
SUPPORT FOR THE BORDERS ECONOMY & THE COUNCIL'S CORPORATE TRANSFORMATION PROGRAMME – PROPOSED ADDITIONAL INVESTMENT

Report by Chief Executive

EXECUTIVE COMMITTEE

29 September 2015

1 PURPOSE AND SUMMARY

- 1.1 This report seeks the Committee's approval for additional investment to support the Scottish Borders economy and the Council's Corporate Transformation Programme.**
- 1.2 An annual review of the Balance Sheet was undertaken during 2014/15 and identified further additional resources of £500k not included in the 2015/16 Financial Plan. Executive Committee agreed that proposals regarding the expenditure of these additional resources be considered at a future meeting.
- 1.3 It is proposed that the additional funding should be used to meet key corporate priorities and ambitions set out in 'Ambitious for the Borders 2015'. The key themes that this additional investment is targeted at are firstly, inward investment, particularly across the wider Scottish Borders area; secondly, youth employment and employability; thirdly, continued support for the Council's Culture Strategy; and finally, Corporate Transformation action to deliver savings in relation to staff travel.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive :-**
 - (a) Agrees the allocation of resources as set out in the report; and**
 - (b) Agrees to monitor progress on these actions through the regular Revenue Budget monitoring, Corporate Transformation and Performance Management reports.**

3 BACKGROUND

- 3.1 As reported to both the Executive Committee and Scottish Borders Council on 17 September 2013 and 25 September 2013 respectively, Finance staff undertook a review of the Council's Balance Sheet at 31 March 2013 which identified additional resources of £0.326m not included in the 5-year Financial Plan. This was used on a one-off basis to fund additional investment priorities of members, supplementing £810k of additional resources approved from the return of Police and Fire reserves to the Council.
- 3.2 At that time, the Chief Financial Officer committed to an annual review of the Balance Sheet. This was undertaken during 2014/15 and identified further additional resources of £500k not included in the 2015/16 Financial Plan. It was proposed that this resource should be ring-fenced in order to support Economic Development activity and infrastructure, the Borders Railway Blueprint and associated action plan, and the development of locality planning during 2015/16. Executive Committee agreed that proposals regarding the expenditure of these additional resources be considered at a future meeting.

4 PROPOSED ADDITIONAL INVESTMENT

- 4.1 It is proposed that the additional funding should be used to meet some of the key corporate priorities and the ambitions set out in 'Ambitious for the Borders 2015', the partnership agreement for the programme for local government in the Scottish Borders. The key themes that this additional investment is targeted at are firstly, inward investment, particularly across the wider Scottish Borders area; secondly, youth employment and employability; continued support for the Council's Culture Strategy ; and Corporate Transformation action to deliver savings in relation to staff travel.
- 4.2 Additional resources to support new inward investment activity have been highlighted as part of the Borders Railway Blueprint. A new Council approach to inward investment was agreed at Executive Committee on 1 September 2015. It builds on the major new opportunities provided by the opening of the Borders railway, but that also proposes new actions to promote the whole of the Scottish borders more effectively as a location for new investments by developers and businesses. The inward investment actions planned for the Railway Corridor will be supported by existing budget allocations. However, to fulfil the Council's ambitions for the wider Scottish Borders, it was agreed at Executive Committee on 1 September 2015 that £160,000 would be allocated to the Economic Development service to allow the employment of a dedicated officer for 2 years and also to allow the procurement of external resources to assist with the 'offer' and targeting of our promotion.
- 4.3 The additional investment in youth employment and employability activity will contribute towards the Council's support of the Developing the Young Workforce Programme. It would allow the Council to draw down European Social Fund (ESF) monies to then support businesses to provide additional employment opportunities for young unemployed people, as well as a range of other employability actions. It is proposed that £250,000 is allocated as match-funding for ESF, with spend commencing in 2015/16 and running into 2016/17. This proposal will particularly target employer recruitment incentive actions to continue the positive impacts that have

been achieved recently. The Council has supported local businesses to create 158 job contracts for young people over the last two years. This funding will be used to enhance the Scotland's Employer Recruitment Incentive (SERI) activity outlined in the report to Executive on 1 September 2015, with the aim of supporting similar numbers of young people.

- 4.4 Council approved the Culture Strategy at its meeting on 19 February 2015. As a consequence it has been possible to progress the Place Partnership established with Creative Scotland. Through this Partnership Creative Scotland offer £225k to the Council and this is match funded to achieve investment of £500k. At this stage it would be helpful to secure additional funds of £40k from the Council through which a further £40k could be drawn down by the Place Partnership resulting in a total of £80k. This fund is likely to be utilised in delivering a new facility which a number of arts organisations could use. Final proposals will require to be agreed with Creative Scotland but early indications from discussions with them indicate they are supportive of this approach. This investment would support the wider delivery of the Cultural Strategy.
- 4.5 Finally, as part of the Corporate Improvement Programme, it is proposed to invest £50,000 in order to deliver savings against the Council's staff travel budgets. Although the Council has been reducing and closely controlling these budgets in recent years, there is scope to implement new systems and approaches for staff travel that reduce the cost to the Council, whilst also reducing our carbon footprint. This action will be taken forward in the current financial year, 2015/16.

5 IMPLICATIONS

5.1 Financial

The review of the Balance Sheet at 31 March 2014 identified additional resources of £500k not included in the 2015/16 Financial Plan. It is proposed that this resource should be spent on the priority areas of inward investment (£160,000), youth employment and employability (£250,000), the Council's Culture work (£40,000) and Corporate Improvement actions to deliver savings on staff travel (£50,000) to assist the Council's financial plan.

5.2 Risk and Mitigations

The main risk in relation to these proposals is that the timing of the expenditure may shift, depending on detailed project planning and implementation plans. This risk is mitigated by the fact that this funding is a one-off allocation in the budget and that is planned to be spent over 2015/16 and 2016/17, with any variation in spend profile being addressed through the 'ear marked balance' process.

5.3 Equalities

An Equalities Impact Assessment is required because this report proposes an addition to funding for Council actions.

5.4 Acting Sustainably

No decision is required that has economic, social or environmental implications.

5.5 Carbon Management

No decision is required that has an effect on carbon emissions.

5.6 Rural Proofing

This report does not propose a new or amended policy or strategy.

6 CONSULTATION

6.1 The Chief Financial Officer, the Service Director Regulatory Services as Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, and the Clerk to the Council have been consulted and their comments have been incorporated into the final report.

Approved by

Chief Executive

Signature

Author(s)

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Background Papers: Not applicable

Previous Minute Reference: Not applicable

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