

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTES of Meeting of the EXECUTIVE COMMITTEE held in Via Microsoft Teams on Tuesday, 17th August, 2021 at 10.00 am

Present:- Councillors S. Haslam (Chairman), S. Aitchison (Vice-Chairman), G. Edgar, C. Hamilton, S. Hamilton, E. Jardine, S. Mountford, R. Tatler and T. Weatherston

Apologies:- Councillors M. Rowley and G. Turnbull

In Attendance:- Chief Executive, Executive Director Finance & Regulatory, Service Director Assets & Infrastructure, Services Director Human Resources & Communications, Chief Social Work & Public Protection Officer, Chief Operating Officer Adult Social Work & Social Care, Democratic Services Team Leader, Democratic Services Officer (D.Hall)

1. 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.

2. MINUTE

There had been circulated copies of the Minute of the meeting of 8 June 2021.

DECISION

APPROVED for signature by the Chairman

3. OUR PLAN AND YOUR PART IN IT: SBC'S CORPORATE PERFORMANCE AND IMPROVEMENT REPORT QUARTER 1 2021/22

There had been circulated copies of a report by the Service Director, Human Resources and Communications which presented a high level summary of Scottish Borders Council's 2021/22 performance information with more detail contained within Appendices 1 – 3 to the report, with a summary of the Community Action Team's activity provided in Appendix 4. The report included highlights of the progress of change and improvement projects across Scottish Borders Council (SBC), under the fit for 2024 programme. During Quarter 1 2021/22, SBC had continued to press ahead with a range of important initiatives and innovations, including the embedding of new streamlined, digital processes to improve the digital processing and management of Education Maintenance Allowance applications; the successful replacement of out of date IT equipment in 16 schools, with work underway in a further 11; the full roll out of the Print to Post service to all departments. Members welcomed the report and the continued improvements. Members highlighted the excellent work done by the Council despite being subject to significant pressure due to COVID-19. The Service Director, Human Resources and Communications answered Members questions and undertook to provide an update on the provision of IT in schools. In response to a question regarding complaints she advised that a new complaints procedure was being introduced which would allow for better tracking and escalation to managers.

DECISION

- (a) AGREED to approve the Quarterly Reports set out at Appendices 1-4 to the report.
- (b) NOTED:-
 - (i) the progress update relating to Change and Improvement Projects referenced in Section 4 and detailed further in Appendix 1 of the report;
 - (ii) the changes to performance indicators outlined in Section 5 of the report;
 - (iii) the performance summarised in Sections 6 and 7 of the report and the action that is being taken within services to improve or maintain performance.

4. DESTINATION TWEED - POLLINATORS ALONG THE TWEED PROJECT

There had been circulated a report by the Service Director, Assets and Infrastructure which proposed that Scottish Borders Council (SBC) support and work in partnership to help deliver the proposed “Pollinators along the Tweed” Project being developed by Tweed Forum in partnership with Buglife. The report explained that the project came under the auspices of the “Destination Tweed” project, a series of interconnected schemes and proposals along the length of the River Tweed being developed by Tweed Forum, SBC and other partners. The report set out the context, aims and objectives of the project. The project aimed to create and enhance pollinator habitats along the River Tweed corridor, involving local communities in the creation and management of those habitats. The report outlined the anticipated funding bid by Tweed Forum to the Heritage Lottery Fund and the required commitments from SBC. Members discussed the report, stating their support for the project. Members highlighted the importance of education, communication and the need to gain and retain public trust in the project.

DECISION

AGREED:-

- (a) in principle to Scottish Borders Council signing up to the 10 year management plan;
- (b) to consider the future resource implications within the Parks and Environment Service; and
- (c) to further explore possible funding streams to roll out the approach across the region as outlined in the report.

5. MONITORING OF THE GENERAL FUND REVENUE BUDGET 2021-22

- 5.1 There had been circulated copies of a report by the Executive Director Finance & Regulatory providing budgetary control statements for the Council’s General Fund based on actual expenditure and income along with explanations of the major variances identified between projected outturn expenditure/income and the current approved budget. The Council had continued to experience impacts from the COVID-19 pandemic into the new financial year with a number of variations from budget evident. The report explained that due to the very challenging operating environment it remained essential that the Council continue to operate as efficiently as possible to ensure that any financial implications not yet clear could be managed as the financial year progressed.
- 5.2 Forecasts had been completed at the first quarter of 2021/22 at 30 June which projected the Council to be in a balanced position at the financial year end. The forecast position reflected the carry forward of resources from 2020/21, and assumed that the COVID-19 reserve would be drawn down over the course of the year to meet identified financial

pressures. The latest forecast included all known pressures, including loss of income, confirmed Scottish Government funding, the effects of the continued freeze on discretionary spend and the assumptions around delivery of Financial Plan savings.

- 5.3 The report outlined that significant confirmed funding is in place for 2021/22, with a commitment that additional expenditure incurred through the Integration Joint Board (IJB) delivering Health & Social Care services be funded by the Scottish Government. The report detailed the breakdown of confirmed COVID-19 funding for 2021/22, stating that a total of £31.614M was available. The total COVID-19 funding was split between funding which had been ring-fenced to be used for a specific purpose (£13.462m) such as education recovery, IJB funding, admin funding and funding to support communities, and that which could be used more generally by the Council to address COVID-19 pressures (£18.152m). Full details of funding available was provided in Appendix 2 to the report. There was likely to be an ongoing impact on the delivery of planned Financial Plan savings during 2021/22 as a result of the diversion of management time to the pandemic during 2020/21 and into 2021/22. The level of savings required by the financial plan, totalled £9.301, in 2021/22 and an analysis of delivery of savings was provided in Appendix 5 to the report. Savings of £2.099m were delivered permanently, £2.950m (32%) was profiled to be delivered by 31 March 2022 and £4.252m (46%) was to be delivered on a temporary basis through alternative savings. The Executive Director, Finance & Regulatory answered Members questions regarding the report.

DECISION

AGREED:-

- (a) to note the projected corporate monitoring position reported at 30 June 2021, the remaining pressures identified, the underlying cost drivers of this position and the identified areas of financial risk as reflected in Appendix 1 to the report;**
- (b) to note the COVID-19 funding detailed in Appendix 2 to the report;**
- (c) to approve the virements contained in Appendix 3 & 4 to the report; and**
- (d) to note the progress made in achieving Financial Plan savings in Appendix 5 to the report.**

6. MONITORING OF THE CAPITAL FINANCIAL PLAN 2021-22

There had been circulated copies of a report by the Executive Director Finance & Regulatory providing an update on the progress of the 2021/22 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 June 2021. Key issues identified in the tables were summarised within the main report. The report explained that the June month end of position reflected a projected outturn of £99.762m, with a net budget variance of £0.779m. More significant movements from 2021/22 were likely as the year progressed and there was further clarity on timing of major projects. It was noted that the construction materials supply chain had been subject to unprecedented disruption in recent months. A surge in demand, coupled with constraints on supply had led to price increases, shortages and longer lead times and the impact of this on the Capital Plan was being assessed.

- 6.2 Current legally committed projects had a small risk of impact and block programmes of work could operate within a cash constrained budget and were low risk. The report stated that the most significant risk lay in the small number of contracts to be tendered this year which might result in budget pressure. Any financial implications from these market

conditions would be reported through the regular budget monitoring cycle, with any longer term impacts reflected in the financial planning process.

- 6.3 The list of block allocations approved for the year and various approved and proposed projects to be allocation from them within the 2021/22 Capital Plan was outlined in Appendix 2 to the report. The list of estimated whole project capital costs for single projects which would not be completed in the current financial year was outlined in Appendix 3 to the report. Members discussed the report and highlighted that the report gave a good snapshot of the Capital Financial Plan.

DECISION

(a) **AGREED the projected outturn 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 Executive Director, Finance & Regulatory and the Service Director Assets & Infrastructure detailed in Appendix 2 to the report under delegated authority;**
- (ii) **the list of block allocations detailed in Appendix 2 to the report; and**
- (iii) **the list of whole project costs detailed in Appendix 3 to the report.**

MEMBER

Councillor C. Hamilton joined the meeting and Councillor Tatler left the meeting during the consideration of the above report.

7. BALANCES AT 31 MARCH 2021

There had been circulated copies of a report by the Executive Director Finance & Regulatory which provided an analysis of the Council's balances as at 31 March 2021 and advised Members of the projected balances at 31 March 2022. The report explained that the unaudited Council's General Fund useable reserve (non-earmarked) balance was £8.831m at 31 March 2021. The General Fund useable reserve was projected to be at least £6.315m at 31 March 2022 in line with the Council's Financial Strategy. The total of all useable balances, excluding development contributions, at 31 March 2022 was projected at £34.970m, compared to £48.264m at 31 March 2021. The decrease in balances between 2020/21 and 2021/22 was attributed to the allocation of one-off funding being carried forward in the COVID-19 reserve from 2020/21 to support the 2021/22 budget. The report noted the projected balance on the Capital Fund of £6.870m 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. The Executive Director, Finance & Regulatory answered Members questions and confirmed that developer contributions relating to the railway were still being collected.

DECISION

NOTED:-

- (a) **the unaudited 2020/21 revenue balanced at 31 March 2021;**
- (b) **the projected revenue balances as at 31 March 2022 detailed in Appendices 1 & 2 to the report; and**
- (c) **the projected balance in the Capital Fund as detailed in Appendix 3 to the report.**

8. INCOME MANAGEMENT POLICY

There had been circulated copies of a report by Executive Director, Finance & Regulatory which presented an updated Income Management Policy. The report explained that the Financial Regulations on Banking Arrangements, Income, Petty Cash, Cash Floats and Security were supplemented by the Income Management Policy. Appendix 1 to the report contained the Council's Income Management policy, which was amended to reflect changes to Council structure, roles and responsibilities, and working practices.

DECISION

AGREED to approve the amendments to the Income Management Policy.

9. DEBT RECOVERY POLICY

There had been circulated copies of a report by Executive Director, Finance & Regulatory which presented an updated Debt Recovery Policy. The report explained that the Debt Recovery Policy sets out a framework for providing a fair, consistent and transparent approach to collecting sundry debt ensuring that the Council continued to maximise collection performance. Appendix 1 to the report contained the Council's Debt Recovery Policy, which had been amended to reflect changes to Council structure, roles and responsibilities, working practices, and an update of Performance Indicators and Targets. The Executive Director advised that a more streamlined approach had been taken to the policy with the more operational aspects being removed.

DECISION

AGREED to approve the amendments to the Debt Recovery Policy.

The meeting concluded at 11.10 am