

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTE of Meeting of the EXECUTIVE
COMMITTEE held remotely by Microsoft
Teams on Tuesday, 9 February 2021 at
10.00 am

Present:- Councillors S. Haslam (Chairman), S. Aitchison (Vice-Chairman), G. Edgar, C. Hamilton, S. Hamilton, E. Jardine, S. Mountford, M. Rowley, R. Tatler, G. Turnbull and T. Weatherston

Also present:- Councillors S. Marshall, W. McAteer and D. Parker

In Attendance:- Executive Director Corporate Improvement & Economy, Executive Director Finance & Regulatory, Service Director Customer & Communities, Democratic Services Team Leader, Democratic Services Officer (F. Walling).

1. **MINUTE**

There had been circulated copies of the Minute of the meeting of 19 January 2021.

DECISION

APPROVED for signature by the Chairman.

2. **MONITORING OF THE GENERAL FUND REVENUE BUDGET 2020/21**

- 2.1 There had been circulated copies of a report by the Executive Director Finance & Regulatory providing the budgetary control statements for the Council's General Fund based on actual expenditure and income to 31 December 2020 along with explanations of the major variances identified between projected outturn expenditure and income and the current approved budget. As reported to the Executive Committee of 17 November 2020 after the first quarter of 2020/21 a residual COVID-19 budget pressure of £0.628m remained, based on forecasts at that point. Forecasts had now been updated to the third quarter of 2021/21 and based on the 31 December a balanced outturn position was forecast at the 31 March 2021. The latest forecast included all known pressures including loss of income, confirmed Scottish Government funding, the effects of the continued freeze on discretionary spend and assumptions around delivery of Financial Plan savings. This position reflected an improvement of £0.628m from the second quarter. During the year financial returns had been made on a quarterly basis to ensure that expenditure associated with social care was included within a return collated with NHS Borders and submitted to Scottish Government as a COVID mobilisation plan. Funding had then been distributed via Health to the Council and this balanced position assumed within H&SC that all H&SC additional expenditure related to COVID-19 would be funded by Scottish Government through the mobilisation return process. As previously reported, there had been a significant impact on the delivery of planned Financial Plan savings during 2020/21 as a result of the emergency situation. Financial plan savings of £12.091m required to be delivered in 2020/21. An analysis of deliverability has been updated as shown in Appendix 4 to the report. Following the December month end £5.670m (47%) savings had been delivered permanently, £0.645m (5%) were profiled to be delivered by 31 March 2021 and £5.776m (48%) had been delivered on a temporary basis through alternative savings. It should be noted that the highly uncertain environment in which the Council was operating may impact on delivery of the remaining £0.645m savings which still required to be delivered before 31 March 2021. Full details of pressures, risks and

challenges and the significant majority of areas of the Council's operation where budget plans remained on track were detailed in Appendix 1 to the report.

- 2.2 Members discussed the report and received answers to their questions from the Executive Director, David Robertson. The Executive Member for Economic Regeneration and Finance thanked Mr Robertson and his team for their work and drew attention to the huge achievement, under current circumstances, of managers across the Council in identifying savings to project a balanced position at the end of the financial year. In response to a question about Specific Grant flexibility around the use of funds freed up from Early Years expansion Mr Robertson confirmed that the approach had not changed in that the funding was ring-fenced within Education and that the Council had made a commitment in full in terms of Early Years expansion and delivery of 1140 funded hours. In terms of the projected annual additional COVID-19 pressures detailed in a table within the report, Mr Robertson explained that the estimate of £0.604 impact on income from Council Tax was related to the estimated collection levels for 2020/21 including the impact of delays in house building. Clearly the pandemic would have a significant temporary effect on the local economy and affect income from fees, charges and Council Tax. The assumption was that there would be a bounce back but this would be closely monitored. Mr Robertson added that, where families faced financial difficulty in repaying Council Tax debt the Council had a range of flexible payment arrangements to offer.

DECISION

AGREED to:-

- (a) **note the projected corporate monitoring position reported at 31 December 2020, the 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) **approve the virements attached as Appendix 2;**
- (c) **approve the earmarked balances attached at Appendix 3, noting the support these balances were providing to the 2021/22 Financial Plan totalling £1.562m;**
- (d) **note the progress made in achieving Financial Plan savings in Appendix 4;**
- (e) **delegate authority for the remainder of the financial year to allow the Executive Director, Finance & Regulatory to approve any year-end adjustments required for COVID-19 related funding expected late in the financial year; and**
- (f) **request the Corporate Management Team to continue to take all possible management action to balance the budget in the current year.**

3. MONITORING OF THE CAPITAL FINANCIAL PLAN 2020/21

There had been circulated copies of a report by the Executive Director Finance & Regulatory providing an update on the progress of the 2020/21 Capital Financial Plan and seeking approval for virements and the reallocation of funds. The monitoring tables in Appendix 1 to the report detailed actual expenditure to 31 December 2020. Key issues identified in the tables were summarised within the main report. The review of the capital budget, in light of financial implications of COVID-19 approved by Council on 5 November 2020, focussed on assessing the impact of the national "lockdown" on the construction industry and the associated inevitable delays in current and planned programmes of work. The assessment of COVID-19 impacts had continued during the third quarter of the year with a net budget variance of £4.033m now being identified. This included net timing movements from 2020/21 of £4.143m, the most significant of which were Coldstream Cemetery development £0.528m, Borders Town Centre regeneration block £0.653m,

Residential Care Home upgrades £0.685m and Residential Care Home Tweedbank £0.500m. Appendix 2 of the report contained a list of the block allocations approved for this year and the various approved and proposed projects to be allocated from them within the 2020/21 Capital Plan. A list of estimated whole project capital costs for single projects which would not be completed in the current financial year was contained in Appendix 3 to the report. In a discussion of the report, Members expressed disappointment in the delays in the planned programmes of work, but also recognised the reasons for this in terms of the impact of COVID-19. In terms of the pause in work to develop plans for two Residential Care Home projects in Hawick and Tweedbank, Mr Robertson explained that further work was being carried out on demographic modelling and on the strategy and vision around Residential Care in the Borders and he agreed to the request to bring a report back to a future Executive to provide an update on this.

DECISION

- (a) AGREED the projected outturns in Appendix 1 to the report as the revised capital budget and approved the virements required.**
- (b) NOTED:-**
 - (i) the budget virements previously approved by the Executive Director Finance & Regulatory and the Service Director Assets and Infrastructure detailed in Appendix 2 under delegated authority;**
 - (ii) the list of block allocations detailed in Appendix 2; and**
 - (iii) the list of whole project costs detailed in Appendix 3.**
- (c) AGREED to request a report to Executive Committee to provide an update on the Council's strategy and vision in terms of the Residential Care projects in Hawick and Tweedbank.**

4. BALANCES AT 31 MARCH 2021

There had been circulated copies of a report by the Executive Director Finance & Regulatory providing an analysis of the Council's balances as at 31 March 2020 and details of the projected balances at 31 March 2021. The report explained that the unaudited Council's General Fund useable reserve (non-earmarked) balance was £6.315m at 31 March 2020. The projected General Fund useable reserve was projected, to remain at £6.315m at 31 March 2021 in line with the Council's Financial Strategy. Any year end overspend as a result of the COVID-19 pandemic would, however, require to be funded from reserves. The total of all useable balances, excluding developer contributions, at 31 March 2021 was projected to be £26.625m, compared to £29.866m at 31 March 2020. The projected balance on the Capital Fund of £7.720m 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 a question about the level of reserves Mr Robertson advised that, although he would prefer it to be higher, the level of reserves at just over 2% of revenue expenditure was within the required level based on the Council's risk profile.

DECISION

NOTED:-

- (a) the projected revenue balances as at 31 March 2021 as contained in Appendices 1 & 2 to the report; and**
- (b) the projected balance in the Capital Fund as contained in Appendix 3 to the report.**

5. **COVID-19 RESPONSE - PROPOSALS TO FURTHER SUPPORT INDIVIDUALS FACING FINANCIAL HARDSHIP**

5.1 There had been circulated copies of a report by the Service Director Customer & Communities presenting a number of proposals for the allocation of the Scottish Government "Addressing future need to support individuals at financial risk 2020/21" Fund. The report also outlined further measures to provide wider financial support to those individuals who required additional help. It was explained that Scottish Government announced on 20 October 2020, that a fund of £30m would be made available to Local Authorities to support those who were facing financial hardship as a result of coronavirus (COVID-19) over the winter period and to continue the provision of Free School Meals during the forth-coming school holidays. The Fund had been split into 2 areas – Supporting Individuals at Financial Risk (£20m) and Free School Meals (£6.95m to cover the October, Christmas and February school holidays), with the balance of £3.05m expected to be provided to support school meals during the Easter holidays in 2021/22. Scottish Borders Council had been allocated approximately £330k of the £20m element for Supporting Individuals at Financial Risk, providing that any claims made were in accordance with the Fund's criteria and guidance. The £6.95M element of the funding for Free School Meals (of which Scottish Borders Council received £111k) had also been allocated to provide Free School Meal vouchers for the October, Christmas and February school holidays.

5.2 A Financial Insecurity Group, made up of relevant officers and led by the Service Director Customer & Communities had met to discuss the Fund and potential spend. Proposals for allocation were presented in the report which were based on Scottish Government guidance, main objectives and expected outcomes of the fund. All claims for this phase of the Fund had to be made by 31 March 2021. Approval was being sought in order to ensure that Scottish Borders Council expedited and maximised the opportunity to make claims in an efficient and timely manner using existing third sector and other organisations with established networks. The Service Director Customer & Communities, Jenni Craig, gave a summary of the proposals detailed within the report and provided further information to Members where requested. In the ensuing discussion Members recognised the fact that COVID-19 was pushing more people into poverty. They welcomed the funding but expressed concern that this would not be enough. It was noted that more information and identification of areas of need would be produced through the Anti Poverty Strategy Working Group. In response to a question, Mrs Craig agreed that an effective communications plan would be key and gave assurance that there would be a wide range of communications including through schools, to identify gaps and ensure the funding reached those most in need of support. In terms of timing, payments would be made as soon as possible but definitely by the end of this month.

DECISION

AGREED:

- (a) **to delegate authority, to the Service Director of Customer & Communities, to allocate funding as per the areas detailed below:**
 - (i) **Fund the expansion of the Connecting Scotland Project to address the shortfall at a local level;**
 - (ii) **Provide a one off emergency payment to vulnerable families across the Scottish Borders as detailed in Section 4 of the report;**
 - (iii) **Allocate funding to a range of existing third sector networks, Community Planning Partners (including Registered Social Landlords) and any other partnerships, networks, resilience groups or other organisations who were already working with vulnerable individuals, to assist with essentials in accordance with the guidance, based on the**

principles of digital, fuel and food poverty and other items deemed as emergency essentials;

- (iv) Provide payments for families with disabled children under 18 years old who were not eligible for the Child Winter Heating Assistance payment.**
- (b) in relation to the Discretionary Housing Payments Policy:**
 - (i) to approve an increase in the removal costs to £500 for moves within the Scottish Borders and £800 for moves from another Local Authority area, to take effect from 1 February 2021;**
 - (ii) to approve an addition to disregard income of up to £20 per adult and £5 per child as detailed in paragraph 5.3.2.**
 - (iii) to approve to disregard all Scottish Child Payment awards.**
 - (iv) to delegate authority to the Service Director of Customer & Communities to review and update the maximum removal costs which could be paid through Discretionary Housing Payments Policy on an annual basis.**
- (c) to a marketing and promotion campaign to raise awareness of the Scottish Welfare Fund; and**
- (d) that all claims, financial monitoring and evaluation would be undertaken in accordance with the guidance and requirements of the Fund.**

6. LOCAL HOUSING STRATEGY (LHS) 2017-22 YEAR 3 PROGRESS

6.1 With reference to paragraph 11 of the Minute of 20 August 2019, there had been circulated copies of a report by the Executive Director Corporate Improvement and Economy seeking agreement of the Annual Progress Report, setting out what had been achieved in the delivery of year three of the Local Housing Strategy (LHS) 2017-22, and approval to submit this to the Scottish Government More Homes Division. The Council and its partners had made good progress since the LHS was formally approved. Work in 2019/20 included the delivery of 141 affordable homes; the submission of a very ambitious Strategic Housing Investment Plan (2020-2025) underpinned by up to £158m of investment; implementation of the first year of the Affordable Warmth and Energy Efficiency Strategy; development of the Warm and Well Borders project; initiation of the pilot of the Missing Shares Scheme in Hawick; undertaking of a study on wheelchair accessible housing in the Borders; and the completion of 82 major adaptations. These were just some of the achievements over the year. In addition to the Annual Progress Report appended as Appendix 1 to the report a detailed monitoring and evaluation matrix was appended as Appendix 2. The Scottish Government had increased its Affordable Housing Investment Programme funding allocation to Scottish Borders to £16m. An additional £3.377m was then made available via slippage from other Council areas, therefore the total annual grant spend increased to a record £19.375m. This had supported the delivery of 141 affordable homes in 2019/20, exceeding our annual 128 unit target. There were also 14 assisted purchases through Scottish Government's Open Market Shared Equity Scheme. Unfortunately due to the adverse impact of the COVID-19 pandemic it was anticipated that annual affordable housing completions in 2020-2021 would be reduced to around 122 new homes. This would fall slightly short of the LHS annual target of 128 homes. The current SHIP identified 1,125 affordable homes for anticipated completion from 2021-2026. The report went on to detail work carried out on energy efficiency measures, the advice provided by the Council's Homelessness Team, support given to Private Landlords and funding support given for adaptations and repairs.

6.2 Members welcomed the report and the positive news it conveyed. In response to a question about whether a proportion of housing was prioritised towards young people and families officers explained that each Registered Social Landlord (RSL) had its own

housing allocation policy but offered to make an enquiry with the RSLs and provide Members with this information. The Chief Planning & Housing Officer agreed with a Member's point about the changes to town centres and opportunities for conversion to housing, particularly of upper floors of buildings. He explained that there was a significant piece of work ongoing involving RSLs and engagement with property owners to look at ways of re-purposing town centres.

DECISION

AGREED to:-

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

7. SCOTTISH BORDERS COUNCIL'S RESPONSE TO THE EMPLOYABILITY CHALLENGE IN THE SCOTTISH BORDERS

- 7.1 There had been circulated copies of a report by the Executive Director, Corporate Improvement & Economy to highlight the challenges of increased unemployment and numbers of redundancies in the Scottish Borders. The report set out Scottish Borders Council's approach to employability and training in response to existing and new employability measures introduced by the Scottish and UK Governments. It sought the Council's endorsement for this work and also updated the Executive on actions being taken at a South of Scotland level. The report highlighted that unemployment had increased significantly in the past year as a result of the COVID-19 pandemic and was likely to increase further due to the end of the UK national furloughing scheme for employees. Young people aged 16-24 had been particularly affected. The report highlighted Scottish Borders Council's significant role in providing leadership in tackling employability and in supporting UK and Scottish Government employment and employability programmes. The COVID-19 pandemic has had an adverse effect in progressing the local delivery of these programmes. The report also set out the Council's involvement in the recently announced UK and Scottish Government employability programmes especially Kickstart, Youth Guarantee and the Partnership Action for Continuing Employment Programme (PACE). The importance of co-ordinating the work of the Borders Learning and Skills Partnership was highlighted together with the strategic approach being developed at a South of Scotland level. Appendix 1 to the report detailed unemployment figures and percentage increase in unemployment since 2019, for the Scottish Borders. The information included a breakdown by Ward and comparator figures for Scotland. Appendix 2 to the report set out the Council's involvement in externally funded employability projects.
- 7.2 In response to the challenges arising from increasing unemployment in the Scottish Borders, the Council's Corporate Management Team had established a Leadership Group on Employability. This was led by Rob Dickson, Executive Director, Corporate Improvement and Economy. Also there was an inter-service Employability officer group which reported into this Leadership Group. In terms of the regional approach, a South of Scotland Education and Skills Strategic Coordination Group had established a sub-group of the South of Scotland Regional Economic Partnership (REP). The Group was chaired by Professor Russel Griggs and the Council would be represented by the Service Director Young People Engagement and Inclusion. Members discussed the report, noting the sobering statistics but welcoming the programmes of work being carried out across the Scottish Borders and South of Scotland. The importance was stressed of liaising with employers to find out what was required as was the need to keep up pressure for payment of the Living Wage. Members endorsed the action being taken by the Corporate Management Team in setting up the Leadership Group and in response to the request for

regular feedback Mr Dickson confirmed that quarterly updates would be provided either as part of or in parallel to reporting on corporate performance.

DECISION

AGREED to:-

- (a) **note the scale of the unemployment challenge particularly facing young people in the Scottish Borders as set out in Section 3 of the report;**
 - (b) **note the additional Scottish Government and UK Government employability support measures as set out in Section 4;**
 - (c) **note the Council's involvement in existing employability measures as set out in paragraphs 5.3, 5.4 and 5.5;**
 - (d) **endorse the Council's approach to Employability as set out in section 5 and its involvement in the UK Government's Kickstart initiative, and the Scottish Government's Youth Guarantee and the Partnership Action for Continuing Employment (PACE) programmes as set out in paragraphs 5.7 to 5.11; and**
 - (e) **note the establishment of the South of Scotland Education and Skills Strategic Coordination Group that would link into the South of Scotland Regional Economic Partnership (REP) as mentioned in Section 6.**
8. **PRIVATE BUSINESS**
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 Paragraphs 6 and 9 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

9. **EARLSTON INDUSTRIAL ESTATE - RELOCATION OF BORDER COATINGS TO LAUDER INDUSTRIAL ESTATE**

A report by the Service Director Assets & Infrastructure was approved.

MEMBER

Councillor Aitchison left the meeting.

10. **TEVIOTDALE INDOOR BOWLING CENTRE, HAWICK**

A report by the Service Director Assets & Infrastructure was approved.

The meeting concluded at 12.20 pm