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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, TD6 0SA on Tuesday, 20th November, 2018 at 10.00 am

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Present:- Councillors S. Haslam (Chairman), S. Aitchison (Vice Chairman), G. Edgar, C. Hamilton, T. Miers, M. Rowley, R. Tatler

Also present:- Councillors S. Bell, H. Scott  
Apologies:- Councillors E. Jardine, S. Mountford, G. Turnbull and T. Weatherston  
In Attendance:- Chief Executive, Executive Director (R. Dickson), Executive Director (P. Barr), Service Director Customer & Communities, Service Director Assets & Infrastructure, Chief Financial Officer, Service Director HR, Democratic Services Team Leader, Trainee Democratic Services Officer (E Graham)

1. **MINUTE**

The Minute of the Meeting held on 6 November 2018 had been circulated.

**DECISION**

**AGREED that the Minute be approved and signed by the Chairman.**

2. **MONITORING OF THE GENERAL FUND REVENUE BUDGET 2018/19**

There had been circulated copies of a report by the Chief Financial Officer providing the budgetary control statements for the Council's General Fund based on actual expenditure and income to 30 September 2018 and providing explanations of the major variances between projected outturn expenditure/income and the current approved budget. The report explained that the Council was experiencing significant financial pressures, primarily in Assets and Infrastructure and Health and Social Care, attributed to increased costs and delayed delivery of planned savings in the revenue budget. The underlying pressure in the account indicated that the pressures would result in an adverse variance at the year-end of around £3m. The Corporate Management Team had reviewed the position and had taken action through a range of alternative measures to identify savings which, if delivered, would offset the position and deliver a balanced budget by 31 March 2019. The Chief Financial Officer, Mr Robertson noted it was increasingly evident that the Council was finding it more and more difficult to balance the revenue budget given the sustained service demands e.g. in Adult Social Care. It was essential to ensure the financial sustainability of the Council that the revenue budget was balanced and that this was achieved through the delivery of permanent savings in line with the timescales approved in the financial plan. As shown in Appendix 4 of the report as at 30 September 2018, 89% (£14.63m) of the £16.4m of savings required by the financial plan had been delivered within the current year. A further 11% (£1.784m) was profiled to be delivered during the remainder of 2018/19. Emphasis during 2018/19 needed to be placed on delivering the savings permanently as planned. The monitoring process demonstrated that in the current year over £7.5m of required savings had been delivered on a temporary non recurrent basis to compensate for delays in project delivery and revisions to savings which were originally envisaged in the 2018/19 financial plan. The Chief Financial Officer noted that this position was not sustainable and must be addressed as part of the 2019/20 financial planning process on a permanent basis. The full details of pressures, risks and challenges and the significant majority of the areas of the Council's operation where

budget plans remained on track were detailed in Appendix 1 to the report. In response to a concern on the pressures of £1.2m in Assets & Infrastructure and the need for more detailed information required, the Chief Financial Officer reported that a more detailed indication on the position of Assets & Infrastructure was included in Appendix 4 of the report. There had also been a concern raised on the challenges faced in trying to balance the Health and Social Care budget. The Chief Executive responded highlighting the degree of complexity required to keep more people at home and referred to investment in dementia care and housing for the elderly. There was also a concern on the risk of moving budgets around and there appeared to be a lot of temporary savings with an ongoing trend being a particular threat. The Chief Executive reported that there would not be an adverse variance at the year end and measures would be taken to manage the budget. In response to a question regarding fleet management, the Chief Executive reported that a new member of staff had been appointed to address the issue of fleet management across the whole Council. With regard to the transfer of the SB Cares Bordercare Alarms, Mr Barr reported that the transfer had been a success and the savings would be delivered on a permanent basis by the end of April 2019. A concern was raised over the budget transfer from housing benefit to fund digital transformation. Mr Robertson explained that surplus funding had been identified which could be used to support digital transformation and no one entitled to housing benefit would lose out as a result of this management action. It was proposed that recommendation (c) be amended to read "note the progress made and the risks involved in achieving Financial Plan savings shown in Appendix 4 to the report": It was also agreed to add the following recommendation: request that a report would be brought to the Budget Working Group highlighting savings that had only been delivered on a temporary basis in the budget and the risks associated with these.

## **DECISION**

### **AGREED to:-**

- (a) note the projected corporate monitoring position reported at 30 September 2018, the underlying cost drivers of this position and the identified areas of financial risk including the position reflected in Appendix 1 to the report;**
- (b) approve the virements attached as Appendix 2 & 3 to the report;**
- (c) note the progress made and the risks involved in achieving Financial Plan savings shown in Appendix 4 to the report;**
- (d) note the Corporate Management team directive to ensure all managers operate within revised budgets for the remainder of the financial year therefore ensuring a balanced outturn position is delivered in 2018/19; and**
- (e) request that a report would be brought to the Budget Working Group highlighting savings that had only been delivered on a temporary basis in the budget and the risks associated with these.**

### **3. BALANCES AT 31 MARCH 2019**

With reference to paragraph 3 of Minute of Executive Committee dated 21 August 2018, there had been circulated copies of a report by the Chief Financial Officer providing an analysis of the Council's balances as at 31 March 2018 and advised Members of the project balances at 31 March 2019. The report explained that the unaudited Council's General Fund useable reserve (non-earmarked) balance was £6.672m at 31 March 2017. This reflected a balance of £6.315m in line with the approved Financial Strategy presented to Members in September 2018. The projected balance as at 31 March 2019 remains £6.315m. It was noted that any increase from the level budgeted would require to be drawn down from reserves in 2018/19. The Council's allocated reserve balance was £5.058m at 31 March 2018. The projected balance in the allocated reserve at 31 March

2019 is £2.828m and was as a result of approved planned draw-downs during 2018/19. The total of all useable balances, excluding developer contributions, at 31 March 2019 was projected to be £20.528m, compared to £28.793 at 31 March 2018. The projected balance on the Capital Fund of £5.922m would be affected by any further capital receipts, developer contributions, interest credited and any expenditure authorised to be financed from the Fund during the remainder of the financial year. In response to clarification on the pay award, Mr Robertson stated that the Council had budgeted for a pay award of 3% for staff paid under £80,000 per annum in line with stated Scottish Government pay policy and pay award negotiations were ongoing with the Unions. However, if a higher award was agreed this would need to be met from reserves.

#### **DECISION**

##### **NOTED:-**

- (a) the projected revenue balances as at 31 March 2019 as per Appendices 1 & 2 to the report;**
- (b) that any shortfall associated with pay award negotiations may require to be drawn down from reserves in 2018/19; and**
- (c) the projected balance in the Capital Fund as per Appendix 3.**

#### **4. MONITORING OF THE CAPITAL FINANCIAL PLAN 2018/19**

There had been circulated copies of a report by the Chief Financial Officer providing an update on the progress of the 2018/19 Capital Financial Plan and seeking approval for projected outturns and associated virements and the relocation of funds. The monitoring tables in Appendix 1 to the report detailed actual expenditure to 30 September 2018. Key issues identified in these tables were summarised within the main report. The tables identified a projected net variance of £2.21m against the approved budget. The net in year budget decrease of £2.21m is primarily due to net budget timing movements to future years of £2.263m, the most significant of which were Asset Rationalisation, £1.12m, Street Lighting, £0.505m and Waste Transfer Station £0.380m. Appendix 2 contained a list of the block allocations approved for the year and the various approved and proposed projects to be allocated from them within the 2018/19 Capital Plan. Appendix 3 contained a list of estimated whole project capital costs for single projects which would not be completed in the current financial year. The Corporate Management Team had arranged a session to review progress in delivering the block programmes and projects within the capital plan. The aim of this exercise was to ensure the capital plan was realistic and to identify any areas where current practice with projects initiation, delivery and monitoring could be improved. This exercise would inform the development of the capital strategy and investment plan for 2019 /20 onwards, the ongoing delivery of programmes and improvements in project initiation. Any budget associated with projects that were delayed would be carried forward and the revised completion date of the projects would not affect the delivery of the service.

#### **DECISION**

##### **AGREED:-**

- (a) the projected outturns in Appendix 1 to the report as the revised capital budget and approves the virements required;**
- (b) to note the budget virements previously approved by the Chief Financial Officer and Service Director Assets & Infrastructure detailed in Appendix 2 to the report under delegated authority;**
- (c) to note the list of block allocations detailed in Appendix 2 to the report;**

- (d) to note the list of whole project costs detailed in Appendix 3 to the report; and
- (e) to note that CMT is reviewing progress in delivery of the block programmes and projects within the capital plan which will inform the development of the capital strategy for 2019 /20 onwards.

5. **OUR PLAN AND YOUR PART IN IT: SBC'S CORPORATE PERFORMANCE AND IMPROVEMENT REPORT (QUARTER 2 2018/19)**

- 5.1 With reference to paragraph 2 of the Minute of Executive Committee dated 4 September 2018, there had circulated copies of a report by the Chief Executive presenting a summary of Scottish Border Council's quarterly performance information with details contained within Appendices 1a, 1b, and 2 of the report. The report also included reporting on the progress of change and improvement across the Council, replacing what was the separate Corporate Transformation report. Council had approved a revised Corporate Plan ([Our Plan and Your Part in it 2018-2023](#)) in February 2018, with four corporate themes. In order to monitor progress against the four themes, a review of performance and context information would be undertaken quarterly and presented to Executive Committee. Section 4 provided a summary of the progress of Change and Improvement projects, with further information contained in Appendix 1a to the report. Change and Improvement Projects were monitored on a weekly basis by Corporate Management Team and through the SBC Financial Plan and associated monitoring. Section 5 set out any additions or changes to SBC performance indicators in this report (as this is a dynamic process), followed by a high level summary of performance in Section 6, with details provided in Appendix 1b to the report. To reflect the significant investment made by the Council during 2018/19, an overview of the work and impact of Police Scotland's Community Action Team was provided at Section 7 and within Appendix 2 to the report. The information contained within the report and appendices was also made available on the Council website using the public facing part of SBC's Performance Management software (Pentana). This could be accessed at [www.scotborders.gov.uk/performance](http://www.scotborders.gov.uk/performance).
- 5.2 The Service Director Customer & Communities gave a brief introduction on the detailed report and advised that Members requirements highlighted at the previous meeting were now reflected in the report under the four corporate themes. She also said that an annual performance report would be presented every June, as well as regular quarterly reports, and would show longer term trends. The Policy, Performance and Planning Manager, Mrs Sarah Watters summarised the successes and challenges outlined within the report. In the ensuing discussion, Members welcomed the new reporting format both in respect of the summary infographics and more detailed analysis behind each performance and context indicators. It was noted that cumulative energy usage was higher for Q1 and 2 of 2018/19, when compared to the same period in 17/18, as the average temperature had been lower over the 6 month period. Consumption costs had also increased due to both the temperature and the rise in unit cost. However, energy efficiency measures were having a positive effect overall. Councillor Rowley highlighted that the Community Action Team hours of high visibility foot patrol seemed to be low, although he did acknowledge that the impact of the team was positive overall. Mrs Watters agreed to take this back to the Safer Communities team for clarification. In response to a query on why there was no comparison figures contained within the infographic for delayed discharges from hospital, Mrs Watters explained that this information was reported through the Integration Joint Board and would provide this for Members.

**DECISION  
AGREED:-**

- (a) to note the progress update relating to Change and Improvement Projects, referenced in Section 4 and detailed further in Appendix 1a to the report;

- (b) to note the changes to performance indicators outlined in Section 5 of this report; and
- (c) to acknowledge and note the performance summarised in Sections 6 and 7 of the report, and detailed within Appendices 1b and 2 and the action that is being taken within services to improve or maintain performance.

*(Note: Following the meeting in respect of the query regarding delayed discharge it was ascertained that there was an error in Appendix 1 to the report. On page 40 of the agenda pack it stated in the left hand column "**Bed days associated with delayed discharges in residents aged 75+; rate per 1,000 population**" and therefore did not match the graph and the commentary. It should have stated "**Bed Days associated with emergency admissions, per 1000 population age 75+**"*

***The meeting concluded at 11.20 am***

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