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EXECUTIVE COMMITTEE TUESDAY, 21 AUGUST 2018

A MEETING of the EXECUTIVE COMMITTEE will be held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS, NEWTOWN ST BOSWELLS, TD6 0SA on TUESDAY, 21 AUGUST 2018 at 10.00 am

J. J. WILKINSON,
Clerk to the Council,

14 August 2018

BUSINESS		
1.	Apologies for Absence	
2.	Order of Business	
3.	Declarations of Interest	
4.	Minute (Pages 3 - 10) Minute of meeting held on 19 June 2018 to be approved and signed by the Chairman. (Copy attached.)	2 mins
5.	Monitoring of the General Fund Revenue Budget 2018/19 (Pages 11 - 52) Consider report by the Chief Financial Officer providing budgetary control statements for the Council's General Fund (copy attached).	10 mins
6.	Balances at 31 March 2018 (Pages 53 - 62) Consider report by the Chief Financial Officer providing an analysis of the Council's balances as at 31 March 2018 and of the projected balances at 31 March 2019 (copy attached).	10 mins
7.	Monitoring of the Capital Financial Plan 2018-19 (Pages 63 - 86) Consider report by Chief Financial Officer. (Copy attached.)	10 mins
8.	Proposed Funding Contributions for Delivering Extra Care Housing in Duns (Pages 87 - 92) Consider report by the Service Director Regulatory Services and Chief Financial Officer. (Copy attached).	10 mins
9.	Annual Procurement Report (Pages 93 - 130) Consider report by Chief Financial Officer. (Copy attached.)	10 mins

10.	Community Grant Scheme - Generic Budget 2018-19 (Pages 131 - 136) Consider report by Service Director Customer & Communities in respect of Home Basic (Tweeddale) Co Ltd. (Copy herewith.)	10 mins
11.	Any Other Items which the Chairman Decides are Urgent	
12.	Any Other Items Previously Circulated	

NOTES

1. **Timings given above are only indicative and not intended to inhibit Members' discussions.**
2. **Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.**

Membership of Committee:- Councillors S. Haslam (Chairman), S. Aitchison (Vice-Chairman), G. Edgar, C. Hamilton, E. Jardine, W. McAteer, T. Miers, S. Mountford, M. Rowley, G. Turnbull and T. Weatherston

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**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, 19 June, 2018 at 10.00 am

Present:- Councillors S. Haslam (Chairman), S. Aitchison, G. Edgar, C. Hamilton (from paragraph 12), E. Jardine, T. Miers, S. Mountford, M. Rowley (from para 4), G. Turnbull (from para 11)

Apologies:- Councillors W. McAteer, T. Weatherston.

Also present:- Councillors S. Bell, H. Scott, S. Scott, R. Tatler.

In Attendance:- Service Director – Neighbourhood Services, Financial Services Manager, Service Director – Regulatory Services, Project Manager Team Leader (E. Doyle), Democratic Services Team Leader, Democratic Services Officer (F. Henderson).

OTHER BUSINESS

1. **CHAIRMAN**

Councillor Haslam chaired the meeting for consideration of the ordinary Executive Business.

2. **ORDER OF BUSINESS**

The Chairman varied the order of business as shown on the agenda and the Minute reflects the order in which the items were considered at the meeting.

3. **MINUTE**

There had been circulated copies of the Minute of the meeting of Executive Committee held on 5 June 2018.

DECISION

APPROVED for signature by the Chairman.

4. **CORPORATE PERFORMANCE REPORT 2017/18 ANNUAL SUMMARY (AND DATA FOR QUARTER 4)**

There had been circulated copies of a report by the Chief Executive presenting a high level summary of 2017/18 performance information for Members, with details contained within Appendix 1 to the report. Appendix 2 to the report presented the information on a quarterly basis, with detailed commentary about performance. Mrs Watters, Policy, Performance and Planning Manager, gave a presentation to Members on how performance monitoring was currently carried out within the Council. The report explained that as SBC approved a new corporate plan in February 2018, this would be the last performance report in this format, and a revised performance management framework was currently being developed, including reporting at local level where possible. During 2017/18, SBC had made some significant progress, despite the ongoing challenging economic climate. Business Gateway continued to perform well, affordable housing targets were exceeded, secondary school exclusions were significantly lower than last year and the rate of council tax collection remained high (and amongst the best in Scotland). Through monitoring performance information regularly, known areas of challenge remained a priority. Mrs Watters answered members' questions regarding a number of areas including base figures, surplus properties and gas and electricity usage.

DECISION

(a) **NOTED:-**

- (i) any changes to performance indicators outlined in Section 5 of the report; and
 - (ii) that this would be the last report in the current format, and that a revised Performance Management Framework was being developed.
- (b) **ACKNOWLEDGED** the performance summarised in Section 6, and detailed within Appendices 1 and 2 of the report and the action that was being taken within services to improve or maintain performance.

5. **CORPORATE TRANSFORMATION PROGRESS REPORT**

There had been circulated copies of a report by the Service Director Human Resources which updated the Executive Committee on progress in developing and delivering the Council's revised Corporate Transformation Programme in the period to end May 2018 and set out planned activity in the reporting period to August 2018. The Corporate Transformation Programme was designed to help achieve the Council's priorities and support the delivery of significant savings as set out in the 5-year Financial Plan. A revised Transformation Programme was agreed by Council at its February meeting and comprised 5 work streams: Digital Transformation; Children & Young People; Integration of Health & Social Care; Workforce Transformation and Corporate Landlord. In the absence of Mrs Hepburn the Service Director Customer and Communities answered Members questions and it was noted that such reports would be provided quarterly.

DECISION

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

6. **UNAUDITED REVENUE OUTURN**

There had been circulated copies of a report by the Chief Financial Officer providing a statement comparing final revenue outturn expenditure and income for 2017/18 with the final approved budget for the year and explanations for significant variances. The report explained that an unaudited outturn underspend of £1.029m had been achieved in the 2017/18 revenue budget. The £1.029m underspend (0.4% of final approved budget) was delivered following a number of earmarked balances approved by the Executive Committee during 2017/18. In total, these amounted to £7.998 and related to a number of initiatives across departments and specifically included £2.442m of carry forward for Devolved School Management (DSM including PEF) and a £2m approved to support the 2018/19 Financial Plan. A review of the provision for bad debts had identified a requirement for funding of £0.165m to ensure the provision remained in line with management's assessment of high risk outstanding debts. This revised the outturn net balance after bad debts to £0.864m. A high level summary of the outturn position in each Council Department was detailed in section 4 of the report. The Financial Services Manager answered questions relating to temporary savings, the level of savings for future years and the budget for adverse weather.

DECISION

(a) **AGREED:-**

- (i) the content of the report and noted the outturn position for 2017/18 prior to Statutory Audit; and
- (ii) that the outturn net balance of £0.864m be directed to support delivery of the challenging 2018/19 Financial Plan; and
- (iii) the adjustments to previously approved earmarked balances noted in Appendix I to the report

- (b) **NOTED that the draft unaudited outturn position would inform the budgetary control process during 2018/19 and financial planning process for the current and future years.**

7. BALANCES AT 31 MARCH 2018

There had been circulated copies of a report by the Chief Financial Officer providing an analysis of the Council's balances as at 31 March 2018. The report explained that the Council's General Fund useable reserve (non-earmarked) balance was £5.638m at the end of the financial year. The 2017/18 balances were before a series of technical accounting adjustments, the effect of which were expected to be broadly neutral. Adjustments required as a result of the Statutory Audit process would be reported at the conclusion of the Audit. There were a number of areas of potential pressures identified for 2018/19 which, if not addressed during the financial year, might require the drawdown of further resources from the useable reserve. The total of all useable balances, excluding developer contributions, at 31 March 2018 was £28.793m compared to £25.467m at 31 March 2017. It was noted that the 2017/18 figures included £7.998m of balances earmarked for use in 2018/19 (2016/17 £6.554m of balances earmarked for use in 2017/18). The Financial Services Manager outlined the risk based approach which was taken when setting the level of balances.

DECISION

NOTED:-

- (a) **the revenue balances as at 31 March 2018 as per Appendices 1 & 2 of the report including movement in the Allocated Reserve since the last reporting period; and**
- (b) **the balance in the Capital Fund as per Appendix 3.**

8. CAPITAL FINANCIAL PLAN 2017/18 – FINAL UNAUDITED OUTTURN

There had been circulated copies of report by the Chief Financial Officer which provided a statement comparing the final capital outturn for 2017/18 with the final budget for the year and identified the main reasons for any significant variations. The final capital outturn statement for 2017/18 was included at Appendix 1 of the report and included reasons that had been identified by the Project Managers and Budget Holders for the variances to the final approved budget. This identified an outturn expenditure of £36.016m which was £7.378m below the final revised budget of £43.394m.

DECISION

(a) AGREED:-

- (i) **the final outturn statement contained in Appendix 1 to the report;**
- (ii) **the additional allocation of £0.121m to the Roads network from Emergency & Unplanned funds including surface defect rectification following the winter; and**
- (iii) **to approve the block allocations detailed in Appendix 3 to the report.**

(b) NOTED:-

- (i) **the adjustments to funding in Appendix 1 to the report**
- (ii) **the final block allocations contained in Appendix 2 to the report; and**
- (iii) **the whole project costs detailed in Appendix 4 to the report.**

9. COPORATE DEBTS – WRITE OFFS IN 2017/18

There had been circulated copies of a report by the Chief Financial Officer which detailed the aggregate amounts of debt written off during 2017/18 under delegated authority, as required by the Financial Regulations. The report covered the areas of Council Tax, Non-Domestic Rates, Sundry Debtors, Housing Benefit Overpayments and aged debt from the balance sheet. The total value of write-offs had reduced from £0.645m in 2016/17 to £0.259m in 2017/18. There were ongoing risks associated with the management of the Council's debts and these might lead to an increase in the level of debts that would require to be written off as irrecoverable in future years. These had been identified in the report. The Council maintained an appropriate bad debt provision to help manage those risks.

DECISION

NOTED the debtor balances written off during 2017/18 under delegated authority.

10. **STRATEGIC HOUSING INVESTMENT PLAN PROGRESS FOR 2017/18**

There had been circulated copies of a report by the Service Director of Regulatory Services advising of the affordable housing annual completions and progress made in the delivery of the Strategic Housing Investment Plan (SHIP) projects for the period 2017-18. The report explained that the Strategic Housing Investment Plan (SHIP) was the sole document for targeting affordable housing investment in Scottish Borders. This provided a rolling 5 year planning horizon of identified and prioritised affordable housing development intentions. Current Scottish Government Guidance required that each Council submit a SHIP on an annual basis. The Council's current SHIP 2018-2023 was agreed by Council and submitted in November 2017 and had again received very positive feedback from Scottish Government Officials. The report advised Members that for the financial period 2017-2018, 145 affordable houses were delivered against envisaged projects set out in the current SHIP. This exceeded the Council's Local Housing Strategy 2017-2022 (LHS) annual target of 128 new affordable homes and was more than the 83 homes originally envisaged in SHIP 2018/23 for 2017/18. Members welcomed the report.

DECISION

AGREED to endorse the progress made in the delivery of affordable housing projects in 2017-2018.

11. **REGENERATION OF GALASHIELS – GREAT TAPESTRY OF SCOTLAND VISITOR CENTRE – PROJECT UPDATE**

With reference to paragraph 13 of the Council Minute of 22 December 2016, there had been circulated copies of a report by the Executive Director which provided an update on the external funding application and what the funding would deliver as part of the project. The report explained that the Council were progressing through the application process for an HES Repair Grant and expected to receive up to £40k when contracts were in place, as per the mandated process by HES. Following a two stage application process a confirmation letter was received on 12 March 2018 from the Regeneration Capital Grant Fund that they would commit £1.18M to the project. This provided an additional £480k to the project to deliver external aspects of the Galashiels Master Plan defined in the application (following community consultation on priorities), in parallel with the recommencement of the Galashiels Inner Relief Road Phase 5 project which was put on hold until the outcome of the external funding applications was known. This would allow £896k to be invested in the delivery of key aspirations from the Galashiels Master Plan that would enhance the visitor experience of the new attraction. It was proposed to incorporate the existing £416k Galashiels Inner Relief Road Phase 5 budget and the additional £480k regeneration Capital Grant Fund into a new Capital budget line call 'Galashiels Town Centre Regeneration' to allow the external improvements to be delivered and managed as one project. Mr Doyle answered Members questions and advised that there had been several meetings with the Community to agree the key projects. A marketing and branding strategy would be developed with the BID team.

DECISION

(a) AGREED to:-

- (i) approve the projects identified in Section 8.6 of the report to be delivered within this first phase of investment; and**
- (ii) approve the re-proofing of the Capital Budgets as per tables 2 and 3 of the report.**

(b) NOTED:-

- (i) the progress achieved with external funding applications to close the project funding gap; and**
- (ii) Noted that the £416k Galashiels Inner Relief Road Phase 5 budget and the additional £480k of Regeneration Capital Grand Fund had been moved into a new Capital budget line called 'Galashiels Town Centre Regeneration' as per Table 3 contained in the report.**

12. THE MONITORING & REGULATION OF PRIVATE WATER SUPPLIES IN THE SCOTTISH BORDERS 2018-2011

There had been circulated copies of a report by Service Director Regulatory which provided an update on the changes arising from new legislation enacted in October 2017 in relation to private water supplies (PWS) under the '*Water Intended for Human Consumption (Private Supplies)(Scotland) Regulations 2017*'. The report sought approval for changes to the charging regime for private water supplies permitted under the new regulations which were essential to fund the increased level of resource that would be required for the Council to be able to meet the statutory requirements of the legislation. The report detailed the background, the legislative position and its impact, resource requirements and the proposed charging structure. The Scottish Government had been clear that no extra funding would be made available to local authorities to implement the new legislation and the most significant change was the proposed introduction of an hourly rate of £49.03 for the investigation time associated with sample failures and undertaking a risk assessment of a supply and writing up a report of the risk assessment. Members asked that the charge be rounded to the nearest pound. Members noted that there was a comprehensive communications strategy to publicise this change.

DECISION

(a) APPROVED the proposed changes to the Fees & Charges regime in Appendix III to the report, as permitted by the new legislation and that the hourly rate would be rounded to the nearest pound.

(b) NOTED:-

- (i) the impacts of the legislative changes on the Council's obligations to monitor and regulate private water supplies in its area and the requirement for the council to be fully compliant with the legislation; and**
- (ii) the additional workload and resource requirements that would be incurred as a result of implementing the legislation.**

13. COMMUNITY GRANT SCHEME - GENERIC BUDGET 2018/19

13.1 With reference to paragraph 3.4 of the Minute of 5 June 2018, there had been re-circulated for information copies of the report by the Service Director Customer & Communities in respect of First Light Trust. The Communities & Partnership Manager provided details of the application previously considered and advised that Firstlight Trust had been able to evidence the need for their services via a high concentration of armed forces and emergency service veteran's in Hawick and the Scottish Borders. The Trust

would undertake outreach work across the Borders in order to access veterans who lived in more remote, rural areas and had confirmed partnership working arrangements which included the Royal British Legion, First Point, CAB and local Housing Associations. In view of the additional information provided, the Committee agreed to award the grant.

DECISION

AGREED the award of a grant of £5,000 to Firstlight Trust.

- 13.2 There had been circulated copies of a report by the Service Director Customer & Communities recommending an application for funding from the Community Grant Scheme (CGS) generic budget. The report explained that the CGS could provide grants to groups who were constituted as working Borders-wide. It could also provide grants to groups who were non-Borders based but who delivered projects which provided direct benefits to identified groups in the Borders. The Communities & Partnership Manager provided details of the application from Borders Youth Theatre which was to contribute towards the cost of running a two week performance project for young Borderers aged 8-25. This included 12 days of devising and rehearsing at Langlee Community Centre and 3 days of performances at Traquair House, Paxton House and The Haining. The performance piece would be - A Tale of Beatrix Potter and would include up to 40 performers. The report further reported that Borders Youth Theatre operated Borders wide and ran weekly workshops across 5 towns which see over 150 participants from the ages of 8-25 years. The organisation had been successful in generating some income from box office ticket sales and the regular fundraising which helped towards their sustainability. A grant of £3,220 would assist with the cost of this stand alone, performance project.

DECISION

AGREED to award a grant of £3,220 to Borders Youth Theatre.

EDUCATION BUSINESS

Present: Ms C. Thorburn, Ms A. Ferahi, Mr I. Topping.
Apologies :- Mr G. Jarvie.

14. CHAIRMAN

Councillor Carol Hamilton took the chair for the remaining business.

15. CONSULTATION ON INCLUSION STRATEGY AND POLICY

There had been circulated copies of a report by the Service Director Children and Young People which sought agreement on an initial consultation period for the Inclusion Strategy and Inclusion Policy. The report explained that National Legislation and Guidance had recently been published which outlined the vision and underlying principles of inclusion; Included, Engaged, and Involved (Part 2) A Positive Approach to Preventing and Managing School Exclusions (2017); Better Relationships, Better Learning, Better Behaviour (2013); Children and Young People (Scotland) Act (2014); National Improvement Framework (2016); Getting it Right for Looked After Children and Young People Strategy (2015 – 2020). Scottish Borders Council's Inclusion Strategy contained in Appendix 1 to the report and Inclusion Policy contained at Appendix 2 of the report for learning settings aimed to reflect this guidance and provide a clear strategic direction for schools and early years settings. Members welcomed this comprehensive document. And the Service Director answered questions and commented on the plans to reduce exclusions.

DECISION

AGREED

- (a) an initial consultation period for the Inclusion Strategy and Inclusion Policy commencing August 2018 to October 2018.
- (b) that the final draft of the Inclusion Strategy and Inclusion Policy be brought back to the Executive in December 2018 for approval.

16. **PRIVATE BUSINESS**

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 the relevant paragraphs of part 1 of schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

17. **Minute**

The private Minute for the meeting held on 5 June 2018 was approved.

The meeting concluded at 11.50 a.m.

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**MONITORING OF THE GENERAL FUND REVENUE BUDGET
2018/19**

**Report by the Chief Financial Officer
EXECUTIVE COMMITTEE**

21 August 2018

1 PURPOSE AND SUMMARY

- 1.1 This report provides the Executive Committee with budgetary control statements for the Council's General Fund based on actual expenditure and income to 30 June 2018 and explanations of the major variances between projected outturn expenditure/income and the current approved budget.**
- 1.2 After the first quarter of 2018/19 the Council was projecting pressures in excess of budget of £1.36m, management action has however been identified to offset the projected variance and these measures allow a projected balanced position at 31st March 2019 to be forecast. Full delivery of these measures will allow all known pressures to be managed within the Council's overall 2018/19 revenue budget. This balanced position is dependent the management actions being delivered during the remainder of the financial year.
- 1.3 The revenue monitoring process during 2017/18 continued to use the existing methodology of agreeing financial projections with managers due to delays in developing reporting functionality within Business World. As a result of further development of system functionality in 2018/19, a new budget forecasting tool has been developed and tested and is now being used by finance staff. Final adjustments are now being made to the forecasting modeller before it is fully rolled out to all budget managers. Real time financial reporting with drill-down functionality to individual transaction level within Business World is also now available to Budget Managers. This additional financial information will assist Managers with the process of effective budget management.
- 1.4 As shown in Appendix 3 as at 30 June 2018 56% (£9.182m) of the savings required by the approved budget have been delivered within the current year. A further 44% (£7.232m) is profiled to be delivered during the remainder of 2018/19. Emphasis during 2018/19 needs to be placed on delivering the savings permanently per the 2018/19 Financial Plan especially considering the scale of the full year savings required (£16.414m).
- 1.5 Full details of pressures, risks and challenges and the significant majority of areas of the Council's operation where budget plans remain on track are detailed in Appendix 1 to this report.

2 RECOMMENDATIONS

2.1 It is recommended that the Executive Committee:-

- (a) notes the projected corporate monitoring position reported at 30 June 2018, the pressures identified, the underlying cost drivers of this position and the identified areas of financial risk as reflected in Appendix 1;**
- (b) approves the virements attached as Appendix 2;**
- (c) notes the progress made in achieving Financial Plan savings in Appendix 3;**
- (d) asks the Corporate Management Team to ensure measures continue to be taken to deliver a balanced budget in the current year; and**
- (e) reiterates its support for a culture of sound financial management in all council departments to ensure the ongoing sustainability of the Council.**

3 PROJECTED OUTTURN

3.1 The revenue monitoring position set out in this report and summarised in Appendix 1 is based on actual income and expenditure to the 30 June 2018. The monitoring position overall is projecting a balanced position at 31st March 2019 with all known pressures now being managed within the Council's overall 2018/19 revenue budget.

3.2 The monitoring process at the end of the first quarter highlighted budget pressures of £1.36m as a result of identified delays in the delivery of Financial Plan savings coupled with service pressures which have emerged since setting the budget in February 2018. Service Directors have undertaken a thorough reassessment of budget projections and as such have been able to identify compensatory savings to manage these pressures within existing 2018/19 budgets as outlined in sections 3.4 – 3.12 below.

3.3 Appendix 3 sets out the progress made by the end of month 3 to deliver the savings approved in the Financial Plan in February 2018 plus prior year savings achieved temporarily during 2017/18. 56% (£9.182m) of the savings have been delivered within the current year (23%, (£3.799m) as per the Financial Plan, 10% (£1.634m) by alternative means on a permanent basis and 23% (£3.749m) by alternative means on a temporary basis. A further 44% (£7.232m) is profiled to be delivered during the remainder of 2018/19.

3.4 Culture & Sport

Culture and Sport are projecting a balanced position.

3.5 Assets & Infrastructure

Pressures have arisen during the first quarter from delays in implementation of the property & assets saving of £0.233m. This remaining saving targeted from rationalisation of property is now viewed as highly unlikely to be delivered in this financial year. A reassessment of current commitments has been undertaken and the service is however able to manage these pressures within existing budgets by maximising income opportunities and operational efficiencies within the Service. All efforts to deliver property rationalisation savings as quickly as possible are being pursued by the service.

3.6 Economic Development & Corporate Services

Economic Development & Corporate services are projecting a balanced position at the end of the first quarter.

3.7 Health & Social Care

The Health and Social Care function is experiencing pressures which, if remedial action is not taken, will result in expenditure exceeding budget by £1.096m with pressures of £1.116m relating to functions delegated to the IJB and an underspend of £20k on non-delegated functions. This pressure is a combination of service demand for packages of care beyond the level of service assumed by the budget of £0.667m and delays in delivery of Financial Plan savings to the value of £0.429m. The service has reviewed all current commitments and has committed to manage these pressures of £1.096m within existing budgets through a combination of measures. These include revised funding assumptions for the expansion of new care services which can contribute one-off budget in 2018/19, emphasis on delivery of service efficiencies and a review of care packages.

3.8 Children & Young People

Management have taken steps to recognise areas of identified challenge within the service during 2018/19 and through targeted actions have ensured appropriate support is provided to schools, where required, in response to identified needs. The resulting budget pressures are being managed through a number of management actions and the re-direction of budget across the directorate to allow a balanced position to be forecast.

3.9 Customer & Communities

The service is projecting a balanced position overall. A review of Housing Benefit Accounting practises is underway, an update will be provided to Executive committee as part of the monitoring process in the quarter 2 monitoring report.

3.10 Finance & Corporate Services

A temporary reduced cost of capital financing due to favourable interest rates and the ongoing tactical decision to defer borrowing to fund capital expenditure allows budget to be released from Loans Charges to support the delivery of the Financial Plan and corporate budget pressures across the Council.

3.11 Human Resources

The Service is projecting a balanced position. The Council's financial plan assumes significant savings corporately from Organisational Efficiency and Workforce Transformation, work is ongoing to deliver savings in these areas. Efforts to modernise working practices are, however, taking longer than originally anticipated to deliver and as a result of these delays, temporary savings have therefore been identified to offset the current shortfall.

3.12 Regulatory Services

The Service is projecting a balanced position. The Planning service is highly dependent on fee income to achieve their budget target. The 1st quarter of 2018/19 has seen lower levels of income than the previous year, and while it is too early in the financial year to predict a trend with any degree of certainty actual income will continue be monitored closely on a monthly basis. Any variance from budget will be reported as the financial year progresses.

4 IMPLICATIONS

4.1 Financial Recommendations

There are no costs attached to any of the recommendations contained in this report, its content being specifically related to the performance of the revenue budget in 2018/19.

4.2 Risk and Mitigations

There is a risk that further cost pressures may emerge as the year progresses or that the savings required to compensate for non-delivery of Financial Plan savings may not be delivered as planned, both of which may impact on the outturn position. Every effort must continue to be made by Service Directors to contain projected spend in the remainder of the year and to consider permanent effects on the Financial Plan. These efforts include maintaining a focus on sound financial management, balancing the budget and delivering good value for money and ensuring these remain key aspects the culture of the council.

- 4.3 It is imperative therefore that as many savings as possible identified within the 2018/19 and previous financial plans are delivered permanently to ensure affordability and budget sustainability.

The risks identified above are being managed and mitigated through:-

- (a) monthly reports of actual expenditure and income against approved budgets being made available to budget managers from the Council's Business World System.
- (b) review of budget variances and monitoring of management actions to control expenditure by Finance, Service staff and Service Directors and monthly reporting to CMT.
- (c) engagement with Departments and review of monthly management accounts by management teams.
- (d) supporting departmental corporate transformation projects to monitor and deliver the planned corporate transformation savings in the medium-term Financial Plan.

4.4 **Equalities**

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

4.5 **Acting Sustainably**

There are no significant effects on the economy, community or environment.

4.6 **Carbon Management**

No effect on carbon emissions are anticipated from the recommendation of this report.

4.7 **Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

4.8 **Changes to Scheme of Administration or Scheme of Delegation**

No changes to either the Scheme of Administration or the Scheme of Delegation is required as a result of this report.

5 **CONSULTATION**

- 5.1 Depute Chief Executives, Service Directors and their relevant staff have been involved in and agreed the compilation of the budgetary control statements appended.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Suzy Douglas	Financial Services Manager 01835 824000 X 5881

Background Papers:

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the Author. Information on other language translations as well as additional copies can also be provided.

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL

2018/19

AT END OF MONTH: Jun-18



Health & Social Care	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Child Protection	181	21	181	181	0	0	0	
Adult Protection	394	41	379	303	76	0	76	Staff turnover saving and managed reduced commitments
Emergency Duty Team	293	79	292	335	(43)	0	(43)	Over-establishment pressure assumed to continue due to service demands
Business Support - Staff Development	255	24	255	255	0	0	0	
Quality Improvement	211	48	171	184	(13)	0	(13)	Staffing pressure
Services in Criminal Justice System	1,123	45	1,139	1,184	(45)	45	0	
Safer Communities	441	(54)	441	441	0	0	0	Transfer of Community Policing budget from Neighbourhoods.
Older People	23,960	5,328	19,445	20,174	(729)	762	33	Demographic pressure in the Older Peoples service as in 2017/18.
Joint Learning Disability	16,644	2,638	17,316	17,296	20	150	170	Management of care packages delivering a small saving
Joint Mental Health	2,108	448	2,130	2,237	(107)	40	(67)	Increased client commitments
People with Physical Disabilities	5,831	568	3,358	3,553	(195)	51	(144)	Additional client pressure with increased number of care packages delivered
Generic Services	4,881	(2,636)	3,966	4,661	(695)	683	(12)	Additional care packages of £85k supported by managed savings.
Total	56,322	6,550	49,073	50,804	(1,731)	1,731	0	
Public Health	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	
Public Health	88	(34)	88	88	0	0	0	
Total	88	(34)	88	88	0	0	0	

Key Highlights, Challenges and Risks

The Health and Social Care function is experiencing pressures which, if remedial action were not taken, would result in expenditure exceeding budget by £1.096m with pressures of £1.116m relating to functions delegated to the IJB and an underspend of £20k on non-delegated functions. Financial Plan savings to the value of £429k are forecast to not be achievable in the current year contributing to the forecast overspend.

Demographic pressures across all services continue to be experienced with an increased number of care packages, many of a more complex nature. The service has reviewed all current commitments and is able to manage these pressures of £1.096m within existing budgets by confirming revised funding assumptions for the development of the dementia care facility which can contribute one-off budget in 2018/19, emphasis on delivery of service efficiencies and a review of care packages.

Additional Social Care funding of £1.537m has been fully used in funding the Cosla Carehome uplift of 3.39%, (£402k), impact of the Carers Act (£322k), paying living wage of £8.75 per hour to commissioned services with the balance being used to fund

the impact of the Scottish Living Wage on sleep-overs.

Children & Young People	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Early Years	6,689	1,479	6,650	7,544	(894)	894	0	£1,424k allocated from Scottish Government in respect of 1140 hours 2018/19 rollout. Transfer available budget to cover two additional part year Social Worker posts in Children & Families (£50k). 2018/19 CPD Allocation £2k.
Primary Schools	30,377	7,393	31,693	33,106	(1,413)	1,413	0	Pupil Equity Funding allocation £1.391m. CPD Allocation £35k. Reduction of (£12k) to reflect probationer funding for 2017/18 summer term.
Secondary Schools	39,588	9,659	40,665	41,191	(526)	526	0	Pupil Equity Funding allocation £451k. CPD Allocation £31k. £45k to reflect probationer funding for 2017/18 summer term.
Additional Support Needs	10,505	2,137	10,465	10,472	(7)	7	(0)	The commencement of the new academic year will allow support teacher numbers and ANA numbers and budget availability to be confirmed by September 2018. 2018/19 CPD Allocation £7k.
Children & Families Social Work	15,294	3,086	15,290	15,040	250	(250)	0	Reduced one-off 18/19 Financial Plan investment in prevention, intervention and innovation in order to contribute to corporate pressures this financial year (£300k). £50k transferred from Early Years to cover two additional part year Social Workers.
Educational Psychology	647	37	647	647	0	0	0	Financial Plan saving on commissioned services forecast to be delivered in full.
Central Schools	4,842	(937)	4,754	2,756	1,998	(1,998)	0	Transfer (£25k) to Legal Services to part fund a dedicated school estate Solicitor and (£25k) to Human Resources to part fund dedicated support. Devolve probationer funding to Primary and Secondary Schools for 2017/18 summer term (£32k).£63k allocated from Scottish Government in respect of 1+2 Language Funding.
School Meals	1,782	(171)	1,782	1,782	0	0	0	
School Transport	3,627	(1)	3,627	3,627	0	0	0	
Community Learning & Development	1,219	244	1,219	1,219	0	0	0	
Total	114,568	22,926	116,792	117,384	(592)	592	0	

Key Highlights Challenges & Risks

Management have taken steps to recognise areas of challenge within the service during 2018/19 and through targeted actions have ensured appropriate support is provided to schools, where required, in response to identified needs. These include additional the requirement for additional investment in 3 of the region's most deprived schools (£190k), additional investment in attainment, collaboration and innovation (£230k), additional social workers (£70k) to manage significant risk within the Children and Families service, additional Deputy Head-teachers within Hawick High School (£147k) and projected demand-driven pressure within Out of Area Placements where, despite rigorous planning and management, the numbers of children placed, particularly in intensive and secure settings, remains higher than budgeted (£150k) - This latter pressure has not yet been included as some of the drivers are very recent and work is still being undertaken to identify the full impact and identify appropriate mitigation.

The commencement of the new academic year will allow teacher numbers and budget availability in both Primary and Secondary to be confirmed by September 2018.

These pressures are, in the main, being met from a range of balances and planned savings including the targeted use of school DSM carry forwards (£600k), the targeted use of 18/19 Pupil Equity Funding (total allocation of £1.841m) and other additional grant funding.

A total of £802k of budget has been carried forward from 2017/18 and allocated out to Primary and Secondary schools, under the DSM scheme, this financial year.



Area of key risk pertains to Placements within Children and Families - £400k Financial Plan saving targeted made challenging by recent increase in number of foster, out of area and secure placements - this is being heavily managed currently. Further potential pressures attributable to Non-Domestic Rates, Energy & Utilities and Cleaning costs within new High School and new Primary Schools which opened last year are being investigated.

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL

2018/19

AT END OF MONTH: Jun-18



Customer & Communities	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Business Support	6,564	1,509	6,172	6,172	0	0	0	
Business Planning Performance & Policy Development	1,033	210	1,019	993	26	(26)	0	£26k underspend in staffing and discretionary spend to support undeliverable Financial Plan savings.
Community Planning & Engagement	588	66	618	618	0	0	0	
Localities Fund	300	37	800	750	50	(50)	0	£50k Budget transfer of Locality Public Nuisance Fund to Neighbourhood Services
Customer Advice & Support Services	3,175	894	3,106	2,969	137	(137)	0	£116k reduced spend in employee costs, travel and discretionary spend to support undeliverable Financial Plan savings. £21k budget allocated during financial planning for DHP admin being removed from service as the funding is now being received directly by department.
Democratic Services	1,386	397	1,364	1,351	13	(13)	0	Reduced projected spend in civic functions (£7k) and member travel (£6k) to support undeliverable Financial Plan savings.
Business Change & Programme Management	422	185	473	473	0	0	0	
Discretionary Housing Payments	58	34	58	58	0	0	0	
Housing Benefits	593	(2,035)	593	593	0	0	0	Significant credit is a result of year end accruals. This forms part of the review of accounting practises associated with Housing Benefit currently underway.
Non Domestic Rates Relief	150	169	172	172	0	0	0	
Scottish Welfare Fund	492	107	492	492	0	0	0	
Corporate Savings	(2,572)	(7)	(2,187)	(683)	(1,504)	1,504	0	£1.504m of Digital Transformation savings not achievable in year, being met from projected underspends across the council.
Total	12,188	1,566	12,680	13,958	(1,278)	1,278	0	

Key Highlights, Challenges & Risks

The service is projecting a balanced position overall. A review of Housing Benefit Accounting practises is underway and will report back once complete. Corporate Digital Transformation savings are shown within the service and an in year pressure of £1.504m been identified, this has been vired in from other departments. A £500k Digital Transformation saving is still to be identified from across the Council.

MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2018/19

AT END OF MONTH: Jun-18



Finance, IT & Procurement	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Chief Executive	392	51	389	389	0	0	0	
Finance	4,049	1,559	4,103	4,103	0	0	0	
Information Technology	11,332	3,579	11,380	11,380	0	0	0	
Corporate Savings	(232)	0	(232)	(232)	0	0	0	Corporate Commissioning saving to be delivered
Capital Financed from Current Revenue	0	0	218	218	0	0	0	
Interest on Revenue Balances	(20)	0	(20)	(20)	0	0	0	
Loan Charges	20,467	4,072	20,467	18,667	1,800	(1,800)	0	Reduced borrowing requirement due to favourable interest rates (£1.8m) to support corporate budget pressures.
Provision for Bad Debts	125	(3)	125	125	0	0	0	
Recharge to Non-General Fund	(701)	0	(701)	(701)	0	0	0	
Total	35,412	9,258	35,729	33,929	1,800	(1,800)	0	

Key Highlights, Challenges & Risks

Following the introduction of Business World the staffing restructure in Finance and Procurement is now complete delivering £500k of permanent savings. Work continues to embed the new processes in relation to Business World.

Human Resources	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Human Resources	3,439	597	3,422	3,417	5	(5)	0	Reduced requirement in enhanced pension payments (£30k) to support undeliverable Financial Plan savings. £25k Coming to HR from Central Schools as a contribution to additional HR Support
HR Shared Services	642	209	660	660	0	0	0	
Early Retirement/Voluntary Severance	67	(7)	67	67	0	0	0	
Communications & Marketing	466	126	452	502	(50)	50	0	SB Connect advertising saving (£50k) met permanently through other budgets
Corporate Transformation	773	94	991	1,022	(31)	31	0	Grant Review Savings (£31k) met permanently through other budgets
Corporate Savings	(1,509)	0	(948)	30	(978)	978	0	Organisational Efficiency savings and Workforce Transformation savings not being fully delivered are being met temporarily through available loan charges and 2017/18 underspends.
Total	3,877	1,019	4,644	5,698	(1,054)	1,054	0	

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Key Highlights, Challenges & Risks

The corporate Transformation budget is now reflected under the HR service in recognition of the change of Service Director responsibility. Corporate savings for Organisational Efficiency and Workforce Transformation are included here as the Service Director HR is the lead officer on these programmes.

Regulatory Services	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/under spend	Summary Financial Commentary
Planning Services	648	(614)	622	705	(83)	83	0	£24k budget transfer to fund pressures across the Council. Potential pressure in Planning & building standards fee income partially offset by £107k budget transfer from Waste Services. Future fee levels will be monitored closely.
Assessor & Electoral Registration Services	658	154	652	652	0	0	0	
Passenger Transport	2,140	1,261	2,112	2,045	67	(67)	0	£50k Transport interchange underspend to fund pressures across the Council. £17k budget transfer to Cleaning Services to fund Transport Interchange Cleaner.
Audit & Risk	332	96	328	328	0	0	0	
Legal Services	726	169	708	733	(25)	25	0	£25k budget from central schools to part fund a dedicated school estates Solicitor
Protective Services	1,579	333	1,527	1,527	0	0	0	
Housing Strategy & Services	1,568	395	4,821	4,806	15	(15)	0	Staff savings available to fund pressures across the Council.
Total	7,650	1,794	10,770	10,796	(26)	26	0	

Key Highlights, Challenges & Risks

The Planning service is highly dependent on fee income to achieve their budget target. The 1st quarter of 2018/19 has seen lower levels of income than the previous year. Actual income will be monitored closely on a monthly basis to determine impact on outturn position.

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Budget Virement Requirement

Corporate

No. of Virements 1

1 Virement is required from

		2018/19	2019/20	2020/21
Department Service	Asset & Infrastructure	£	£	£
	Major Projects	(30,000)	0	0
	Property & Facilities Management	(150,000)	0	0
Department Service	Culture & Sport	£	£	£
	Sports Services	(40,000)	0	0
Department Service	Economic Development & Corporate Services	£	£	£
	Corporate Policy	(10,000)	0	0
Department Service	Children & Young People	£	£	£
	Children & Families Social Work	(300,000)	0	0
	Early Years	(482,000)	(482,000)	(482,000)
	Central Schools	(63,000)	(63,000)	(63,000)
Department Service	Customer & Communities	£	£	£
	Customer Advice & Support Services	(21,000)	(21,000)	(21,000)
Department Service	Finance, IT & Procurement	£	£	£
	Loan Charges	(1,000,000)	(282,000)	(282,000)
Department Service	Human Resources	£	£	£
	Human Resources	(30,000)	(30,000)	(30,000)
Department Service	Regulatory Services	£	£	£
	Passenger Transport	(50,000)	0	0
	Planning Services	(24,000)	(8,000)	(8,000)
	Housing Strategy & Services	(15,000)	(15,000)	(15,000)
Department Service	Financed by	£	£	£
	Council Tax Reduction Scheme	(635,000)	(635,000)	(635,000)
Department Service	Customer & Communities	£	£	£
	Customer Advice & Support Services	(116,000)	0	0
	Business Planning & Policy Development	(26,000)	0	0
	Democratic Services	(13,000)	0	0
Department Service	Financed by	£	£	£
	Reserves	(768,000)	0	0

To

	2018/19	2019/20	2020/21
Department	Health & Social Care	£	£
Service	Services in Criminal Justice System	45,000	0
	Generic Services	380,365	330,365
	Joint Learning Disability	149,551	139,551
	Older People	1,049,911	699,911
	People with Physical Disabilities	1,173	1,173
	Joint Mental Health	40,000	0

Department	Asset & Infrastructure	£	£
Service	Fleet Management Services	50,000	0
	Cleaning & Facilities Management	60,000	60,000
	Neighbourhood Operations	244,000	144,000
	Property & Facilities Management	168,000	0

Department	Human Resources	£	£
Service	Communications & Marketing	50,000	50,000
	Corporate Transformation	31,000	0

Department	Customer & Communities	£	£
Service	Corporate Savings	1,504,000	0

Department	Finance, IT & Procurement	£	£
Service	Finance	0	111,000

Because	Reallocation of Corporate budgets to address corporate pressures across the Council. Details can be found in the monitoring report.		
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Budget Virement Requirement

Assets & Infrastructure

No. of Virements 2

1 Virement is required from

Department	Assets & Infrastructure	2018/19	2019/20	2020/21
Service	Waste Management Services	£	£	£
Budget Head	Employee Costs	(107,000)		

To

Department	Regulatory Services	2018/19	2019/20	2020/21
Service	Planning	£	£	£
Budget Head	Income	107,000		

Because

Transfer of budget from Waste Services towards Planning & Building Standards Fee Income pressure.

2 Virement is required from

Department	Asset & Infrastructure	2018/19	2019/20	2020/21
Service	Network & Infrastructure Asset Management	£	£	£
Budget Head	Income	(215,000)	0	0

To

Department	Asset & Infrastructure	2018/19	2019/20	2020/21
Service	Property Management Services	£	£	£
Budget Head	Premises Related Expenditure	215,000	0	0

Because

Additional management fee income to offset pressure resulting from delays in implementation of property rationalisation.

Budget Virement Requirement

Children & Young People

No. of Virements 5

1 Virement is required from

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Central Schools	£	£	£
Budget Head	Third Party Payments	(1,841,280)	0	0

To

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Primary Schools	£	£	£
Budget Head	Employee Costs	1,390,680	0	0

Service	Secondary Schools	£	£	£
Budget Head	Employee Costs	450,600	0	0

Because

To allocate Pupil Equity Funding (PEF) to Primary and Secondary schools.

2 Virement is required from

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Central Schools	£	£	£
Budget Head	Employee Costs	(73,885)		

To

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Early Years	£	£	£
Budget Head	Third Party Payments	1,629	0	0

Service	Primary Schools	£	£	£
Budget Head	Third Party Payments	34,538	0	0

Service	Secondary Schools	£	£	£
Budget Head	Third Party Payments	30,696	0	0

Service	Additional Support Needs	£	£	£
Budget Head	Third Party Payments	7,022	0	0

Because

To devolve Continuing Professional Development (CPD) budget to Early Years, Primary Schools, Secondary Schools and Additional Support Needs for Teachers training.

3 Virement is required from

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Central Schools	£	£	£
Budget Head	Employee Costs	(32,184)	0	0

To

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Primary Schools	£	£	£
Budget Head	Employee Costs	(12,556)	0	0

Service	Secondary Schools	£	£	£
Budget Head	Employee Costs	44,740	0	0

Because

To devolve budgets to Primary and Secondary Schools to reflect probationer recruitment for the 2017/18 summer term.

4 Virement is required from

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Central Schools	£	£	£
Budget Head	Employee Costs	(50,425)	0	0

To

Department	Regulatory Services	2018/19	2019/20	2020/21
Service	Legal Services	£	£	£
Budget Head	Employee Costs	25,425	0	0

Department	Human Resources	2018/19	2019/20	2020/21
Service	Human Resources	£	£	£
Budget Head	Employee Costs	25,000	0	0

Because

To transfer budget from Central Schools to Regulatory Services to fund dedicated legal support for the School Estates Review and to Human Resources to part fund dedicated support.

5 Virement is required from

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Early Years	£	£	£
Budget Head	Employee Costs	(50,000)	0	0

To

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Children & Families Social Work	£	£	£
Budget Head	Employee Costs	(50,000)	0	0

Because

To transfer budget from Early Years to cover two additional part year Social Workers in Children & Families.

Budget Virement Requirement

Health & Social Care

No. of Virements 1

1 Virement is required from

Department	Health & Social Care	2018/19	2019/20	2020/21
Service	Older People	£	£	£
Budget Head	Third Party Payments	(300,000)		

To

Department	Health & Social Care	2018/19	2019/20	2020/21
Service	Generic services	£	£	£
Budget Head	Transfer Payments	250,000		

Service	People with Physical Disabilites	£	£	£
Budget Head	Transfer Payments	50,000		

Because

Transfer of Budget form Older People to Generic and Physical Disabilites to meet current demand pressures

Budget Virement Requirement

Customer & Communities

No. of Virements 2

1 Virement is required from

Department	Customer & Communities	2018/19	2019/20	2020/21
Service	Localities Fund	£	£	£
Budget Head	Supplies & Services	(50,000)		

To

Department	Assets & Infrastructure	2018/19	2019/20	2020/21
Service	Neighbourhood Services	£	£	£
Budget Head	Supplies & Services	50,000		

Because

Transfer from Locality Public Nuisance fund to Neighbourhood services to fund the delay in the removal of bedding plants.

Budget Virement Requirement

Finance, IT & Procurement

No. of Virements 1

1 Virement is required from

Department	Finance, IT & Procurement	2018/19	2019/20	2020/21
Service	Finance & Pensions & Investment	£	£	£
Budget Head	Loan Charges	(800,000)		

To

Department	Human Resources	2018/19	2019/20	2020/21
Service	Corporate Savings	£	£	£
Budget Head	Employee Costs	800,000		

Because

Reduced borrowing requirement due to favourable interest rates to support corporate pressures.

Budget Virement Requirement

Regulatory Services

No. of Virements 1

1 Virement is required from

Department	Regulatory Services	2018/19	2019/20	2020/21
Service	Passenger Transport	£	£	£
Budget Head	Employee Costs	(16,556)	(16,556)	(16,556)

To

Department	Assets & Infrastructure	2018/19	2019/20	2020/21
Service	Cleaning Services	£	£	£
Budget Head	Employee Costs	16,556	16,556	16,556

Because

Permanent transfer of budget to fund Galashiels Transport Interchange cleaner to reduce recharging across Council services.

Budget Virement Requirement

Financed by

No. of Virements 3

1 Virement is required from

Department	Financed by	2018/19	2019/20	2020/21
Service	Revenue Support Grant (RSG)	£	£	£
Budget Head	Income	(1,424,261)	0	0

To

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Early Years	£	£	£
Budget Head	Employee Costs	1,424,261	0	0

Because

To allocate grant funding from Scottish Government for Early Learning and Childcare 1140 hours expansion 2018/19 rollout.

2 Virement is required from

Department	Financed by	2018/19	2019/20	2020/21
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(63,000)	0	0

To

Department	Children & Young People	2018/19	2019/20	2020/21
Service	Central Schools	£	£	£
Budget Head	Third Party Payments	63,000	0	0

Because

To allocate Revenue Support Grant funding for implementation of the 1+2 language policy.

3 Virement is required from

Department	Financed by	2018/19	2019/20	2020/21
Service	Reserves	£	£	£
Budget Head	Capital Financing Costs	(261,000)	0	0

To

Department	Human Resources	2018/19	2019/20	2020/21
Service	Corporate Savings	£	£	£
Budget Head	Employee Costs	178,000	0	0

To

Department	Asset & Infrastructure	2018/19	2019/20	2020/21
Service	Property Management Services	£	£	£
Budget Head	Premises Related Expenditure	18,000	0	0

To

Department	Health & Social Care	2018/19	2019/20	2020/21
Service	Older People	£	£	£
Budget Head	Third Party Payments	12,000	0	0

To

Department	Health & Social Care	2018/19	2019/20	2020/21
Service	Generic Services	£	£	£
Budget Head	Third Party Payments	53,000	0	0

Because

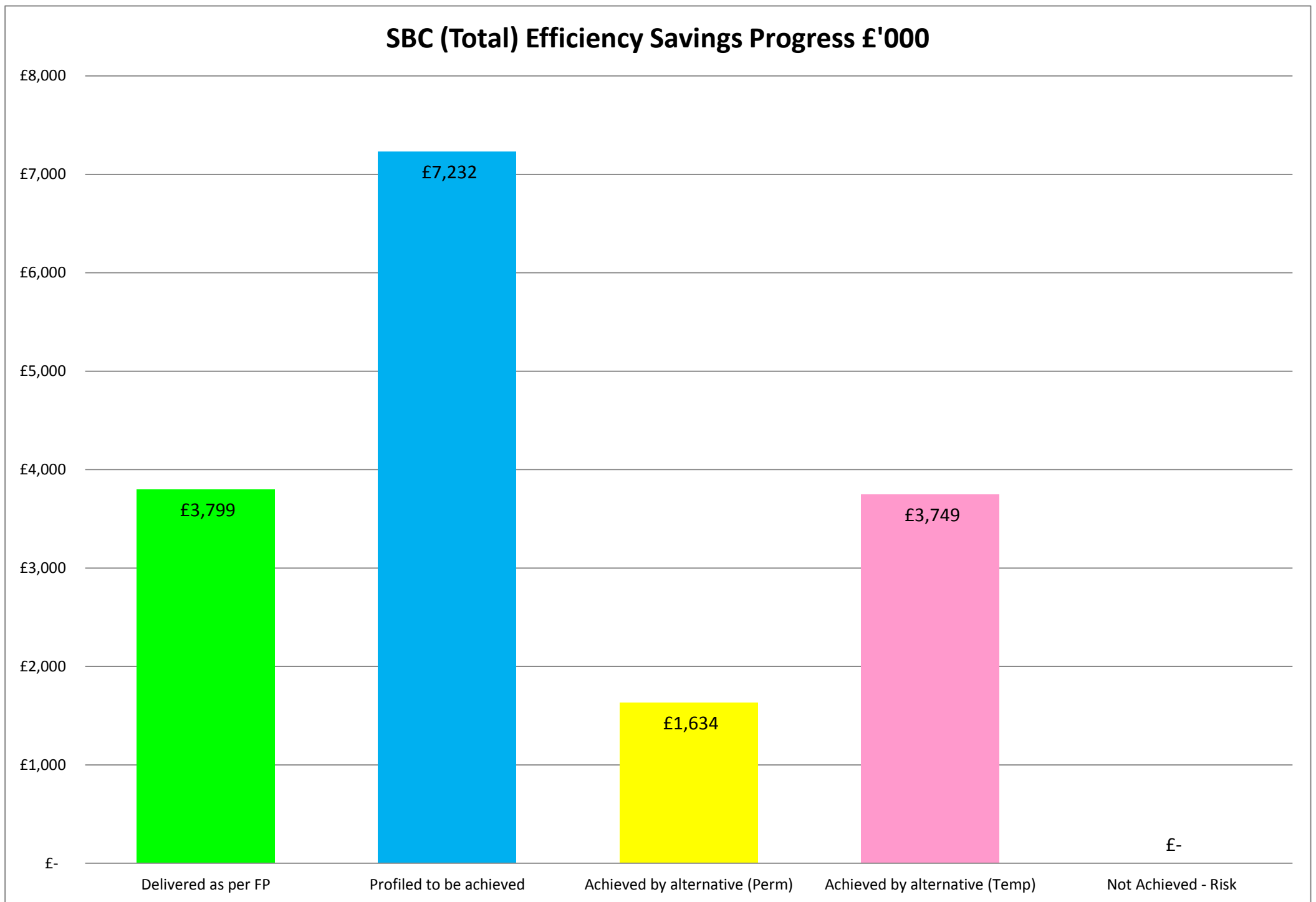
Use of 2017/18 underspend to address corporate pressures.

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FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

SBC Total

Status	Saving £'000	Saving %
Delivered as per FP	£ 3,799	23%
Profiled to be achieved	£ 7,232	44%
Achieved by alternative (Perm)	£ 1,634	10%
Achieved by alternative (Temp)	£ 3,749	23%
Not Achieved - Risk	£ -	0%
	16,414	100%



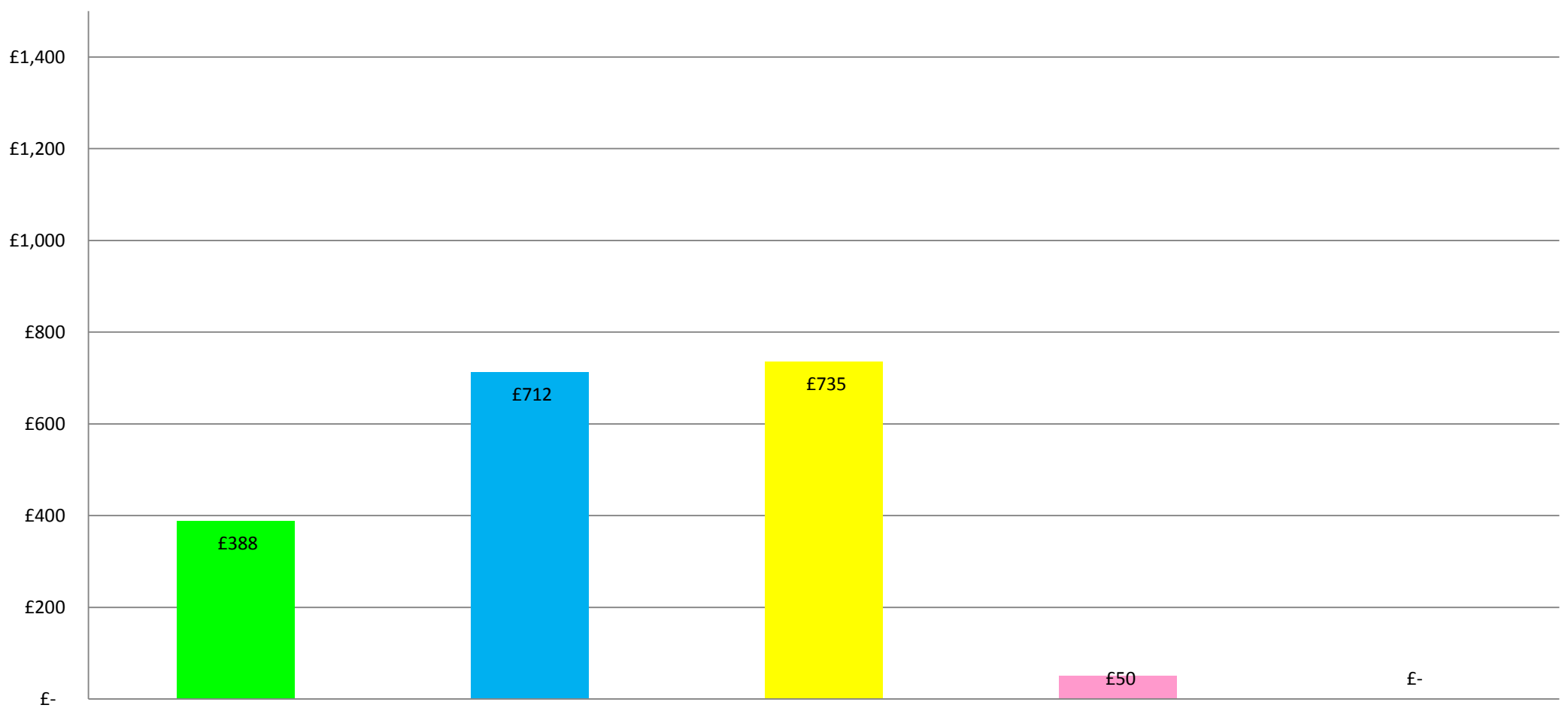
FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

CONTRACTED SERVICES

Savings :

£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings					
SBCares - 2016/17 Contribution increase not delivered permanently	236		236		
SBCares - 2017/18 Contribution increase not delivered permanently	177		177		
2018/19 Savings:					
SB Cares Contribution to SBC General Fund per Original Business Case	162		162		
SB Cares Structure Review					
Implement relief staff management tool	80	80			
Offer new relief bank of staff agency service for other Borders providers at commercial rate.	20		20		
Implement equitable support worker structure in Care Homes	20	10	10		
Review of how Sleep-Ins are provided	80	40	40		
Review of Finance System – use Business World as an alternative - Licence & Maintenance Fee Saving	20		20		
Increase pool car fleet in homecare	20	20			
Review provision of fleet across all services	10	10			
Brokerage service – Management fee for promoting services – Community provision e.g. Care & Repair	10		10		
East Lothian collaboration for the provision of Alarms Service	200	150		50	
Review of Bordercare and Community Equipment Service delivery structures	80	20	60		
Improved Workforce Absence Management	75	75			
Improved Workforce Additional Hours Management - avoiding premium overtime rate	75	75			
Management Fee Reduction to Live Borders	388	388			
Corporate Commissioning	232	232			
	1,885	388	712	735	50
					0

Contracted Services Savings £000's



Delivered as per FP

Profiled to be achieved

Achieved by alternative (Perm)

Achieved by alternative (Temp)

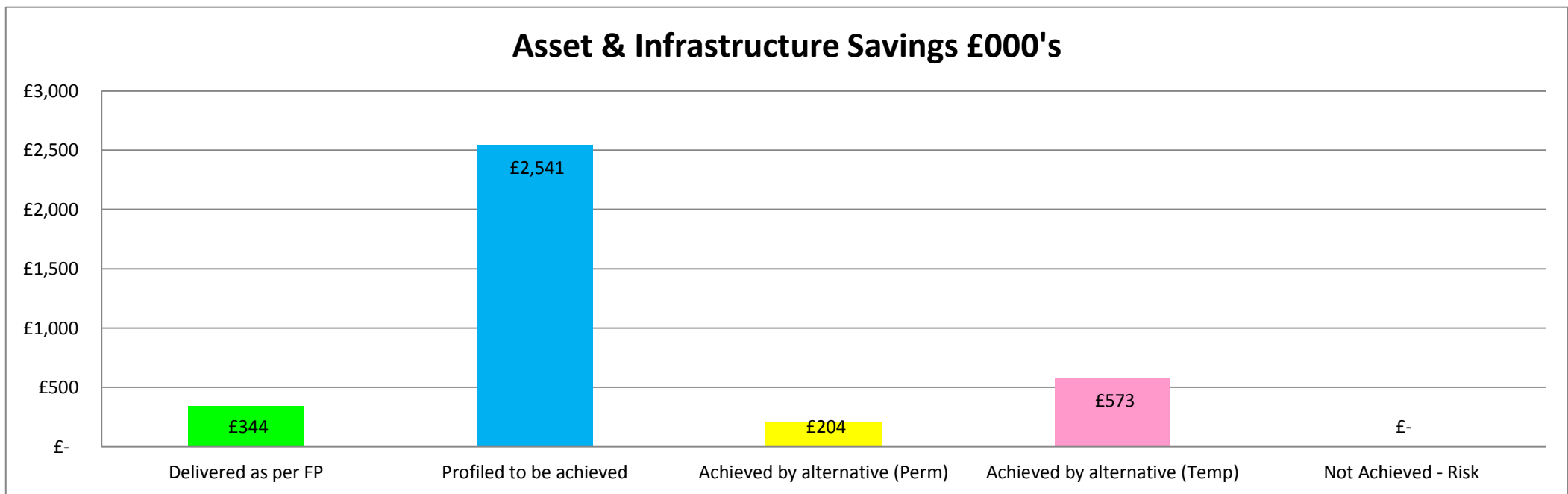
Not Achieved - Risk

FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

ASSETS & INFRASTRUCTURE

Savings :

	£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings						
Roads review savings	444		444			
Cleaning Services Rationalisation (inc Janitor, crossings)	260		260			
More efficient property and asset portfolio	120	20			100	
Review of Street Lighting provision (SLEEP project)	62		62			
Increase in minimum rental charge (property & allotments)	20		20			
Develop an Integrated Waste Plan	234		234			
New delivery model for Public Toilet provision	144			144		
Place Fees & Charges	111		111			
Charge Estate Management time	25		25			
Modernise Winter operations	100		100			
Neighbourhoods home to work mileage	20		20			
Janitorial Review	50		50			
Energy Efficiency Project	34		34			
2018/19 Savings:						
Energy Efficiency Project	119		51		68	
PPP - Savings in contract utility costs	100		100			
Staff Canteen Efficiency	60		60			
Catering - increased income from expansion of nursery hours	71		71			
Catering - increased income from higher Secondary Schools meals uptake.	75		75			
Catering - Marketing budget reduction	20	20				
Cleaning Service Rationalisation	20		20			
Cleaning - Review of School Crossing Pastrol provision	60			60		
Projects - Feasibility budget reduction	30	30				
Review of Winter working patterns / overtime	50		50			
Neighbourhoods - Grass cutting, Biodiversity, Floral Detail, Access	345		245		100	
Education Grounds Maintenance	20		20			
Roads Review savings	100		100			
Increased surplus from Fleet Management	56	56				
Waste : Kerbside Collection Review	175		175			
Waste : Leachate Management budget reduction	100	100				
Waste : Community Recycling Centres	40		40			
Waste Fees & Charges	105	105				
Additional Income across A&I	8	8				
Corporate - Property & Assets	284	5	24		255	
Corporate - Vehicle Tracking and Scheduling	100		50		50	
Corporate Landlord	100		100			
	3,662	344	2,541	204	573	0

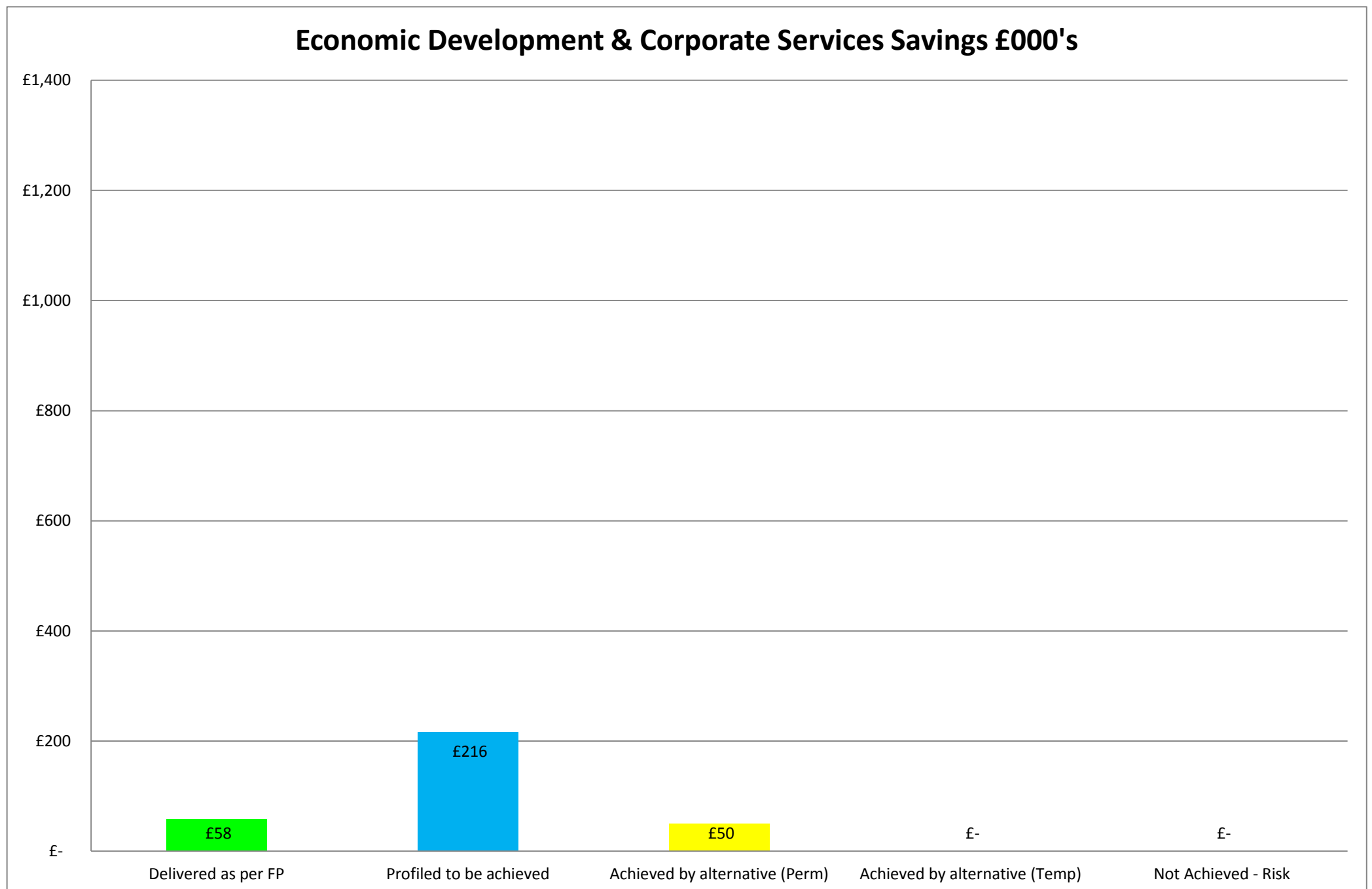


FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

ECONOMIC DEVELOPMENT & CORPORATE SERVICES

Savings :

	£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings						
SBConnect Advertising	50			50		
Reduction in external printing costs	25		25			
Reduction in printing contract through contract renewal	30		30			
Savings in Housing Strategy & Services	11		11			
2018/19 Savings:						
Shared Service opportunities with Dumfries & Galloway	150		150			
Business Gateway	10	10				
Housing Strategy savings	30	30				
Commercial Rent income	0					
Travel in Emergency Planning	4	4				
Resilient Communities materials budget	5	5				
Communications Web and Digital Media post	9	9				
	324	58	216	50	0	0



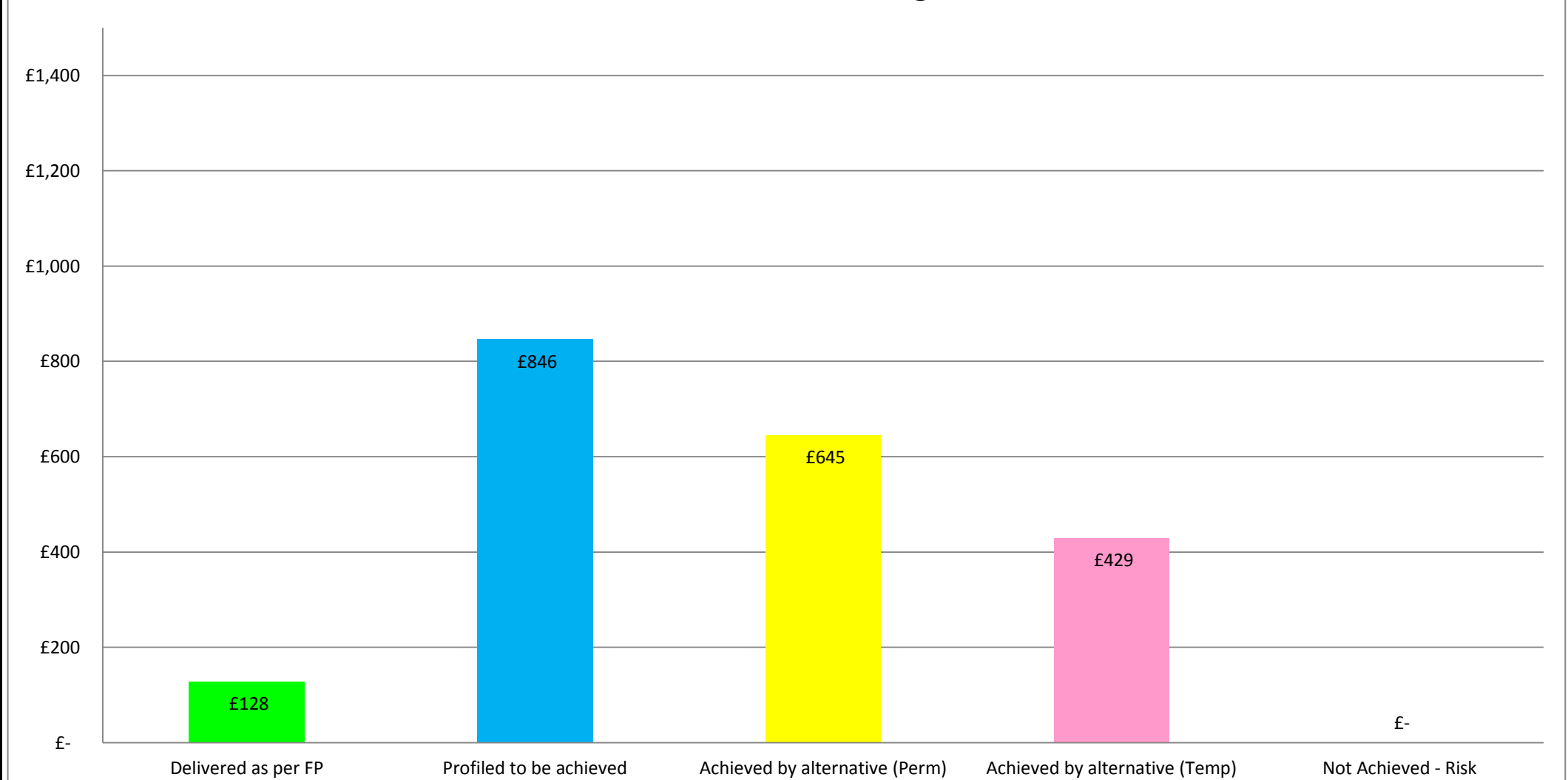
FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

HEALTH & SOCIAL CARE

Savings :

£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings					
£'000					
Review of Business Management & Specialist posts	53			53	
Review of Commissioning arrangements	597		597		
2018/19 Savings:					
Purchase Criminal Justice Service (CJS) training (e.g. Health and Safety) from Scottish Borders Council instead of an external provider	2	2			
Review of Day Services (Older People and Learning Disability)	290		145	145	
Review of non-day service functions from SB Cares	100			100	
Review and recommission of Specialist Care and Support Services (Older People)	250			250	
Review the Shopping Service (Older People)	41	23			18
Review Commissioned Services including SB Cares within Learning Disability Service	100			100	
Decommission Learning Disability Services with new alternatives.	76	66	10		
Reduction in Night-Time Support (note the wider context of a future strategic review of Night-Time Support) (Learning Disability)	74		74		
Decommission Learning Disability Services delivered by Borders College	24	24			
Decommission a specific Adults with Learning Disability contract	10			10	
Decommission 2 Mental Health services with identified alternatives	53	13		40	
Greater Use of Technology	100			100	
Undertake a productivity review programme across Adult Social Work services	88				88
Review management arrangements across all Adult social work services	60			60	
Review Community Based Services (considering posts / skill mix) covering Occupational Therapy and Social Work	110			110	
Review all small grants, contributions to communities and payments to 3rd sector organisations	20		20		
	2,048	128	846	645	429
					0

Health & Social Care Savings £000's

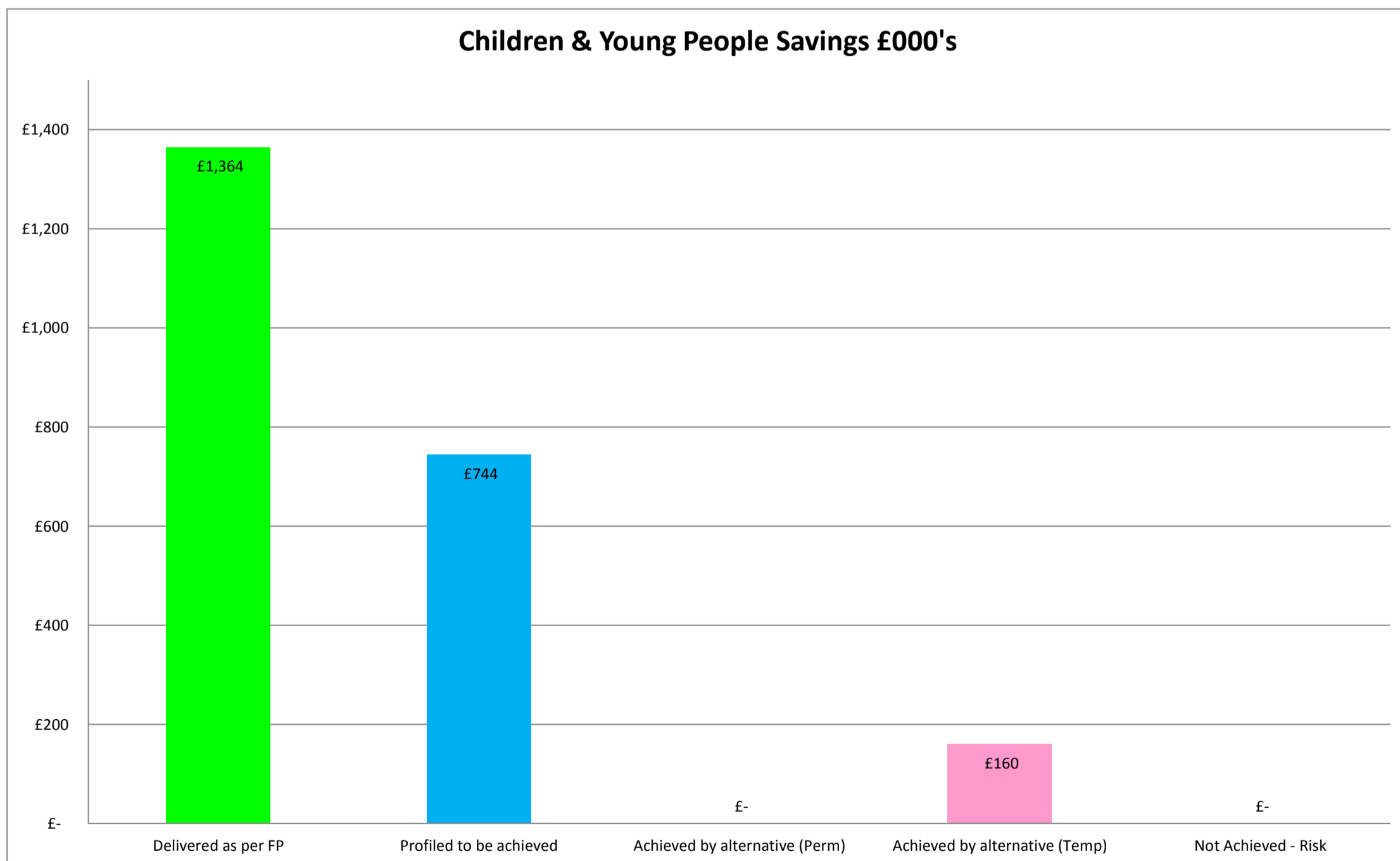


FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

CHILDREN & YOUNG PEOPLE

Savings :	£'000	Delivered as per FP	Profiled to be achieved*	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings						
School Library Review	125				125	
Review Outdoor Education Service	55	55				
2018/19 Savings:						
Review of Early Years Service aligning budget with 2017/18 service delivery	320	320				
Reduction in Teacher Numbers	230	218	12			
School Estate Review	85	85				
Music Tuition Review	50		35		15	
Outdoor Education Review	55	35			20	
School Library Review	75		75			
Central Schools Review	476	476				
ASN Passenger Transport Review	200	170	30			
Children & Families Social Work – reduce external placements	400		400			
Review of Children & Families Social Work service	100		100			
Reduce the Social Work team by 1 FTE	42		42			
Increased Fees & Charges	5	5				
Review of Community Learning & Development (CLD) service (Adults & Youth)	50		50			
	2,268	1,364	744	0	160	0

* Profiled to be achieved is indicative of the academic year running from Mid-August 2018 to June 2019

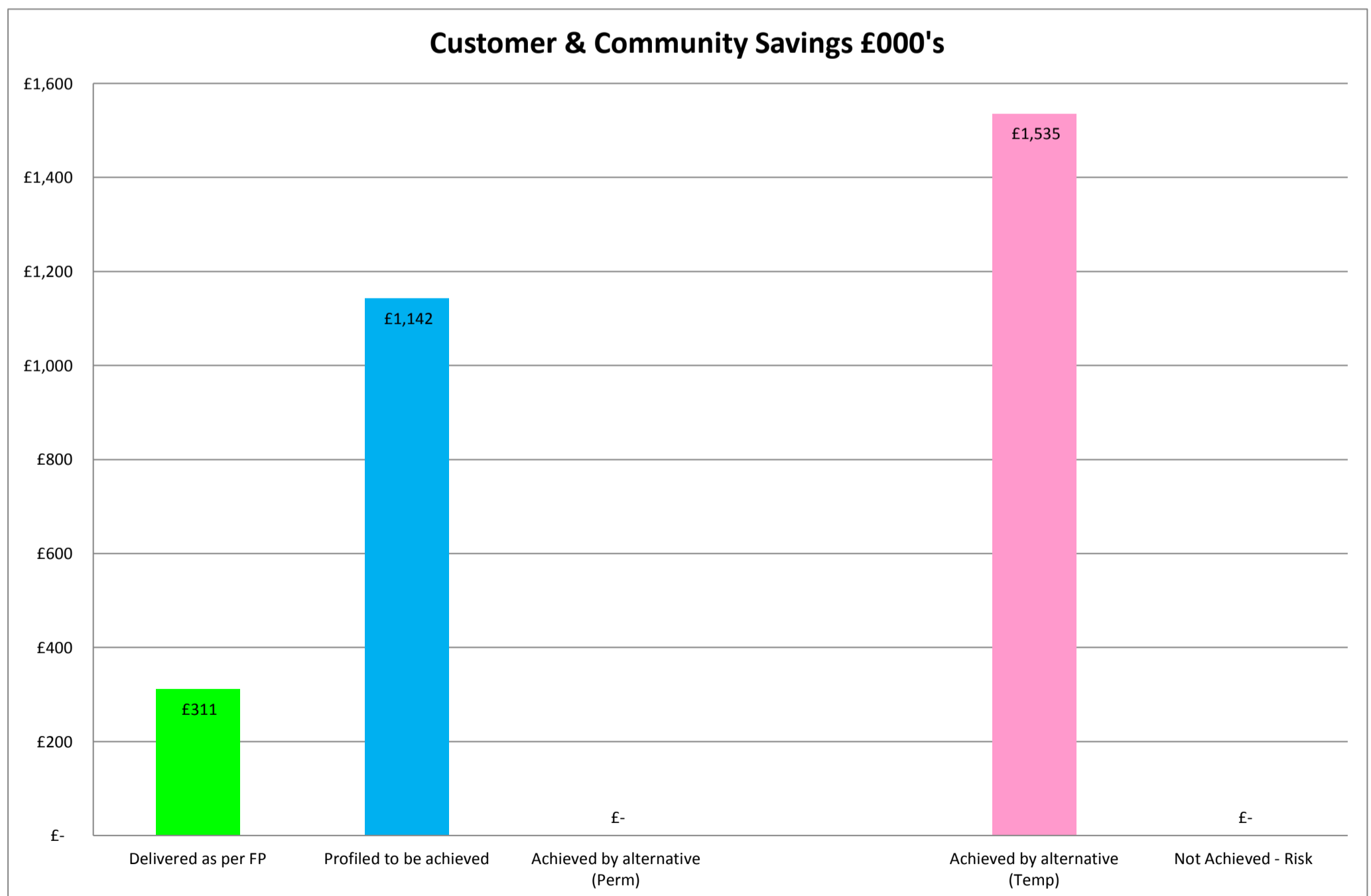


FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

CUSTOMER & COMMUNITIES

Savings :

£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings					
Review commissioning arrangements (Grants)	200		169	31	
Register New Properties	22		22		
Corporate - Digital Transformation	1180		851	329	
2018/19 Savings:					
Maximise funding opportunities from partners	100		100		
Performance Team: Grade 8 to Modern Apprentice	15	15			
Integrated Customer Services Model	161	161			
Housing Benefits overpayment	0				
Democratic Services vacancy	35	35			
Corporate - Digital Transformation	1,175			1175	
Corporate - Council Tax Reduction Scheme	100	100			
	2,988	311	1,142	0	1,535

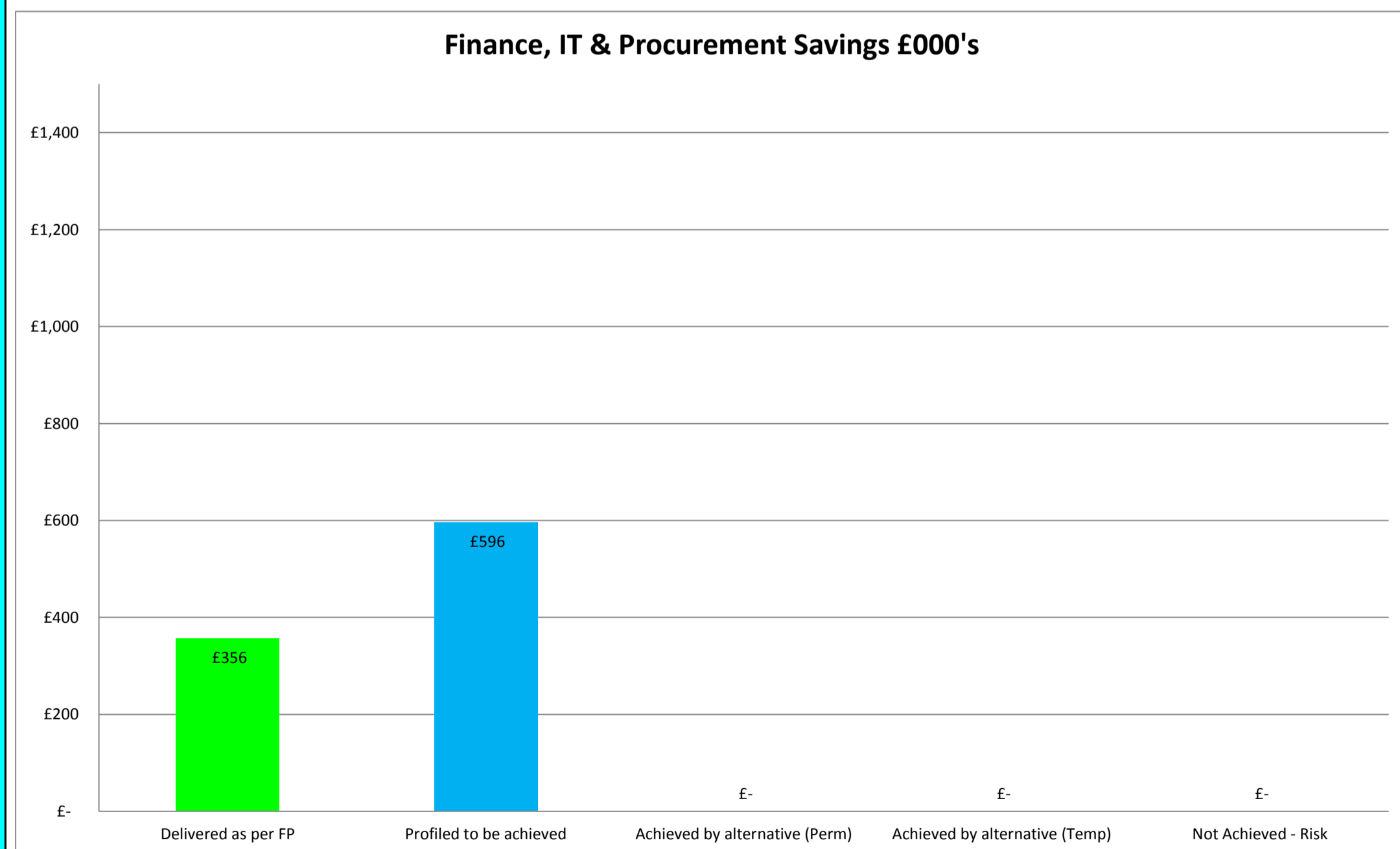


FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

FINANCE, IT & PROCUREMENT

Savings :

	£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings						
Corporate - Procurement savings across all departments	120	120				
2018/19 Savings:						
Self insurance approach	0					
Common Good Grants	27	27				
IT Licensing	10		10			
NHS Borders IT disaster recovery	15		15			
Corporate - Top slice external grants received	500		500			
Corporate - Mobile phone contracts	30	15	15			
Corporate - Procurement savings across all departments	250	194	56			
	952	356	596	0	0	0



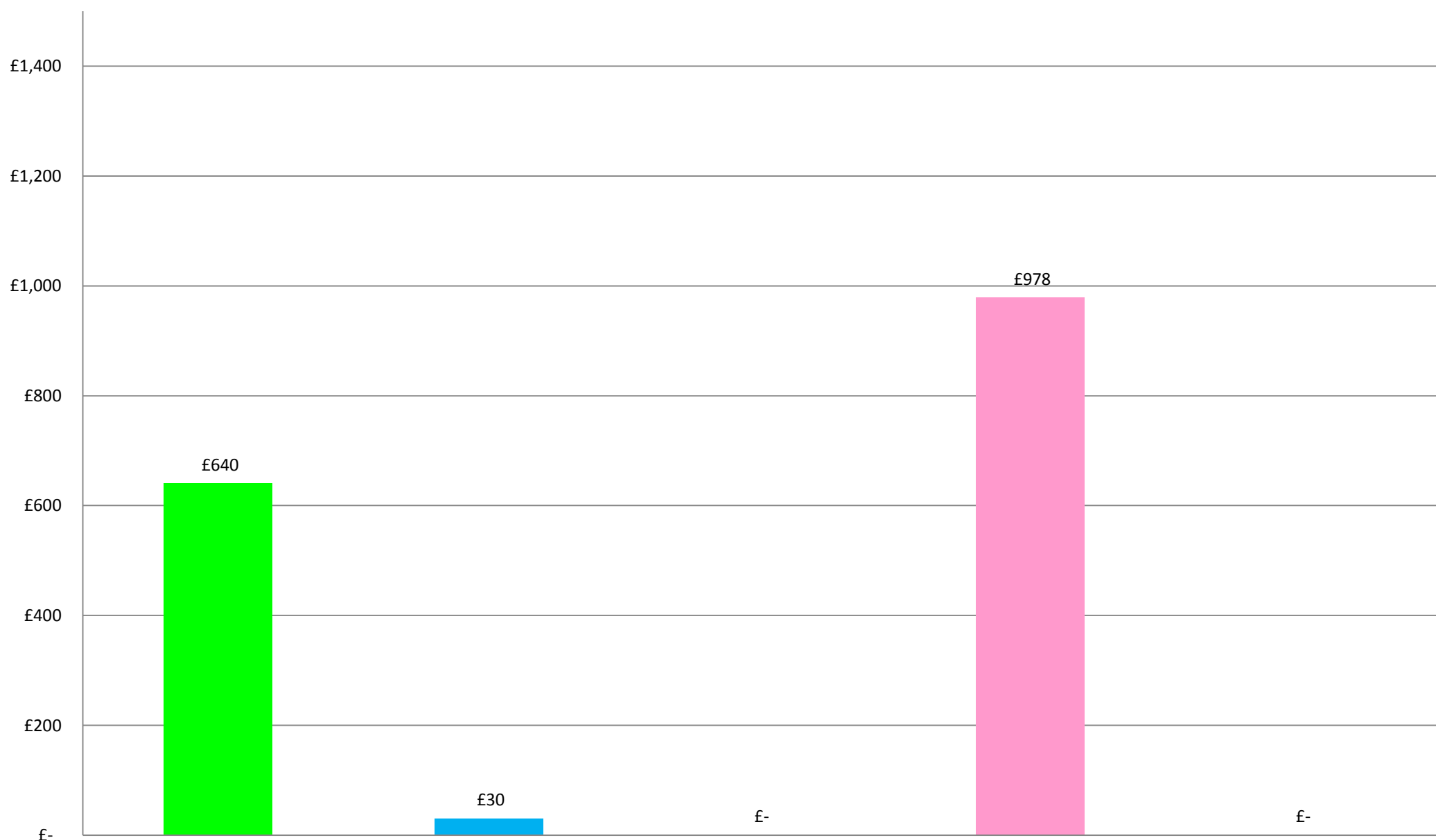
FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

HUMAN RESOURCES

Savings :

£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings					
HR - Reduction occupational health	30		30		
Organisational Efficiencies (C Hepburn)	390	390			
2018/19 Savings:					
Human Resources, HRSS Discretionary spend	10	10			
Reduce Subscription for Licenses	5	5			
Apprenticeship Levy income assumption	50	50			
Salary Sacrifice income assumption	14	14			
Organisational Efficiencies (C Hepburn)	601	171		594	
Changes to working practices (C Hepburn)	548			384	
	1,648	640	30	978	0

Human Resources Savings £000's



Delivered as per FP

Profiled to be achieved

Achieved by alternative (Perm)

Achieved by alternative (Temp)

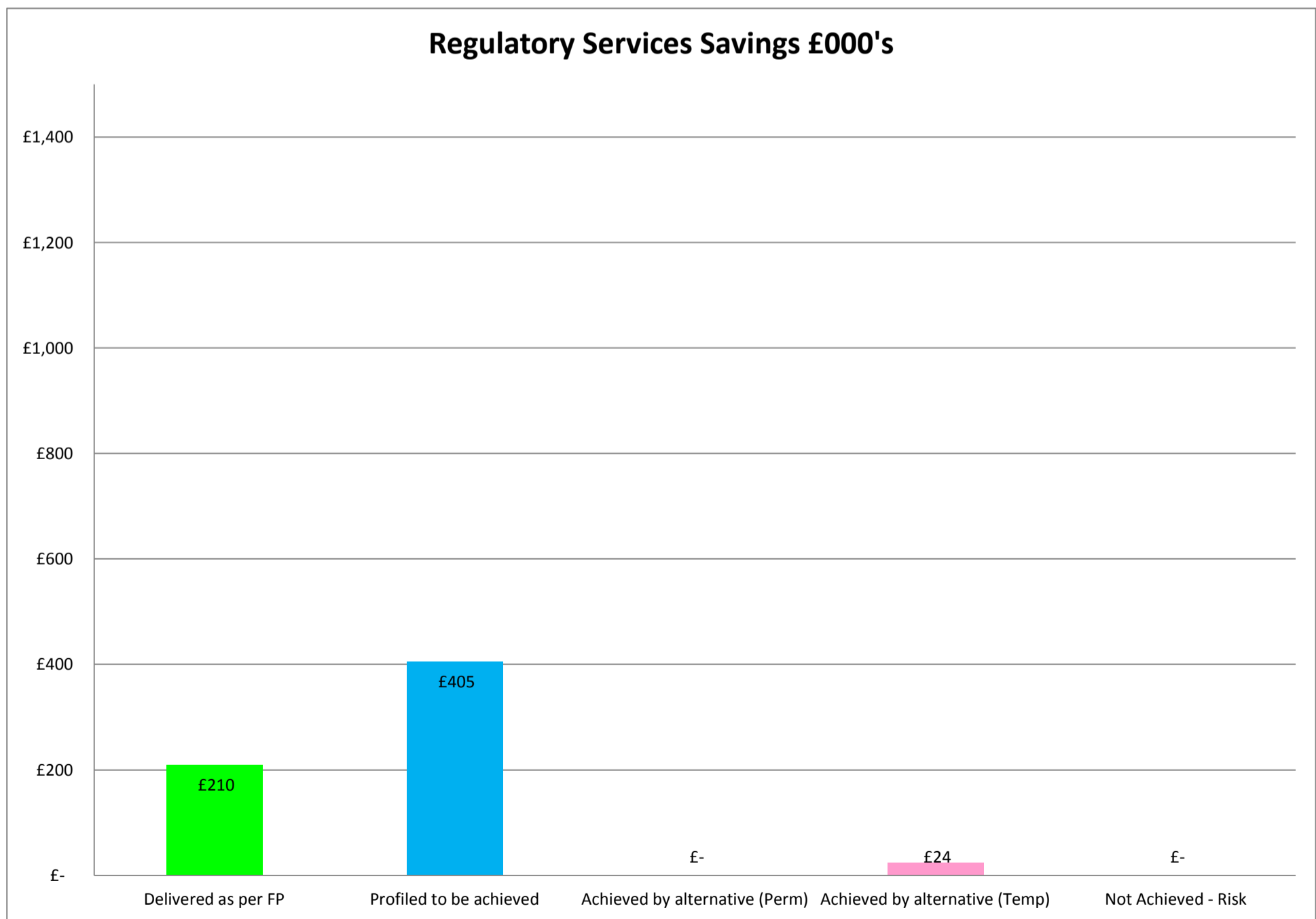
Not Achieved - Risk

FINANCIAL PLAN EFFICIENCY PROGRESS 2018/19

REGULATORY SERVICES

Savings :

	£'000	Delivered as per FP	Profiled to be achieved	Achieved by alternative (Perm)	Achieved by alternative (Temp)	Not Achieved
Brought Forward Savings						
Regulated Bus Fares	58	58				
2018/19 Savings:						
Planning Fee Income	100		100			
Phase 2 staffing reductions within Planning Service	50		50			
Additional income from Pre-Planning advice	10	10				
SESPLAN Payment Reduction	35	35				
Assessors - reduction in caseworker numbers	22	8			14	
Assessors - bulk printing savings	10				10	
Regulated Bus Fares	40		40			
Transport Review Savings	200	58	142			
Provision of shared Audit Service with Mid-Lothian	34	34				
Legal Subscriptions	3	3				
Shared "on call" service for Environmental Health incidents	4	4				
Provision of an Animal Feed Service for other Local Authorities	30		30			
Protective Services Staffing	43		43			
	639	210	405	0	24	0



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BALANCES AT 31 MARCH 2019

Report by Chief Financial Officer

EXECUTIVE COMMITTEE

21 August 2018

1 PURPOSE AND SUMMARY

- 1.1 This report provides the Executive Committee with an analysis of the Council's balances as at 31 March 2018 and advises Members of the projected balances at 31 March 2019.**
- 1.2 The unaudited Council's General Fund useable reserve (non-earmarked) balance was £6.672m at 31 March 2017. This reflects an increase of £0.005m from the draft revenue outturn projected position of £6.667m presented to Members on 19 June 2018 prior to the production of the unaudited accounts. The increase is as a result of some minor technical adjustments (£0.005m). The projected General Fund useable reserve is projected at £6.315m at the 31st March 2019 in line with the Council's Financial Strategy.
- 1.3 The Council's Allocated reserve balance was £5.058m at 31 March 2018. The projected balance in the allocated reserve at 31st March 2019 is £3.063m, the movement is as a result of:
- £2m has been released to support the 2018/19 Financial Plan as previously agreed by Elected Members;
 - £0.005m has been transferred from the General Fund balance to ER/VS within the Allocated balances;
 - £0.135m has been transferred from CFCRs not applied to ER/VS following year end finalisation of balances required (net nil impact on overall allocated reserve balance).
- 1.4 The total of all useable balances, excluding developer contributions, at 31 March 2019 is projected to be £17.650m, compared to £28.793m at 31 March 2018. As the financial year progresses, earmarked balances to be carried forward to 2019/20 will increase.
- 1.5 The projected balance on the Capital Fund of £4.203m will 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.

2 RECOMMENDATIONS

2.1 It is recommended that the Executive Committee:

- (a) Notes the unaudited 2017/18 revenue balances at 31 March 2018;**
- (b) Notes the projected revenue balances as at 31 March 2019 as per Appendices 1 & 2; and**
- (c) Notes the projected balance in the Capital Fund as per Appendix 3.**

3 ACCOUNTS AND FUNDS OPERATED BY THE COUNCIL

3.1 Income and expenditure relating to the Council's services are accounted for and financed through the following funds (as required or permitted by statute):

- (a) General Fund
- (b) Corporate Property Repairs & Renewals Fund
- (c) Insurance Fund
- (d) Plant & Vehicles renewals Fund
- (e) Capital Fund

3.2 The balances on these Funds represent the Council's useable reserves which at 31 March 2018, as per the final unaudited accounts, are reflected in the table below. Movements from the draft revenue outturn position presented to the Executive Committee on the 19th June 2018 relate to the finalisation of the final unaudited accounts with some minor technical adjustments reflected as below:

	31/03/18 £m Draft revenue outturn	31/03/18 £m Final unaudited accounts	Movement £m
BALANCES			
Earmarked Balances (non DSM)	5.556	5.556	0
Earmarked Balances (DSM)	2.442	2.442	0
Allocated Balances	5.058	5.058	0
Revenue (Unallocated Reserve)	6.667	6.672	0.005
Corporate Property Repairs & Renewals Fund	0.426	0.426	0
Insurance Fund	1.063	1.063	0
Plant & Vehicles Renewals Fund	5.982	5.982	0
Capital Fund (exc. Developer Contributions)	1.599	1.599	0
	28.793	28.798	0.005

4 BALANCES AT 31 MARCH 2019

4.1 Appendix 1 summarises the projected transactions and resultant projected balances at 31 March 2019 on the General Fund and Appendix 2 shows the projected non-General Fund balances. The net effect is the useable General Fund balance after earmarked funds and allocated reserves is projected to be **£6.315m** at 31 March 2019 which is in line with the recommended level included in the 2018/19 Financial Strategy approved by Council.

4.2 The projections in the statement attached in Appendices 1, 2 and 3 are based on actual expenditure and income to 30 June 2018 and are summarised in the table below.

	31/03/18 £m	31/03/19 projection £m	Movement £m
BALANCES			
Earmarked Balances (non DSM)	5.556	0.064	(5.492)
Earmarked Balances (DSM)	2.442	0	(2.442)
Allocated Balances	5.058	3.063	(1.995)
General Fund (Unallocated Reserve)	6.672	6.315	(0.357)
Corporate Property Repairs & Renewals Fund	0.426	0	(0.426)
Insurance Fund	1.063	1.043	(0.020)
Plant & Vehicles Renewals Fund	5.982	6.285	0.303
Capital Fund (exc. Developer Contributions)	1.599	0.880	(0.719)
	28.798	17.650	(11.148)

Movement in the General Fund allocated and unallocated balances during 2018/19 to date is as a result of:

Allocated balances (net £1.995m movement as per Appendix 1)

- £2m has been released to support the 2018/19 Financial Plan as previously agreed by Elected Members;
- £0.005m has been transferred from the General Fund balance to ER/VS within the Allocated balances;
- £0.135m has been transferred within the Allocated Balance from CFCRs not applied to ER/VS following year end finalisation of the balance required.

General Fund unallocated reserve (£0.357m net movement as per Appendix 1)

- Adjustments to reserves per the 2018/19 Financial plan (£0.677m);
- Decrease in the reserve due to the 2017/18 revenue underspend (£1.029m) being transferred into the 2018/19 revenue budget as agreed by Executive Committee on 19th June 2018;
- Transfer of a statutory accounting balance (£0.005m) to ER/VS within Allocated balances.

- 4.3 The Corporate Financial Risk Register was considered at the Council Meeting on 20 February 2018 and identifies potential risks which include failure to control budgets within approved limits, severe weather events, the economic downturn, potential contractual claims and unplanned emergencies. The accumulated financial risk in the Risk Register is assessed to be at £11.063m and the projected useable General Fund balance, at £6.315m, is sufficient to cover 57% of risks identified at that time. £6.315m is the recommended level of General Fund Reserve identified in the Financial Strategy approved by Council on 20 February 2018. The general fund reserve will continue to be monitored through the Corporate Financial Risk Register on a regular basis.

4.4 Allocated balances have decreased by a net £1.995m during 2018/19 to date as outlined in paragraph 4.2 above. All movements are set out below:

ALLOCATED BALANCES	31st March 2018 £m	Increase during 2018/19 £m	Released during 2018/19 £m	31st March 2019 £m
General Financial Plan	2.000	0	(2.000)	0
CFCRs not yet applied to capital	0.135	0	(0.135)	0
IT transformation	1.030	0	0	1.030
Municipal Mutual	0.242	0	0	0.242
Adverse Weather (including flood)	1.000	0	0	1.000
Approved contribution to Energy Efficiency & Change Fund	0.300	0	0	0.300
ER/VS	0.351	0.140	0	0.491
Total	5.058	0.140	(2.135)	3.063

4.5 Appendix 3 details the balances currently held in the Capital Fund. These balances are temporarily held in the Loans Fund and will attract interest at the end of the financial year. The Fund can only be used for capital purposes or to repay external debt.

5 IMPLICATIONS

5.1 Financial

There are no financial implications beyond those contained in the report and appendices.

5.2 Risk and Mitigations

The major risks associated with this report are that the level of projected balances proves to be insufficient. Service budget pressures plus unexpected liabilities are the most likely sources of pressure on reserves. Current pressures being highlighted through the 2018/19 revenue monitoring process increase the likelihood of a draw down from reserves being required in 2018/19. These risks are being managed through regular monitoring of financial activity in all funds of the Council, including regular revenue and capital budgetary control reports to the Executive Committee. In addition the Corporate Financial Risk Register is regularly reviewed by senior Finance staff.

5.3 Equalities

There are no adverse equality issues arising from the report.

5.4 Acting Sustainably

There are no economic, social or environmental effects associated with this report.

5.5 Carbon Management

There are no effects on carbon emissions associated with this report.

5.6 Rural Proofing

This report does not relate to a new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the Schemes of Administration or Delegation as a result of this report.

6 CONSULTATION

6.1 The Corporate Management Team, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit & Risk, the Chief Officer HR, and the Clerk to the Council have been consulted and any comments have been reflected in the report.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Suzy Douglas	Financial Services Manager 01835 824000 X5881
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Background Papers:
Previous Minute Reference:

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SCOTTISH BORDERS COUNCIL
GENERAL FUND BALANCES AT 31 MARCH 2019

	GENERAL FUND £'000's	GENERAL FUND (DSM) £'000's	GENERAL FUND (EAR-MARKED) £'000's	ALLOCATED RESERVES £'000's	TOTAL £'000's
Balance at 1 April 2018	6,672	2,442	5,556	5,058	19,728
Projected Income (RSG, NDR, Council Tax)	259,266				259,266
Projected Net Revenue Expenditure	(269,552)				(269,552)
Earmarked Balances from previous year	7,934	(2,442)	(5,492)		0
Allocation of statutory adjustment balance to ER/VS	(5)			5	0
Funding allocated Financial Plan Revenue	2,000			(2,000)	0
Transfer allocated reserve from CFCR to ER/VS				(135)	(135)
Transfer allocated reserve from CFCR to ER/VS				135	135
Projected Balance at 31 March 2019	6,315	0	64	3,063	9,442

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SCOTTISH BORDERS COUNCIL
REVENUE FUND BALANCES AT 31 MARCH 2019
(EXCLUDING GENERAL FUND)

	CORPORATE PROPERTY REPAIRS & RENEWALS FUND £'000's	PLANT & VEHICLES RENEWAL FUND £'000's	INSURANCE FUND £'000's	TOTAL £'000's
Balance at 1 April 2018	426	5,982	1,063	7,471
Projected Income	<u>2,222</u>	<u>2,181</u>	<u>1,580</u>	<u> </u>
	2,648	8,163	2,643	7,471
Projected Expenditure	2,598	1,878	1,600	
Contribution to Reserves				-
Transfer to/from General Fund	<u>50</u>	<u> </u>	<u> </u>	<u>50</u>
Projected Balance at 31 March 2019	-	6,285	1,043	7,421

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MONITORING OF THE CAPITAL FINANCIAL PLAN 2018/19

Report by Chief Financial Officer

EXECUTIVE COMMITTEE

21 August 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report updates the Executive Committee on the progress of the 2018/19 Capital Financial Plan, seeks approval for projected outturns and associated virements, and the reallocation of funds.**
- 1.2 The monitoring tables in Appendix 1 report on actual expenditure to 30 June 2018. Key issues identified in these tables are summarised within the main report.
- 1.3 The tables identify a projected net variance of £4.922m against the approved budget. The net in year budget decrease of £4.922m is primarily due to net budget timing movements to future years of £6.302m, the most significant of which is the Central Borders Business Park, £4.554m and Hawick Regeneration Block £1.862m offset by a net in year budget increase of £1.38m due to additional external funding secured to fund projects.
- 1.4 Appendix 2 contains a list of the block allocations approved for this year and the various approved and proposed projects to be allocated from them within the 2018/19 Capital Plan.
- 1.5 Appendix 3 contains a list of estimated whole project capital costs for single projects which will not be completed in the current financial year.
- 1.6 Reflected in the current Capital Plan is additional budget as a result of timing movements within programme from previous financial years. Further timing movements are emerging at the end of the first quarter with budget now being transferred into future financial years. As a result a review of the capital investment planning process will be undertaken during this financial year to assess how well the Council is complying with the best practice principles set out in the Audit Scotland guide. A Capital Investment Strategy per the requirements of the CIPFA prudential code will also be produced as part of the 2019/20 financial planning process.

2 RECOMMENDATIONS

2.1 It is recommended that the Executive Committee:

- (a) **Agrees the projected outturns in Appendix 1 as the revised capital budget and approves the virements required;**
- (b) **Notes the budget virements previously approved by the Chief Financial Officer and Service Director Assets & Infrastructure detailed in Appendix 2 under delegated authority;**
- (c) **Notes the list of block allocations detailed in Appendix 2;**
- (d) **Notes the list of whole project costs detailed in Appendix 3;**
- (e) **Agrees that a review of Capital planning and investment be carried out to be considered alongside the September month**

end reporting presented to the Executive Committee in November 2018; and

- (f) Notes that a Capital investment strategy will be developed in line with the requirements of the CIPFA prudential code as part of 2019/20 financial planning process.**

3 BACKGROUND

- 3.1 The Council approved the Capital Plan for the period 2018/19 to 2027/28 on 20 February 2018, which has subsequently been updated to reflect budget adjustments, associated timing movements and other approvals. The movements to the total available budget since the Council meeting is as follows:

	£000s	£000s
Capital Plan 2018/19 as approved at Council 20 February 2018		43,912
In Year Budget Movements		15,777
Latest Approved Capital Plan 2018/19 at 30 June 2018		59,689

- 3.2 The presentation of the monitoring tables in Appendix 1 focuses on the three year Operational Plan of the approved 10 year Capital Financial Plan. The first section of the tables in Appendix 1 focuses in detail on the 2018/19 position; there are three columns each for 2019/20 and 2020/21 and then three columns for the 7 year strategic plan 2021/22 to 2027/28. For 2018/19 the variance between the latest approved budget and the projected outturn is analysed between timing movements between financial years and absolute changes in costs (budget movements). For 2019/20 and 2020/21 the table presents the impact of the total variance projected between the latest approved budget and projected outturn. Below the tables, a narrative is provided where appropriate.
- 3.3 This report is the first monitoring report in the planned reporting schedule for 2018/19.

4 MONITORING THE PLAN

- 4.1 Appendix 1 to this report contains the budget monitoring tables. The actual expenditure to 30 June 2018 is shown together with the projected outturn for the full financial year and where appropriate contains an explanation of budget movements. Appendix 2 also contains any budget and timing movements approved by the Chief Financial Officer and Service Director Assets & Infrastructure under the Financial Regulations approved in June 2016.
- 4.2 The actual expenditure to 30 June 2018 has been adjusted for any credit balances for accrued expenses from 2017/18 which have not yet been invoiced.
- 4.3 Appendix 2 contains a summary for each block allocation within the 2018/19 Capital Plan of approved and proposed proposals for various projects and programmes.
- 4.4 Appendix 3 contains a list of estimated whole project capital costs for single projects where the project will not be completed in the current financial year.

5 SPECIFIC ISSUES

- 5.1 The following sections identify the other key areas of note within the Appendix 1 tables.

5.2 **Roads & Bridges - including RAMP and Winter Damage/Slopes**

Addition from the Strategic Timber Transport Scheme (STTS) of £0.601m. The allocation of these funds are detailed within Appendix 2.

5.3 **Hawick Sustainable Travel Super-Highway**

Sustrans funding of £0.424m has been confirmed to support design work which will be undertaken as part of the Hawick Flood Protection Scheme.

5.4 **Central Borders Business Park**

£4.554m timing movement to 2019/20 to align with updated project timescales.

5.5 **Hawick Regeneration**

£1.862m timing movement to 2019/20 due to unexpected delays within the project.

5.6 **Emergency & Unplanned Schemes**

The table below provides an update on the projected position of the Emergency & Unplanned Schemes:

	£000s
Budget as Approved at Council 20 February 2018	300
Previous Year Timing Movement	(5)
Allocation as per Appendix 1 (Selkirk Streetscape)	(75)
Projected Balance	220

- 5.7 Timing movements are an ongoing feature of the delivery of the capital plan and it is now proposed that Council will undertake a review of capital planning processes against the recommendations set out in the Audit Scotland best practice guidance. This will be reported to Executive Committee in November in advance of the budget process in 2019/20 alongside a set of recommendations to address any deficiencies in our current practice.

6 IMPLICATIONS

6.1 **Financial**

- (a) There are no financial implications beyond those contained in the report and appendices.
- (b) Any capital borrowing requirements associated with these changes will be managed in line with the approved Treasury Strategy from approved budgets. The principal part of the capital financial plan is funded by long term loans and the resultant loan charges are reported within the revenue monitoring reports.

6.2 **Risk and Mitigations**

- (a) At the end of June 2018, actual expenditure totalled £4.345m which represents 8% of the projected outturn, excluding the impact of large accruals. There is a risk of timing movements this financial year some of which has already been highlighted in narrative in Appendix 1. It is vital that capital budgets continue to be monitored carefully through the Project Managers and that their outturn projections are as accurate as possible.
- (b) Key risks associated with individual projects have been identified within the narrative and the individual project managers are undertaking the appropriate work to manage these.

6.3 Equalities

No Equalities Impact Assessment has been carried out in relation to the Capital Monitoring report; it is, however, expected that for individual projects this work will have been undertaken by the relevant project manager/budget holder prior to budget being approved.

6.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report although there may be within individual projects and these will be identified and addressed as appropriate as part of their specific governance arrangements.

6.5 Carbon Management

There are no direct carbon emissions impacts as a result of this monitoring report; however, there may be within individual projects and these will be identified and addressed as appropriate as part of their specific governance arrangements.

6.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Delegation are required as a result of this report.

7 CONSULTATION

7.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted in the preparation of this report and any comments received incorporated into the report.

7.2 The Service Director Assets & Infrastructure has been consulted in the preparation of this report and the content of the detailed appendices and any comments incorporated.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Suzy Douglas	Financial Services Manager 01835 824000 X 5881

Background Papers: None

Previous Minute Reference: None

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Plant & Vehicle Fund	
Plant & Vehicle Replacement - P&V Fund	Fully funded by Plant & Vehicle Replacement Fund
Waste Collection Vehicles - Non P&V Fund	
Other Fleet - Electric Vehicles	Gross up budget for installation of electric vehicle charge points fully funded by Scottish Government Grants.
Flood & Coastal Protection	
General Flood Protection Block Hawick Flood Protection	Timing movement of £89k to 2019/20 for the delivery of Bankend Farm, Jedburgh Gross up budget for Hawick Sustainable Travel Super-Highway funded by Sustrans
Land and Property Infrastructure	
Asset Rationalisation	Reallocation of block required as detailed in Appendix 2. Request for the current Edenside, Eyemouth & Duns demolition projects (£520k) to be merged along with plans to add Kelso HS - cost for Kelso has not yet been ascertained but could be funded by 50% of the contract quote (£243k) giving a total of £365k available for the new Redundant School Building Demolition project. This leaves a variance of £155k that will be available for other works in the Asset Rationalisation block.
Building Upgrades Health and Safety Works	Reallocation of block required as detailed in Appendix 2. Reallocation of block required as detailed in Appendix 2.
Road & Transport Infrastructure	
Cycling Walking & Safer Streets Innerleithen to Walkerburn - Shared Access Route Roads & Bridges -inc. RAMP, Winter Damage & Slopes	Virement from Roads & Bridges Block. Confirmed funding from Sustrans is £29k less than original funding in capital plan. Virement to Cycling Walking Safer Street for £100k for Rural Traffic Calming Schemes. Gross up of additional income of £601k for additional STTS funded schemes and £80k of developer contributions to enable the land purchase for the delivery of the new Easter Langlee Roundabout.
Selkirk Town Centre (Streetscape works)	A budget pressure exists on the Selkirk Streetscape project for a number of reasons, most notably due to additional works being required on site, extra surfacing, repairing damaged drains etc. but also due to additional costs being incurred as a results of the elongation of the sister project at the Selkirk courthouse. Funds sought from Emergency & Unplanned.
Waste Management	
CRC - Improved Skip Infrastructure	Timing movement to 2019/20 for the allocation of budget for Galashiels Recycling Centre upgrades. Work wont be undertaken until the completion of the Waste Transfer Station.

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		2018/19				2019/20			2020/21			2021/22 - 2027/28		
	R A G	Actual to 30/06/18 £000	Projected Outturn £000	Latest Approved Budget £000	Variance £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000
Corporate														
ICT - Outwith CGI Scope	G	0	122	122	0	80	0	80	80	0	80	560	0	560
ICT Transformation	G	0	2,481	2,481	0	449	0	449	566	0	566	3,362	0	3,362
IT Projects - pre CGI Contract	G	0	236	236	0	0	0	0	0	0	0	0	0	0
		0	2,839	2,839	0	529	0	529	646	0	646	3,922	0	3,922
Total Other Corporate Services		0	2,839	2,839	0	529	0	529	646	0	646	3,922	0	3,922

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		2018/19				2019/20			2020/21			2021/22 - 2027/28		
	R A G	Actual to 30/06/18 £000	Projected Outturn £000	Latest Approved Budget £000	Variance £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000
School Estate														
	G	293	365	365	0	0	0	0	0	0	0	0	0	0
	G	0	0	0	0	0	0	0	0	0	0	0	0	0
	G	10	2,151	2,151	0	0	0	0	0	0	0	0	0	0
	G	14	14	0	14	0	0	0	0	0	0	0	0	0
	G	0	3	3	0	0	0	0	0	0	0	0	0	0
	G	700	2,991	2,991	0	667	0	667	0	0	0	0	0	0
	G	637	5,271	5,285	(14)	4,551	0	4,551	2,070	0	2,070	24,655	0	24,655
	G	0	0	0	0	740	0	740	2,334	0	2,334	12,517	0	12,517
		1,654	10,795	10,795	0	5,958	0	5,958	4,404	0	4,404	37,172	0	37,172
		1,654	10,795	10,795	0	5,958	0	5,958	4,404	0	4,404	37,172	0	37,172
Total Children & Young People														

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School Estate		
Early Learning and Childcare	Plan in place. New St Boswells nursery completed. Further capital works supporting ELC expansion programmed in 2018/19 - 2020/21.	
Kelso High School	£14k additional spend on completed project including £8k cleaning equipment and £5k final Currie and Brown invoice to be funded from School Estate Block	
Jedburgh Learning Campus	Mitigation action is being taken to attempt to reduce affordability gap in Phase 2 - this is now thought to be in the region of £900k. There has been a temporary allocation of £2.3m capital budget to the project for extended enabling works to allow the project to be delivered on time. This will be returned to the school estate capital block at financial close of the Phase 2 contract later this summer / autumn.	
School Estate Block	2018/19 block allocation as detailed in Appendix 2	

Scottish Borders Council
Capital Financial Plan

		2018/19				2019/20			2020/21			2021/22 - 2027/28		
	R	Actual to 30/06/18	Projected Outturn	Latest Approved Budget	Variance	Latest Approved Budget	Variance	Projected Budget	Latest Approved Budget	Variance	Projected Budget	Latest Approved Budget	Variance	Projected Budget
	A	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	G													
Sports Infrastructure														
Culture & Sports Trusts - Plant & Services	G	0	392	392	0	290	0	290	290	0	290	2,030	0	2,030
Hawick 3G Synthetic Pitch	G	0	5	5	0	0	0	0	0	0	0	0	0	0
Synthetic Pitch Replacement Fund	A	2	15	27	(12)	364	12	376	0	0	0	3,998	0	3,998
		2	412	424	(12)	654	12	666	290	0	290	6,028	0	6,028
Culture & Heritage														
Jim Clark Museum	G	2	1,350	1,350	0	5	0	5	0	0	0	0	0	0
Public Hall Upgrades	G	0	118	118	0	0	0	0	208	0	208	99	0	99
Sir Walter Scott Court House - Phase 1	G	58	107	107	0	0	0	0	0	0	0	0	0	0
Sir Walter Scott Court House - Phase 2	G	0	141	141	0	760	0	760	1,590	0	1,590	0	0	0
Trimontium, Melrose	G	0	0	60	(60)	0	0	0	0	60	60	0	0	0
		60	1,716	1,776	(60)	765	0	765	1,798	60	1,858	99	0	99
Total Culture & Sport		62	2,128	2,200	(72)	1,419	12	1,431	2,088	60	2,148	6,127	0	6,127

Page 72	Sports Infrastructure	
	Culture & Sports Trusts - Plant & Services Synthetic Pitch Replacement Fund	Reallocation of Block as detailed in Appendix 2. Timing Movement to 19/20.
	Culture & Heritage	
	Public Hall Upgrades Trimontium, Melrose	Reallocation within block required as detailed in Appendix 2. Timing Movement to 20/21 to align with HLF Application by Trimontium Trustees

Scottish Borders Council
Capital Financial Plan

		2018/19				2019/20			2020/21			2021/22 - 2027/28		
	R	Actual to 30/06/18	Projected Outturn	Latest Approved Budget	Variance	Latest Approved Budget	Variance	Projected Budget	Latest Approved Budget	Variance	Projected Budget	Latest Approved Budget	Variance	Projected Budget
	A	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	G													
Economic Regeneration														
Great Tapestry of Scotland - Building	A	152	1,230	700	530	4,950	(421)	4,529	50	0	50	0	0	0
Borders Town Centre Regeneration Block	G	0	200	200	0	100	0	100	100	0	100	700	0	700
Central Borders Business Park	A	46	1,335	5,889	(4,554)	0	4,554	4,554	0	0	0	0	0	0
Newtown St Boswells Regeneration	G	0	16	16	0	20	0	20	20	0	20	344	0	344
Eyemouth Regeneration	G	0	286	286	0	513	0	513	0	0	0	0	0	0
Hawick Regeneration Block	A	369	920	2,782	(1,862)	155	1,862	2,017	0	0	0	0	0	0
Galashiels Town Centre Regeneration	G	0	480	480	0	416	0	416	0	0	0	0	0	0
		567	4,467	10,353	(5,886)	6,154	5,995	12,149	170	0	170	1,044	0	1,044
Housing Strategy & Services														
Private Sector Housing Grant - Adaptations	G	0	526	526	0	375	0	375	400	0	400	2,975	0	2,975
		0	526	526	0	375	0	375	400	0	400	2,975	0	2,975
Total Economic Development & Corporate Services		567	4,993	10,879	(5,886)	6,529	5,995	12,524	570	0	570	4,019	0	4,019
Economic Regeneration														
Great Tapestry of Scotland - Building		Timing Movement to 18/19 from 17/18 and 19/20 to align with project timelines.												
Central Borders Business Park		Timing Movement to 19/20 to align with project timescales.												
Hawick Regeneration		Timing Movement to 19/20 due to unexpected delays within the project. Galalaw project on time and within budget.												

Scottish Borders Council
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		2018/19				2019/20			2020/21			2021/22 - 2027/28		
	R A G	Actual to 30/06/18 £000	Projected Outturn £000	Latest Approved Budget £000	Variance £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000
Emergency & Unplanned Schemes														
Emergency & Unplanned Schemes	G	0	220	295	(75)	300	0	300	300	0	300	2,100	0	2,100
		0	220	295	(75)	300	0	300	300	0	300	2,100	0	2,100
Total Emergency & Unplanned Schemes		0	220	295	(75)	300	0	300	300	0	300	2,100	0	2,100

Emergency & Unplanned Schemes														
Emergency & Unplanned Schemes		Allocation of £75k to Selkirk Streetscape works to cover the additional pressures of completing the scheme.												

Scottish Borders Council
Capital Financial Plan

		2018/19				2019/20			2020/21			2021/22 - 2027/28		
	R A G	Actual to 30/06/18 £000	Projected Outturn £000	Latest Approved Budget £000	Variance £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000
Social Care Infrastructure														
Adult Services Facilities Upgrades	G	0	150	150	0	200	0	200	200	0	200	293	0	293
Care Inspectorate Requirements & Upgrades	G	(1)	92	92	0	53	0	53	54	0	54	414	0	414
Residential Care Home Upgrade Block	G	16	15	15	0	0	0	0	0	0	0	0	0	0
Residential Dementia Care	G	0	100	100	0	4,700	0	4,700	0	0	0	0	0	0
		15	357	357	0	4,953	0	4,953	254	0	254	707	0	707
Total Health & Social Care		15	357	357	0	4,953	0	4,953	254	0	254	707	0	707

Scottish Borders Council
Capital Financial Plan

		2018/19			2019/20			2020/21			2021/22 - 2027/28			
		Latest			Latest			Latest			Latest			
		Projected	Approved	Variance	Approved	Variance	Projected	Approved	Variance	Projected	Approved	Variance	Projected	
		Outturn	Budget		Budget		Budget	Budget		Budget	Budget		Budget	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
CAPITAL FINANCING														
	C9001 - Capital - General Capital Grant													
	Capital - General Capital Grant	G	(14,432)	(14,432)	0	(15,392)	0	(15,392)	(14,000)	0	(14,000)	(98,000)	0	(98,000)
	C9002 - Scottish Government Specific Capital Grant													
	Other Fleet	A	(195)	0	(195)	0	0	0	0	0	0	0	0	0
	Flood Studies	G	(467)	(467)	0	(350)	0	(350)	(350)	0	(350)	(2,450)	0	(2,450)
	Hawick Flood Protection	G	(3,158)	(3,158)	0	(9,686)	0	(9,686)	(12,829)	0	(12,829)	(6,327)	0	(6,327)
	Selkirk Flood Protection	G	(107)	(107)	0	0	0	0	0	0	0	0	0	0
	Cycling Walking & Safer Streets	G	(156)	(156)	0	(207)	0	(207)	(199)	0	(199)	(1,649)	0	(1,649)
	Selkirk Town Centre (Streetscape works)	G	0	0	0	0	0	0	0	0	0	0	0	0
	Galashiels Masterplanning	G	0	0	0	0	0	0	0	0	0	0	0	0
	Energy Efficiency Works	G	(175)	(175)	0	0	0	0	0	0	0	0	0	0
	Early Learning and Childcare	G	(2,151)	(2,151)	0	0	0	0	0	0	0	0	0	0
	Early Learning and Childcare (Langlee PS)	G	0	0	0	0	0	0	0	0	0	0	0	0
	School Estate Review	G	0	0	0	0	0	0	0	0	0	0	0	0
	Hawick Regeneration	G	(881)	(2,743)	1,862	(155)	(1,862)	(2,017)	0	0	0	0	0	0
			(7,290)	(8,957)	1,667	(10,398)	(1,862)	(12,260)	(13,378)	0	(13,378)	(10,426)	0	(10,426)
	C9003 - Other Grants & Contributions - Capital													
	Hawick Flood Protection	G	(424)	0	(424)	(500)	0	(500)	(80)	0	(80)	0	0	0
	Roads & Bridges -inc. RAMP, Winter Damage & Slopes	A	(962)	(361)	(601)	0	0	0	0	0	0	0	0	0
	Selkirk Town Centre (Streetscape works)	G	(20)	(20)	0	0	0	0	0	0	0	0	0	0
	Innerleithen to Walkerburn - Shared Access Route	A	(125)	(154)	29	0	0	0	0	0	0	0	0	0
	Cycling Walking & Safer Streets	G	(63)	(63)	0	0	0	0	0	0	0	0	0	0
	Sustrans (various Roads & Transport projects)	G	0	0	0	0	0	0	0	0	0	0	0	0
	Parks & Open Spaces - Upgrades	G	(110)	(110)	0	0	0	0	0	0	0	0	0	0
	Play Areas & Outdoor Community Spaces	G	(19)	(19)	0	0	0	0	0	0	0	(133)	0	(133)
	Wilton Lodge Park	G	(20)	(20)	0	0	0	0	0	0	0	0	0	0
	Jedburgh Learning Campus (3G Pitch)	G	(300)	(300)	0	0	0	0	0	0	0	0	0	0
	Jim Clark Museum	G	(699)	(699)	0	0	0	0	0	0	0	0	0	0
	Sir Walter Scott- Phase 2	G	0	0	0	(460)	0	(460)	(1,540)	0	(1,540)	0	0	0
	Sir Walter Scott Court House - Phase 1	G	(52)	(52)	0	0	0	0	0	0	0	0	0	0
	Great Tapestry of Scotland - Building	G	(931)	(700)	(231)	(1,500)	0	(1,500)	0	0	0	0	0	0
	Galashiels Town Centre Regeneration	G	(480)	(480)	0	0	0	0	0	0	0	0	0	0
	Central Borders Business Park	G	(1,000)	(1,000)	0	0	0	0	0	0	0	0	0	0
			(5,205)	(3,978)	(1,227)	(2,460)	0	(2,460)	(1,620)	0	(1,620)	(133)	0	(133)

C9004 - Capital Funded from Current Revenue (CFCR)													
Projects funded from Revenue Land and Property	G	0	0	0	0	0	0	0	0	0	0	0	0
Easter Langlee Cell Provision	G	16	16	0	0	0	0	0	0	0	0	0	0
Bannerfield Play Area	G	(3)	(3)	0	0	0	0	0	0	0	0	0	0
ICT Transformation	G	0	0	0	0	0	0	0	0	0	0	0	0
ICT Projects Funded from Revenue	G	0	0	0	0	0	0	0	0	0	0	0	0
Wilton Lodge Park	G	0	0	0	0	0	0	0	0	0	0	0	0
Complex Needs - Central Education Base	G	0	0	0	0	0	0	0	0	0	0	0	0
Earlston MUGA	G	0	0	0	0	0	0	0	0	0	0	0	0
Synthetic Pitch Replacement Fund	G	(15)	(27)	12	0	(12)	(12)	0	0	0	0	0	0
Drainage - Parks and Open Spaces Block	G	(36)	(36)	0	0	0	0	0	0	0	0	0	0
Play Areas & Outdoor Community Spaces	G	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Open Spaces - Upgrades	G	(182)	(182)	0	0	0	0	0	0	0	0	0	0
		(220)	(232)	12	0	(12)	(12)	0	0	0	0	0	0
C9005 - Developer Contributions													
Peebles Bridge	G	0	0	0	0	0	0	0	0	0	0	0	0
Roads & Bridges Block	A	(80)	0	(80)									
Reston Station Contribution	G	0	0	0	0	0	0	0	0	0	0	0	0
Play Facilities	G	(12)	(12)	0	(53)	0	(53)	(15)	0	(15)	(7)	0	(7)
Engineering Minor Works	G	(99)	(99)	0	0	0	0	0	0	0	0	0	0
Broomlands Primary School	G	0	0	0	0	0	0	0	0	0	0	0	0
School Estate Block	G	(100)	(100)	0	(100)	0	(100)	(100)	0	(100)	(700)	0	(700)
		(291)	(211)	(80)	(153)	0	(153)	(115)	0	(115)	(707)	0	(707)
C9006 - Capital Receipts													
Capital Receipts	G	(2,300)	(2,300)	0	(1,760)	0	(1,760)	(300)	0	(300)	0	0	0
											0	0	0
C9007 - Plant & Vehicle Fund													
Plant & Vehicle Replacement - P&V Fund	G	(2,800)	(2,800)	0	(2,000)	0	(2,000)	(2,000)	0	(2,000)	(14,000)	0	(14,000)
Synthetic Pitch Replacement Fund	G	0	0	0	(364)	0	(364)	0	0	0	(3,338)	0	(3,338)
		(2,800)	(2,800)	0	(2,364)	0	(2,364)	(2,000)	0	(2,000)	(17,338)	0	(17,338)
C9008 - Capital Borrowing													
	G	(22,229)	(26,779)	4,550	(16,821)	(4,368)	(21,189)	(8,913)	(60)	(8,973)	(37,338)	0	(37,338)
TOTAL CAPITAL FUNDING		(54,767)	(59,689)	4,922	(49,348)	(6,242)	(55,590)	(40,326)	(60)	(40,386)	(163,942)	0	(163,942)

	CFU/ Service Dir Asset&Infr Approval	Latest approved budget £000's	Proposed Move- ment	Projected Outturn	Actuals to 30/06/2018
Assets & Infrastructure					
Flood & Coastal Protection					
General Flood Protection Block					
Bonnington Road, Peebles		5	0	5	0
Romanno Bridge Flood Bank		110	0	110	0
Crowbyres Flood Bund		50	0	50	0
Duns Golf Course		10	0	10	0
Community Resilience		10	0	10	0
Management Fees		30	0	30	0
Still Burn Fountainhall		20	0	20	0
Liddesdale Crescent		20	0	20	0
Minor Works		15	0	15	0
Bankend North, Jedburgh		120	(95)	25	0
Rachan Farm		0	6	6	6
Unallocated		9	0	0	0
Timing movement to 2019/20 for Bankend North, Jedburgh		0	89	0	0
		399	0	301	6
Flood Studies					
Peebles, Innerleithen, Broughton Flood Scheme		100	0	100	27
Earlston Flood Scheme		41	0	41	8
Newcastleton Flood Scheme		39	0	39	2
Hawick NFM Scheme Preparation		88	0	88	0
Surface Water Management Plans		85	0	85	0
Galashiels NFM Scheme Preparation		15	0	15	0
Eyemouth Coastal Flood Scheme		20	0	20	0
Peebles Surface Water Flooding		40	0	40	0
Galashiels Surface Water Flooding		40	0	40	0
Unallocated		0	0	0	0
		468	0	468	37
Land and Property Infrastructure					
Health and Safety Works					
School toilet refurbishments		88	0	88	0
Lift control upgrade		17	0	17	0
Legionella works/upgrade water tanks		22	0	22	0
Haylodge Park boundary wall upgrade		11	0	11	0
Industrial unit fabric upgrade		51	0	51	0
Asbestos works		44	0	44	0
Council HQ upgrade car park		6	0	6	0
SBCares property upgrades		12	0	12	0
St Peters PS accessible Window Replacement		39	0	39	0
Jedburgh Castle Gaol wall upgrade		11	0	11	0
Linglie Mill Gutters		30	0	30	0
Bongate Units Surface Upgrade		20	0	20	0
Knowepark PS Toilet Upgrade		20	0	20	0
Philiphaugh PS Toilet Upgrade		8	0	8	0
Tweedbank PS Toilet Upgrade		50	0	50	0
School Security Works		50	0	50	0
Wilton PS Toilet Upgrades		12	0	12	11
Ayton PS structural walling works - cladding		9	0	9	0
Boston Memorial Hall walling works - protective coating		6	0	6	0
Burgh PS window upgrade - steel crittal windows		44	0	44	0
Cemetery wall upgrades - Eddleston/Glenholm/Drumelzier		20	0	20	4
Chirnside PS structural works to tower block		40	0	40	0
Cultural Services property upgrades		30	0	30	0
Denholm PS replacement of external facias		33	0	33	0
Drumlanrig PS hall floor upgrade		17	0	17	0
Greenlaw PS roof & windows upgrade - Phase 1		100	(50)	50	0
Hawick Old Baths roof upgrade		17	0	17	0
Rosetta Road office replacement flooring to communal areas		11	0	11	0
Waverly RHE rainwater goods upgrade		8	0	8	0
Wellogate Cemetery		11	0	11	0
Cuddyside Path upgrade		8	0	8	0
Unallocated Balance		9	50	59	0
		0	854	0	854
					15

	CFU/ Service Dir Asset&Infr Approval	Latest approved budget	Proposed Move- ment	Projected Outturn	Actuals to 30/06/2018
Building Upgrades					
Industrial Unit heating system upgrade		22	(22)	0	0
Gala AC roof works (small)		6	0	6	0
Trinity PS window upgrade		33	0	33	0
Deanfield RHE roof upgrade		10	0	10	0
Selkirk HS electrical upgrade		64	0	64	0
Broughton PS electrical upgrade		77	0	77	0
Electrical infrastructure upgrade		33	0	33	0
Edenside PS window upgrade		11	0	11	0
Morebattle PS window upgrade		22	0	22	0
Council HQ roof upgrade		20	0	20	0
Rosetta Road roof upgrade (leadwork)		9	0	9	0
St Ronan's PS window upgrade (final)		22	0	22	0
Hawick High School boiler upgrade		17	0	17	16
Rosetta Road boiler upgrade		22	0	22	0
Langlee Centre services upgrade		55	0	55	0
Grove RHE boiler/generator upgrade		22	0	22	0
Eyemouth CC roof upgrade (first)		55	0	55	0
Saltgreens RHE window upgrade (first)		35	0	35	0
Ayton PS roof upgrade		55	0	55	0
Langlee Centre window upgrade (screens)		40	0	40	0
Coldstream PS Boiler Room Upgrade		5	6	11	0
Selkirk HS Window Upgrade		7	0	7	0
Sir Walter Scott Courthouse Roof Upgrade		15	0	15	0
Eyemouth Ind Estate Door/Window Upgrade		15	0	15	0
Council HQ Kitchen Upgrades		11	0	11	0
Reston PS Boiler Upgrade		6	0	6	0
Galashiels Volunteer Hall Toilet Upgrade		26	0	26	0
HQ Main Building Upgrades		29	0	29	0
ST Maragaret's PS Flat Roof Deck Works		0	6	6	0
Drumlanrig PS Hall Heating		0	36	36	0
Unallocated Balance		36	(26)	10	0
	0	780	0	780	16
Cleaning Equipment Replacement Block					
Janitorial equipment		50	0	50	0
Unallocated		0	0	0	0
	0	50	0	50	0
Combined Depot Enhancements					
Duns Depot		28	0	28	0
Easter Langlee Depot		40	0	40	0
Reiver Complex Depot		28	0	28	0
Lower Mansfield Combined Depot		55	0	55	1
Eshiels Depot		55	0	55	0
Kelso Combined Depot		28	0	28	0
Wheatlands Depot, Galashiels		53	0	53	0
Unallocated		11	0	11	0
	0	298	0	298	1
Contaminated Land Block					
1 - Current - 09/00059/PIIA - Ongoing		67	0	67	15
09/00038/PIIA		55	0	55	0
Unallocated		48	0	48	0
	0	170	0	170	15
Play Facilities					
Eyemouth Play Park		11	0	11	0
Clovenfords Play Park		1	0	1	0
	0	12	0	12	0

	CFU			
Service Dir Asset&Infr Approval	Latest approved budget	Proposed Move- ment	Projected Outturn	Actuals to 30/06/2018
Drainage - Parks and Open Spaces Block				
Gavinton Playing Fields	39	0	39	0
	0	0	39	0
Parks & Open Spaces - Upgrades				
Public Park Stow	30	0	30	0
Public Park, Galashiels	292	0	292	277
	0	0	322	277
Play Areas & Outdoor Community Spaces				
Children's Play - Oxton	60	0	60	0
Children's Play - Croft Park , Kelso - Shedden Park	248	0	248	0
Children's Play - Jedburgh - Harestanes	315	0	315	0
Pump Track/Skateboarding - Hawick - Wilton Lodge Pump Track	19	0	19	0
Fitness/Youth Shelter - Jedburgh - Harestanes	27	0	27	0
	0	0	669	0
Asset Rationalisation				
Galashiels Office Moves	80	0	80	0
Edenside Nursery Accommodation	10	(10)	0	0
Former Nursery Eyemouth	345	(345)	0	0
Duns Old School Partial Demolition	165	(165)	0	0
Langlee Complex	10	0	10	0
Canteen Rationalisation	383	0	383	0
Old Canteen Demolition & Surfacing Works	150	0	150	0
Property Rationalisation/Agile Working	1,000	0	1,000	0
Redundant School Building Demolition	0	365	365	4
Unallocated	0	155	155	0
	0	2,143	0	2,143
Energy Efficiency Works				
Energy Efficiency Works	2,408	0	2,408	24
	0	2,408	0	2,408
Road & Transport Infrastructure				
Roads & Bridges -inc. RAMP, Winter Damage & Slopes				
Surface Dressing	1,300	100	1,400	119
Patching	600	(100)	500	271
Resurfacing/Overlays	2,320	(441)	1,879	138
Walls & Structures	150	5	155	7
Footways	461	(28)	433	79
Drainage	120	5	125	4
Masonry Refurbishment	357	(15)	342	12
Melrose (Lowood) Bridge	310	43	353	214
STTS Funded Schemes	0	1,065	1,065	0
New Easter Langlee Roundabout	0	80	80	0
Unallocated	133	(133)	0	0
External funding for New Easter Langlee Roundabout	0	(80)	0	0
Virement to Cycling Walking Safer Streets	0	100	0	0
Additional grant allocation from STTS	0	(601)	0	0
	5,751	0	6,332	844
Lighting Asset Management Plan				
Fenwick Park, Hawick	40	0	40	0
Kingsmeadows Road, Peebles	40	0	40	0
Main Street, Earlston	40	0	40	0
Talisman Avenue, Galashiels	30	0	30	0
Main Road, Heiton	30	0	30	0
Whitefield Crescent, Newtown St Boswells	30	0	30	0
Wilton Glebe, Hawick	20	0	20	0
Corroded Columns	24	0	24	0
	254	0	254	0

	CFU			
Service Dir Asset&Infr Approval	Latest approved budget	Proposed Move- ment	Projected Outturn	Actuals to 30/06/2018
Accident Investigation Prevention Schemes Block				
AIP Schemes (Road Safety)	50	0	50	0
Traffic Calming Measures	8	0	8	0
Design fees	4	0	4	0
	<u>62</u>	<u>0</u>	<u>62</u>	<u>0</u>
Cycling Walking & Safer Streets				
Unallocated				
Cycle Related Activities	169	0	169	22
Walking Related Activities	50	0	50	38
Rural Traffic Calming	0	100	100	0
Virement from Roads & Bridges Block	0	(100)	0	0
	<u>219</u>	<u>0</u>	<u>319</u>	<u>38</u>
Waste Management				
CRC - Improved Skip Infrastructure				
Galashiels Community Recycling Centre	146	(146)	0	0
Unallocated	20	0	20	0
Timing movement to 2019/20	0	146	0	0
	<u>166</u>	<u>0</u>	<u>20</u>	<u>0</u>
Children & Young People				
School Estate				
Early Learning and Childcare				
Duns Primary School	68	0	68	0
Stirches Primary School	83	0	83	0
Yetholm Primary School	45	0	45	0
Burgh Primary School	150	0	150	0
St Margaret's Primary School	300	0	300	0
Chirnside Primary School	300	0	300	0
St Boswells Primary School Extension	131	0	131	0
St Ronans Primary School Extension	691	0	691	10
Galashiels New Build School	73	0	73	0
Hawick New Build School	122	0	122	0
Peebles New Build School	188	0	188	0
	<u>2,151</u>	<u>0</u>	<u>2,151</u>	<u>10</u>
School Estate Block				
<i>Improve and enhance school environments:</i>				
Burnfoot Primary School	100	0	100	14
Stirches Primary School	250	0	250	0
Chirnside Primary School	100	0	100	0
Knowepark Primary School	150	0	150	0
St Margarets Primary School (Galashiels)	100	0	100	0
School Toilets - Upgrade	75	0	75	0
B/F Galashiels Academy PE Hall	200	0	200	0
Hawick HS Window & Classroom Refurbishment	350	0	350	0
High School Social Areas (including Selkirk HS previously approved)	200	0	200	292
Earlston PS - Initial Design Study	1,100	0	1,100	1
Eyemouth PS - Initial Design Study	25	0	25	0
St Ronans Primary Refurbishment	25	0	25	0
	75	0	75	0
<i>Ensure school security, health and safety and legislative obligations are met:</i>				
B/F School Security, Health & Safety, Legal Obligations	75	0	75	0
Chirnside Primary School - Kitchen Upgrade	300	0	300	10
Burnfoot Primary School - Kitchen & Dining Upgrade	75	0	75	0
Edenside Primary School - Secure Reception	100	0	100	23
Eddleston Primary School - Secure Reception	50	0	50	0
Newlands Primary School - Secure Reception	50	0	50	1
Reston Primary School - Secure Reception	50	0	50	0
Burgh Primary School - Secure Reception	50	0	50	0
<i>Enhancement to ASN provision in specialist resources:</i>				
Wilton Support Centre, Hawick	5	0	5	0
ASN Enhancements Galashiels Academy	500	0	500	0
Halyrude Primary School Sensory Room	655	0	655	296
	40	0	40	0
<i>Respond to urgent issues arising unexpectedly in response to inspections by regulatory bodies, unplanned incidents or in relation to any of the key outcomes listed above:</i>				
Eyemouth Primary School - Increased Capacity	400	0	400	0
Priorsford Primary School - Increased Capacity	80	0	80	0
Kelso High School	20	0	20	0
Unallocated Balance	0	14	14	0
	35	(14)	21	0
	<u>5,285</u>	<u>0</u>	<u>5,285</u>	<u>637</u>

	CFU/ Service Dir Asset&Infr Approval	Latest approved budget	Proposed Move- ment	Projected Outturn	Actuals to 30/06/2018
Culture & Sport					
Sports Infrastructure					
Culture & Sports Trusts - Plant & Services					
Business Development		100	0	100	0
Plant/Compliance		128	0	128	0
Disability Works		13	13	25	0
Pool Covers		25	0	25	0
Jedburgh Leisure Trust Allocation		82	0	82	0
Berwickshire Sports Trust		32	0	32	0
Unallocated Balance		13	(13)	0	0
		<u>392</u>	<u>0</u>	<u>392</u>	<u>0</u>
Public Hall Upgrades					
Sound and Lighting Desks		5	(5)	0	0
Selkirk Victoria Halls Elec Upgrade		10	(10)	0	0
Galashiels Volunteer Hall Toilet Refurb		30	0	30	0
Hawick Toilet Refurbishment		40	0	40	0
Victoria Halls Kitchen/Toilets		0	47	47	0
Unallocated		32	(32)	0	0
		<u>117</u>	<u>0</u>	<u>117</u>	<u>0</u>
Economic Development					
Economic Regeneration					
Hawick Regeneration					
Former Armstrong/Almstrong Building		2,317	(1,862)	455	22
Galalaw Business Park		465	0	465	347
		<u>2,782</u>	<u>(1,862)</u>	<u>920</u>	<u>369</u>
Borders Town Centre Regeneration Block					
Hawick Feasibility Study Work		40	0	40	0
Sir Walter Scotts Court House Phase 1 - additional stonework		60	0	60	0
Unallocated		100	0	100	0
		<u>200</u>	<u>0</u>	<u>200</u>	<u>0</u>
Health & Social Care					
Social Care Infrastructure					
Residential Care Home Upgrade Block					
TOPS Waverley Gala		15	0	15	15
		<u>15</u>	<u>0</u>	<u>15</u>	<u>15</u>
Adult Services Facilities Upgrades					
Fire Safety		50	(30)	20	0
Telecare investment and connectivity		40	(20)	20	0
Saltgreens, Eyemouth		20	50	70	0
Grove House, Kelso		20	0	20	0
Deanfield, Hawick		20	0	20	0
		<u>150</u>	<u>0</u>	<u>150</u>	<u>0</u>
Care Inspectorate Requirements & Upgrades					
Environmental		23	0	23	0
Fire Safety		0	21	21	0
Telecare investment and connectivity		0	20	20	0
Deanfield, Hawick		13	0	13	0
Grove House, Kelso		10	0	10	0
Saltgreens, Eyemouth		0	0	0	(1)
Waverly, Galashiels		5	0	5	0
Unallocated		41	(41)	0	0
		<u>92</u>	<u>0</u>	<u>92</u>	<u>(1)</u>

Scottish Borders Council
Project Net Expenditure Summary

	Previous Years Life to Date	2018/19				2019/20			2020/21			2021/22 - 2027/28			Total Project Cost
		Actual to 30/06/2018	Latest Approved Budget	Variance	Projected Outturn	Latest Approved Budget	Variance	Projected Budget	Latest Approved Budget	Variance	Projected Budget	Latest Approved Budget	Variance	Projected Budget	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Flood & Coastal Protection															
01-C00223 - Hawick Flood Protection	3,453	0	3,978	424	4,402	12,607	0	12,607	16,036	0	16,036	8,217	0	8,217	44,715
Road & Transport Infrastructure															
01-C00147 - A72 Dirtpot Corner - Road Safety Works	143	0	2,115	0	2,115	0	0	0	0	0	0	0	0	0	2,258
01-C00185 - Innerleithen to Walkerburn - Shared Access Route	324	0	231	(29)	202	0	0	0	0	0	0	0	0	0	526
01-C00062 - Peebles Bridge	0	0	0	0	0	0	0	0	0	0	0	420	0	420	420
01-C00183 - Reston Station Contribution	500	0	600	0	600	500	0	500	600	0	600	640	0	640	2,840
01-C00162 - Union Chain Bridge	233	0	114	0	114	653	0	653	260	0	260	0	0	0	1,260
Corporate															
01-C00296 - ICT Transformation	6,586	0	2,481	0	2,481	449	0	449	566	0	566	3,362	0	3,362	13,444
Waste Management															
01-C00235 - Easter Langlee Cell Provision	494	2	0	0	0	550	0	550	110	0	110	0	0	0	1,154
01-C00234 - Easter Langlee Leachate Management Facility	201	2	95	0	95	377	0	377	42	0	42	0	0	0	715
01-C00237 - New Easter Langlee Waste Transfer Station	529	95	5,073	0	5,073	9	0	9	0	0	0	0	0	0	5,611
School Estate															
01-C00203 - Broomlands Primary School	9,430	293	365	0	365	0	0	0	0	0	0	0	0	0	9,795
01-C00202 - Langlee Primary School	10,914	0	3	0	3	0	0	0	0	0	0	0	0	0	10,917
Jedburgh Learning Campus	1,377	700	2,991	0	2,991	667	0	667	0	0	0	0	0	0	5,035
01-C00252 - School Estate Review	50	0	0	0	0	740	0	740	2,334	0	2,334	12,517	0	12,517	15,641
Culture & Heritage															
01-C00179 - Jim Clark Museum	147	2	1,350	0	1,350	5	0	5	0	0	0	0	0	0	1,502
01-C00122 - Sir Walter Scott- Phase 2	239	0	141	0	141	760	0	760	1,590	0	1,590	0	0	0	2,730
Economic Regeneration															
01-C00204 - Great Tapestry of Scotland - Building	891	152	700	530	1,230	4,950	(421)	4,529	50	0	50	0	0	0	6,700
01-C00205 - Central Borders Business Park	321	46	5,889	(4,554)	1,335	0	4,554	4,554	0	0	0	0	0	0	6,210
01-C00123 - Newtown St Boswells Regeneration	0	0	16	0	16	20	0	20	20	0	20	344	0	344	400
01-C1000 - Eyemouth Regeneration	0	0	286	0	286	513	0	513	0	0	0	0	0	0	799

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SUMMARY OF CAPITAL FUND

	Balance as at 31/03/18 £'000	Balance as at 31/03/19 £'000
DEVELOPER CONTRIBUTIONS		
Waverley Railway	-	-
Technical Services	505	395
Education & Lifelong Learning	1,874	1,859
Planning & Economic Development	-	-
Social Work - Affordable Housing	707	542
Accrued Interest	514	527
Sub Total Developer Contributions	<u>3,600</u>	<u>3,323</u>
Capital Receipts	1,599	880
Total	<u><u>5,199</u></u>	<u><u>4,203</u></u>

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**PROPOSED FUNDING CONTRIBUTIONS FOR DELIVERING
EXTRA CARE HOUSING IN DUNS**

Report by Service Director Regulatory Services & Chief Finance Officer
EXECUTIVE COMMITTEE

21 AUGUST 2018

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to recommend that the Council financially assists the delivery of the proposed extra care housing development at Todlaw Duns, which will provide 49 affordable housing, through the use of the Council's Affordable Housing Investment Budget.**
- 1.2 The sums recommended for approval were included in the Integrated Strategic Plan for Older Peoples Housing, Care and Support Needs, which was approved by Council in June 2018. The report provides some contextual comment, and progress update made regarding progressing the delivery of the proposed development.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Executive Committee**
- (a) Approves the contribution of up to £1,735,237 grant funding from the Council's Affordable Housing Investment Budget to Trust Housing Association to enable the commencement of development of the extra care housing development at Todlaw, Duns.**
 - (b) Delegate's authority to the Chief Financial Officer to liaise with Trust Housing Association to agree arrangements to make payment to dovetail with project spend profile requirements.**

3 STRATEGIC HOUSING CONTEXT

- 3.1 The Council's Local Housing Strategy (LHS) 2017-22 is a statutory requirement that provides the strategic direction to tackle housing need and demand and informs future investment in housing and related services across Scottish Borders Council's area. The LHS is consistent with the Council's policy position of seeking to shift the balance of care by reducing the proportion of residential care packages and increasing the proportion of care provided through individual care packages, housing with care and extra care housing.
- 3.2 This will be achieved by building upon existing strong co-operation of the Council's Housing Sector partners and financial support from Scottish Government to help fund, develop and deliver extra care housing developments. This provides the opportunity to support higher levels of dependency but also providing a better environment for older people. Extra care housing is based on self-contained flats, rather than small rooms as in residential care, and offers care and support for those who need this service up to 24 hours per day. Therefore it can be seen as an alternative to both traditional sheltered housing and residential care settings.
- 3.3 The previously undertaken needs assessment for extra care housing, reported to Members in March 2016, concluded that there is a large projected need for this type of housing provision across the main towns in Scottish Borders. Through an option appraisal approach, the study also concluded that it would be best value if the developments were developed, owned and managed by Registered Social Landlords (RSLs). A framework to deliver the first six developments was set out in a report to the Executive Committee in September 2016. The Extra Care Housing Delivery Framework is an integral part of the newly developed 10-year Integrated Strategic Plan for Older People's Housing, Care and Support approved by Council on 27 June 2018.
- 3.4 The proposed delivery framework utilised Council owned sites where feasible and sought to maximise Scottish Government grant provision, and RSL private sector borrowing over the next five years of the Strategic Housing Investment Plan. It was also recognised that these will be high cost developments which were likely to require gap funding from the Council's Affordable housing Investment Budget, often referred to as the "Second Homes/Council Tax" Budget. The Executive agreed in principle to use this budget and Developer Contributions to address the funding gap associated with these developments.
- 3.5 An Extra Care Housing Programme Board has been established to oversee the delivery of the extra care housing projects. This meets on a quarterly basis. The Board consists of Officer representatives drawn from the Council's Strategic Housing, Social Work, Finance, and Assets and Infrastructure, plus NHS Borders and Eildon and Trust Housing Associations. Trust and Eildon are the two Registered Social Landlords (RSLs), with experience of delivery and management of extra care housing and necessary financial capacity, who have been selected to deliver the extra care housing developments identified in the Council's current Strategic Housing Investment Plan (SHIP) 2018-23. The current governance arrangements will in due course become a Project Board Workstream and incorporated within the new Governance arrangements that are required to monitor and support the effective delivery of the wider Integrated Older People's Strategic Plan for Housing, Care and Support in the Borders.

- 3.6 The Board has agreed an extra care housing building specification in order to inform the individual site specific design process being progressed by both RSLs. As a result of a joint selection process, the 2 RSLs have appointed the same design team to work up proposals for their respective sites at Todlaw Duns and Langhaugh Galashiels.
- 3.7 The SHIP provides a rolling 5 year planning horizon which sets out proposed prioritised affordable housing projects, and is framed by both Guidance and Resource Planning Assumptions provided by Scottish Government. The SHIP is currently required to be revised, updated and submitted to Scottish Ministers annually. The proposed extra care housing developments have been identified in the Council's SHIP submissions, and Scottish Government More Homes Division officials are aware and supportive of the Council's strategic housing intentions, and have allocated £1.5m grant funding in 2018/19 to assist the delivery of Trust Housing Association's proposed development at Todlaw Duns. Once the project is legally committed, the balance of additional grant will be allocated in 2019/20 to suit spend profiling requirements.
- 3.8 Trust Housing Association has secured Planning Consent for 49 houses and flats and associated communal facilities on the Todlaw site. The Council is in the process of selling the site to the Association. Trust has carried out a traditional tendering exercise and recently received tender proposals are currently being checked. Trust is understood to have secured enhanced grant contribution of around 6% from Scottish Government More Homes Division. In the meantime the current probable costs financial modelling exercise for the Todlaw site estimates total project costs of £8,190,938. Anticipated funding contributions are as follows Scottish Government housing grant £3,393,936, Trust Housing Association private borrowing £3,061,765, and Scottish Borders Council £1,735,237. Figures require to be finalised subject to tender checking and grant offer from Scottish Government.

4 IMPLICATIONS

4.1. Financial

- (a) Ensuring the effective development and delivery of SHIP projects continues to be dependent on SBC's provision of core services, financial resource allocations from the Scottish Government, partner agencies and private developers and individuals.
- (b) There are a number of funding resources that the Council and its development partners have drawn upon including Affordable Housing Supply Programme Funding, 2nd Homes Council Tax, Commuted Sums, Housing Association Private Finance Borrowing, Charitable Bond funding and Scottish Water Grant Funding, and finally Council Borrowing from the Public Works Loan Board (PWLB) in order to deliver National Housing Trust Initiatives. Trust has indicated that it will contribute more than the normal benchmark private finance amount per unit in order to deliver the Todlaw project.
- (c) Scottish Government has set itself an ambitious national target to deliver 50,000 affordable homes over the lifetime of the current Scottish Parliament. Scottish Government made an allocation of £14.065m to assist delivery of affordable housing projects in Scottish Borders in 2018/19. This represents a new record high level of external funding allocated to assist delivery of Scottish Borders Projects. Subject to fully spending the 2018/19 allocation provided, it is hoped that this may potentially be increased later in the year through re-allocation of unspent slippage funding from other Council

areas to assist acceleration of Borders projects.

- (d) The arrangements to collect and use the Council's "Second Homes/Council Tax" budget are framed by Scottish Government Guidance. This budget can only be used to assist delivery of affordable housing. The Council is required to provide statistical reports to evidence available balances and projects assisted. This reporting is now included within the SHIP document. The Guidance enables any unspent balance to be carried forward to subsequent financial years to dovetail with partners financial planning and project programming. This has enabled the Council to build up an available balance of £3.981m in anticipation of this being required to provide complementary funding to assist and ensure extra care housing delivery. The Council plans on the basis of around £0.715m net annual income to top up the budget.
- (e) Should the Committee decide to grant assist this proposed Trust Housing Association development, this will secure the allocated Scottish Government grant and RSL private borrowing as set out above at sections 3.7 and 3.8. The timing of the potential Council contribution has yet to be clarified, but is anticipated to be in 2019/20 after Trust has claimed all the Scottish Government project grant allocation. Therefore the Council can meet the proposed funding contributions.
- (f) It is estimated that once completed 2020, these 49 homes will generate around £0.049m in annual Council Tax income to the Council. Furthermore this construction phase will positively contribute to reducing income inequality for people in the Borders, by leading to the creation of numerous direct construction jobs, apprenticeships and indirect jobs within the construction supply chain, and in due course the creation of additional jobs in the care and support service sectors.

4.2 Risk and Mitigations

- (a) It is considered vital that the Committee agrees to the recommendations in order that partners funding can be secured and agreed and therefore critical project delivery dates can be met. Failure to do so will adversely impact on Partnership working, but will also similarly impact on delivery of the development and the wider Borders affordable housing programme due to the resultant £1.5 grant slippage for 2018/19, which could potentially be re-allocated outwith Scottish Borders. This could in turn have a further adverse impact by causing a reduction in future year's grant allocation.
- (b) Delivery of the SHIP and prioritised projects set out therein is largely dependent upon a number of variables, not least of which relate to resource and other political and organisation decision making processes beyond the control of the Council. However, governance and control measures are in place to ensure delivery of the SHIP including monitoring contractor performance and quarterly programme meetings involving Council Officers, RSL partners and Scottish Government More Homes Division Officials. In the event that the Committee decides not to grant assist the Todlaw development, this may have adverse impact of the ability of RSLs to fully spend the 2018/19 funding allocation as set out above in 4.2(b). Council Officers will seek to minimise adverse impact on the Borders programme by discussing other SHIP projects with the developing RSLs, seeking to accelerate delivery of projects capable of spending available grant, but which may complete before 31 March 2021 Parliamentary target deadline.

4.3 **Equalities**

- (a) In line with both Council policy and legislative requirement, all Strategic Housing Investment Plans are subjected to an Equalities Impact Assessment during the development phase. To date none of the SHIP submissions have identified any concerns regarding adverse impact on equalities groups through delivery of the SHIP. Indeed a number of the proposed projects such as extra care housing developments are considered to have a positive impact.
- (b) These plans are predicated on the endorsement of the principle of equalities as articulated in the SHIP Guidance. SHIPs are subjected to an Equalities Impact Assessment, Strategic Environmental Assessment screening and Rural Proofing Assessment.
- (c) Houses produced by Registered Social Landlords will be allocated according to their individual allocations policy and procedures. As a consequence, the RSLs are subject to the weight of Statutory Scrutiny via Regulation and Inspection by the Scottish Housing Regulator.

4.4 **Acting Sustainably**

- (a) All SHIP documents are subject to a pre-screening assessment in accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005 using the criteria specified in Schedule 2 of the Act. The pre-screening assessments identified no, or minimal, negative effects in relation to the environment, hence SHIPs have been exempt from Strategic Environmental Assessment (SEA) requirements under Section 7(1) of the Act.
- (b) By seeking to deliver more new affordable houses, the Council's current SHIP 2018-23 promotes sustainable communities and helps address many of the housing supply challenges faced locally.
- (c) There are no adverse economic or social effects resulting from the recommendations of this report. In addition, SHIP 2018-23 project delivery and potential environmental effects from new build housing will be addressed through the Planning process which will apply National policies and standards.

4.5 **Carbon Management**

- (a) It is considered that there are no direct effects on the Council's carbon emissions arising from the report recommendations.
- (b) New additional affordable housing will have a general effect on the region's carbon footprint however these are addressed within the planning process, and in meeting the housing requirements and standards as set out by the Scottish Government. RSLs aim that their new housing will be built to "Silver Standard" which exceed current basic Scottish Building Standards.

4.6 **Rural Proofing**

- (a) Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders out with the towns of Hawick, Galashiels/Tweedbank, Peebles, Selkirk, Eyemouth, Jedburgh and Kelso. It is anticipated that the proposed Todlaw development will provide a positive impact in Duns and the wider rural Berwickshire area.
- (b) The SHIP Project Working Group carries out a rural proofing exercise as part of the preparation of each SHIP. It is determined that the delivery of SHIPs will not have an unforeseen adverse impact on the

rural areas and that the needs of rural areas have been properly taken into account.

4.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

5 **CONSULTATION**

- 5.1 The SHIP Working Group has been consulted and contributed to this report.
- 5.2 The Extra Care Housing Board is supportive of the recommendations set out in this report.
- 5.3 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, and the Clerk to the Council have been consulted and their comments incorporated in the final report.

Approved by

Brian Frater **Signature**.....
Service Director Regulatory Services

David Robertson **Signature**.....
Chief Financial Officer

Author(s)

Name	Designation and Contact Number
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Background Papers: Strategic Housing Investment Plan 2018-23. Integrated strategic plan for older persons housing, care and support needs" [May 2018]
Previous Minute Reference: 20 September 2016 .

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies. Contact us at Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 824000 ext 5431, email jwhitelaw@scotborders.gov.uk.



ANNUAL PROCUREMENT REPORT

Report by Chief Financial Officer
EXECUTIVE COMMITTEE

21 AUGUST 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Executive Committee with the first Annual Procurement Report (APR), as required by the Procurement Reform (Scotland) Act 2014.**
- 1.2 A copy of the APR for the period 1st January 2017 – 31st March 2018, developed in the format required by Scottish Government guidance, is attached to this report as Appendix 1.
- 1.3 Organisations required to prepare a procurement strategy must also publish an annual procurement report. These documents are now part of the reporting landscape for public sector organisations to support increased transparency and visibility of public expenditure, and to embed sustainable procurement into public sector procurement.
- 1.4 The purpose is to demonstrate to stakeholders that procurement spend is being used to best effect to achieve:
 - Better public services
 - Social, economic and environmental outcomes in the area; and
 - A range of local and national policies.
- 1.5 The key ambition of the Procurement Strategy is to support our local market and the economy. During the 2017/18, and through delivering on our strategic objectives, the level of local spend has increased by 2.9% with 44.3% (£69.7m) of the overall Council spend with third parties (£157.4m) being with businesses operating in the geographical boundaries of the Scottish Borders.
- 1.6 Following committee approval the report must be submitted to the Scottish Government and, as a minimum, published on the internet.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee approves the Annual Procurement Report 2017/18 as attached in the appendix to this report**

3 BACKGROUND

- 3.1 The Procurement Reform (Scotland) Act 2014 requires any public organisation, which has an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, to prepare and publish a procurement strategy.
- 3.2 The Council's procurement strategy for the period 2018-2023 was approved in December 2017 and is being taken forward by the Commercial & Commissioned Services team and the wider organisation.
- 3.3 Where an organisation is required to prepare a procurement strategy, it must also publish an annual procurement report to record and publicise its performance and achievements in delivering its strategy.
- 3.4 The strategy and annual report are now part of the reporting landscape for public sector organisations to support increased transparency and visibility of public expenditure, and to embed sustainable procurement into public sector procurement.

4 ANNUAL REPORT

- 4.1 A copy of the APR for the period 1st January 2017 – 31st March 2018, developed in the format required by Scottish Government guidance, is attached to this report as Appendix 1.
- 4.2 This first annual report is for a 15 month period, with all future reports based on standard financial years.
- 4.3 The aim of report is to demonstrate to stakeholders that procurement spend is being used to best effect to achieve:
 - Better public services
 - Social, economic and environmental outcomes in the area; and
 - A range of local and national policies.
- 4.4 As part of the production of the report, an assessment has been undertaken to ensure delivery of procurement is in line with strategy objectives and the legislative landscape. The assessment has concluded all activities are compliant.
- 4.5 The APR also offers the opportunity to showcase activities and benefits delivered through procurement in the reporting period. Case studies have been included to demonstrate delivery is in line with the Corporate Plan.
- 4.6 The procurement strategy must be reviewed annually to ensure it remains aligned to corporate objectives and, if necessary, adjusted to account for change. The first review of the 2018-2023 strategy will be undertaken during November this year and will ensure the ongoing direction of procurement is refreshed to recognise the new Corporate Plan – Our Plan and your part in it.
- 4.7 Following endorsement by the Committee, the approved APR will be submitted to the Scottish Government and published on the corporate website.

5 REPORT HIGHLIGHTS

- 5.1 The key ambition of the Procurement Strategy is to support our local market and the economy. Activities supporting this theme are continuous, and for example and during the period of the report, have focused on growing delivery through the local market of social care and early years' service providers. Success has been achieved using flexible and innovative approaches to procurement resulting in substantial growth in the number of providers delivering services to the local community.
- 5.2 Delivering sustainable procurement with social, economic and environmental impact is another area of importance with significant success achieved through the delivery of new jobs and work experience opportunities, support to education, and a wide range of other community benefits, including sponsorship and the donation of materials to local community groups.
- 5.3 During the 2017/18, and through delivering on our strategic objectives, the level of local spend has increased by 2.9% with 44.3% (£69.7m) of the overall Council spend with third parties (£157.4m) being with businesses operating in the geographical boundaries of the Scottish Borders.

6 IMPLICATIONS

6.1 Financial

There are no financial implications contained in the report.

6.2 Risk and Mitigations

If the annual report is not submitted to the Scottish Government and made available online then the Council will not be compliant with statutory legislation.

6.3 Equalities

An EIA has been carried out and there are no adverse equality issues arising from the report.

6.4 Acting Sustainably

Effective procurement supports a prosperous, fair and sustainable area, delivering best value as well as local economic, social and environmental benefits.

6.5 Carbon Management

There are no effects on carbon emissions associated with this report.

6.6 Rural Proofing

Not applicable.

6.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the Schemes of Administration or Delegation as a result of this report.

7 CONSULTATION

7.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and comments received incorporated into the final report.

Approved by

**David Robertson
Chief Financial Officer**

Signature.....

Author(s)

Kathryn Dickson	Commercial & Commissioned Services Manager 01835 826646
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**Background Papers:
Previous Minute Reference:**

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. The Procurement & Payment Team can also give information on other language translations as well as providing additional copies.

Appendix 1

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annual procurement report

2017-2018

Sustainable procurement - making a real difference



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ANNUAL PROCUREMENT REPORT 2017/18

INTRODUCTION

This annual procurement report has been prepared to meet the requirements of the Procurement Reform (Scotland) Act 2014, and throughout we will demonstrate how our performance and achievements during the period meet both the strategic direction set by the organisation and all relevant procurement legislation. This first report covers the 15 month period 1st January 2017 to 31st March 2018. Subsequent reports will be based on standard financial years.

During 2017, a new **Commercial and Commissioned Services Strategy 2018-2023** (CCSS) was delivered to achieve the strategic procurement ambitions of Scottish Borders Council. By embedding a sustainable approach into the strategy themes and objectives we aim to make a real difference and positively influence the outcome of our procurement activities.

In February 2018 a new Corporate Plan for 2018-2023 called 'Our Plan and Your Part in it' was approved at Council. It sets the direction for the next five years to:

- make the most of the new opportunities we now have
- tackle the challenges we face
- take account of what our new Administration want to achieve
- ensure we respond to national policies and other statutory requirements

The plan is structured across four key themes:

- our services for you
- independent achieving people
- a thriving economy with opportunities for everyone
- empowered vibrant communities

The first annual review and refresh of the strategy will take place later in 2018 and will ensure the ongoing direction of procurement is in line with the new **Our Plan and your Part in it.**





PROCUREMENT STRATEGIC THEMES AND OBJECTIVES 2018-2023

Our new strategy focuses on a number of key themes and objectives. These aims have underpinned all activity during 2017/18.

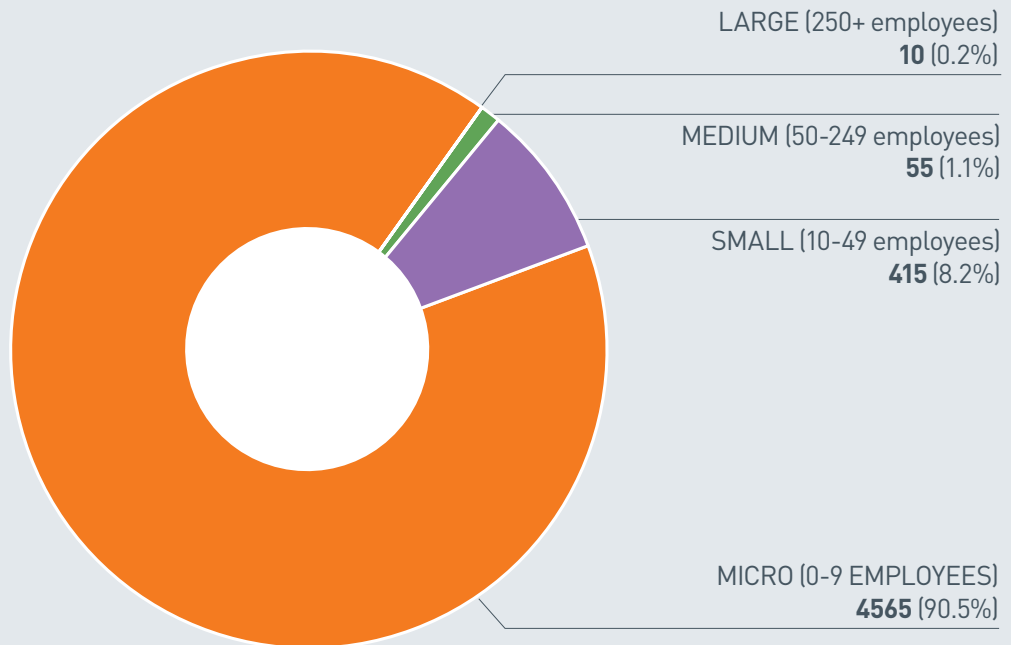
	Theme	Objective
1	Support our local market and the economy	to grow the Councils local supply base to increase the proportion of Council spend within the area
2	Deliver sustainable, flexible and innovative procurement	to capture opportunities while balancing priorities
3	Identify effective and efficient procurement policy improvements	to maximise the benefit from the investment in technology through the new ERP system
4	Deliver added value through savings and benefits	to make a positive and measurable impact through procurement opportunities
5	Develop commercial awareness across the organisation	to benefit from a commercial approach to key supplier and partner relationships

SCOTTISH BORDERS PROFILE



POPULATION 114,050 	HOUSEHOLDS 53,787 	SQ KM 4,732 km
COUNCIL REVENUE BUDGET £272m to spend (18/19) on delivering services 	COUNCIL CAPITAL BUDGET £294m to invest in projects over the next 10 years 	

BUSINESS SIZE PROFILE



KEY PROCUREMENT STATISTICS

INFORMATION 2017/2018



COUNCIL SPEND £157.4m total Council spend with third parties	REGULATED CONTACTS 105 awarded	VALUE OF REGULATED CONTRACTS £30.7m during period
LOCAL SPEND 44.3% of expenditure with businesses operating in the geographical boundaries of the Scottish Borders	ACTIVE SUPPLIERS 5,230 number of active supplier accounts	PURCHASE ORDER TRANSACTIONS 40,125 number of purchase order transactions

Data Sources: Spikes Cavell, Scottish Borders Council ERP system



OUR APPROACH TO DELIVERY OF AMBITIONS

To meet the objectives of our strategy we actively utilise a variety of best practice tools, mechanisms and approaches. These are supported by operational process and procedures in line with corporate policy. A selection of these methods is noted below.

THE PROCUREMENT JOURNEY/PUBLIC CONTRACTS SCOTLAND (PCS) /PCS-TENDER

The use of this suite of national procurement tools facilitates best practice and consistency across all our activity by bringing together each of the steps involved in procurement.

SUSTAINABLE PROCUREMENT DUTY

The Council policy 'Adding Value to Communities through Procurement' has been embedded into the new strategy to ensure every procurement project is considered for additional opportunities such as community benefits. Section 3 of this report summarises the positive outcomes from the policy.

In line with the policy and other strategy commitments, we have developed a Sustainable Procurement Charter. This can be found [here](#) (and is shown in Appendix 1). The charter lays out each of our principles, standards and the expectations for suppliers who would like to work with us.

The Flexible Framework assessment tool is used to measure our overall performance across sustainability and to map our continuous improvement. The prioritisation tool is used to assess and identify the key spend areas with clear opportunity for sustainable benefit and the sustainability test is used to embed identified benefits into the development of frameworks and contracts.

FAIR WORKING PRACTICES

As can be noted from our Sustainable Procurement Charter, the Council has fully adopted the statutory guidance relating to the Selection and Award of Contracts addressing Fair Work Practices (FWP) including the Scottish Living Wage.

As part of implementing the Scottish Living Wage within Adult Social Care, an extensive FWP exercise was carried out. The process invited providers to share detailed information across their work practices while at the same time providing a detailed breakdown of their rate. This enabled rates to be benchmarked and benefits contrasted. Against this backdrop the Council was able to facilitate payment of the Scottish Living Wage (through providers) to Care and Support workers across the Borders.

The Council is currently working towards the Living Wage Foundation Accreditation.

CONTRACT REGISTER

Our regularly updated contract register is available [here](#).

PROCUREMENT & COMMERCIAL IMPROVEMENT PROGRAMME

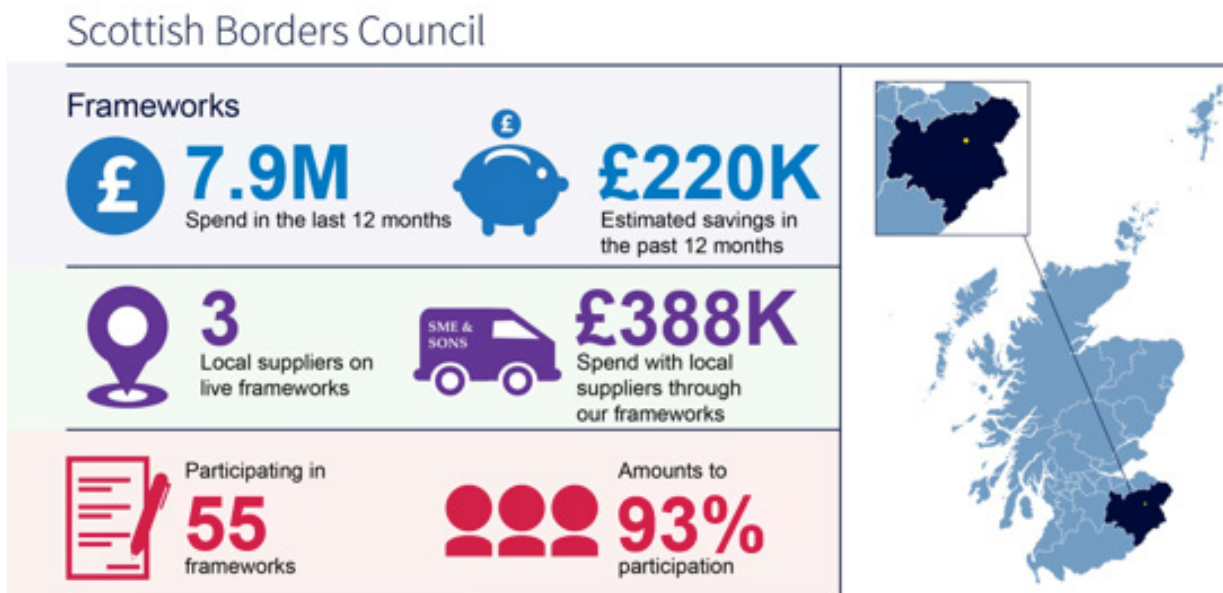
Excellent progress has been made during the period of the previous strategy which is evidenced by the results of the national Procurement & Commercial Improvement Programme (PCIP). The new assessment regime considers four key areas across Leadership & Governance, Development & Tender, Contract and Purchase Processes.

Our first assessment during 2016 resulted in an overall score of 72%, placing us in the top F1 Band and ahead of the Scottish local authority average.

Our highest performing areas include continuous improvement; spend analysis, internal controls and fraud awareness with areas identified for future improvement including process automation and contract management. Further detail is provided later in this report. The next assessment will be undertaken in October 2018.

COLLABORATIVE PROCUREMENT

Collaborative frameworks are utilised wherever possible, particularly through our shared service Scotland Excel as can be noted from the image below. Other collaborative opportunities include Crown Commercial Services, ESPO and other public sector based organisations. Regional collaboration is undertaken with neighbouring authorities such as City of Edinburgh, Midlothian and East Lothian Councils.



STAKEHOLDER CONSULTATION AND ENGAGEMENT

During 2017/18, and with a particular focus on our activities across Social Care and Health commissioned services, a number of external consultations and engagement opportunities have been undertaken.

CASE STUDY

The Children and Young Peoples Commissioning Group was tasked with a review of services available to children and young people in the Scottish Borders. The group includes representation from the Council, NHS Borders, Police Scotland and the Third Sector.

As a result of the review process, a new model of support was designed through evidence, best practice and the active involvement of a wide group of stakeholder's including Education and Social Work Services, CAMHS, School Nursing, Public Health, Mental Health and the Third Sector. The new provision covers emotional health and wellbeing services available within schools and in the community for children and young people aged 11 years to 18 years.

The engagement was undertaken via a Prior Information Notice (PIN) with a provider questionnaire and was followed up with a provider workshop to ensure their input. Following the consultation the service was procured using the 'Light Touch' regime through Public Contracts Scotland.

SECTION 1

SUMMARY OF REGULATED PROCUREMENTS COMPLETED DURING THE PERIOD

This section provides a record of the regulated procurement processes (any procurement with a value equal to or more than £50,000 for goods and services or £2M for works contracts) completed during 1st January 2017 – 31 March 2018. Regulated procurement activity is governed by the rules set out within the Procurement Reform (Scotland) Act 2014.

TOTAL REGULATED PROCUREMENT EXPENDITURE FOR PERIOD

Number of Contracts	Category A (Scottish Procurement)	Category B (Sectoral)	Category C (Local)	Total Value
105	£8,233,052	£6,014,842	£16,468,086	£30,715,980

Full details relating to each contract is provided in Appendix 2. An example dataset is shown below.

Reference	Supplier Name	Subject Matter	Start Date	End Date	Contract Value
SP-11-010	EDF Energy Ltd	Electricity	01.01.17	31.03.18	£3,118,813

SECTION 2

REVIEW OF REGULATED PROCUREMENT COMPLIANCE

OVERALL ASSESSMENT

Compliance of our regulated procurement activities is in line with the strategy aims and objectives and is achieved through the robust Council governance across Procurement and Contract Standing Orders and Financial Regulations. Procurement services are delivered by a centralised Commercial and Commissioned Services team, which facilitates and enables a strategic corporate approach to all requirements. The team applies our organisational values of fairness, equal treatment and openness to all that we do.

Each regulated procurement activity is reviewed to determine if and how it might contribute to the achievement of the Councils wider objectives. This review is carried out (in full partnership with the contract owner) through by the development of a project procurement strategy. The detail contained in these documents is used to develop and determine the most appropriate procurement route while considering sustainability and added value opportunities.

This approach creates a consistent, proportionate and effective mechanism to make certain these procurement activities are linked and aligned with the overall corporate and procurement strategic themes and associated objectives.

DELIVERING AGAINST OUR STRATEGIC THEMES - CASE STUDIES

CASE STUDY

Deliver Sustainable, flexible and innovative procurement

Traditionally public sector frameworks could only be awarded as closed frameworks for fixed periods. This type of framework did not offer much flexibility, particularly considering Social Care where the Council is particularly keen to support new entrants to the market to become providers of service as soon as practical.

During 2016 we took advantage of the Light Touch Procurement Regime available across Social Care and Health requirements and developed a brand new approach to creating framework arrangements. This involved creating a mechanism to regularly open the framework up to allow new providers to join.

This approach (which has subsequently been adopted by other contracting authorities) has successfully attracted new providers to our existing Care at Home and Early Learning and Childcare frameworks. The Council will continue to use the new legislation as innovatively as possible to encourage and support further new entrants to these markets within the Borders.

CASE STUDY

Supporting our local supply market and the economy

During 2017 the national e-tendering system (PCS-tender) was used to invite new service providers to join the Care at Home and the Early Learning and Childcare for 3 and 4 Year Olds Frameworks. Additionally, a number of roadshows were held throughout the area.

As a direct result of raising awareness and stimulating interest in the local supply market, six new local Care at Home providers were added to the framework. The majority have been actively used to provide Care at Home Services in the area. Eight new Childminders were added to the Early Learning framework and are now being used to support the increase in demand for the provision of Childcare services locally.

CASE STUDY

Identify effective and efficient procurement policy and process improvements

As part of the Councils wider digital transformation programme, the Business World Enterprise Resource Planning System (ERP) was implemented in April 2017. This new system has changed how we manage our procurement and payment activities. Our strategy notes a number of key ambitions - each has positive progress as noted below;

Key Objective	Progress Update
Maximising the automation of transactional processes	Purchase orders are automatically and efficiently routed through the system for budget holder and, as appropriate, procurement approval
Adopting master data across suppliers, contracts and products	The system is populated with all master file data. This data is managed by the Commercial & Commissioned Service team
Using spend data to support procurement decisions	All purchasing data is held in the system, providing rich information available for analysis when considering future procurement decisions
Creating efficiencies in support of front line delivery	The procurement purchase order review process has enabled the redirection of spend to core contracts which has reduced the overall cost to the organisation
Meet e-invoicing obligations for electronic invoicing	Now fully in place with a significant reduction in the volume of paper invoices

As part of the corporate implementation of the new system the team has been integral in developing support and guidance for colleagues across the organisation for the related changes to processes and procedures.

CASE STUDY

Deliver Added Value through Savings and Benefits

During 2017/18, savings of £143,000 were delivered. Our service also supported the delivery of further cashable benefits through facilitating access to service based efficiencies through procurement activities. The savings target for the next three financial years is noted below.

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	Detail
Procurement savings across all departments	(250)	(143)	(143)	Ongoing efficiencies through Procurement activity

CASE STUDY

Develop Commercial Awareness across the organisation

During 17/18, a group of internal stakeholders has been brought together, sponsored by the Executive Director – Commercial, with the aim of delivering a corporate contract management framework. The establishment of an effective Framework will formalise existing arrangements through a robust and proportionate approach delivering appropriate monitoring and review. This will make sure our strategic and operational contractual arrangements are managed consistently and that supplier performance is measured across our corporate priorities. Within the ERP system, a digital tool is being developed to support this process. It is intended that the work will be completed during the current financial year with an update provided in due course.

SECTION 3

COMMUNITY BENEFIT SUMMARY

BACKGROUND

The Council has a well-established 'Adding Value to Communities through Procurement Policy'. This can be found on page 12 of the strategy. Community benefit clauses (CBCs) are considered for every contract with an estimated value exceeding £50,000 with a clear process in place to ensure proportionate and appropriate application, particularly for regulated procurement activity. To ensure delivery of this important policy, the role of Community Benefit Coordinator has been in place for a number of years with the remit recently being expanded to include wider sustainability issues.

Our CBCs include minimum requirements which are developed with consideration of the type, value and duration of the contract. Bidders must meet or, as appropriate, go further than the minimum requirements and explain how they intend to deliver the benefits they commit to. The quality and ambition of the proposed delivery plan is evaluated with the score making up a suitably weighted element of the final outcome.

In this reporting period 21 contracts included community benefit requirements, covering a range of services including construction, mental health, social care, specialist consultants and energy efficiency activities.

The Scottish Borders Community Planning Partnership has an established Sustainable Procurement group with the aim of identifying area wide collaborative opportunities that may have positive social, economic and environmental impact.

Our Co-ordinator also chairs a Community Benefit Stakeholder Group. This group brings together representatives from our wider partners including Department of Work and Pensions, Borders College, Skills Development Scotland, Criminal Justice, Economic Development and Employability groups to support seamless delivery of benefits, particularly to key priority groups.

CASE STUDY

Collaboration

As noted, the Council chairs a Stakeholder Group bringing together the key agencies supporting the delivery of CBCs.

Working in Partnership with Job Centre Plus, Borders College and Lifeskills, a Construction Sector Work Academy has been established locally to help young and unemployed people gain foothold into the industry.

The Academy supports students to gain their Construction Skills Certification Scheme (CSCS) card, and organises three weeks of work experience with a guaranteed interview with the employer at the end of the placement.

The work experience is provided through our CBCs ensuring construction contractors delivering projects on our behalf make an important contribution to supporting local social and economic development.

Nine students took part in the most recent course, with all successfully gaining their CSCS card and going on to their work placements with a number of construction contractors. Seven students subsequently secured full employment within ten weeks of completing the course. This success has been achieved not only by the stakeholder group but by the individuals taking up the opportunity to gain access to a career in the construction industry. Further Academies are planned for this coming year, with appropriate contracts and associated CBCs identified to ensure the availability of work placements.

A spokesperson for Life Skills said 'These sector based construction courses have been a very successful initiative delivering positive outcomes for a number of local unemployed people who have gone on to secure permanent employment within the Construction sector'

CASE STUDY

Social Enterprise

Brake Bros Ltd supply cooked meats and groceries to school and care homes across the Scottish Borders. As part of their community benefit requirement the company also deliver regular free supplies of surplus food to the Scottish Borders Social Enterprise Chamber. The Chamber has a network of projects and groups across the Scottish Borders and re-distributes the food to a variety of charitable organisations across the area.

Two groups who have recently benefited from the initiative include Nature Unlimited who provides opportunities for people to learn to prepare, cook and eat food outdoors and Borders Additional Needs Groups (BANG) received supplies for their recent day trip. Pauline Grigor said 'the donations were very much appreciated by the families on our day trip to Kielder forest'.

CASE STUDY

Community

Stable Life, a charity based in Ashkirk, provides a safe, nurturing and learning experience using the horse and its environment to help young people reach their full potential, and become healthier and happier with aspirations and dreams. They recently benefited from one of our community benefit clauses that seek to add value to our communities.

Our Road Aggregates Framework provides SB Contracts with aggregates, concrete and other roads materials. Cemex UK operate a local quarry and asphalt plant at Cowieslinn near Peebles. Stable life recently had a visit from ten staff from Cemex quarries to give the stables a much needed make-over.

Armed with paint brushes and paint they spent an enjoyable day painting the walls of all the stables and other buildings in the yard. Mags Powells the Business Development Manager said 'They did a fantastic job whitewashing the stables and big shed which has really brightened the place up and saved us what would have been a huge task'.



This is a great example of how CBCs work through our suppliers delivering a wide range of benefits including this example of providing direct support to a valuable local charity.

SUMMARY OF COMMUNITY BENEFITS DELIVERED DURING THE REPORTING PERIOD

Type of Community Benefit	Number delivered
Employment & Skills Activity	
a) Jobs Created / New Employment Opportunities	26
b) Apprentices – Starts	2
c) Apprentices – Existing	6
d) Apprentices – Completions	1
Training and Work Experience	
a) Work Experience Placements (16 plus years)	17
b) Work Experience Placements - Employability programmes	3
Support Activities Education	
a) Education No. of Participants	616
b) Education Support Activities - Schools	34
Community Engagement Events/Activity	
a) Engagement with Community Groups	17
b) Supporting Community Projects/Events	30
c) Sponsorship Activity	24
d) Donation of materials	6

SECTION 4

SUPPORTED BUSINESS AND THE THIRD SECTOR SUMMARY

The development of every procurement strategy considers the involvement of supported business or social enterprise as a delivery option and, as appropriate, we utilise the Scottish Government Supported Business Framework or consider innovative ways of ensuring supported business and social enterprises have the opportunity to work with us.

The Council works closely with Scottish Borders Social Enterprise Chamber (SBSEC) to encourage supported business and other third sector organisations to access Council contract opportunities. This active role allows us to keep members updated with contract and community benefit opportunities.

The Council will continue to look for opportunities for supported businesses, investigating all procurement avenues to identify appropriate providers and matching them with our contract opportunities. Community benefit clauses also provide an opportunity to direct our third party contractors/ suppliers to consider supported businesses in their supply chain.

During this reporting period the Council has engaged with a number of supported businesses through both contract and grant award mechanisms:

- Green Works (£5,642)
- The Borders Green Team (£1,045)
- Re-Tweed (£8,366)
- The Lady Haig Poppy Factory (£1,129).

Currently, discussions are underway with Haven Recycling regarding the disposal of IT hardware to support the IT replacement programme across schools.

CASE STUDY

The Council recently renewed its Path Vegetation contract, which ensures local pathways are kept clear to allow easy access to the countryside. Through our market research, a potential opportunity for a local social enterprise to provide an element of the gardening and landscape services was identified. Members of the team met with two local providers to discuss how lots could be reconfigured to suit their capacity and capabilities. Green Works subsequently submitted a successful bid and was awarded one of the lots of the contract.

Mandy Lowrie the Employment and Enterprise Manager of Green Works noted:

'This is great opportunity for Green Works as it gives us experience in bidding for this type of work and an opportunity to demonstrate what we can do thereby helping us win similar contracts in the future. The contract provides a valuable source for training and work experience for individuals. The Council have gave us positive feedback for the work carried out which in turn ensures our trainees gain a sense of value and encourages them to continue working to a high standard in all aspects of the different jobs they undertake'.

The Council will continue to seek to identify appropriate opportunities for supported businesses and social enterprise and provide them with the necessary guidance and support to ensure they are able to bid for contracts that they can successfully deliver.

SECTION 5

FUTURE REGULATED PROCUREMENTS SUMMARY

The Procurement Reform (Scotland) Act 2014 states it is mandatory that this annual procurement report includes 'a summary of the regulated procurements the authority expects to commence in the next two financial years.'

WHY?

Acting in a transparent and proportionate manner is an effective way by which an organisation can encourage competition and achieve better value for money in its procurements. This approach aims to widen participation in the public procurement process and therefore this information provides information to suppliers of future opportunities.

Appendix 4 contains details of the planned regulated procurement activities expected to be undertaken during financial years 2018/19 and 2019/20.

SECTION 6

PERFORMANCE

PROCUREMENT AND COMMERCIAL IMPROVEMENT PROGRAMME

In September 2016, Scotland Excel carried out a Procurement and Commercial Improvement Programme (PCIP) assessment of the Council as part of the first round of such assessments of local authorities in Scotland.

Scottish Borders Council received an overall score of 72%, placing it in the F1 Band and well above the Scottish local authority average of 64%.

Key strengths identified included Leadership and Governance, and Development and Tender. Our approach to continuous improvement will be focused on the Contract and Purchasing Processes. Since the assessment in 2016 two key activities connected to these areas of assessment have commenced. An officer group is working towards the delivery of a new Contract Management Framework for use across the organisation and the implementation of Business World is supporting improvement across all purchasing activities.

ESTIMATED PROCUREMENT SAVINGS FOR PERIOD OF REPORT

The total estimated savings delivered through regulated contracts is noted below. It should be noted that this figure relates to procurement related savings during the period of this report and not to the overall savings made by the organisation through service redesign, specification reviews and other budget efficiencies.

Period	Category A (Scottish Procurement)	Category B (Sectoral)	Category C (Local)	Total Value
Q4 2016/17	£214,426	£127,236	£35,750	£377,412
2017/2018	£590,942	£219,957	£143,000	£953,899
Total	£805,368	£347,193	£178,750	£1,331,311

PAYMENT PERFORMANCE

The complex implementation of Business World commenced April 2017 is reflected with a short term reduction in performance of our 30 days payment indicator during 2017/18. Such projects are known to create short term impact due to the scale of change from one system to another, however positive progress is being achieved month on month as the new processes become business as usual and improvements in reporting are achieved.

The full year average of the two indicators is noted below.

78% of payments made within 30 days – performance by the end of period (March 2018) increased to 85%

97% of payments made electronically

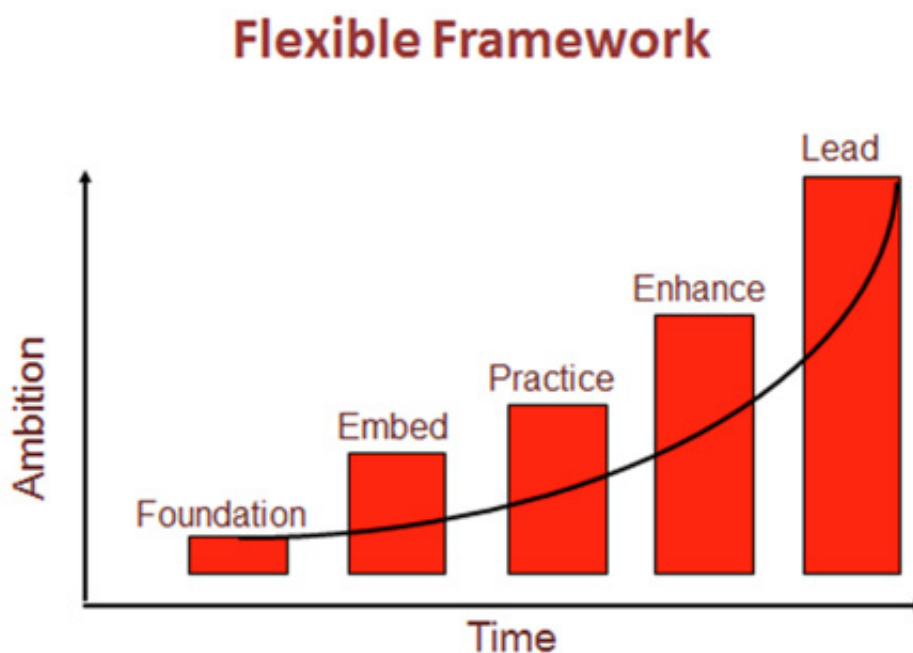
At the time of publishing the percentage of payments made within 30 days has further increased to **89%** (July 2018). Work is ongoing to continue this improvement.

SUSTAINABILITY PERFORMANCE - FLEXIBLE FRAMEWORK ASSESSMENT TOOL

The Scottish Government Flexible Framework self-assessment tool is used to help ensure we achieve sustainable outcomes by assessing our current level of performance and identifying the actions required to continuously improve our procurement practice in relation to sustainability.

The framework has five levels and following a recent reassessment of the existing action plan incorporating local priorities and requirements, the organisation is pleased to have achieved level 2 (Embed) with progress towards level 3 (Practice).

A new improvement plan for completion of level 3 (Practice) has been prepared and will be taken forward over the coming year. Regular re-assessment to measure delivery of progress will be undertaken.



Annual Report Ownership	Further Information
Approval Process	Scottish Borders Council – Executive Committee August 2018
Led By	Mr David Robertson Chief Financial Officer david.robertson@scotborders.gov.uk
Delivered By	Ms Kathryn Dickson Commercial & Commissioned Services Manager kathryn.dickson@scotborders.gov.uk

GLOSSARY/PROCUREMENT TERMINOLOGY

Collaboration	Working with other partners to undertake joint or shared procurement activities with the intention of obtaining better value through the economies of scale and reduced procurement costs
Commissioning	This is the process used to assess the needs of people in the area, then to design and specify the appropriate services to deliver those needs in a cost effective and value for money way
Community Benefits	These are contract requirements that deliver wider benefits in addition to the core purpose of the contract. These will create added value and will be social, economic or environmental benefits
Contract Management	This is the management of contracts with suppliers or partners. It includes the tasks and activities to ensure the contract is delivered as per the terms. Activity can include the mobilisation of the contract, delivery throughout the term of the contract to expiry and decommissioning. It will also include supplier relationship and performance management
Demand Management	This is a way to reduce costs by managing requirements through many different methods such as forecasting, reducing options, increasing flexibility or considering distribution methods and frequency
Flexible Framework Self-Assessment Tool (FFSAT)	A tool used to assess and measure our level of performance of sustainable procurement and to build an action plan to build on that performance
Goods	Items that we buy include things such as catering provisions, office stationery and supplies, or the materials needed to build roads
KPI	Key Performance Indicators are measures put in place as part of the contract arrangements. These will be used to help manage delivery of the contract to a pre-agreed set of quality and quantity indicators
P2P	Procurement to Payment - electronic IT systems and processes used to manage the raising of purchase orders through to the payment of supplier invoices
PCIP	The Scottish Government led Procurement and Commercial Improvement Programme and its associated assessment programme
Procurement	This is process of acquiring goods, services and works
Purchasing	The transactional stages of placing orders for goods, services or works, using P2P systems to receipt goods, services or works received and then to pay for them
Regulations	Public Contracts (Scotland) Regulations 2015; Procurement (Scotland) Regulations 2016; The Procurement Reform (Scotland) Act 2014
Services	Services we buy might include care services, professional services to design works projects or repair and maintenance services
Small and Medium Enterprises (SMEs)	Firms that employ less than 10 employees are classified as micro businesses, firms that employ less than 50 are classed as small and those employing less than 250 medium
Sustainable Procurement	A process where organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life costs basis and generates benefits, not only for the organisation but for society, the economy and the environment
Third Sector	The group name for a range of organisations such as community groups, charities, voluntary organisations, social enterprises or community interest companies. They can be everything between small and local or large multinational companies or charities
Value for Money	Value for money is the optimum combination of whole life costs quality and sustainability to meet our requirements
Whole Life Costing	Whole life costing takes into account the total cost of a product or service over its lifetime, from concept to disposal and including purchase, hire or lease, maintenance, operation, utilities, training and end of life disposal. It is important to take all of these costs into consideration when making decisions as in some cases the purchase cost is only a small proportion of the cost of operating it
Works	Construction works that we buy, including the construction and/or refurbishment of new and existing buildings, roads, bridges, parks or other open spaces

APPENDIX 1 - SUSTAINABLE PROCUREMENT

Sustainable Procurement Charter

Scottish Borders Council aims to be a responsible purchaser of goods, services and works. We set standards to make sure we undertake our activities in an ethical, responsible and sustainable way. This charter lays out a number of important principles and policy requirements of the Council to which we expect our suppliers to comply.



Achieving our Sustainable Procurement duty

Equalities

We view the Scottish Borders as a place where everyone matters, where everyone should have equal opportunities and where everyone should be treated with dignity and respect. As a responsible employer the Council is committed to promoting equal opportunities to all of the Scottish Borders community, employees and suppliers alike. Consideration of equal opportunities is fully integrated into our procurement practices and is fully committed to the values and ethos of the Equality Act 2010.

Disability Confident Scheme

The Council is an accredited Disability Confident employer. We are committed to the aims of Disability Confident and would encourage our partners, suppliers and providers to demonstrate their commitment to the scheme and also become accredited Disability Confident employers. As appropriate, contracts or framework agreements may include clear performance indicators relating to the positive benefits of such a scheme.

Facilitating SME's, third sector and supported businesses in the procurement process

Our procurement strategy aims to achieve a mixed economy of suppliers to support and develop our local rural market, particularly micro, small and medium sized enterprises, Third Sector organisations and supported businesses. This approach includes simplified and standardised public sector procurement practices, consideration of lotting and a range of hands-on assistance to the local supply chain to help reduce any barriers to involvement in procurement opportunities.

Promoting Innovation

Influencing the market towards innovative solutions can focus public spending on sustainable goods, services and works and create an important catalyst for local job creation, sustainable innovation and market development. Our procurement strategy notes the importance of innovation through procurement and we encourage all our suppliers to consider an innovative approach to the way goods and services are delivered.

Fair Work Practices

As a Living Wage employer, the Council is committed to encouraging the wider adoption of the Scottish Living Wage by suppliers and to support this has adopted the Scottish Government guidance on the Selection of Tenderers and Award of Contracts which addresses Fair Work Practices as part of the procurement for relevant contracts. The Living Wage is an hourly rate set by the Living Wage Foundation and is revised in November every year. The current rate is £8.75 (November 2017)

Consultation with Stakeholders

Service User and, where appropriate, wider community consultation is an integral part of commissioning considerations. The strategic importance and complexity of required outcomes will mainly govern the level of consultation undertaken and the choice of the procurement route followed. The final decision on these matters will always be considered in light of what is likely to provide best value for the local community.

Health & Safety Compliance

The Council is committed to achieving a culture that ensures it complies with all current Health and Safety legislation and in so doing endeavours to provide safe places and safe systems of work. This principal extends to those employed to do contracted works for and on behalf of the Council. The Council will only employ contractors who are fully accreditedSSIP members of Constructionline or equivalent.

Fairly & ethically traded goods

The Council supports the Fair Trade initiative because it reflects our commitment to sustainable development and offers the prospect that marginalised producers across the world will receive fairer deals for their produce. The Council will promote the use of fair trade products across all its services and raise awareness of fair trade amongst its staff and customers. The Council will (to the extent permitted by EU procurement legislation) embed Fair Trade into contracts with suppliers where it has a direct bearing on the required goods, services and works.

Provision of Food

The procurement of food considers the wider community focus of improving the health and wellbeing of young people and communities in the Borders. Promoting a sustainable food supply chain by (where possible) the use of Scottish produce through collaborative contracts supports the delivery of healthy eating. Food security and ethics are of equal importance and the Council follows Scottish Government guidance to ensure consideration of the highest levels of animal welfare.

Prompt payment within 30 days

The effect of late payment on SME's can be significant, impacting cash flow and the ability to trade. As direct support the Council has a prompt payment policy and related performance indicator which aims to make payment of invoices within 30 days of receipt of a valid invoice. To make sure this policy flows through all stages of the supply chain, our terms and conditions of contract obliges our contracted suppliers to make payment of valid invoices within a similar 30 day period.

Information/Data Management/Protection

The Council regards information as a valuable corporate asset which must be obtained, processed and protected diligently, lawfully and ethically. The approach to information governance focuses on safeguarding customers, providing business transparency and ensuring legislative compliance. Relationships with 3rd parties who handle data on behalf of the Council, or with whom we share data are carefully managed. Contracts include information governance compliance conditions with these arrangements being documented and monitored. We will expect all suppliers to take the same robust approach to information management as we do, even after their contract has expired.

Environmental Impact and Climate Change

The Council is committed to reducing its environmental impact, including carbon emissions, wherever possible. The Climate Change (Scotland) Act 2009 places duties on public bodies to deliver their services in a way which supports this, including both internal activities, such as energy saving within buildings, and its work with partners. The way that the Council procures goods and services can have a huge environmental impact, and by purchasing items which can demonstrate a reduced negative effect on wildlife, natural resources and carbon emissions, we can reduce our carbon footprint and support suppliers to do the same.

Improving the economic, social and environmental wellbeing of the area

Adding Value to Communities through Community Benefits or 'social' requirements in public sector procurement is intended to ensure that wider local economic and social issues are considered when delivering construction works, service or supplies contracts. This is achieved through the inclusion of specific clauses within contracts known as community benefit clauses (CBCs).

Conflict of Interest

Council Officers and Members conducting business on behalf of the organisation have a responsibility to do so in a manner that is objective and ethical. As such we require any individual whether employee or supplier to declare such an interest before any procurement activity commences as the best way to handle conflicts of interest is to avoid them entirely.

Modern Slavery Act 2015

The Council adopts a zero tolerance approach to modern slavery and human trafficking. We expect all those who work for and with us to adhere to this approach. As appropriate we will address areas of concern in the tendering process through requiring minimum standards and contract management.

APPENDIX 2 – REGULATED PROCUREMENT

CATEGORY A SCOTTISH GOVERNMENT FRAMEWORK AGREEMENTS – CONTRACT AWARD/SPEND CHARTER

Scottish Government Schedule	Supplier Name	Subject Matter	Start Date	End Date	Contract Value
SP-11-010	EDF Energy Ltd	Electricity	01.01.17	31.03.18	£3,118,813
PS-11-001	Lyreco UK Ltd	General stationery and office paper	01.01.17	31.03.18	£128,679
SP-15-016	Banner Group Ltd	IT Consumables	01.01.17	31.03.18	£78,956
SP-15-004	Scottish Fuels	Liquid Fuel - Automotive fuel (Central)	01.01.17	31.03.18	£170,098
SP-15-005	Highland Fuels	Liquid Fuel - Automotive fuel (South)	01.01.17	31.03.18	£1,066,089
SP-15-006	Highland Fuels	Liquid Fuel - Automotive fuel (West)	01.01.17	31.03.18	£240,623
SP-15-007	Scottish Fuels	Liquid Fuel - Heating oil (Central)	01.01.17	31.03.18	£62,420
SP-15-007	Scottish Fuels	Liquid Fuel - Heating oil (South)	01.01.17	31.03.18	£944,764
PS-14-002	Hewlett Packard UK Ltd	Mobile Client Devices	01.01.17	31.03.18	£293,555
SP-12-005	Total Gas & Power Ltd	Natural Gas	01.01.17	31.03.18	£388,044
SP-15-014	Royal Mail Group Ltd	Postal Services	01.01.17	31.03.18	£240,017
SP-15-005	Anglian Water Business (National) Ltd	Water and Waste Water Services	01.01.17	31.03.18	£1,500,994
Total Value					£8,233,052

CATEGORY B SCOTLAND EXCEL FRAMEWORK AGREEMENTS – CONTRACT AWARDS/SPEND

SXL Schedule Number	Supplier Name	Subject Matter	Start Date	End Date	Contract Value
0915	Instock Disposables	Catering Sundries	01.01.17	31.03.18	£58,498
0516	Colas Ltd	Bitumen Products	01.01.17	31.03.18	£278,875
0516	Nynas UK AB	Bitumen Products	01.01.17	31.03.18	£345,365
0311	Applied Care And Development Ltd	Children's Residential Care	01.01.17	31.03.18	£254,182
0311	Care Visions Group Ltd	Children's Residential Care	01.01.17	31.03.18	£143,544
0311	Church Of Scotland (trading As Crossreach)	Children's Residential Care	01.01.17	31.03.18	£139,732
0311	Common Thread Ltd	Children's Residential Care	01.01.17	31.03.18	£415,796
0311	Hillside School (Aberdour) Ltd	Children's Residential Care	01.01.17	31.03.18	£320,320
0311	Spark Of Genius (training) Ltd	Children's Residential Care	01.01.17	31.03.18	£93,902
0115	Apetito Ltd	Community Meals	01.01.17	31.03.18	£247,874
0815	The Furnishing Service Ltd	Domestic Furniture and Furnishings	01.01.17	31.03.18	£342,942
0916	Educational Materials	Yorkshire Purchasing Organisation	01.01.17	31.03.18	£55,001
0615	Edmundson Electrical Ltd T/A Edmundson Walsall	Electrical Materials	01.01.17	31.03.18	£70,991
1212	Brake Bros Ltd	Frozen Foods	01.01.17	31.03.18	£249,796
1016	Brake Bros Ltd	Frozen Foods	01.01.17	31.03.18	£383,744
0515	Brake Bros Ltd	Groceries & Provisions	01.01.17	31.03.18	£748,707
1414	Alliance Disposables Ltd	Janitorial Products	01.01.17	31.03.18	£65,954
1414	Unico Ltd	Janitorial Products	01.01.17	31.03.18	£228,149
0214	Brake Bros Ltd	Meats - Fresh, Prepared & Cooked (inc. Fresh Fish)	01.01.17	31.03.18	£138,180
0214	Campbells Prime Meat Ltd	Meats - Fresh, Prepared & Cooked (inc. Fresh Fish)	01.01.17	31.03.18	£124,048
1214	Avm Impact Ltd	Presentation & Audio Visual Equipment	01.01.17	31.03.18	£259,457
2013	Cleveland Potash Ltd	Road Salt	01.01.17	31.03.18	£362,438
0716	Kibble Education & Care Centre	Secure Care	01.01.17	31.03.18	£224,655
1613	Marwood Electrical Co Ltd	Street Lighting Materials	01.01.17	31.03.18	£80,361
1613	Glasdon	Street Lighting Materials	01.01.17	31.03.18	£70,624
0113	Redpath Tyres Ltd	Tyres for Vehicles & Plant	01.01.17	31.03.18	£89,384
0417	Redpath Tyres Ltd	Tyres for Vehicles & Plant	01.01.17	31.03.18	£63,253
0116	Dingbro Ltd	Vehicle Parts	01.01.17	31.03.18	£108,823
Total Value					£6,014,842

CATEGORY C CONTRACT AND FRAMEWORK AWARDS

SBC Reference	Supplier Name	Subject Matter	Award Date	Start Date	End Date	Extension	Estimated Contract Value
1366	British Red Cross	Buddy and Neighbourhood Links Services	15.03.17	01.01.17	31.03.20		£205,500
888	Graham Environmental Services	Property Management - Legionella Monitoring and Control	10.03.17	01.04.17	31.03.19	12 Months	£60,850
1357	Royal Voluntary Services	Older People and Physical Disability Day Centres and Social Centres	02.03.17	01.04.17	31.03.19		£412,000
SWC166	Benore Care Centre	Care at Home	01.02.17	01.02.17	31.03.18	12 Months	£67,904
SW/01/02/17b	Benore Care Centre (Lister House)	Older People Services - Residential & Nursing	01.02.17	01.02.17	31.03.18	12 Months	£67,902
SWC165	Kirk Lodge Nursing Home	Care at Home	01.02.17	01.02.17	31.03.18	12 Months	£67,488
SW/01/02/17a	Kirk Lodge Nursing Home	Older People Services - Residential & Nursing	01.02.17	01.02.17	31.03.18	12 Months	£67,486
1309	Mott Macdonald Ltd	Consultancy Services for Flood Studies	13.01.17	16.01.17	27.07.18		£317,396
1419	Turner & Townsend	Project Management - Tapestry Building	09.01.17	09.01.17	30.09.20		£593,000
1318	Fergus Watson	Strategic and Business Advice (Tourism - Borders Railway)	09.01.17	09.01.17	16.12.18		£59,000
1393	Trust Housing Association	Housing with Care - Cornmill Court Galashiels	01.04.17	01.04.17	31.03.20		£870,000
1438	New Horizons Scotland	Self-Advocacy / Drop in service	01.04.17	01.04.17	31.03.20	24 Months	£499,200
SWC/74	Borders Carers Centre	Provision of Support and Assessment of Informal Carers	01.04.17	01.04.17	31.03.20		£484,788
1408	Momentum Scotland	Brain Injury Service for Adults and Carers	01.04.17	01.04.17	31.03.20		£362,013
1398 (i)	Eildon Housing Association	Sheltered Housing - Housing Support	01.04.17	01.04.17	31.03.18	12 Months	£361,804
1281	Borders Citizens Advice Service	Provision of Money and Welfare Advisory Service	01.04.17	01.04.17	30.09.18		£340,875

SBC Reference	Supplier Name	Subject Matter	Award Date	Start Date	End Date	Extension	Estimated Contract Value
710	Eildon Housing Association Ltd	Care and Repair	01.04.17	01.04.17	31.03.18	12 Months	£637,914
1380	Forth Resource Management	Green Waste Collection	01.04.17	01.04.17	31.03.18	12 Months	£300,000
SWC69	Encompass	Payments Agency Adults and Children	01.04.17	01.04.17	31.03.20	12 Months	£192,804
1365	NHS Borders	Children Services - CMAT	01.04.17	01.04.17	31.03.18		£183,861
1398 (iiii)	Berwickshire Housing Association	Sheltered Housing - Housing Support	01.04.17	01.04.17	31.03.18	12 Months	£155,856
1432	Health In Mind Rediscover Borders	Health in Mind Rediscover Borders	01.04.17	01.04.17	31.03.20	24 Months	£139,920
1432	Volunteer Centre Borders	Volunteer Centre Borders	01.04.17	01.04.17	31.03.20		£93,135
1365	Police Scotland	Children's Services - Police Officers	01.04.17	01.04.17	31.03.18		£81,000
1365	Action for Children Young Carers	Youth Project	01.04.17	01.04.17	31.03.18		£73,875
1353	Metric Group Limited	Pay and Display	01.04.17	01.04.17	31.03.22		£69,950
SWC/2017/7	Cairdean House	Older People Services - Residential & Nursing	01.04.17	01.04.17	31.03.18	12 Months	£69,689
SWC/2017/2	Finavon Court Nursing Home	Older People Services - Residential & Nursing	01.04.17	01.04.17	31.03.18	12 Months	£69,377
SWC/2017/5	Silloth Nursing and Residential Care Home	Older People Services - Residential & Nursing	01.04.17	01.04.17	31.03.18	12 Months	£69,061
SWC/2017/3	Ancaster House	Older People Services - Residential & Nursing	01.04.17	01.04.17	31.03.18	12 Months	£60,000
1398 (ii)	Cairn Housing Association	Sheltered Housing - Housing Support	01.04.17	01.04.17	31.03.18	12 Months	£58,780
1434	Chest Heart and Stroke Association	Chest Heart and Stroke Association	01.04.17	01.04.17	31.03.20		£55,470
1398 (iii)	Trust Housing Association	Sheltered Housing - Housing Support	01.04.17	01.04.17	31.03.18	12 Months	£52,746
1405	Early Years Scotland	Support for voluntary Early Years Groups	01.04.17	01.04.17	31.03.18	12 Months	£41,582
1344	ISS Facility Services, R&D Spray Services, Green Works	Path Vegetation Control	03.05.17	01.04.17	31.03.20		£99,055
1420	Turner & Townsend	Project Manager - Hawick Regeneration	10.05.17	10.05.17	31.03.20		£268,000

SBC Reference	Supplier Name	Subject Matter	Award Date	Start Date	End Date	Extension	Estimated Contract Value
1396	Turner & Townsend	Project Management - Jedburgh Intergenerational Learning Campus (JILC)	10.05.17	10.05.17	31.03.20		£229,000
1403	Levenseat	Organic Waste	29.05.17	29.05.17	29.05.18		£55,000
1377	CPE Consultancy	Project Manager Hawick Flood Protection Scheme	20.06.17	20.06.17	31.03.23		£170,000
1179	Cooks Van Hire, Enterprise Rent-a-Car, Essential Fleet Services, Co-Wheels Car Club, ACL Ltd, Telfords Coaches, ND Brown	Short Term Ad-hoc Vehicle Hire Framework Agreement	26.06.17	03.07.17	02.07.19	24 Mths	£300,000
1262	Penumbra	Community Based Housing Support Mental Health	01.07.17	01.07.17	30.06.20	24 Mths	£882,232
1332	Children 1st	Domestic Abuse Community Support Service	01.07.17	01.07.17	30.06.20	12 Mths	£426,000
1367	HAS Technology Limited	Electronic Homecare Monitoring and Scheduling Solution	01.07.17	01.07.17	30.06.19	12 Mths	£308,040
1382	Co Wheels Car Club	Managed Pool Cars	24.07.17	24.07.17	31.05.18		£59,232
1477	Turner & Townsend	Project Manager Union Bridge	01.08.17	01.08.17	01.12.18		£75,000
1437	BMI Trailers Ltd	Up to 3 of Open-Top Ejector 85Cu.M	07.09.17	08.09.17	12.01.18		£163,677
1454	Pam Wellbeing Ltd	Occupational Health Service	01.10.17	01.10.17	30.09.20	12 Mths	£440,000
1193	Health in Mind	Recovery College	01.10.17	01.10.17	30.09.19		£250,000
1432	CMS CAMERON McKenna LLP	JILC - Legal Advisor	04.10.17	04.10.17	30.06.18		£80,000
1470	Everwarm Ltd	Energy Improvements	05.10.17	17.11.17	31.05.18		£319,250
1469	AC White & Company	Lower Langlee Energy Improvements	05.10.17	17.11.17	31.05.18		£119,000
1351	MacLean Electrical	Street Lighting Energy Efficiency Programme	09.10.17	09.10.17	31.03.18		£537,727
1396	Turner & Townsend	Technical Advisor - JILC	01.11.17	01.11.17	31.03.20		£140,000
1452	Scomac Catering Equipment Ltd	Coldstream Primary School Kitchen Re-Fit	01.11.17	01.11.17	31.01.18		£80,766

SBC Reference	Supplier Name	Subject Matter	Award Date	Start Date	End Date	Extension	Estimated Contract Value
1493	Turner & Townsend	Project Management - Borders Innovation Park Office Development	01.11.17	01.11.17	31.07.19		£395,000
1443	Hags SMP Ltd	Playpark - Galashiels	14.11.17	14.11.17	31.03.18		£250,000
1505	BCA Insulation Limited	HTTC Energy Improvements Peebles	12.12.17	12.12.17	31.07.18		£250,000
PSA12 MoU 1	Insight Direct UK Ltd	Microsoft Educational Enrolment License	01.01.18	01.01.18	31.12.21		£201,000
1390	Quarriers	Emotional Health and Wellbeing Service	01.01.18	01.01.18	31.03.21	24 mths	£1,575,736
1474	Campbell and Kennedy	Supply and Installation of Solar PV Systems	08.01.18	08.01.18	31.03.18		£394,315
1506	Everwarm Limited	Energy Improvements (IWI) Peebles	08.01.18	08.01.18	31.05.18		£271,250
1510	Everwarm Limited	Energy Improvements (EWI) Peebles	08.01.18	08.01.18	31.05.18		£200,000
1482	Jacobs UK Limited	Hawick Flood Protection Scheme Water Diversion	09.02.18	12.02.18	31.08.18		£170,111
801	IDOX Software Ltd	IDOX Uniform, PA & DMS Licenses	31.03.18	01.04.18	31.03.22		£453,469
1137	ESRI UK Ltd	Local View GIS Mapping Solution	31.03.18	01.04.18	31.03.21		£63,000
Total Value							£16,468,086

SOCIAL CARE & HEALTH CONTRACTS

The Council uses a number of specialist providers across Adult and Children's Social Care & Health Services. These include Residential, Fostering, Educational and other specialist needs. The contracts for these services are put in place with multiple providers (both locally and out of the area) through existing framework agreements or via spot contracts. The use of the EU light touch regime ensures compliance with legislation.

After consideration it is believed that the individual nature of these arrangements creates a significant risk of a data breach occurring if they are publicised in more detail. These contracts have not been included in the Category C Contract and Framework Awards list.

APPENDIX 3 - CONTRACTS AWARDED DURING THE PERIOD WITH COMMUNITY BENEFIT CLAUSES

SBC Reference	Supplier Name	Subject Matter	Contract Award Date	Regulated or Below Threshold
1419	Turner & Townsend	Project Manager - Great Tapestry of Scotland	09.01.17	Regulated
1309	Mott MacDonald	Flood Survey	13.01.17	Regulated
1262	Penumbra	Mental Health - Housing Support	06.03.17	Regulated
1330	Graham Environmental Services	Legionella Testing	10.03.17	Regulated
1319	James Swinton & Co Ltd	Hawick High School Windows	20.04.17	Below Threshold
1420	Turner & Townsend	Hawick Regeneration Project - Project Manager	10.05.17	Regulated
1386	Ecosse Sports Ltd	Artificial Pitch Maintenance	31.05.17	Below Threshold
1377	CPE Consultancy	Hawick Flood Protection Scheme -Consultant	20.06.17	Regulated
1179	Various	Short Term Vehicle Hire	21.06.17	Regulated
1332	Children 1st	Domestic Abuse Community Support Service	30.06.17	Regulated
1477	Turner & Townsend	Union Chain Bridge - Project Manager	01.08.17	Regulated
1409	Laing Traditional Masonry	Sir Walter Scott Court House - Masonry	11.09.17	Below Threshold
1426	James Swinton & Co Ltd	St Boswells Primary School	28.09.17	Below Threshold
1444	James Swinton & Co Ltd	SEN Provision Galashiels Academy	02.10.17	Below Threshold
1390	Quarriers	Emotional Health & Well Being Service	06.10.17	Regulated
1431	Rodger (Builder) Ltd	Galalaw Industrial Estate Hawick- New Business Units	31.10.17	Below Threshold
1451	Scomac Catering Equipment Ltd	Coldstream Primary School Kitchen Refit	01.11.17	Regulated
1414	ARK Consultancy Ltd	Upper Langlee Regeneration Project - Consultancy	21.11.17	Below Threshold
1396	Turner & Townsend	Jedburgh Intergenerational Learning Campus - Project Manager	29.11.17	Regulated
1486	Turner & Townsend	Jedburgh Intergenerational Learning Campus -Technical Advisor	04.01.18	Regulated
1474	Campbell & Kennedy Ltd	Supply and Installation of Solar PV Systems	08.01.18	Regulated

APPENDIX 4 – FUTURE REGULATED PROCUREMENTS 2018/2019

Contract/Framework Title or Subject Matter	Renewal or New	Estimated Contract Value	Expected Contract Start Date
Non-Domestic Energy Efficiency (NDEE) Project	New	£1,800,000	31/08/2018
Border Playparks	New	£930,000	01/09/2018
SB Connect Publication	Renewal	£108,000	01/09/2018
Border Innovation Park - Class 4 Office Development	New	£5,500,000	15/09/2018
Managed Pool Cars	Renewal	£1,200,000	29/09/2018
Leachate Management	New	£300,000	01/10/2018
Online School Payments	Renewal	£81,780	01/10/2018
Tree Works Framework	New	£200,000	01/10/2018
Treasury Management Advisory Service	Renewal	£56,000	22/10/2018
Meats - Fresh, Prepared & Cooked (including Fresh Fish)	Renewal	£538,632	01/11/2018
Traffic Equipment Maintenance & Ancillary Support Services	Renewal	£90,000	01/11/2018
Washroom Solutions	Renewal	£85,100	01/11/2018
Eyemouth Coastal Study	New	£150,000	01/11/2018
Supply and distribution of Fresh Fruit, Vegetables, Bakery Products & Eggs	Renewal	£1,400,000	30/11/2018
NFM Study - Hawick	New	£225,000	01/12/2018
Sustainable Transport Framework	Renewal	£44,000,000	01/01/2019
Actuarial Services	New	£80,000	01/01/2019
Laboratory Services for Bacterial Examination & Chemical Analysis of Food.	Renewal	£102,000	01/02/2019
Janitorial Products	Renewal	£820,444	01/03/2019
Early Years Childcare Expansion – Works/ Infrastructure projects	New	£7.69m	Various during 2018-2020

APPENDIX 4 – FUTURE REGULATED PROCUREMENTS 2019/2020

Contract/Framework Title or Subject Matter	Renewal or New	Estimated SBC Total Contract Value	Expected Contract Start Date
Banking Services	Renewal	£160,000	01/04/2019
Insurance Services	Renewal	£6,300,000	01/04/2019
Treatment of Garden Waste	Renewal	£300,000	01/04/2019
Contract for Provision of Telephone Calls and Line Rentals	Renewal	£542,172	01/04/2019
Fixed Telephony - Provision of Telephone Calls and Line Rentals	Renewal	£542,172	01/04/2019
Insurance Services	Renewal	£6,300,000	01/04/2019
Repair and Maintenance Framework	Renewal	£12,000,000	01/04/2019
Supply of Electricity	Renewal	£16,500,000	01/04/2019
Residual Waste Treatment	New	£50m	08/04/2019
Hawick Flood Scheme - Main Works	New	£38,000,000	01/05/2019
Presentation & Audio Visual Equipment	Renewal	£215,808	01/05/2019
Street Weed Control	Renewal	£157,000	07/05/2019
Organic Waste	Renewal	£55,000	28/05/2019
Laboratory Services for Examination & Analysis of Private Water Supplies Samples	Renewal	£90,000	31/05/2019
Border Playparks	New	£600,000	01/06/2019
Early Years Partnership Training	Renewal	£400,000	08/06/2019
Hire of Small Plant and Temporary Accommodation	Renewal	£3,000,000	11/06/2019
Notebook and Tablet Computing For Education	Renewal	£336,000	20/06/2019
Tablet Computing	Renewal	£444,000	20/06/2019
Almstrong Building Hawick - Main Works	New	£2,000,000	01/07/2019
Supported Living (Care & Support Framework)	New	£36,000,000	01/08/2019
Employee Benefits	Renewal	£1,176,000	01/09/2019
Community Meals	Renewal	£431,500	01/10/2019
Publishing, Print, Design and Associated Services	Renewal	£240,000	01/10/2019
IT Mobile Computing	Renewal	£825,000	15/11/2019
Sir Walter Scott Court House - Main Works	New	£2,600,000	01/12/2019
NFM Study - Gala Water	New	£225,000	01/12/2019

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COMMUNITY GRANT SCHEME – GENERIC BUDGET 2018/19

Report by Service Director Customer & Communities

EXECUTIVE COMMITTEE

21 August 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report recommends one application for funding from the Community Grant Scheme (CGS) generic budget.**
- 1.2 Home Basics (Tweeddale) Co Ltd is a charitable company limited by guarantee, under the Companies Act 2006, and a recognised charity in Scotland. The project collects furniture and household items which can be reused and sells them on, at very low prices, to people that are disadvantaged and live in the Scottish Borders.
- 1.3 The re-use service reduces the number of items going to landfill. The organisation provides volunteering opportunities for people to gain work experience, use their skills and experience to give something back to the community, or to get out and meet people (reduce social isolation).
- 1.4 The request is for a contribution towards the purchase of a replacement van for collections/deliveries across the Scottish Borders. It is requesting a grant of £5,000 towards the overall project cost of £27,843.
- 1.5 The application is being submitted to the generic fund as the work of the charity benefits communities across the Scottish Borders.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee approves a grant of £5,000 to Home Basics (Tweeddale) Co Ltd on the condition that the remaining funds are in place.**

3 BACKGROUND

- 3.1 The CGS can provide either project grants for new or developing work or support grants for groups facing temporary financial difficulty. Full details of the scheme can be found on our website at https://www.scotborders.gov.uk/info/20076/community_grants_and_funding/261/community_grant_scheme
- 3.2 The CGS generic budget can provide grants to groups who are constituted as working Borders-wide. It can also provide grants to groups who are non-Borders based but who deliver projects which provide direct benefits to identified groups in the Borders.

4 APPLICATION FOR APPROVAL

4.1	APPLICANT:	Home Basics (Tweeddale) Co Ltd
	PROJECT:	Purchase of replacement van
	REF NO:	101001562597
	TOTAL PROJECT COST:	£27,843
	GRANT REQUEST:	£5,000
	GRANT RECOMMENDATION:	£5,000

- (a) Home Basics (Tweeddale) Co Ltd is a charitable company limited by guarantee, under the Companies Act 2006, and a recognised charity in Scotland. The objects for which the company was established are the relief of poverty of the inhabitants of the area of benefit (in particular those who have need by virtue of their age, youth, infirmity, disability, handicap poverty, homelessness or unemployment), by collecting, refurbishing and storing donated furniture and household goods and distributing to those in need.
- (b) The charity collects furniture and household items which can be re-used and sells them on, at very low prices, to people that are disadvantaged. It provides a re-use service which reduces the number of items going to landfill and provides volunteering opportunities for people to:
- gain work experience
 - use their skills and experience to give something back to the community, or to
 - get out and meet people, and so reduce social isolation.
- (c) This grant request is to contribute towards the purchase of a replacement Luton style van following the demise of the previous vehicle. The organisation is currently utilising a van hired from Cooks Van Hire.
- (d) Home Basics has bases in Walkerburn and Hawick but provides the service to most of the Borders. Since the closure of Berwickshire Furniture Restoration the project also occasionally works in Berwickshire. It is the only furniture reuse charity in the Borders.
- (e) The Luton style van is based at the Hawick depot but is used across the Borders to move larger pieces of furniture. The van is an essential part of the charity's work as it facilitates the free collection of donations from the public and the deliveries of goods bought in

the warehouses. Although collection of goods is free there is a charge for deliveries, this helps to cover the cost of the van and the paid drivers.

- (f) The van also acts as an advertisement for the charity and its work, promoting both the existence and services of the organisation. As well as helping the homeless, and people on low incomes, goods are available to the general public which helps to generate an operating income for the charity.
- (g) Funding of £15,000 has been secured from the Clothworker's Foundation. An application for £5,000 has been submitted to the Bank of Scotland Foundation with a decision is expected at the end of August. An application for £9,300 has been submitted to Hawick Common Good. Two further funding applications have been unsuccessful.
- (h) The total value of funding applications made exceeds the amount required in anticipation of not all of the applications being successful. The group will contribute the required 10% match funding (£500) towards the purchase of the van and can draw on reserves (up to £10,000) if required to meet a shortfall.
- (i) The application is being submitted to the generic fund as the charity works across the Scottish Borders area.
- (j) It is recommended to award £5,000 on condition that the remaining funds are in place.

5 BUDGET INFORMATION

5.1	Base Budget :	£10,000
	c/f from 2017/18:	<u>£11,176</u>
	Total Budget:	£21,176

	2018/19 budget	£21,176
	2018/19 awards to date:	<u>£13,220</u>
	Available budget	£7,956

6 IMPLICATIONS

6.1 Financial

There is sufficient funding in the CGS generic budget to cover the recommendation contained in this report. Approval of this grant would leave a balance of £2,956.

6.2 Risks and Mitigations

There are believed to be no apparent risks to the Council associated with the recommendations in this report.

SBC provides annual contribution of £1,000 through a SLA with Waste Services for the promotion of reuse.

6.3 Equalities

- (a) The application has been assessed in terms of how it addresses equalities. The organisation has their own Equality Policy and it is believed that there is no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.
- (b) The application addresses the needs of disadvantaged groups of people in the local community.

6.4 Acting Sustainably

There is believed to be a positive environmental and social impact to the request from Home Basics (Tweeddale) Co Ltd. The grant will assist with:

- the safeguarding of existing employment
- encouragement of volunteering
- improvement of quality of life
- carbon reduction
- reduction of waste and maximisation of resource use
- encouragement of re-use and repair
- encouragement of recycling

6.5 Carbon Management

Although the subject of the request from Home Basics (Tweeddale) Co Ltd is to purchase a vehicle, the vehicle will be a new Renault 3.5 tonne Lower Height Easiloader Eco Plus which meets the Euro 6 emissions standard (September 2014).

6.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals contained in this report.

7 CONSULTATION

- 7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR, and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

Approved by

Jenni Craig

Service Director Customer & Communities Signature

Author(s)

Name	Designation and Contact Number
Clare Malster	Strategic Community Engagement Officer

Background Papers: None

Previous Minute Reference: None

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