

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTES of Meeting of the EXECUTIVE
COMMITTEE held in Council Chamber,
Council Headquarters, Newtown St Boswells,
TD6 0SA on Tuesday, 14th November, 2023
at 10.00 am

Present:- Councillors E. Jardine (Chairman), L. Douglas, M. Douglas, J. Greenwell,
S. Hamilton, J. Linehan, D. Parker, E. Robson, M. Rowley, F. Sinclair,
R. Tatler, E. Robson, E. Thornton-Nicol, and T. Weatherston.

Apologies:- Councillors C. Cochrane, and C. Hamilton

In Attendance:- Director – Corporate Governance, Director - Finance and Procurement,
Director- Infrastructure and Environment, Director - Resilient Communities,
Democratic Team Leaders (D. Hall and L. McGeoch)

1. **MINUTE**

There had been circulated copies of the Minute of the meeting held on 3 October 2023.

DECISION

APPROVED for signature by the Chairman.

2. **MONITORING OF THE CAPITAL FINANCIAL PLAN 2023/24**

With reference to paragraph 3 of the Minute of the meeting held on 15 August 2023 there had been circulated copies of a report by the Director – Finance and Procurement which provided an update on the progress of the delivery of the 2023/24 Capital Financial Plan and sought approval for the virements and reallocation of funds required following the review of funding and forecasts as at the September Month end. The monitoring tables on actual expenditure to 30 September 2023 and the key issues and highlights identified in those numbers were summarised within the report. The September month end position reflected a projected outturn of £116.6m against a budget of £130.4m, a net budget variance of £13.8m. That budget variance included net timing movements from 2023/24 into future years of £17.0m offset by funding increases of £3.2m. Further timing movements from 2023/24 were likely as the year progressed and the delivery timescales of major projects became clearer. The construction materials supply chain continued to experience disruption which was causing delays in sourcing essential materials and impacting on project timelines, therefore spend projections should be viewed as indicative and may change materially. However, experience had demonstrated it was likely that significant slippage would be experienced at the year-end compared to initial budgetary estimates. That would offset pressures in year but delay them into future years. A number of macro-economic factors continued to affect the Capital Plan in 2023/24. Recent 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, material shortages and longer lead times. The impact on tender prices for major projects and the wider Capital Plan continued to be assessed and built into forecast costs as they were identified. Current legally committed projects had a smaller risk of impact and block programmes of work could operate within a cash constrained budget and were considered lower risk; although it was likely to impact on the scale of project delivery within the blocks. The most significant risk lay in the contracts that were being tendered this year, including Galashiels Academy, Peebles High School and Tweedbank Care Home, which would result in budget pressures in future years - as had been highlighted through reports taken to Council during the first 6 months of the year. The financial implications from those unfavourable market conditions would continue to be reported through the regular budget monitoring cycle with the longer-term impacts reflected in the financial planning process.

During the 2023/24 budget setting process a Planned Programming Adjustment budget line was added to the Financial Plan, that was offset where unspent project budgets became available through the year. The balance to address in 2023/24 remains at £0.833m as no further budget had been identified as available since the Q1 report was completed. As highlighted to Council through separate reports, pressures in new build projects at Earlston Primary School, Galashiels Academy, Peebles High School, and Tweedbank Care Village had increased the Planned Programming Adjustment in future years of the plan by £19.8.5m. The funding of those pressures would be considered as part of the 2024/25 financial planning process. Appendix 2 to the report contained a list of the block funding allocations currently approved for the year as well as the approved projects, actual spend to the end of September and the movement requiring virements within the blocks. Appendix 3 to the report contained the list of estimated whole project capital costs for projects which in the main would not be completed in the current financial year. In response to a question regarding potential capital receipts for the 2023/24 financial year, the Director – Finance and Procurement, Mrs Suzy Douglas, explained that no buildings were expected to be disposed of in the current year. The Director – Infrastructure and Environment explained that whilst there were no assets due to be disposed in the year, work was ongoing regarding future sales and a report on the rationalisation of the Council's estate would be brought to a future meeting.

DECISION

AGREED:-

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

3. MONITORING OF THE GENERAL FUND REVENUE BUDGET 2023/24

- 3.1** With reference to paragraph 4 of the Minute of the meeting held on 15 August 2023 there had been circulated copies of a report by the Director – Finance and Procurement which provided budgetary control statements for the Council's General Fund based on actual expenditure and income to 30 September 2023 along with explanations of the major variances identified between projected outturn and the current approved budget. Budget pressures continued to be experienced across the Council as a result of activity levels, statutory requirements and the ongoing impact of high inflation levels. That posed a significant risk to the Council's ability to balance the 2023/24 budget. Unfunded pressures of £1.3m were currently being reported at this point in the current year which had arisen as a result of further demand and inflationary cost increases associated with placements within Children and Families Social Work. Further pressures of £3.1m associated with inflation and the ongoing implications of COVID recovery had been identified across the Council and were being managed within existing service budgets. In response to those significant budget pressures the Council Management Team (CMT) had agreed a number of management actions to enable the Council to deliver a balanced year end position. Those actions were intended to fund the identified pressures of £1.3m in Children and Families Social Work and also support services to manage their services within existing budget. The measures included the introduction of a 6-week recruitment delay to non-frontline staffing to increase savings from natural staff turnover; restriction on discretionary spend budgets not yet committed over the remainder of the year; and limiting future earmarking to that specifically agreed by Council Policy e.g. DSM, Second Homes council tax at this time. Financial plan savings of £11.5m required to be delivered in 2023/24. An analysis of deliverability was shown in Appendix 3 to the report. Following the September 2023 month end £6.2m (53%) savings had been delivered permanently by September, £3.8m (33%) were profiled to be delivered by 31 March 2024 and £1.6m (14%) had been delivered on a temporary basis through alternative savings.

- 3.2 The Director – Finance and Procurement presented the report and responded to Members questions. In response to a question regarding the cost of utilities, Mrs Douglas explained that the Council purchased its utilities in advance, which was of benefit when costs were increasing. Discussions were ongoing at local and national level to understand the implications of the cost of utilities decreasing. Regarding the ongoing early years review, Mrs Douglas confirmed that the review was focused on allowing service managers to operate with a lower funding envelope and undertook to provide further details at a future meeting. In response to a question regarding the 6-week freeze on the hiring of non-frontline staff, Mrs Douglas explained that there was no strict definition of staff to be considered as frontline. Staff working in schools, care and roads were to be considered frontline. It was confirmed that Directors could proceed with hiring in instances where they had deemed filling a post essential. The Chief Executive confirmed that a report on out of area children's placements was expected to be presented in December. Regarding the impact of savings on the older people budget, Mrs Douglas outlined that as part of the financial planning process money that was ring fenced by the Scottish Government for the delivery of specific services was placed in holding locations. Virements reflected the reporting of the movement of those funds to where they were needed. It was confirmed that work to review saving plans was undertaken on a continual basis.

DECISION

AGREED to:-

- (a) **note the projected corporate monitoring position reported at 30 September 2023, the remaining pressures identified, the underlying cost drivers of this position and the identified areas of financial risk as reflected in Appendix 1 to the report;**
- (b) **note the CMT management actions agreed to mitigate the pressures contained within Appendix 1 and request a report on Placements within Children and Families Social Work to explain the current challenges within the service and how the Council intends to address the issues;**
- (c) **note the impact of ongoing service pressures on the 2024/25 Financial planning process**
- (d) **note the Recovery Fund resources detailed in Appendix 2 to the report;**
- (e) **note the progress made in achieving Financial Plan savings in Appendix 3 to the report and**
- (f) **approve the virements attached in Appendices 4 and 5 to the report.**

4. BALANCES AT 31 MARCH 2024

With reference to paragraph 5 of the Minute of the meeting held on 14 August 2023, there had been circulated copies of a report by the Director – Finance and Procurement which provided an analysis of the Council's balances as at 31 March 2023 and advised of the projected balances at 31 March 2024. The Council's General Fund useable reserve (non-earmarked) balance was £9.980m at 31 March 2023. The General Fund useable reserve was projected to be around £8.4m at 31 March 2024 in line with the Council's Financial Strategy and recognised the requirement to draw down from reserves during 2023/24 to fund the 2023/24 pay award which was yet to be agreed. The total of all useable balances, excluding development contributions, at 31 March 2024 was projected to be £60.531m as summarised in the report. The projected balance on the Capital Fund of £10.677m would be affected by any further capital receipts, development contributions, interest received, and any expenditure authorised to be financed from the Fund during the remainder of the financial year.

DECISION

NOTED:-

- (a) **the audited 2022/23 revenue balances as at 31 March 2023;**
- (b) **the projected revenue balances as at 31 March 2024 as contained in Appendices 1 and 2 to the report; and**
- (c) **the projected balance in the Capital Fund as contained in Appendix 3 to the report.**

5. CORPORATE DEBTS - WRITE OFFS IN 2023/24 MID YEAR UPDATE

With reference to paragraph 6 of the Minute of their meeting held on 15 November 2022 there had been circulated copies of a report by the Director – Finance and Procurement which detailed the aggregate amounts of debt written off during the first 6 months of 2023/24 under delegated authority, as required by the Financial Regulations. 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 between 1 April 2023 and 30 September 2023 was £198.1k. The Director presented the report and highlighted that the annual budget provision for Council Tax was in fact £887k, not the originally reported figure of £839k. In response to a question regarding variations to the amount of time barred debt written off, Mrs Douglas explained that the Council was proactive in its pursuit of debt and that variations to the amount recouped over time was not unexpected. Mrs Douglas confirmed that outside agencies were used in the recovery of debt, and that the cost associated with that was reported as part of the Finance service budget through revenue monitoring.

DECISION

NOTED the debtor balances written off under delegated authority of the period 1 April 2023 to 30 September 2023.

6. SCOTTISH BORDERS COUNCIL'S ANNUAL COMPLAINTS PERFORMANCE REPORT: 2022/23

There had been circulated copies of a report by the Director – Resilient Communities which presented a summary of Scottish Borders Council's "Complaints Annual Performance Report for 2022/23". The report set out how many complaints had been received, how effectively complaints had been dealt with, trends over time and how Scottish Borders Council (SBC) compared to other similar rural Local Authorities and the national average. It also provided a summary of eight performance indicators, four of which the Scottish Public Services Ombudsman (SPSO) required all Local Authorities to report against. The Annual Report was a requirement for all Local Authorities and allowed the SPSO to assess the effectiveness of Councils' Complaint Handling Procedures (CHP). It also ensured an ongoing focus on learning from complaints received, to inform continuous improvement. During 2022/23, SBC received 1131 complaints, of which 866 were defined as valid. In 2022/23 Scottish Borders Council's performance relating to the processing of complaints performed well against the Scottish National averages in some indicators, specifically those relating to Stage One, but performance was poorer in relation to indicators that measure timeliness of responses. In that area there had been a decline for a number of years. The Director – Resilient Communities, Mrs Jenni Craig, presented the report and responded to Members questions. In request for a breakdown of complaints by subject matter, Mrs Craig explained that the data was not available for such a breakdown but confirmed that there was an expectation that such information could be provided as part of the reporting in future years. Members highlighted that a considerable number of complaints received related to services which were not provided by the Council. The Council had a responsibility to signpost those making complaints to the correct organisation. In response to a question regarding multi-faceted complaints, Mrs Craig confirmed that if there were multiple complaints submitted over a range of time by

the same individual then they would be treated as individual complaints, but otherwise would be considered as a single complaint. Mrs Craig undertook to provide a breakdown of complaints by directorate to Members via email. In response to a question regarding the increase in the number of complaints received since 2017/18, Mrs Craig outlined that there had been a trend seen nationally whereby the number of complaints received by local authorities had risen. The ability to make complaints had become simpler and the public had been encouraged to submit complaints where appropriate. It was agreed that a briefing on the complaints system be held.

DECISION

NOTED the performance of handling complaints for the period 1 April 2022 to 31 March 2023.

7. REVIEW OF FINANCIAL SUPPORT TO COMMUNITY COUNCILS

- 7.1 With reference to paragraph 10 of the Minute of the meeting held on 13 June 2023 there had been circulated copies of a report by the Director – Resilient Communities which set out a series of recommendations following the review of financial support to community councils which was undertaken by a short life working group following agreement by the Executive Committee in June 2023. Scottish Borders Council currently provided in the region of £80,696 of financial support to community councils per year. That could vary due to the amount of funding claimed via reimbursement or changes to insurance premiums. Areas of financial support considered during this review were Annual support grants; insurance; local community paths maintenance grants; hall hire reimbursement; and data protection renewals. A comprehensive survey of community councils was carried out between 20/07/23 – 16/08/23, the results of which were used alongside information obtained from annual accounts, to understand the financial pressures on community councils and to inform the review. A total of 38 community councils responded to the survey. That represented a 55% response rate. Community councils from all localities responded representing at least 50% of operational community councils in each annual support grant bracket. When asked whether the support grant covered all costs five community councils responded that it did whilst 33 said it did not. Of those, 20 community councils said that they took steps to identify funding elsewhere, whereas 13 said that they were limited in what they did.
- 7.2 The Director – Resilient Communities presented the report and responded to Members questions. In response to a question on whether the grant for path maintenance had to be applied for, Mrs Craig confirmed that an application was required, and that work was ongoing to prepare community councils so that they were aware what they automatically received and what they needed to apply for. Mrs Craig confirmed that defibrillators were considered as assets for insurance purposes. Work was planned to ensure that appropriate signposting was undertaken for third party organisations following community councils being disallowed from using their annual support grant to provide support. Members highlighted that it was of the utmost importance that communications with community councils ensured they were aware of the different types of financial and grant support available. Mrs Craig acknowledged the disappointment at the return rate of 55%. It was confirmed that community councils would be made aware of their obligations for the insurance of new events. In response to a question regarding whether it would be possible for the Council to sell end of life equipment to community councils, the Director – Infrastructure and Environment explained that enquiries had previously been received but there was no formal process in place for such sales. Mr Curry undertook to assess whether a formal process could be put in place, however advised that end of life equipment was typically not suitable for further use. Mrs Craig confirmed that a briefing note on what support was available to community councils could be prepared. As part of work on the new council website, there was expected a space for up-to-date information on support for community councils.
- 7.3 Following extensive discussion on whether the recommendations in the report were adequate, there was a difference of opinion so a vote was required as follows:

VOTE

Councillor Pirone, seconded by Councillor Leagh Douglas, moved that the recommendations as contained in the report be approved.

Councillor Marshall Douglas, seconded by Councillor Thornton-Nicol, moved as an amendment that recommendation b) be altered to read "to review the annual support grant after one year."

On a show of hands Members voted as follows:-

Motion – 11 votes

Amendment – 4 votes

The Motion was accordingly carried.

DECISION

DECIDED:-

- (a) **to increase the annual community support grant by 10% representing a budget increase of £4,970;**
- (b) **to review the annual support grant every three years;**
- (c) **to limit spend of the annual support grant to operational matters in the first instance and other initiatives thereafter;**
- (d) **to disallow community councils from using of the annual support grant to fund third party organisations,**
- (e) **to cover the cost of all community council insurance premiums, capped at the current level of assets and events, at an additional cost of approximately £6,000 for 2024/25 allowing for annual increases thereafter;**
- (f) **to increase the maximum local community paths maintenance grant to £600 per applicant, representing a budget increase of £5,100;**
- (g) **that Officers were to support a review of Scottish Borders Community Councils' Network to consider the establishment of locality-based networks in consultation with community councils;**
- (h) **to maintain SBCCN annual grant at current level, to be reviewed once the future of SBCCN had been agreed, and**
- (i) **that the wider support available to community councils be reviewed**

DECLARATIONS OF INTEREST

Councillors Leagh Douglas, Thornton-Nicol and Weatherston declared an interest in the following item of business in terms of Section 5 of the Councillors Code of Conduct given their involvement in various festival committees and left the meeting during the discussion.

8. **SCOTTISH BORDERS COUNCIL LOCAL FESTIVAL GRANT SCHEME REVIEW**

With reference to paragraph 9 of the Minute of the meeting held on 13 June 2023 there had been circulated copies of a report by the Director – Resilient Communities which advised of the outcomes of a review of the Local Festival Grant Scheme (LFGS) and sought approval for an increase in funding to the Scheme from 2024/25 onwards. Feedback gathered from stakeholders as part of the review process was provided in the

report. A funding increase of the Scheme by £30,000 to be used for insurance, public protection and health and safety costs was proposed. The membership of the Scheme would be maintained and would not be extended to include new festivals or events. Festivals whose annual support grant did not fully cover their insurance and public protection costs could apply for an additional grant of up to 50% of their annual support grant from 2024/25 onwards. All festivals within the Scheme could apply for funding to support health and safety costs. It was proposed that decision making should be made at Officer level with final approval and sign off by the Director, Resilient Communities. The report also asked Members to consider proposals for in-kind support for festivals and events delivered across Scottish Borders. The Scheme would be reviewed every three years, with the next review due to take place in 2026/27. Members welcomed the report and expressed their thanks to officers for undertaking the review. Mrs Craig confirmed that all the festivals had completed equality statements. Conversations with Police Scotland regarding the level of support that they were able to provide were expected to take place. The Chairman highlighted the importance of ensuring that accessing help and information from the Council was straightforward for volunteers supporting events.

DECISION

AGREED:-

- (a) that the total monies available in the Local Festival Grant Scheme be increased from £85,110 to £115,110;**
- (b) that decision making for additional grant awards as detailed in the report be agreed at Officer level with final approval and sign off by the Director, Resilient Communities;**
- (c) that officers explore the opportunities for in-kind support from SBC for local festivals and events;**
- (d) that festival and event organisers have access to a digital SBC Community Events toolkit which will provide guidance and information for those hosting local events; and**
- (e) that Officers strengthen grant evaluations to gather information on the economic and social benefits festivals bring to the local area.**

MEMBERS

Councillors Leigh Douglas, Thornton-Nicol and Weatherston re-joined the meeting.

9. SCOTTISH BORDERS LOCAL HOUSING STRATEGY 2023-2028

With reference to paragraph 8 of the Minute of the meeting held on 18 April 2023 there had been circulated copies of a report by the Director – Infrastructure and Environment which sought approval of the Local Housing Strategy (LHS) 2023-2028 due to be submitted to the Scottish Government in November 2023. The Housing (Scotland) Act 2001 placed a statutory requirement on local authorities to develop a Local Housing Strategy (LHS), supported by an assessment of housing need and demand. The LHS provided direction for tackling housing issues and informed future investment in housing and related services. The new Local Housing Strategy set strategic outcomes and a delivery plan framework for the period 2023-2028. The strategy brought together the local authority's responses to the whole housing system including requirements for market and affordable housing; preventing and tackling of homelessness; delivering specialist housing; meeting housing support needs; addressing housing conditions across tenures and improving the energy efficiency of all homes to support a transition to Net Zero. The Lead Officer, Housing Strategy and Development, Ms Donna Bogdanovic, presented the report and responded to Members questions. In response to a question regarding a lack of reference in the report to infrastructure associated with housing developments, Ms Bogdanovic explained that the scope of the LHS was limited to the delivery of new

homes. Infrastructure, and other strategic assessments, were considered as a separate element of projects. The Principal Planning Officer, Mr Ian Aikman, advised that there was a close working relationship between the appropriate services of the Council to ensure that suitable infrastructure provision was considered as part of developments. Ms Bogdanovic confirmed that there had been considerable engagement with social care providers and the NHS to ensure that projections of demand was accurate and informed.

DECISION

AGREED to:-

- (a) the submission of the Local Housing Strategy and the action plan to the Scottish Government in November 2023;**
- (b) implementation of the Local Housing Strategy where there were no additional financial resource implications; and**
- (c) note that officers would bring back proposals related to those actions identified as potentially having resource implications.**

10. GRASS MANAGEMENT REVIEW

There had been circulated copies of a report by the Director – Infrastructure and Environment which provided an update on grass management undertaken within the Parks & Environment Service, outlining the current situation, and proposed next steps. Grass Management Services were provided by Parks & Environment as part of a suite of amenity services. Further to changes made in 2018, and following the appointment of a new Service Manager, Officers had been reviewing performance and the wider policy context to inform a future approach to grass management, reflective of resources, community feedback and the Council Plan. Based on those findings the report outlined some steps being taken including a proposed revised model of operation, designed to address deficiencies with the current model, to be piloted during 2024/25. The Parks and Environment Manager, Ms Carol Cooke, presented the report and responded to Members questions. In response to a question regarding performance statistics, Ms Cooke acknowledged that staff sickness had impacted on performance to a considerable degree. Cutting crews were unable to operate flexibly when sickness rates reached a certain threshold, which impacted on the ability of crews to meet the cutting schedule. It was confirmed that succession plans were in place, with four modern apprentices currently engaged. Regarding unpredictable growth rates, Ms Cooke explained that it was key that agility was built into the system to adapt to environmental conditions. In response to a question regarding communication of the plans with the public, Ms Cooke explained undertook to ensure that visual aids, including maps, be incorporated into communications. Members welcomed the report and highlighted that where grass was not cut for biodiversity reasons it was important that the public were aware of the reasons not to cut grass.

DECISION

AGREED to:-

- (a) note the findings of the Grass Management performance review; and**
- (b) approve a Pilot Study, testing out a revised model of operation, to be piloted in 2024**

11. HEADSTONE SAFETY

- 11.1 There had been circulated copies of a report by the Director – Infrastructure and Environment which provided an update on Headstone Safety, as agreed at Council in March, reporting findings from the Headstone Reinstatement Pilot Study that was undertaken at Lennel Cemetery. The report also set out proposed options and potential next steps. A report to Council in March on Headstone Safety included a range of

proposals aimed at improving outcomes for communities in the future management of Headstone Safety. Those proposals were:

- Proposal 1: New Headstone Safety Policy - encompassing the development of a Monumental Masons Registration Scheme, a Transfer of Rights Scheme, a programme of strip foundation installations and a refresh of standards for future headstone testing programmes.
- Proposal 2: Communications Refresh – including an overhaul of communications to members, communities and social media around Headstone safety works aimed at raising awareness and education.
- Proposal 3 – Headstone Reinstatement Pilot Study – to trial the re-erection of any headstones that had been laid flat by Scottish Borders Council, enabling further analysis of risk, resource, and cost implications.

11.2 The Parks and Environment Manger presented the report and responded to Members questions. In response to a question regarding the steps taken where it was not possible to contact lair holders' ancestors, Ms Cooke explained that the first step was to place a sign at the headstone, however if there were no visitors to a grave then that was not expected to be effective. The Council did not hold records on the ownership of lairs. The Council's Bereavement Officer, Ms Diane Munro, confirmed that conversations with the Commonwealth War Graves Commission would also take place to try and locate family members. Ms Cooke confirmed that work to future proof the system was ongoing. In response to a question regarding financial support for those struggling to afford repairs, Ms Cook confirmed that support available through the hardship scheme would help address issues of affordability. Members welcomed the report, acknowledged that getting communications right was key, and that public safety was of paramount importance.

DECISION

AGREED to:-

- (a) note the findings of the Headstone Reinstatement Pilot;**
- (b) approve the implementation of option 5 in the report as the preferred option as part of the 24/25 financial planning process; and**
- (c) the preparation of a new Headstone Safety Policy.**

The meeting concluded at 1.00 pm