

# SCOTTISH BORDERS COUNCIL SCRUTINY & PETITIONS COMMITTEE

MINUTES of Meeting of the SCRUTINY &  
PETITIONS COMMITTEE held via Microsoft  
Teams on Thursday, 20 October 2022 at  
10.00 am

Present:- Councillors E. Thornton-Nicol (Chair), N. Richards (Vice-Chair), J. Anderson,  
P. Brown, J. Cox, M. Douglas, J. PatonDay, E. Robson, S. Scott and  
F. Sinclair

In Attendance:- Acting Chief Financial Officer, Principal Internal Auditor, Clerk to the Council,  
Trainee Democratic Services Officer, and Democratic Services Officer (W.  
Mohieddeen).

## 1. **MONITORING OF THE 10 YEAR CAPITAL/REVENUE FUNDING OF ROADS MAINTENANCE**

1.1 Copies of a presentation on capital/revenue funding of roads maintenance had been circulated. The Acting Chief Financial Officer gave a presentation on the information which showed the trend in revenue and capital investment in Roads infrastructure over a 10-year period and highlighted its main points:

- A graph was presented which showed the actual capital spend in Roads from 2017-18 to 2021-22. The graph also reflected the Roads service budget as per the 10-year Capital Plan. Increases in expenditure that related to external grants such as the Strategic Timber Transport Fund, were shown however information on external funding from 2023-24 onwards was not able to be provided.
- A graph was presented which showed Roads Revenue Funding highlighted actual spend from 2017-18 to 2021-22 and the approved budget from 2022-23 to 2026-27. There was an increase in spend of over £1 million in 2022-23 which explained the spike in funding for the year in the graph which reflect Members' priorities during the financial planning process to improve the road network. Following 2022-23, revenue budget returned to between £4-5 million
- The difference between capital and revenue expenditure was provided. Capital expenditure was explained as being funding that created a new asset through purchase or construction, or enhances an existing asset that substantially lengthened the useful life of the asset or increased the level of performance to which an asset could be used. This may include bridge strengthening or road resurfacing. Revenue expenditure was explained as being funding used to maintain an existing asset to keep the asset in a usable condition but did not extend its overall life, such as pothole repair for roads.
- Examples of what the Roads and Bridges Capital Budget was used for was provided. Examples included surface dressing, patching, resurfacing and overlays, walls and structures, footways, drainage and masonry refurbishment.
- Examples of what the Roads and Bridges Revenue Budget was used for was provided. Examples included routine maintenance work such as planned lining for A and B-class roads, works associated with safer routes to schools, yellow lines, signs and parking bays. Further examples of reactive work were provided that allowed the network to be maintained.

1.2 An explanation was given for the differences between capital and revenue spending, with capital spend either creating a new asset or enhancing/lengthening the useful life of an asset, and revenue spend used to maintain an existing asset. There was a very experienced team within the roads section who were quite clear on the financial

requirements so the categorisation of work between revenue and capital worked quite smoothly, with the difference based on the type of work rather than the cost.

- 1.3 With regards to capital funding, Cllr Cox requested that external grants be split in the graphs so that money that was provided by Scottish Borders Council and money from external grants were distinct in how they represented the total budget. The Acting Chief Officer agreed to circulate the distinction in funding between external grants and Scottish Borders Council budget. The Acting Chief Financial Officer further explained that differentiating between capital and revenue works depended on the nature of work required and that ancillary elements such as pavements and footways were included in works related to the road network. The Chair thanked the Acting Chief Officer for the presentation and asked for the slides to be shared with Members and for the distinction in funding between SBC funding and external grants to be circulated as well.

**DECISION**

**NOTED the presentation and AGREED that an updated presentation would be issued to all Elected Members for their information.**

*The meeting concluded at 10.20 am.*