

# Public Document Pack



## EXECUTIVE COMMITTEE TUESDAY, 15 NOVEMBER 2022

A BLENDED MEETING of the EXECUTIVE COMMITTEE will be held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS, NEWTOWN ST. BOSWELLS AND MICROSOFT TEAMS on TUESDAY, 15 NOVEMBER 2022 at 10.00 am. Members may attend either in person or online.

All Attendees, including members of the public, should note that the public business in this meeting will be livestreamed and video recorded and that recording will be available thereafter for public view for 180 days.

J. J. WILKINSON,  
Clerk to the Council,

4 November 2022

<b>BUSINESS</b>		
1.	<b>Apologies for Absence</b>	
2.	<b>Order of Business</b>	
3.	<b>Declarations of Interest</b>	
4.	<b>Minute</b> (Pages 3 - 4)  Consider Minute of Meeting held on 4 October 2022 for approval and signing by the Chairman. (Copy attached.)	2 mins
5.	<b>Proposed Use of Second Homes Council Tax to Grant Assist Delivery of Affordable Housing at Kirkhope Steading, Ettrick Bridge</b> (Pages 5 - 10)  Consider report by Director, Infrastructure and Environment. (Copy attached.)	10 mins
6.	<b>Monitoring of the General Fund Revenue Budget 2022/23</b> (Pages 11 - 56)  Consider report by Acting Chief Financial Officer. (Copy attached.)	10 mins
7.	<b>Monitoring of the Capital Financial Plan 2022/23</b> (Pages 57 - 82)	10 mins

	Consider report by Acting Chief Financial Officer. (Copy attached.)	
8.	<b>Balances at 31 March 2023</b> (Pages 83 - 92) Consider report by Acting Chief Financial Officer. (Copy attached.)	10 mins
9.	<b>Corporate Debts - Write Offs in 2022/23 Mid Year Update</b> (Pages 93 - 98) Consider report by Acting Chief Financial Officer. (Copy attached.)	10 mins
10.	<b>Any Other Items Previously Circulated</b>	
11.	<b>Any Other Items which the Chairman Decides are Urgent</b>	

#### 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.**

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**Membership of Committee:-** Councillors E. Jardine (Chair), C. Cochrane, L. Douglas, M. Douglas, J. Greenwell, C. Hamilton, S. Hamilton, J. Linehan, S. Mountford, D. Parker, J. Pirone, E. Robson, M. Rowley, F. Sinclair, R. Tatler, E. Thornton-Nicol and T. Weatherston

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**SCOTTISH BORDERS COUNCIL  
EXECUTIVE COMMITTEE**

MINUTES of Meeting of the EXECUTIVE COMMITTEE held in Council Chamber, Council Headquarters, Newtown. St Boswells and via Microsoft Teams on Tuesday, 4th October, 2022 at 10.00 am

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Present:- Councillors E. Jardine (Chairman), C. Hamilton, L. Douglas, J. Greenwell, S. Mountford, E. Robson, M. Rowley, R. Tatler, E. Thornton-Nicol  
Apologies:- Councillors C. Cochrane, S. Hamilton, D. Parker and T. Weatherston  
Absent:- Councillor J. Linehan  
In Attendance:- Director Resilient Communities, Director Infrastructure and Environment, Chief Planning Officer, Lead Officer, Housing Strategy and Development, Democratic Services Team Leader, Democratic Services Officer (D. Hall)

1. **MINUTE**

There had been circulated copies of the Minute of the meeting held on 13 September 2022.

**DECISION**

**APPROVED for signature by the Chairman.**

2. **STRATEGIC HOUSING INVESTMENT PLAN 2023 - 2028**

With reference to paragraph 7 of the Minute of the meeting held on 14 June 2022, there had been circulated copies of a report by the Director, Infrastructure and Environment which sought approval of the Strategic Housing Investment Plan (SHIP) 2023-2028 prior to its submission to the Scottish Government by the deadline of 28 October 2022. The report explained that Local Authorities were required to submit a SHIP to the Scottish Government on annual basis. Scottish Borders Council, with the involvement of its key partners via the SHIP Working Group, had prepared the SHIP Submission. The SHIP articulated how the Council and its relevant Registered Social Landlord (RSL) partners would seek to deliver the Border's affordable housing investment needs and priorities, as identified in the Council's Local Housing Strategy 2017-2022 over a rolling 5 year planning horizon. Based on available Resource Planning Allocations from the Scottish Government and resource planning assumptions, RSL partner private sector borrowing and commitment from the Council's Affordable Housing Budget, approximately 165 new homes could be delivered during 2022/23 and potentially up to 1320 new affordable homes over the five-year SHIP 2023-2028 period. The 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 the identified projects. The Lead Officer, Housing Strategy and Development, Ms Donna Bogdanovic presented the report and responded the Members questions. In response to an issue raised regarding whether continued housing developments could negatively impact the unique small town character of the towns of the Borders, Ms Bogdanovic acknowledged the point, and highlighted that a diverse range of views were considered when producing the SHIP and Local Housing Strategies. Regarding delays to a housing development on Glensax Road in Peebles, Ms Bogdanovic undertook to brief local Members outside of the meeting. The Chief Planning Officer explained that with regard to housing developments in the Northern Borders, considerable challenges existed to reach consensus on and securing the right land and areas to develop, with a renewed focus on town centre regeneration. In response to a question regarding assumed levels of funding, Ms Bogdanovic explained that the SHIP was an extremely ambitious plan and she was had no concerns that the target of 128 homes per year would not be met. Additionally, Ms Bogdanovic explained

that the second homes council tax budget could be utilised in challenging circumstances to help assist the delivery of affordable homes. Regarding the publication of an impact assessment, Ms Bogdanovic informed Members that the assessment would be published online following the approval of the SHIP. Members highlighted the need to ensure that sufficient infrastructure, including bus routes, were ready in conjunction with new homes. Members thanked officers for their extensive report, highlighted the considerable amount of work that had taken place to produce it, and emphasised a need to ensure that negative connotations associated with affordable homes were tackled.

**DECISION**

**AGREED to approve the Strategic Housing Investment Plan 2023-2028 for submission to the Scottish Government – More Homes Division.**

*The meeting concluded at 10.40 am*



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## **PROPOSED USE OF SECOND HOMES COUNCIL TAX TO GRANT ASSIST DELIVERY OF AFFORDABLE HOUSING AT KIRKHOPE STEADING, ETRICK BRIDGE**

**Report by Director - Infrastructure and Environment**

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### **EXECUTIVE COMMITTEE**

**15 November 2022**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 The purpose of this report is to seek approval of the Executive Committee to use available Second Homes Council Tax funding to grant assist Ettrick and Yarrow Community Development Company to deliver 5 affordable homes at Kirkhope Steading, Ettrick Bridge.**
- 1.2 The Council's Strategic Housing Investment Plan 2022-27 identified Kirkhope Steading as a priority project. This is now under construction, with completion anticipated in late November 2022.
- 1.3 This report advises the Committee that as a result of the national context of increasing material costs, inflationary pressures, increasing interest rates and contract over run, a funding gap of around £126,000 has been identified in order to complete the project. £36,711 of this shortfall relates to final outturn costs associated with the construction of the 5 new homes on the site.

#### **2 RECOMMENDATIONS**

##### **2.1 I recommend that the Committee:-**

- (a) Agrees to grant assist the Ettrick and Yarrow Community Development Company up to £36,711 towards the final costs of delivering the 5 homes at Kirkhope Steading, Ettrick Bridge.**
- (b) Agrees that the Council's grant will be funded from the Second Home Council Tax available balance.**

### **3 BACKGROUND**

- 3.1 The Ettrick and Yarrow Community Development Company have secured a range of loans and grants to enable the delivery of their project to deliver 5 affordable homes for mid-market rent through new building and conversion of Kirkhope Steading, Ettrick Bridge. This project was identified as a prioritised project in the Council's Strategic Housing Investment Plan (SHIP) 2022-27. The Council has previously provided £13,000 grant from Second Homes Council Tax budget to fund the costs associated with lodging the Planning Application in 2019, and subsequently provided an additional £120,000 to support the re-roofing of the steading in March 2022. The project has generally progressed well, with anticipated completion in late November 2022.
- 3.2 The main source of grant funding secured by the Company is the Scottish Government's Rural Housing Fund, which is framed by published eligibility criteria and grant application process.

### **4 PROPOSED GRANT CONTRIBUTION**

- 4.1 The contract price for the homes at March 2022 was £1,227,630 and the final outturn is £1,264,341, representing an over spend on the homes of £36,711. The increased costs are attributed to contractors being on site much longer than anticipated with delays largely out with their control. The project, like many across Scotland, has been significantly impacted by rising costs in materials and inflationary pressures. Development in rural areas is generally more expensive in more "normal" circumstances but together with increases in lending rates it is creating significant challenges of cost pressures for even mainstream affordable housing developers, let alone small scale community organisations.
- 4.2 There have also been long delays in getting the power connected to the site resulting in a loss of rental income in the meantime, currently 4 months behind previous estimates which had anticipated the homes being tenanted by July 2022. The contract overrun and the loss, and expense, of operating the site beyond the completion date plus inflation and labour cost increases have been significant. A large part of the delay has been waiting the power connection. Despite paying the connection fee of £48,000 in April, the power is only now expected to go in which meant the ground works couldn't be progressed. There were other delays out with the control of the contractor and the cumulative effect has pushed the build well over the original 52 weeks in the tender given that they started on site in March 2021. There were also some differences around what was in the contract or added as a variation.
- 4.3 The Company is currently in discussion with its lenders and is keen to avoid exposing itself to anticipated adverse impacts of potential future interest rate increases. The Company currently estimate a total funding shortfall of around £126,000 and has approached Scottish Government and the Council seeking additional grant to help meet the estimated shortfall.
- 4.2 On the basis of the currently available financial information, Scottish Government More Homes Division officials have indicated willingness to

provide around £90,000 additional grant from its Rural Housing Fund. The Council have been asked to approve £36,711 to assist with the increased costs relating to the homes and to help ensure project delivery.

- 4.3 It is considered that the proposed additional grant contribution of up to £36,711 is an appropriate use of the available Second Homes Council Tax balance, and is consistent with the published Scottish Government Regulations which frame the eligible uses of this funding. The provision of affordable homes, alongside the business space, at Kirkhope will have a significant positive impact for the local community. Not providing this additional financial support could put the long term financial sustainability of the project at risk, and potentially undermine the levels of investment and financial support previously provided by Scottish Borders Council, Scottish Government and SOSE.

## 5 IMPLICATIONS

### 5.1 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) The financial comment regarding the recommendation is set out in Section 4.1 above. In the event that the Committee approves the recommendation, there is currently sufficient available uncommitted Second Homes Council Tax balance to enable the grant to be made to the Company. Table 1 below sets out current commitments.

**Table 1: 2<sup>nd</sup> Homes Council Tax financial table**

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Funding brought forward	3,987	3,825	3,628	3,474	3,055	4,173
Anticipated 2nd Homes Council Tax	1,118	1,151	1,186	1,221	1,258	1,296
<b>Total Funding Available</b>	5,105	4,976	4,814	4,695	4,313	5,469
Current Investment Commitments	1,280	1,348	1,340	1,640	140	890
<b>Available Funding</b>	3,825	3,628	3,474	3,055	4,173	4,579

- (c) The Company is concerned regarding the recent and anticipated increases to interest rates and the adverse impact that this may have on the longer term financial viability of the project, so is reluctant to increase its borrowing to fund 100% of the increase in project costs, hence the desire to seek additional grant. The delivery of the additional 5 new affordable homes will generate additional Council Tax income for the Council.

## 5.2 Risk and Mitigations

Delivery of the SHIP 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 Officials.

## 5.3 Integrated Impact Assessment

- (a) In line with both Council policy and legislative requirement, the SHIP 2022-2027 was subject to an Integrated Impact Assessment during the development phase, which identified no adverse impacts arising from the proposed delivery of the Plan. To date none of the SHIP submissions have identified any concerns regarding adverse impact on equalities groups through delivery of the SHIP.
- (b) These plans are predicated on the endorsement of the principle of equalities as articulated in the SHIP Guidance. SHIPs are subjected to an Integrated Impact Assessment, Strategic Environmental Assessment screening and Rural Proofing Assessment.

## 5.4 Sustainable Development Goals

- (a) The SHIP 2022-2027 was 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 SHIP 2023-28 promotes sustainable communities and helps to overcome many of the housing supply challenges faced locally.
- (c) There are no adverse economic or social effects resulting from the recommendations of this report.
- (d) The objectives of SHIP are consistent with the United Nations Sustainable Development Goals [SDG], 11 Sustainable Cities and 13 Climate Action. Specifically, the SHIP responds to the ambition of SDG 11 by promoting access to adequate, safe, and affordable housing, by ensuring integrated, inclusive and sustainable settlement, and by strengthening regional development planning. With respect to SDG 13, development will be at least consistent with Scottish Building Standards and the national objective of net zero greenhouse gases by 2045.

## 5.5 Climate Change

It is considered that there are no direct effects on the Council's carbon emissions arising from the report recommendations. New homes will have a general effect on the region's carbon footprint, however these are addressed within the Council's Planning and Building Standards processes



which are consistent with meeting the housing requirements and current applicable standards published by Scottish Government. The 5 homes under construction at Kirkhope Steading, have secured all required Council Consents.

#### 5.6 Rural Proofing

- (a) The Council's Rural Proofing Policy applies to all areas of Scottish Borders classified by Scottish Government as being 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders outwith the towns of Galashiels/Tweedbank, Hawick, Peebles, Kelso, Selkirk, Jedburgh, Eyemouth, and Innerleithen.
- (b) The SHIP Project Working Group carried out a Rural Proofing exercise as part of the development of the plan. It is considered that the completion of the 5 new homes at Kirkhope Steading in Ettrick Bridge will have a positive impact by addressing an identified affordable housing need in a settlement which is classified as being "accessible rural".

#### 5.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

#### 5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made.

### 6 CONSULTATION

- 6.1 Scottish Government More Homes Division officials have been consulted and comments included.
- 6.2 The Director (Finance & Corporate Governance), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have yet to be consulted and any comments received will be incorporated in the final report.

#### Approved by

**John Curry Director Infrastructure and Environment**

#### Author(s)

Name	Designation and Contact Number
Donna Bogdanovic	Lead Officer – Housing Strategy and Development (01896-661392)

#### Background Papers: Strategic Housing Investment Plan 2022-2027

#### Previous Minute Reference:

Executive Committee 8<sup>th</sup> October 2019 [Item 10 - Second Homes Council Tax Funding to assist delivery of Affordable Housing at Kirkhope.pdf \(modern.gov.co.uk\)](#)

Executive Committee 1<sup>st</sup> March 2022 [Item No. 9 a - Kirkhope - Executive Committee - 1 March 2022.pdf \(modern.gov.co.uk\)](#)

**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](mailto:jwhitelaw@scotborders.gov.uk).

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**MONITORING OF THE GENERAL FUND REVENUE BUDGET  
2022/23**
**Report by Acting Chief Financial Officer  
EXECUTIVE COMMITTEE**


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**15 November 2022**


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**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 September 2022 along with explanations of the major variances identified between projected outturn expenditure/income and the current approved budget.**
- 1.2 The Council continues to be impacted by the current operating environment. These impacts include continuing impacts from the COVID-19 recovery period and unprecedented inflation levels in the wider economy causing both internal Council pressures and also pressures on critical service delivery partners. Due to the very challenging operating environment it remains essential that the Council continues to operate as efficiently as possible to ensure that any financial implications not yet clear can be managed as the financial year progresses.
- 1.3 Forecasts have been completed at the second quarter of 2022/23, as at the 30th September, projecting the Council to be in a balanced position at the financial year end. This forecast position includes the deployment of £4.022m of the Recovery Fund in order to balance the 2022/23 budget resulting in a balance of £3.626m remaining to address future pressures. The Recovery Fund will be drawn down as required to meet identified financial pressures.
- 1.4 Confirmed funding is in place for 2022/23 and is categorised as follows:

<b>Confirmed Recovery funding – 2022/23</b>	<b>£m</b>
Funding provided by Scottish Government	0.156
Funding carried forward from 2021/22 through COVID-19 reserve	9.465
Funding included in the 2022/23 Financial Plan for COVID-19 response	0.069
Assumed Local Mobilisation Plan (LMP) funding	2.237
<b>Total Recovery funding</b>	<b>11.927</b>

- 1.5 Recovery funding is split between funding which has been ring-fenced to be used for a specific purpose (£3.845m) for example education recovery, LMP and admin funding, and that which can be used more generally by the Council to address COVID-19 pressures (£8.082m). This includes all residual COVID-19 funding carried forward from 2021/22 and full details of

funding available are shown in Appendix 2.

- 1.6 Financial plan savings of £12.027m require to be delivered in 2022/23. An analysis of deliverability is shown in Appendix 3. Following the September month end £7.433m (62%) savings have been delivered permanently, £2.215m (18%) are profiled to be delivered by 31 March 2023 and £2.379m (20%) have been delivered on a temporary basis through alternative savings.

## **2 RECOMMENDATIONS**

### **2.1 It is recommended that the Executive Committee:-**

- (a) notes the projected corporate monitoring position reported at 30 September 2022, the remaining pressures identified, the underlying cost drivers of this position and the identified areas of financial risk as reflected in Appendix 1;**
- (b) notes the pressures of £4.022m detailed in Appendix 1 being funded from the Recovery Fund in 2022/23 in order to balance the budget;**
- (c) notes the Recovery Fund resources detailed in Appendix 2;**
- (d) notes the progress made in achieving Financial Plan savings in Appendix 3; and**
- (e) approves the virements attached as Appendix 4 & 5.**

### 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 September 2022.
- 3.2 The Council continues to be impacted by the current operating environment. These impacts include continuing impacts from the COVID-19 recovery period and unprecedented inflation levels in the wider economy causing both internal Council pressures and also pressures on critical service delivery partners.
- 3.3 In 2020/21 and 2021/22 financial years, Scottish Government adopted a twin track approach to funding of COVID-19 pressures through a Local Mobilisation Plan (LMP) for Integration Joint Board (IJB) functions and separate Council funding. The Council is currently completing the second LMP return for 2022/23 with the assumption that £2.237m of COVID-19 pressures will be funded by Scottish Government as reflected in the appendices to this report.
- 3.4 Current unprecedented inflation levels in the UK are impacting the Council directly and through impacts on delivery partners. At the second quarter additional direct costs of £1.811m are forecast based on current inflation levels in addition to £0.850m of pressures addressed at the end of the first quarter. These pressures are being met from the Recovery Fund. Full year impacts of inflation requires to be addressed through the 2023/24 financial planning process. The Bank of England inflation rate was confirmed at 10.1% in October 22.
- 3.5 An agreement for pay award for SJC staffing groups has now been reached nationally for 2022/23. The revenue budget for 2022/23, approved by Council on 22<sup>nd</sup> February 2022, included an assumed pay award for all staff of 2%. The agreed pay award for SJC staff is as follows:
- For those on the Scottish Local Government Living Wage and SCP 19-24 an undifferentiated 5% or a £2,000 uplift (calculated on a nominal 36-hour full-time working week), whichever is larger. •
  - This is a 10.2% increase for the lowest paid and for someone on SCP38 (£24,984) this is 7.7% increase (£1925) and for someone currently on SCP 52 (£30,212) this is 6.37% (£1925). •
  - The offer is for an undifferentiated 5% or a £1,925 uplift (calculated on a nominal 36- hour full-time working week), whichever is larger, capped for those currently earning £60,000 or more at a £3000 uplift (based on a 37-hour week).

The funding of this agreed pay award is broken down in the table below:

	%
2022/23 pay award assumed in Council budgets	2%
Additional £140m provided by Scottish Government (SG)	1.5%
Shortfall to be met locally by Councils	1.5%
Total	5%

A further £120.6m capital has been provided by SG to pay for additional consolidated element of the pay award

For Scottish Borders Council the 1.5% shortfall equates to an estimated

£2.4m annual pressure. This pressure will be offset by the reversal of the 2022/23 NI increase by the UK government. The impact of this reversal in 2022/23 is estimated at £0.450m. The Council aims to make backpay payments to employees in the November payroll when the detailed financial implications will be clear. It is proposed that the 2022/23 shortfall will be funded from Council balances with the permanent impact addressed as part of the 2023/24 financial planning process. Negotiations with the SNCT teaching unions continue which may pose a further significant financial risk to the Council should the agreed pay award exceed 5%.

- 3.6 Analysis of the revenue budget after 6 months of the financial year forecasts a balanced year end position will be delivered assuming that the COVID-19 reserve will be sufficient to cover pressures as they materialise. This position reflects updates in both known COVID-19 implications and service specific issues to provide an estimated year end position. The remaining one-off Recovery Fund has been reduced by a further £4.022m at the second quarter position resulting in a balance of £3.626m remaining to address future pressures. As highlighted above there is an assumed c£2m gap in funding for 2022/23 pay, assuming this funding will be drawn down from the Recovery Fund at the next reporting period, the remaining balance on the Fund would reduce to £1.6m to cover pressures in the remainder of the year.
- 3.7 The current monitoring position indicates additional forecast annual expenditure and impacts on income associated with COVID-19, inflation and service pressures of £4.022m as shown below.

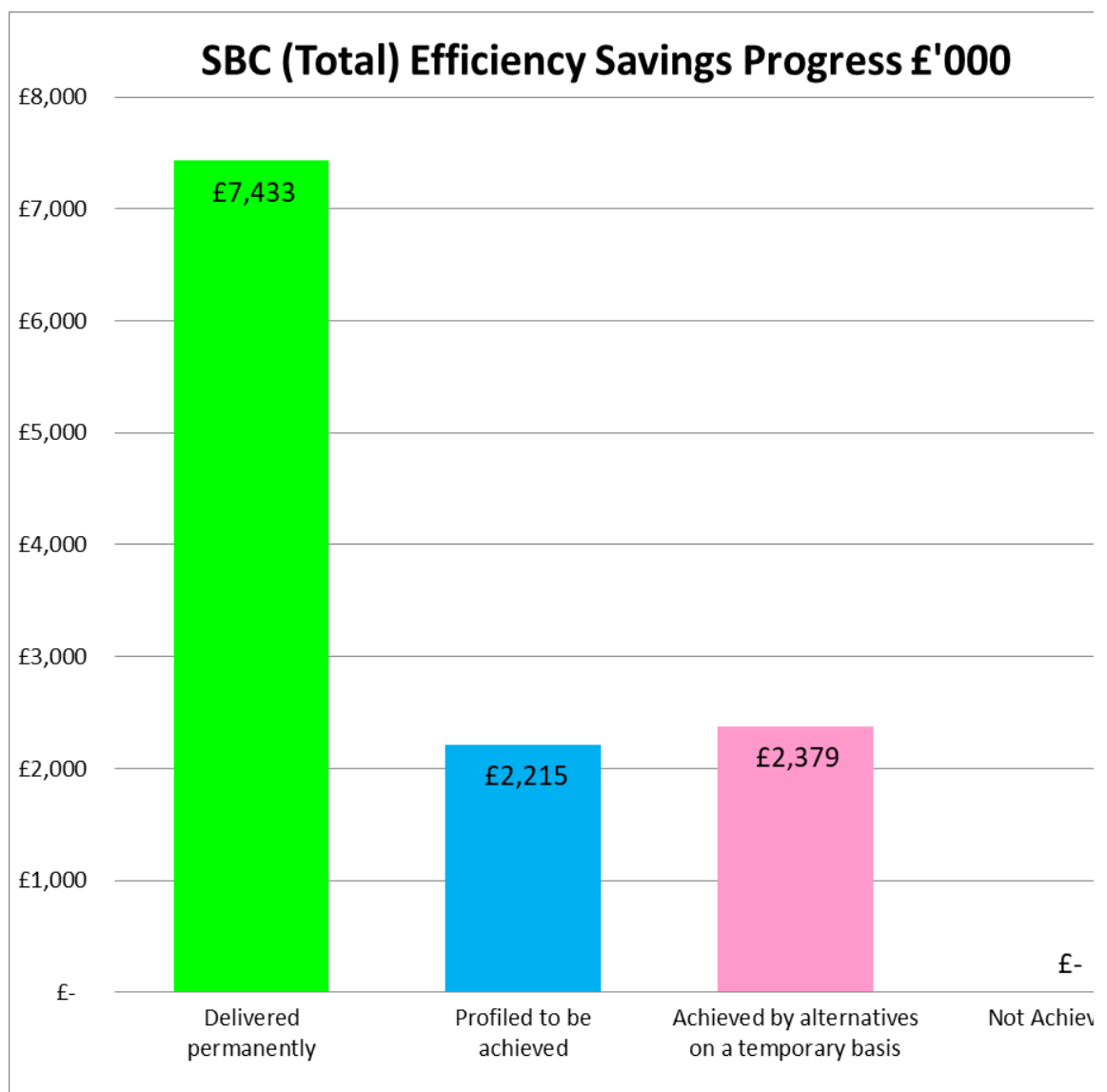
<b>Budget Pressure</b>	<b>£m</b>	<b>Comment</b>
Additional COVID-19 costs	0.151	These additional costs are detailed per service in Appendix 1 and include additional costs such as staff absences and Council Tax Reduction Scheme.
Local Mobilisation Plan (LMP)	1.871	Budget claimed through Scottish Government to fund ongoing COVID-19 pressures in IJB services
Service pressures	0.189	Net service pressures forecast at the second quarter of 2022/23
Inflation pressures	1.811	Pressures identified in 2022/23 based on current inflation levels
<b>Total Council pressures</b>	<b>4.022</b>	

- 3.8 Full details of COVID-19 funding available is shown in Appendix 2. The updated total funding of £4.022m required to address current forecasts is detailed below:

<b>Funding</b>	<b>£m</b>	<b>Comment</b>
Funding carried forward from 2021/22 through Covid-19 Reserve	2.151	Scottish Government funding to support COVID-19 pressures carried forward from 2021/22 through the Covid-19 Reserve
Local Mobilisation Plan (LMP)	1.871	Budget claimed through Scottish Government to fund

		ongoing COVID-19 pressures in IJB services
<b>Council COVID-19 revenue funding</b>	<b>4.022</b>	

- 3.9 There is a risk during this recovery period and challenging operating environment that services become over reliant on additional one-off funding. One-off resources have been available since 2020/21 through the previous COVID-19 reserve and currently through the Recovery Fund, these resources are finite and managers therefore need to ensure that as services return to a new normal, action is taken to manage budget pressures as they arise. The following management actions are required for the remainder of this financial year and beyond to contain pressures yet to emerge within the existing budget:
- Contain additional costs wherever possible;
  - Maximise income opportunities;
  - Consider options around service discretionary spend;
  - Consider wherever possible how savings can be accelerated from 2023/24 into 2022/23 to support the financial position in the current year.
- 3.10 The level of savings required by the financial plan in 2022/23 totals £12.027m. An analysis of delivery of savings as at the end of month 6 is provided in Appendix 3. This analysis shows that following the September month end £7.433m (62%) savings have been delivered permanently, £2.215m (18%) are profiled to be delivered by 31 March 2023 and £2.379m (20%) have been delivered on a temporary basis through alternative savings.



3.11 Strategic Leadership Team (SLT) have noted the continued improvement in savings delivery compared to the same reporting period in 2021/22 and remain focused on ensuring that the £2.215m, which is profiled to be delivered by 31 March 2023, is progressed and delivered permanently as soon as possible.

3.12 **Infrastructure & Environment**

The service is forecasting a pressure of £2.110m. The majority of this pressure is linked to Corporate inflation for utilities within Property Management Services, managed as part of the Corporate Landlord model. The Council purchases its gas and electricity through Scottish Procurement where the purchasing strategy smooths out the volatility of energy prices. However, despite this, gas and electricity prices have risen to record breaking prices and it is likely we will see a sustained period of high energy prices. Pressures are also being reported for the use of temporary units at Peebles High School, following the fire in 2019, there will be ongoing costs for these until the new school is open. The service is also experiencing staff absence costs in SBCContracts and Waste Management Services and pressures linked to repairs and maintenance and hire of refuse collection vehicles whilst we await delivery of new vehicles towards the end of the financial year. A transfer to the Strategic Contract movement reserve of £629k is



recommended given the market position, this can be used to support future RPI increases in contracts.

### 3.13 **Social Work & Practice**

Social Work & Practice is forecasting a balanced position at the end of the second quarter. Significant budget movements relate to the continued allocation of additional Scottish Government Health & Social Care funding. SW&P is returning £1.8m to the Corporate budget from Integrated Joint Board delegated services relating to IJB pressures built into the budget for 2022/23 which were funded by Scottish Borders Council. This then allows the Corporate budget to release £1.8m to Children & Families services to fund pressures caused by continued and increasing out of authority care placements. A budget virement to earmark £2.5m of additional SG funding into 2023/24 in line with expenditure plans has been proposed.

### 3.14 **Education & Lifelong Learning**

The revised DSM scheme was approved by Council in August 2022, virements have been processed to allocate funding to Primary and Secondary schools. Probationer, Strategic Equity and South East Improvement Collaborative (SEIC) funding is being allocated to Primary and Secondary Schools from Central Schools. The revision of the DSM scheme has allowed E&LL to delivery its required savings permanently. A review of the E&LL central management structure is being undertaken by the E&LL Director and Chief Officer Education to ensure a robust structure and efficient use of resources. Budgets are being managed across services to ensure best use of available funding to support children and young people. Work is being undertaking in conjunction with the I&E finance team to re-base budgets for school meals using the funding in both areas. The provision of free bus travel by Scottish Government to under 22 year olds is allowing the transfer of £86k to I&E as scholars passes are no longer required. Possible pressures around increased sickness are currently being managed within E&LL.

### 3.15 **Resilient Communities**

A small service overspend of £49k is being forecast, this is linked to higher demand for the Council Tax Reduction Scheme on the back of Covid-19. Take up is expected to increase further following a planned advertising campaign. An earmarked balance is being requested to 2023/24 by Customer Advice and Support for additional staffing resource to progress digital transformation within the service and wider Council.

### 3.16 **Finance & Corporate Governance**

The service is forecasting a small overspend of £20k linked to additional staffing within Emergency Planning to support the Council's response to emergency situations and additional costs linked to the avian flu outbreak within Protective Services. Reduced borrowing is allowing for a transfer of £1m to the Treasury Reserve.

### 3.17 **People, Performance and Change**

The service is showing a small underspend of £28k as a result of additional income.

### 3.18 **Strategic Commissioning and Partnerships**

SB Cares is presenting a largely balanced position but recognising additional staffing pressures of c. £600k. Options for reducing and funding this pressure will be considered in Quarter 3. Inspire Academy has identified a requirement for initial start up funding for the Inspire Academy as outlined in the 27<sup>th</sup> October Council report. An allocation of funding from the Council of up to £50,000 will allow for timing movement in the forecasts. This funding will be returned to the Council within the first 12 months of operation.

## **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 2022/23.

### 4.2 **Risk and Mitigations**

There is a risk that further cost pressures may emerge as the year progresses or that the savings required by the Financial Plan may not be delivered as planned, both of which may impact on the outturn position. Every effort must continue to be made by 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 of the culture of the Council.

### 4.3 It is imperative therefore that as many savings as possible identified within the 2022/23 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 Directors and quarterly reporting to SLT, and monthly on an exception basis.
- (c) engagement with Departments and review of monthly management accounts by Directors.
- (d) supporting departmental transformation projects to monitor and deliver the planned transformation savings in the medium-term Financial Plan.
- (e) Internal Audit are undertaking a 'Business Planning, Budget Setting, Monitoring & Reporting, including Workforce Planning' audit, which will check for evidence of (a) to (d) being in practice across the Council as part of their independent and objective review of practices to facilitate good practice and continuous improvement.

### 4.4 **Integrated Impact Assessment**

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 **Sustainable Development Goals**

There are no significant effects on the economy, community or

environment.

**4.6 Climate Change**

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 Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

**4.9 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 The Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into this final report.

**Approved by**

**Suzy Douglas**  
**Acting Chief Financial Officer**

**Signature .....**

**Author(s)**

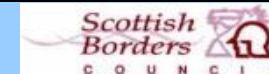
Name	Designation and Contact Number
Suzy Douglas	Financial Services Manager 01835 824000 X 5881

**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.

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**MONTHLY REVENUE MANAGEMENT REPORT**  
**SCOTTISH BORDERS COUNCIL**      **2022/23**  
**SUMMARY**
**AT END OF MONTH: Sep-22**


	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
Infrastructure & Environment	47,116	25,077	49,416	51,059	(1,642)	1,642	0	Infrastructure & Environment is forecasting an overspend of £2.110m. The majority of this pressure is linked to inflation for Corporate utilities within Property Services (£1.811m). Other pressures linked to staff absence are being experienced within SBC Contracts and Waste Services (£102k), higher waste vehicle costs while we await delivery of new vehicles at the end of the financial year (£77k) and an ongoing pressure for temporary units costs at Peebles High School after fire in November 2019 (£120k). Balanced position is forecast following virements to reflect draw down from Recovery Fund and latest expenditure and income forecasts across the Council.
Social Work & Practice	76,119	21,038	75,851	73,351	2,500	(2,500)	(0)	Social Work & Practice is forecasting a balanced position at the end of the second quarter. Significant budget movements relate to the continued allocation of additional Scottish Government Health & Social Care funding which is enabling SW&P to return £1.8m to the Corporate budget from Integrated Joint Board delegated services relating to IJB pressures built into the budget for 2022/23 which were funded by Scottish Borders Council. This then allows the Corporate budget to release £1.8m to Children & Families services to permanently fund pressures caused by continued and increasing out of authority care placements. A budget virement to earmark £2.5m of additional funding into 2023/24 in line with expenditure plans is also presented for approval.
Education & Lifelong Learning	115,987	57,999	127,068	127,127	(59)	59	0	Education & Lifelong Learning have been allocated £145k to fund the permanent impact of the teacher's 2021/22 pay award. £86k is permanently being transferred to Infrastructure & Environment as free bus passes for under 22 year olds removes the requirement for scholar's passes.
Resilient Communities	24,432	(1,564)	35,823	36,294	(471)	471	0	Resilient Communities is continuing to experience challenges due to increased workloads as a result of the Cost of Living Crisis. Council Tax Reduction Scheme has seen a much higher demand on the back of Covid-19 and take up is forecast to increase further following a planned advertising campaign. The service is requesting an earmarked balance to 2023/24 for additional staffing resource to progress digital transformation within Customer Advice and Support and the wider Council. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.
Finance & Corporate Governance	28,607	7,107	31,082	34,065	(2,983)	2,983	0	Finance & Corporate Governance has utilised £2.151m of funds from the Recovery Fund to meet the Covid-19, inflationary and service pressures across SBC. Within the service there is an overspend of £20k linked to additional staffing resource within Emergency Planning to support the Council's response to emergency situations and additional costs linked to the avian flu outbreak. Reduced borrowing allows £1m to be transferred to the Treasury Reserve. Balanced position is forecast following virements to reflect draw down from the Recovery Fund and latest expenditure and income forecasts across the Council.
People, Performance and Change	7,206	3,449	7,641	7,719	(78)	78	0	People, Performance and Change are forecasting a small underspend of £28k as a result of additional income. Balanced position is forecast following virements to reflect latest expenditure and income forecasts across the Council.

**MONTHLY REVENUE MANAGEMENT REPORT**  
**SCOTTISH BORDERS COUNCIL 2022/23**  
**SUMMARY**

**AT END OF MONTH: Sep-22**



Strategic Commissioning & Partnership	25,404	13,126	32,899	27,711	5,188	(5,188)	0	Strategic Commissioning & Partnership through the Information Technology service are transferring and earmarking available revenue budget to fund the additional consolidated element of the SJC pay offer in 2022/23 and 2023/24 (£2.594m per year). Scottish Government has agreed £120.6m of capital funding in both these years, with funding baselined from 2024/25 as General Revenue Grant. Capital monitoring has been adjusted to reflect this switch of funding. SB Cares increased PPE requirements are to be funded through the LMP, staffing pressures due to recruitment issues will be managed from within the service or other IJB delegated services.
<b>Total</b>	<b>324,871</b>	<b>126,233</b>	<b>359,779</b>	<b>357,324</b>	<b>2,455</b>	<b>(2,455)</b>	<b>(0)</b>	

<b>Financed by:</b>								
Revenue Support Grant	(203,141)	(107,396)	(209,419)	(213,678)	4,259	(4,259)	0	Gross up additional income from Scottish Government for i) Local Health & Energy Efficiency Strategies (£75k); ii) impact of teachers 2021/22 pay award (£654k); iii) Cost of Living Payments to low income households, including administration costs (£519k); and iv) 2022/23 local government pay offer. including teachers (£3.011m).
Non-Domestic Rates	(35,294)	(17,647)	(35,294)	(35,294)	0	0	0	
Council Tax	(67,948)	(69,500)	(67,909)	(67,909)	0	0	0	
Second Homes Council Tax	(1,118)	0	(1,170)	(1,170)	0	0	0	
Capital Financed from Current Revenue	0	0	0	0	0	0	0	
Ring fenced grants	(15,017)	(11,997)	(15,049)	(15,049)	0	0	0	
Reserves:								
Earmarked Balances from 2021/22	(2,353)	(37,189)	(37,189)	(37,189)	0	0	0	
Earmarked Balances for future years	0	9,802	7,651	12,842	(5,191)	5,191	0	To earmark into 2023/24 i) additional Scottish Government funding for Older People (£2.5m); ii) available Customer Advice and Support budget for additional staffing to create and implement digital processes (£97k); and iii) Scottish Government agreed funding to support the impact of the 2022/23 local government pay offer in 2023/24 (£2.594m).
Transfers to/from Reserves	0	(1,200)	(1,400)	123	(1,523)	1,523	0	Drawdown from Workforce Management Allocated Reserve (£106k). Increase allocated reserves for i) Treasury Reserve (£1m) and ii) Strategic Contract movement reserve (£629k).
<b>Total</b>	<b>(324,871)</b>	<b>(235,127)</b>	<b>(359,779)</b>	<b>(357,324)</b>	<b>(2,455)</b>	<b>2,455</b>	<b>0</b>	

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**MONTHLY REVENUE MANAGEMENT REPORT  
SCOTTISH BORDERS COUNCIL 2022/23**

**AT END OF MONTH: Sep-22**



Infrastructure & Environment	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
<b>Property</b>	<b>12,616</b>	<b>8,851</b>	<b>12,560</b>	<b>14,491</b>	<b>(1,931)</b>	<b>1,931</b>	<b>0</b>	
Property Management Services	13,081	9,751	13,087	15,018	(1,931)	1,931	0	Pressures within electricity (£709k), gas (£824k), heating oil (£249k) and Homeless Services Repairs and Maintenance due to increased costs in furniture (£29k). Continued pressure for temporary units at Peebles High School after fire in November 2019 (£120k).
Estates Management Services	487	210	492	492	0		0	
Commercial Property Income	(1,274)	(1,347)	(1,344)	(1,344)	0		0	
Architects	132	152	134	134	0		0	
Major Projects	190	86	190	190	0		0	
<b>Facilities</b>	<b>4,988</b>	<b>2,625</b>	<b>6,212</b>	<b>6,212</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Catering Services	757	598	1,631	1,631	0		0	
Cleaning & Facilities Management	4,231	2,027	4,582	4,582	0		0	
<b>Parks &amp; Environment</b>	<b>4,389</b>	<b>1,942</b>	<b>4,748</b>	<b>4,748</b>	<b>0</b>		<b>0</b>	
<b>Roads &amp; Infrastructure</b>	<b>11,121</b>	<b>5,768</b>	<b>11,176</b>	<b>11,223</b>	<b>(47)</b>	<b>47</b>	<b>0</b>	
Network & Infrastructure Asset Management	10,869	3,161	10,717	10,717	0		0	
SBCContracts	(701)	1,528	(728)	(681)	(47)	47	0	Pressure from Covid absences (£47k).
Engineers	892	602	907	907	0		0	
Fleet Management Services	61	486	61	61	0		0	
Pay Parking	0	(9)	220	220	0		0	
<b>Waste Management Services</b>	<b>9,790</b>	<b>3,333</b>	<b>10,093</b>	<b>9,596</b>	<b>497</b>	<b>(497)</b>	<b>0</b>	Staffing pressure due to high levels of sickness requiring cover (£55k), vehicle repairs pressure (£53k) and vehicle hires pressure (£24k). Transfer to Strategic Contract movement reserve (£629k).
<b>Passenger Transport</b>	<b>1,951</b>	<b>1,695</b>	<b>1,982</b>	<b>2,068</b>	<b>(86)</b>	<b>86</b>	<b>0</b>	Permanent budget transfer from Education to eliminate scholars passes recharge as no longer required due to change in service provision (£86k).

**MONTHLY REVENUE MANAGEMENT REPORT**  
**SCOTTISH BORDERS COUNCIL 2022/23**



**AT END OF MONTH: Sep-22**

<b>Planning Services</b>	<b>1,112</b>	<b>225</b>	<b>1,483</b>	<b>1,483</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Housing Strategy &amp; Services</b>	<b>1,147</b>	<b>636</b>	<b>1,162</b>	<b>1,237</b>	<b>(75)</b>	<b>75</b>	<b>0</b>	Gross up permanent additional Revenue Support Grant (RSG) for Local Heat & Energy Efficiency Strategies (£75k).
<b>Total</b>	<b>47,116</b>	<b>25,077</b>	<b>49,416</b>	<b>51,059</b>	<b>(1,642)</b>	<b>1,642</b>	<b>0</b>	

**Key Highlights, Challenges and Risks**

Infrastructure and Environment continues to face challenges in relation to Covid recovery and inflationary pressures on the economy. The Council purchases gas and electricity through Scottish Procurement where supplies are purchased up to 2.5 years in advance, this has provided a high level of protection from the current record high prices but significant cost increases are still being seen. In addition within frontline operational services we are seeing inflationary impacts on materials, tyres, and services including significant fuel price increases, these will be monitored closely throughout the remainder of the year.

SBCContracts position will be challenging in 2022/23 due to the impacts of unprecedented rises in the costs of raw materials and fuel. The war in Ukraine has further compounded what was already a challenging position, creating a shortage of bitumen across Europe and the UK, this is a main component for undertaking roads construction and maintenance activities. Supply chain issues are therefore ongoing and work continues with clients, designers and suppliers to overcome delays.

Waste Services are incurring vehicle related pressures due to repairs and vehicle hire costs, new Refuse Collection vehicles are on order and delivery is expected at the end of the year. Planning fee income can be a volatile area, however we are currently forecasting to achieve budget and this will be closely monitored over the year.

The service has £2.492m of financial plan savings to deliver in 2022/23, £0.855m of these have been delivered permanently and £0.816m temporarily leaving £0.821m profiled to be delivered in the balance of the year.



Social Work & Practice	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend
Child Protection	214	64	221	221	0		0
Children & Families Social Work	15,021	7,964	15,891	17,691	(1,800)	1,800	0 Significant additional pressures amounting to £1.8m, £1.6m of which is related to out of area child placements. Other main pressures are £145k on UASC and further pressure expected due to new parenting assessments. Additional budget being allocated from overall council budget of £1.8m. The service is experiencing material staffing recruitment and retention issues.
Adult Protection	367	167	366	366	0		0
Emergency Duty Team	320	165	320	320	0		0
Quality Improvement	448	198	548	548	0		0
Services in Criminal Justice System	1,229	(47)	1,261	1,261	0		0
Safer Communities	1,921	(154)	2,524	2,524	0		0
Older People	27,258	(1,204)	21,127	16,206	4,921	(4,921)	0 Service is forecasting a balanced position, following budget virements from additional Scottish Government funding to Joint Learning Disability service (£621k) to cover operational pressures and undeliverable savings; £1.8m to Finance and Corporate Governance to repay IJB pressures funded by SBC that are now being funded by additional Scottish Government funding and also to earmark £2.5m additional Scottish Government funding into 2023-24 in line with spend forecasts. Pressures relating to the agreed full year cost of Homecare Provider grants linked to increased hourly rates, required to ensure the sustainability of providers experiencing significant staffing absence and other unfunded Covid-19 pressures such as continued use of PPE to be claimed through the LMP.
Joint Learning Disability	17,801	9,126	20,267	20,888	(621)	621	(0) Allocation of £621k additional Scottish Government funding for Health & Social Care. This leaves a balanced outturn forecast and includes funding for both operational pressures and savings deemed to be undeliverable
Joint Mental Health	1,956	903	2,036	2,036	0		0 The service is forecasting a £31k overspend which is anticipated will be addressed by the service during the remainder of the year
People with Physical Disabilities	2,533	1,491	2,749	2,749	0		0
Generic Services	6,958	2,342	8,449	8,449	0		0 The service is forecasting a £270k pressure relating to staffing and locality based client specific expenditures. It is anticipated that ongoing work to re-base locality budgets in Generic Services as well as Older People and People with Physical Disabilities will address much of this pressure. The remaining pressure will be addressed by the service during the remainder of the year
<b>Total</b>	<b>76,026</b>	<b>21,016</b>	<b>75,758</b>	<b>73,258</b>	<b>2,500</b>	<b>(2,500)</b>	<b>(0)</b>

<b>Public Health</b>	<b>Base Budget (£'000)</b>	<b>Actual to Date (£'000)</b>	<b>Revised Budget (£'000)</b>	<b>Projected Outturn (£'000)</b>	<b>Outturn Variance (£'000)</b>	<b>Proposed Virement (£'000)</b>	<b>Projected (over)/unders pend</b>
Public Health	93	22	94	94	0	(0)	0
<b>Total</b>	<b>93</b>	<b>22</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

**Key Highlights, Challenges and Risks**

Social Work & Practice is forecasting a balanced position at the end of quarter 2. Significant budget movements noted above relate to the continued allocation of additional Scottish Government Health & Social Care funding. Additionally, a budget virement to return £1.8m from Integrated Joint Board delegated services relating to IJB pressures built into the budget for 2022-23 which were funded by Scottish Borders Council. These pressures are now funded from additional SG funding, thereby releasing £1.8m that can be allocated to Children & Families services to fund pressures caused by continued and increasing out of authority care placements. A budget virement to earmark £2.5m of additional funding into 2023-24 in line with expenditure plans is also noted.

Education & Lifelong Learning	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	Summary Financial Commentary
Early Years	18,362	7,312	22,537	22,537	0		0	
Primary Schools	29,732	15,407	32,495	33,147	(652)	652	0	Probationer budgets devolved from Central Schools £409k. Strategic Equity Funding (SEF) allocation £170k. Additional funding for teachers 21/22 pay award (£145k) split across primary & secondary schools
Secondary Schools	41,338	22,826	42,705	43,010	(305)	305	0	Probationer budgets devolved from Central Schools £172k. Strategic Equity Funding (SEF) allocation £46k. SEIC funding from Central Schools £15k. Additional funding for teachers 2021/22 pay award (£145k) split across primary & secondary schools.
Additional Support Needs	12,140	5,858	12,189	12,189	0		0	
Educational Psychology	713	338	713	723	(10)	10	0	Pressure (£10k) relates to newly qualified educational psychologist taken on as a trainee with a view to replacing member of staff who retires at Christmas. Funding to be allocated from Central schools to offset pressure.
Central Schools	7,385	4,062	9,834	9,012	822	(822)	0	Devolve probationer budgets to Primary and Secondary schools (£581k). Allocating Strategic Equity Funding (SEF) to schools (£215k). Allocate SEIC funding to Secondary school clusters (£15k). Allocate funding from central budget to cover Educational Psychology trainee pressure (£10k).
School Meals	1,756	895	1,969	1,969	0		0	
School Transport	3,594	656	3,658	3,572	86	(86)	0	Budget transfer to Infrastructure & Environment for scholars passes due to change in service provision.
Community Learning & Development	968	644	968	968	0		0	
<b>Total</b>	<b>115,987</b>	<b>57,999</b>	<b>127,068</b>	<b>127,127</b>	<b>(59)</b>	<b>59</b>	<b>0</b>	

**Key Highlights Challenges & Risks**

The revised DSM scheme was approved by Council in August 2022, virements have been processed to allocate funding to Primary & Secondary schools. The revision of the DSM scheme has allowed E&LL to delivery its required savings permanently. A review of the Education & Lifelong Learning central management structure is being undertaken by the E&LL Director and Chief Officer Education to ensure a robust structure and efficient use of resources. Budgets are being managed across services to ensure best use of available funding to support children and young people. Work is being undertaken in conjunction with the I&E finance team to re-base budgets for school meals using the funding in both areas. Possible pressures around increased sickness are currently being managed within E&LL.

Resilient Communities	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	Summary Financial Commentary
Business Support	5,154	2,500	5,249	5,249	0		0	
Community Planning & Engagement	453	215	453	453	0		0	
Neighbourhood Support Fund	671	1,508	4,186	4,186	0		0	
Customer Advice & Support Services	3,140	7,177	8,713	9,135	(422)	422	0	Gross up additional income from Scottish Government for Cost of Living Payments to low income households, including administration costs (£519k). To earmark budget into 2023/24 for additional staffing investment required to create and implement digital processes for self-serve both within CASS and other service areas (£97k).
Economic Development	2,391	235	2,805	2,805	0		0	
Cultural Services	3,783	2,171	3,766	3,766	0		0	
Sports Services	1,965	969	2,071	2,071	0		0	
Discretionary Housing Payments	0	53	1,073	1,073	0		0	
Housing Benefits	608	941	668	668	0		0	
Non Domestic Rates Relief	275	(23,205)	213	213	0		0	
Scottish Welfare Fund	586	227	916	916	0		0	
Council Tax Reduction Scheme	5,407	5,644	5,711	5,760	(49)	49	0	Pressure from increased number of cases over the last quarter (£49k).
<b>Total</b>	<b>24,432</b>	<b>(1,564)</b>	<b>35,823</b>	<b>36,294</b>	<b>(471)</b>	<b>471</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

Resilient Communities is continuing to experience challenges due to increased workloads as a result of the Cost of Living Crisis. Council Tax Reduction Scheme has seen a much higher demand on the back of Covid-19 and a take up is forecast to increase further following the advertising campaign. This will continue to be monitored closely to ensure accuracy of future forecasts. The service is requesting an Earmark balance to 2023/24 for additional staffing resource to progress digital transformation within Customer Advice and Support and the wider Council. The service has £0.380m of financial plan savings to deliver in 2022/23, these have now been delivered in the current year with £0.0124m of these having been delivered permanently and £0.256m temporarily.

Finance & Corporate Governance	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend	Summary Financial Commentary
Recovery Fund	69	(70)	2,120	(31)	2,151	(2,151)	0	Utilise an element of the Recovery Fund to offset Covid-19 and inflationary pressures across SBC.
Corporate	(1,048)	(330)	(845)	5,269	(6,114)	6,114	0	Additional funding for permanent effect of teacher's 2021/22 pay award £509k. Additional Health & Social Work Government funding (£1.8m) transferring from SW&P in lieu of SBC funded pressures in 2022/23 budget being released to off-set Children & Families Social Work (£1.8m) pressures in external placements. Additional Scottish Government agreed funding to support the local government pay offer (£5.605m).
Chief Executive	184	76	184	184	0		0	
Emergency Planning	161	83	161	180	(19)	19	0	Pressure from additional staffing (£19k).
Finance	4,410	2,403	4,381	4,381	0		0	
Legal Services	750	409	735	735	0		0	
Protective Services	1,520	746	1,574	1,584	(10)	10	0	Pressure relating to disposal of avian flu infected birds (£10k).
Audit & Risk	384	167	384	384	0		0	
Assessor & Electoral Registration Services	894	398	907	907	0		0	
Democratic Services	1,842	1,277	2,023	2,023	0		0	
Communications & Marketing	531	241	541	532	9	(9)	0	Additional staff turnover savings (£9k).
Loan Charges	19,351	1,521	19,402	18,402	1,000	(1,000)	0	Reduced borrowing requirement due to timing movements in the capital programme to be transferred to Treasury Reserve (£1m) to smooth capital financing requirements in future years.
Provision for Bad Debts	125	125	125	125	0		0	
Recharge to Non-General Fund	(563)	0	(608)	(608)	0		0	
<b>Total</b>	<b>28,607</b>	<b>7,107</b>	<b>31,082</b>	<b>34,065</b>	<b>(2,983)</b>	<b>2,983</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

The Recovery Fund is held within Finance & Corporate Governance service to be allocated to services as required.

The service is reporting a small overspend of £0.020m linked to additional staffing requirements within Emergency Planning to support the Council's response to emergency situations. Reduced borrowing requirements allows £1m to be transferred to the Treasury reserve to smooth capital financing requirements in future years.

The service has £3.477m of financial plan savings to deliver in 2022/23, £3.351m of these have been delivered permanently and £0.063m temporarily leaving £0.063m profiled to be delivered in the balance of the year.

People, Performance & Change	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/underspend	Summary Financial Commentary
Human Resources	4,779	2,083	4,953	4,953	0		0	
Early Retiral/Voluntary Severance	67	179	67	173	(106)	106	0	Drawdown from Workforce Management Allocated Reserve (£106k).
Corporate Transformation	730	318	940	940	0		0	
Business Change & Programme Management	1,181	701	1,238	1,238	0		0	
Business Planning Performance & Policy Development	449	169	443	415	28	(28)	0	Additional income (£28k).
<b>Total</b>	<b>7,206</b>	<b>3,449</b>	<b>7,641</b>	<b>7,719</b>	<b>(78)</b>	<b>78</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

People, Performance & Change are forecasting a small underspend of £28k in the current quarter as a result of additional income.  
 The service has £0.190m of financial plan savings to deliver in 2022/23, £0.112m of these have been delivered permanently and £0.049m temporarily leaving £0.029m profiled to be delivered in the balance of the year.

Strategic Commissioning & Partnerships	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend	Summary Financial Commentary
Information Technology	11,730	5,402	17,454	12,266	5,188	(5,188)	0	Transfer/earmark available revenue budget to fund the additional consolidated element of the SJC pay offer in 2022/23 and 2023/24 (£2.594m per year). £120.6m capital funding agreed by Scottish Government in both 2022/23 and 2023/24, which will be baselined as General Revenue Grant from 2024/25 onwards, to support the local government pay offer. Adjustments made in the capital monitoring to reflect this 'switch' of funding by reducing the Capital Funded from Current Revenue (CFCR) for Digital Transformation.
SB Cares	13,675	7,706	15,922	15,922	0		0	Continued pressures relating to the continued increased PPE requirement in Care Homes and Home Care settings to be funded through the LMP. Additionally, staffing pressures related to increased use of overtime and agency staff due to recruitment issues is anticipated to be managed from within the service or other IJB delegated services.
Commissioning	0	18	(478)	(478)	0		0	
<b>Total</b>	<b>25,404</b>	<b>13,126</b>	<b>32,899</b>	<b>27,711</b>	<b>5,188</b>	<b>(5,188)</b>	<b>0</b>	

**Key Highlights, Challenges & Risks**

SB Cares is presenting a largely balanced position but recognising additional staffing pressures of c. £600k. Options for reducing and funding this pressure will be considered in quarter 3.

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Recovery Fund 2022/23

Appendix 2

Details	Amount
Reserve carried forward from 2021/22	8,012,831
Administration grant carried forward 2021/22	1,052,610
Education recovery	400,000
COVID-19 response and recovery	69,000
Schools ventilation fund	102,000
Nightclub Closure Fund - admin. costs	5,400
Taxi and Private Hire - admin. costs	12,000
Scottish Child Payment Bridging Payments - admin. funding	18,946
Business grant 'repayments'	17,500
Assumed IJB funding through the LMP	2,237,000

Ringfenced				Flexible	Assumed IJB funding through LMP	Financial Plan
Admin.	Education Recovery	Individuals/ Families/ Communities	Self Isolation			
				8,012,831		
1,052,610						
	400,000					
						69,000
	102,000					
5,400						
12,000						
18,946						
17,500						
					2,237,000	
<b>11,927,287</b>	<b>1,106,456</b>	<b>502,000</b>	<b>0</b>	<b>0</b>	<b>8,012,831</b>	<b>2,237,000</b>
						<b>69,000</b>

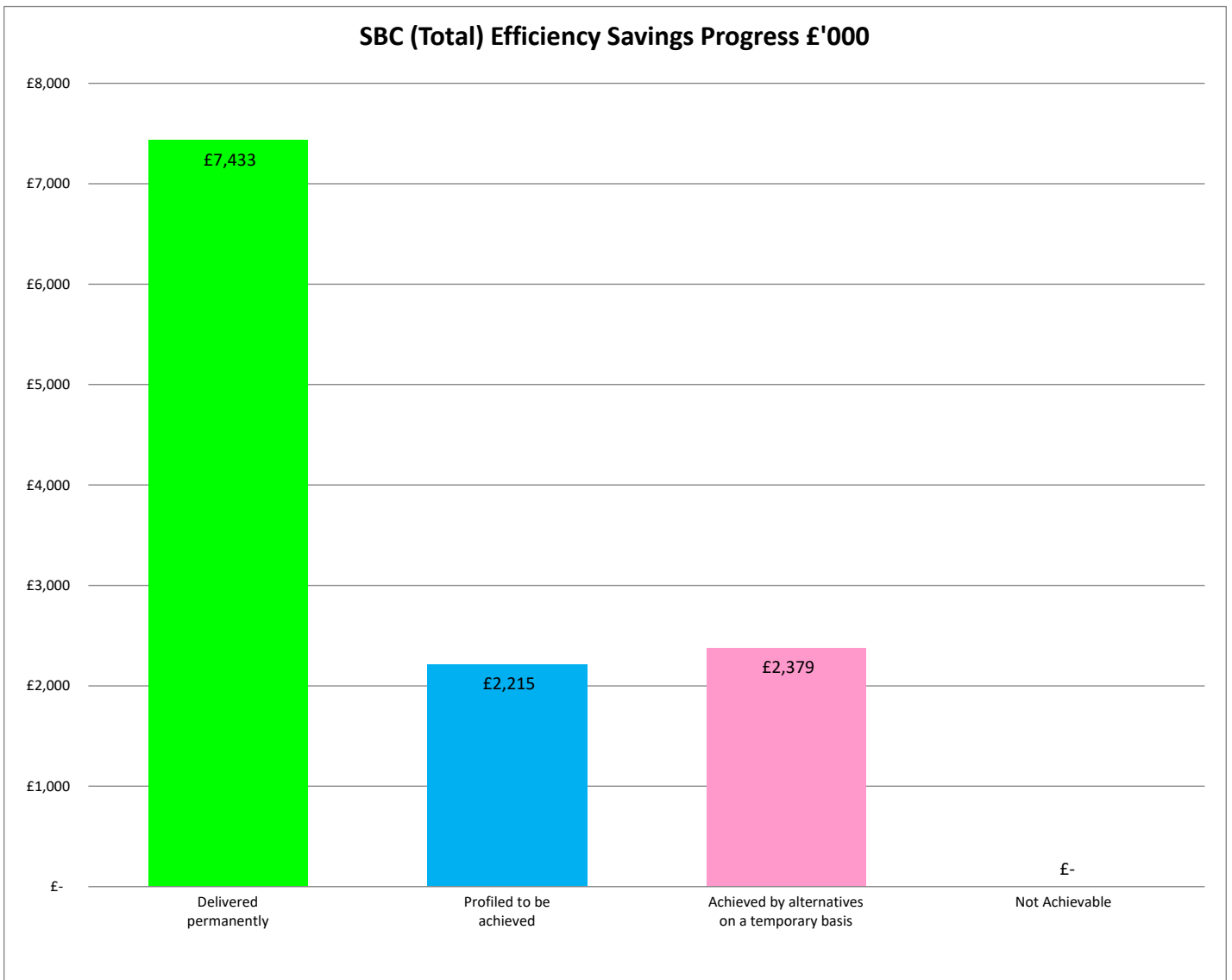
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**FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23**

**SBC Total**

Status	Saving £'000	Saving %
Delivered permanently	£ 7,433	62%
Profiled to be achieved	£ 2,215	18%
Achieved by alternatives on a temporary basis	£ 2,379	20%
Not Achievable	£ -	0%
	<b>12,027</b>	<b>100%</b>

**SBC (Total) Efficiency Savings Progress £'000**



## FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23

## Infrastructure &amp; Environment

## Savings :

£'000	Delivered Permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not Achievable
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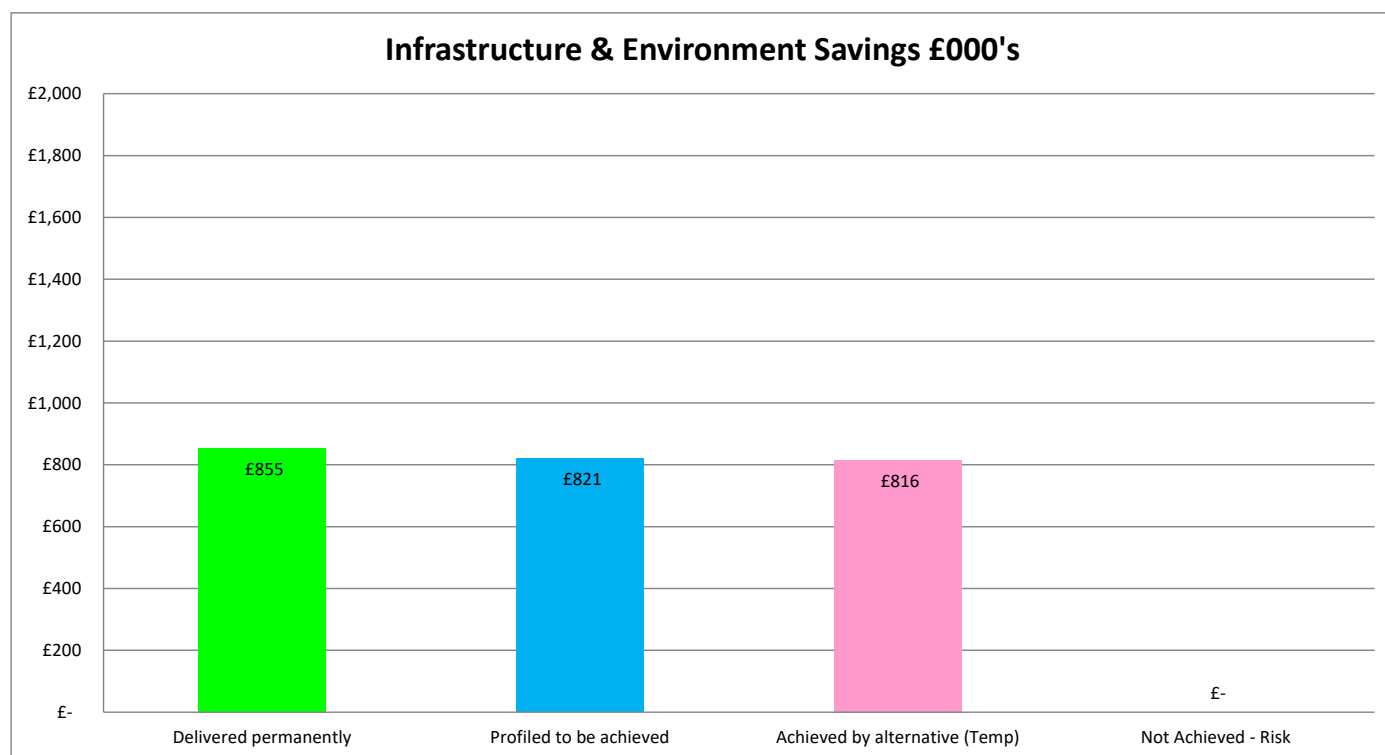
## Brought Forward Savings

New delivery model for Public Toilet provision	46		34	12
Facilities Management savings	261	236	25	
Energy Efficiency Project	27		27	
More efficient property and asset portfolio and implementation of Corporate Landlord	215	190		25
Parks & Environment	106			106
Waste Management	15			15

## 2022/23 Savings:

Additional Fees & Charges Income across Infrastructure & Environment	103	103		
Statutory Planning Fee Income	40	40		
Commercial Rent income	10	10		
Energy Efficiency Project	75		75	
More efficient property and asset portfolio & implementation of Corporate Landlord	217		62	155
Facilities Management savings	183		183	
Parks & Environment	211	4		207
Roads & Infrastructure	500	88	330	82
Waste Management	195	110	9	76
Passenger Transport	200	30	54	116
Planning Services	44		22	22
Post-COVID-19 operating model	44	44		

2,492	855	821	816	0
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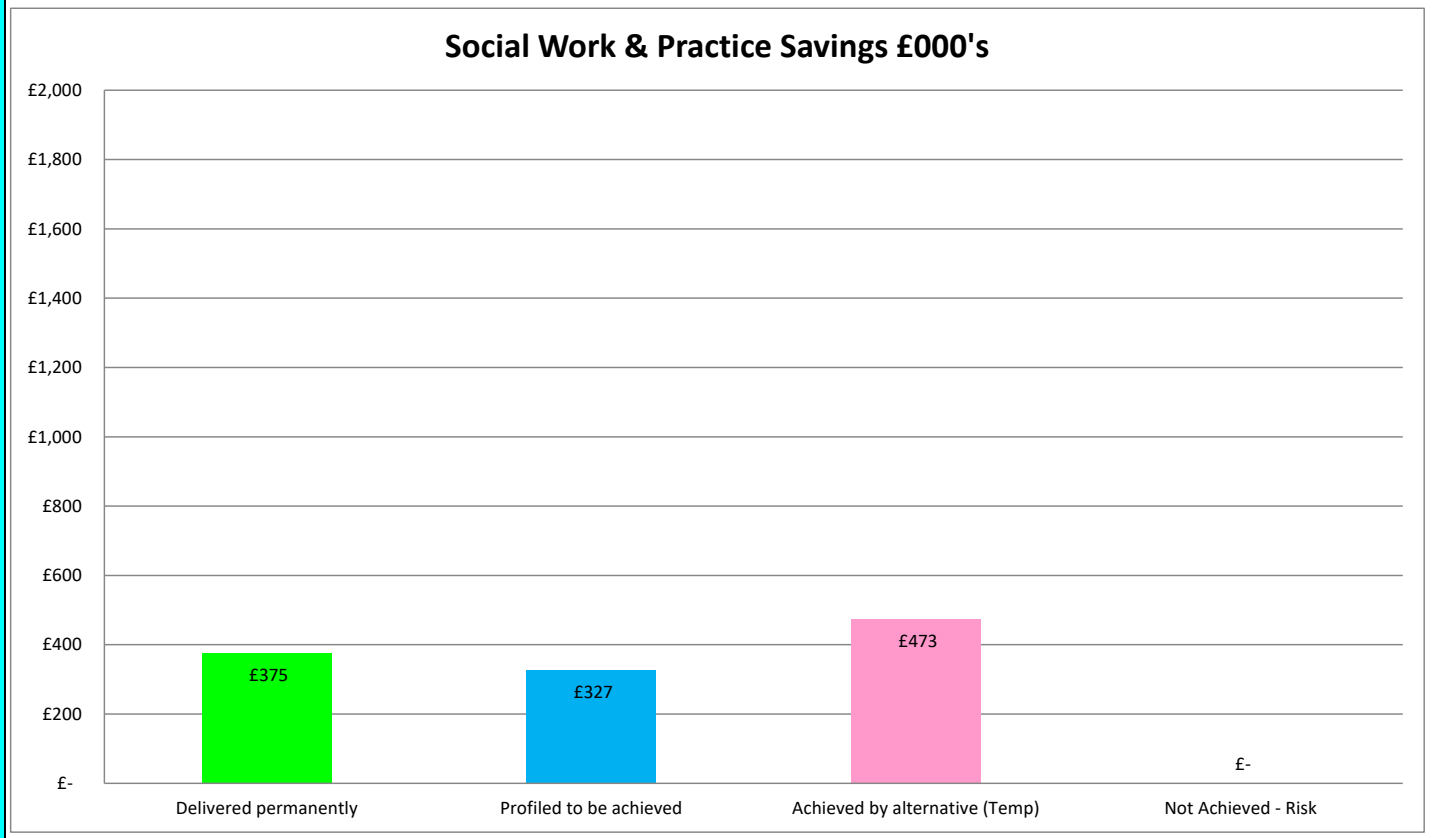


**FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23**

**Social Work & Practice**

**Savings :**

£'000	Delivered Permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not Achievable
<b>Brought Forward Savings</b>				
Review of Care Packages (OP)	60	46	14	
Review of Care Packages (LD)	200	40	0	160
Trusted Assessment (OP and LD)	50		50	
Shared Lives	100	92	0	8
Single Handed Care (from SC&P Ent Mob)	250		250	
<b>2022/23 Savings:</b>				
Review of Care Packages (OP)	100	100	0	
Review of Care Packages (LD)	30		0	30
Review of Day Care Services (LD)	75		0	75
Hawick Community Support Service Recommissioning (LD)	80	80		
Direct Payment Recoupment	(150)	(150)		
Locality Working (OP and LD)	150	150		
Shared Lives	200		0	200
Post-COVID-19 operating model	13	13		
Safer Communities - Homeless Service	13		13	
Additional Fees & Charges	4	4		
	<b>1,175</b>	<b>375</b>	<b>327</b>	<b>473</b>
				<b>0</b>



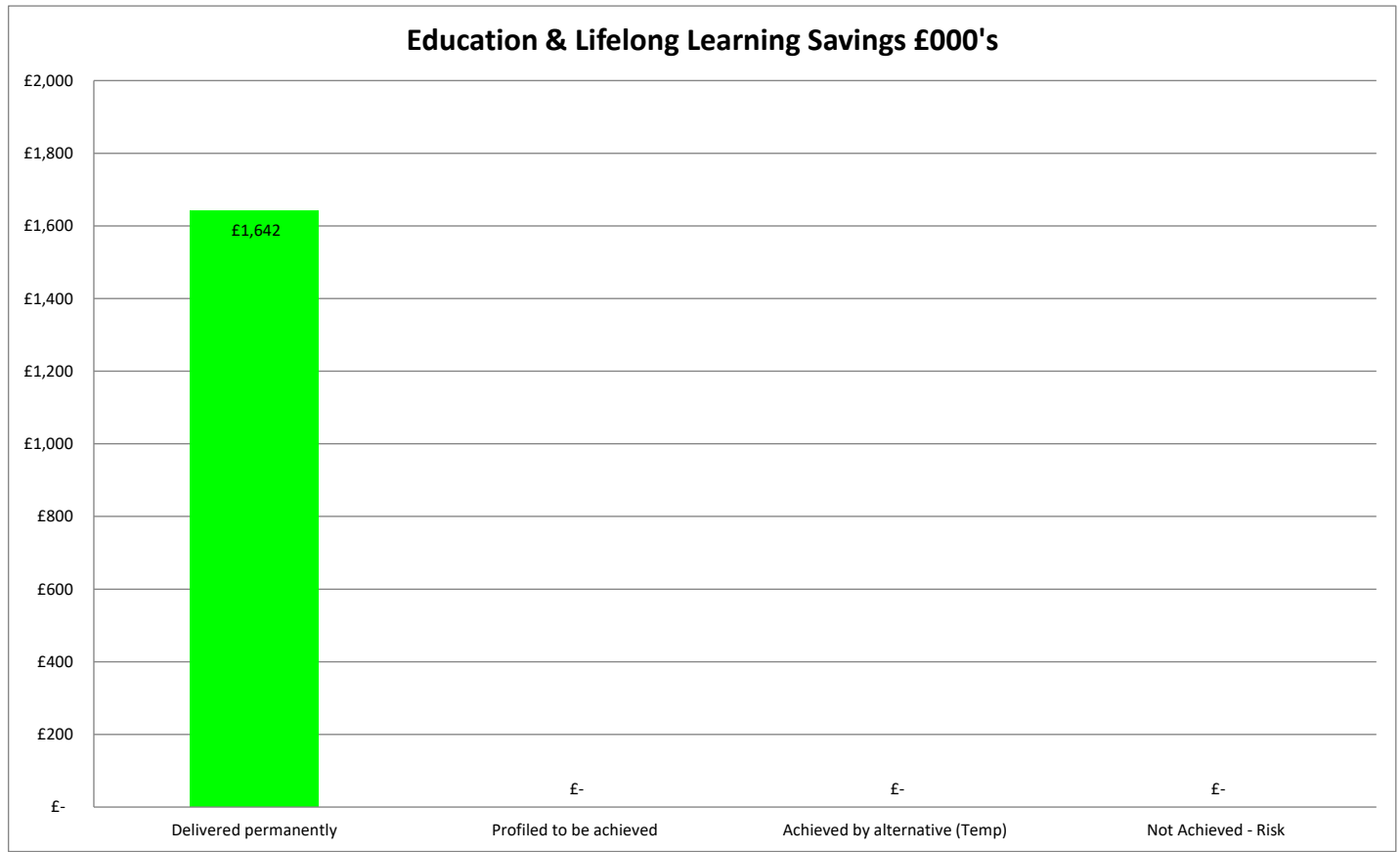
**FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23**

**Education & Lifelong Learning**

**Savings :**

	£'000	Delivered Permanently <sup>1</sup>	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not Achievable
<b>Brought Forward Savings</b>					
Central Schools - Music Tuition Review	19		19		
Primary and Secondary Schools Implementation of Revised DSM Scheme in August 2020	408		408		
Central Schools	156		156		
Community Learning & Development	35		35		
Primary and Secondary Schools Implementation of Revised DSM Scheme in August 2020	529		529		
Central Schools - review of Central Schools, Management Structures and Learning Estate Rationalisation	150		150		
Community Learning & Development - Targeted efficiencies to be delivered from the 'Communities Development Review' workload	39		39		
			0		
<b>2022/23 Savings:</b>					
Increased fees & charges for Lets	6		6		
Increases to fees for non-funded childcare	16		16		
Central Schools	125		125		
School Transport	133		133		
Post-COVID-19 operating model	26		26		
			0		
		<b>1,642</b>	<b>1,642</b>	<b>0</b>	<b>0</b>
				<b>0</b>	<b>0</b>

<sup>1</sup>assumes proposed DSM scheme approved by Executive



**FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23**

**Resilient Communities**

**Savings :**

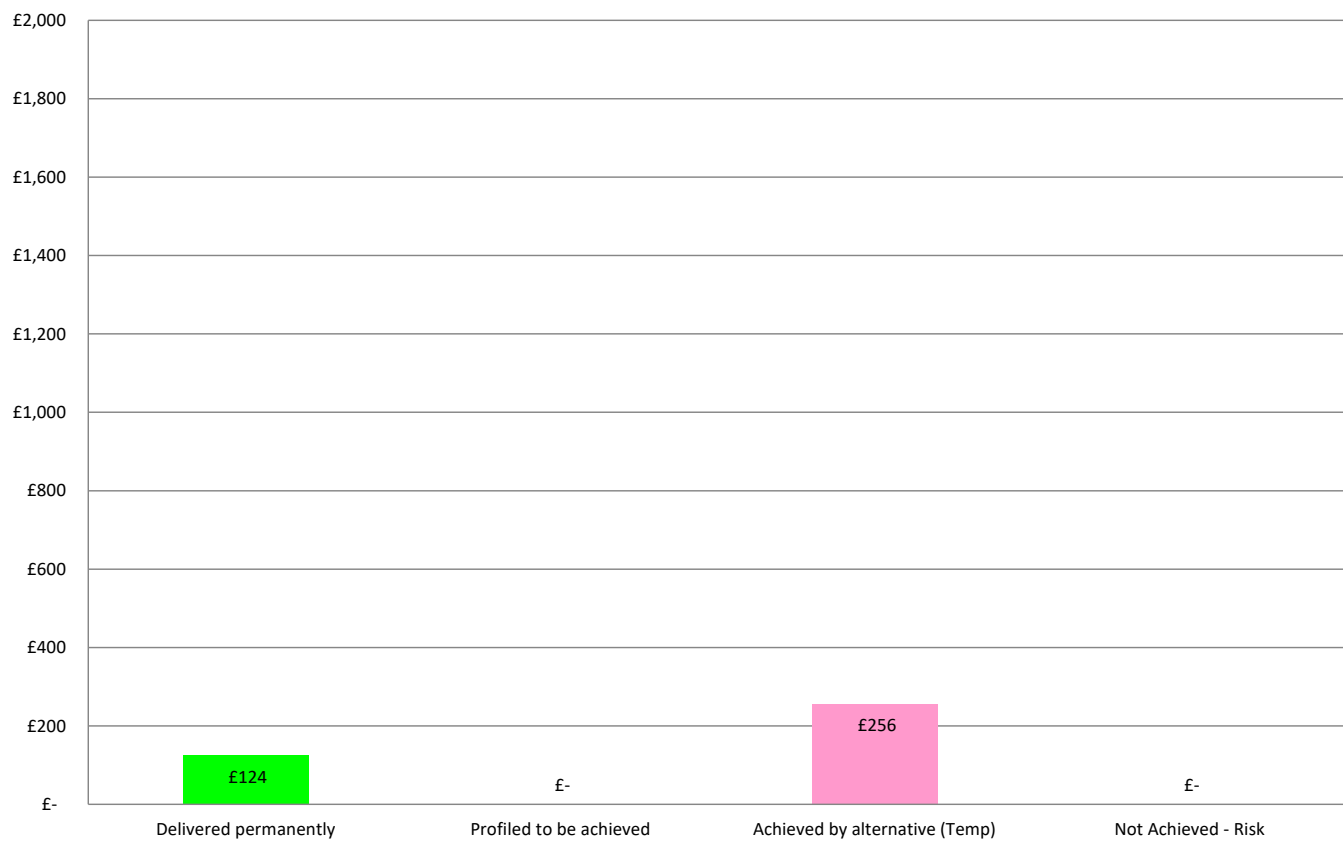
£'000	Delivered Permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not Achievable
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**Brought Forward Savings**

**2022/23 Savings:**

Additional Fees and Charges	4	4		
A re-designed operating model for the Customer and Business Admin functions through the rollout of digital services across the Council.	331	75	256	
Post-COVID-19 operating model	45	45		
	<b>380</b>	<b>124</b>	<b>0</b>	<b>256</b>
				<b>0</b>

**Resilient Communities Savings £000's**



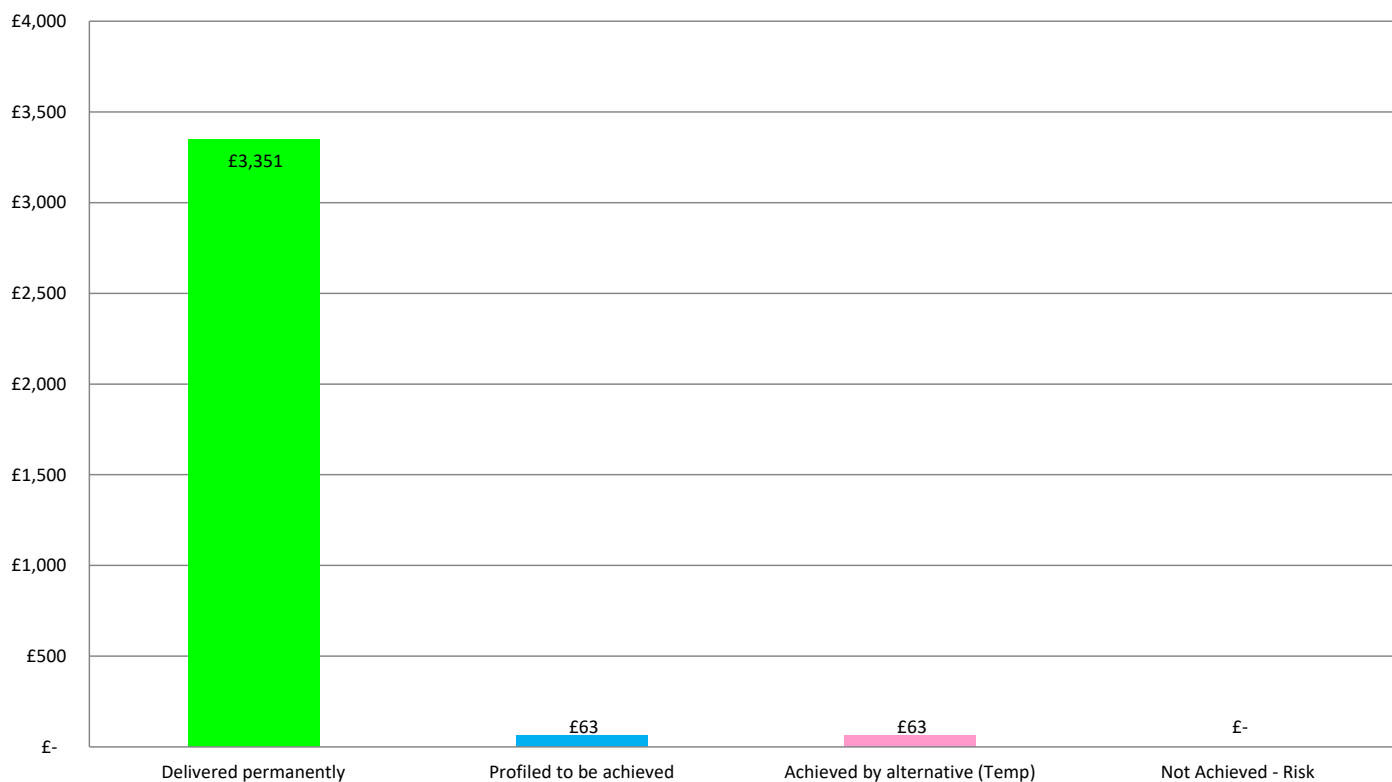
## FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23

## Finance &amp; Corporate Governance

## Savings :

	£'000	Delivered Permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not Achievable
<b>Brought Forward Savings</b>					
Legal Services	40	40			
Audit & Risk - Shared Service Opportunity	22	22			
Finance Savings	72	72			
Assessors & Electoral Registration Services - Structural review as a result of legislative change	17	8	9		
<b>2022/23 Savings:</b>					
Additional Fees & Charges Income across Regulatory Services	16	16			
Finance savings	125	62		63	
Loans Charges	25	25			
Rephasing of Loans Charges	1,500	1,500			
Legal Services	40	40			
Protective Services	86	32	54		
Communications & Marketing	7	7			
Removal of Director post	150	150			
Balance of budgeted recurrent COVID-19 contingency	1355	1355			
Post-COVID-19 operating model	22	22			
	<b>3,477</b>	<b>3,351</b>	<b>63</b>	<b>63</b>	<b>0</b>

## Finance &amp; Corporate Governance Savings £000's



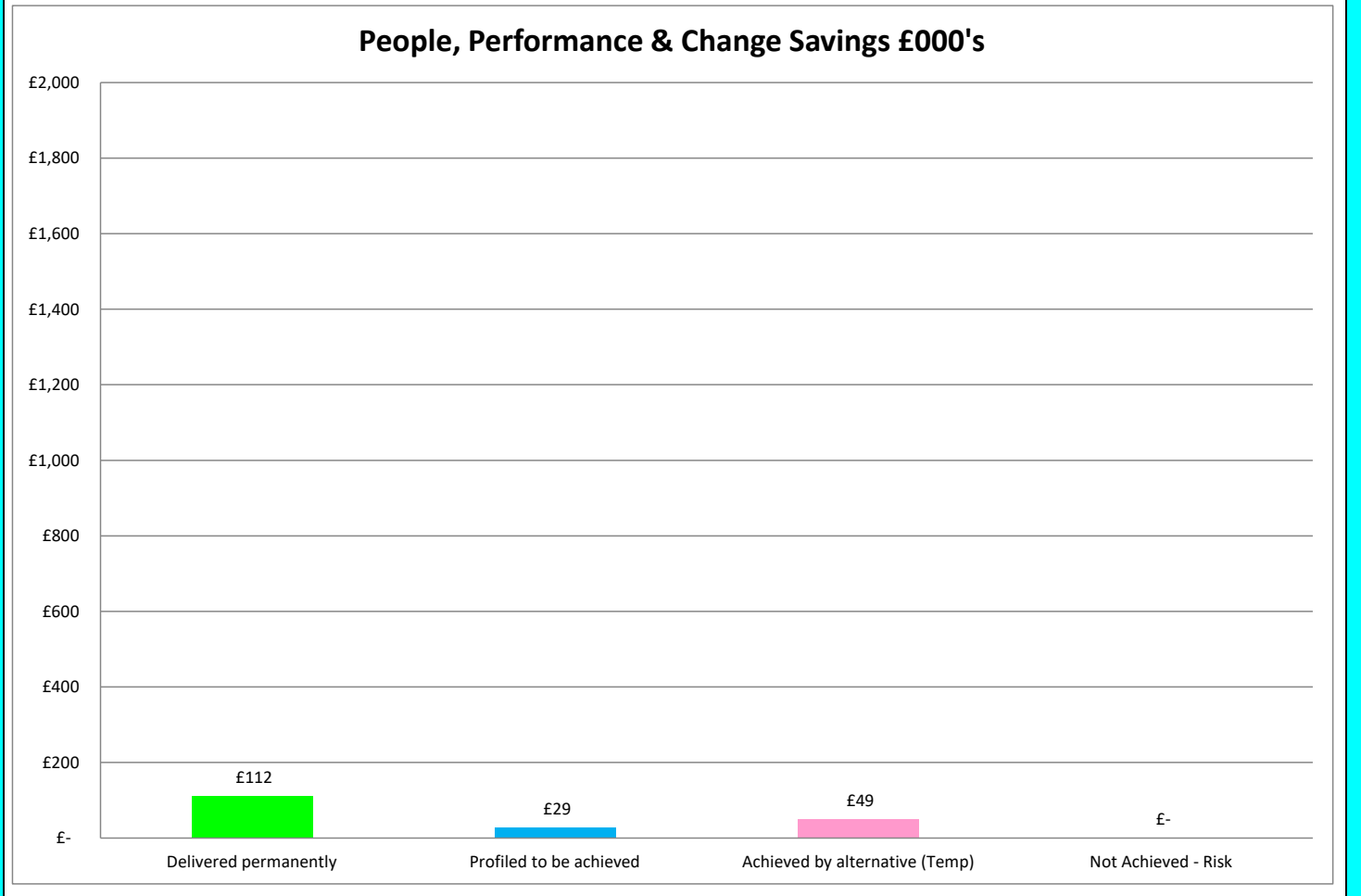


**FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23**

**People, Performance & Change**

**Savings :**

	£'000	Delivered Permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not Achievable
<b>Brought Forward Savings</b>					
Business Change	15				15
Reduce subscriptions budget across the Council by a further 10%	38	9	29		
Progress the rollout of digital services across the Council	34				34
<b>2022/23 Savings:</b>					
HR	20	20			
Employment Support Service	33	33			
Reduction in Enhanced Strain on Fund	45	45			
Post-COVID-19 operating model	5	5			
	<b>190</b>	<b>112</b>	<b>29</b>	<b>49</b>	<b>0</b>



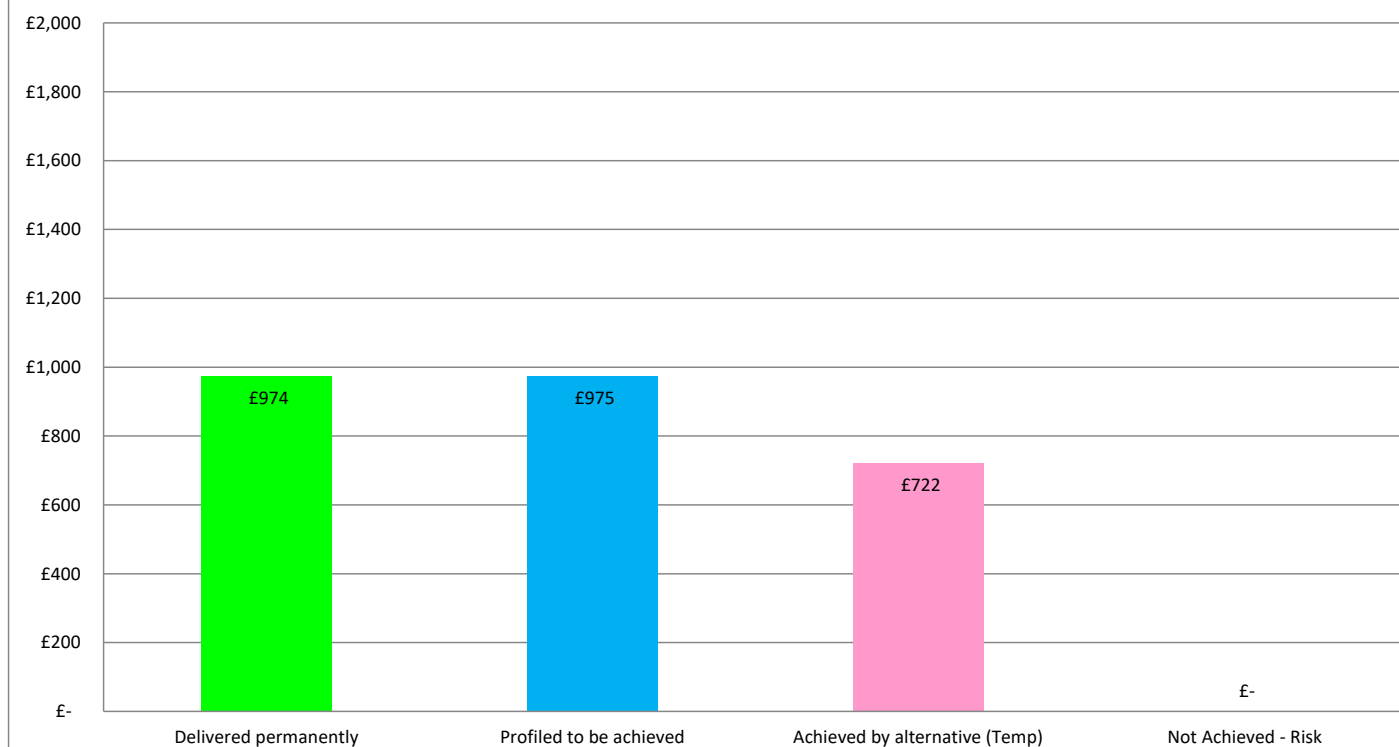
## FINANCIAL PLAN EFFICIENCY PROGRESS 2022/23

## Strategic Commissioning &amp; Partnership

## Savings :

	£'000	Delivered Permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not Achievable
<b>Brought Forward Savings</b>					
Bordercare Alarms	75		75		
Enterprise Mobility	429	170	9		
Enterprise Mobility (Removal of Single Handed Care to SW&P)	(250)				
Reablement of Homecare	722			722	
<b>2022/23 Savings:</b>					
Better use of Fleet Vehicles	45	45			
Residential Care Retendering	200		200		
Management Fee reduction to Live Borders	251	251			
Culture & Sports Trusts Management Fees	500	500			
IT savings	100		100		
Strategic Commissioning Savings	591		591		
Post-COVID-19 operating model	1	1			
Additional Fees & Charges	7	7			
	<b>2,671</b>	<b>974</b>	<b>975</b>	<b>722</b>	<b>0</b>

## Strategic Commissioning &amp; Partnership Savings £000's



**Budget Virement Requirement**

**Corporate**

**No. of Virements 1**

**1 Virement is required from**

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Recovery Fund	£	£	£
Budget Head	Third Party Payments	(2,151,000)	0	0

Service	Communications & Marketing	£	£	£
Budget Head	Employee Costs	(9,000)	0	0

Department	People, Performance & Change	2022/23	2023/24	2024/25
Service	Business Planning Performance & Policy Development	£	£	£
Budget Head	Income	(28,000)	0	0

<b>Total</b>		<b>(2,188,000)</b>	<b>0</b>	<b>0</b>
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**To**

Department	Infrastructure & Environment	2022/23	2023/24	2024/25
Service	Property Management Services	£	£	£
Budget Head	Premises Related Expenditure	1,782,000	0	0
Budget Head	Supplies & Services	29,000	0	0
Budget Head	Third Party Payments	120,000	0	0

Service	SBcContracts	£	£	£
Budget Head	Income	47,000	0	0

Service	Waste Management Services	£	£	£
Budget Head	Employee Costs	55,000	0	0
Budget Head	Transport Related Expenditure	77,000	0	0

Department	Resilient Communities	2022/23	2023/24	2024/25
Service	Council Tax Reduction Scheme	£	£	£
Budget Head	Transfer payments	49,000	0	0

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Emergency Planning	£	£	£
Budget Head	Employee Costs	19,000	0	0

Service	Protective Services	£	£	£
Budget Head	Third Party Payments	10,000	0	0

<b>Total</b>		<b>377,000</b>	<b>0</b>	<b>0</b>
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**Because**

Reallocation of budgets across Council services to address service and Covid-19 pressures.

Budget Virement Requirement

Infrastructure & Environment

No. of Virements 1

**1 Virement is required from**

Department	Infrastructure & Environment	2022/23	2023/24	2024/25
Service	Waste Management Services	£	£	£
Budget Head	Third Party Payments	(629,000)	0	0

**To**

Department	Financed by	2022/23	2023/24	2024/25
Service	Transfers to/from Reserves	£	£	£
Budget Head	Capital Financing Costs	629,000	0	0

**Because**

Transfer available budget to Strategic Contract movement reserve (£629k).
---

**Budget Virement Requirement**

**Social Work & Practice**

**No. of Virements 2**

**1 Virement is required from**

Department	Social Work & Practice	2022/23	2023/24	2024/25
Service	Older People	£	£	£
Budget Head	Third Party Payments	(1,800,000)	0	0

**To**

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Finance	£	£	£
Budget Head	Third Party Payments	1,800,000	0	0

**Because**

Transfer of funding from IJB delegated service in lieu of Scottish Borders Council funded IJB Pressures in 2022-23 Budget, using additional Scottish Government funding.

**2 Virement is required from**

Department	Social Work & Practice	2022/23	2023/24	2024/25
Service	Older People	£	£	£
Budget Head	Third Party Payments	(621,248)	0	0

**To**

Department	Social Work & Practice	2022/23	2023/24	2024/25
Service	Joint Learning Disability	£	£	£
Budget Head	Third Party Payments	621,248	0	0

**Because**

Transfer of additional Scottish Government funding to support operating pressures as well as undeliverable savings in the Joint Learning Disability service. Permanent implications to be addressed as the financial year progresses.

**Budget Virement Requirement      Education & Lifelong Learning      No. of Virements    5**

**1 Virement is required from**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Schools Transport	£	£	£
Budget Head	Transport Related	(86,276)	(86,276)	(86,276)

**To**

Department	Infrastructure & Environment	2022/23	2023/24	2024/25
Service	Passenger Transport	£	£	£
Budget Head	Income	86,276	86,276	86,276

**Because**

To transfer budget for Scholars passes to passenger transport as due to free bus travel for under 22s, scholars passes are no longer required.

**2 Virement is required from**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Central Schools	£	£	£
Budget Head	Employee Costs	(9,800)	0	0

**To**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Educational Psychology	£	£	£
Budget Head	Employee Costs	9,800	0	0

**Because**

Newly qualified educational psychologist taken on as a trainee with a view to replacing member of staff who retires at Christmas.

**3 Virement is required from**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Central Schools	£	£	£
Budget Head	Supplies & Services	(215,354)	0	0

**To**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Primary Schools	£	£	£
Budget Head	Employee Costs	169,751	0	0

Service	Secondary Schools	£	£	£
Budget Head	Employee Costs	45,603	0	0

<b>Total</b>		<b>215,354</b>	<b>0</b>	<b>0</b>
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**Because**

To allocate Strategic Equity Funding (SEF) to Burnfoot, Langlee and Philiphaugh Primaries for Positive Action Depute Headteacher posts and to vire remaining Scottish Attainment Challenge (SAC) Fund balances to Burnfoot CS and Hawick HS.

**4 Virement is required from**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Central Schools	£	£	£
Budget Head	Supplies & Services	(15,000)	0	0

**To**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Secondary Schools	£	£	£
Budget Head	Employee Costs	15,000	0	0

**Because**

To allocate South East Improvement Collaborative (SEIC) funding to schools clusters to fund the roll out of The United Nation's Convention on the Rights of the Child (UNCRC ) training.

**5 Virement is required from**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Central Schools	£	£	£
Budget Head	Employee Costs	(581,158)	0	0

**To**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Primary Schools	£	£	£
Budget Head	Employee Costs	409,061	0	0

Service	Secondary Schools	£	£	£
Budget Head	Employee Costs	172,097	0	0

<b>Total</b>		<b>581,158</b>	<b>0</b>	<b>0</b>
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**Because**

To devolve budgets to Primary and Secondary Schools to reflect probationer recruitment for the 2022/23 academic year.

**Budget Virement Requirement**

**Finance & Corporate Governance**

**No. of Virements 2**

**1 Virement is required from**

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Finance	£	£	£
Budget Head	Third Party Payments	(1,800,000)	0	0

**To**

Department	Social Work & Practice	2022/23	2023/24	2024/25
Service	Children & Families	£	£	£
Budget Head	Third Party Payments	1,800,000	0	0

**Because**

Transfer of budget to cover additional secure and out of authority placements in Children & Families. Permanent implications to be assessed and actioned as the financial year progresses.

**2 Virement is required from**

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Loan Charges	£	£	£
Budget Head	Capital Financing Costs	(1,000,000)	0	0

**To**

Department	Financed by	2022/23	2023/24	2024/25
Service	Transfers to/from Reserves	£	£	£
Budget Head	Capital Financing Costs	1,000,000	0	0

**Because**

Reduced borrowing requirement due to timing movements in the capital programme to be transferred to Treasury Reserve (£1m) to smooth capital financing requirements in future years.



**Budget Virement Requirement**

**Strategic Commissioning & Partnership No. of Virements 1**

**1 Virement is required from**

Department	Strategic Commissioning & Partnership	2022/23	2023/24	2024/25
Service	Information Technology	£	£	£
Budget Head	Third Party Payments	(2,594,000)	0	0

**To**

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Corporate	£	£	£
Budget Head	Employee Costs	2,594,000	0	0

**Because**

Transfer available revenue budget to fund the additional consolidated element of the SJC and Craft pay offer. £120.6m capital funding agreed by Scottish Government in both 2022/23 and 2023/24, which will be baselined as General Revenue Grant from 2023/24 onwards, to support the local government pay offer. Adjustments made in the capital monitoring to reflect this 'switch' of funding by reducing the Capital Funded from Current Revenue (CFCR) for Digital Transformation.

**Budget Virement Requirement      Financed by      No. of Virements    5**

**1 Virement is required from**

Department	Financed by	2022/23	2023/24	2024/25
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(654,000)	0	0

**To**

Department	Education & Lifelong Learning	2022/23	2023/24	2024/25
Service	Secondary Schools	£	£	£
Budget Head	Employee Costs	73,000	0	0

Service	Primary Schools	£	£	£
Budget Head	Employee Costs	72,800	0	0

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Corporate	£	£	£
Budget Head	Employee Costs	508,200	0	0

<b>Total</b>		<b>654,000</b>	<b>0</b>	<b>0</b>
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**Because**

To allocate additional funding from Scottish Government in respect of permanent impact of teachers' 2021/22 pay award.

**2 Virement is required from**

Department	Financed by	2022/23	2023/24	2024/25
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(75,000)	(75,000)	(75,000)

**To**

Department	Infrastructure & Environment	2022/23	2023/24	2024/25
Service	Housing Strategy & Services	£	£	£
Budget Head	Third Party Payments	75,000	75,000	75,000

**Because**

To allocate permanent funding for Local Health & Energy Efficiency Strategies (£75k).

**3 Virement is required from**

Department	Financed by	2022/23	2023/24	2024/25
Service	Transfers to/from Reserves	£	£	£
Budget Head	Capital Financing Costs	(106,000)	0	0

**To**

Department	People Performance & Change	2022/23	2023/24	2024/25
Service	Early Retiral/Voluntary Severance	£	£	£
Budget Head	Employee Costs	106,000	0	0

**Because**

To drawdown from Workforce Management Allocated Reserve (£106k).

**4 Virement is required from**

Department	Financed by	2022/23	2023/24	2024/25
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(519,000)	0	0

**To**

Department	Resilient Communities	2022/23	2023/24	2024/25
Service	Customer Advice & Support Services	£	£	£
Budget Head	Employee Costs	97,000	0	0
	Transfer Payments	422,000	0	0

Total	519,000	0	0
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**Because**

Gross up additional income from Scottish Government for Cost of Living Payments to low income households, including administration costs (£519k).

**5 Virement is required from**

Department	Financed by	2022/23	2023/24	2024/25
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(3,011,000)	(3,011,000)	(5,605,000)

**To**

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Corporate	£	£	£
Budget Head	Employee Costs	3,011,000	3,011,000	5,605,000

**Because**

To gross up additional permanent Scottish Government funding to support the local government pay offer (£3.011m) for 2022/23.

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**Budget Virement Requirement**

**Social Work & Practice**

**No. of Virements 1**

**1 Virement is required from**

Department	Social Work & Practice	2022/23	2023/24	2024/25
Service	Older People	£	£	£
Budget Head	Third Party Payments	(2,500,000)	2,500,000	0

**To**

Department		2022/23	2023/24	2024/25
Service		£	£	£
Budget Head	General Fund Reserve - Earmarked Balances	2,500,000	(2,500,000)	0

**Because**

To earmark additional Scottish Government funding which will not be spent in 2022-23 due to delays in progressing associated projects and operational activity due to the continued impact of Covid-19 and related recruitment issues.

**Budget Virement Requirement**

**Resilient Communities**

**No. of Virements 1**

**1 Virement is required from**

Department	Resilient Communities	2022/23	2023/24	2024/25
Service	Customer Advice & Support Services	£	£	£
Budget Head	Employee Costs	(97,000)	97,000	0

**To**

Department		2022/23	2023/24	2024/25
Service		£	£	£
Budget Head	General Fund Reserve - Earmarked Balances	97,000	(97,000)	0

**Because**

To earmark budget into 2023/24 for additional staffing investment required to create and implement digital processes for self-serve both within CASS and other service areas (£97k).

**Budget Virement Requirement**

**Strategic Commissioning & Partnership No. of Virements 1**

**1 Virement is required from**

Department	Strategic Commissioning & Partnership	2022/23	2023/24	2024/25
Service	Information Technology	£	£	£
Budget Head	Third Party Payments	(2,594,000)	0	0

Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Corporate	£	£	£
Budget Head	Employee Costs	0	2,594,000	0

<b>Total</b>		<b>(2,594,000)</b>	<b>2,594,000</b>	<b>0</b>
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**To**

Department		2022/23	2023/24	2024/25
Service		£	£	£
Budget Head	General Fund Reserve - Earmarked Balances	2,594,000	(2,594,000)	0

**Because**

To earmark available revenue budget into 2023/24 to support the local government pay offer. £120.6m capital funding agreed by Scottish Government in both 2022/23 and 2023/24, which will be baselined as General Revenue Grant from 2024/24 onwards. Adjustments made in the capital monitoring to reflect this 'switch' of funding by reducing the Capital Funded from Current Revenue (CFCR) for Digital Transformation.

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## **MONITORING OF THE CAPITAL FINANCIAL PLAN 2022/23**

**Report by Acting Chief Financial Officer**

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### **EXECUTIVE COMMITTEE**

**15 November 2022**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 **This report updates the Executive Committee on the progress of the 2022/23 Capital Financial Plan and seeks approval for virements and the reallocation of funds.**
- 1.2 The monitoring tables in Appendix 1 report on actual expenditure to 30 September 2022. Key issues and highlights identified in these tables are summarised within this report.
- 1.3 The September month end position reflects a projected outturn of £98.011m with a net budget variance of £15.379m. This includes net timing movements from 2022/23 of £8.860m. An outturn spend of over £98m in 2022/23 will be challenging to deliver and represents a higher capital spend than has ever been delivered previously. Work continues with project managers to ensure 2022/23 forecasts are as realistic as possible, any further movement in forecasts will be presented through future monitoring reports.
- 1.4 A number of macro-economic factors continue to affect the Capital Plan in 2022/23. Unprecedented levels of inflation along with disruption in the construction materials supply chain continues to impact on the wider economy and consequently the Council. A surge in demand coupled with constraints on supply has led to price increases, shortages and longer lead times. The impact of this on tender prices for major projects and the wider Capital Plan continues to be assessed.
- 1.5 Current legally committed projects have a small risk of impact and block programmes of work can operate within a cash constrained budget and are considered lower risk, however would impact on the scale of project delivery from the blocks. The most significant risk therefore lies in the contracts being tendered this year which may result in a budget pressure. Any financial implications from these market conditions will be reported through the regular budget monitoring cycle with any longer term impacts reflected in the financial planning process. In anticipation of inflationary pressures an inflation contingency of £1.253m was established at the 2021/22 year end to support potential budget pressures. This contingency was increased by £0.179m at the first quarterly monitoring and is being increased by a further £0.317m in this second quarterly monitoring, giving a revised contingency of £1.749m to support the Capital Plan as the year progresses.
- 1.6 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 2022/23 Capital Plan.
- 1.7 Appendix 3 contains a list of estimated whole project capital costs for single projects which will not be completed in the current financial year.

## **2 RECOMMENDATIONS**

**2.1 It is recommended that the Executive Committee:**

- (a) Agrees the projected outturn in Appendix 1 as the revised capital budget and approves the virements required;**
- (b) Notes the list of block allocations detailed in Appendix 2; and**
- (c) Notes the list of whole project costs detailed in Appendix 3.**

### 3 BACKGROUND

- 3.1 The Council approved the Capital Plan for the period 2022/23 to 2031/32 on 22 February 2022, this has subsequently been updated to reflect budget adjustments, associated timing movements and other approvals.
- 3.2 The table below shows the movements in the resources of the Capital Plan through 2022/23:

	<b>£000s</b>
<b>Capital Plan 2022/23 as approved at Council 22 February 2022</b>	<b>103.318</b>
Netherdale pitch replacement – Executive Committee 1 <sup>st</sup> March 2022	0.425
Land at Easter Langlee, Galashiels – Executive Committee 22 <sup>nd</sup> March 2022	0.132
Timing movements and budget adjustments reported as part of out-turn 2021/22	8.973
June Executive Committee timing movements and budget adjustments	0.342
Executive Committee 13 <sup>th</sup> September – High Street/Market Place, Jedburgh	0.200
<b>Revised Capital Plan 2022/23</b>	<b>113.390</b>

- 3.3 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 2022/23 position, there are three columns each for 2023/24 and 2024/25 and then three columns for the 7 year strategic plan 2025/26 to 2031/32. For 2022/23 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 2023/24 and 2024/25 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.
- 3.4 This report is the second monitoring report in the planned reporting schedule for 2022/23.

### 4 MONITORING THE PLAN

- 4.1 Appendix 1 to this report contains the budget monitoring tables. The actual expenditure to 30 September 2022 is shown together with the projected outturn for the full financial year and where appropriate contains an explanation of budget variances, for which virements are required. Appendix 2 also contains any budget and timing movements approved by Directors under the Financial Regulations approved in January 2022.
- 4.2 The actual expenditure to 30 September 2022 has been adjusted for any credit balances for accrued expenses from 2021/22 which have not yet been invoiced.
- 4.3 Appendix 2 contains a summary for each block allocation within the 2022/23 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 HIGHLIGHTS

5.1 As reflected in Appendix 1, there are some timing movements with regards to the funding and expenditure associated with projects.

5.2 Key highlights from variances in Appendix 1 are:

### a) Hawick Flood Protection Scheme

Construction works during the summer period have progressed well with two footbridges open and good progress with concrete works to the flood walls. Elements of works however are being moved to 2023/24 resulting in a timing movement of £4.573m to 2023/24.

### b) Digital Transformation

Timing movement of £2.594m to 2023/24 to align with current planned delivery of IT Transformation programme.

### c) Borderlands

It has now been confirmed that the Mountain Bike Centre at Innerleithen is being led by South of Scotland Enterprise (SOSE) and not the Council as previously assumed. As such a technical budget adjustment has been actioned to remove the budget associated with these works from the Capital Plan. The works are progressing as planned.

### d) Residential Care Homes

A moderate delay in progression of the stakeholder engagement as part of the early design stage for Tweedbank has resulted in a timing movement of £1.693m to 2023/24.

## 5.3 Emergency & Unplanned Schemes

The table below provides an update on the position for Emergency & Unplanned Schemes showing no movement from the budget approved in February 2022.

<b>Emergency &amp; Unplanned</b>	<b>£000s</b>
Budget as Approved at Council 22 February 2022	0.175
<b>Current balance</b>	<b>0.175</b>

## 6 IMPLICATIONS

### 6.1 Financial

There are no financial implications beyond those contained in the report and Appendices 1-3.

### 6.2 Risk and Mitigations

At the end of September 2022, actual expenditure totalled £25.271m which represents 26% of the projected outturn, excluding the impact of year end accruals. There is a risk of further 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. This is important as optimism bias by managers with respect to spend profiles may result in the council borrowing in advance of need and thereby incurring the cost of carrying surplus funds.

### 6.3 **Integrated Impact Assessment**

No Equalities Impact Assessment has been carried out in relation to the contents of this 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 **Sustainable Development Goals**

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 **Climate Change**

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 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

### 6.8 **Changes to Scheme of Administration or Scheme of Delegation**

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

## 7 **CONSULTATION**

7.1 The Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and comments have been incorporated into this final report.

7.2 The Director Infrastructure & Environment has been consulted in the preparation of this report and the content of the detailed appendices.

### **Approved by**

**Suzy Douglas**  
**Acting Chief Financial Officer**

**Signature .....**

### **Author(s)**

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

**Background Papers:** n/a

**Previous Minute Reference:** n/a

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

Contact us at Suzy Douglas, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA; Tel: 01835 824000 X5881.

Scottish Borders Council  
Capital Financial Plan

SUMMARY	2022/23				2023/24			2024/25			2025/26 - 2031/32		
	Actual to 30/09/22	Projected Outturn	Latest Approved Budget	Variance	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
Plant & Vehicle Fund	859	2,000	2,000	0	2,000	0	2,000	2,000	0	2,000	14,000	0	14,000
Non Plant & Vehicle Fund	83	105	104	0	0	0	0	0	0	0	0	0	0
Flood & Coastal Protection	8,562	22,924	27,497	(4,573)	16,188	4,573	20,761	828	0	828	3,483	0	3,483
Land and Property Infrastructure	1,786	8,357	8,551	(194)	3,646	0	3,646	3,505	0	3,505	17,010	0	17,010
Road & Transport Infrastructure	5,653	12,376	12,376	0	8,614	0	8,614	9,404	0	9,404	53,126	0	53,126
Waste Management	81	462	462	0	101	0	101	106	0	106	910	0	910
<b>Total Infrastructure &amp; Environment</b>	<b>17,025</b>	<b>46,224</b>	<b>50,990</b>	<b>(4,767)</b>	<b>30,549</b>	<b>4,573</b>	<b>35,122</b>	<b>15,843</b>	<b>0</b>	<b>15,843</b>	<b>88,529</b>	<b>0</b>	<b>88,529</b>
Corporate	1,704	10,333	12,927	(2,594)	3,949	2,594	6,543	184	0	184	1,187	0	1,187
<b>Total Corporate Services</b>	<b>1,704</b>	<b>10,333</b>	<b>12,927</b>	<b>(2,594)</b>	<b>3,949</b>	<b>2,594</b>	<b>6,543</b>	<b>184</b>	<b>0</b>	<b>184</b>	<b>1,187</b>	<b>0</b>	<b>1,187</b>
School Estate	3,653	25,689	25,689	0	42,360	0	42,360	65,541	0	65,541	63,465	0	63,465
<b>Total Learning Estate</b>	<b>3,653</b>	<b>25,689</b>	<b>25,689</b>	<b>0</b>	<b>42,360</b>	<b>0</b>	<b>42,360</b>	<b>65,541</b>	<b>0</b>	<b>65,541</b>	<b>63,465</b>	<b>0</b>	<b>63,465</b>
Ports Infrastructure	1,114	1,830	2,265	(435)	599	0	599	595	0	595	6,585	0	6,585
Culture & Heritage	110	630	630	0	0	0	0	0	0	0	0	0	0
<b>Total Culture &amp; Sport</b>	<b>1,224</b>	<b>2,460</b>	<b>2,895</b>	<b>(435)</b>	<b>599</b>	<b>0</b>	<b>599</b>	<b>595</b>	<b>0</b>	<b>595</b>	<b>6,585</b>	<b>0</b>	<b>6,585</b>
Economic Regeneration	1,225	9,079	15,286	(6,207)	31,336	(17,596)	13,740	23,371	(6,396)	16,975	45,270	(6,828)	38,442
Housing Strategy & Services	172	550	550	0	500	0	500	500	0	500	3,500	0	3,500
<b>Total Economic Regeneration</b>	<b>1,396</b>	<b>9,629</b>	<b>15,836</b>	<b>(6,207)</b>	<b>31,836</b>	<b>(17,596)</b>	<b>14,240</b>	<b>23,871</b>	<b>(6,396)</b>	<b>17,475</b>	<b>48,770</b>	<b>(6,828)</b>	<b>41,942</b>
Emergency & Unplanned Schemes	0	1,924	1,607	317	175	0	175	175	0	175	1,225	0	1,225
<b>Total Emergency &amp; Unplanned Schemes</b>	<b>0</b>	<b>1,924</b>	<b>1,607</b>	<b>317</b>	<b>175</b>	<b>0</b>	<b>175</b>	<b>175</b>	<b>0</b>	<b>175</b>	<b>1,225</b>	<b>0</b>	<b>1,225</b>
Social Care Infrastructure	270	1,753	3,446	(1,693)	10,600	1,693	12,293	1,569	0	1,569	8,773	0	8,773
<b>Total Social Care Infrastructure</b>	<b>270</b>	<b>1,753</b>	<b>3,446</b>	<b>(1,693)</b>	<b>10,600</b>	<b>1,693</b>	<b>12,293</b>	<b>1,569</b>	<b>0</b>	<b>1,569</b>	<b>8,773</b>	<b>0</b>	<b>8,773</b>
Planned Programming Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Planned Programming Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Scottish Borders Council</b>	<b>25,271</b>	<b>98,011</b>	<b>113,390</b>	<b>(15,379)</b>	<b>120,068</b>	<b>(8,736)</b>	<b>111,332</b>	<b>107,778</b>	<b>(6,396)</b>	<b>101,382</b>	<b>218,534</b>	<b>(6,828)</b>	<b>211,706</b>

Scottish Borders Council  
Capital Financial Plan

		2022/23				2023/24			2024/25			2025/26 - 2031/32		
	R A G	Actual to 30/09/22 £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
<b>Plant &amp; Vehicle Fund</b>														
Plant & Vehicle Replacement - P&V Fund	G	859	2,000	2,000	0	2,000	0	2,000	2,000	0	2,000	14,000	0	14,000
		<b>859</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>14,000</b>	<b>0</b>	<b>14,000</b>
<b>Non-Plant &amp; Vehicle Fund</b>														
Other Fleet - Electric Vehicles	G	32	22	22	0	0	0	0	0	0	0	0	0	0
Other Fleet - Electric Vehicles - Infrastructure	G	52	82	82	0	0	0	0	0	0	0	0	0	0
		<b>83</b>	<b>105</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Flood &amp; Coastal Protection</b>														
Flood Prevention Works & Scheme Preparation	G	193	600	600	0	372	0	372	372	0	372	2,604	0	2,604
General Flood Protection Block	G	15	130	130	0	0	0	0	0	0	0	0	0	0
Hawick Flood Protection	A	8,354	22,194	26,767	(4,573)	15,816	4,573	20,389	456	0	456	879	0	879
		<b>8,562</b>	<b>22,924</b>	<b>27,497</b>	<b>(4,573)</b>	<b>16,188</b>	<b>4,573</b>	<b>20,761</b>	<b>828</b>	<b>0</b>	<b>828</b>	<b>3,483</b>	<b>0</b>	<b>3,483</b>
<b>Land and Property Infrastructure</b>														
Asset Rationalisation	G	251	1,304	1,304	0	0	0	0	0	0	0	0	0	0
Building Upgrades	G	335	571	571	0	437	0	437	437	0	437	4,181	0	4,181
Energy Efficiency Works	G	383	2,359	2,359	0	1,045	0	1,045	1,045	0	1,045	7,315	0	7,315
Health and Safety Works	G	153	703	703	0	400	0	400	400	0	400	3,400	0	3,400
Play Areas & Outdoor Community Spaces	G	204	2,137	2,137	0	764	0	764	518	0	518	1,131	0	1,131
Jedburgh High Street Building	G	435	712	712	0	1,000	0	1,000	1,000	0	1,000	0	0	0
Coldstream Cemetery Development	G	2	75	174	(99)	0	0	0	0	0	0	0	0	0
Cemetery Land Acquisition & Development	G	0	94	295	(201)	0	0	0	105	0	105	983	0	983
Innerleithen Gypsy/Traveller Site	G	1	3	3	0	0	0	0	0	0	0	0	0	0
Land at Easter Langlee, Galashiels (inc. Roundabout)	G	21	132	132	0	0	0	0	0	0	0	0	0	0
Nature Restoration Fund	G	0	267	161	106	0	0	0	0	0	0	0	0	0
		<b>1,786</b>	<b>8,357</b>	<b>8,551</b>	<b>(194)</b>	<b>3,646</b>	<b>0</b>	<b>3,646</b>	<b>3,505</b>	<b>0</b>	<b>3,505</b>	<b>17,010</b>	<b>0</b>	<b>17,010</b>



Scottish Borders Council  
Capital Financial Plan

		2022/23				2023/24			2024/25			2025/26 - 2031/32		
	R A G	Actual to 30/09/22 £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
<b>Road &amp; Transport Infrastructure</b>														
Cycling Walking & Safer Streets	G	320	638	638	0	404	0	404	404	0	404	1,886	0	1,886
Engineering Minor Works	G	0	14	14	0	0	0	0	0	0	0	0	0	0
Lighting Asset Management Plan	G	64	160	160	0	160	0	160	160	0	160	1,120	0	1,120
Street Lighting Energy Efficiency Project	G	0	0	0	0	0	0	0	0	0	0	0	0	0
Peebles Bridge	G	0	0	0	0	0	0	0	0	0	0	420	0	420
Reston Station Contribution	G	0	600	600	0	0	0	0	1,740	0	1,740	0	0	0
Roads & Bridges -inc. RAMP, Winter Damage & Slopes	G	3,932	8,784	8,784	0	7,660	0	7,660	7,100	0	7,100	49,700	0	49,700
Drainage, Kelso	G	0	50	50	0	0	0	0	0	0	0	0	0	0
Galashiels Transport Interchange	G	0	17	17	0	0	0	0	0	0	0	0	0	0
Union Chain Bridge	G	0	358	358	0	0	0	0	0	0	0	0	0	0
Roundabout at Easter Langlee, Galashiels	G	0	105	105	0	390	0	390	0	0	0	0	0	0
Eddleston Water Path	G	1,337	1,650	1,650	0	0	0	0	0	0	0	0	0	0
		<b>5,653</b>	<b>12,376</b>	<b>12,376</b>	<b>0</b>	<b>8,614</b>	<b>0</b>	<b>8,614</b>	<b>9,404</b>	<b>0</b>	<b>9,404</b>	<b>53,126</b>	<b>0</b>	<b>53,126</b>
<b>Waste Management</b>														
GRC - Improved Skip Infrastructure	G	0	4	4	0	0	0	0	0	0	0	0	0	0
Easter Langlee Cell Provision	G	0	59	59	0	0	0	0	0	0	0	0	0	0
Easter Langlee Leachate Management Facility	G	(0)	140	140	0	0	0	0	0	0	0	0	0	0
New Easter Langlee Waste Transfer Station	G	5	62	62	0	0	0	0	0	0	0	0	0	0
Closed Landfill Site- Health & Safety Works	G	2	30	30	0	0	0	0	0	0	0	0	0	0
Wheeled Bins (100 in total) - Street Cleansing	G	0	52	52	0	0	0	0	0	0	0	0	0	0
Waste Containers	G	74	115	115	0	101	0	101	106	0	106	910	0	910
		<b>81</b>	<b>462</b>	<b>462</b>	<b>0</b>	<b>101</b>	<b>0</b>	<b>101</b>	<b>106</b>	<b>0</b>	<b>106</b>	<b>910</b>	<b>0</b>	<b>910</b>
<b>Total Infrastructure &amp; Environment</b>		<b>17,025</b>	<b>46,223</b>	<b>50,990</b>	<b>(4,767)</b>	<b>30,549</b>	<b>4,573</b>	<b>35,122</b>	<b>15,843</b>	<b>0</b>	<b>15,843</b>	<b>88,529</b>	<b>0</b>	<b>88,529</b>

<b>Non-Plant &amp; Vehicle Fund</b>	
Other Fleet - Electric Vehicles	Fully funded by external grant to be grossed up at next Executive meeting
<b>Flood &amp; Coastal Protection</b>	
Flood Prevention Works & Scheme Preparation Hawick Flood Protection	See appendix 2 for block re-allocation Construction works during the summer period have proceeded well with 2 footbridges open and good progress with concrete works to the flood walls. Elements of works are being moved to 2023/24 resulting in a timing movement.
<b>Land and Property Infrastructure</b>	
Asset Rationalisation Building Upgrades Energy Efficiency Works Health and Safety Works Goldstream Cemetery Development Cemetery Land Acquisition & Development Nature Restoration Fund	See appendix 2 for block re-allocation See appendix 2 for block re-allocation See appendix 2 for block re-allocation See appendix 2 for block re-allocation Returning projected underspend in project budget to Inflation Contingency Returning projected in year underspend in project budget to Inflation Contingency Gross up income from Scottish Government for successful bids, confirmed to date, to 'Edinburgh Process competitive top-up funding strand' - i) Eddleston Water Wetland Creation (£25k); and ii) Leader Water Riparian Habitat Improvements (£81k).
<b>Road &amp; Transport Infrastructure</b>	
Roads & Bridges -Inc. RAMP, Winter Damage & Slopes	See appendix 2 for block re-allocation - £45k contribution from Walls & Structures to fund costs for Ferniehurst Bridge.

Scottish Borders Council  
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		2022/23				2023/24			2024/25			2025/26 - 2031/32		
	R A G	Actual to 30/09/22	Projected Outturn	Latest Approved Budget	Variance	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
<b>Corporate</b>														
ICT - Outwith CGI Scope	G	12	24	24	0	24	0	24	56	0	56	536	0	536
Inspire Learning	G	(1)	110	110	0	683	0	683	128	0	128	338	0	338
Digital Transformation	A	1,693	10,199	12,793	(2,594)	3,242	2,594	5,836	0	0	0	313	0	313
		<b>1,704</b>	<b>10,333</b>	<b>12,927</b>	<b>(2,594)</b>	<b>3,949</b>	<b>2,594</b>	<b>6,543</b>	<b>184</b>	<b>0</b>	<b>184</b>	<b>1,187</b>	<b>0</b>	<b>1,187</b>
<b>Total Corporate</b>		<b>1,704</b>	<b>10,333</b>	<b>12,927</b>	<b>(2,594)</b>	<b>3,949</b>	<b>2,594</b>	<b>6,543</b>	<b>184</b>	<b>0</b>	<b>184</b>	<b>1,187</b>	<b>0</b>	<b>1,187</b>

<b>Corporate</b>														
Digital Transformation		Timing movement into 2023/24 to tie in with current planned delivery of IT Transformation programme.												

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		2022/23				2023/24			2024/25			2025/26 - 2031/32		
	R A G	Actual to 30/09/22 £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
<b>Learning Estate</b>														
Early Years Expansion	G	122	3,059	3,059	0	0	0	0	0	0	0	0	0	0
Jedburgh Learning Campus	G	0	15	15	0	0	0	0	0	0	0	0	0	0
Eyemouth Primary School	G	5	84	84	0	3,360	0	3,360	7,402	0	7,402	4,000	0	4,000
Earlston Primary School	G	367	8,717	8,717	0	4,163	0	4,163	225	0	225	0	0	0
Gala Academy	G	1,418	5,713	5,713	0	13,000	0	13,000	27,100	0	27,100	7,935	0	7,935
New Hawick High School	G	41	617	617	0	937	0	937	8,624	0	8,624	38,039	0	38,039
School Estate Block	G	157	2,219	2,219	0	1,800	0	1,800	1,790	0	1,790	12,530	0	12,530
Inspire Academy	G	470	944	944	0	0	0	0	0	0	0	0	0	0
Peebles High School	G	1,071	4,321	4,321	0	19,100	0	19,100	20,400	0	20,400	961	0	961
		<b>3,653</b>	<b>25,689</b>	<b>25,689</b>	<b>0</b>	<b>42,360</b>	<b>0</b>	<b>42,360</b>	<b>65,541</b>	<b>0</b>	<b>65,541</b>	<b>63,465</b>	<b>0</b>	<b>63,465</b>
<b>Total Learning Estate</b>		<b>3,653</b>	<b>25,689</b>	<b>25,689</b>	<b>0</b>	<b>42,360</b>	<b>0</b>	<b>42,360</b>	<b>65,541</b>	<b>0</b>	<b>65,541</b>	<b>63,465</b>	<b>0</b>	<b>63,465</b>
<b>Learning Estate</b>														
School Estate Block		See appendix 2 for block re-allocation												

2023/24

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	R A G	2022/23				2023/24			2024/25			2025/26 - 2031/32		
		Actual to 30/09/22	Projected Outturn	Latest Approved Budget	Variance	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
<b>Sports Infrastructure</b>														
Culture & Sports Trusts - Plant & Services	G	0	299	299	0	215	0	215	215	0	215	1,955	0	1,955
Netherdale Spectator Stand	G	719	1,125	1,202	(77)	0	0	0	0	0	0	0	0	0
Floodlighting	G	3	4	4	0	0	0	0	0	0	0	0	0	0
Netherdale Pitch Replacement	G	392	402	402	0	15	0	15	0	0	0	0	0	0
Synthetic Pitch Replacement Fund	G	0	0	358	(358)	369	0	369	380	0	380	4,630	0	4,630
		<b>1,114</b>	<b>1,830</b>	<b>2,265</b>	<b>(435)</b>	<b>599</b>	<b>0</b>	<b>599</b>	<b>595</b>	<b>0</b>	<b>595</b>	<b>6,585</b>	<b>0</b>	<b>6,585</b>
<b>Culture &amp; Heritage</b>														
Jim Clark Museum	G	11	19	19	0	0	0	0	0	0	0	0	0	0
Public Hall Upgrades	G	0	281	281	0	0	0	0	0	0	0	0	0	0
SP Walter Scott Court House - Phase 2	G	99	330	330	0	0	0	0	0	0	0	0	0	0
		<b>110</b>	<b>630</b>	<b>630</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Culture &amp; Sport</b>		<b>1,224</b>	<b>2,460</b>	<b>2,895</b>	<b>(435)</b>	<b>599</b>	<b>0</b>	<b>599</b>	<b>595</b>	<b>0</b>	<b>595</b>	<b>6,585</b>	<b>0</b>	<b>6,585</b>
<b>Sports Infrastructure</b>														
Netherdale Spectator Stand		Gross up confirmed funding from Fallago Environment Fund (£40k). Release available budget to Inflation Contingency (£17k) and replace funding from Synthetic Pitch Replacement Fund (£100k) for Netherdale Pitch Replacement.												
Synthetic Pitch Replacement Fund		Gross down of synthetic pitch replacement fund, no planned pitch replacements in current year.												

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		2022/23				2023/24			2024/25			2025/26 - 2031/32		
	R A G	Actual to 30/09/22 £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
<b>Economic Regeneration</b>														
Borders Town Centre Regeneration Block	G	395	1,876	1,876	0	70	0	70	70	0	70	670	0	670
Borders Innovation Park	G	32	500	500	0	4,522	0	4,522	6,183	0	6,183	3,405	0	3,405
Newtown St Boswells Regeneration	G	0	224	224	0	120	0	120	56	0	56	0	0	0
Eyemouth Regeneration	G	310	254	254	0	0	0	0	0	0	0	0	0	0
Hawick Regeneration Block	G	342	1,640	1,640	0	861	0	861	0	0	0	0	0	0
Galashiels Town Centre Regeneration	G	0	415	415	0	0	0	0	0	0	0	0	0	0
Borderlands	A	0	3,732	9,939	(6,207)	25,763	(17,596)	8,167	17,062	(6,396)	10,666	41,195	(6,828)	34,367
Access to Employment Land, Duns	G	78	110	110	0	0	0	0	0	0	0	0	0	0
Earlston Business Relocation	G	68	328	328	0	0	0	0	0	0	0	0	0	0
		<b>1,225</b>	<b>9,079</b>	<b>15,286</b>	<b>(6,207)</b>	<b>31,336</b>	<b>(17,596)</b>	<b>13,740</b>	<b>23,371</b>	<b>(6,396)</b>	<b>16,975</b>	<b>45,270</b>	<b>(6,828)</b>	<b>38,442</b>
<b>Housing Strategy &amp; Services</b>														
Private Sector Housing Grant - Adaptations	G	172	550	550	0	500	0	500	500	0	500	3,500	0	3,500
		<b>172</b>	<b>550</b>	<b>550</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0</b>	<b>500</b>	<b>3,500</b>	<b>0</b>	<b>3,500</b>
<b>Total Economic Development &amp; Corporate Services</b>		<b>1,396</b>	<b>9,628</b>	<b>15,836</b>	<b>(6,207)</b>	<b>31,836</b>	<b>(17,596)</b>	<b>14,240</b>	<b>23,871</b>	<b>(6,396)</b>	<b>17,475</b>	<b>48,770</b>	<b>(6,828)</b>	<b>41,942</b>

**Economic Regeneration**

Borderlands

It has now been confirmed that the Mountain Bike Centre at Innerleithen is being led by South of Scotland Enterprise (SOSE) and not the Council as previously assumed. As such a technical budget adjustment has been actioned to remove the budget associated with these works from the Capital Plan. The works are progressing as planned.

Scottish Borders Council  
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		2022/23				2023/24			2024/25			2025/26 - 2031/32		
		Actual to 30/09/22	Projected Outturn	Latest Approved Budget	Variance	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
	R													
	A													
	G													
<b>Emergency &amp; Unplanned Schemes</b>														
Emergency & Unplanned Schemes	G	0	175	175	0	175	0	175	175	0	175	1,225	0	1,225
Inflation Contingency	A	0	1,749	1,432	317	0	0	0	0	0	0	0	0	0
		<b>0</b>	<b>1,924</b>	<b>1,607</b>	<b>317</b>	<b>175</b>	<b>0</b>	<b>175</b>	<b>175</b>	<b>0</b>	<b>175</b>	<b>1,225</b>	<b>0</b>	<b>1,225</b>
<b>Total Emergency &amp; Unplanned Schemes</b>		<b>0</b>	<b>1,924</b>	<b>1,607</b>	<b>317</b>	<b>175</b>	<b>0</b>	<b>175</b>	<b>175</b>	<b>0</b>	<b>175</b>	<b>1,225</b>	<b>0</b>	<b>1,225</b>

<b>Emergency &amp; Unplanned Schemes</b>														
Inflation Contingency		Transfer available budget from Netherdale Spectator Stand (£17k), Coldstream Cemetery Development (£99k) and Cemetery Land Acquisition and Development (£201k).												

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		2022/23				2023/24			2024/25			2025/26 - 2031/32		
	R A G	Actual to 30/09/22 £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
<b>Social Care Infrastructure</b>														
Care Inspectorate Requirements & Upgrades	G	6	40	40	0	41	0	41	41	0	41	301	0	301
Technology Enabled Care	G	10	51	51	0	0	0	0	0	0	0	0	0	0
Residential Care Accommodation - Upgrades	G	102	1,262	1,262	0	0	0	0	0	0	0	0	0	0
2 Residential Care Homes	A	152	400	2,093	(1,693)	10,559	1,693	12,252	1,528	0	1,528	8,472	0	8,472
		<b>270</b>	<b>1,753</b>	<b>3,446</b>	<b>(1,693)</b>	<b>10,600</b>	<b>1,693</b>	<b>12,293</b>	<b>1,569</b>	<b>0</b>	<b>1,569</b>	<b>8,773</b>	<b>0</b>	<b>8,773</b>
<b>Total Social Work &amp; Practice</b>		<b>270</b>	<b>1,753</b>	<b>3,446</b>	<b>(1,693)</b>	<b>10,600</b>	<b>1,693</b>	<b>12,293</b>	<b>1,569</b>	<b>0</b>	<b>1,569</b>	<b>8,773</b>	<b>0</b>	<b>8,773</b>

2 Residential Care Homes

Moderate delay in progression of the stakeholder engagement as part of the early design stage has resulted in a timing movement



Scottish Borders Council  
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CAPITAL FINANCING	2022/23			2023/24			2024/25			2025/26 - 2031/32		
	Projected	Latest	Variance	Latest	Variance	Projected	Latest	Variance	Projected	Latest	Variance	Projected
	Outturn	Approved Budget	£000	Approved Budget	£000	Projected Budget	Approved Budget	£000	Projected Budget	Approved Budget	£000	Projected Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>C9001 - Capital - General Capital Grant</b>												
Capital - General Capital Grant	(9,675)	(3,423)	(6,252)	(10,666)	1,064	(9,602)	(10,666)	0	(10,666)	(74,662)	0	(74,662)
Hawick Flood Protection	(12,916)	(16,574)	3,658	(10,147)	(3,658)	(13,805)	(148)	0	(148)	(879)	0	(879)
Renewal of Play Parks	(117)	(117)	0	0	0	0	0	0	0	0	0	0
Flood Prevention Works & Scheme Preparation	(592)	(592)	0	(372)	0	(372)	(372)	0	(372)	(2,604)	0	(2,604)
School Estate Block	(7)	(7)	0	0	0	0	0	0	0	0	0	0
Nature Restoration Fund	(267)	(161)	(106)	0	0	0	0	0	0	0	0	0
Local Bridge Maintenance Fund	(68)	(68)	0	0	0	0	0	0	0	0	0	0
<b>C9002 - Scottish Government Specific Capital Grant</b>												
Cycling Walking & Safer Streets	(638)	(638)	0	(404)	0	(404)	(404)	0	(404)	(1,886)	0	(1,886)
Roads & Bridges -inc. RAMP, Winter Damage & Slopes (CWSS)	(100)	(100)	0	(100)	0	(100)	(100)	0	(100)	(100)	0	(100)
Low Carbon Infrastructure Transformation (LCITP) Smart Grid	(351)	(351)	0	0	0	0	0	0	0	0	0	0
Early Years Expansion	(3,059)	(3,059)	0	0	0	0	0	0	0	0	0	0
	<b>(4,148)</b>	<b>(4,148)</b>	<b>0</b>	<b>(504)</b>	<b>0</b>	<b>(504)</b>	<b>(504)</b>	<b>0</b>	<b>(504)</b>	<b>(1,986)</b>	<b>0</b>	<b>(1,986)</b>
<b>C9003 - Other Grants &amp; Contributions - Capital</b>												
Other Fleet - Electric Vehicles	(22)	(22)	0	0	0	0	0	0	0	0	0	0
Other Fleet - Electric Vehicles - Infrastructure	(82)	(82)	0	0	0	0	0	0	0	0	0	0
Hawick Flood Protection	(5,300)	(5,300)	0	(3,132)	0	(3,132)	0	0	0	0	0	0
Hawick Flood Protection (SG GCG advance)	(935)	(935)	0	0	0	0	0	0	0	0	0	0
Play Areas & Outdoor Community Spaces	(219)	(219)	0	(133)	0	(133)	0	0	0	0	0	0
Roads & Bridges -inc. RAMP, Winter Damage & Slopes	(477)	(477)	0	0	0	0	0	0	0	0	0	0
Jim Clark Museum	(15)	(15)	0	0	0	0	0	0	0	0	0	0
Hawick Regeneration	(1,640)	(1,640)	0	(751)	0	(751)	0	0	0	0	0	0
Borders Town Centre Regeneration Block	(1,642)	(1,642)	0	0	0	0	0	0	0	0	0	0
Borders Innovation Park	0	0	0	(3,020)	0	(3,020)	(6,183)	0	(6,183)	(3,405)	0	(3,405)
Landfill Provision	(199)	(199)	0	0	0	0	0	0	0	0	0	0
Peebles High School Insurance Receipt	(3,442)	(3,442)	0	0	0	0	0	0	0	0	0	0
Eyemouth Regeneration	(223)	(223)	0	0	0	0	0	0	0	0	0	0
Borderlands (SG & Partners)	(3,732)	(9,939)	6,207	(25,763)	17,596	(8,167)	(16,430)	6,396	(10,034)	(41,195)	6,828	(34,367)
Earlston Primary School	(1,763)	(1,763)	0	0	0	0	0	0	0	0	0	0
Innerleithen Gypsy/Traveller Site	(3)	(3)	0	0	0	0	0	0	0	0	0	0
Eddleston Water Path	(1,650)	(1,650)	0	0	0	0	0	0	0	0	0	0
Access to Employment Land, Duns	(110)	(110)	0	0	0	0	0	0	0	0	0	0
Bridge Homes	(1,413)	(1,413)	0	0	0	0	0	0	0	0	0	0
Netherdale Spectator Stand	(40)	0	(40)	0	0	0	0	0	0	0	0	0
Netherdale Pitch Replacement	(317)	(317)	0	0	0	0	0	0	0	0	0	0
	<b>(23,224)</b>	<b>(29,391)</b>	<b>6,167</b>	<b>(32,799)</b>	<b>17,596</b>	<b>(15,203)</b>	<b>(22,613)</b>	<b>6,396</b>	<b>(16,217)</b>	<b>(44,600)</b>	<b>6,828</b>	<b>(37,772)</b>

CAPITAL FINANCING	2022/23			2023/24			2024/25			2025/26 - 2031/32		
	Projected	Latest	Variance	Latest	Variance	Projected	Latest	Variance	Projected	Latest	Variance	Projected
	Outturn	Approved		Approved		Budget	Budget		Budget	Approved		Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>C9004 - Capital Funded from Current Revenue (CFCR)</b>												
Digital Transformation	(1,812)	(7,000)	5,188	0	0	0	0	0	0	0	0	0
Jedburgh High Street Building	(200)	(200)	0	(1,000)	0	(1,000)	(1,000)	0	(1,000)	0	0	0
Land at Easter Langlee, Galashiels	(132)	(132)	0	0	0	0	0	0	0	0	0	0
	<b>(2,144)</b>	<b>(7,332)</b>	<b>5,188</b>	<b>(1,000)</b>	<b>0</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>0</b>	<b>(1,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C9005 - Development Contributions</b>												
Reston Station Contribution	0	0	0	0	0	0	(100)	0	(100)	0	0	0
Play Areas & Outdoor Community Spaces	0	0	0	(48)	0	(48)	0	0	0	(11)	0	(11)
Engineering Minor Works	(14)	(14)	0	0	0	0	0	0	0	0	0	0
Roundabout at Easter Langlee, Galashiels	(105)	(105)	0	(390)	0	(390)	0	0	0	0	0	0
School Estate Block	(57)	(57)	0	(100)	0	(100)	(100)	0	(100)	(700)	0	(700)
	<b>(176)</b>	<b>(176)</b>	<b>0</b>	<b>(538)</b>	<b>0</b>	<b>(538)</b>	<b>(200)</b>	<b>0</b>	<b>(200)</b>	<b>(711)</b>	<b>0</b>	<b>(711)</b>
<b>C9006 - Capital Receipts</b>												
General Capital Receipt	(685)	(685)	0	0	0	0	0	0	0	0	0	0
	<b>(685)</b>	<b>(685)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C9007 - Plant &amp; Vehicle Fund</b>												
Plant & Vehicle Replacement - P&V Fund	(2,000)	(2,000)	0	(2,000)	0	(2,000)	(2,000)	0	(2,000)	(14,000)	0	(14,000)
Synthetic Pitch Replacement Fund	0	(443)	443	(384)	15	(369)	(380)	0	(380)	(3,497)	0	(3,497)
	<b>(2,000)</b>	<b>(2,443)</b>	<b>443</b>	<b>(2,384)</b>	<b>15</b>	<b>(2,369)</b>	<b>(2,380)</b>	<b>0</b>	<b>(2,380)</b>	<b>(17,497)</b>	<b>0</b>	<b>(17,497)</b>
<b>C9008 - Capital Borrowing</b>												
	<b>(41,993)</b>	<b>(48,274)</b>	<b>6,281</b>	<b>(61,658)</b>	<b>(6,281)</b>	<b>(67,939)</b>	<b>(69,895)</b>	<b>0</b>	<b>(69,895)</b>	<b>(75,595)</b>	<b>0</b>	<b>(75,595)</b>
<b>TOTAL CAPITAL FUNDING</b>	<b>(98,011)</b>	<b>(113,390)</b>	<b>15,379</b>	<b>(120,068)</b>	<b>8,736</b>	<b>(111,332)</b>	<b>(107,778)</b>	<b>6,396</b>	<b>(101,382)</b>	<b>(218,534)</b>	<b>6,828</b>	<b>(211,706)</b>

	Latest approved budget £000's	Proposed Movement	Projected Outturn	Actuals to 30/09/2022
<b>Infrastructure &amp; Environment</b>				
<b>Flood &amp; Coastal Protection</b>				
<b>Flood Prevention Works &amp; Scheme Preparation</b>				
Galashiels Natural Flood Management	120	(20)	100	20
Flood Scheme Preparation Peebles	8	0	8	2
Community Resilience	10	0	10	7
Ettrick Valley Study	37	0	37	8
Lindean Study	12	0	12	0
Management Fee	30	0	30	0
Slitrig Study	31	0	31	8
Newcastleton Bund	85	15	100	96
Hawick Natural Flood Management	56	(4)	52	0
Hawick Surface Water Management Plan	10	0	10	0
Eyemouth Coastal	49	0	49	14
Dairy Mews Culvert, Galashiels	100	0	100	0
Minor Works	49	5	54	32
Flood Scheme Preparation Newcastleton	3	4	7	6
<b>Timing movement</b>		<b>0</b>		
	<b>600</b>	<b>0</b>	<b>600</b>	<b>193</b>
<b>General Flood Protection Block</b>				
Romanno Bridge Flood Bank	115	0	115	0
Minor Works	15	0	15	15
Denholm Flood Works	0	0	0	0
Philiphaugh Estate	0	0	0	0
<b>Timing Movement</b>		<b>0</b>		
	<b>130</b>	<b>0</b>	<b>130</b>	<b>15</b>
<b>Land and Property Infrastructure</b>				
<b>Asset Rationalisation</b>				
Paton Street Galashiels - agile working	120	0	120	66
Old Canteen - surfacing works	0	32	32	0
Asset development and reconfiguration	718	190	908	123
Hawick Town Hall - agile working	240	(190)	50	34
St Mary's Mill, Selkirk Upgrade new Museum	4	0	4	0
Emergency Planning Centre	40	0	40	21
HQ The Cauld refurbishment/reconfiguration	32	(32)	0	0
Reiver Complex - demolition	75	0	75	1
Wilton PS, Hawick - demolition	15	0	15	3
Ednam, Kelso - demolition	17	0	17	3
Lilliesleaf - demolition	14	0	14	3
Wilton Centre, TU Hawick - demolition	14	0	14	0
Demolition - preliminaries, provisional sums, contingencies, surveys & fees etc. (incl. JCI Group)	15	0	15	0
Unallocated Balance	0	0	0	0
<b>Timing movement</b>		<b>0</b>		
	<b>1,304</b>	<b>0</b>	<b>1,304</b>	<b>252</b>

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/09/2022
<b>Building Upgrades</b>				
Lift infrastructure upgrades	143	(69)	74	0
1. Castlegate, Jedburgh roofing upgrade	2	7	9	9
Electrical Infrastructure management	28	(16)	12	2
Burnfoot PS window replacements	75	64	139	139
Burnfoot PS roofing upgrade	7	0	7	7
Hawick Library stonework minor refurbishment	33	(6)	27	3
Coldingham PS window replacements	5	(5)	0	5
Newby Court Units roofing upgrade	13	0	13	13
Kirkhope cemetery boundary wall upgrade	0	14	14	14
School toilet upgrades	80	20	100	59
Swinton PS Windows replacement	0	28	28	28
Newlands PS window replacement	13	(2)	11	11
Hillview Ind. Est Coldstream door replacements	45	(8)	37	0
Chirside PS roofing upgrade - flat roof section	35	(21)	14	13
Duns depot window replacement	22	(8)	14	0
Schools resurfacing upgrades	35	0	35	0
Linglie Mill roofing & rainwater goods upgrade	35	2	37	32
Unallocated Balance	0	0	0	0
<b>Timing movement</b>		0		
	571	0	571	335
<b>Energy Efficiency Works</b>				
Low Carbon Infrastructure Transformation (LCITP) Smart Grid	806	200	1,006	280
Solar Photo Voltaic panels installation	200	0	200	0
Electric Vehicle Charger Points rollout	200	(200)	0	0
Non Domestic Energy Efficiency (NDEE) PH2	375	0	375	0
Broughton PS heating & lighting upgrade	90	0	90	57
Balmoral PS window replacement windows	93	0	93	46
Chirside PS front elevation window replacement	350	0	350	0
Conversion of energy source (Oil to 'green' energy source)	245	0	245	0
Unallocated Balance	0	0	0	0
<b>Timing movement</b>		0		
	2,359	0	2,359	383
<b>Health and Safety Works</b>				
Legionella upgrade water tanks	50	(30)	20	9
Asbestos Management	30	15	45	33
School Security upgrade work	13	0	13	0
Drumlanrig Primary window upgrade	134	0	134	21
Innerleithen Library dry rot works	31	(6)	25	25
Lochpark Ind. Estate external H&S upgrades	0	7	7	7
6 School Brae, Peebles window refurbishment	69	(52)	17	17
St Ronan's Primary heating upgrade	75	0	75	0
Halyrude Primary electrical infrastructure upgrade	25	(25)	0	0
Southdean cemetery wall works	90	0	90	14
Makerstoun cemetery wall works	15	0	15	0
Stow cemetery wall works	10	0	10	0
Fire alarm systems upgrades	100	92	192	27
Council HQ tower concrete repairs	60	0	60	0
Unallocated Balance	1	(1)	0	0
<b>Timing movement</b>		0		
	703	0	703	153

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/09/2022
<b>Play Areas &amp; Outdoor Community Spaces</b>				
Duns Public Park	238	0	238	2
Jedburgh Allerley Well Park	232	0	232	0
Jedburgh Skate Park	268	0	268	11
Peebles Victoria Park Skate Park	199	0	199	10
Reston	77	0	77	77
Gavinton	60	0	60	0
St Boswells Jenny Moore's Road	180	0	180	0
Newstead The Orchard	60	0	60	0
Selkirk Bog Park	60	0	60	0
Hawick Walled Garden Glass house	98	0	98	40
Duns Public Park Drainage Works (estimate)	58	0	58	32
Innerleithen Public Park Drainage & Surfacing Works (estimate £100-130k)	130	0	130	0
Management Fee	66	0	66	0
Play Facilities & Surfacing Review	32	0	32	32
Unallocated Balance	237	0	237	0
Longformacus	142	0	142	0
Gross up external funding for Longformacus		0		
<b>Timing movement</b>		0		
	<b>2,137</b>	<b>0</b>	<b>2,137</b>	<b>204</b>
<b>Cemetery Land Acquisition &amp; Development</b>				
Land acquisition & site development	295	(201)	94	0
<b>Transfer to Inflation Contingency</b>		<b>201</b>		
	<b>295</b>	<b>0</b>	<b>94</b>	<b>0</b>

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/09/2022
<b>Road &amp; Transport Infrastructure</b>				
<b>Cycling Walking &amp; Safer Streets</b>				
Cycle Related Activities	319	0	319	127
Walking Related Activities	319	0	319	193
Gross up additional funding		0		
<b>Timing movement</b>		<b>0</b>		
	<b>638</b>	<b>0</b>	<b>638</b>	<b>320</b>
<b>Lighting Asset Management Plan</b>				
Carnarvon Street, Hawick	30	0	30	0
Kenilworth Avenue, Galashiels	30	0	30	0
Queensway, Earlston	30	0	30	17
Craigerne Lane, Peebles	20	0	20	16
Langlee Drive, Galashiels	30	0	30	0
Marchmont Crescent, Greenlaw	10	0	10	8
Corroded Columns	10	0	10	23
<b>Timing movement</b>		<b>0</b>		
	<b>160</b>	<b>0</b>	<b>160</b>	<b>64</b>
<b>Roads &amp; Bridges -inc. RAMP, Winter Damage &amp; Slopes</b>				
Surface Dressing	3,050	0	3,050	2,024
Patching	2,520	0	2,520	720
Resurfacing/Overlays	547	0	547	338
Walls & Structures	250	(45)	205	77
Footways	250	0	250	149
Drainage	361	0	361	199
Masonry Refurbishment	1,011	45	1,056	291
Union Chain Bridge	115	0	115	115
STTS Schemes	680	0	680	19
Gross up STTS external funding	0	0	0	
<b>Timing movement</b>		<b>0</b>		
	<b>8,784</b>	<b>0</b>	<b>8,784</b>	<b>3,932</b>
<b>Waste Management</b>				
<b>CRC - Improved Skip Infrastructure</b>				
Galashiels Community Recycling Centre	4	0	4	
<b>Timing movement</b>		<b>0</b>		
	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/09/2022
<b>Corporate</b>				
<b>ICT-Outwith CGI Scope</b>				
PC replacement	24	0	24	12
<b>Timing movement</b>		<b>0</b>		
	<b>24</b>	<b>0</b>	<b>24</b>	<b>12</b>
<b>Education &amp; Lifelong Learning</b>				
<b>Early Learning and Childcare</b>				
Early Years Expansion	3,059	0	3,059	122
<b>Timing movement</b>		<b>0</b>	<b>0</b>	
	<b>3,059</b>	<b>0</b>	<b>3,059</b>	<b>122</b>
<b>School Estate Block</b>				
<b>Improve and enhance school environments:</b>				
Outdoor Learning Provisions	150	0	150	5
Equipment & Furniture Replacement Programme (including white goods)	150	0	150	19
School Refurbishments	1,466	(160)	1,306	32
School toilet programme	0	0	0	
<b>Meet security and legislative obligations</b>				
Kitchen refurbishment programme	13	0	13	
Accessibility works	30	0	30	85
Secure receptions programme	80	0	80	
<b>ASN Provision Enhancements</b>				
ASN Provision Enhancements	0	160	160	16
<b>Urgent, unplanned and fees</b>				
Professional fees	180	0	180	
Project closure contingencies	150	0	150	
<b>Timing movement</b>		<b>0</b>		
	<b>2,219</b>	<b>0</b>	<b>2,219</b>	<b>157</b>
<b>Culture &amp; Sport</b>				
<b>Sports Infrastructure</b>				
<b>Culture &amp; Sports Trusts - Plant &amp; Services</b>				
Teviotdale LC - Replacement Pool Covers	8	0	8	0
Transform pH Correction (CO <sup>2</sup> to Sodium Hypochlorite) - All Pools	3	0	3	0
BMS upgrade	8	0	8	0
Legionella compliance	17	0	17	0
Tweedbank Bowls Calorifier	12	0	12	0
Selkirk Leisure Centre - calorifier replacement	15	0	15	0
Peebles Swimming Pool - circulation pumps	15	0	15	0
Eyemouth Leisure Centre - main air handling unit (AHU)	30	0	30	0
Kelso Swimming Pool - changing facilities & toilets	47	0	47	0
Peebles Swimming Pool - changing facilities, toilets, sauna, steam room	47	0	47	0
Gala Swimming Pool - pool pumps	8	0	8	0
Gala Swimming Pool - underwater lighting	6	0	6	0
Eyemouth Leisure Centre - secondary and main pool pumps & inverters	20	0	20	0
Eyemouth Leisure Centre - actuators pool heating	5	0	5	0
Peebles Swimming Pool - heat pumps	14	0	14	0
Selkirk Swimming Pool - roof mounted pool extract fans	9	0	9	0
Jedburgh Leisure Facilities Trust	12	0	12	0
Berwickshire Recreation Education Sports Trust	23	0	23	0
<b>Timing movement</b>		<b>0</b>		
	<b>299</b>	<b>0</b>	<b>299</b>	<b>0</b>

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/09/2022
<b>Public Hall Upgrades</b>				
Corn Exchange/Ormiston Institute Refurbishment (bal)	1	0	1	0
Kelso Tait Hall refurbishment	173	0	173	0
Innerleithen Memorial Hall refurbishment	59	0	59	0
Selkirk Victoria Hall	25	0	25	0
PA systems (all venues)	23	0	23	0
<b>Timing movement</b>		<b>0</b>		
	<b>281</b>	<b>0</b>	<b>281</b>	<b>0</b>
<b>Corporate Improvement &amp; Economy</b>				
<b>Economic Regeneration</b>				
<b>Hawick Regeneration</b>				
Hawick Business Centre	1,630	0	1,630	335
Galalaw Access Road	10	0	10	7
Gross up income from SOSE		0		
<b>Timing movement</b>		<b>0</b>		
	<b>1,640</b>	<b>0</b>	<b>1,640</b>	<b>342</b>
<b>Eyemouth Regeneration</b>				
Former Fishmarket/Museum redevelopment	254	0	254	310
<b>Timing movement</b>		<b>0</b>		
	<b>254</b>	<b>0</b>	<b>254</b>	<b>310</b>
<b>Galashiels Town Centre Regeneration</b>				
Galashiels Masterplanning & Town Centre redevelopment	415	0	415	0
<b>Timing movement</b>		<b>0</b>		
	<b>415</b>	<b>0</b>	<b>415</b>	<b>0</b>
<b>Borders Town Centre Regeneration Block</b>				
Workshop Development	86	0	86	0
Town Centre Regeneration Enabling Works (Galashiels, Hawick, Eyemouth, Jedburgh, Selkirk)	135	0	135	0
Jedburgh Abbey Ramparts	13	0	13	0
<b>Place Based Investment Programme 2021/22:</b>				
Eyemouth - Waterfront Project	400	0	400	205
Galashiels - Town Centre Public Realm	20	0	20	17
Hawick Business Centre	80	0	80	0
Hawick Common Haugh Car Park	15	0	15	12
Craikhope Outdoor Centre improvements	20	0	20	20
Yetholm Community Shop	90	0	90	90
Peebles Burgh Hall	100	0	100	0
Unallocated Balance	0	0	0	0
Gross down SG unallocated PBIP 21/22 funding	0	0	0	0
<b>Place Based Investment Programme 2022/23</b>	<b>791</b>	<b>0</b>	<b>791</b>	<b>0</b>
Yetholm Community Asset Development	126	0	126	51
Unallocated Balance	0	0	0	
<b>Timing movement</b>		<b>0</b>		
	<b>1,876</b>	<b>0</b>	<b>1,876</b>	<b>395</b>
<b>Social Work &amp; Practice</b>				
<b>Social Care Infrastructure</b>				
<b>Care Inspectorate Requirements &amp; Upgrades</b>				
Block to be allocated post Care Inspectorate Inspection	0	0	0	0
Grove House, Kelso	8	0	8	0
St. Ronans, Peebles	8	0	8	0
Saltgreens, Eyemouth	8	0	8	0
Waverley, Galashiels	8	0	8	6
Day Services	8	0	8	0
Unallocated Balance		0		
<b>Timing movement</b>		<b>0</b>		
	<b>40</b>	<b>0</b>	<b>40</b>	<b>6</b>



	2022/23					2023/24			2024/25			2025/26 - 2031/32			Total Project Cost £000
	Previous Years Life to Date	Actual to 30/09/22	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	£000	
<b>Flood &amp; Coastal Protection</b>															
01-C00223 - Hawick Flood Protection	47,954	8,354	26,767	(4,573)	22,194	15,816	4,573	20,389	456	0	456	879	0	879	91,872
<b>Road &amp; Transport Infrastructure</b>															
01-C00183 - Reston Station Contribution	500	0	600	0	600	0	0	0	1,740	0	1,740	0	0	0	2,840
01-C00162 - Union Chain Bridge	1,455	0	358	0	358	0	0	0	0	0	0	0	0	0	1,813
<b>Corporate</b>															
01-C100403 - Digital Transformation	11,727	1,693	12,793	(2,594)	10,199	3,242	2,594	5,836	0	0	0	313	0	313	28,075
<b>School Estate</b>															
Early Years Expansion	342	122	3,059	0	3,059	0	0	0	0	0	0	0	0	0	3,401
01-C100262 - Eyemouth Primary School	1,154	5	84	0	84	3,360	0	3,360	7,402	0	7,402	4,000	0	4,000	16,000
01-C100274 - Earlston Primary School	780	367	8,717	0	8,717	4,163	0	4,163	225	0	225	0	0	0	13,885
01-C100264 - Gala Academy	1,787	1,418	5,713	0	5,713	13,000	0	13,000	27,100	0	27,100	7,935	0	7,935	55,535
01-C100213 - Hawick High School	183	41	617	0	617	937	0	937	8,624	0	8,624	38,039	0	38,039	48,400
01-C100419 - Peebles High School	1,386	1,071	4,321	0	4,321	19,100	0	19,100	20,400	0	20,400	961	0	961	46,168
<b>Health &amp; Social Care</b>															
2 Residential Care Homes	177	400	2,093	(1,693)	400	10,559	1,693	12,252	1,528	0	1,528	8,472	0	8,472	22,829
<b>Economic Regeneration</b>															
01-C00205 - Central Borders Business Park	7,556	32	500	0	500	4,522	0	4,522	6,183	0	6,183	3,405	0	3,405	22,166
01-C1000 - Eyemouth Regeneration	1,120	310	254	0	254	0	0	0	0	0	0	0	0	0	1,374
Borderlands	0	0	9,939	(6,207)	3,732	25,763	(17,596)	8,167	17,062	(6,396)	10,666	41,195	(6,828)	34,367	56,932

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## **BALANCES AT 31 MARCH 2023**

### **Report by Acting Chief Financial Officer EXECUTIVE COMMITTEE**

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**15 November 2022**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report provides the Executive Committee with an analysis of the Council's balances as at 31 March 2022 and advises Members of the projected balances at 31 March 2023.**
- 1.2 The unaudited Council's General Fund useable reserve (non-earmarked) balance was £9.848m at 31 March 2022. The General Fund useable reserve is projected, at this early stage in the financial year, to be at least £8.421m at 31 March 2023 in line with the Council's Financial Strategy.
- 1.3 The total of all useable balances, excluding development contributions, at 31 March 2023 is projected to be £41.181m as summarised in section 4.2.
- 1.4 The projected balance on the Capital Fund of £8.961m 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 2021/22 revenue balances at 31 March 2022;**
  - (b) Notes the projected revenue balances as at 31 March 2023 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) Pitch and Play Park Replacement Fund
- (f) Capital Fund

### 4 BALANCES

4.1 Appendix 1 summarises the projected transactions and resultant projected balances at 31 March 2023 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 at least **£8.421m** at 31 March 2023 which is in line with the recommended level included in the 2022/23 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 September 2022 and are summarised in the table below.

<b>BALANCES</b>	<b>31/03/23 projection £m</b>
Earmarked Balances (non DSM)	9.216
Recovery Fund (previously COVID-19 reserve)	3.626
Earmarked Balances (DSM)	0
Allocated Balances	6.477
General Fund (Unallocated Reserve)	8.448
Corporate Property Repairs & Renewals Fund	0
Pitch & Play Park replacement fund	1.381
Plant & Vehicles Renewals Fund	9.144
Insurance Fund	1.309
Capital Fund (exc. Developer Contributions)	1.580
	<b>41.181</b>

4.3 The key movements since the last reporting period in the General Fund are as a result of £1.4m draw down to support communities and businesses during the cost of living crisis.

4.4 The earmarked balance total of £9.216m comprises:

- £4.025m – Second homes Council Tax
- £2.594m – Scottish Government funding for 2023/24 pay award
- £2.500m – IJB funding for which expenditure is delayed to 2023/24

- £0.097m - additional staffing to support self-service

4.5 The Corporate Financial Risk Register was considered at the Council Meeting on 22 February 2022 and identified potential risks including the failure to control budgets within approved limits, severe weather events, the economic downturn, potential contractual claims and unplanned emergencies. The unallocated balance of £8.421m, approved by Council as part of the Financial Strategy on 22 February 2022, equates to 2.6% of net revenue expenditure and is sufficient to cover 61% of the risks identified in the finance risk register should they be realised. The general fund reserve will continue to be monitored through the Corporate Financial Risk Register on a regular basis.

4.6 Allocated balances have increased to £6.477m in 2022/23:

<b>ALLOCATED BALANCES</b>	<b>31<sup>st</sup> March 2022 £m</b>	<b>Increase during 2022/23 £m</b>	<b>Released during 2022/23 £m</b>	<b>31<sup>st</sup> March 2023 £m</b>
Municipal Mutual	0.233	0	0	0.233
Adverse Weather (including flood)	1.000	0	0	1.000
Workforce Management	1.059	0	(0.106)	0.953
Treasury reserve	2.300	1.000	0	3.300
Strategic Contract movement reserve	0.362	0.629	0	0.991
<b>Total</b>	<b>4.954</b>	<b>1.629</b>	<b>(0.106)</b>	<b>6.477</b>

4.7 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. 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 Integrated Impact Assessment

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.

**5.4 Sustainable Development Goals**

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

**5.5 Climate Change**

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

**5.6 Rural Proofing**

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

**5.7 Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

**5.8 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 Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications are being consulted on this report and any comments will be incorporated into the final report.

**Approved by**

**Suzy Douglas**  
**Acting Chief Financial Officer**

**Signature .....**

**Author(s)**

Suzy Douglas	Financial Services Manager 01835 824000 X5881
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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. Suzy Douglas can also give information on other language translations as well as providing additional copies.

**SCOTTISH BORDERS COUNCIL**  
**GENERAL FUND BALANCES AT 31 MARCH 2023**

	GENERAL FUND £'000's	GENERAL FUND (DSM) £'000's	GENERAL FUND (EAR-MARKED) £'000's	ALLOCATED RESERVES £'000's	TOTAL £'000's
<b>Balance at 1 April 2022</b>	<b>9,848</b>	<b>1,599</b>	<b>35,590</b>	<b>4,954</b>	<b>51,991</b>
Projected Income (RSG, NDR, Council Tax)	333,100				<b>333,100</b>
Projected Net Revenue Expenditure	(355,924)				<b>(355,924)</b>
Earmarked Balances from previous year	37,189	(1,599)	(35,590)		<b>0</b>
Earmarked Balances to future years	(12,842)	0	12,842		<b>0</b>
Drawdown from Workforce Management Allocated Reserve	106			(106)	<b>0</b>
Drawdown from unallocated reserve for Cost of Living support	(1,200)				<b>(1,200)</b>
Treasury Reserve	(1,000)			1,000	<b>0</b>
Dry Mixed Recyclate (DMR) Reserve Fund	(629)			629	<b>0</b>
Drawdown from unallocated reserve to provide support businesses	(200)				<b>(200)</b>
<b>Projected Balance at 31 March 2023</b>	<b>8,448</b>	<b>0</b>	<b>12,842</b>	<b>6,477</b>	<b>27,767</b>

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**SCOTTISH BORDERS COUNCIL**  
**REVENUE FUND BALANCES AT 31 MARCH 2023**  
**(EXCLUDING GENERAL FUND)**

	<b>CORPORATE PROPERTY REPAIRS &amp; RENEWALS FUND £'000's</b>	<b>PLANT &amp; VEHICLES RENEWAL FUND £'000's</b>	<b>INSURANCE FUND £'000's</b>	<b>PITCH &amp; PLAY PARK REPLACEMENT FUND £'000's</b>	<b>TOTAL £'000's</b>
<b>Balance at 1 April 2022</b>	<b>51</b>	<b>8,493</b>	<b>1,623</b>	<b>953</b>	<b>11,120</b>
Projected Income	2,297	2,651	1,609	428	<b>6,985</b>
	<u>2,348</u>	<u>11,144</u>	<u>3,232</u>	<u>1,381</u>	<u><b>18,105</b></u>
Projected Expenditure	2,348	2,000	1,923	-	<b>6,271</b>
Contribution to Reserves					-
Transfer to/from General Fund					-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Projected Balance at 31 March 2023</b>	<b>-</b>	<b>9,144</b>	<b>1,309</b>	<b>1,381</b>	<b>11,834</b>

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**SUMMARY OF CAPITAL FUND**

	<b>Balance as at 31/03/22 £'000</b>	<b>Balance as at 31/03/23 £'000</b>
<b>DEVELOPER CONTRIBUTIONS</b>		
Waverley Railway	-	-
Technical Services	1,209	1,041
Education & Lifelong Learning	5,470	5,260
Planning & Economic Development	-	-
Social Work - Affordable Housing	503	498
Accrued Interest	578	582
<b>Sub Total Developer Contributions</b>	<b><u>7,760</u></b>	<b><u>7,381</u></b>
Capital Receipts	1,370	1,580
<b>Total</b>	<b><u><u>9,130</u></u></b>	<b><u><u>8,961</u></u></b>

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**CORPORATE DEBTS – WRITE OFFS IN 2022/23  
MID YEAR UPDATE**

**Report by Acting Chief Financial Officer**

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**EXECUTIVE COMMITTEE**

**15<sup>th</sup> November 2022**

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**1 PURPOSE AND SUMMARY**

- 1.1 **As required by the Financial Regulations, this report details the aggregate amounts of debt written off during the first 6 months of 2022/23 under delegated authority.**
- 1.2 The report covers the areas of Council Tax, Non-Domestic Rates, Sundry Debtors, Housing Benefit Overpayments and aged debt from the balance sheet.
- 1.3 The total value of write-offs between 1 April 2022 and 30 September 2022 is £131.5k.

**2 RECOMMENDATIONS**

- 2.1 **It is recommended that the Executive Committee note the debtor balances written off under delegated authority for the period 1 April 2022 to 30 September 2022.**

### 3 BACKGROUND

- 3.1 Financial Regulations give the Acting Chief Financial Officer authority to write-off individual irrecoverable debts up to £100,000. Any debt in excess of £100,000 may only be written off as irrecoverable following approval by the Executive Committee. No write-offs have fallen into this category in 2022/23.
- 3.2 Financial Regulations also require that the Acting Chief Financial Officer shall report to the Executive Committee annually on the aggregate amounts written off under delegated authority and this report adds to that remit for financial year 2022/23.

### 4 LEVEL OF WRITE OFFS

- 4.1 The total net amounts which were written off during the period 1 April 2022 to 30 September 2022 are shown in table 1 below. Figures for the same period for the last two years are shown for comparison

Table 1

<b>Category</b>	<b>Net amount written off (£'000)</b>	<b>Net amount written off (£'000)</b>	<b>Net amount written off (£'000)</b>
	<b>01/04/20-30/09/20</b>	<b>01/04/21-30/09/21</b>	<b>01/04/22-30/09/22</b>
Council Tax	142.1	137.6	66.9
Non Domestic Rates	141.1	0	-19.1
Sundry Debts	32.1	58.3	57.2
Housing Benefits Overpayments	55.8	16.2	26.5
Aged debt from balance sheet	0	0	0
<b>Total</b>	<b>371.1</b>	<b>212.1</b>	<b>131.5</b>

- 4.2 The 'write-offs' are net of any amount 'written back on'. This occurs where a debt has been written off and subsequent information is received, such as a new forwarding address, which would enable the Council to again pursue a debt previously considered irrecoverable. In these circumstances, the write-off will be reversed by a write-on and the debtor will then be pursued for the debt.
- 4.3 In all cases, a debt will only be written off when at least one of the following occurs: -
- Legislation prevents its recovery;
  - It is uneconomic to pursue;
  - The Debtor becomes insolvent;
  - All options of recovery have been exhausted, which includes the use of the Council's Legal team and the appointed Sheriff Officers, Walker Love;

- After a professional assessment of the debt concludes that recovery is unlikely. For example, if Sheriff Officers advise that there are no assets, or the debtor has left the area and cannot be traced.

4.4 The amount of Housing Benefit written off has increased during the first half of the year and we hope to maintain this for the remainder of the year. This increase is due to recovery work being restarted and prioritised as it was pre Pandemic

Housing Benefit Overpayments attract 100% subsidy from the Department of Work and Pensions which, combined with established recovery procedures, minimises the financial loss to the Council.

4.5 The categories of Council Tax write offs processed in the first 6 months of 2022/23 are detailed below.

The level of write off total is less than half of those administered in previous years. The reduction is evenly spread across all categories.

Gone Away's appear particularly low, this is mainly due to resource issues.

Further to this we are currently unable to process any sequestration cases. Recently the administration of sequestration cases was moved online and we are currently working to ensure all of the relevant Data Sharing safeguards have been covered. Once this has been resolved there is likely to be an increase in the figures related to this category.

Table 2

<b>Reason for write off: Council Tax</b>	<b>Net amount written off (£'000) 01/04/20-30/09/20</b>	<b>Net amount written off (£'000) 01/04/21-30/09/21</b>	<b>Net amount written off (£'000) 01/04/22-30/09/22</b>
Small Balance under £10	-0.1	2.5	-0.1
Deceased	45.7	44.0	31.6
Gone Away	61.1	14.2	1.7
Sequestered	19.7	57.2	30.2
Miscellaneous	0.6	5.8	-6.0
No effects			1.0
Surcharge	15.1	13.9	8.5
<b>Total</b>	<b>137.6</b>	<b>142.1</b>	<b>66.9</b>

4.6 Nominal amounts of Non-Domestic Rates balances were written off in the first 6 months of 2022/23.

The net position has resulted in an overall increase in liability as more balances were written back on than off within this period. The main reason for this was the reversal of a previous write off within the sequestration category.

Overall the amount written off has dramatically changed in comparison with the same period in 2020. This is mainly due to resource issues and because we are currently unable to process any sequestration cases.

Recently the administration of sequestration cases was moved online and we are currently working to ensure all of the relevant Data Sharing safeguards have been covered. Once this has been resolved there is likely to be an increase in the figures related to this category.

Table 3

<b>Reason for write off: Non Domestic Rates</b>	<b>Net amount written off (£'000)</b>	<b>Net amount written off (£'000)</b>	<b>Net amount written off (£'000)</b>
	<b>01/04/20- 30/09/20</b>	<b>01/04/21- 30/09/21</b>	<b>01/04/22- 30/09/22</b>
Sequestered	130.5	0	-15.2
Gone Away	0	0	-0.4
Miscellaneous	0	0	-2.0
Surcharge	10.6	0	-1.5
<b>Total</b>	<b>141.1</b>	<b>0</b>	<b>-19.1</b>

- 4.7 Levels of write-offs for Sundry Debt remain the same at this point in time compared with the same period of time last year, although the type of debt being written off has changed, a significant amount is due to the accounts of deceased customers whereby we are unable to claim against the deceased's estate due to timing and lack of funds.

As we emerge from the Covid 19 pandemic we have still been dealing with the remaining aged debt and restrictions that were imposed on commencing legal proceedings and have written off a further £12k due to time limitations restricting further recovery of this debt and £12k that Sheriff Officers have been unable to recover.

Going forward into the current cost of living crisis I anticipate that this will cause a higher number of sundry debt accounts being sent to Sheriff Officers and decree applications being made.

Table 4

<b>Reason for Write-off: Sundry Debt</b>	<b>Net amount written off (£'000)</b>	<b>Net amount written off (£'000)</b>	<b>Net amount written off (£'000)</b>
	<b>01/04/20- 30/09/20</b>	<b>01/04/21- 30/09/21</b>	<b>01/04/22- 30/09/22</b>
Deceased	7.6	1.5	31.4
Gone Away	4.8	0.1	0.5
Bankruptcy	9.1	1.1	0.3
Uneconomic to Pursue	4.2	1.2	1



Sheriff Officer Unable to Collect	6.4	1.2	12
Time Barred		53.2	12
<b>Total</b>	<b>32.1</b>	<b>58.3</b>	<b>57.2</b>

## 5 IMPLICATIONS

### 5.1 Financial

An annual budget provision for sundry bad debts of £125k and £839k for Council Tax is maintained, which is regularly reviewed and if necessary will be revised in future.

### 5.2 Risk and Mitigations

It is expected that the level of debts written off in 2022/23 in some areas will vary as they are still being affected by heightened risk factors, particularly Covid 19 and also the current cost of living crisis. Performance in this area continues to be closely monitored and management action, including the approved policy on debt recovery and supporting procedures, are in place to minimise risk.

The Council maintains an appropriate bad debt provision to help manage these risks.

### 5.3 Integrated Impact Assessment

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine financial monitoring report which is required to comply with the Financial Regulations. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing this report.

### 5.4 Sustainable Development Goals

There are no environmental implications directly associated with this report.

### 5.5 Climate Change

There is no impact on the Council's carbon emissions.

### 5.6 Rural Proofing

There are no changes in policy or strategy in relation to rural areas.

### 5.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

### 5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the Scheme of Administration or the Scheme of Delegation.

## 6 CONSULTATION

- 6.1 Director – Finance & Corporate Governance, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and their comments have been incorporated into this report.

### Approved by

**Suzy Douglas**  
**Acting Chief Financial Officer**

**Signature.....**

### Author(s)

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### Background Papers:

**Previous Minute Reference:** Executive Committee 18 January 2022

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Contact us at Suzy Douglas, Council Headquarters, Newtown St Boswells, Melrose TD6 0SA.

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