet additional PVG and residential care home costs £0.1m,**

**continuation of CEEF £0.3m and investment in Roads and Infrastructure
£0.1m.**

4. BALANCES AT 31 MARCH 2015.

There had been circulated copies of a report by the Chief Financial Officer providing an analysis of balances as at 31 March 2015. The report advised that the Council's General Fund useable reserve (non-earmarked) balance was £7.259m at the end of the current financial year which exceeded the target set in the Council's approved Financial Strategy for 2014/15. The total of all revenue fund balances was £17.767m, compared to £16.351m at the end of 2013/14. It was stressed that the 2014/15 balances were before a series of technical accounting adjustments, the effect of which was expected to be broadly neutral. There were a number of areas of expected pressures identified for 2015/16, which if not addressed during the financial year, might require the drawdown of further resources from the useable reserve. The useable balance reflected approved budgets allocated to support the Revenue Financial plan, the commitment of reserves returned from the former Lothian and Borders Police and Fire joint boards to a variety of projects and the earmarking of budgets to support Corporate Transformation, ERVS and Roads repairs and maintenance. The total of all useable balances, excluding developer contributions, at 31 March 2015 was £26.279m, compared to £24.921m at 31 March 2014. It should be noted that the 2014/15 figures included £7.492m of balances earmarked for use in 2015/16 and future years. Members looked systematically through the appendices and received answers to their questions where further information was required.

**DECISION
NOTED:-**

- (a) the projected revenue balances as detailed in Appendices 1 & 2 to the report;
and**
- (b) the current balance in the Capital Fund as detailed in Appendix 3 to the report.**

5. CAPITAL FINANCIAL PLAN 2014/15 - FINAL UNAUDITED OUT-TURN.

There had been circulated copies of a report providing a statement comparing the final capital out-turn for 2014/15 with the final budget for the year, and identifying the main reasons for any significant variations. The report explained that the final capital out-turn statement for 2014/15 was detailed in Appendix 1 to the report and included reasons which had been identified by the Project Managers and Budget Holders for the variances to the final approved budget. This identified an out-turn expenditure of £31.401m which was £3.360m below the final revised budget of £34.764m. The chart in paragraph 4.6 of the report demonstrated that there had been an increase in the cumulative net movement between 2014/15 and future financial years compared to the previous financial year.

**DECISION
AGREED:-**

- (a) the final out-turn statement as detailed in Appendix 1 to the report;**
- (b) to note the adjustments to funding as detailed in Appendix 1 to the report;**
- (c) to note that the results would inform the capital planning, monitoring and control processes for the current (and future) years; and**
- (d) that an update report on the Duns PS be brought to Committee as soon as practicable.**

6. CORPORATE DEBTS - WRITE OFFS IN 2014/15.

There had been circulated copies of a report by the Chief Financial Officer advising that as required by the Financial Regulations, the report detailed the aggregate amounts of debt written off during 2014/15 under delegated authority. The report covered the areas of Council Tax, Non-Domestic Rates, Sundry Debtors, and Housing Benefit Overpayments. The total value of write-offs increased from £0.576m in 2013/14 to £0.627m in 2014/15. 2014/15 write-offs had remained at similar levels to the previous year, probably reflecting the levelling-off in economic conditions. There were however, ongoing risks associated with the management of the Council's debts and these might lead to an increase in the level of debts that might require to be written off as irrecoverable in future years.

DECISION

NOTED the debtor balances written off during 2014/15 under delegated authority.

7. INITIAL REVENUE VIREMENTS 2015/16.

There had been circulated copies of a report by the Chief Financial Officer seeking approval for the Revenue Budget Virements for 2015/16. The report explained that the first Revenue Monitoring report to Executive would be made on 18 August 2015, based on monitoring analysis to the 30 June 2015. In addition, Revenue Management reports would be made to the Council's Corporate Management Team on a monthly basis. Initial monitoring work undertaken during the new financial year so far had identified the requirement to move resources between certain budget heads and to allocate and devolve resources to service areas. No virements were proposed as a result of the identification and addressing of any projected pressure or saving in 2015/16 thus far. Similarly, no proposals were made to earmark any 2015/16 resources for future years, given this early stage in the financial year.

DECISION

APPROVED the virements detailed in Appendix 1 to the report.

8. 2015-2017 PROCUREMENT & PAYMENT SERVICES STRATEGY AND POLICY

There had been circulated copies of a report by the Chief Financial Officer introducing a refreshed Procurement & Payment Services Strategy and Policy for 2015-2017. The report explained that the Council spent approximately £120million each year on goods, services and works with suppliers. The 2015-2017 Strategy and Policy (the Strategy) set out how this expenditure would be managed and detailed the strategic objectives it aimed to deliver. The Strategy had four key areas of ambition and vision which linked directly to the existing Ambitious for the Borders Agenda, the Corporate Plan and the Community Planning Partnership priorities by: (a) adding value to all that we do; (b) maximising the delivery of responsible procurement; (c) reducing the cost of sourcing through to settlement; and (d) harnessing those opportunities to drive local economic growth.

DECISION

APPROVED the refreshed 2015-2017 Procurement & Payment Services Strategy and Policy as detailed in the Appendix to the report.

9. ASSESSING EMPLOYMENT STATUS POLICY AND GUIDELINES (ESI HMRC).

There had been circulated copies of a report by the Chief Financial Officer and the Chief HR Officer advising that the Assessing Employment Status Policy and associated procedural guidelines had been developed in response to an HMRC review during 2014. The report explained that objective of the Policy was to achieve best practice and compliance, ensuring that all self-employed individuals engaged by the Council were appropriately assessed in accordance with HMRC guidelines. The review determined a number of incorrect employment status determinations. As a result additional income tax and national insurance contributions would be sought from the Council, additionally a monetary penalty was likely to be applied (the value of which was yet to be determined). During the discussions it was noted that no formal correspondence had been received

from HMRC as to whether a monetary penalty would be issued but it was hoped that the work carried out by the Council would minimise the level of any penalty.

DECISION

APPROVED the Assessing Employment Status Policy and Guidelines as detailed in the Appendix to the report.

MEMBER

Councillor Davidson left the meeting during consideration of the following item.

10. **CORPORATE TRANSFORMATION PROGRESS REPORT.**

With reference to paragraph 11 of the Minute of Meeting of Council of 12 February 2015, there had been circulated copies of a report by the Corporate Transformation and Service Director presenting an update on progress in developing and delivering the Council's Corporate Transformation Programme since the report to Council on 12 February 2015 and setting out planned activity in the reporting period to August. The report explained that in February, Council agreed to establish a Corporate Transformation programme for the Council and that quarterly monitoring reports would be considered by the Executive. The report formed the first quarterly performance report and set out (a) Progress since February; and (b) planned work in the next reporting period to August 2015. Initially, 21 strands of work were identified through a series of workshops and away days with Corporate Management Team. These pieces of work included 8 projects and programmes which were already being progressed as part of the former Business Transformation Programme. The 21 programmes and projects had since been honed-down to 19 strands as work had progressed in scoping the Programme. These 19 pieces of work were set out in Appendix 1 to the report which included a brief description of the purpose of each and summarised progress made to date. The Corporate Transformation and Services Director answered Members' questions relating to street lighting, financial efficiency savings, GIS mapping and digital connectivity.

DECISION

NOTED the progress made in developing and delivering the Corporate Transformations Programme.

ADJOURNMENT

The meeting adjourned at 11.45 a.m. and reconvened at 11.50 a.m.

11. **UK LANDFILL COMMUNITIES FUND.**

There had been circulated copies of a report by the Service Director Strategy and Policy recommending two projects for approval from the landfill Communities Fund (UK LCF) for the funding period to end March 2015. The following projects were recommend for approval (a) BCCF Environmental – Rock UK Adventure Centres Ltd – Newcastleton Bike Skills and Pump Track - £28,847.08; and (b) BCCF Environmental – Kirkhope Parish Hall – Hall Extension - £16,265. The report explained that the confirmed UK LCF balance to 31 March 2015 was £45,112.08 and the projects now recommended for approval totalled £45,112.08. No balance remained in the UKLCF. The report saw the end of Scotland's involvement in the UKLCF and explained that Scotland now had the powers to collect and manage Scottish Landfill Tax (SLfT) and to operate a Scottish Landfill Communities Fund (SLCF) scheme which commenced on 1 April 2015.

DECISION

(a) APPROVED:-

- (i) a grant of £28,847.08 to BCCF Environment (Rock UK Adventure Centres Ltd – Newcastleton Bike Skills & Pump Track;**
- (ii) a grant of £16,265 to BCCF Environmental (Kirkhope Parish Hall – Hall Extension); and**

(b) NOTED the end of Scotland's involvement in the UKLCF.

12. SCOTTISH BORDERS LOAN FUND - UPDATE.

There had been circulated copies of a report by the Service Director Strategy and Policy seeking approval to extend the operation of the Scottish Borders Loan Fund until the proposed national Scottish Local Authorities Business Loan Fund, Business Loans Scotland, became operational. The report explained that at its meeting on 3 February 2015 the Executive Committee agreed to close the Scottish Borders Loan Fund on 31 March 2015 as it would be replaced by the proposed national loan fund on the 1 April 2015. However, the new national loan fund had been delayed due to the Scottish Government experiencing difficulties with its planned timescales for the provision of European Funds to support public sector financial instruments. It was now expected that the new fund would not be operational until October 2015. This delay meant that local small businesses were at a disadvantage in relation to funding their growth ambitions and the resultant economic impacts would be lost or delayed. Extending the operation of the Scottish Borders Loan Fund would provide a facility for small businesses to raise finance until the new fund was operational. In addition, the Borders Railway Blueprint Action Plan set out an ambition to establish a Railway Investment Fund, during the summer of 2015, to support businesses seeking to exploit opportunities created by the arrival of the Borders Railway. The intention was that the Railway Investment Fund would be managed through Business Loans Scotland and extending the Scottish Borders Loan Fund would allow the Council to meet this commitment until Business Loans Scotland was operational.

DECISION

AGREED to extend the operation of the existing Scottish Borders Loan Fund until the proposed national Scottish Local Authorities Loan Fund, Business Loans Scotland, became operational.

13. SCOTTISH BORDERS ECONOMIC STRATEGY 2023 - ACTION PLAN REFRESH.

With reference to paragraph 11 of the Minute of Meeting of Council of 30 May 2013, there had been circulated copies of a report by the Service Director Strategy and Policy seeking approval of the updated Action Plan for the Scottish Borders Economic Strategy 2023, which was originally agreed in May 2013. The report explained that the Economic Strategy set out the vision, strategic aims and objectives which would provide the focus for our efforts to ensure sustainable economic growth for the Scottish Borders. The associated Action Plan set out in detail how the Community Planning Partnership would deliver the outcomes identified in the Economic Strategy. The Action Plan had now been updated and refreshed to reflect the progress which had been made in delivering actions. It also included new actions responding to the changing economic demands of the area and the ongoing opportunities that arise. The refreshed Action Plan was detailed in Appendix 1 to the report.

DECISION:-

(a) NOTED the positive progress made in relation to the actions in the Economic Strategy Action plan.

(b) AGREED the refreshed Action Plan for the Scottish Borders Economic Strategy 2023, as detailed in Appendix 1 to the report.

14. EUROPEAN MARITIME FISHERIES FUND 2014 - 2020 - UPDATE.

With reference to paragraph 3 of the Minute of Meeting of the Economic Development Group of 11 September 2014, there had been circulated copies of a report by the Service Director Strategy and Policy providing an update to the report to Economic Development Group on 11 September 2014 on EU local development funding for the period 2014 – 2020, and in particular to activity and progress in securing an allocation of European

Maritime Fisheries Fund (EMFF) for the Scottish Borders. The Scottish Borders Fisheries Local Action Group (FLAG), which would be responsible for EMFF local development funding decisions, developed a proposal in 2014 to merge with the East Lothian FLAG in recognition of the strong links between these local fishing areas. The Scottish Government had subsequently proposed a more regionalised approach to Fisheries Local Action Groups (FLAGs). This was a change of approach and there was a risk that it would result in a delay to the launch and implementation of the local development funding programme. The fishing sector and the local authorities were concerned that this delay would have an adverse effect on programme delivery. The report recommended that the Chief Executive write to the Scottish Government, formally raising the Council's concern about the delay in implementing EMFF local development funding in East Berwickshire and Members agreed that the recommendation be changed in that the Leader of the Council write to the Scottish Government.

**DECISION
AGREED:-**

- (a) to note the delay in the introduction of European Maritime Fisheries Funding 2014 – 2020 local development funding;**
- (b) to request clarification from the Scottish Government on its revised proposals for 'regionalising' Fisheries Local Action Groups in Scotland, given that Local Action Groups were predicated on coherence between areas in terms of their geography, commercial relationships and fishing practices; and**
- (c) that the Leader write to the Scottish Government, formally raising the Council's concern about the delay in implementing EMFF local development funding in East Berwickshire.**

MEMBER

Councillor Paterson left the meeting.

15. **LOCAL ACCESS AND TRANSPORT STRATEGY.**

There had been circulated copies of a report by the Service Director Regulatory Services advising of the progress which had been made on the development of a Local access and Transport Strategy for the Scottish Borders. The report explained that development of a Local Access and Transport Strategy (LATS) was a key document for the Scottish Borders, providing a focus for transport issues throughout the local authority area and beyond, whilst detailing key projects and longer term aspirations. The publication of the previous Local Transport Strategy for the Scottish Borders was in 2008 and was designed to have approximately a three to five year working life and incorporating elements of a longer term transport related vision for the area. An important aspect in the preparation of this strategy document was the incorporation of countryside access alongside transport which it was felt would offer a more comprehensive and meaningful document. The Main Issues Report (MIR) provided the basis for consultation and asked a number of specific questions which would help mould the Council's overall approach. A copy of the proposed draft MIR document was provided in Appendix A to the report. It was anticipated that the MIR would be available for consultation over a twelve week period.

DECISION

- (a) NOTED the progress made in the development of a Local Access and Transport Strategy for the Scottish Borders; and**
- (b) AGREED that the Main Issues Report be issued for consultation.**

MEMBER

Councillor Bhatia left the meeting.

16. **COMPLAINTS ANNUAL PERFORMANCE REPORT.**

There had been circulated copies of a report by the Service Director Neighbourhood Services presenting the Council's Complaints Annual Performance Report in a format guided by the Scottish Public Services Ombudsman (SPSO), who required the annual report to be submitted to the SPSO and for the Council to publish the report. The SPSO required all Scottish Local Authorities to present their annual performance on complaints in a publicly available annual report. Scottish Borders Council's Complaints Annual Performance Report for complaints handled in 2014-15 was drafted to reflect the good practice as agreed with the SPSO. A number of areas for improvement in complaint handling were committed to in the annual report, notably: (a) the eight SPSO Performance Indicators were included in the Council's performance management framework; (b) the Council works with the SPSO and other Local Authorities to develop benchmarking of complaints performance indicators; and (c) work to enhance service delivery and improve complaint response times.

DECISION

AGREED to:-

- (a) **note the performance of handling complaints for the period 1 April 2014 to 31 March 2015;**
- (b) **endorse the identified improvement actions including the continued provision of statistics to the Complaint Handlers Network outlined in paragraph 4.9 of the report throughout 2015-16;**
- (c) **note the intention to review data collected from the complaints handling surveys outlined in paragraph 4.11 of the report, the results to be made available in the 2015-16 Complaints Annual Performance Report;**
- (d) **note the commitment to benchmarking outlined in paragraph 4.12 of the report; and**
- (e) **approve the annual report to be submitted to the SPSO and for the Council to publish the report.**

17. **PRIVATE BUSINESS**

DECISION

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 9 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

18. **MINUTE.**

The Committee approved the private Executive Minute of 26 May 2015.

19. **ANNUAL PROGRESS REPORT ON THE SALE OF SURPLUS PROPERTY.**

The Committee considered a report by the Service Director Commercial Services and approved the recommendations contained therein.

Member

Councillor Davidson rejoined the meeting

20. **URGENT BUSINESS**

Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chairman was of the opinion that the item dealt with in the following paragraph should be considered at the meeting as a matter of urgency, in view of the need to make an early decision.

21. **NEW KELSO HIGH SCHOOL.**

The Committee considered a report by the Service Director Commercial Services in relation to the New Kelso High School and approved the recommendations contained therein.

The meeting concluded at 1.15 pm