

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTE of Meeting of the EXECUTIVE COMMITTEE held in Council Chamber, Council Headquarters, Newtown St Boswells, TD6 0SA on Tuesday, 19 November, 2019 at 10.00 am

Present:- Councillors T. Weatherston (Chairman), E. Jardine, T. Miers, S. Mountford, M. Rowley, R. Tatler, G. Turnbull

Apologies:- Councillors S. Aitchison, G. Edgar, C. Hamilton, S. Haslam

Also present:- Councillor S Bell

In Attendance:- Executive Director (R. Dickson), Service Director Customer & Communities, Chief Financial Officer, Service Director Assets & Infrastructure, Interim Service Director Children & Young People, Chief Planning Officer, Democratic Services Team Leader, Trainee Democratic Services Officer

1. CHAIRMAN

In the absence of Councillor Haslam, Councillor Weatherston chaired the meeting.

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 8 October 2019.

DECISION

APPROVED for signature by the Chairman.

4. MONITORING OF THE GENERAL FUND REVENUE BUDGET 2019/20.

- 4.1 There had been circulated copies of a report by the Chief Financial Officer providing the budgetary control statements for the Council's General Fund based on actual expenditure and income to 30 September 2019 and providing explanations of the major variances identified between projected outturn expenditure/income and the current approved budget. The report explained that the last revenue monitoring report, approved by the Executive Committee on the 20 August, noted the significant risks associated with Health & Social Care in delivering a balanced outturn position for 2019/20. Since the last report Corporate Management Team (CMT) had assessed updated financial projections for H&SC. Information prepared with the department indicated significant underlying pressures of £2.518m in excess of budget remain. Those pressures, if not contained, would result in a year end overspend for the Council. Consequently, CMT had developed a series of budget measures designed to bring the revenue account back into balance by 31 March 2020. If those actions were not successful however, or if further unfunded issues emerged, those pressures would result in a year end overspend. The report further explained that the measures identified included settlement of the Scottish Wide Area Network (SWAN) dispute (£0.840m), a further transfer of resources from the Integration Joint Board (IJB) (£0.925m) and a range of actions, highlighted in section 3 to the report, to deliver underspends in other services (£0.753m) to help offset adverse variances projected in Health and Social Care. Taken together those measures allowed a forecast balanced outturn position at 31 March 2020 to be reported for the Council. As the year progressed further pressures were likely to emerge and in anticipation CMT had

now instructed a freeze on discretionary expenditure, including managed delays in recruitment to non-frontline posts. Finance staff continued to support managers in their forecasting responsibilities with month-end forecasting tools being automatically emailed out to all budget managers directly from Business World. Further progress had been made in engaging and training of managers, work continued across the Council to ensure ownership of the budget by managers, their full engagement in the monitoring process and the robustness and accuracy of projections.

- 4.2 The report also explained that good progress was being made in the delivery of savings in the current year as shown in Appendix 4. As at 30 September 2019, 62% (£8.176m) of the savings required by the approved budget had been delivered within the current year. A further 22% (£2.827m) was profiled to be delivered during the remainder of 2019/20 with the remaining 17% (£2.260m) having temporary in-year mitigations to deliver alternative savings. Emphasis during the remainder of 2019/20 needed to be placed on delivering all outstanding savings permanently per the 2019/20 Financial Plan, including those for which only temporary solutions had been found. This was particularly important given the scale of the full year savings required (£13.263m), including those brought forward from 2018/19 requiring permanent solutions and the requirement to deliver ambitious savings plans in future financial years within the Financial Plan. Mr Robertson explained that full details of pressures, risks and challenges and the significant majority of areas of the Council's operation where budget plans remained on track were detailed in Appendix 1 to this report. In response to Members questions, Mr Robertson explained that the pressures in Health and Social Care had arisen through the non-delivery of savings, reduced income from charging and the costs of additional care packages. The service would have a greater focus on budgetary control, improved management of the recovery of income due from clients and measurements would be in place to ensure that additional care packages were not agreed without a source of funding being identified. Mr Robertson also assured Members that there were no concerns with regard to the SWAN contract where a settlement had been reached to compensate for late delivery of services. He further advised that, if there was a risk of further cost pressures emerging as the year progressed or that the savings required to compensate for non-delivery of financial plan savings might not be achieved this would impact on the outturn position. He added that every effort would continue to be made by Service Directors to contain projected spend in the remainder of the year and identified savings were delivered permanently to ensure affordability and budget sustainability. Members noted the position but remained concerned regarding IJB funding.

DECISION

(a) AGREED:-

- (i) the virements as detailed in Appendices 2 and 3 to the report; and**
- (ii) to continue to actively promote a culture of sound financial management across the Council, and that budget affordability be fully considered in service delivery decisions in order to ensure the ongoing financial sustainability of the Council.**

(b) NOTED:-

- (i) the projected corporate monitoring position reported at 30 September 2019, the pressures identified, the underlying cost drivers of this position and the identified areas of financial risk as reflected in Appendix 1;**
- (ii) the balanced position projected was dependent upon £925,000 being provided by the IJB to support additional costs of care packages being**

experienced in the current year and instructed the Chief Officer IJB to address this matter through the Integration Joint Board; and

(ii) the progress made in achieving Financial Plan savings in Appendix 4.

5. MONITORING OF THE CAPITAL FINANCIAL PLAN 2019/20

There had been circulated copies of a report by the Chief Financial Officer providing an update on the progress of the 2019/20 Capital Financial Plan and seeking approval for virements and the reallocation of funds. The monitoring tables in Appendix 1 to the report detailed actual expenditure to 30 September 2019. Key issues identified in the tables were summarised within the main report. The tables identified a projected net budget variance of £8.224m, which was made up of timing movements into 2020/21 of £10,268m. The most significant of which were Land & Property of £1.6m (including £0.710m asset rationalisation and £0.329m building upgrades), School Estate Block, £1.3m, Dementia Care, £0.4m, Culture & Sport, £0.5m, Great Tapestry of Scotland £2.7m, Borders Innovation Park £2.5m and Regeneration projects, £1m. This timing movement was offset by CFCR for IT equipment, £0.2m and Digital Learning £1.8m expenditure fully funded by capital receipt. Appendix 2 contained a list of the block allocations approved for this year and the various approved and proposed projects to be allocated from them within the 2019/20 Capital Plan. Appendix 3 contained a list of estimated whole project capital costs for single projects which would not be completed in the current financial year. Appendix 4 to this report was presented in private due to expenditure proposed to be incurred by the authority for the acquisition of property and terms proposed by or to the authority in the course of negotiations for a contract for the acquisition of property. Mr Robertson confirmed that a review of the Capital Plan would be undertaken as part of the 2020/21 Financial Planning process and this would allow the Council to better profile spend within the blocks which would optimise available funding for specific projects within the Capital Plan. He further advised that the delay in the relocation of the HQ staff restaurant and main reception had caused a re-programme of the capital block and the demolition of the Old Canteen Building would now take place in Spring 2020. The change in the profile of the school estate block within the capital programme had arisen because of delayed delivery of the programmed works in schools to improve toilet provision and facilities for pupils with additional support needs. The Great Tapestry of Scotland was progressing well and was forecasted to be delivered within the approved budget and completion would now be September 2020. Members noted the large number of projects being undertaken and officers explained to Members the reasons behind any slippage and advised that delays were often caused by third parties and outwith the Council's control. The review to improve the accuracy of the Capital Planning process was welcomed.

DECISION

(a) AGREED the projected outturns in Appendix 1 to the report as the revised capital budget and approved the virements required.

(b) NOTED:-

- (i) the budget virements previously approved by the Chief Financial Officer and Service Director Assets and Infrastructure detailed in Appendix 2 under delegated authority;**
- (ii) the list of block allocations detailed in Appendix 2 to the report;**
- (iii) the list of whole project costs detailed in Appendix 3 of the report; and**
- (iv) the update in private detailed in Appendix 4 to the report on the priority regeneration actions and reallocation of Scottish Government Town Centre Funds in year.**

6. **BALANCES AT 31 MARCH 2020**

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 2019 and details of the projected balances at 31 March 2020. The report explained that the unaudited Council's General Fund useable reserve (non-earmarked) balance was £6.315m at 31 March 2019. The projected General Fund useable reserve was projected to remain at £6.315m at the 31 March 2020 in line with the Council's Financial Strategy. The total of all useable balances, excluding developer contributions, at 31 March 2020 was projected to be £23.026m, compared to £27.799m at 31 March 2019. As the financial year progressed, earmarked balances to be carried forward to 2020/21 would increase. The projected balance on the Capital Fund of £8.191m would be affected by any further capital receipts, developer contributions, interest credited and any expenditure authorised to be financed from the Fund during the remainder of the financial year.

DECISION

NOTED:-

- (a) **the unaudited 2018/19 revenue balances at 31 March 2019;**
- (b) **the projected revenue balances as at 31 March 2020 as contained in Appendices 1 & 2 to the report; and**
- (c) **the projected balance in the Capital Fund as contained in Appendix 3 to the report.**

7. **STRATEGIC HOUSING INVESTMENT PLAN 2020-2025 SUBMISSION**

With reference to paragraph 3 of the Minute of 16 October 2018, there had been circulated copies of a report by the Service Director Regulatory Services seeking approval of the Strategic Housing Investment Plan (SHIP) 2020-2025 due to be submitted on line and by hard copy to the Scottish Government by 25 October 2019. The report explained that Local Authorities were required to produce an annual SHIP submission to Scottish Government. Scottish Borders Council, with the involvement of its key partners via the SHIP Working Group, had prepared this SHIP submission. The SHIP articulated how the Council and its Registered Social Landlords (RSL) partners would seek to deliver the Borders affordable housing investment needs and priorities identified in the Council's Local Housing Strategy (LHS) 2017-2022 over a rolling 5 year planning horizon. Homes delivered by 31 March 2021 would be counted towards the Scottish Parliament's target of 50,000 Affordable Homes. The report further explained that based on Resource Planning Assumptions (RPAs) from Scottish Government and resource planning assumptions, RSL partner private sector borrowing and commitment from the Council's Affordable Housing budget, approximately 581 new homes would be delivered during 2019/20 and 2020/21, and potentially up to 1066 new affordable homes over the five-year SHIP 2020-2025 period. This latter figure assumed that all identified challenges and infrastructure issues were resolved in a timely manner, funding was available and that agreement was reached between all interested parties and the construction sector had capacity to deliver projects. SHIP also included a number of new build extra care housing developments in Duns, Galashiels, Kelso, Eyemouth and Hawick. The Chief Planning Officer, Iain Aikman gave an update advised that there were now:-

- 11 RSL projects under construction = 292 units;
- 6 RSL projects at pre site stage = 156 units; and
- 5 RSL projects with planning applications being considered = 52 units.

The current estimated RSL units delivered for 2019/20 were:

- 114 new supply (social rent);
- 1 house purchase (MMR);
- 1 house purchase (social rent);
- 11 OMSE; 8 Rural housing fund

Now showing an updated total of 137.

DECISION

APPROVED the SHIP 2020-2025 for submission to the Scottish Government More Homes Division.

8. OUR PLAN AND YOUR PART IN IT: SBC'S CORPORATE PERFORMANCE AND IMPROVEMENT REPORT - QUARTER 2 2019/20

8.1 There had been circulated copies of a report by the Service Director Customer & Communities which presented a high level summary of Scottish Borders Council's Quarter 2 2019/20 performance information with more detail contained within Appendices 1 and 2 attached to the report. The report included reporting on the progress of change and improvement projects across Scottish Borders Council (SBC) within the four corporate themes. The report explained that in order to monitor progress against the four themes, a review of performance and context information would be undertaken quarterly and presented to Executive Committee as well as an annual summary in June each year. Section 4 of the report referenced examples of Change and Improvement projects, with further information contained in Appendix 1. These projects were monitored by Corporate Management Team (CMT) and through the SBC Financial Plan and associated monitoring. A summary of any additions or changes made to SBC performance indicators was provided at Section 5 of the report, followed by a high level summary of performance in Section 6 and a schedule of indicators provided for information at Appendix 4. To reflect the significant investment made by SBC, an overview of the work and impact of Police Scotland's Community Action Team was provided at Section 7 and within Appendix 3. During Quarter 2 2019/20, SBC had continued to press ahead a range of innovative approaches which included:

- ended landfill operations at Easter Langlee which meant that the Scottish Borders would meet the Scottish Government's landfill site ban, well ahead of the January 2021 deadline;
- welcomed 32 probationer teachers and 7 student-inductees who would work across Borders schools in the 2019-20 academic year as part of the teacher induction scheme;
- commenced the roll-out of iPads to pupils as part of the Inspire Learning programme, initially at Selkirk High School; and
- launched a second Community Action Team, with Police Scotland.

8.2 The information contained within the report and the appendices was also available on the SBC website. The Service Director Customer & Communities advised that following comments received changes had been made to the format of the report which showed a shorter set of appendices with some graphs removed but had been replaced with clearer information to show at a glance the trends in terms of the performance aligned to the corporate plan and was summarised to show the indicators aligned with Committee information and the Scottish Government Framework. This format would continue to be evolved to improve reporting and would include a number of service areas and would also take into account the audit report. More detailed information would be provided through the Fit for 2024 programme. Members commented on the use of the hands to show the trends and would welcome an alternative way to display this information. In response to a question regarding complaints in respect of the time taken for telephone calls from members of the public being answered, Mrs Craig advised that she was not aware of any issues but would make available to Members the average waiting time performance statistics. Members welcomed the information on the new CAT team and thanked officers for the performance information and recognised the amount of time spent preparing the vast range of information. Members commented that the report was now in a much easier and user friendly format.

DECISION

NOTED:-

- (a) the progress update relating to Change and Improvement Projects, referenced in Section 4 and detailed further in Appendix 1;
- (b) the changes to performance indicators outlined in Section 5 of the report; and
- (c) the performance summarised in Sections 6 and 7, and detailed within Appendices 1, 2 and 3 and the action that was being taken within services to improve or maintain performance.

9. **PRIVATE BUSINESS
DECISION**

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in Appendix 4 to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 1, 6, 8 and 9 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

10. **MONITORING OF THE CAPITAL FINANCIAL PLAN 2019/20**
Members noted the confidential Appendix relating to paragraph 3 above.

The meeting concluded at 11.50 am