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EXECUTIVE COMMITTEE TUESDAY, 15 AUGUST 2023

A MEETING of the EXECUTIVE COMMITTEE will be held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS, NEWTOWN ST BOSWELLS, TD6 0SA and VIA MICROSOFT TEAMS on TUESDAY, 15 AUGUST 2023 at 10.00 am

J. J. WILKINSON,
Clerk to the Council,

8 August 2023

BUSINESS		
1.	Apologies for Absence	
2.	Order of Business	
3.	Declarations of Interest	
4.	Minute (Pages 3 - 12) Minute of meeting held on 13 June 2023 to be approved and signed by the Chairman. (Copy attached.)	2 mins
5.	Education Sub-Committee (Pages 13 - 26) Consider Minutes of meetings held on 10 November 2022 and 2 March 2023. (Copies attached.)	2 mins
6.	Monitoring of the Capital Financial Plan 2023/24 (Pages 27 - 56) Consider report by Director – Finance and Procurement. (Copy attached.)	10 mins
7.	Monitoring of the General Fund Revenue Budget 2023/24 (Pages 57 - 100) Consider report by Director – Finance and Procurement. (Copy attached.)	10 mins
8.	Balances at 31 March 2024 (Pages 101 - 112) Consider report by Director – Finance and Procurement. (Copy attached.)	10 mins
9.	Any Other Items Previously Circulated	
10.	Any Other Items which the Chairman Decides are Urgent	
11.	Items likely to be taken in Private	

	Before proceeding with the private business, the following motion should be approved:- “That under Section 50A(4) of the Local Government (Scotland) Act 1973 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 8 of Part 1 of Schedule 7A to the aforementioned Act.”	
12.	Galashiels Town Centre Regeneration - Strategic Site Purchase (Pages 113 - 122) Consider report by Director - Resilient Communities. (Copy attached.)	10 mins

NOTES

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

Membership of Committee:- Councillors 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, 13th June, 2023 at 10.00 am

Present:- Councillors E. Jardine (Chair), L. Douglas, M. Douglas, J. Greenwell, C. Hamilton (from para. 2), S. Hamilton, J. Linehan, S. Mountford, J. Pirone (from para. 2), E. Robson, M. Rowley, F. Sinclair, R. Tatler, E. Thornton-Nicol, and T. Weatherston.

Apologies:- Councillors C. Cochrane and D. Parker.

In Attendance:- Director - Education and Lifelong Learning, Director- Infrastructure and Environment, Director – People, Performance and Change, Director – Resilient Communities, Acting Chief Financial Officer, Democratic Services Team Leader, Democratic Services Officer (D. Hall)

1. **MINUTE**

There had been circulated copies of the Minute of the meeting held on 16 May 2023.

DECISION

APPROVED for signature by the Chairman.

MEMBER

Councillors Carol Hamilton and Pirone joined the meeting during the discussion of the item below.

2. **CAPITAL FINANCIAL PLAN 2022/23 - FINAL UNAUDITED OUTTURN**

There had been circulated copies of a report by the Acting Chief Financial Officer which provided a statement which compared the final capital outturn for 2022/23 with the final budget for the year and identified the main reasons for any significant variations. The final capital outturn statement for 2022/23 was included at Appendix 1 to the report and included the reasons identified by the Project Managers and Budget Holders for the variances to the final approved budget. That identified an outturn expenditure of £63.537m which was £11.583m below the final revised budget of £75.120m including timing movement in the final quarter of £10.445m. A number of macro-economic factors affected the Capital Plan during 2022/23. Unprecedented levels of inflation along with disruption in the construction materials supply chain continued to impact on the wider economy and consequently the Council. A surge in demand coupled with constraints on supply had led to price increases, shortages and longer lead times. Financial implications from those market conditions were reported within the final outturn report for 2022/23. The outturn position provided the basis to inform the Capital Plan requirements in 2023/24, with any longer term impacts reflected in the financial planning process for future years. In anticipation of inflationary pressures an inflation contingency of £1.253m was established at the 2021/22 year end to support potential budget pressures. Through the first three quarters of 2022/23 that contingency was increased to £3.501m, with a timing movement of that approved into 2023/24 to support the 2023/24-2032/33 Capital Investment Plan. The contingency was being increased by a further £1.022m in this final quarterly monitoring of 2022/23 with that being used to offset Planned Programming Adjustments in 2023/24. The Acting Chief Financial Officer, Mrs Suzy Douglas, presented the report and responded to Members questions. In response to a question regarding

whose responsibility it was for ensuring Integrated Impact Assessments (IIA) were carried out Mrs Douglas explained that there was a positive relationship between the Finance and Project Management Teams and confirmed that the Director – Infrastructure and Environment was responsible for project management IIAs. Regarding the £3.245m set aside for inflation contingency within the budget, Mrs Douglas confirmed that the amount set aside was subject to review and there were no concerns regarding its current level. Members welcomed the report.

DECISION

(a) AGREED:-

- (i) the final outturn statement in Appendix 1 to the report;**
- (ii) the block allocations detailed in Appendix 3 of the report.**

(b) NOTED:-

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

3. 2022/23 UNAUDITED REVENUE OUTTURN

There had been circulated copies of a report by the Acting Chief Financial Officer which provided a statement comparing final revenue outturn expenditure and income for 2022/23 with the final approved budget for the year along with explanations for significant variances. A net, unaudited outturn underspend of £1.532m was achieved in the 2022/23 revenue budget. The £1.532m net underspend (less than 0.5% of final approved budget) was delivered following a number of earmarked balances being carried forward from 2022/23 into 2023/24. In total, those amounted to £31.142m and related to a number of initiatives across the Council and specifically included £1.187m of carry forward into the Council's Recovery Fund and £3.589m of carry forward by schools under the Devolved School Management scheme (DSM). Council services had delivered an underspend position whilst delivering significant financial plan savings totalling £12.027m. A high level summary of the outturn position in each Service was detailed in the report. The Council's finances and operating model had continued to be affected by the COVID-19 recovery period during 2022/23. Unprecedented market conditions and inflationary pressures, pressures from pay award and staff recruitment and retention challenges had also continued to impact. Those financial challenges had resulted in a total draw down of £10.591m from the Recovery Fund during the year. During 2022/23 detailed revenue monitoring reports were reviewed by the Council Management Team (CMT) allowing proactive corporate management action to be taken during the year where required. In line with Financial Regulations quarterly monitoring reports were approved by the Executive Committee, authorising the necessary adjustments to the budget throughout the year. Most recent communications from Scottish Government indicated that pay negotiations required Councils to fund 3% pay increases for all staff groups for 2023/24 on a permanent basis. The Council budgeted for a 2% pay increase which had left a 1% gap. A 1% increase in pay for all staff groups would require around £1.8m additional funding. On that basis the £1.532m 2022/23 revenue underspend would be ring-fenced within the Council's General Fund balance as a contribution towards pay pressures in 2023/24. As previously reported, there were significantly more savings delivered permanently in 2022/23 when compared to 2021/22. The level of savings required by the financial plan totalled £12.027m in 2022/23. An analysis of delivery of savings was provided in Appendix 3 to the report. The outturn position showed that £8.934m (74%) savings were delivered permanently in line with approved plans with the remaining £3.093m (26%) delivered on a temporary basis through alternative savings. Members

welcomed the report, highlighted that the staff had done an excellent job at making savings on a yearly basis and stressed that it was prudent to ring fence financial resources to help meet the impact of pay negotiations. The importance of building future capacity within the region to avoid sending people, in particular children, on out of area placements as part of social work and practice services was raised. Regarding the learning disability underspend of £25k, Members highlighted that additional budget had been provided to the service throughout the year and that what had been listed as an underspend in fact represented a smaller overspend. In response to a question regarding a budget pressure of £505k identified in the Strategic Commissioning & Partnership service as part of increased service charges and mobile telephony costs, Mrs Douglas confirmed that the overspend was an additional cost experienced as part of licensing arrangements. The costs were incurred on the back of changes made as part of the transformation programme, and needed to be addressed through change. Regarding the likelihood of pay increases going beyond the additional 1% set aside, Mrs Douglas explained that discussions with the Scottish Government had given firm indications that Councils could budget for a 3% rise. The Director – People, Performance and Change explained that pay negotiations were ongoing, and that whilst there had been a move to balloting union membership on a settlement, agreement was not expected in the near future. Members expressed their hopes that they would be able to use future financial savings to help deliver better services to the communities of the Scottish Borders.

DECISION

AGREED:-

- (a) the content of the report and noted the favourable outturn position for 2022/23 prior to Statutory Audit;**
- (b) to approve the ring-fencing of £1.532m 2022/23 revenue underspend within the Council's General Fund balance to provide for 2023/24 pay pressures;**
- (c) to note the draft unaudited outturn position would inform the budgetary control process during 2023/24 and inform the financial planning process for future years; and**
- (d) to approve the sums earmarked under delegated authority by the Director, Finance and Corporate Governance as well as adjustments to previously approved earmarked balances as shown in Appendix 1 to the report.**

4. BALANCES AT 31 MARCH 2023

There had been circulated copies of a report by the Acting Chief Financial Officer which provided an analysis of the Council's balances as at 31 March 2023. The Council's General Fund useable reserve (non-earmarked) balance was £8.448m at the end of the financial year. The 2022/23 balances were before a series of technical accounting adjustments, the effect of which were expected to be broadly neutral. Adjustments required as a result of the Statutory Audit process would be reported at the conclusion of the Audit. The total of all useable balances, excluding developer contributions, at 31 March 2023 was £61.482m compared to £64.481m at 31 March 2022. Members thanked staff for their hard work preparing finance reports. In response to a question regarding the anticipated value of developer contributions, Mrs Douglas explained that Appendix 3 to the report set out the contributions and highlighted that the sub-total stood at £8.543m at 31 March 2023.

DECISION

NOTED:-

- (a) the revenue balances as at 31 March 2023 contained in Appendices 1 and 2 to the report, including movement in reserves since the last reporting period; and**

(b) the balance in the Capital Fund contained in Appendix 3 to the report.

5. CORPORATE DEBTS - WRITE-OFFS IN 2022/23

There had been circulated copies of a report by the Acting Chief Financial Officer which, as required by the Financial Regulations, detailed the aggregate amounts of debt written off during 2022/23 under delegated authority. The report covered the areas of Council Tax, Non-Domestic rates, Sundry Debtors, Housing Benefit Overpayments and aged debt from the balance sheet. The total value of write-offs increased from £0.39m in 2021/22 to £0.66m in 2022/23. There were ongoing risks associated with the management of the Council's debts, and those could lead to an increase in the level of debts that could be required to be written off as irrevocable in future years. Those had been identified in the report. The Council maintained an appropriate bad debt provision to help manage those risks. Mrs Douglas presented the report and highlighted that the Council only wrote debt off when specific circumstances arose. Members expressed frustration that the Council had to write off bad debts, provided assurance that debts were pursued where appropriate, and acknowledged that write offs could be compassionate in nature, in particular where they related to debtors who had deceased or faced financial hardship. Regarding issues related to accessing personal bankruptcy cases, the Director – Resilient Communities undertook to provide a briefing note for Members. In response to a question regarding whether there was alarm at the high number of write offs in cases of insolvency, the Director explained that the analysis provided in the report represented the work which had been undertaken by staff, and did not necessarily present an accurate picture of what had happened with businesses and people across the region. A wide range of support was present for businesses and individuals across the Scottish Borders, including the assistance offered by the South of Scotland Enterprise's through its Business Gateway, and Citizens Advice Bureaus respectively. Regarding whether it would be economical to insure the debts of the Council, Mrs Douglas explained that the Council's bad debt provision set aside financial resources to cover what was written off and to estimate what was required in future years.

DECISION

NOTED the debtor balances written off during 2022/23

6. PEEBLES SWIMMING POOL

With reference to paragraph 10 of the Minute of the Meeting held on 18 April 2023 there had been circulated copies of a report which provided a further update on the repair works to Peebles Swimming Pool. Members had requested that a report exploring alternative methods of funding the additional works be brought back to the Committee. Officers had examined the options and they were set out in the report. Reinstatement works had begun in January 2023 focused on repairs to the damaged roof, plant room, and the internal fabric of the main pool hall. During works, a number of other issues were identified which the Council were addressing alongside the reinstatement works. Works were due to be completed to enable reopening of the swimming pool for operation by Live Borders in July 2023. The Director – Infrastructure and Environment, Mr John Curry, presented the report and responded to Members questions. Members highlighted that a thorough lessons learned report needed to be produced. Mr Curry indicated that he hoped the report would be ready for the autumn, and that the report would take account of other due diligence of the Council and Live Borders estate which was going to be undertaken. In response to a question regarding whether it would be possible to extend the installation of solar panels to other similar facilities, Mr Curry explained that a number of energy efficiency improvement works were underway at four different locations, of which the Peebles swimming pool was one. Planning for works to improve energy consumption and renewable energy projects was being undertaken for future years. Mr Curry acknowledged that the report had stated there would be no impact on energy efficiency due to the roof works in error and confirmed that there would be an impact due to the solar panel installation. The primary repair to the roof was focused on reinstatement, and the insulation levels would not necessarily be improved. Mr Curry

undertook to investigate the expected kilowatt-hour production from the solar panels. In response to a question regarding references in the report to 2025/26, Mr Curry explained that the programme of works would finish in 2023, but financial resources from future blocks would be used to meet the cost of the works.

DECISION

AGREED to:-

- (a) approve the funding proposal to re-profile the Building Upgrade Block through acceleration from 2025/26 as detailed in the report; and**
- (b) note the progress made on reinstatement and refurbishment of Peebles Swimming Pool and completion and reopening in July 2023.**

MEMBER

Councillor Carol Hamilton left the meeting during the discussion below.

7. LOCAL HOUSING STRATEGY 2017-22 (23) SIX YEAR SUMMARY REPORT

There had been circulated copies of a report by the Director – Infrastructure and Environment which sought endorsement of the Annual progress Report, which set out achievements and progress in the delivery of the Local Housing Strategy (LHS) 2017-22(23) and approval to submit that to the Scottish Government More Homes Division. The Housing (Scotland) Act 2001 placed a statutory requirement on local authorities to develop a Local Housing Strategy, supported by an assessment of housing need and demand. That strategy set out the strategic direction for housing investment and service delivery in the Scottish Borders for 2017-22(23). The Council and its partners had made good progress since the LHS was formally approved in September 2017. Year six had seen some challenges as a result of the legacy of the Covid-19 pandemic, the war in Ukraine and the Cost of Living Crisis, however, activity during 2022/23 included the delivery of 146 affordable homes, the submission of an ambitious Strategic Housing Investment Plan, delivery of 220 energy efficiency measures underpinned by £1.8m in investment, delivering the Warm and Well Borders project, initiating development of the Local Heat and Energy Efficiency Strategy, progress related to empty homes, progress in delivery of the Rapid Re-Housing Transition Plan and 68 major adaptations completed in the private sector. The Principal Housing Officer, Ms Donna Bogdanovic, presented the report and explained that a number of key highlights had been drawn out of the full report as part of the summary. Members welcomed the progress which had been made in delivering affordable homes throughout the period, and stressed that even more needed to be done over the coming years. In response to a question regarding a pilot energy efficiency project which had previously been run in Peebles, Ms Bogdanovic explained that whilst the pilot had been successful and well received, no appropriate funding was available to offer future schemes or a repeat of the pilot. The Local Heat and Energy Efficiency Strategy (LHEES) was expected to drive future work in the area of energy efficiency. Ms Bogdanovic highlighted that there was a high degree of work related to energy efficiency and climate change being undertaken across the Council by dedicated officers. The importance of reducing stigma associated with affordable housing was stressed. In response to a question regarding what steps were taken to ensure that homes were built that did not require subsequently expensive alterations, and how the Registered Social Landlords ensured they had adequate housing stock, Ms Bogdanovic explained that her team worked closely with the RSLs to ensure that appropriate homes were built. Challenges remained in convincing the private sector to build wheelchair accessible standard homes. In response to a question regarding the proportion of homes rented in the private sector, Ms Bogdanovic explained that approximately 13% were private rented, 20% social rented and the remainder owner occupied. A Scottish Government consultation was expected later in the year on the requirement to maintain private rented homes to the same standard as the social rented sector. Where issues with private tenancies the Council's Private Sector Liaison and Enforcement Officer could assist landlords with guidance on bringing their property up to the required standard.

Regarding the level of collaboration between Planning and Housing, the Chief Planning Officer, Mr Ian Aikman, explained that both teams reported to him. Following the change in guidance enacted by the National Planning Framework 4, climate change, biodiversity and net zero were of the highest importance in the context of planning and housing moving forward. Mr Aikman undertook to prepare a Members Briefing regarding the perception of affordable homes, and explained that he expected that the Chief Executives of the appropriate RSLs would attend. It was highlighted that a briefing at the Anti-Poverty Members Reference Group on the subject would also be helpful.

**DECISION
AGREED to:**

- (a) note the progress made in delivering on the strategic actions as set out in the appended Annual Progress Report and Monitoring and Evaluation Matrix; and**
- (b) approve submission of the Annual progress Report and Matrix to the Scottish Government More Homes division.**

8. STRATEGIC HOUSING INVESTMENT PLAN PROGRESS FOR 2022/23

With reference to paragraph 2 of the Minute of the Meeting held on 4 October 2022 there had been circulated copies of a report by the Director – Infrastructure and Environment which advised of the affordable housing annual completions and progress made in the delivery of the Strategic Housing Investment Plan projects for the period 2022/23 and report on progress related to empty homes. The Strategic Housing Investment Plan (SHIP) was the sole document for targeting affordable housing investment in Scottish Borders. It was prepared and submitted to Scottish Government on an annual basis, and provided a rolling 5 year planning horizon of identified and prioritised affordable housing development intentions. Scottish Borders Council's SHIP 2023- 2028 received positive feedback from Scottish Government Officials. The report advised Members that for the financial period 2022-2023, 146 affordable homes were delivered. That exceeded the Council's Local Housing Strategy annual target of 128 new affordable homes. Of the 146 homes delivered, Registered Social Landlords delivered 120 additional homes through new building and conversion and an additional 13 via purchases of existing homes. Five homes were delivered through the Rural Housing Grant and 8 individual house purchases were assisted by Scottish Government's Open Market Shared Ownership scheme. That represented a 6 year average annual delivery of 174 affordable homes; 131 of which were 'new' supply. The report also provided some contextual commentary on empty homes activity and progress in 2022/23, including 36 homes brought back in to use. Members welcomed the report and stressed that excellent work had been delivered in extremely challenging times. Members highlighted the positive impact that the work of the Empty Homes Officer was having, and that with further investment and work even more homes could be brought back into habitation. In response to a question regarding the response to the letters which had been sent to the owners of empty homes, Ms Bogdanovic undertook to investigate with the Empty Homes Officer and to respond offline. Regarding the use of empty homes to help house Ukrainian refugees, Ms Bogdanovic explained that she was working closely with the Director of Social Work and Practice to assist with settlement, but that due to the level of disrepair inherent to empty homes, it was not financially viable to use them in the short term.

**DECISION
AGREED to:-**

- (a) endorse the progress made in the delivery of affordable housing in 2022/23; and**
- (b) note the progress made in addressing Empty Homes.**

DECLARATION OF INTEREST

Councillors L. Douglas, E. Thornton-Nicol and T. Weatherston declared an interest in the following item of business in terms of Section 5 of the Councillors Code of Conduct and left the Chamber during the discussion.

MEMBER

Councillor Mountford left the meeting prior to the item below.

9. SCOTTISH BORDERS COUNCIL LOCAL FESTIVAL GRANT SCHEME

There had been circulated copies of a report by the Director – Resilient Communities which sought approval for a review of the Local Festival Grant Scheme to consider future provision of the Scheme from 2024/25 onwards. 29 festivals across the Borders were provided with an annual grant to support insurance costs and public protection measures. To ensure the continuity of grants whilst the review was undertaken it was proposed that grants were issued as normal for 2023/24. The review would involve stakeholders of the Scheme to ensure the options presented were reflective of the needs of local communities. Members welcomed the report, highlighted that a review was overdue and that it was important that consideration was given to events which did not currently receive support. In response to a question regarding Other Spend in Appendix 2 to the report, the Director explained that the costs were wide and varied and agreed to provide a breakdown via email. Analysis would also be undertaken prior to the first meeting of the Working Group. It was hoped that the review would ensure that vital support could continue to be provided to support local festivals, whilst also ensuring appropriate attention was paid to transparency and proper governance.

DECISION

AGREED to:-

- (a) approve the review of the Local Festival Grant Scheme which would be carried out in advance of 2024/25 budget planning;**
- (b) approve the establishment of a short-life Member/Officer Working Group to undertake the review and report back to the Executive Committee. The Working Group would include an Elected Member from each of the five localities; and**
- (c) delegate authority to the Director - Resilient Communities to appoint the members of the Group in consultation with the relevant Executive portfolio holder.**

MEMBER

Councillors L. Douglas, E. Thornton-Nicol and T. Weatherston re-joined the meeting following the item above.

10. REVIEW OF SUPPORT TO COMMUNITY COUNCILS

There had been circulated copies of a report by the Director – Resilient Communities which proposed to mitigate against the effect of the increase seen in community council insurance premiums, payable by community councils, between 2021/22 and 2022/23 and commence a review of financial support to community councils. As of May 2023 there were community councils operational in 66 of the 69 community council areas across the Borders. The last review of funding and support in kind was undertaken in 2009. Since then the funding and in kind support had been enough to cover the cost of the core functions of community councils. However, the sharp rise in inflation had seen costs rise to a level that community councils were struggling to meet. The current budget commitment to support community councils was £80,696.94. This was held within the Resilient Communities and Infrastructure and Environment departments. The Director presented the report and responded to questions. In response to a question regarding delayed payment of grants, the Director – Resilient Communities, Ms Jenni Craig,

undertook to investigate with the relevant team whether any perceived delays had been due to SBC processing times. An analysis of Community Council Grants would form part of the review. Ms Craig confirmed that discussions regarding the provision of suitable premises for meetings, taking into account online or blended capacity, to community councils would also be part of the review. The Director confirmed that the Scottish Borders Community Councils' network was subject to the same conditions related to annual accounts and Minute keeping as individual community councils. In response to a question regarding inconsistent changes to insurance costs, Ms Craig explained that all insurance was provided under the Council's insurance through Zurich. The fact that some councils insurance costs had increased whilst others decreased was due to the type of activities and events organised by the respective council. Where larger events were held, a larger level of insurance cost could be expected. It was confirmed that employers' liability insurance was in place at the request of 5 Community Councils because they had hired people to provide expertise or undertake other work. Ms Craig confirmed that where volunteers carried out work, such as planting flowers, on behalf of a community council they would be covered by the appropriate insurance. Members unanimously agreed to the formation of a Member/Officer Working Group to steer the review. It was emphasised that it was important that the review considered the empowerment and role of community councils, and the role of Elected Members in the context of community councils.

DECISION

AGREED:-

- (a) that a review of financial support to community councils was undertaken and agreed changes fed in to the budget setting process for 2024/25;**
- (b) that the difference in cost of the additional annual insurance premiums, payable by community councils, between 2021/22 and 2022/23 was covered by SBC on a one off basis;**
- (c) that support provided to the Community Council Network was also considered as part of the review;**
- (d) to approve the establishment of a short-life Member/Officer Working Group to undertake the review and report back to the Executive Committee. The Working Group would include an Elected Member from each of the five localities; and**
- (e) to delegate authority to the Director - Resilient Communities to appoint the members of the Group in consultation with relevant Executive portfolio holder.**

11. SCOTTISH BORDERS COUNCIL'S QUARTER 4 AND ANNUAL 2022/23 PERFORMANCE INFORMATION

With reference to paragraph 5 of the Minute of the Meeting held on 14 March 2023 there had been circulated copies of a report by the Director – People, Performance and Change which presented a summary of Scottish Borders Council's Quarter 4 and Annual 2023/23 performance information. The information contained in the report would be made available on the SBC website. The Director – People, Performance and Change, Ms Clare Hepburn, presented the report and highlighted that further work had gone into developing the infographics presented alongside the report. Members thanked Council staff for their work and highlighted that the graphics were easier to read and understand. In response to a question regarding super-fast broadband, Ms Hepburn undertook to investigate whether that referred to broadband to the property or the cabinet. Regarding reference in the infographics to the 2012 Respectful Relationships Policy being updated and the Respectful Relationship and Anti-Bullying Policy 2023 being in final draft, Ms Hepburn explained that due to production deadlines it had not been possible to amend the infographics prior to publication. The covering report had explained that the Policy

had been completed and agreed. In response to a question regarding the school attendance rate being below the rate pre-Covid, and its impact on attainment, the Director of Education and Lifelong Learning acknowledged the correlation between attendance and attainment and explained that attendance was above target at 93%. Schools were attempting to maximise attendance, and had accessed pupil equity funding to employ attendance officers and improve levels of attendance. In response to a question regarding whether it would be possible to explain in the Community Action Team report that some major incidents could result in figures being lower than previous reports, Ms Hepburn explained that reporting had previously been done for events such as the funeral of the Queen and undertook to investigate whether a more effective way of capturing key data for the report could be established.

**DECISION
AGREED to:**

- (a) **note the Quarter 4 2022/23 Council Plan Key Milestones and Performance Indicators Report in Appendix 1 to the report;**
- (b) **note the Quarter 4 2022/23 Community Action Team Performance Report in Appendix 2 to the report; and**
- (c) **note the Annual 2022/23 Performance Report in Appendix 3 to the report.**

12. COUNCIL HEADQUARTERS RE-PROVISIONING WORKING GROUP

Councillor Jardine, seconded by Councillor Scott Hamilton, proposed that Councillors David Parker, Watson McAteer, Drummond Begg, Elaine Thornton-Nicol, Euan Jardine, Simon Mountford, Mark Rowley and Leigh Douglas be appointed to the Council Headquarters Re-Provisioning Working Group. The proposal was unanimously approved.

DECISION

AGREED to appoint Councillors David Parker, Watson McAteer, Drummond Begg, Elaine Thornton-Nicol, Euan Jardine, Simon Mountford, Mark Rowley and Leigh Douglas to the Council Headquarters Re-Provisioning Working Group.

13. ITEMS LIKELY TO BE TAKEN IN PRIVATE

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

SUMMARY OF PRIVATE BUSINESS

14. MINUTE

The Private Section of the Minute of the meeting held on 16 May 2023 was approved for signature by the Chairman.

The meeting concluded at 12.50 pm

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SCOTTISH BORDERS COUNCIL
EDUCATION SUB-COMMITTEE

MINUTE of MEETING of the EDUCATION SUB-COMMITTEE held in Council Chamber and via Microsoft Teams on Thursday, 10 November 2022 at 10:00am

Present: - Councillors L. Douglas (Chair), J. Greenwell, C. Hamilton, A. Orr, N. Richards, E. Robson, S. Scott, F. Sinclair; A. Hood, M. Docherty (Religious Representatives); N. York, C. Clements, (Teacher Representatives); B. Birchall, G. Scott (Pupil Representatives),
Apologies:- Councillor A. Smart.
In Attendance: - Director of Education and Lifelong Learning, Equity and Inclusion Lead Officer, Senior Lead Officers – Education (C. Brown and C. Robertson), Clerk to the Council, Trainee Democratic Services Officer.

1. **ORDER OF BUSINESS**

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

2. **WELCOME**

The Chair welcomed everyone to the meeting, which included members of the Sub-Committee and those watching via the Live Stream, and outlined how the meeting would be conducted.

3. **EDUCATION BACKGROUND BRIEFING**

The Director of Education and Lifelong Learning gave a presentation covering the following areas:

- Fulfilling our potential
- Priorities
- Education provision
- Organisational structure
- Legislation
- Policies and framework and measures
- SBC response to national agenda

The Chair thanked the Director for the presentation and praised the hard work of the teams in Education. In response to a question regarding digital transformation and the impact this had had so far on closing the Attainment Gap, the Director advised that, although there was as yet no data driven explicit link, the rollout of digital learning had had a positive impact on engagement and skill levels and had provided a level playing field for all learners. It was noted that where there were identified issues with Wi-Fi connectivity in schools, work was currently underway to address this. Any specific issues with wi-fi, pupils leaving iPads at home or not charging them, needed to be reported to the Head teacher and the Director.

DECISION

NOTED the update

4. **ATTAINMENT RESULTS 2021/22**

- 4.1 There had been circulated copies of a report by the Director of Education and Lifelong Learning, the purpose of which was to inform the Education Sub Committee of the progress schools were making in the Broad General Education for P1 to P7 and Senior Phase S4–6 Scottish Qualifications Examinations for session 2021-22. The report explained that the 2020/21 pandemic had contributed to a reduction in the number of primary pupils achieving the expected levels in literacy and numeracy; however pupils in the Scottish Borders were achieving around

the national average. Data from 2021/22 showed an increase of between 1.4 and 2.3 percentage points on the previous year had been achieved in all elements of P1, P4, P7 literacy and numeracy.

- 4.2 For the Senior Phase, pupils had sat 13,000 exams across the Borders in May 2022, which remained in line with the previous years. Overall pass rates for S4-6 learners also remained in line with 2019. Of the 1318 appeals submitted, 366 had resulted in upgrades and 1 downgrade. This year, entries onto Foundation Apprenticeship courses were the highest ever for Borders young people. Scottish Borders remained in line with other comparators with 95.49% of young people achieving a positive and sustained destination for session 2020-21. A number of next steps for both the Education Service and Schools were listed.
- 4.3 In response to a number of questions, it was confirmed that with regard to adult learners, there was some family learning in Primary/High Schools which linked into adult literacy and numeracy. Some adult learners did attend schools and a specific response on this would be sought from the Community Learning and Development team. In terms of results trends, a close eye was kept on these to see what changes/interventions were required. However, teachers were striving to support all young people to reach their potential no matter what that level was, whether academic or vocational.

DECISION

AGREED to note progress that schools had made in maintaining standards of attainment in the Broad General Education and Senior Phase in terms of attainment and the identified areas for improvement since the pandemic.

5. **STANDARDS AND QUALITY REPORT 2021/22 AND IMPROVEMENT PLAN 2022/23**

There had been circulated copies of a report by the Director of Education and Lifelong Learning, the purpose of which was to inform the Education Sub Committee of the progress made by the Education Service and schools during 2021-22 and to note the improvement priorities for session 2022-23. The 2021/22 Standards and Quality Report provided a high level summary of the performance of schools in line with the Education Service Improvement Plan and acknowledged the ongoing challenges faced by schools as a result of COVID-19. It also highlighted a number of successes and achievements across all sectors. The Improvement Plan provided a statement of objectives for academic session 2022-23 (Appendix B). This Plan had a strong focus on raising attainment for all and accelerating progress in closing the poverty related attainment gap. There were 3 key aims: everyone was attaining, everyone was achieving and everyone was having a good experience. The inclusion of Inspire Learning as a key driver for improvement in schools was noted, along with the #oneteam approach being used to drive attainment. While it was a statutory duty to submit the Improvement Plan to Scottish Government, no feedback had been received on this to date, although the Plan was shared with the local team. In response to questions, it was advised that for those pupils – including refugees – where English was not their first language, good results had been achieved. With regard to new guidance issued to Head Teachers on Inclusion, it was explained that this related to the practical application of the existing policy, and was in response to national concern regarding distress in children, likely as a result of Covid and the changes to the delivery of schooling over the previous two years. The importance of providing a hybrid model of reliable digital and face to face learning was discussed. The rural location of pupils and the availability of courses posed challenges in accessing a broad range of subjects. Digital learning helped pupils to access courses provided at other schools while in-person lessons were still needed for some subjects. The difficulty in recruiting teachers for maths/physics was a national issue and the Department was taking positive steps to “grow our own” with the University of the Highlands and Islands.

DECISION

AGREED to approve the ‘Standards & Quality Report 2021-22’ and the ‘Education Improvement Plan 2022-23’.

6. **EQUITY STRATEGY, CLOSING THE GAP**

There had been circulated copies of a report by the Director of Education and Lifelong Learning, the purpose of which was to inform the Education Sub Committee of the development of the Education Equity Strategy 2021 - 2026. The Education Equity Strategy was developed in session 2021-22 with the vision of increasing excellence, accelerating progress and embedding equity in schools to reduce the poverty related attainment gap and improve outcomes for care experienced children and young people. The Strategy set out the short, medium and long term outcomes and roles and responsibilities of education staff and partners to improve outcomes for children and young people impacted by poverty. Following the refresh of the Scottish Attainment Challenge in March 2022, local authorities were required to submit stretch aims which were shared annually with the Scottish Government as part of statutory plans and reports. Scottish Borders Council's stretch aims were included in the Education Improvement Plan 2022-23. Funding was received in the form of annual government grants through the Attainment Scotland Fund each financial year until end of year 2025-26; Pupil Equity Funding, Care Experienced Children and Young People Funding and Strategic Equity Funding. The Chair thanked the team for their excellent work. There followed a brief discussion on the frequent use of acronyms and an agreement that a glossary would be produced in future and the Strategy reviewed before publication. The Attainment Fund was specifically linked to deprivation and could not be used elsewhere. In response to a comment on the effect of the cost of living crisis on household energy bills, it was confirmed that advice around the cost of charging iPads and conserving battery life had been sent to parents and that charging hubs were available on campus throughout the school day.

DECISION

AGREED:-

- (a) to approve the Education Equity Strategy; and**
- (b) to include a glossary of acronyms with future reports.**

MEMBER

Councillor Hamilton left the meeting.

7. HEALTH AND WELLBEING SURVEY RESULTS

There had been circulated copies of a report by the Director of Education and Lifelong Learning, the purpose of which was to inform the Education Sub Committee details of the Scottish Borders Health and Wellbeing Census Data Reports for 2022 and the Executive Summary. The Health and Wellbeing Census was carried out in March 2022 by all schools (P5-S6). This was a census directed by Scottish Government and undertaken by 16 of the 32 Local Authorities. Four key areas were identified: Bullying; Caring Responsibilities; Body Image and Loneliness, Stress and Worry. Following consultation with both Elected Members and parents, it had been agreed to remove the sexual health and relationships questions before issuing to our children and young people. Scottish Government had planned to publish the national level analysis in December 2022, however national level statistics would now be published in February 2023. Following the census it was noted that March was not the ideal time in the academic year in which to conduct the survey; November was proposed for any subsequent census and that it should be conducted on a bi-annual basis. In response to questions, it was confirmed that a multi-agency group which included young people was looking at bullying to refresh the policy "Respectful Relationships". The Director confirmed that it was important that incidents of bullying were reported to establish their extent, where they were happening, in what age groups, and what form they took, so negative experiences could be targeted and lessened. Further work was also underway on body image in tandem with Fife Council which already had done some work in this area. In terms of the removal of the sexual health questions, the Director explained that the level of concern expressed by parents on the explicit nature of some of the questions, given the age range of pupils answering and holding the information anonymously, was strong enough that the previous Council had agreed not to ask these questions. Further work would be carried out on the future sourcing and gathering of sexual health data e.g. using national data, the type of support provided by the School Nurse Service, information from Health, etc. Young people's views would also be sought on future questionnaires' contents.

DECISION

AGREED:-

- (a) to note that national level statistics would be published in February 2023, which would allow comparison of Scottish Borders data with other Local Authorities and national information;
- (b) the Health and Wellbeing Census would be undertaken on a bi-annual basis, allowing us to track improvement overtime, using the 2022 Census as a baseline; and
- (c) to change the time of year the census was carried out in future from March to November, making this easier for schools to undertake.

8. **FUTURE AGENDA ITEMS**

The Chair provided a brief explanation of how the Education Sub-Committee was formed and its remit, which combined the education functions from the Executive Committee and those of the Education Performance Sub-Committee, which had now been disbanded. This had been agreed at Scottish Borders Council's meeting held on 25 August 2022.

9. **DATES OF FUTURE MEETINGS**

The Sub-Committee noted the next two meetings would be held on Thursday 2 March 2023 and Thursday 18 May 2023.

Meeting concluded at 12 noon.

SCOTTISH BORDERS COUNCIL
EDUCATION SUB-COMMITTEE

MINUTE of MEETING of the EDUCATION SUB-COMMITTEE held in Council Chamber and via Microsoft Teams on Thursday, 2 March 2023 at 10:00am

Present: - Councillors L. Douglas (Chair), J. Greenwell, C. Hamilton, A. Orr, N. Richards, E. Robson, S. Scott, F. Sinclair; A. Hood, M. Docherty (Religious Representatives); N. York, C. Clements, (Teacher Representatives); B. Birchall, G. Scott (Pupil Representatives),

Apologies:- Councillor A. Smart.

In Attendance: - Director of Education and Lifelong Learning, Chief Education Officer, Senior Lead Officer – Education (C. Robertson), Democratic Services Officer (F. Henderson).

1. **WELCOME**

The Chair welcomed everyone to the meeting, which included members of the Sub-Committee and those watching via the Live Stream, and outlined how the meeting would be conducted.

BERWICKSHIRE HIGH SCHOOL

In Attendance:- Mr Bruce Robertson (Headteacher), Christian Robertson (Quality Improvement Officer) and Councillor Moffat.

3.0 The Chairman welcomed the representatives from Berwickshire High School.

3.1 **HMIE report**

With reference to paragraph 2 of the Minute of 3 March 2022, there had been circulated copies of a report on His Majesty's Inspector of Education (HMIE) Reports for Berwickshire High School and the continuous scrutiny and support provided by the Quality Improvement Team within Scottish Borders Council. The report explained that Initial inspection of Berwickshire High School by His Majesty's Inspectorate of Education (HMIE) in March 2019 noted significant concerns in a number of areas, including leadership, safeguarding, learning and teaching, wellbeing and attainment with areas noted for immediate action. A Follow-up visit by HMIE in November 2021 reported significant improvement under the leadership and direction of the new Headteacher and confirmed that HMIE would not undertake a further visit, but would ask the Local Authority to review and Report on continued progress. After a period of monitoring and support by the Quality Improvement Team, a review took place in November 2022 to validate progress made and to report back to HMIE and Education Scotland. The Team recognised significant additional progress and improvement made by the Headteacher and staff over the previous 12 months, whilst monitored the progress of Berwickshire High School following the visit by Her Majesty's Inspectors of Education (HMI) in November 2021. This had included regular visits to the school by members of the Quality Improvement team, an in-depth Attainment Analysis meeting following the publication of 2022 attainment data, and a formal Review Visit in November 2022. During that visit, the team talked to children and young people, members of the middle and senior leadership teams, teaching and support staff, parents and observed children and young people in their learning.

3.2 Mr Robertson explained that in terms of leadership, there had been a continued focus over the past 12 months, to develop leadership at all levels. This had included establishing a new mission statement of the school – 'Aim for Best' – in consultation with key stakeholders and

this was helping to create a shared sense of community, purpose and ambition. There was a coherent approach to school improvement with a clear improvement cycle to evaluate progress. A strategic focus on leadership capacity development, with a particular focus on the middle leadership team, was having a very positive impact across the school. For example, middle leaders were now leading programmes of professional learning workshops for teachers, and were playing an enhanced role in the planning of a newly introduced Supported Self-Evaluation Programme, with follow-up coaching. There was clear alignment between the school and faculty improvement plans. Communication at all levels had improved significantly, with a regular pattern of leadership team meetings, and systems to share key messages with staff, which was having a positive impact on staff, who felt valued and supported to participate in collaborative improvement. As well as meeting on a weekly one-to-one basis with middle leaders, members of the Senior Leadership Team (SLT) meet weekly with focus groups of young people, on a rotation, to ensure the voice of all young people was heard. These ensure pupil voice was at the heart of school improvement. The student Head Team attend weekly SLT strategic meetings and the Student Council was also playing an important role. Further opportunities had been created to promote leadership at all levels and included three newly established Assistant Head of Year positions with a pastoral focus, a digital learning lead, and a support staff member co-leading Beekeeping in senior phase curriculum. Individual staff members had volunteered to take on additional leadership responsibilities, including leading the Student Council, the Equity and Diversity Group, and mentoring Newly Qualified Teachers (NQTs).

- 3.3 In terms of creating a calm, safe and purposeful learning environment conducive to high quality learning, the learning environment within Berwickshire High School was calm and safe. The updated vision, values and aims set clear expectations and identify respect and safety explicitly. There were clear procedures in place for moving around the school, which were adhered to consistently across the school. There were also clear systems and procedures in place to help ensure high standards of behaviour across the school. Young people demonstrate polite behaviours in corridors and are well behaved and courteous in classes. Professional learning initiatives, such as weekly reading and discussion groups focusing on teaching positive behaviour, were having a tangible impact across the school. Most young people report they feel safe in school and feel their views are listened to. A renewed assemblies programme, focusing on school values, was having a positive impact on culture. Staff report that they feel valued as members of the school community and that Berwickshire High School was a rewarding place to work.
- 3.4 In terms of all staff developing an agreed shared understanding of what high quality learning looked like, Improving learning and teaching across the whole school was now the core business of all teachers. This was evidenced in the high quality professional learning, which was on offer for all staff, the rich professional dialogue around pedagogy and the significantly improved experiences in the classroom for young people. There was a shared understanding of 'what excellent looked like' and all staff were encouraged and supported to deliver their best for the young people. The Principal Teacher of Pedagogy maintained a high profile and there was clear evidence of his impact across the school. A plethora of opportunities were available for all teachers to improve their pedagogy, including: professional reading groups, YouTube bite size tutorials, staff-led workshops, peer review programmes, and coaching sessions. Digital Technology had a very high and growing profile in all aspects of the school and its work. Young People were able to articulate how they learned and used the language of learning with confidence. A shared understanding of lesson structure had been developed through the use of a Lesson Evaluation Toolkit, which was used consistently by almost all teachers. An inaugural Pedagogy Conference was held in November 2022, showcasing the school's journey of improvement in learning, teaching and assessment.
- 3.5 In terms of staff developing curriculum pathways, as already agreed, at all stages, including with partners, to promote challenge, provide more flexibility for learners and meet their needs and aspirations. The curriculum was now providing a wider range of pathways and experiences for young people. The addition of NPAs and new National courses was better meeting the needs of the learners and included Drama, Citizenship, Beekeeping, Criminology, Politics and Classics. Plans were well underway to introduce additional courses, including:

Dance (level 5), Media (level 5), Exercise & Fitness (level 6), Applications of Maths (level 6) and Refereeing (level 7). The S3 curriculum had been revised and improved, with a renewed focus on clear learning pathways and relevance to both the senior phase, and skills for life and work. There had been implementation of improved 1 + 2 languages model, in collaboration with Education Scotland. In consultation with key stakeholders, there had been a redesign of options in senior phase to support personalisation and choice (this included the flexibility to choose from a suite of 'long' and 'short' short level 4 and 5 courses). The development of broader range of level 5 courses supported the drive for higher levels of attainment for all students, allowed students to engage in new learning pathways, and to develop vocational skills. Expanded partnership working was supporting the newly designed curriculum and included a new partnership with Marchmont House and new curriculum enhancement opportunities, such as the Duke of Edinburgh Award and Youth Philanthropy Initiative (YPI). The work of the Developing the Young Workforce (DYW) lead was having a very positive impact on the use of employability partners to support the delivery of the curriculum and included strengthened links with college and local businesses and tracking positive destinations. As a result, the contribution of local partners, including Community Learning and Development, in curriculum delivery was much stronger. There was also improved collaborative curriculum design across the cluster, with a particular focus on literacy, numeracy, languages and sciences. While this work was in an early phase, it had the potential to significantly improve the learning experience for all young people.

- 3.6 In terms of Wellbeing, the school continued to make strong progress in this area and had worked in partnership with Education Scotland to develop and implement a strategic plan, focusing on wellbeing and inclusion. As a result, the school now offered a calm, safe learning environment. Standards of behaviour across the school were high, with a strong focus on student leadership and student voice which was having a very positive impact on ethos. Success was widely celebrated, included through assemblies, House competitions and Praise Postcards. There was improved tracking and communication of this, including with staff and parents. The improved health and wellbeing curriculum was having a positive impact on student's understanding of wellbeing indicators, including how they can take responsibility for their own wellbeing. Wellbeing indicators were tracked using MS Forms, with data analysed and presented at weekly Berwickshire Intervention Group (BIG) meetings. This allowed pastoral staff to review, plan and intervene, to support students in a timely manner. Communication with wider staff had also improved significantly.
- 3.7 In terms of all Staff working to raise standards of attainment and provide wider opportunities for achievement to improve outcomes for young people, there had been considerable improvement in this area, with particular gains in S4 and S6. These had come about as a result of senior leaders taking a rigorous, strategic approach to planning for improvement in the attainment and achievement for all young people. Approaches to data gathering and interventions planning had been reviewed and provided robust and reliable evidence for improvement. There was annual Insight training for all staff and there had been development of an improved whole-school tracking system. Young people were attaining more qualifications at SCQF levels 4-6 and were attaining well in literacy and numeracy. Analysis and discussion of tracking data with class teachers and faculty leaders was much stronger. Every faculty had a clear plan for raising attainment at faculty level and plans were discussed and reviewed with the Senior Leadership Team each term and there was improved sharing of attainment data with pastoral staff. A newly appointed Principal Teacher of Raising Attainment and Curriculum Enhancement was focusing on raising attainment for the lowest attainment students in S4-6. The school continued to develop its positive relationship with Borders College, which were allowing students to attain more widely. There was improved summative and formative assessment across all year groups and systems to track and celebrate wider achievement were having a positive impact.
- 3.8 In Summary, Mr Robertson stated that the School would continue to consolidate and inbed improvement initiatives and work closely with the Local Authority who was supporting them.

Neil Bennett, Chair of Berwickshire High School, although unable to attend had submitted a short statement in which he expressed what a privilege it had been to be part of the School's Journey in the past few years – the achievements were particularly tangible and there had been a culture change and the solid foundations were leading to improvements in attainment – he was particularly excited about the growing curriculum being offered. He extended his congratulations to Senior Managers, Staff, Pupils and the wider community on achieving this during a global pandemic.

- 3.9 Christian Robertson, Senior Lead Officer highlighted how immensely proud she was of the journey undertaken by Berwickshire High School and the significant progress made – there had been a relentless focus on attainment, which was clear, controlled and continuous. The investment in all staff had improved morale and the quality of teaching.

DECISION

AGREED to approve the Local Authority and Education Scotland's recommendation that Berwickshire High School be fully signed off following an intensive period of improvement.

4.0 **HAWICK HGH SCHOOL**

In Attendance:- Ms Lisa Scott (Acting Headteacher), Catherine Thomson (Quality Improvement Officer) and Councillors Ramage and Richards.

WELCOME

- 4.1 The Chairman welcomed the representatives from Hawick High School.

4.2 **HMIE Report**

With reference to paragraph 3 of the Minute of the Education Performance Sub- Committee held on 3 March 2022, there had been circulated copies of a report which explained that Hawick High School had initially been inspected in January 2020, a follow up support visit in January 2022 to report on the progress made had resulted in sign off to the local authority in 2022. The visit by HMIE to Hawick High school noted significant improvements in all areas, with the second Report being published on 8 February 2022. Scottish Borders Council had monitored progress and a formal review visit was held in January 2023. A team of Officers from Scottish Borders Council visited the school to validate the improvements made and to quality assure the progress made over the past 12 months. The team met with staff, business partners and young people, observed lessons and reviewed all aspects of the schools progress with the initial recommendations of the HMIE Report in 2020. In February 2023, the Chief Officer, the Quality Improvement Manager and the Headteacher met with the Head of Scrutiny for HMIE to give their report. Following a lengthy professional discussion, HMIE endorsed the Local Authority's report and agreed to a final sign off from HMIE. The areas of improvement had been identified as a) A clear strategic overview was now needed of the range of work taking forward improvements. Staff should continue to work collaboratively to progress a more joined-up approach with clear timescales for activities and an appropriate pace of change; b) Building on existing effective practice and enthusiasm of staff to continue to improve the quality of learning, teaching and assessment across the school; c) All staff need to recognise their role in providing support for all young people. Staff should continue to develop approaches to supporting all young people, including those who are facing significant challenges in their lives, to attain and achieve. This should lead to all young people feeling welcome, valued and included in the life of the school and d) Further work is needed to improve the curriculum so that young people can make better progress in their learning; e) Improve the attainment of young people. Work is needed to ensure that more young people leave Hawick High School with appropriate qualifications.

- 4.3 Miss Scott explained that over the past 12 months there had been a continued focus on the development of leadership at all levels and a coherent approach to school improvement. There was a clear measurable planning cycle, alignment of the SIP/FIP and the work of Improvement Teams. Middle Leaders were more strategic in their approach to school improvement and pupil voice was at the heart of the school improvement and the Student Forum beginning to play an important role. Extended leadership opportunities to promote

leadership at all levels continued with the appointment of a new Posts and Development Officer role. In terms of building on existing effective practice and enthusiasm of staff to continue to improve the quality of learning, teaching and assessment across the school, there continued to be considerable improvements in this area with high quality professional learning offered for all staff. Professional dialogue around pedagogy and improved experiences in the classroom for young people and a Shared understanding of 'what excellent looks like' and all staff were developing their pedagogy using a clear cycle for learning based on the redefined Lesson Evaluation Framework. The LEF gave a structured approach to lessons and sets out the school expectations. Formative assessment strategies were a more prominent feature of lessons and this was supporting learners to understand where they were in their learning and what they needed to do to improve. The use of IEP (student passport) with regular planned reviews of extracted students with staff/parents and agencies ensured that young people were receiving the appropriate support. Weekly House meetings were strategically structured and robust procedures for attendance and lateness. Pastoral Support ANAs had daily focus and identified patterns of concern and initiated supports as required. The focus on the student voice through the Student Forum continued to be developed. HWB/Nurture surveys completed with action points identified and addressed by the Nurture Improvement team and feedback shared with student forum.

- 4.4 In terms of improving the curriculum so that young people can make better progress in their learning, the curriculum continued to provide a growing range of pathways and experiences for young people through the addition of NPAs and new National courses. The DYW Improvement Team had been working to embed the employability skills and establish sustainable employer links with the local community and the Employer partnerships continued to support and develop curriculum innovation. Vocational pathways offered in most subject areas had strengthened the curriculum offer, and young people leave to a sustained and positive destination. There was a relentless focus on Post 16 destinations with partners to ensure that every young person was supported into a positive destination. A Strategic group established to move beyond the 14+ Group, identifying emerging trends and provide a service for young people in Hawick that was tailored specifically to the young people in the school and supporting the most vulnerable Quintile 1 learners. This included CLD, SDS and DYW Borders in its membership. The creation of a temporary Curriculum and Partnerships Development Officer post would ensure that a vocational program was in place for session 2023/24 so every young person had experienced work based learning including a textile based vocational programme that would offer students the ability to work with local employers on a regular basis and gain certification. This pathway followed on from the continuing Textile based Projects in collaboration with Johnstone's of Elgin to deliver in the BGE. Attainment of young people in the senior phase had significantly improved and Young people were achieving more qualifications at Scottish Credit and Qualifications Framework (SCQF) level 4 – SCQF level 6. Young people in the senior phase were also attaining well in literacy and numeracy. The performance of young people living in Quintile 1 continued to improve across all indicators and a High number of young people leave HHS into a positive destination. The Headteacher highlighted and acknowledged the hard work and dedication of the staff, young people and parents of Hawick High School which had led to the significant improvements in attainment. The outstanding achievement for the school was testament to the leadership of the now retired head teacher Vicky Porteous. The school continued to strive to be the best it can be on its journey to excellence.
- 4.5 Jonathan Short, Chair of Hawick High School, although unable to attend had submitted a short statement in which he congratulated the pupils and staff at Hawick High School for their commitment to improvement over the past 4 years and expressed his delight that this had been recognised in the report. Young people felt welcomed into the school and felt safe and supported and enjoyed more positive relationships with Teachers. The re-introduction of an Evening of Celebration had been welcomed and it had also been noted that the Senior Phase was achieving more qualifications and leavers with positive destinations was at its highest in five years.
- 4.6 Mrs Thomson, QIO explained that she had been involved with the school for a number of years and had witnessed first hand the progress made by the school. The School remained

ambitious and there was collaboration with the wider community to take full advantage of working with Local Employers.

- 4.7 In response to a question about discipline within the school and why some pupils were still reporting that they felt unsafe, Ms Scott explained that those pupils reporting that they did not feel safe had been followed up on an individual basis to explore what needed to change and this was an ongoing process. Mrs Munro explained that across Scotland and the Scottish Borders there had been a knock on effect on behaviour from COVID and some young people were experiencing higher levels of anxiety, although very confident in the actions being taken to mitigate these trends. Elected Members congratulated Ms Scott on her presentation given she had been Acting Headteacher for such a short period of time and expressed the wish to attend Hawick High School and work with the School and Ms Scott extended an invitation to all Elected Members to come along to the School and see what they were working on.

DECISION

AGREED to approve the Local Authority and Education Scotland's recommendation that Hawick High School be fully signed off following an intensive period of improvement.

5.0 **GLENDINNING TERRACE PRIMARY SCHOOL**

In Attendance:- Ms Nicki McCall (Headteacher), Gillian McKenzie (Quality Improvement Officer), and Councillors Jardine and MacKinnon

WELCOME

- 5.1 The Chairman welcomed the representatives from Glendinning Terrace Primary School.

5.2 **HMIE Report**

There had been circulated copies of a report which explained that Glendinning Terrace Primary School and Nursey was inspected in October 2022, using a 'short' inspection model, which meant that only two quality indicators were inspected in both the Early Learning and Childcare setting and the Primary School over a three day period. The HMIE Report evaluated the Early Years setting and the Primary provision as satisfactory across all quality indicators. The evaluation gradings ranged from unsatisfactory to excellent, so a grading of satisfactory indicated a basic level of provision. As a result, the school had been asked to prepare a focussed plan for improvement with a particular emphasis on addressing areas highlighted for improvement. The inspection team found the following strengths in the school's work: a) Relationships between nursery practitioners, school staff, children, and those in the school community; b) Children's broader achievements and successes in various events, which enables them to develop various skills and become responsible and caring individuals who make a significant contribution in their community; c) The approaches Teachers and staff are taking to improve children's attainment in reading, which are making a difference to children's progress at the primary stages and d) The Headteacher's and Early Years Officer's impact on leadership of and direction of school and nursery improvement.

- 5.3 The following areas for improvement were identified a) continue to build on current approaches for improving how children's progress was assessed, planned and tracked in the nursery to help ensure they achieve; b) ensure that all children's needs were met through experiences and activities which provide appropriate pace and challenge and further their learning; c) improve further children's attainment, particularly in numeracy and mathematics and d) Take forward plans to involve children more in making decisions about school life and involve parents more in their children's learning.

- 5.4 The Headteacher explained that the short inspection had been in expected for sometime as they had initially been notified in in 2020. The inspection had been a very positive process and had validated where the School thought they were and identified next steps for improvement. The School had been very pleased that the relationships between nursery practitioners, school staff, children, and those in the school community had been acknowledged as well as the children's broader achievements and successes celebrated at various events. The School had been particularly pleased to receive recognition of the approaches Teachers and staff were taking to improve children's attainment in reading, which

were making a difference to children's progress at the primary stages as this had been on the development plan for 2 years and had been identified as a COVID gap and the Headteacher's and Early Years Officer's impact on leadership of and direction of school and nursery improvement. The Headteacher went on to explain the four key aspects for improvement which had been identified and validated for moving forward. The current improvement plan encapsulated the first key point in terms of assessing and tracking progress in the Nursery and the School and were specifically looking at developing a quality environment and looking at planning for progression and taking part in a series of literacy and numeracy and environmental audits to ensure that the School were consistently offering an enriched learning environment at the point of entry. All practitioners were engaged in looking at assessment tools more robustly and informing professional judgements on Nursery pupil progress. It had been acknowledged that the main challenge in the Nursery had been the constant change of staff over the previous three years. All staff had been engaged since the Inspection on building knowledge around key documentation work, which had been reviewed, changed and already trialled in the nursery – moderating of standards to build consistency. It was further explained that there was cluster work around numeracy and the school were working with 'Complete Maths' on diagnostic and individual improvement pathways. Planning and lesson delivery would be reviewed across composite classes. Methods of delivery and barriers to learning would be examined and there would be a measured approach until June. Decisions about involving Parents in their children's learning were underway i.e. introduction of Stay and Play to help strengthen the partnership between Home and School, Learning workshops with Parents and 'Show Me' an online learning journal, there would also be opportunities to listen to children and tracking their skills. The Parent Council was very strong and always supportive and work would be undertaken to review and align it with a pupil equivalent.

- 5.5 The Quality Improvement Officer highlighted that the Headteacher had carried out an in-depth analyse and pulled together all conversations during the inspection and this was an example of how a positive inspection worked. There would be worked undertaken to link all the points highlighted in the improvement. The school had demonstrated that they knew exactly where they were and had identified their short term, medium term and long term goals.

DECISION

AGREED that:-

- (a) School Improvement Plan for Glendinning Terrace Primary School which addressed areas for improvement as outlined in the HMIE Inspection Report (January 2023); and**
- (b) Quality Improvement Team's plan for support and showcasing of the work of Glendinning Terrace Primary School following a strong inspection.**

MEMBERS

Councillors Greenwell and Hamilton and Ms N York left the meeting prior to consideration of the following item.

6.0 FOUNTAINHALL PRIMARY SCHOOL

In Attendance:- Ms S. Anderson (Headteacher), Kathleen Lofthouse (Parent Council Representative), Gillian McKenzie (Quality Improvement Officer) and Councillor N. MacKinnon.

- 6.1 The Chairman welcomed the representatives from Fountainhall Primary School.

6.2 HMIE Report

There had been circulated copies of a report which explained that Fountainhall Primary School was inspected in November 2022 using a 'full' inspection model, which meant that 4 key quality indicators were inspected in both the Early Learning and Childcare setting and the Primary School over a 5 day period. The HMIE Report evaluated the Early Years setting and the Primary provision as good across almost all quality indicators, with evaluations of very good in the Nursery for ensuring wellbeing, equality and inclusion and very good in the

Primary stages for learning, teaching and assessment. The evaluation gradings range given by HMIE on school inspections can range from unsatisfactory to excellent, so a grading of very good indicated there were major strengths in this aspect of the school's work. The inspection team had found the following strengths in the school's work - a) The leadership of the Headteacher and Principal Teacher in ensuring that the wellbeing of children was central to the work of all and as a result of their shared vision for the nursery class and school, all staff had a clear focus on supporting all children to achieve their full potential and the strong sense of teamwork resulted in an inclusive, family ethos; b) the very successful approaches to meeting the learning needs of all children in the multi-stage composite class. The skilled Senior Leaders, Teachers and support staff worked together closely to provide a nurturing and highly motivating learning environment for children; c) Happy, articulate and confident children who were very proud of their nursery class and school and had increasing ownership of their learning and showed respect, empathy and kindness to each other; d) High standards in the teaching of literacy across the Nursery Class and School and Children at all stages were making very good progress in this area of learning.

6.3 The following areas for improvement had been identified and discussed with the Headteacher and representative from Scottish Borders Council a) continue to take forward plans to refresh the unique curriculum offer for learners at Fountainhall, with a focus on developing children's skills for learning, life and work; b) continue to raise attainment in numeracy and mathematics, ensuring that all children were supported and challenged to make the best possible progress and c) the inspection team were confident that the school had capacity to continue to improve and that no further visits in connection with this inspection were required. The Quality Improvement Team and Early Years Team would continue to work alongside the Headteacher to ensure continued progress towards excellence.

6.4 The Headteacher explained that there had been three Inspectors over 5 days and was based on the scoping document sent to the Inspectors prior to the visit and acknowledged the support from the Quality Improvement Officer keeping them on track and helping to collate the evidence electronically rather than in folders. Two pupils had been tasked with taking the Inspectors round the school and had spent an hour showing off their school and all the work undertaken, which had allowed the Inspectors to see everything contained in the scoping document and highlighted that the pupils were enthusiastic learners who could speak confidently about their learning and be proud of their school and each other. It had been demonstrated that there was a positive relationship between Staff, Families and the wider Community – invitations to school events being distributed by the children to everyone in the vicinity. There was a shared vision and a sound understanding of the strengths of the School and the pupils had composed a chant around this vision. All Staff take on leadership roles especially when the Headteacher was not in school and the children were also developing their leadership skills. There was a High expectation from staff around literacy and a particularly positive approach to lessons from primary 1 – 7. There was effective use of digital technology and continual development. Assessment used to enhance the planning within the school which included the children having a say. All children were supportive of each other and welcomed new pupils. There was good progress in numeracy and literacy and writing was of a consistently high quality, although numeracy required additional work, which the School was aware of. The areas of improvement were no surprise to the Headteacher and were already in the Action Plan prior to the Inspection and included re-engagement with the Community Partnership which had slipped during COVID, better use of data for numeracy and maths in action plan and more development of the outdoor learning opportunities.

6.5 Kathleen Lofthouse explained that she had been in role of Chair of the Parent Council for 4 years and the meeting with Inspectors had been relaxed and the questions had been as expected. Parents had been delighted with the result of the inspection and saw the strengths on a daily basis – a very friendly school at the heart of the Community and the Parent Council would support the Headteacher to make the improvement. Christian Robertson, Senior Lead Officer spoke on behalf of James Bewsey and explained that Ms Anderson was the Headteacher of three Schools, namely Heriot, Stow and Fountainhall and there had been four

pupils with one week until inspection, when a further five had enrolled and the Inspectors had commented that they could not tell the pupils apart.

- 6.6 In response to a questions regarding how the addition of Stow to Heriot and Fountainhall had impacted on the School when there was not a nursery class at Heriot and in terms of P7 transitions. The Headteacher had explained that there were opportunities for the schools to hold joint events i.e. Easter, Netball tournaments, Sports Days and joint pupil visits to the Academy. There were plans to further develop these opportunities in the coming year. In terms of the Nursery into primary one – there were transition mornings in the last term so that they can go to their P1 class and then have lunch. The Parent Council representative explained that £300 had been granted by the Community Council to host 3hr play afternoons based at Fountainhall for families from Stow, Heriot and Fountainhall to come along and play games. There would also be a joint Residential for P6 and P7.

DECISION

AGREED that:-

- (a) School Improvement Plan for Fountainhall Primary School which addressed areas for improvement as outlined in the HMIE Inspection Report (January 2023).; and**
- (b) Quality Improvement Team’s plan for support and showcasing of the work of Fountainhall Primary School following a strong inspection.**

Meeting Concluded 1.30 p.m.

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MONITORING OF THE CAPITAL FINANCIAL PLAN 2023/24

Report by Director of Finance & Procurement

EXECUTIVE COMMITTEE

15 August 2023

1 PURPOSE AND SUMMARY

- 1.1 This report updates the Executive Committee on the progress of the 2023/24 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 June 2023. Key issues and highlights identified in these tables are summarised within this report.
- 1.3 The June month end position reflects a projected outturn of £130.365m with a net budget variance of £4.827m. This includes net timing movements from 2023/24 of £7.881m. Further, more significant, timing movements from 2023/24 are likely as the year progresses and there is further clarity on the timing of major projects. The construction materials supply chain has continued to experience disruption in recent months which is likely to cause delays in sourcing essential materials and therefore impact on project timelines and as such, spend projections should only be viewed as indicative at this point. Recent experience has demonstrated significant slippage at outturn when compared to initial budgetary estimates by managers.
- 1.4 A number of macro-economic factors continue to affect the Capital Plan in 2023/24. 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, it 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 as has been highlighted through reports taken to Scottish Borders Council in May and June in respect of Earlston Primary School and Galashiels Academy. 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 was established at the 2021/22 year end to support potential budget pressures.
- 1.6 During the 2023/24 budget setting process a Planned Programming Adjustment budget line was added to the Financial Plan. This is offset where unspent project budgets became available through the year. The remaining balance to address in 2023/24 remains £0.833m. Identified pressures in new

build projects at Earlston Primary School and Galashiels Academy have increased the Planned Programming Adjustment in future years of the plan. The funding of these pressures will be considered as part of the 2024/25 financial planning process.

- 1.7 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 2023/24 Capital Plan.
- 1.8 Appendix 3 contains a list of estimated whole project capital costs for single projects which will not be completed in the current financial year.
- 1.9 The latest version of the CIPFA Prudential Code, published in December 2021, requires from financial year 2023/24 onwards that quarterly monitoring of prudential indicators should be reported by Councils. To meet this, quarters 2 and 4 of each financial year will continue to be reported through our existing treasury management reports. Quarters 1 and 3, which were not previously reported, will now be included in this report and as such the first monitoring is shown at Appendix 4 providing an updated position on key treasury indicators as at the 30th June 2023 quarter end. The info provided is a snapshot at the end of quarter 1, there are no concerns to highlight at this point in the 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 budget virements previously approved by Directors, detailed in Appendix 2, under delegated authority;**
- (c) Notes the list of block allocations detailed in Appendix 2;**
- (d) Notes the list of whole project costs detailed in Appendix 3; and**
- (e) Notes the update on key Treasury indicators at the 30th June 2023 detailed in Appendix 4.**

3 BACKGROUND

- 3.1 The Council approved the Capital Plan for the period 2023/24 to 2032/33 on 23 February 2023, which 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 2023/24:

	£000s
Capital Plan 2023/24 as approved at Council 23 February 2023	123,705
Timing movements and budget adjustments reported as part of out-turn 2022/23	11,427
Revised Capital Plan 2023/24	135,132

- 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 2023/24 position, there are three columns each for 2024/25 and 2025/26 and then three columns for the 7 year strategic plan 2026/27 to 2032/33. For 2023/24 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 2024/25 and 2025/26 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 first monitoring report in the planned reporting schedule for 2023/24.

4 MONITORING THE PLAN

- 4.1 Appendix 1 to this report contains the budget monitoring tables. The actual expenditure to 30 June 2023 is shown together with the projected outturn for the full financial year and where appropriate contains an explanation of budget movements. Appendix 2 also contains any budget and timing movements approved by Directors under the Financial Regulations approved in January 2022.
- 4.2 The actual expenditure to 30 June 2023 has been adjusted for any credit balances for accrued expenses from 2023/24 which have not yet been invoiced.
- 4.3 Appendix 2 contains a summary for each block allocation within the 2023/24 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) Nature Restoration Fund

Create budgets to reflect additional grant from Scottish Government of £0.328m for the purpose of supporting new or enhancing existing approaches to biodiversity and creating nature networks.

b) Cycling Walking & Safer Routes

Create budgets to reflect additional grant from Scottish Government of £0.334m for the purpose of undertaking works for local cycling, walking and safer routes projects.

c) Eddleston Water Path

Create budgets to reflect grant funding from Transport Scotland for Active Travel Transformation of £0.6m for construction of new path connecting Eddleston and Peebles.

d) Earlston Primary School

Timing movement of £8.060m into 2023/24 from 2024/25 to align with the projected project timescales. As approved by Scottish Borders Council on the 25th May 2023, the forecast spend has been increased by £4.288m. As this pressure will materialise in future financial years, the implications will be considered as part of the 2024/25 financial planning process.

e) Galashiels Academy

Timing movement of £1.066m into 2023/24 from 2024/25 to align with the projected project timescales. As approved by Scottish Borders Council on the 29th June 2023, the forecast spend has been increased by £4.345m. As this pressure will materialise in future financial years, the implications will be considered as part of the 2024/25 financial planning process.

f) Borders Innovation Park

Timing movement of £4.394m into 2024/25 to reflect planned works for phase 3 road infrastructure in 2024/25.

g) Care Villages

Volatile inflation has impacted on the full business case for Tweedbank Care Village with additional design work being required resulting in a timing movement of £6.454m into 2024/25. The optional assessment process has affected the development of the outline business case for Hawick Care Village resulting in a timing movement of £6.159m into 2024/25.

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 2023.

Emergency & Unplanned	£000s
Budget as Approved at Council 23 February 2023	175
Current balance	175

- 5.4 During the 2023/24 budget setting process a Planned Programming Adjustment budget line was added to the Financial Plan. This is offset where unspent project budgets became available through the year. The remaining balance to address in 2023/24 remains £0.833m. Identified pressures in new build projects at Earlston Primary School and Galashiels Academy have increased the Planned Programming Adjustment in future years of the plan. The funding of these pressures will be considered as part of the 2024/25 financial planning process.
- 5.5 The latest version of the CIPFA Prudential Code, published in December 2021, requires from financial year 2023/24 onwards that quarterly monitoring of prudential indicators should be reported by Councils. To meet this, quarters 2 and 4 of each financial year will continue to be reported through our existing treasury management reports. Quarters 1 and 3, which were not previously reported, will now be included in this report and as such the first monitoring is shown at Appendix 4 providing an updated position on key treasury indicators as at the 30th June 2023 quarter end. The info provided is a snapshot at the end of quarter 1, there are no concerns to highlight at this point in the year.

6 IMPLICATIONS

6.1 Financial

There are no financial implications beyond those contained in the report and Appendices 1-4.

6.2 Risk and Mitigations

At the end of June 2023, actual expenditure totalled £11.582m which represents 9% 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 Director of Corporate Governance, the Chief Officer Audit and Risk, the Director of People, Performance & Change, the Clerk to the Council and Corporate Communications are being consulted and comments will be reported to the meeting.
- 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
Director of Finance & Procurement

Signature

Author(s)

Name	Designation and Contact Number
Suzy Douglas	Director of Finance & Procurement, 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

	2023/24				2024/25			2025/26			2026/27 - 2032/33		
	Actual to 30/06/23	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	353	4,000	2,000	2,000	2,000	0	2,000	2,000	0	2,000	14,000	0	14,000
Non Plant & Vehicle Fund	0	10	0	10	0	0	0	0	0	0	0	0	0
Flood & Coastal Protection	3,529	25,150	25,078	72	828	0	828	1,251	0	1,251	2,604	0	2,604
Land and Property Infrastructure	278	6,598	8,219	(1,621)	3,511	0	3,511	2,247	0	2,247	16,432	0	16,432
Road & Transport Infrastructure	1,548	9,572	8,638	934	9,407	0	9,407	7,667	0	7,667	52,969	0	52,969
Waste Management	45	251	251	0	106	0	106	112	0	112	956	0	956
Total Infrastructure & Environment	5,753	45,581	44,186	1,395	15,852	0	15,852	13,277	0	13,277	86,961	0	86,961
Corporate	2,195	13,896	12,248	1,648	184	0	184	121	0	121	1,146	0	1,146
Total Corporate Services	2,195	13,896	12,248	1,648	184	0	184	121	0	121	1,146	0	1,146
School Estate	2,571	53,441	44,315	9,126	69,887	(3,354)	66,533	28,864	1,035	29,899	59,339	63	59,402
Total Learning Estate	2,571	53,441	44,315	9,126	69,887	(3,354)	66,533	28,864	1,035	29,899	59,339	63	59,402
Sports Infrastructure	0	902	902	0	595	0	595	2,007	0	2,007	4,868	0	4,868
Culture & Heritage	0	292	281	11	0	0	0	0	0	0	0	0	0
Total Culture & Sport	0	1,194	1,183	11	595	0	595	2,007	0	2,007	4,868	0	4,868
Economic Regeneration	969	14,367	18,761	(4,394)	16,975	4,394	21,369	14,195	0	14,195	24,347	0	24,347
Housing Strategy & Services	29	984	984	0	500	0	500	500	0	500	3,500	0	3,500
Total Economic Regeneration	998	15,351	19,745	(4,394)	17,475	4,394	21,869	14,695	0	14,695	27,847	0	27,847
Emergency & Unplanned Schemes	0	175	175	0	175	0	175	175	0	175	1,225	0	1,225
Total Emergency & Unplanned Schemes	0	175	175	0	175	0	175	175	0	175	1,225	0	1,225
Social Care Infrastructure	64	1,560	14,173	(12,613)	14,793	12,613	27,406	466	0	466	301	0	301
Total Social Care Infrastructure	64	1,560	14,173	(12,613)	14,793	12,613	27,406	466	0	466	301	0	301
Planned Programming Adjustments	0	(833)	(833)	0	(1,855)	(5,599)	(7,454)	(1,855)	(1,208)	(3,063)	(5,560)	(63)	(5,623)
Total Planned Programming Adjustments	0	(833)	(833)	0	(1,855)	(5,599)	(7,454)	(1,855)	(1,208)	(3,063)	(5,560)	(63)	(5,623)
Total Scottish Borders Council	11,582	130,365	135,192	(4,827)	117,106	8,054	125,160	57,750	(173)	57,577	176,127	0	176,127

Scottish Borders Council
Capital Financial Plan

		2023/24				2024/25			2025/26			2026/27 - 2032/33		
	R A G	Actual to 30/06/23	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														
Plant & Vehicle Replacement - P&V Fund	A	353	4,000	2,000	2,000	2,000	0	2,000	2,000	0	2,000	14,000	0	14,000
		353	4,000	2,000	2,000	2,000	0	2,000	2,000	0	2,000	14,000	0	14,000
Non-Plant & Vehicle Fund														
Other Fleet - Electric Vehicles	G	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fleet - Electric Vehicles - Infrastructure	A	0	10	0	10	0	0	0	0	0	0	0	0	0
		0	10	0	10	0	0	0	0	0	0	0	0	0
Flood & Coastal Protection														
Flood Prevention Works & Scheme Preparation	A	6	678	606	72	372	0	372	372	0	372	2,604	0	2,604
General Flood Protection Block	G	40	94	94	0	0	0	0	0	0	0	0	0	0
Hawick Flood Protection	G	3,483	24,228	24,228	0	456	0	456	879	0	879	0	0	0
Coastal Change Adaptations	G	0	150	150	0	0	0	0	0	0	0	0	0	0
		3,529	25,150	25,078	72	828	0	828	1,251	0	1,251	2,604	0	2,604
Land and Property Infrastructure														
Asset Rationalisation	G	18	688	688	0	0	0	0	0	0	0	0	0	0
Building Upgrades	G	13	500	500	0	437	0	437	437	0	437	4,368	0	4,368
Energy Efficiency Works	G	8	1,245	1,245	0	720	0	720	795	0	795	7,065	0	7,065
Health and Safety Works	G	92	337	337	0	400	0	400	400	0	400	3,500	0	3,500
Free School Meals	A	59	721	2,670	(1,949)	0	0	0	0	0	0	0	0	0
Play Areas & Outdoor Community Spaces	G	74	1,694	1,694	0	858	0	858	615	0	615	516	0	516
Jedburgh High Street Building	G	13	949	949	0	1,000	0	1,000	0	0	0	0	0	0
Cemetery Land Acquisition & Development	G	0	0	0	0	96	0	96	0	0	0	983	0	983
Land at Easter Langlee, Galashiels	G	0	111	111	0	0	0	0	0	0	0	0	0	0
Nature Restoration Fund	A	0	353	25	328	0	0	0	0	0	0	0	0	0
		278	6,598	8,219	(1,621)	3,511	0	3,511	2,247	0	2,247	16,432	0	16,432

Scottish Borders Council
Capital Financial Plan

		2023/24				2024/25			2025/26			2026/27 - 2032/33		
	R A G	Actual to 30/06/23 £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
Road & Transport Infrastructure														
Cycling Walking & Safer Streets	A	32	741	407	334	407	0	407	407	0	407	1,729	0	1,729
Engineering Minor Works	G	0	14	14	0	0	0	0	0	0	0	0	0	0
Lighting Asset Management Plan	G	1	154	154	0	160	0	160	160	0	160	1,120	0	1,120
Peebles Bridge	G	0	0	0	0	0	0	0	0	0	0	420	0	420
Reston Station Contribution	G	0	0	0	0	1,740	0	1,740	0	0	0	0	0	0
Roads & Bridges -inc. RAMP, Winter Damage & Slopes	G	1,507	7,609	7,609	0	7,100	0	7,100	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	8	8	0	0	0	0	0	0	0	0	0	0
Roundabout at Easter Langlee, Galashiels	G	8	379	379	0	0	0	0	0	0	0	0	0	0
Eddleston Water Path	A	0	600	0	600	0	0	0	0	0	0	0	0	0
		1,548	9,572	8,638	934	9,407	0	9,407	7,667	0	7,667	52,969	0	52,969
Waste Management														
New Easter Langlee Waste Transfer Station	G	0	41	41	0	0	0	0	0	0	0	0	0	0
Closed Landfill Site- Health & Safety Works	G	37	57	57	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	0	101	101	0	106	0	106	112	0	112	956	0	956
		45	251	251	0	106	0	106	112	0	112	956	0	956
Total Infrastructure & Environment		5,753	45,581	44,186	1,395	15,852	0	15,852	13,277	0	13,277	86,961	0	86,961

Plant & Vehicle Fund	
Plant & Vehicle Replacement - P&V Fund	Gross up budget by £2m to £4m based on orders placed expecting delivery before March 31st. Could change depending on manufacturers delivery timescales.
Non-Plant & Vehicle Fund	
Other Fleet - Electric Vehicles - Infrastructure	Two charging points in Hawick to be funded by Scottish Government (Switched on Fleet).
Flood & Coastal Protection	
Flood Prevention Works & Scheme Preparation	Two proposals submitted for Coastal Change Adaptation in 2023/24 successful in obtaining additional Scottish Government funding (£72k).
Land and Property Infrastructure	
Asset Rationalisation	See appendix 2 for block re-allocation.
Building Upgrades	See appendix 2 for block re-allocation.
Energy Efficiency Works	See appendix 2 for block re-allocation.
Health and Safety Works	See appendix 2 for block re-allocation.
Free School Meals	Budget to be grossed down by £1.9m. Programme has been re-profiled with committed and urgent work prioritised until the Scottish Government confirm the final 2023/24 budget allocation.
Play Areas & Outdoor Community Spaces	See appendix 2 for block re-allocation. Move from unallocated to cover additional costs for Gavinton, Jedburgh Allerley Well & Jedburgh Skate Park
Nature Restoration Fund	Gross up Scottish Government funding to support new, or to enhance existing, approaches to restoring biodiversity and creating nature networks (£328k).
Road & Transport Infrastructure	
Cycling Walking & Safer Streets	Gross up additional Scottish Government funding for Cycling, Walking & Safer Routes Projects (£334k)
Lighting Asset Management Plan	See appendix 2 for block re-allocation
Roads & Bridges -Inc. RAMP, Winter Damage & Slopes	See appendix 2 for block re-allocation
Eddleston Water Path	Gross up grant funding from Transport Scotland for Active Travel Transformation 2023-24 (Eddleston Water Path) (£600k).

Scottish Borders Council
Capital Financial Plan

		2023/24				2024/25			2025/26			2026/27 - 2032/33		
	R A G	Actual to 30/06/23 £000	Projected Outturn £000	Latest Approved Budget £000	Variance £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000
Corporate														
ICT - Outwith CGI Scope	G	7	26	26	0	56	0	56	56	0	56	560	0	560
Inspire Learning	A	1,796	2,438	790	1,648	128	0	128	65	0	65	273	0	273
Digital Transformation	G	392	11,432	11,432	0	0	0	0	0	0	0	313	0	313
		2,195	13,896	12,248	1,648	184	0	184	121	0	121	1,146	0	1,146
Total Corporate		2,195	13,896	12,248	1,648	184	0	184	121	0	121	1,146	0	1,146
Corporate														
Inspire Learning		Budget increased to take account of Capital Receipt expected from sale of iPads as per agreement to lease.												

Scottish Borders Council
Capital Financial Plan

		2023/24				2024/25			2025/26			2026/27 - 2032/33		
	R A G	Actual to 30/06/23 £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
Learning Estate														
Early Years Expansion	G	84	1,525	1,525	0	614	0	614	433	0	433	0	0	0
Jedburgh Learning Campus	G	0	12	12	0	0	0	0	0	0	0	0	0	0
Eyemouth Primary School	G	0	3,421	3,421	0	7,402	0	7,402	4,000	0	4,000	0	0	0
Earlston Primary School	A	57	11,767	3,707	8,060	7,887	(5,609)	2,278	173	74	247	0	0	0
Gala Academy	A	696	14,587	13,521	1,066	28,585	2,255	30,840	12,180	961	13,141	805	63	868
New Hawick High School	G	238	1,497	1,497	0	886	0	886	7,023	0	7,023	46,004	0	46,004
Learning Estate Block	G	241	2,302	2,302	0	1,790	0	1,790	1,790	0	1,790	12,530	0	12,530
Inspire Academy	G	10	10	10	0	0	0	0	0	0	0	0	0	0
Peebles High School	G	1,245	18,260	18,260	0	22,723	0	22,723	3,265	0	3,265	0	0	0
Inspiring School Age Childcare Spaces Programme	G	0	60	60	0	0	0	0	0	0	0	0	0	0
		2,571	53,441	44,315	9,126	69,887	(3,354)	66,533	28,864	1,035	29,899	59,339	63	59,402
Total Learning Estate		2,571	53,441	44,315	9,126	69,887	(3,354)	66,533	28,864	1,035	29,899	59,339	63	59,402

Page 38

Learning Estate		
Earlston Primary School	Timing movement of £8,060k from 2024/25 to align with revised project timescales. Pressure of £4,288k as a result of volatility with construction market caused by a range of inflation-raising worldwide events (2024/25 £4,041k and 2025/26 £247k).	
Gala Academy	Timing movement of £1,066 from 2024/25 to align with revised project timescales. Pressure of £4,345k as a result of volatility with construction market caused by a range of inflation-raising worldwide events (2024/25 £3,321k, 2025/26 £961k and 2026/27 £63k).	

Scottish Borders Council
Capital Financial Plan

		2023/24				2024/25			2025/26			2026/27 - 2032/33		
	R A G	Actual to 30/06/23 £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
Sports Infrastructure														
Culture & Sports Trusts - Plant & Services	A	0	430	430	0	215	0	215	215	0	215	2,030	0	2,030
Netherdale Spectator Stand	G	0	77	77	0	0	0	0	0	0	0	0	0	0
Netherdale Pitch Replacement	G	0	26	26	0	0	0	0	0	0	0	0	0	0
Synthetic Pitch Replacement Fund	G	0	369	369	0	380	0	380	1,792	0	1,792	2,838	0	2,838
		0	902	902	0	595	0	595	2,007	0	2,007	4,868	0	4,868
Culture & Heritage														
Jim Clark Museum	G	0	11	0	11	0	0	0	0	0	0	0	0	0
Public Hall Upgrades	A	0	281	281	0	0	0	0	0	0	0	0	0	0
		0	292	281	11	0	0	0	0	0	0	0	0	0
Total Culture & Sport		0	1,194	1,183	11	595	0	595	2,007	0	2,007	4,868	0	4,868
Culture & Heritage														
Jim Clark Museum		Gross up additional funding via Live Borders for the purchase and associated works of an additional shutter to be fitted to comply with the Government Indemnity Scheme (GIS) security requirements (£11k).												

Scottish Borders Council
Capital Financial Plan

		2023/24				2024/25			2025/26			2026/27 - 2032/33		
	R A G	Actual to 30/06/23 £000	Projected Outturn £000	Latest Approved Budget £000	Variance £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000
Emergency & Unplanned Schemes														
Emergency & Unplanned Schemes	G	0	175	175	0	175	0	175	175	0	175	1,225	0	1,225
Inflation Contingency	G	0	0	0	0	0	0	0	0	0	0	0	0	0
Planned Programming Adjustments	A	0	(833)	(833)	0	(1,855)	(5,599)	(7,454)	(1,855)	(1,208)	(3,063)	(5,560)	(63)	(5,623)
		0	(658)	(658)	0	(1,680)	(5,599)	(7,279)	(1,680)	(1,208)	(2,888)	(4,335)	(63)	(4,398)
Total Emergency & Unplanned Schemes		0	(658)	(658)	0	(1,680)	(5,599)	(7,279)	(1,680)	(1,208)	(2,888)	(4,335)	(63)	(4,398)
Planned Programming Adjustments														
Planned Programming Adjustments		Pressures in Earlston Primary School and Gala Academy as a result of volatility within construction market caused by a range of inflation-raising worldwide events.												

Scottish Borders Council
Capital Financial Plan

	R A G	2023/24				2024/25			2025/26			2026/27 - 2032/33		
		Actual to 30/06/23 £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
Economic Regeneration														
Borders Town Centre Regeneration Block	G	0	306	306	0	70	0	70	70	0	70	700	0	700
Borders Innovation Park	A	16	500	4,894	(4,394)	6,183	4,394	10,577	3,186	0	3,186	219	0	219
Newtown St Boswells Regeneration	G	0	344	344	0	56	0	56	0	0	0	0	0	0
Hawick Regeneration Block	G	779	863	863	0	0	0	0	0	0	0	0	0	0
Galashiels Town Centre Regeneration	G	75	375	375	0	0	0	0	0	0	0	0	0	0
Borderlands	G	95	11,974	11,974	0	10,666	0	10,666	10,939	0	10,939	23,428	0	23,428
Earlston Business Relocation	G	3	5	5	0	0	0	0	0	0	0	0	0	0
		969	14,367	18,761	(4,394)	16,975	4,394	21,369	14,195	0	14,195	24,347	0	24,347
Housing Strategy & Services														
Private Sector Housing Grant - Adaptations	G	29	526	526	0	500	0	500	500	0	500	3,500	0	3,500
Empty Homes Grants	G	0	458	458	0	0	0	0	0	0	0	0	0	0
		29	984	984	0	500	0	500	500	0	500	3,500	0	3,500
Total Economic Development & Corporate Services		1,027	16,334	20,729	(4,394)	17,975	4,394	22,369	15,195	0	15,195	31,347	0	31,347

Page 41

Economic Regeneration		
Borders Innovation Park	Timing movement into 2024/25 to reflect planned works (Phase 3 road infrastructure) in 2023/24. Project to be reprofiled, no plans as yet for building works for Phase 2 and 3, impact on City Deal funding.	

Scottish Borders Council
Capital Financial Plan

		2023/24				2024/25			2025/26			2026/27 - 2032/33		
	R A G	Actual to 30/06/23 £000	Projected Outturn £000	Latest Approved Budget £000	Variance £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000	Latest Approved Budget £000	Variance £000	Projected Budget £000
Social Care Infrastructure														
Care Inspectorate Requirements & Upgrades	G	2	120	41	79	41	0	41	43	0	43	301	0	301
Technology Enabled Care	G	0	33	33	0	0	0	0	0	0	0	0	0	0
Residential Care Accommodation - Upgrades	G	28	857	936	(79)	0	0	0	0	0	0	0	0	0
Care Village Tweedbank	A	27	500	6,954	(6,454)	7,308	6,454	13,762	210	0	210	0	0	0
Care Village Hawick	A	7	50	6,209	(6,159)	7,444	6,159	13,603	213	0	213	0	0	0
		64	1,560	14,173	(12,613)	14,793	12,613	27,406	466	0	466	301	0	301
Total Social Care Infrastructure		64	1,560	14,173	(12,613)	14,793	12,613	27,406	466	0	466	301	0	301

Social Care Infrastructure		
Care Inspectorate Requirements & Upgrades	With day services remaining in house, improvements are required to the environments to meet the Care Inspectorate requirements and allow the service to improve outcomes for service users. The Care Inspectorate recommendations are required to be completed before the services are inspected. The projected outturn pressure can be offset by a projected underspend in residential care.	
Residential Care Accommodation - Upgrades	The 2023/24 Residential Care Accommodation - Upgrade budget can be managed to offset the pressure in the Care Inspectorate Requirements & Upgrade budget.	
Care Village Tweedbank	Development of the full business case for Tweedbank Care Village has been affected by volatile inflation. Additional design work is being undertaken resulting in a timing movement being required.	
Care Village Hawick	The development of an outline business case for Hawick Care Village has been affected by the option assessment process. A timing movement is required.	

Scottish Borders Council
Capital Financial Plan

CAPITAL FINANCING		2023/24			2024/25			2025/26			2026/27 - 2032/33		
		Latest		Variance	Latest		Projected	Latest		Projected	Latest		Projected
		Projected	Approved		Approved	Variance		Approved	Variance		Approved	Variance	
		Outturn	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
C9001 - Capital - General Capital Grant													
Capital - General Capital Grant	(6,271)	(6,271)	0	(10,737)	0	(10,737)	(10,737)	0	(10,737)	(75,159)	0	(75,159)	
Hawick Flood Protection	(16,198)	(16,198)	0	(148)	0	(148)	(920)	0	(920)	0	0	0	
Flood Prevention Works & Scheme Preparation	(678)	(606)	(72)	(372)	0	(372)	(372)	0	(372)	(2,604)	0	(2,604)	
Free School Meals	(721)	(2,670)	1,949	0	0	0	0	0	0	0	0	0	
Nature Restoration Fund	(353)	(25)	(328)	0	0	0	0	0	0	0	0	0	
Coastal Adaptations	(150)	(150)	0	0	0	0	0	0	0	0	0	0	
C9002 - Scottish Government Specific Capital Grant													
Cycling Walking & Safer Streets	(741)	(407)	(334)	(407)	0	(407)	(407)	0	(407)	(1,729)	0	(1,729)	
Roads & Bridges -inc. RAMP, Winter Damage & Slopes	(100)	(100)	0	(100)	0	(100)	(100)	0	(100)	0	0	0	
Early Years Expansion	(1,525)	(1,525)	0	(614)	0	(614)	(433)	0	(433)	0	0	0	
Inspiring School Age Childcare Spaces Programme	(60)	(60)	0	0	0	0	0	0	0	0	0	0	
	(2,426)	(2,092)	(334)	(1,121)	0	(1,121)	(940)	0	(940)	(1,729)	0	(1,729)	
C9003 - Other Grants & Contributions - Capital													
Other Fleet - Electric Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	
Other Fleet - Electric Vehicles - Infrastructure	(10)	0	(10)	0	0	0	0	0	0	0	0	0	
Hawick Flood Protection	(3,231)	(3,231)	0	0	0	0	0	0	0	0	0	0	
Hawick Flood Protection (SG CG Advance)	(935)	(935)	0	0	0	0	0	0	0	0	0	0	
Play Areas & Outdoor Community Spaces	(133)	(133)	0	0	0	0	0	0	0	0	0	0	
Roads & Bridges -inc. RAMP, Winter Damage & Slopes	0	0	0	0	0	0	0	0	0	0	0	0	
Jim Clark Museum	(11)	0	(11)	0	0	0	0	0	0	0	0	0	
Hawick Regeneration Block	(753)	(753)	0	0	0	0	0	0	0	0	0	0	
Borders Town Centre Regeneration Block	(6)	(6)	0	0	0	0	0	0	0	0	0	0	
Borders Innovation Park	(500)	(3,079)	2,579	(6,183)	(2,579)	(8,762)	(3,186)	0	(3,186)	(219)	0	(219)	
Borderlands	(11,974)	(11,974)	0	(10,034)	0	(10,034)	(10,939)	0	(10,939)	(23,428)	0	(23,428)	
Earlston Primary School	(1,763)	(1,763)	0	0	0	0	0	0	0	0	0	0	
Eddleston Water Path	(600)	0	(600)	0	0	0	0	0	0	0	0	0	
Netherdale Pitch Replacement	(11)	(11)	0	0	0	0	0	0	0	0	0	0	
	(19,927)	(21,885)	1,958	(16,985)	(2,579)	(19,564)	(14,125)	0	(14,125)	(23,647)	0	(23,647)	
C9004 - Capital Funded from Current Revenue (CFCR)													
Digital Transformation	(1,812)	(1,812)	0	0	0	0	0	0	0	0	0	0	
Jedburgh High Street Building	(929)	(929)	0	(1,000)	0	(1,000)	0	0	0	0	0	0	
Empty Homes Grants	(458)	(458)	0	0	0	0	0	0	0	0	0	0	
Land at Easter Langlee, Galashiels	(111)	(111)	0	0	0	0	0	0	0	0	0	0	
	(3,310)	(3,310)	0	(1,000)	0	(1,000)	0	0	0	0	0	0	

CAPITAL FINANCING	2023/24			2024/25			2025/26			2026/27 - 2032/33		
	Latest			Latest			Latest			Latest		
	Projected	Approved	Variance	Approved	Variance	Projected	Approved	Variance	Projected	Approved	Variance	Projected
	Outturn	Budget		Budget		Budget	Budget		Budget	Budget		Budget
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
C9005 - Development Contributions												
Reston Station Contribution	0	0	0	(100)	0	(100)	0	0	0	0	0	0
Play Areas & Outdoor Community Spaces	(75)	(75)	0	0	0	0	(11)	0	(11)	0	0	0
Engineering Minor Works	(14)	(14)	0	0	0	0	0	0	0	0	0	0
Roundabout at Easter Langlee, Galashiels	(379)	(379)	0	0	0	0	0	0	0	0	0	0
Learning Estate Block	(100)	(100)	0	(100)	0	(100)	(100)	0	(100)	(600)	0	(600)
Replace previous borrowing with Development Contributions	0	0	0	(4,652)	0	(4,652)	0	0	0	0	0	0
	(568)	(568)	0	(4,852)	0	(4,852)	(111)	0	(111)	(600)	0	(600)
C9006 - Capital Receipts												
General Capital Receipt	0	0	0	(2,000)	0	(2,000)	(135)	0	(135)	(600)	0	(600)
Inspire Learning	(1,648)	0	(1,648)	0	0	0	0	0	0	0	0	0
	(1,648)	0	(1,648)	(2,000)	0	(2,000)	(135)	0	(135)	(600)	0	(600)
C9007 - Plant & Vehicle Fund												
Plant & Vehicle Replacement - P&V Fund	(4,000)	(2,000)	(2,000)	(2,000)	0	(2,000)	(2,000)	0	(2,000)	(14,000)	0	(14,000)
Synthetic Pitch Replacement Fund	(369)	(369)	0	(380)	0	(380)	(1,132)	0	(1,132)	(2,838)	0	(2,838)
	(4,369)	(2,369)	(2,000)	(2,380)	0	(2,380)	(3,132)	0	(3,132)	(16,838)	0	(16,838)
C9008 - Capital Borrowing												
	(73,746)	(79,048)	5,302	(77,511)	(5,475)	(82,986)	(27,278)	173	(27,105)	(54,950)	0	(54,950)
TOTAL CAPITAL FUNDING	(130,365)	(135,192)	4,827	(117,106)	(8,054)	(125,160)	(57,750)	173	(57,577)	(176,127)	0	(176,127)

	Latest approved budget £000's	Proposed Movement	Projected Outturn	Actuals to 30/06/2023
Infrastructure & Environment				
Flood & Coastal Protection				
Flood Prevention Works & Scheme Preparation				
Galashiels Natural Flood Management	40	0	40	0
Flood Scheme Preparation Peebles	6	0	6	0
Community Resilience	13	0	13	1
Ettrick Valley Study	49	0	49	3
Lindean Study	17	0	17	0
Slitrig Study	34	0	34	0
Newcastleton Temporary Bund	8	0	8	0
Berwickshire Shoreline Management Plan/Coastal Change Adaptation Plan	168	72	240	2
Dairy Mews Culvert, Galashiels	100	0	100	0
Romanno Bridge	37	0	37	0
Selkirk Flood Protection Scheme Erosion Works	0	0	0	0
Minor Works	58	0	58	0
Denholm Flood Scheme Upgrade	38	0	38	0
Jedburgh Flood Scheme Preparation	38	0	38	0
Gross up additional funding from Scottish Government for Coastal Change Adaptation	0	(72)	0	0
Timing movement to 2024/25		0		
	606	0	678	6
General Flood Protection Block				
Romanno Bridge Flood Bank	94	0	94	40
Timing movement to 2024/25		0		
	94	0	94	40
Land and Property Infrastructure				
Asset Rationalisation				
Hawick Town Hall - agile working	10	(2)	8	0
Paton Street Galashiels - agile working	10	2	12	4
Asset development and reconfiguration	188	0	188	0
Council HQ building upgrade works	480	0	480	14
Unallocated Balance	0	0	0	0
Timing movement to 2024/25		0		
	688	0	688	18
Building Upgrades				
Peebles Swimming Pool roofing upgrade	500	(13)	487	0
Lifts - Mechanical infrastructure upgrades	0	13	13	13
Timing movement to 2024/25		0		
	500	0	500	13
Energy Efficiency Works				
Solar Photo Voltaic panels installation	1,000	(2)	998	6
Existing Photo Voltaic estate reinstallations	100	0	100	0
Conversion of energy source (Oil to 'green' energy source)	145	0	145	0
Smart Grid	0	2	2	2
Timing movement to 2024/25		0		
	1,245	0	1,245	8
Health and Safety Works				
Legionella upgrade water tanks	67	0	67	0
Asbestos Management	50	0	50	7
School Security upgrade work	20	(20)	0	0
Fire alarm systems upgrades	150	5	155	19
Drumlanrig Primary School window upgrade	0	40	40	40
Cemetery wall works	50	(25)	25	25
Timing movement to 2024/25		0		
	337	0	337	92

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/06/2023
Free School Meals				
Kitchen Equipment	1,135	(846)	289	20
Project Management	0	10	10	0
Gordon Primary School Extension	280	57	337	2
St Peter's Primary School Extension	300	(282)	18	16
Glendinning Primary School Extension	200	(192)	8	8
Philiphauigh Primary School Refurbishment	120	(93)	27	7
St Margaret's Primary School Refurbishment	75	(68)	7	5
Burgh Primary School Refurbishment	100	(75)	25	0
Newcastleton Primary School Extension	50	(50)	0	0
Melrose Primary School Refurbishment	80	(80)	0	0
Drumlanrig Primary School Refurbishment	80	(80)	0	0
Stow Primary School Refurbishment	20	(20)	0	0
Balmoral Primary School Refurbishment	50	(50)	0	0
Kingsland Primary School Refurbishment	100	(100)	0	0
Newtown St Boswells Primary School Refurbishment	80	(80)	0	0
Timing movement to 2024/25	0			
	2,670	(1,949)	721	59
Play Areas & Outdoor Community Spaces				
Jedburgh Allerley Well Park	258	12	270	0
Jedburgh Skate Park	245	25	270	0
Peebles Victoria Park Skate Park	10	0	10	0
Gavinton	60	5	65	65
St Boswells Jenny Moore's Road	180	0	180	4
Newstead The Orchard	60	0	60	0
Selkirk Bog Park	60	0	60	2
Hawick Walled Garden Glass house	9	0	9	0
Kelso High Croft	66	0	66	3
Hawick Sleepy Valley, Burnfoot	222	0	222	0
Innerleithen Public Park Drainage & Surfacing Works	140	0	140	0
Walkerburn Pumptrack & Football Upgrade	150	0	150	0
Unallocated Balance	234	(42)	192	0
Timing movement to 2024/25	0			
	1,694	0	1,694	74
Road & Transport Infrastructure				
Cycling Walking & Safer Streets				
Walking Related Activities:	203	167	370	12
Cycling Related Activities:	204	167	371	20
Gross up additional funding from Scottish Government		(334)		
	407	0	741	32
Lighting Asset Management Plan				
Weensgate Drive, Hawick	29	0	29	0
St Ronan's Terrace, Innerleithen	24	0	24	0
Deanshead, Eyemouth	19	0	19	0
Bank Street Brae, Galashiels	10	0	10	0
Glebe Terrace, Selkirk	19	0	19	0
Scott Street, Newcastleton	19	0	19	0
Marchmont Road, Greenlaw	19	0	19	0
Carnarvon Street, Hawick	0	1	1	1
Corroded Columns	15	(1)	14	0
Timing movement to 2024/25	0			
	154	0	154	1
Roads & Bridges -inc. RAMP, Winter Damage & Slopes				
Surface Dressing	2,200	20	2,220	1,092
Patching	2,150	(120)	2,030	204
Resurfacing/Overlays	1,649	100	1,749	0
Walls & Structures	280	0	280	12
Footways	270	(10)	260	97
Drainage	310	10	320	59
Masonry Refurbishment	750	0	750	43
Timing movement to 2024/25	0			
	7,609	0	7,609	1,507

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/06/2023
Corporate				
ICT-Outwith CGI Scope				
PC Replacement	26	0	26	7
Timing movement to 2024/25		0		
	26	0	26	7
Education & Lifelong Learning				
Early Learning and Childcare				
Early Years Expansion	1,525	0	1,525	84
Timing movement to 2024/25		0		
	1,525	0	1,525	84
Learning Estate Block				
Improve and enhance school environments:				
Outdoor Learning Provisions	512	0	512	5
Equipment & Furniture Replacement Programme (including white goods)	0	50	50	33
Primary School Refurbishments	1,087	(105)	982	107
School toilet programme	213	0	213	86
Meet security and legislative obligations				
Kitchen refurbishment programme	50	0	50	0
Accessibility works	30	0	30	7
Secure receptions programme	80	45	125	1
ASN Provision Enhancements				
ASN Provision Enhancements	0	10	10	2
Urgent, unplanned and fees				
Professional fees	180	0	180	0
Project closure contingencies	150	0	150	0
Unallocated balance	0	0	0	0
Timing movement to 2024/25		0		
	2,302	0	2,302	241
Culture & Sport				
Sports Infrastructure				
Culture & Sports Trusts - Plant & Services				
Live Borders	2	0	2	0
Jedburgh Leisure Facilities Trust	24	0	24	0
Berwickshire Recreation Education Sports Trust	15	0	15	0
Peebles Swimming Pool - Electrical and additional decorating works	60	0	60	0
Gytes Leisure Centre, Peebles - Boilers	131	0	131	0
Eyemouth Leisure Centre	198	0	198	0
Timing movement to 2024/25		0		
	430	0	430	0
Public Hall Upgrades				
Live Borders	281	0	281	0
Timing movement to 2024/25		0		
	281	0	281	0
Economic Regeneration				
Hawick Regeneration				
Hawick Business Centre	863	0	863	779
Timing movement to 2024/25		0		
	863	0	863	779
Galashiels Town Centre Regeneration				
Galashiels Masterplanning & Town Centre redevelopment	375	0	375	75
Timing movement to 2024/25		0		
	375	0	375	75
Borders Town Centre Regeneration Block				
Workshop Development	86	0	86	0
Town Centre Regeneration Enabling Works (Galashiels, Hawick, Eyemouth, Jedburgh, Selkirk)	214	0	214	0
Jedburgh Abbey Ramparts	4	0	4	0
Unallocated Balance	2	0	2	0
Timing movement to 2024/25		0		
	306	0	306	0

	Latest approved budget	Proposed Movement	Projected Outturn	Actuals to 30/06/2023
Adult Social Care				
Social Care Infrastructure				
Care Inspectorate Requirements & Upgrades				
Deanfield, Hawick	7	0	7	0
Grove House, Kelso	7	0	7	0
St. Ronan's, Peebles	7	0	7	0
Saltgreens, Eyemouth	7	0	7	2
Waverley, Galashiels	7	0	7	0
Day Services	6	79	85	0
Timing movement to 2024/25		0		
	41	79	120	2
Residential Care Accommodation - Upgrades				
Deanfield, Hawick	185	(16)	169	0
Grove House, Kelso	185	(16)	169	0
St. Ronan's, Peebles	176	(15)	161	19
Saltgreens, Eyemouth	167	(14)	153	9
Waverley, Galashiels	175	(15)	160	0
Garden View, Tweedbank	50	(4)	46	0
Timing movement to 2024/25		0		
	936	(79)	857	28

	Previous Years Life to Date	2023/24			2024/25			2025/26			2026/27 - 2032/33			Total Project Cost		
		Actual	Latest		Approved Budget	Variance	Approved Budget	Variance	Projected Budget	Approved Budget	Variance	Projected Budget	Approved Budget		Variance	Projected Budget
			Approved Budget	Variance												
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Flood & Coastal Protection																
01-C00223 - Hawick Flood Protection	66,444	3,483	24,228	(20,745)	456	0	456	879	0	879	0	0	0	92,007		
Road & Transport Infrastructure																
01-C00183 - Reston Station Contribution	1,100	0	0	0	1,740	0	1,740	0	0	0	0	0	0	2,840		
01-C00162 - Union Chain Bridge	1,805	0	8	(8)	0	0	0	0	0	0	0	0	0	1,813		
Corporate																
01-C100403 - Digital Transformation	16,330	392	11,432	(11,040)	0	0	0	0	0	0	313	0	313	28,075		
School Estate																
Early Years Expansion	829	84	1,525	(1,441)	614	0	614	433	0	433	0	0	0	3,401		
01-C100262 - Eyemouth Primary School	1,177	0	3,421	(3,421)	7,402	0	7,402	4,000	0	4,000	0	0	0	16,000		
01-C100274 - Earlston Primary School	2,308	57	3,707	(3,650)	7,887	(5,609)	2,278	173	74	247	0	0	0	16,600		
01-C100264 - Gala Academy	5,064	696	13,521	(12,825)	28,585	2,255	30,840	12,180	961	13,141	805	63	868	64,500		
01-C100313 - Hawick High School	541	238	1,497	(1,259)	886	0	886	7,023	0	7,023	46,004	0	46,004	55,951		
01-C100419 - Peebles High School	5,894	1,245	18,260	(17,015)	22,723	0	22,723	3,265	0	3,265	0	0	0	50,142		
Health & Social Care																
Care Village Tweedbank	222	27	6,954	(6,927)	7,308	6,454	7,308	7,308	0	7,308	210	0	210	15,250		
Care Village Hawick	269	50	6,209	(6,159)	7,444	6,159	13,603	213	0	213	0	0	0	14,135		
Economic Regeneration																
01-C00205 - Central Borders Business Park	7,684	16	4,894	(4,878)	6,183	4,394	10,577	3,186	0	3,186	219	0	219	22,166		
01-C1000 - Eyemouth Regeneration	1,374	0	0	0	0	0	0	0	0	0	0	0	0	1,374		
Borderlands	419	95	11,974	(11,879)	10,666	0	10,666	10,939	0	10,939	23,428	0	23,428	57,426		

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APPENDIX 4a: Prudential and Treasury Indicators for 2023-24 as of 30th June 2023

Treasury Indicators	2023/24 Budget £'000	30.06.23 Projection £'000
Authorised limit for external debt	607,972	607,972
Operational boundary for external debt	506,643	506,643
Gross external debt	373,092	373,092
Treasury deposits	45,500	37,500
Net borrowing	327,952	335,592
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	0% to 20%	0% to 20%
12 months to 2 years	0% to 20%	0% to 20%
2 years to 5 years	0% to 20%	0% to 20%
5 years to 10 years	0% to 20%	0% to 20%
10 years to 20 years *1	20% to 100%	20% to 100%
20 years to 30 years *1	20% to 100%	20% to 100%
30 years to 40 years *1	20% to 100%	20% to 100%
40 years to 50 years *1	20% to 100%	20% to 100%
Upper limit for principal sums invested over 365 days (split by financial years beyond current year end): - *2		
Year 1	20%	20%
Year 2	20%	20%
Year 3	20%	20%
Year 4	20%	20%
Year 5	20%	20%
I		

Prudential Indicators	2023/24 Budget £'000	30.06.23 Actual £'000
Capital expenditure *	123,705	130,365
Capital Financing Requirement (CFR) *	444,367	453,420
In year borrowing requirement	70,085	73,746
Ratio of financing costs to net revenue stream *	8.5%	6.9%

APPENDIX 4b: Treasury Deposits

Treasury Deposits held as of 30th June 2023 compared to our counterparty list:

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
MMF Aberdeen Standard Investments	5,000,000	4.43%		MMF	AAAm	
MMF Aviva	5,000,000	4.57%		MMF	AAAm	
MMF BlackRock	5,000,000	4.62%		MMF	AAAm	
MMF Federated Investors (UK)	5,000,000	4.60%		MMF	AAAm	
MMF LGIM	5,000,000	4.80%		MMF	AAAm	
DMO	2,000,000	4.88%	30/06/2023	14/07/2023	AA-	0.001%
DMO	2,000,000	4.59%	12/06/2023	21/07/2023	AA-	0.001%
DMO	7,500,000	4.61%	12/06/2023	28/07/2023	AA-	0.002%
DMO	1,000,000	4.63%	14/06/2023	28/07/2023	AA-	0.002%
Total Investments	£37,500,000	4.62%				0.002%

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

APPENDIX 4c: Approved countries for investments as of 30th June 2023

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

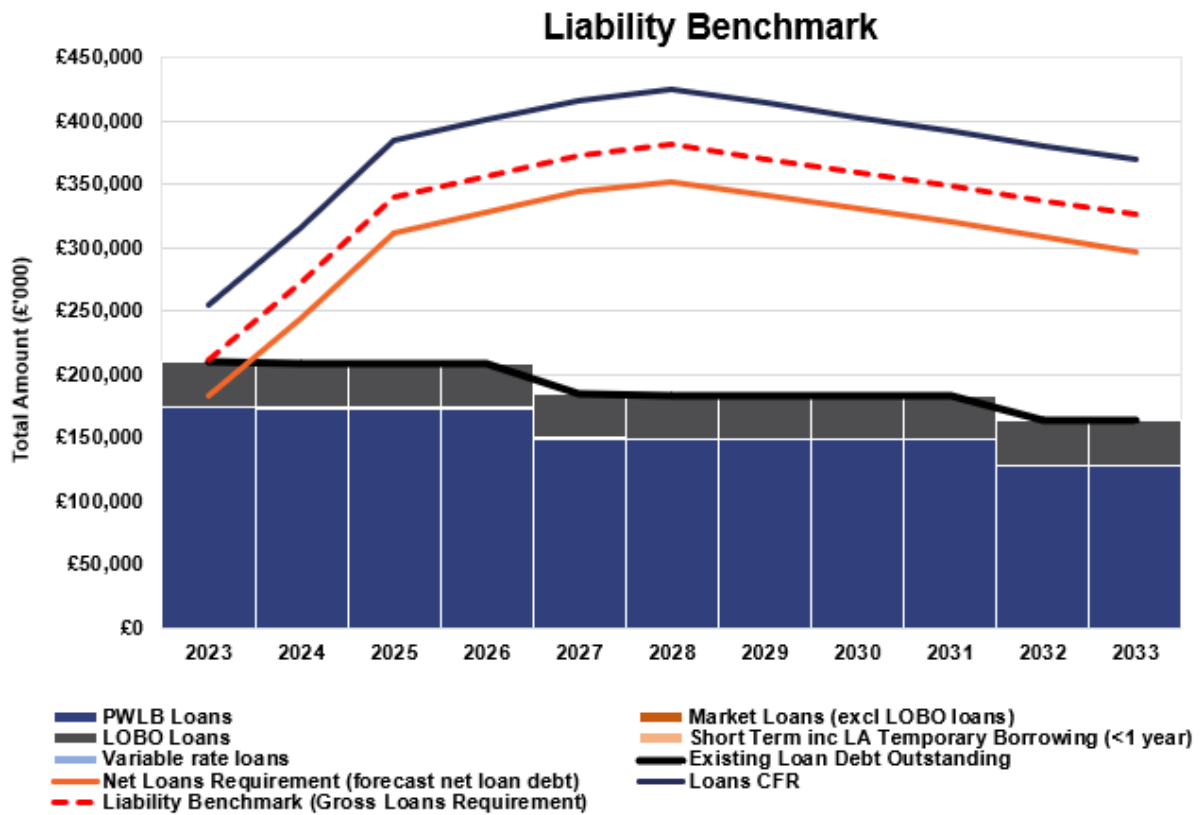
AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France (downgraded by Fitch on 9th May 2023)
- Qatar
- **U.K.**

APPENDIX 4d



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**MONITORING OF THE GENERAL FUND REVENUE BUDGET
2023/24**
**Report by Director of Finance & Procurement
EXECUTIVE COMMITTEE**

15 August 2023

1 PURPOSE AND SUMMARY

- 1.1 This report provides the Executive Committee with budgetary control statements for the Council's General Fund based on actual expenditure and income to 30 June 2023 along with explanations of the major variances identified between projected outturn expenditure/income and the current approved budget.**
- 1.2 Forecasts have been completed at the first quarter of 2023/24 at the 30th June 2023, projecting overall pressures within the Council of £3.771m at the financial year end. £3.267m of service pressures have been identified at the end of the first quarter plus £0.504m of inflation pressures. All pressures are detailed in Appendix 1, the most significant service pressure of £3.377m relates to additional forecast costs in Children & Families Social Work, mainly attributable to an increase in out of area placement costs. This position is one being reported across the UK as the number and complexity of cases increases along with an increase in the cost of placements. This budget was already under significant pressure during 2022/23 and as such elected members approved budget growth of £2.5m through the 2023/24 financial planning process. These pressures of £3.377m are over and above the growth provided with an unprecedented requirement for out of area placements exhibiting over the first quarter of 2023/24. Urgent management action is underway to minimise any further escalation in costs to protect the ongoing financial sustainability of the Council.
- 1.3 Current unprecedented inflation levels in the UK are impacting the Council directly and through impacts on delivery partners. At the first quarter additional direct costs of £0.504m, over and above growth provided in the budget, are forecast based on current inflation levels.
- 1.4 The overall £3.771m pressure poses a significant risk to the Council's ability to balance the 2023/24 budget. The Recovery Fund is not sufficient to address this scale of pressure. The Council Management Team (CMT) has reviewed the monitoring position and has proposed a 20% reduction in some previously approved earmarked balances, brought forward from 2022/23, as a solution to balancing the budget in 2023/24. These reductions are shown in Appendix 2. Consideration is urgently being given to the permanent budgetary impact of these pressures and how these will be funded through the 2024/25 financial planning process.

- 1.5 Financial plan savings of £11.418m require to be delivered in 2023/24. An analysis of deliverability is shown in Appendix 4. Following the June 2023 month end £5.343m (47%) savings have been delivered permanently, £5.456m (48%) are profiled to be delivered by 31 March 2024 and £0.619m (5%) 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 June 2023, 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 specifically the pressures of £3.771m detailed in appendix 1;**
- (c) approves the CMT proposal to reduce earmarked balances, brought forward from 2022/23, by 20% as detailed in Appendix 2 to allow the 2023/24 budget to be balanced;**
- (d) notes the Recovery Fund resources detailed in Appendix 3;**
- (e) notes the progress made in achieving Financial Plan savings in Appendix 4;**
- (f) approves the virements attached at Appendix 5 & 6; and**
- (g) *if the Executive Committee approve the CMT proposal to reduce earmarked budgets to redirect to identified pressures; approve the virement attached at Appendix 7 specifically relating to the reduction in previously approved earmarked balances.***

3 PROJECTED OUTTURN

- 3.1 The revenue monitoring position set out in this report and summarised in Appendix 1 is based on actual income and expenditure to the 30 June 2023.
- 3.2 Forecasts have been completed at the first quarter of 2023/24 at the 30th June 2023, projecting overall pressures within the Council of £3.771m at the financial year end. £3.267m of service pressures have been identified at the end of the first quarter plus £0.504m of inflation pressures. All pressures are detailed in Appendix 1, the most significant service pressure of £3.377m relates to additional forecast costs in Children & Families Social Work, mainly attributable to an increase in out of area placement costs. This position is one being reported across the UK as the number and complexity of cases increases along with an increase in the cost of placements. This budget was already under significant pressure during 2022/23 and as such elected members approved budget growth of £2.5m through the 2023/24 financial planning process. These pressures of £3.377m are over and above the growth provided with an unprecedented requirement for out of area placements exhibiting over the first quarter of 2023/24. Urgent management action is underway to minimise any further escalation in costs to protect the ongoing financial sustainability of the Council.
- 3.3 Current unprecedented inflation levels in the UK are impacting the Council directly and through impacts on delivery partners. At the first quarter additional direct costs of £0.504m, over and above growth provided in the budget, are forecast based on current inflation levels.

Budget Pressure	£m	Comment
Service pressures	3.267	Net service pressures forecast at the first quarter of 2023/24
Inflation pressures	0.504	Pressures identified in 2023/24 based on current inflation levels
Total Council pressures	3.771	

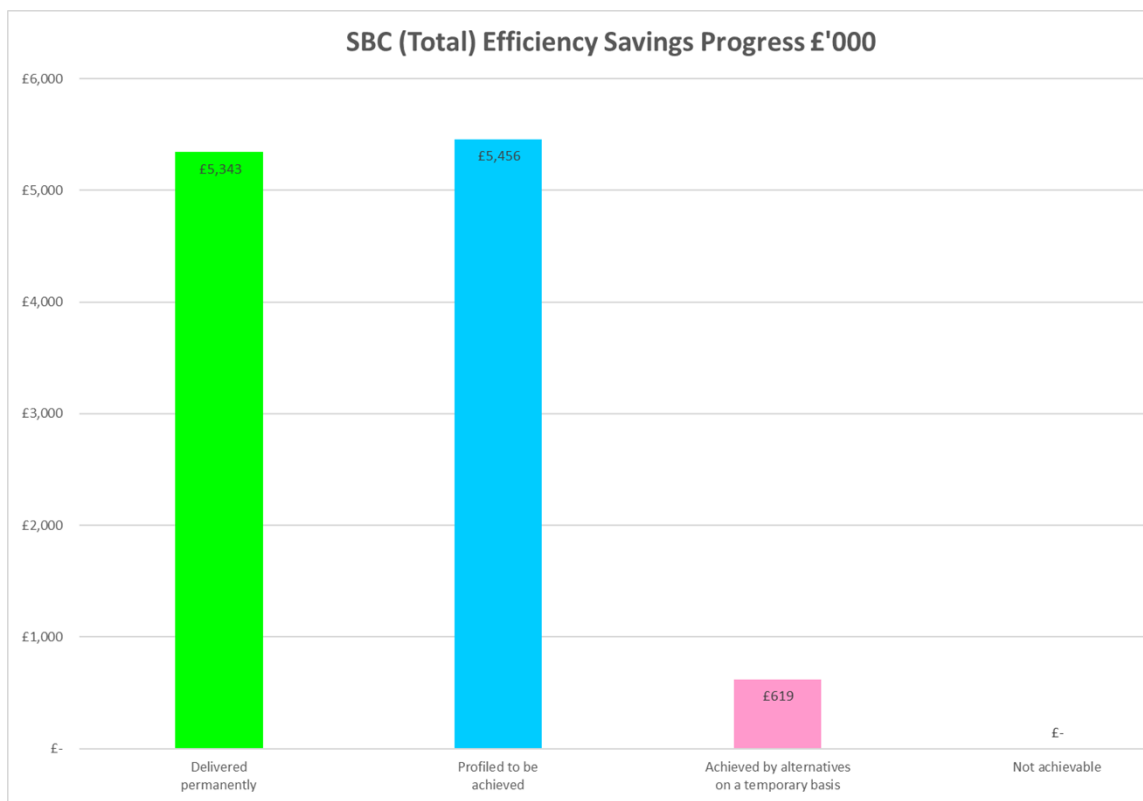
- 3.4 The £3.771m pressure poses a significant risk to the Council's ability to balance the 2023/24 budget. The Recovery Fund is not sufficient to address this scale of pressure. CMT has reviewed the monitoring position and has proposed a circa 20% reduction in some previously approved earmarked balances, brought forward from 2022/23, as a solution to balancing the budget in 2023/24. These proposed reductions are shown in Appendix 2.
- 3.5 Members will be aware that earmarked carry forwards are approved at year end on condition that the Council is not experiencing budget pressures in the core budget. The revised 2023/24 budget includes significant earmarked budget brought forward from 2022/23 with a total £31.142m unspent in 2022/23 and brought forward into 2023/24. There are elements of this carry forward which are already fully accounted for such as budget carried forward to support the 2023/24 financial plan and specific funding from 2nd homes Council Tax. Following a detailed review, CMT believe that £18.866m of the budget carried forward could be considered for a circa 20% reduction in 2023/24 to allow this budget to be redirected to the £3.771m pressures identified at the end of the first quarter. This approach protects the 2023/24 budget approved by Members in February

2023.

- 3.6 In response to the significant pressures now being reported in Children & Families Social Work, CMT has requested an urgent detailed analysis of all children's out of area placements including those which have been put in place during the first quarter of 2023/24 and their associated costs. A senior officer panel has been convened by the Chief Executive involving senior staff from Social Work, Education, Finance and Legal Services to scrutinise all future decisions on this budget and also to consider opportunities to reduce current forecast costs through supporting young people locally. Consideration is also urgently being given to the permanent budgetary impact of these pressures and how these will be funded through the 2024/25 financial planning process.
- 3.7 As shown in Appendix 3, the Recovery Fund balance of £1.187m has been retained at the same level as was reported through the 2022/23 outturn report. Should the CMT proposal to reduce earmarked balances by 20% be approved by the Executive Committee, this would reduce the balance to £0.950m available to support the Council during the remainder of the financial year.
- 3.8 There is a risk during this challenging operating environment that services become reliant on additional one-off funding. One off resources have been available since 2020/21 through the previous COVID-19 reserve and more recently through the Recovery Fund, these resources are finite and are likely to be fully deployed during 2023/24. 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 2024/25 into 2023/24 to support the financial position in the current year.
- 3.9 An agreement for pay award for non-teaching staffing groups across the Council has yet to be reached nationally for 2023/24 and therefore presents a risk to the revenue budget. The revenue budget for 2023/24, approved by Council on 23rd February 2023, includes an assumed pay award for all staff of 2%. Teaching unions have agreed a pay award for 2023/24 with Scottish Government (SG) assuming in the funding package that 3% will be funded by Councils. It is anticipated that Councils will be required to fund a 3% increase across all staffing groups which would result in a pressure of c£1.8m for a full year. As approved through the 2022/23 outturn reports, £1.532m budget has been ringfenced within the general fund balance to support 2023/24 pay award on a one off basis in the current year.
- 3.10 The level of savings required by the financial plan in 2023/24 totals £11.418m. An analysis of delivery of savings as at the end of month 3 is provided in Appendix 4. This analysis shows that following the June month end £5.343m (47%) savings have been delivered permanently, £5.456m (48%) are profiled to be delivered by 31 March 2022 and £0.619m (5%) have been delivered on a temporary basis through alternative savings.



3.11 CMT remain focused on ensuring that the £5.456m, which is profiled to be delivered by 31 March 2024, is progressed and delivered permanently as soon as possible.

3.12 **Infrastructure & Environment**

Delivery of new waste vehicles is expected in the in the upcoming months to ease the pressure in waste services relating to vehicle hire costs. Initial forecasts suggest potential pressure relating to gas and electricity costs, further assessments will be made as additional data is obtained.

3.13 **Social Work & Practice**

There are significant budget pressures of £3.377m within Children & Families Social Work services due to a steep increase in the number of children entering out of authority placements during Q1 2023/24. National placement contract prices have also risen further contributing to the pressure.

It is anticipated reallocated Scottish Government funding combined with savings in other areas will be sufficient to cover pressures emerging within IJB delegated services: learning disability day services, community support as well as 24 hour permanent care within other services.

3.14 **Education & Lifelong Learning**

Scottish Government has tasked all Councils with maintaining minimum teacher numbers, currently Scottish Borders continues to be above this figure. Pupil Equity funding has not yet been confirmed at school level for the 2023/24 financial year, so schools are planning for the 2023/24 academic year based on the best available information. Potential pressures have been identified in both school meals and school transport, further analysis is required and will take into account the impact of the new academic year that commences in August.

The Early Years review has started, the service will increase the focus once teams return from their summer break in order to identify and agree the

required changes to the service for the 2024/25 financial year to ensure the service is managed within the reduced specific grant provided.

3.15 **Resilient Communities**

The service is forecasting a balanced outturn position. Pressure relating to housing benefit is expected to follow a similar pattern to that in 2022/23. Funding has been diverted from Safer Communities (Homeless) to address this.

3.16 **Finance & Corporate Governance**

The service is forecasting a balanced outturn position. Budgets virements are being actioned to transfer budget to Sports Services to fund depreciation and interest charges for sports pitches and fund a pressure in Major Projects feasibility.

3.17 **People, Performance and Change**

The service is forecasting a balanced outturn position. Available budgets have been transferred to fund an additional resource requirement in Business Change & Programme Management.

3.18 **Strategic Commissioning and Partnerships**

The IT budget continues to have pressures in relation to increased use of computer storage platforms and volumetrics. Permanent budget has been identified across the Council to fund an IT Contracts Manager to release the IT Client Manager to evaluate proposals and make decisions in relation to IT technical elements that are currently stalled due to lack of resource within the in-house IT team.

Within Adult Social Care, forecast pressures in care homes are being offset by forecast underspends in homecare and day care services.

4 IMPLICATIONS

4.1 **Financial**

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 2023/24.

4.2 **Risk and Mitigations**

The Risk Register associated with the Financial Strategy 2023/24 – 2027/28 ([Item No. 7 - Financial Strategy Risk Register.pdf \(moderngov.co.uk\)](#)) that was approved by Council on 23 February 2023 lists the following examples of relevant Budget Control risks:

“If we are unable to deliver budgeted savings then expenditure may not be contained within approved budgets and there may be negative impacts on service provision” (No.5 - Amber risk); and

“If we are unable to accurately forecast demographics in relation to vulnerable children/children with complex needs then we may not be able to plan service provision accordingly and expenditure may not be contained within approved budgets, resulting in the potential for reduced service provision” (No.7 - Red risk).

In respect of the former Financial Strategy Risk No.5, it is imperative therefore that as many savings as possible identified within the 2023/24 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 CMT, 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.

In respect of the latter Financial Strategy Risk No.7, a 'deep-dive' into Corporate Risk CMT019 "C&YP/Learner Placements - If children, young people and learners are placed/educated outwith the local area to meet their needs, this may result in significant costs to SBC" is continuing to be progressed in light of its heightened risk score. An increased frequency of meetings are being held with the Director Education & Lifelong Learning and the Chief Officer Children & Families Social Work to maintain focus on this risk, share updates on the current position and discuss the progress of actions that are underway. The Corporate Risk Register was presented to the Audit Committee on 10 May 2023 as an Appendix to the Risk Management Annual Report 2022/23 ([Item No. 10 a - Appendix 1 - Corporate Risk Register Quarter 4 2022-23.pdf \(moderngov.co.uk\)](#)).

Furthermore, 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 **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.

4.4 **Sustainable Development Goals**

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

4.5 **Climate Change**

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

4.6 **Rural Proofing**

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

4.7 **Data Protection Impact Statement**

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

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

No changes to either the Scheme of Administration or the Scheme of

Delegation is required as a result of this report.

5 CONSULTATION

- 5.1 The Director of Corporate Governance, the Chief Officer Audit and Risk, the Director of People, Performance & Change, the Clerk to the Council and Corporate Communications are being consulted and any comments received will be reported to the meeting.

Approved by

Suzy Douglas

Director of Finance & Procurement

Signature

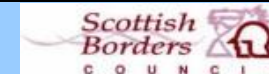
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Background Papers:

Previous Minute Reference:

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MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL **2023/24**
SUMMARY
AT END OF MONTH: Jun-23


	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	54,408	9,532	58,700	55,941	2,759	(2,881)	(122)	Infrastructure & Environment are forecasting a pressure of £0.160m. The service continues to face recovery related pressures.
Social Work & Practice	82,010	1,069	77,445	82,780	(5,335)	1,958	(3,377)	Social Work & Practice are forecasting a pressure of £3.377m. Out of authority placements account for £2.699m of this due to the full year effect of additional placements from 2022/23, price inflation on national contracts and new clients in 2023/24. Children Affected by Disability budgets are showing a pressure of £0.678m which largely relates to a single client.
Education & Lifelong Learning	122,103	32,823	131,853	132,109	(256)	135	(121)	Education & Lifelong Learning are forecasting a pressure of £0.121m in respect of unitary charge due to high inflation in Jan/Feb 2023. Further work is required on several areas including once the new academic year starts in August and school numbers are known. Work has started on the Early Years review to ensure that the £1.7m savings for 2023/24 and £0.8m for 2024/25 are identified and implemented for financial year 2024/25.
Resilient Communities	25,274	(33,955)	28,530	30,042	(1,512)	1,512	0	Resilient Communities are forecasting a balanced position.
Finance & Corporate Governance	24,989	(1,261)	25,315	25,534	(219)	219	0	Finance & Corporate Governance are forecasting a balanced position.
People, Performance and Change	7,484	1,726	7,469	7,464	5	(5)	0	People, Performance and Change are forecasting a balanced position.
Strategic Commissioning & Partnership	27,493	7,587	32,854	33,452	(598)	447	(151)	Strategic Commissioning & Partnership is forecasting a net pressure of £0.151m in CGI service charges due to increased use of computer storage platforms and volumetrics.
Total	343,761	17,521	362,166	367,323	(5,156)	1,385	(3,771)	

Financed by:								
Revenue Support Grant	(213,888)	(53,020)	(205,842)	(210,074)	4,232	(4,232)	0	Gross up additional Revenue Support Grant relating to i) Adult Trauma (£50k); ii) Discretionary Housing Payments (£1,171k); iii) Real Living Wage (£2,333k); iv) Additional teachers pay (£648k) and v) Summer '23 funding (£87k). Reductions to 2023/24 funding for i) Empty Property Relief Devolution (£26k); ii) Valuation Appeal Committee Adjustment (£19k); and iii) Services for Home-Based Elderly (£17k).
Non-Domestic Rates	(37,818)	(9,454)	(37,818)	(37,818)	0	0	0	
Council Tax	(71,809)	(73,346)	(71,809)	(71,809)	0	0	0	
Second Homes Council Tax	(1,229)	0	(1,229)	(1,229)	0	0	0	
Capital Financed from Current Revenue	0	0	0	0	0	0	0	
Ring fenced grants	(14,106)	0	(14,105)	(14,102)	(3)	3	0	Reduction in ring-fenced grant for Early Learning & Childcare (£3k).
Reserves:								
Earmarked Balances from 2022/23	(3,503)	(31,142)	(31,142)	(31,142)	0	0	0	
Earmarked Balances for future years	0	1,187	1,187	4,111	(2,924)	2,924	0	To earmark Second Homes Council Tax into 2024/25 to support future investment in affordable housing (£2.924m).
Transfers to/from Reserves	(1,408)	0	(1,408)	(1,488)	80	(80)	0	Drawdown from unallocated reserve to fund the implementation of actions in relation to the independent inquiry (£34k). Drawdown from Workforce Management Allocated Reserve (£46k).
Total	(343,761)	(165,776)	(362,166)	(363,551)	1,385	(1,385)	0	

**MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2023/24**

AT END OF MONTH: Jun-23



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
Property	15,645	1,832	15,968	16,162	(194)	72	(122)	
Property Management Services	15,943	2,654	16,273	16,383	(110)	(12)	(122)	Continued pressure for temporary units at Peebles High School after fire in November 2019 (£122k). Initial forecast calculations show potential pressures in both gas and electricity due to the full impact of inflation this year. Finance will carry out further analysis in conjunction with the procurement team to establish the likely impact.
Estates Management Services	619	129	631	630	1	(1)	0	
Commercial Property Income	(1,284)	(1,039)	(1,284)	(1,284)	0		0	
Architects	159	84	158	158	0		0	
Major Projects	208	4	190	275	(85)	85	0	Programme Management Office pressure (£85k) to be funded from underspend in Finance & Corporate Governance.
Facilities	7,552	1,329	7,264	7,259	5	(5)	0	
Catering Services	2,881	109	2,597	2,595	2	(2)	0	
Cleaning & Facilities Management	4,671	1,220	4,667	4,664	3	(3)	0	Ongoing Covid recovery pressure relating to reduced departure charges income from the Galashiels Transport Interchange (£38k) is expected to be managed within the service.
Parks & Environment	4,879	912	4,872	4,868	4	(4)	0	
Roads & Infrastructure	10,407	3,536	10,514	10,506	8	(8)	0	
Network & Infrastructure Asset Management	9,684	1,614	9,876	9,869	7	(7)	0	
SBcContracts	(425)	1,085	(728)	(728)	0		0	
Engineers	924	329	923	922	1	(1)	0	
Fleet Management Services	224	532	221	221	0		0	
Pay Parking	0	(24)	222	222	0		0	
Waste Management Services	10,937	833	10,942	10,934	8	(8)	0	

**MONTHLY REVENUE MANAGEMENT REPORT
SCOTTISH BORDERS COUNCIL 2023/24**

AT END OF MONTH: Jun-23



Passenger Transport	2,294	314	2,341	2,339	2	(2)	0	
Planning Services	1,346	188	1,214	1,213	1	(1)	0	
Housing Strategy & Services	1,348	588	5,585	2,660	2,925	(2,925)	0	To earmark Second Homes Council Tax into 2024/25 to support future investment in affordable housing (£2,924k).
Total	54,408	9,532	58,700	55,941	2,759	(2,881)	(122)	

Key Highlights, Challenges and Risks

The service has £1.926m of financial plan savings to deliver in 2023/24, £0.438m of these have been delivered permanently and £1.488m profiled to be delivered in the balance of the year. The service is showing pressures totalling £0.122m. Initial forecasts show potential pressures in both gas and electricity due to the full impact of inflation this year. Finance will carry out further analysis in conjunction with the procurement team to establish the likely impact.

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	224	25	223	223	0		0	
Children & Families Social Work	18,319	4,647	18,331	22,195	(3,864)	487	(3,377)	Full year effect of 22-23 out of authority placements amounts to £766k pressure. New clients in 23-24 forecast to cost c. £1,512k. Price inflation in respect of increasing national contract prices amounts to £383k, also an additional calendar day in 2024 impacts on costs £38k. Children Affected by Disability (CHAD) budgets across the Scottish Borders are showing a pressure of £678k, largely relating to a single client. These forecast costs are based on knowledge of existing and future placements. Allocation of £410k from Carers Act 2016. Summer '23 funding for targeted children and young people from Scottish Government (£87k). Summer '23 funding to be vired to Safer Communities for Homelessness participatory budgeting (£10k).
Adult Protection	374	85	349	349	0		0	
Emergency Duty Team	332	93	332	332	0		0	
Quality Improvement	513	120	614	614	0		0	
Services in Criminal Justice System	1,273	62	1,273	1,273	0		0	
Safer Communities	2,223	(2,166)	2,719	2,498	221	(221)	0	£166k pressure being investigated due to ambiguity around ring fenced funding and core budget transfer for Rapid Rehousing Transition Programme from CASS. Recurring £150k pressure also being investigated within Homelessness Property Management in relation to repairing and furnishing properties to get them ready for use. Additional temporary accommodation rental income linked to a related pressure within Housing Benefits in Resilient Communities, current projection, using new forecasting model, assumes similar pattern to 2022/23, resulting in proposed virement between the services of £231k. Summer '23 funding from Children & Families Social Work (£10k).
Older People	24,735	(6,262)	17,358	19,460	(2,102)	2,102	0	Gross up additional Scottish Government funding for Adult Trauma (£50k) and Real Living Wage (£2,321k). Transfer of budget to Resilient Communities to support the recruitment of 3 FTE Business Support staff to support Social Work Locality Teams (£76k, £91k recurring). Mosaic renewal pressure (£133k) to be offset in-year from available funding identified within Social Work & Practice.
Joint Learning Disability	20,404	2,481	21,403	21,403	0		0	Current forecast pressures relating to higher than anticipated contract costs relating to Eildon Day Service provision as well as corresponding undeliverable savings (£294k). Pressures relating to similarly higher than anticipated agreed supported living contract costs (£70k). It is anticipated that these pressures will be met from reallocation of additional Scottish Government funding.
Joint Mental Health	2,178	321	2,238	2,238	0		0	
People with Physical Disabilities	2,698	805	2,852	2,852	0		0	Potential pressures relating to 24 hour permanent care and other residential care costs anticipated to be met through a rebasing of all Social Work & Practice 24 hour permanent care budgets during quarter 2
Generic Services	8,639	849	9,657	9,247	410	(410)	0	Re-allocation of Carers Act 2016 ring fenced funding to Children & Families.
Total	81,912	1,062	77,348	82,682	(5,335)	1,958	(3,377)	

Public Health	Base Budget (£'000)	Actual to Date (£'000)	Revised Budget (£'000)	Projected Outturn (£'000)	Outturn Variance (£'000)	Proposed Virement (£'000)	Projected (over)/unders pend
Public Health	98	7	98	98	0		0
Total	98	7	98	98	0	0	0

Key Highlights, Challenges and Risks

Material budget pressures within Children & Families services resulting from a steep increase in the number of children being placed in out of authority placements during Q1 2023-24. Other factors contributing to this pressure relating to national placement contract prices. The placement of children in out of authority settings is under close scrutiny and review however, there is a risk that this pressure as at the end of Q1 will not be managed within the year and within existing budgets. Within IJB delegated services, pressures are emerging in relation Learning Disability day services and community support as well as 24 hour permanent care within other services. At this stage in the financial year, it is anticipated that these pressures can be met from reallocated additional Scottish Government funding as well as savings in other areas.

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	17,547	4,306	22,675	22,661	14	(14)	0	Gross up balance of additional Scottish Government funding for additional teachers pay relating to 2021/22 (£2k). Reduction in ring fenced funding from Scottish Government (£3k). Assume breakeven.
Primary Schools	30,408	8,658	32,074	32,115	(41)	41	0	Gross up balance of additional Scottish Government funding for additional teachers pay relating to 2021/22 (£42k). Assume breakdown.
Secondary Schools	48,309	13,958	50,493	50,650	(157)	36	(121)	Gross up balance of additional Scottish Government funding for additional teachers pay relating to 2021/22 (£45k). Unitary charge inflationary pressure £121k.
Additional Support Needs	12,790	3,127	12,819	12,811	8	(8)	0	Gross up balance of additional Scottish Government funding for additional teachers pay relating to 2021/22 (£1k). Assume breakeven at time of monitoring - assumes outstanding budget required from ELC, and for Teachers Pay Award (2%) from January 2024. Potential overspend - further analysis work being done on forecasting and manpower - potential outstanding virement to be actioned to Secondary Schools. Figs not yet updated for new academic year intake.
Educational Psychology	741	191	758	758	0	0	0	Gross up balance of additional Scottish Government funding for additional teachers pay relating to 2021/22 (£1k). Pressure for Teachers Pay Award (2%) from January 2024 plus additional 3% from April as only 2% awarded per manpower. Assume that funding will be received in due course.
Central Schools	5,394	799	5,834	5,919	(85)	85	0	Gross up balance of additional Scottish Government funding for additional teachers pay relating to 2021/22 (£9k). Drawdown from unallocated reserve to fund the implementation of actions in relation to the independent inquiry (£34k). Drawdown from workforce reserve to cover salary conservation as a result of revised DSM scheme (£46k). Newly Qualified Teacher (NQT) pressure (£244k) will be reviewed when final numbers of NQTs are available in August at the start of the new academic year. Potential overspends within Central schools are being reviewed with the expectation that these can be covered elsewhere within the wider service.
School Meals	1,756	935	2,043	2,042	1	(1)	0	Budget holder forecasting budget pressure. Further analysis to be carried out in conjunction with catering service.
School Transport	4,123	693	4,123	4,120	3	(3)	0	Budget holder forecasting budget pressure. Further analysis to be carried out in conjunction with transport team and to review expected changes with new academic year from August.
Community Learning & Development	1,035	156	1,033	1,032	1	(1)	0	
Total	122,103	32,823	131,853	132,109	(256)	135	(121)	

Key Highlights Challenges & Risks

Significant funding is still to be received from Scottish Government (SG) in respect of the agreed Teachers pay award from January 2023 and 2023/24. It is assumed that this will be received in due course. A further £919k has been retained by SG to ensure that a minimum number of teachers is maintained by Scottish Borders Council. Pupil Equity Funding amounts have not yet been confirmed at school level, schools are planning for the 23/24 levels as indicated in the 23/24 settlement. Pressures have been identified by budget holders for both School Meals and School Transport, further analysis is required which will take into account the new academic year impact from August. Work has been started to review the Early Years Service in order to ensure the £1.7m savings for 2023/24 and £0.8m for 2024/25 are identified and implemented for financial year 2024/25.

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	5,512	1,350	5,508	5,580	(72)	72	0	Transfer of budget from Social Work & Practice to support the recruitment of 3 FTE Business Support staff to support Social Work Locality Teams (£76k, £91k recurring).
Community Planning & Engagement	485	114	484	484	0		0	
Neighbourhood Support Fund	471	63	1,771	1,771	0		0	
Customer Advice & Support Services	3,153	(36)	3,152	3,189	(37)	37	0	Gross up additional Scottish Government funding for Discretionary Housing Payments administration (£39k).
Economic Development	1,885	(172)	3,696	3,694	2	(2)	0	
Cultural Services	3,442	891	3,443	3,443	0		0	
Sports Services	1,836	606	1,836	1,904	(68)	68	0	Transfer available budget from loan Charges to fund depreciation and interest charges for sports pitches (£68k).
Discretionary Housing Payments	0	31	0	1,132	(1,132)	1,132	0	Gross up additional Scottish Government funding (£1,132k).
Housing Benefits	608	301	608	839	(231)	231	0	Additional HB expenditure linked to additional temporary accommodation rental income reported under Safer Communities. Projection, using new forecasting model, assumes similar pattern to 2022/23.
Non Domestic Rates Relief	1,561	(42,944)	1,561	1,535	26	(26)	0	Reduction in Scottish Government funding for Empty Property Relief Devolution (£26k).
Scottish Welfare Fund	586	(68)	736	736	0		0	
Council Tax Reduction Scheme	5,735	5,908	5,735	5,735	0		0	
Total	25,274	(33,955)	28,530	30,042	(1,512)	1,512	0	

Key Highlights, Challenges & Risks

The service has £0.546m of financial plan savings to deliver in 2023/24, £0.21m of these have been delivered permanently and £0.336m profiled to be delivered in the balance of the year. The service are forecasting a balanced position in the current quarter following virements from Loan Charges and Safer Communities (Homeless).

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	0	(87)	0	(85)	85	(85)	0	Funding available from returned Business Grants following Scottish Government reconciliation and programme closure (£85k). To be utilised to fund pressure in Major Projects feasibility.
Corporate	(3,082)	0	(2,744)	(2,346)	(398)	398	0	Gross up additional Scottish Government for additional teachers pay relating to 2021/22 (£548k). Vire additional corporate STA (£150k) to IT to offset volumetrics pressure.
Chief Executive	192	51	209	209	0		0	
Emergency Planning	221	57	218	218	0		0	
Finance	4,544	49	4,520	4,517	3	(3)	0	
Legal Services	716	182	713	712	1	(1)	0	
Protective Services	1,559	344	1,551	1,550	1	(1)	0	Forecast subject to potential pressure relating to disposal of avian flu infected birds (£10k).
Audit & Risk	384	92	383	383	0		0	
Assessor & Electoral Registration Services	1,006	212	1,002	1,001	1	(1)	0	
Democratic Services	1,859	532	1,866	1,846	20	(20)	0	Reduction in Scottish Government funding for Valuation Appeal Committee (£19k).
Communications & Marketing	553	130	558	558	0		0	
Loan Charges	17,520	(2,993)	17,520	17,452	68	(68)	0	Transfer available budget to Sports Services to fund depreciation and interest charges for sports pitches (£68k).
Provision for Bad Debts	125	125	125	125	0		0	
Recharge to Non-General Fund	(608)	0	(608)	(608)	0		0	
Total	24,989	(1,261)	25,315	25,534	(219)	219	0	

Key Highlights, Challenges & Risks

The service has £6.134m of financial plan savings to deliver in 2023/24, £3.819m of these have been delivered permanently and £2.315m profiled to be delivered in the balance of the year.
The service are forecasting a balanced position in the current quarter following virements to Major Projects and Sports Trusts.

People, Performance & Change	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
Human Resources	4,959	1,112	4,947	4,943	4	(4)	0	
Early Retiral/Voluntary Severance	67	3	67	67	0		0	
Corporate Transformation	730	95	730	674	56	(56)	0	Transfer available budget, on a permanent basis, to fund additional resource requirement in Business Change & Programme Management (£56k).
Business Change & Programme Management	1,261	399	1,260	1,315	(55)	55	0	Creation of 2 x Grade 5 Project Support positions to alleviate increased resources requirement to deliver transformational change (£56k).
Business Planning Performance & Policy Development	467	117	466	466	0		0	
Total	7,484	1,726	7,469	7,464	5	(5)	0	

Key Highlights, Challenges & Risks

The service has £0.083m of financial plan savings to deliver in 2023/24, and these are profiled to be delivered in the balance of the year.
 The service are forecasting an overall balanced position in the current quarter.

Strategic Commissioning & Partnerships	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
Information Technology	11,918	3,915	15,769	16,379	(610)	459	(151)	Mosaic renewal pressure (£133k) to be offset in-year from available funding identified within Social Work & Practice. Ongoing pressure in CGI service charges due to increased use of computer storage platforms (£76k) and volumetrics (£75k). Focus on and prioritisation of IT has increased development and a permanent budget requirement has been identified for the recruitment of an IT Contract Manager and establishment of an infrastructure budget (£176k in-year, £129k permanently); this has been funded from services across the Council.
Adult Social Care	16,341	3,616	15,872	15,860	12	(12)	0	Significant forecast pressures in care homes being offset by underspends in Homecare and day care services. Remaining pressures are being targeted to be met from efficiencies in agency staffing costs, other employee expenses and also savings in PPE budgets.
Commissioning	(766)	56	1,213	1,213	0		0	Potential pressures relating to STA, however, it is anticipated that this can be addressed within the wider services throughout the year
Total	27,493	7,587	32,854	33,452	(598)	447	(151)	

Key Highlights, Challenges & Risks

Recurring IT pressures relating to CGI contract, directly related to increased use of storage and volumetrics causing a pressure of £151k. Mosaic licence costs (£133k) as well as an IT Contract Manager and infrastructure budgets (£175k) being funded from other departments. Significant budget pressures relating to staff costs within Adult Social Care are forecast within Care Homes, however, underspends within Homecare services and also efficiencies from the planned use of agency staff are anticipated to cover this during the remainder of the year.

74

Excluded : Service	Details	2022/23 EMB
Support to 2023/24 Financial Plan		
Central Schools	Towards 2023/24 Financial Plan gap	50,000
Customer Advice & Support	Towards 2023/24 Financial Plan gap	97,000
Customer Advice & Support	Towards 2023/24 Financial Plan gap	57,000
Business Support	Towards 2023/24 Financial Plan gap	130,000
Audit & Risk	Towards 2023/24 Financial Plan gap	21,678
Chief Executive	Towards 2023/24 Financial Plan gap	60,000
Corporate Transformation	Towards 2023/24 Financial Plan gap	200,000
Older People	Towards 2023/24 Financial Plan gap	294,000
Corporate	Support the local government pay offer	2,594,000
Recovery Fund		
E&LL - specific schools COVID funding	Balance of COVID funding	22,573
Political/policy agreements		
Housing & Strategy Services	Second Homes Council Tax	4,150,497
Information Technology	T34 revenue budget to tie in with current planned delivery	3,926,543
Network & Infrastructure Asset Management	Deliver remaining balance of Small Schemes budget	105,386
Neighbourhood Support Fund	Neighbourhood Support Fund	95,817
Pay Parking	Pay Parking	221,854
Economic Development	Hosting fee for the UCI Cycling World Championships	250,000
		12,276,348

Service	Details	2022/23 EMB	To fund pressure (20%)	Revised EMB
Additional Support Needs	South East Improvement Collaborative (SEIC)	10,000	(1,999)	8,001
Central Schools	Scottish Government funding for 1+2 languages	17,000	(3,398)	13,602
Early Years	Ring fenced grant for the Early Years 1140 hours allocation	5,223,331	(1,207,826)	4,015,505
Primary Schools	Projected DSM carry forward	825,404	(164,986)	660,418
Primary Schools	Projected Pupil Equity fund (PEF) c/f to cover employee contracts.	579,902	0	579,902
Secondary Schools	Projected DSM carry forward	1,944,241	(388,624)	1,555,617
Secondary Schools	Projected Pupil Equity fund (PEF) c/f to cover employee contracts.	239,391	0	239,391
Recovery Fund	Available balance in Recovery Fund to 23/24	1,186,716	(237,207)	949,509
Housing & Strategy Services	Scottish Government funding to deliver Local Heat and Energy Efficiency Strategy	86,818	(17,354)	69,464
Passenger Transport	Delivery of the remaining Demand Responsive Transport (DRT) budget	48,000	(9,594)	38,406
Planning Services	Community Engagement Fund	253,830	(50,737)	203,093
Property Management	Delivery of sustainability and carbon reduction	398,000	(79,554)	318,446
Neighbourhood Support Fund	King's Coronation Fund	30,300	(6,057)	24,243
Neighbourhood Support Fund	Anti-Poverty Strategy - Cost of Living Support (£376k).	376,465	(75,250)	301,215
Neighbourhood Support Fund	Local Authority Covid Economic Recovery (LACER) Fund (£541k) and Financial Insecurity Fund (£257k).	797,898	(159,488)	638,410
Economic Development	Additional Events Strategy Funding	425,248	(85,001)	340,247
Economic Development	No One Left Behind (NOLB)	676,777	(135,278)	541,499
Economic Development	Parental Employability Support Fund (PESF) Boost	57,538	(11,501)	46,037
Economic Development	Borderlands Business Infrastructure project	31,000	(6,196)	24,804
Scottish Welfare Fund	Scottish Welfare Fund	150,000	(29,983)	120,017
Customer Advice & Support Services	Tenant Grant Fund	11,710	(2,341)	9,369
Children & Families Social Work	Respite Pilot work	30,000	(5,997)	24,003
Children & Families Social Work	Additional Government Funding for Whole Family Wellbeing Fund.	668,000	(133,523)	534,477
Generic Services	Additional funding to relieve pressure of Adult Care Sector and Carers Act	1,038,891	(207,659)	831,232
Older People	Scottish Government funding in relation to delays due to Covid-19	3,285,000	(656,622)	2,628,378
Quality Improvement	Mental Health Recovery & Renewal Funding	84,723	(16,935)	67,788
Safer Communities	One-off CCTV funding in line with current procurement plans	50,000	(9,994)	40,006
Safer Communities	Homelessness Service specific funding for RRTF	192,305	(38,439)	153,866
Safer Communities	Ring fenced funding for Community Safety	147,368	(29,457)	117,911
		18,865,856	(3,771,000)	15,094,856

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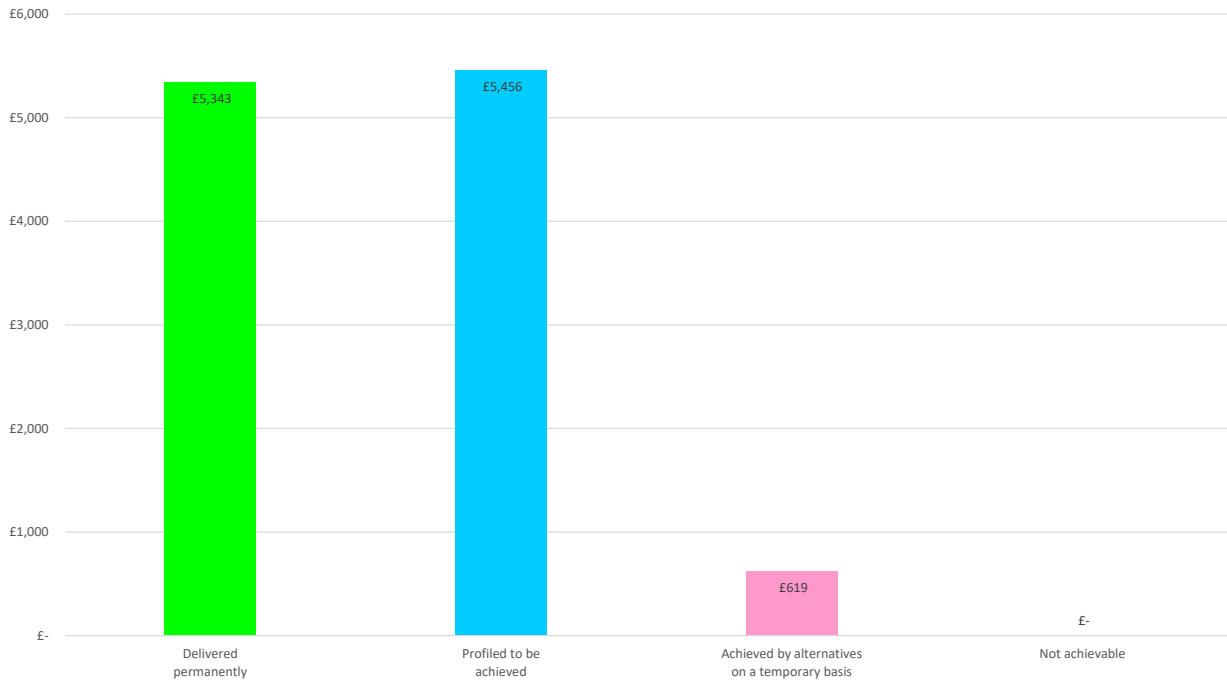
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FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

SBC Total

Status	Saving £'000	Saving %
Delivered permanently	£ 5,343	47%
Profiled to be achieved	£ 5,456	48%
Achieved by alternatives on a temporary basis	£ 619	5%
Not achievable	£ -	0%
	<u>11,418</u>	<u>100%</u>

SBC (Total) Efficiency Savings Progress £'000

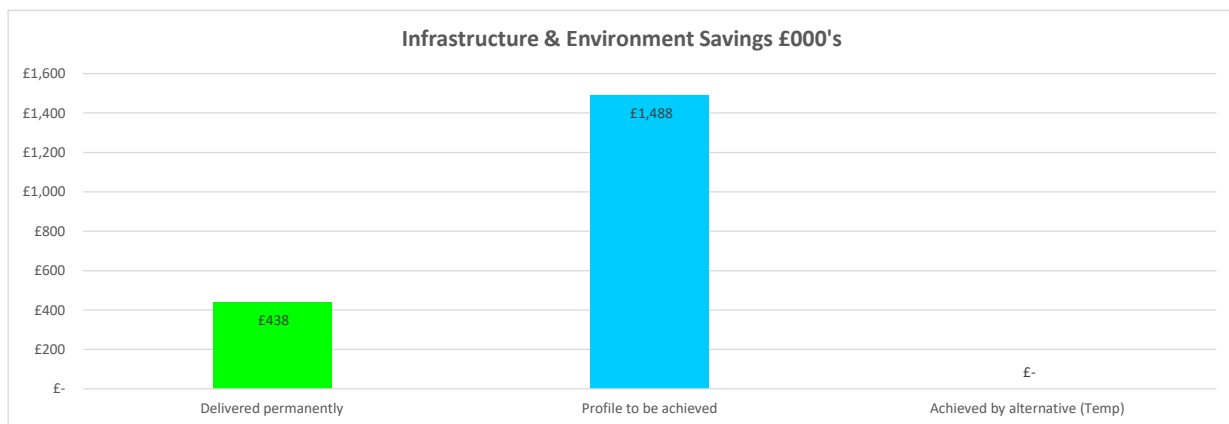


FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

Infrastructure & Environment

Savings:

	£'000	Delivered permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
Brought Forwards Savings					
Energy Efficiency Project	102		102		
More efficient property and asset portfolio and implementation of	252	56	196		
Parks & Environment	187		187		
Roads & Infrastructure	176		176		
Waste Management	105		105		
Passenger Transport	170		170		
Planning Services	44		44		
2023/24 Savings					
Additional Fees and Charges	171	171	-		
Commercial rent income	10	10	-		
Energy Efficiency Project	50	18	32		
More efficient property and asset portfolio	126		126		
Facilities Management	183	183	-		
Parks & Environment	100		100		
Roads & Infrastructure	167		167		
Waste Management	50		50		
Passenger Transport	24		24		
Planning Services	9		9		
	1,926	438	1,488	-	-



FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

Social Work & Practice

Savings:

	£'000	Delivered permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
Brought Forwards Savings					
Review of Care Packages (LD)	190		190		
Trusted Assessment (OP and LD)	50		50		
Review of Day Care Services (LD)	75		75		
2023/24 Savings					
Review of Day Care Services (LD)	75		75		
Shared Lives	200		200		
Safer Communities - Homeless Service	14		14		
	604	-	604	-	-



FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

Education & Lifelong Learning

Savings:

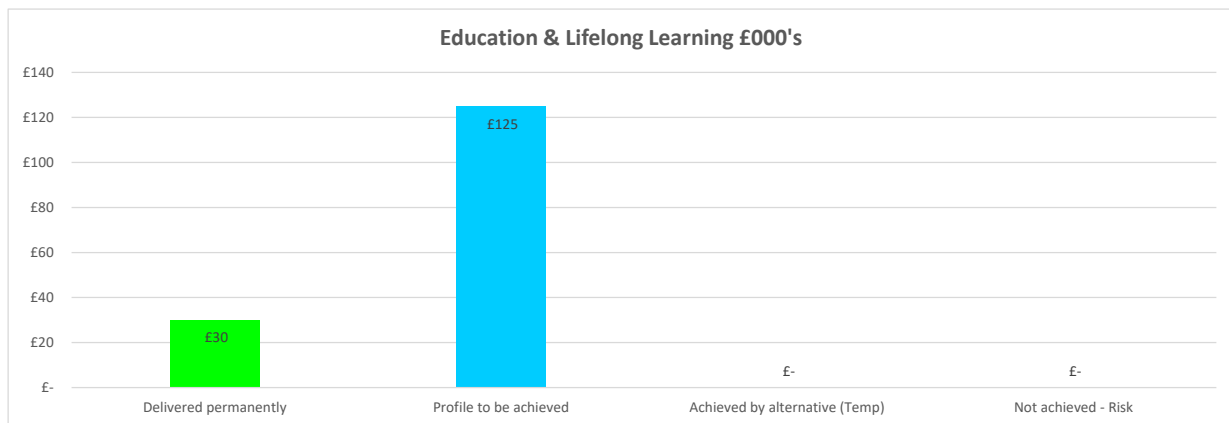
£'000	Delivered permanently ¹	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
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Brought Forwards Savings

2023/24 Savings

Increased fees & charges for lets	9	9	-	
Increases to fees for non-funded childcare	21	21	-	
Central Schools	125		125	
	155	30	125	-

¹assumes proposed DSM Scheme approved by Executive

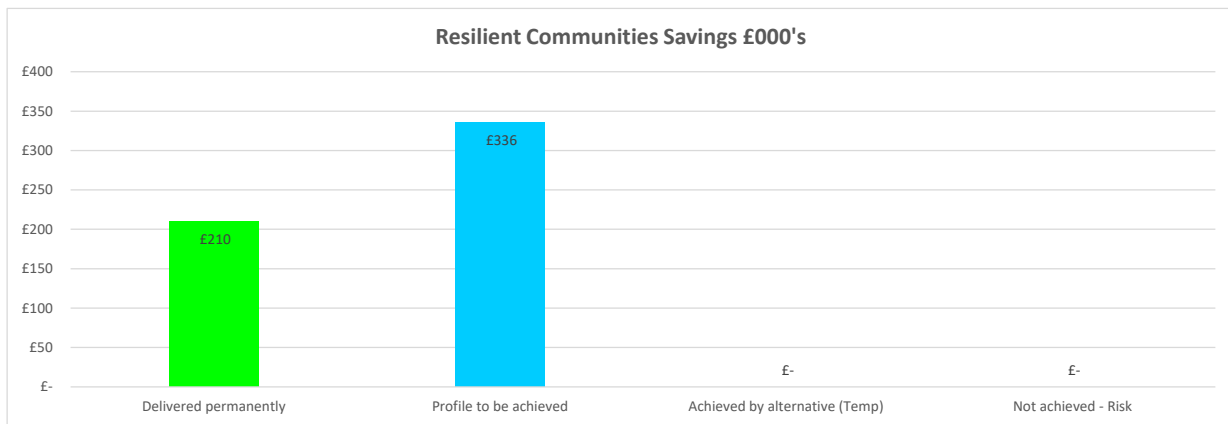


FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

Resilient Communities

Savings:

	£'000	Delivered permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
Brought Forwards Savings					
A redesigned operating model for the Customer and Business Admin function through the rollout of digital service across the Council	166	114	52		
2023/24 Savings					
Additional fees & charges income	18	18	-		
Scottish Water Commission	11	11	-		
A redesigned operating model for the Customer and Business Admin function through the rollout of digital service across the Council	248	62	186		
Roll out of Digital Customer Access within Customer Advice and Support Services	98		98		
Employment Support Service	5	5	-		
	546	210	336	-	-

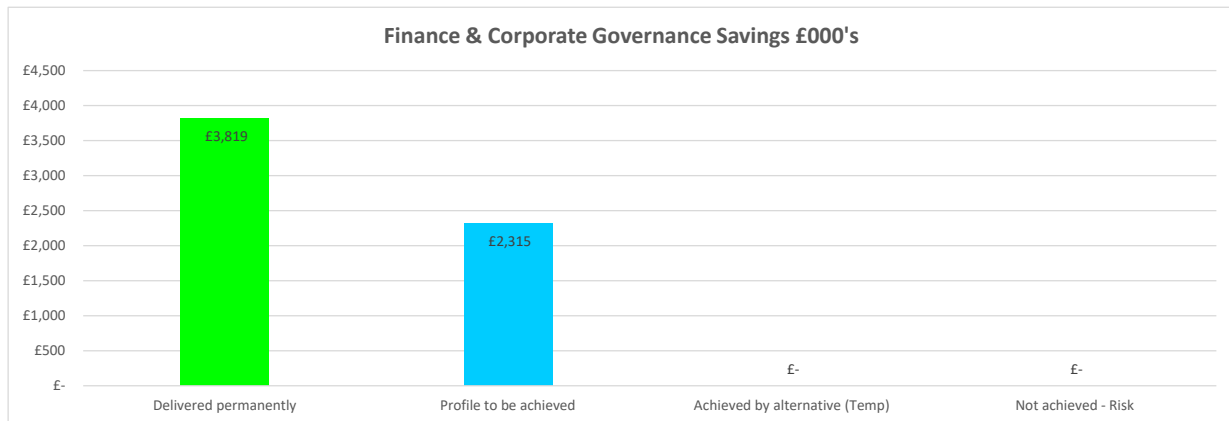


FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

Finance & Corporate Governance

Savings:

	£'000	Delivered permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
Brought Forwards Savings					
Finance Savings	47		47		
Protective Services	54		54		
2023/24 Savings					
Additional Fees & Charges Income	137	137			
Service Concessions	3,562	3,562			
Finance	125		125		
Loans Charges	25	25			
Legal Services	9		9		
Protective Services	86		86		
Communications & Marketing	7	7			
Audit & Risk	19	19			
Remove COVID-19 base budget	69	69			
New Commissioning Strategy	250		250		
Digital Transformation	1,744		1,744		
	6,134	3,819	2,315	-	-



FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

People, Performance & Change

Savings:

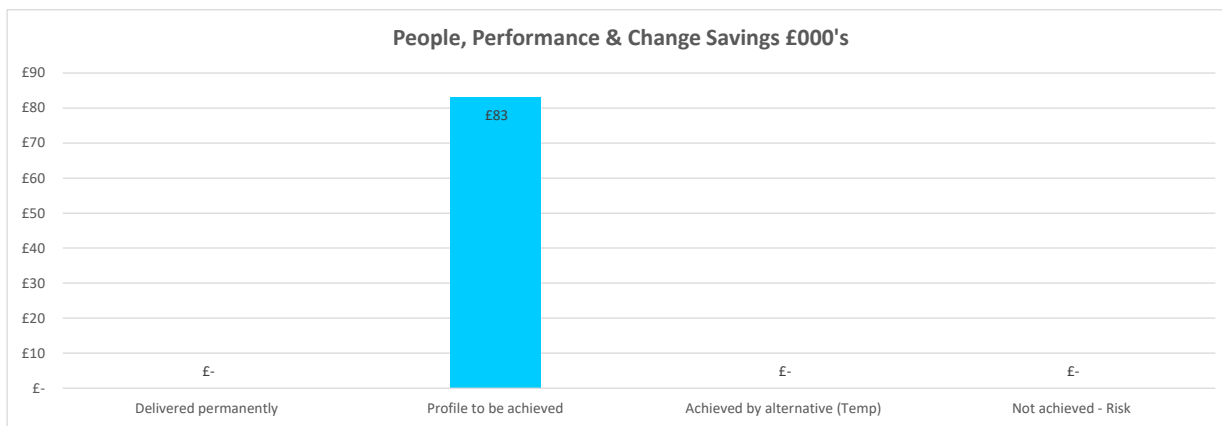
£'000

Delivered permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
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Brought Forwards Savings

2023/24 Savings

	Delivered permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
Service Reviews	83	83		
	83	-	83	-

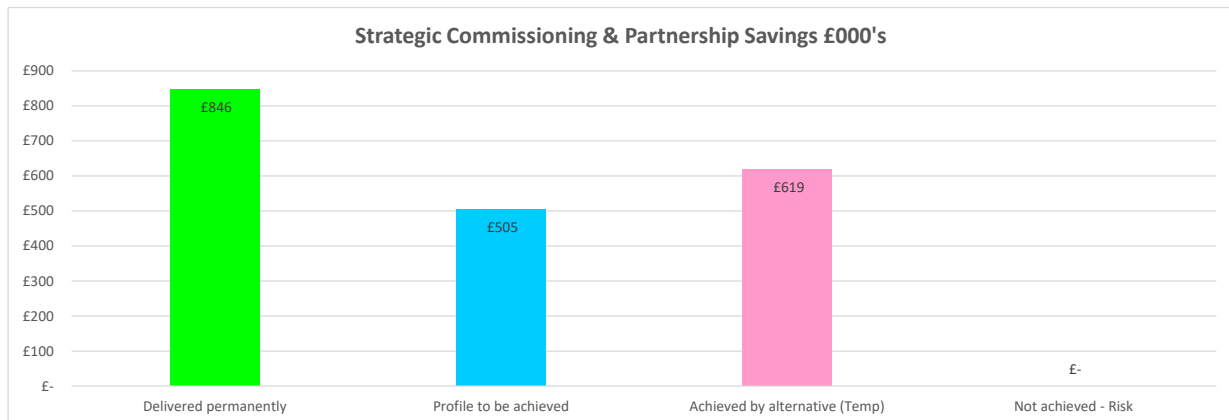


FINANCIAL PLAN EFFICIENCY PROGRESS 2023/24

Strategic Commissioning & Partnership

Savings:

	£'000	Delivered permanently	Profiled to be achieved	Achieved by alternatives on a temporary basis	Not achievable
Brought Forwards Savings					
Strategic Commissioning Savings	591	309	-	282	
Reablement Savings	722	437	285		
Bordercare Alarms	75		75		
2023/24 Savings					
Better use of Fleet Vehicles	45		45		
Residential Care Retendering	100		100		
IT Savings	100	100	-		
Strategic Commissioning Savings	337		-	337	
	1,970	846	505	619	-



Budget Virement Requirement

Corporate

No. of Virements 1

1 Virement is required from

Department	Education & Lifelong Learning	2023/24	2024/25	2025/26
Service	Additional Support Needs	£	£	£
Budget Head	Third Party Payments	(9,473)	(6,913)	(6,913)
Service	Central Schools	£	£	£
Budget Head	Third Party Payments	(3,995)	(2,915)	(2,915)
Service	Community Learning & Development	£	£	£
Budget Head	Third Party Payments	(767)	(560)	(560)
Service	Early Years	£	£	£
Budget Head	Third Party Payments	(12,996)	(9,484)	(9,484)
Service	Educational Psychology	£	£	£
Budget Head	Third Party Payments	(549)	(401)	(401)
Service	Primary Schools	£	£	£
Budget Head	Third Party Payments	(512)	(374)	(374)
Service	School Meals	£	£	£
Budget Head	Third Party Payments	(1,301)	(949)	(949)
Service	School Transport	£	£	£
Budget Head	Third Party Payments	(3,053)	(2,228)	(2,228)
Service	Secondary Schools	£	£	£
Budget Head	Third Party Payments	(9,570)	(6,984)	(6,984)
Department	Finance & Corporate Governance	2022/23	2023/24	2024/25
Service	Assessor & Electoral Registration Services	£	£	£
Budget Head	Third Party Payments	(745)	(544)	(544)
Service	Audit & Risk	£	£	£
Budget Head	Third Party Payments	(284)	(207)	(207)
Service	Chief Executive	£	£	£
Budget Head	Third Party Payments	(142)	(104)	(104)
Service	Communications & Marketing	£	£	£
Budget Head	Third Party Payments	(410)	(299)	(299)
Service	Democratic Services	£	£	£
Budget Head	Third Party Payments	(1,377)	(1,005)	(1,005)
Service	Emergency Planning	£	£	£
Budget Head	Third Party Payments	(164)	(120)	(120)
Service	Finance	£	£	£
Budget Head	Third Party Payments	(2,560)	(1,868)	(1,868)
Service	Legal Services	£	£	£
Budget Head	Third Party Payments	(531)	(387)	(387)
Service	Protective Services	£	£	£
Budget Head	Third Party Payments	(1,155)	(843)	(843)

Department	Infrastructure & Environment	2022/23	2023/24	2024/25
Service	Architects	£	£	£
Budget Head	Third Party Payments	(117)	(86)	(86)
Service	Catering Services	£	£	£
Budget Head	Third Party Payments	(2,133)	(1,557)	(1,557)
Service	Cleaning & Facilities Management	£	£	£
Budget Head	Third Party Payments	(3,459)	(2,524)	(2,524)
Service	Engineers	£	£	£
Budget Head	Third Party Payments	(684)	(499)	(499)
Service	Estates Management Services	£	£	£
Budget Head	Third Party Payments	(458)	(334)	(334)
Service	Fleet Management Services	£	£	£
Budget Head	Third Party Payments	(166)	(121)	(121)
Service	Housing Strategy & Services	£	£	£
Budget Head	Third Party Payments	(999)	(729)	(729)
Service	Major Projects	£	£	£
Budget Head	Third Party Payments	(154)	(112)	(112)
Service	Network & Infrastructure Asset Management	£	£	£
Budget Head	Third Party Payments	(7,172)	(5,234)	(5,234)
Service	Parks & Environment	£	£	£
Budget Head	Third Party Payments	(3,613)	(2,637)	(2,637)
Service	Passenger Transport	£	£	£
Budget Head	Supplies & Services	(1,699)	(1,240)	(1,240)
Service	Planning Services	£	£	£
Budget Head	Third Party Payments	(997)	(728)	(728)
Service	Property Management Services	£	£	£
Budget Head	Third Party Payments	(11,808)	(8,617)	(8,617)
Service	Waste Management Services	£	£	£
Budget Head	Third Party Payments	(8,100)	(5,911)	(5,911)
Department	People, Performance & Change	2022/23	2023/24	2024/25
Service	Business Change & Programme Management	£	£	£
Budget Head	Third Party Payments	(934)	(682)	(682)
Service	Business Planning Performance & Policy Development	£	£	£
Budget Head	Third Party Payments	(346)	(252)	(252)
Service	Human Resources	£	£	£
Budget Head	Third Party Payments	(3,673)	(2,680)	(2,680)
Department	Resilient Communities	2022/23	2023/24	2024/25
Service	Business Support	£	£	£
Budget Head	Third Party Payments	(4,083)	(2,979)	(2,979)
Service	Community Planning & Engagement	£	£	£
Budget Head	Third Party Payments	(359)	(262)	(262)
Service	Customer Advice & Support Services	£	£	£
Budget Head	Third Party Payments	(2,336)	(1,704)	(1,704)

Service	Economic Development	£	£	£
Budget Head	Third Party Payments	(1,396)	(1,019)	(1,019)
Department	Social Work & Practice	2022/23	2023/24	2024/25
Service	Older People	£	£	£
Budget Head	Third Party Payments	(59,800)	(43,634)	(43,634)
Department	Strategic Commissioning & Partnerships	2022/23	2023/24	2024/25
Service	Adult Social Care	£	£	£
Budget Head	Third Party Payments	(12,103)	(8,832)	(8,832)
Service	Information Technology	£	£	£
Budget Head	Third Party Payments	(8,827)	(6,442)	(6,442)
Total		(185,000)	(135,000)	(135,000)

To				
Department	Strategic Commissioning & Partnerships	2022/23	2023/24	2024/25
Service	Information Technology	£	£	£
Budget Head	Employee Costs	60,000	60,000	60,000
	Third Party Payments	125,000	75,000	75,000
Total		185,000	135,000	135,000

Because	Contribution towards IT pressure resulting from the recruitment of an IT Contract Manager and establishment of an Infrastructure budget.
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Budget Virement Requirement

Social Work & Practice

No. of Virements 5

1 Virement is required from

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Children and Families Social Work	£	£	£
Budget Head	Supplies & Services	(10,000)	0	0

To

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Safer Communities	£	£	£
Budget Head	Supplies & Services	10,000	0	0

Because

To allocate budget from Summer 2023 holiday programme for targeted children and young people to Homelessness to support a participatory budget approach.

2 Virement is required from

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Generic Services	£	£	£
Budget Head	Carers Act 2016	(410,000)	(410,000)	(410,000)

To

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Children and Families Social Work	£	£	£
Budget Head		410,000	410,000	410,000

Because

Carers Act 2016 allocation of funding to Children & Families for 2023 expenditure.

3 Virement is required from

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Older People	£	£	£
Budget Head	Third Party Payments	(76,414)	(90,734)	(90,734)

To

Department	Resilient Communities	2023/24	2024/25	2025/26
Service	Business Support	£	£	£
Budget Head	Employee Related Expenditure	76,414	90,734	90,734

Because

Transfer of budget to support the recruitment of 3 FTE Business Support staff to support Social Work Locality Teams.

4 Virement is required from

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Older People	£	£	£
Budget Head	Third Party Payments	(133,000)	0	0

To

Department	Strategic Commissioning & Partnership	2023/24	2024/25	2025/26
Service	Information Technology	£	£	£
Budget Head	Third Party Payments	133,000	0	0

Because

Transfer of funding to cover MOSAIC licence costs.

5 Virement is required from

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Safer Communities	£	£	£
Budget Head	Income	(231,000)	0	0

To

Department	Resilient Communities	2023/24	2024/25	2025/26
Service	Housing Benefit	£	£	£
Budget Head	Transfer Payments	231,000	0	0

Because

Transfer of additional temporary accommodation rental income to off-set housing benefit pressure.

Budget Virement Requirement

Finance & Corporate Governance

No. of Virements 3

1 Virement is required from

Department	Finance & Corporate Governance	2023/24	2024/25	2025/26
Service	Loan Charges	£	£	£
Budget Head	Miscellaneous Expenses	(68,000)	0	0

To

Department	Resilient Communities	2023/24	2024/25	2025/26
Service	Sports Services	£	£	£
Budget Head	Repairs & Maintenance of Buildings	68,000	0	0

Because

To fund pressure resulting from additional depreciation and interest for Synthetic Pitch Replacement Fund (Melrose 3G).

2 Virement is required from

Department	Finance & Corporate Governance	2023/24	2024/25	2025/26
Service	Recovery Fund	£	£	£
Budget Head	Supplies & Services	(85,000)	0	0

To

Department	Infrastructure & Environment	2023/24	2024/25	2025/26
Service	Major Projects	£	£	£
Budget Head	Third Party Payments	85,000	0	0

Because

Programme Management Office pressure (£85k) to be funded from underspend in Finance & Corporate Governance.

3 Virement is required from

Department	Finance & Corporate Governance	2023/24	2024/25	2025/26
Service	Corporate	£	£	£
Budget Head	Employee Costs	(150,000)	(150,000)	(150,000)

To

Department	Strategic Commissioning & Partnerships	2023/24	2024/25	2025/26
Service	Information Technology	£	£	£
Budget Head	Third Party Payments	150,000	150,000	150,000

Because

Transfer available corporate staff turnover adjustment (STA) savings to Information Technology to partly offset ongoing pressure in CGI service charges due to increased volumetrics (£150k).

Budget Virement Requirement

People, Performance & Change

No. of Virements 1

1 Virement is required from

Department	People, Performance & Change	2023/24	2024/25	2025/26
Service	Corporate Transformation	£	£	£
Budget Head	Third Party Payments	(56,000)	(56,000)	(56,000)

To

Department	People, Performance & Change	2023/24	2024/25	2025/26
Service	Business Change & Programme Management	£	£	£
Budget Head	Employee Related Expenditure	56,000	56,000	56,000

Because

To transfer available budget, on a permanent basis, to fund additional resource requirement in Business Change and Programme Management

Budget Virement Requirement **Financed by** **No. of Virements** **6**

1 Virement is required from

Department	Financed by	2023/24	2024/25	2025/26
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(4,095,000)	0	0

To

Department	Education & Lifelong Learning	2023/24	2024/25	2025/26
Service	Early Years	£	£	£
Budget Head	Employee Costs	1,853	0	0

Service	Primary Schools	£	£	£
Budget Head	Employee Costs	42,311	0	0

Service	Secondary Schools	£	£	£
Budget Head	Employee Costs	45,244	0	0

Service	Central Schools	£	£	£
Budget Head	Employee Costs	8,647	0	0

Service	Additional Support Needs	£	£	£
Budget Head	Employee Costs	927	0	0

Service	Educational Psychology	£	£	£
Budget Head	Employee Costs	1,081	0	0

Department	Finance & Corporate Governance	2023/24	2024/25	2025/26
Service	Finance	£	£	£
Budget Head	Employee Costs	547,937	0	0

Service	Democratic Services	£	£	£
Budget Head	Third Party Payments	(19,000)	0	0

Department	Resilient Communities	2023/24	2024/25	2025/26
Service	Non Domestic Rates Relief	£	£	£
Budget Head	Third Party Payments	(26,000)	0	0

Service	Discretionary Housing Payments	£	£	£
Budget Head	Transfer Payments	1,171,000	0	0

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Older People	£	£	£
Budget Head	Third Party Payments	2,321,000	0	0

Total		4,095,000	0	0
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Because

Gross up additional Revenue Support Grant relating to i) Discretionary Housing Payments (£1,171k); ii) Real Living Wage (£2,333k); and iii) Additional teachers pay (£648k). Reductions to 2023/24 funding for i) Empty Property Relief Devolution (£26k); ii) Valuation Appeal Committee Adjustment (£19k); and iii) Services for Home-Based Elderly (£12k).

2 Virement is required from

Department	Financed by	2023/24	2024/25	2025/26
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(50,000)	0	0

To

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Older People	£	£	£
Budget Head	Third Party Payments	50,000	0	0

Because

Additional Revenue Support Grant for The National Trauma Training Programme and Trauma-Informed Approaches

3 Virement is required from

Department	Financed by	2023/24	2024/25	2025/26
Service	Revenue Support Grant	£	£	£
Budget Head	Income	(86,853)	0	0

To

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Children and Families Social Work	£	£	£
Budget Head	Supplies & Services	86,853	0	0

Because

To allocate Summer '23 funding for targeted school and young people from Scottish Government

4 Virement is required from

Department	Financed by	2023/24	2024/25	2025/26
Service	Transfer to / from reserves	£	£	£
Budget Head	Capital Financing	(45,696)	0	0

To

Department	Education & Lifelong Learning	2023/24	2024/25	2025/26
Service	Central Schools	£	£	£
Budget Head	Employee Costs	45,696	0	0

Because

To allocate drawdown from Workforce Reserve to cover salary conservation as a result of revised DSM scheme.

5 Virement is required from

Department	Education & Lifelong Learning	2023/24	2024/25	2025/26
Service	Early Years	£	£	£
Budget Head	Employee Costs	(3,000)	0	0

To

Department	Financed by	2023/24	2024/25	2025/26
Service	Ring Fenced Grant	£	£	£
Budget Head	Income	3,000	0	0

Because

To reduce Early Years ring fenced grant following confirmation of reduction from Scottish Government

6 Virement is required from

Department	Financed by	2023/24	2024/25	2025/26
Service	Transfer to / from reserves	£	£	£
Budget Head	Capital Financing	(34,000)	0	0

To

Department	Education & Lifelong Learning	2023/24	2024/25	2025/26
Service	Central Schools	£	£	£
Budget Head	Employee Costs	34,000	0	0

Because

To allocate drawdown from Workforce Reserve to fund the implementation of a Child Protection Officer as a result of the independent enquiry

Budget Virement Requirement

Infrastructure & Environment

No. of Virements 1

1 Virement is required from

Department	Infrastructure & Environment	2023/24	2024/25	2025/26
Service	Housing Strategy & Services	£	£	£
Budget Head	Third Party Payments	(2,923,920)	2,923,920	0

To

Department		2023/24	2024/25	2025/26
Service		£	£	£
Budget Head	General Fund Reserve - Earmarked Balances	2,923,920	(2,923,920)	0

Because

To earmark Second Homes Council Tax budget into 2024/25 to support future investment in affordable housing.

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Budget Virement Requirement

Corporate

No. of Virements 1

1 Virement is required from

Department	Education & Lifelong Learning	2023/24	2024/25	2025/26
Service	Additional Support Needs	£	£	£
Budget Head	Supplies & Services	(1,999)	0	0
Service	Central Schools	£	£	£
Budget Head	Supplies & Services	(3,398)	0	0
	Third Party Payments	(133,523)	0	0
Service	Early Years	£	£	£
Budget Head	Employee Costs	(1,207,826)	0	0
Service	Primary Schools	£	£	£
Budget Head	Supplies & Services	(164,986)	0	0
Service	Secondary Schools	£	£	£
Budget Head	Supplies & Services	(388,624)	0	0
Department	Finance & Corporate Governance	2023/24	2024/25	2025/26
Service	Recovery Fund	£	£	£
Budget Head	Third Party Payments	(237,207)	0	0
Department	Infrastructure & Environment	2023/24	2024/25	2025/26
Service	Housing & Strategy Services	£	£	£
Budget Head	Third Party Payments	(17,354)	0	0
Service	Passenger Transport	£	£	£
Budget Head	Transport Related Expenditure	(9,594)	0	0
Service	Planning Services	£	£	£
Budget Head	Third Party Payments	(50,737)	0	0
Service	Property Management Services	£	£	£
Budget Head	Third Party Payments	(79,554)	0	0
Department	Resilient Communities	2023/24	2024/25	2025/26
Service	Neighbourhood Support Fund	£	£	£
Budget Head	Supplies & Services	(6,057)	0	0
	Third Party Payments	(234,738)	0	0
Service	Customer Advice & Support Services	£	£	£
Budget Head	Transfer Payments	(2,341)	0	0
Service	Economic Development	£	£	£
Budget Head	Supplies & Services	(226,475)	0	0
	Third Party Payments	(11,501)	0	0
Service	Scottish Welfare Fund	£	£	£
Budget Head	Transfer Payments	(29,983)	0	0
Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Children & Families Social Work	£	£	£
Budget Head	Supplies & Services	(5,997)	0	0

Service	Generic Services	£	£	£
Budget Head	Third Party Payments	(207,659)	0	0

Service	Older People	£	£	£
Budget Head	Third Party Payments	(656,622)	0	0

Service	Quality Improvement	£	£	£
Budget Head	Third Party Payments	(16,935)	0	0

Service	Safer Communities	£	£	£
Budget Head	Supplies & Services	(9,994)	0	0
Budget Head	Third Party Payments	(67,896)	0	0

Total		(3,771,000)	0	0
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To

Department	Infrastructure & Environment	2023/24	2024/25	2025/26
Service	Property Management Services	£	£	£
Budget Head	Third Party Payments	122,000	0	0

Department	Social Work & Practice	2023/24	2024/25	2025/26
Service	Children & Families Social Work	£	£	£
Budget Head	Third Party Payments	3,377,000	0	0

Department	Education & Lifelong Learning	2023/24	2024/25	2025/26
Service	Secondary Schools	£	£	£
Budget Head	Third Party Payments	121,000	0	0

Department	Strategic Commissioning & Partnerships	2023/24	2024/25	2025/26
Service	Information Technology	£	£	£
Budget Head	Third Party Payments	151,000	0	0

Total		3,771,000	0	0
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Because

Allocation of available earmarked balances carried forward from 2022/23 to cover pressures identified at June 2023 monitoring.
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BALANCES AT 31 MARCH 2024

Report by Director of Finance & Procurement EXECUTIVE COMMITTEE

15 August 2023

1 PURPOSE AND SUMMARY

- 1.1 This report provides the Executive Committee with an analysis of the Council's balances as at 31 March 2023 and advises Members of the projected balances at 31 March 2024.**
- 1.2 The unaudited Council's General Fund useable reserve (non-earmarked) balance was £9.980m at 31 March 2023. The General Fund useable reserve is projected, at this early stage in the financial year, to be around £8.4m at 31 March 2023 in line with the Council's Financial Strategy and recognises the requirement to draw down from reserves during 2023/24 to fund the 2023/24 pay award which is yet to be agreed.
- 1.3 The total of all useable balances, excluding development contributions, at 31 March 2024 is projected to be £61.906m, compared to £62.244m at 31 March 2023. The movement in balances year to year is primarily due to the net effect of the release of earmarked balances, carried forward from 2022/23, into the 2023/24 revenue budget and the increase in allocated balances associated with service concessions (the reprofiling of PPP debt) as approved by Council on 16th February 2023.
- 1.4 The projected balance on the Capital Fund of £9.111m 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 2022/23 revenue balances at 31 March 2023;**
 - (b) Notes the projected revenue balances as at 31 March 2024 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 2024 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 around **£8.4m** at 31 March 2024. This is in line with the recommended level included in the 2023/24 Financial Strategy approved by Council and recognises the requirement to draw down from reserves during 2023/24 to fund the 2023/24 pay award which is yet to be agreed.

4.2 The projections in the statements attached in Appendices 1, 2 and 3 are based on actual expenditure and income to 30 June 2023 and are detailed in the table below along with movement from the 31st March 2023 position.

	31/03/23 £m	31/03/24 projection £m	Movement £m
BALANCES			
Earmarked Balances (non DSM)	26.366	2.924	(23.442)
Recovery Fund (previously COVID-19 reserve)	1.187	1.187	0
Earmarked Balances (DSM)	3.589	0	(3.589)
Allocated Balances (31 st March 23 reflects an increased balance of £762k due to statutory adjustment post June Executive)	8.525	36.164	27,639
General Fund (Unallocated Reserve which includes £1.532m ringfenced to support 2023/24 pay award)	9.980	9.946	(0.034)
Corporate Property Repairs & Renewals Fund	0	0	0
Pitch & Play Park replacement fund	1.401	1.875	0.474
Plant & Vehicles Renewals Fund	8.597	7.248	(1.349)
Insurance Fund	1.387	1.350	(0.037)
Capital Fund (exc. Developer Contributions)	1.212	1.212	0
	62.244	61.906	(0.338)

4.3 Key movements in the General Fund unallocated balances during 2023/24 to date are as a result of:

- Movement in earmarked balances is as a result of earmarked balances carried forward from 2022/23 being applied to the 2023/24 revenue budget as planned. £1.187m one-off balance has been retained in the Recovery Fund to support pressures on the revenue budget as the financial year progresses.
- As approved by Council on 10th March 2022, the drawdown of £34k for 1 X Education Officer (part time within the Child Protection Unit).

4.4 The Corporate Financial Risk Register was considered at the Council Meeting on 23 February 2023 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 £8.4m, approved by Council as part of the Financial Strategy on 23 February 2023, equates to 2.5% of net revenue expenditure and is sufficient to cover 59% 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.

4.5 Allocated balances have increased by a net £27.6m to date in 2023/24 as detailed in the table below:

ALLOCATED BALANCES	31st March 2023 £m	Increase during 2023/24 £m	Released during 2023/24 £m	31st March 2024 £m
Municipal Mutual	0.233	0	(0.233)	0
Adverse Weather (including flood)	1.000	0	0	1.000
Workforce Management	0.890	0	(0.046)	0.844
Treasury reserve	5.131	0	0	5.131
Strategic Contract movement reserve	1.271	0	(0.493)	0.778
Service concessions (support financial plan)	0	9.093	(0.682)	8.411
Service concessions (Change Fund)	0	20.000	0	20.000
Total	8.525	29.093	(1.454)	36.164

Key movements in the allocated balances during 2023/24 to date are as a result of:

- the increase in allocated balances of £29.093m associated with service concessions (the reprofiling of PPP debt) as approved by Council on 16th February 2023 and the subsequent draw down from this reserve of £682k as approved as part of the 2023/24 financial plan;
- the approved draw down of £726k from reserves as per the 2023/24

financial plan.

- 4.6 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 Director of Corporate Governance, the Chief Officer Audit and Risk, the Director of People, Performance & Change, the Clerk to the Council and Corporate Communications are being consulted on this report and any comments received will be reported to the meeting.

Approved by

Suzy Douglas
Director of Finance & Procurement

Signature

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.

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SCOTTISH BORDERS COUNCIL
GENERAL FUND BALANCES AT 31 MARCH 2024

	GENERAL FUND	GENERAL FUND (DSM)	GENERAL FUND (EARMARKED)	ALLOCATED RESERVES	TOTAL
	£'000's	£'000's	£'000's	£'000's	£'000's
Balance at 1 April 2023	9,980	3,589	27,553	8,525	49,647
Projected Income (RSG, NDR, Council Tax)	335,032				335,032
Projected Net Revenue Expenditure	(363,518)				(363,518)
Earmarked Balances from previous year	31,142	(3,589)	(27,553)		0
Earmarked Balances to future years	(4,111)		4,111		0
Drawdown from allocated reserves to support 23/24 Financial Plan	726			(726)	0
Creation of Service Concession allocated reserve to support 5 year revenue financial plan				9,093	9,093
Creation of Service Concession allocated reserve to create change fund to support transformational change linked to financial sustainability				20,000	20,000
Service Concessions draw down to support 2023/24 budget	682			(682)	0
Drawdown from unallocated reserve to fund the implementation of actions in relation to the independent inquiry	(34)				(34)
Drawdown from Workforce Management Allocated reserve to cover conserved teacher salaries	46			(46)	0
					0
Projected Balance at 31 March 2024	9,946	0	4,111	36,164	50,220

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SCOTTISH BORDERS COUNCIL
REVENUE FUND BALANCES AT 31 MARCH 2024
(EXCLUDING GENERAL FUND)

	CORPORATE PROPERTY REPAIRS & RENEWALS FUND	PLANT & VEHICLES RENEWAL FUND	INSURANCE FUND	PITCH & PLAY PARK REPLACEMENT FUND	TOTAL
	£'000's	£'000's	£'000's	£'000's	£'000's
Balance at 1 April 2023	-	8,597	1,387	1,401	11,385
Projected Income	<u>2,307</u>	<u>2,651</u>	<u>1,827</u>	<u>474</u>	<u>7,259</u>
	2,307	11,248	3,214	1,875	18,644
Projected Expenditure	2,307	4,000	1,864	-	8,171
Contribution to Reserves					-
Transfer to/from General Fund					-
Projected Balance at 31 March 2024	-	7,248	1,350	1,875	10,473

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SUMMARY OF CAPITAL FUND

	Balance as at 31/03/23 £'000	Balance as at 31/03/24 £'000
DEVELOPER CONTRIBUTIONS		
Waverley Railway	-	-
Technical Services	979	511
Education & Lifelong Learning	6,305	5,969
Social Work - Affordable Housing	525	525
Accrued Interest	736	894
Sub Total Developer Contributions	<u>8,545</u>	<u>7,899</u>
Capital Receipts	1,212	1,212
Total	<u><u>9,757</u></u>	<u><u>9,111</u></u>

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