

SCOTTISH BORDERS COUNCIL
EXECUTIVE COMMITTEE

MINUTE of MEETING of the EXECUTIVE COMMITTEE held in the Council Chamber, Council Headquarters, Newtown St. Boswells on Tuesday, 24 February 2015 at 10.00 a.m.

Present:- Councillors J. Mitchell (Chairman), S. Aitchison (during paragraph 3(a)), S. Bell, C. Bhatia, J. Brown, M. Cook, V. Davidson (during paragraph 3(a)), G. Edgar, D. Moffat, D. Paterson, F. Renton, R. Smith.

Also Present:- Councillors I. Gillespie, G. Logan, S. Mountford.

Apology :- Councillor D. Parker.

In Attendance:- Chief Executive, Depute Chief Executive – Place, Chief Financial Officer, Chief Social Work Officer, Service Director Capital Projects, Service Director Strategy & Policy, Service Director Regulatory Services, Corporate Transformation & Service Director, Democratic Services Team Leader, Democratic Services Officer (K Mason).

CHAIRMAN

1. In the absence of Councillor Parker, the meeting was chaired by Councillor Mitchell.

MINUTE

2. The Minute of the Executive Committee of 3 February 2015 had been circulated.

DECISION

APPROVED for signature by the Chairman.

MEMBERS

Councillors Aitchison and Davidson joined the meeting during discussion of the following item.

REVENUE BUDGET MONITORING

3. (a) Monitoring of the General Fund Revenue Budget 2014/15
There had been circulated copies of a report by the Chief Financial Officer providing (a) budgetary control statements for the Council's General Fund based on actual expenditure and income to 31 January 2015; and (b) an explanation of the major variances between projected outturn expenditure/income and the current approved budget. The report explained the revenue monitoring position set out in this report was based on the actual income and expenditure to 31 January 2015 and was currently reporting a projected breakeven position at 31 March to the end of the reporting period. Work continued across departments to deliver a programme of in-year savings measures put in place to address a number of significant cost and income pressures experienced during the financial year, the full delivery of which was required in order to ensure the above position and in particular, a breakeven outturn position across Chief Executive, People and Place departments. Current pressures on the budget requiring remedial action were due to 2 main factors: (a) unfunded compulsory redundancies (£99K) and (b) shortfall in income from Commercial Rents (£69k). Specifically, further actions had been identified within People and Place of £89k and £67k respectively to address new arising pressures, the assumed delivery of which were factored into the projected position. A projected underspend in Children and Young People of £199k was directly offsetting projected pressures in Adult Services of the same value. Additional projected income from Council Tax (£168k) had been used to offset the position in Other Services enabling a breakeven position overall to be reported. 80% (£6,466k) of 2014/15 Financial Plan savings remained achieved as planned with 13% (£1,052k) being achieved through alternative means. This left 4% (£362k) of the current savings which were profiled to be achieved during the remainder

of the financial year and the reported balanced outturn position was therefore dependent on their delivery by 31 March 2015. Progress on achievement of Financial Plan savings were detailed in Appendix 5 to the report. Full details of pressures, risks and challenges were detailed in Appendix 1 to the report. Proposed virements and earmarked balances were detailed in Appendices 2 and 3 respectively. Appendix 4 contained the Council's position on budget movements for the year to 31 January 2015. Members looked systematically through the appendices and received answers to their questions where further information was required. Members were pleased to note the success of the Small Business Grants Scheme and a request was made to encourage businesses not eligible for grants to apply for loans instead. Members further noted that the balance of funds (£95k) would be used for the continuation of the Scottish Welfare Fund project in 2015/16 with reduced staff.

DECISION

(a) NOTED

- (i) the projected balanced breakeven position reported at 31 January 2015; and**
- (ii) the efficiency savings detailed in Appendix 5 to the report and all previously identified savings proposals for deliverability, including those where no or only partial process had been made and were being met by other temporary measures.**

(b) AGREED

- (i) that the Depute Chief Executives for People and Place and their Service Directors would continue to work with their management teams to deliver all planned savings measures and if necessary, bring forward further actions to ensure this outturn position was delivered 2014/15; and**
- (ii) proposals for budget virements and earmarked balances detailed in Appendices 2 and 3 to the report respectively.**

(b) Projected Balances to 31 March 2015

There had been circulated copies of a report by the Chief Financial Officer providing an analysis of the Council's opening balances as at 31 March 2014 and advising Members of the Council's projected closing balances at 31 March 2015. The Council's General Fund useable reserve (non-earmarked) balance was £6.756m at 31 March 2014. The total of all useable balances excluding developer contributions at 31 March 2015 was projected to remain at £6.756m. The current balance on the Capital Fund £5.510m 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. The report explained that finance staff had undertaken a review of the Council's Balance Sheet at 31 March 2013 which identified additional resources not included in the 5 year Financial Plan of £0.326m. 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. At that time, the Chief Financial Officer committed to an annual review of the Balance Sheet, which had again been undertaken during 2014/15 and which had identified further additional resources of around £500k not included in the 2015/16 Financial Plan. It was proposed to ring-fence this resource 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. Members expressed concern about the proposal to ring fence these additional resources, and agreed that an additional recommendation be added in the following terms "that proposals regarding the spend of the additional resources detailed in paragraph 4.5 of the report be considered at a future meeting of the Executive".

DECISION

(a) NOTED

- (i) the projected revenue balances as detailed in Appendices 1 and 2 to the report; and**
- (ii) the current balance in the Capital Fund as detailed in Appendix 3 to the report.**

- (b) AGREED that proposals regarding the spend of the additional resources, as detailed in paragraph 4.5 of the report, be considered at a future meeting of the Executive.**

MONITORING OF THE CAPITAL FINANCIAL PLAN 2014/15

- 4. There had been circulated copies of a report by the Chief Financial Officer presenting up-to-date information on the progress of the 2014/15 Capital Financial Plan. The monitoring tables in Appendix 1 to the report detailed actual expenditure to 31 January 2015. Key issues identified in these tables were summarised within the main report and identified a net variance of £3.7million. The net budget timing movements amounted to £4.5m, of which the most significant were due to the re-profiling of the following projects – Galashiels Transport Interchange, Easter Langlee Cell Provision, Easter Langlee Leachate Management, HQ Main Office Block, Duns Primary School, Kelso High School, Early Learning and Childcare, Strategic Business Land, Sunnybrae, Walkerburn, and Corporate IT Equipment Fund. Appendix 2 to the report 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 2014/15 Capital Plan. The Chief Financial Officer guided Members through the various appendices, highlighting key areas, giving further information and answering Members' questions where required. The Chief Executive reassured Members that budgets were being managed appropriately and any information of overspends would be reported at future meetings. In response to a concern raised in relation to an area of erosion by the River Tweed near to Cardrona and on how quickly the budget could be mobilised if the erosion started to undermine the road, the Chief Executive advised this would be taken back to the department to ensure they were aware of this.

DECISION

AGREED

- (a) the projected outturns and associated virements as identified in Appendix 1 to the report as the revised capital budget; and**
- (b) to instruct project managers and budget holders to ensure that robust arrangements were in place to achieve the projected outturns.**

DECLARATION OF INTEREST

Councillor Bhatia 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.

REQUEST FOR ROAD WORKS TO BE INCLUDED IN THE COUNCIL'S CAPITAL FINANCIAL PLAN 2015/16

- 5. There had been circulated copies of a report by the Service Director Regulatory Services seeking approval for the inclusion of the works associated with the completion of the roads within part of the housing development at Dingleton Road, Melrose in the Council's Capital Financial Plan 2015/16. The Council had a duty under the Roads (Scotland) Act 1984 and associated regulations to complete the road works to an adoptable standard in a development where construction consent had been issued and the conditions had not been adhered to or the developer ceased trading. In this instance, the Council held security to a value of approximately £55,000, in the form of a cash deposit, which was lodged as a requirement of the construction consent issued for Phase 2 of the housing development at Dingleton Road, Melrose. Due to the non-compliance of conditions within the consent and the developer going into voluntary liquidation, the Council now had to progress the road

works required to complete the roads to an adoptable standard. All steps had been taken to minimise the required expenditure and funding would be met primarily by security currently lodged with the Council as part of the original approvals for this development with additional funding from the Council. Members expressed some concern about the position and discussions took place over the possibility of requesting a larger bond up front, to protect against inflationary costs. The Service Director Regulatory Services advised that the Council requests in relation to bonds could not be unreasonable and sensible discussions with developers needed to take place. Another option might be to have a review period during the construction of a development to adjust the Bond if required. It was noted that the Society of Chief Officers of Transportation in Scotland was currently seeking changes to legislation which would give Councils more power when seeking to pursue legal action against any developer who did not continuously provide the relevant security for a housing development.

DECISION

AGREED to the inclusion of the road works in the Council's Capital Financial Plan 2015-16 with a budget of £85,000, funded using security (£55,000) currently held by the Council under the relevant regulations with the remaining costs being met from the Council's Roads (including RAMP and winter damage) budget 2015-16.

**SCHOOL HEALTH & SAFETY REFURBISHMENT & CAPACITY AND EQUALITIES
BLOCK CAPITAL ALLOCATIONS 2015/16**

6. There had been circulated copies of a report by the Depute Chief Executive People advising that the Council's Capital Plan which was approved on 12 February 2015 contained three specific Block allocations for schools to the value of £1 million. The report proposed allocating the School Health & Safety, School refurbishment & Capacity and School Equalities Act Blocks to a number of individual projects. The report explained that there were a number of capacity, suitability and accessibility issues within the school estate. A comprehensive School Estate Review would be carried out in 2015 to prioritise these known issues, however, in the short term, some immediate priorities required to be addressed in order to ensure that the Council met its obligations with respect to the safety and wellbeing of school building users. The proposed projects sought to address some of the highest priority issues maximising the schools summer holiday break for construction. Further capital and revenue allocations towards the school estate would be proposed as part of the PLACE Property Asset Programme allocations under a separate report. A Draft programme of works in schools under the Block Allocation during 2015/16 was included in Appendix A to the report. Government Early Years funding, aimed at providing improved nursery facilities and creating new spaces for 2-year old provision within schools to meet Care Inspectorate requirements, was managed by Children & Young People project team under a separate reporting mechanism. Capital projects planned for 2015/16 under this workstream were included in Appendix B to the report.

DECISION

AGREED the following capital allocations utilising School Health & Safety, School Refurbishment & Capacity and School Equalities Act Block Allocations 2015/16:

- (a) **School Health & Safety Block to be allocated as follows:-**
- (i) **Secure Entrance Reception projects £90,000**
 - (ii) **Fire Alarm projects £35,000**
 - (iii) **Window upgrade Audit and Implementation at Coldstream Primary and Selkirk High School £200,000**
 - (iv) **Virement of £235,000 to projects within School Refurbishment & Capacity Block.**
- (b) **School Refurbishment & Capacity Block to be allocated as follows:-**
- (i) **Chirnside Primary School £425,000 including £235,000 virement from Schools Health & Safety Block.**

- (c) School Equalities Act Block to be allocated to the following projects – Burnfoot, Coldstream, Lilliesleaf, Melrose, Priorsford, St Boswell’s Primary Schools and Peebles High School.**

STOW PRIMARY SCHOOL ACCOMMODATION WORKS

7. There had been circulated copies of a report by the Service Director Capital Projects seeking authorisation for expenditure on additional accommodation works at Stow Primary School in connection with the Borders Railway. In light of the proximity of the new railway and station to the existing Stow Primary School, some additional accommodation works were considered desirable. These included a new separate road access for station traffic and protection from train and station noise. The report summarised the measures proposed and requested authorisation for the necessary expenditure. The Service Director Capital Projects and the Borders Railway Community Liaison Officer answered Members’ questions and explained that Network Rail had carried out a considerable amount of work in regard to noise protection undertaking more than was expected of them. The value of the Planning and Building Standards Committee’s safeguarding policy and the reasons for adhering to the policy were highlighted. A request was made that drawings be provided with similar reports in the future to provide Members who were not fully acquainted with the site the appropriate information.

**DECISION
APPROVED**

- (a) the virement of £2,522 from the Emergency/Unplanned Schemes in 2014/15 to Stow Primary School;**
- (b) the virement of £72,416 from the Emergency/Unplanned Schemes in 2015/16 to Stow Primary School; and**
- (c) the allocation of £22,552 of the School Health and Safety Block in 2016/17 to Stow Primary School.**

HEALTH RESOURCE TRANSFER OF MOUNTVIEW SERVICES

8. There had been circulated copies of a report by the Chief Social Work Officer proposing that there was a transfer of funding from NHS Borders to Scottish Borders Council in relation to the services currently provided by NHS Borders in Mountview, Duns, a residential care home for 7 adults with a Learning Disability. Mountview was currently a registered residential care home contracted by NHS Borders to an independent care provider, Streets Ahead. The majority of the funding was provided by NHS Borders with some funding by SBC. The current building was owned by Berwickshire Housing Association. In line with the Scottish Government strategy for learning disability services (The Keys to Life 2013), Mountview was transferring to a supported living service model. Advanced plans were underway to transfer the current residents from the residential care home to 2 purpose built attached bungalows. Completion was planned for February 2015. The support required by the service users was predominantly social care and the supported living model was best provided by SBC and should not be the remit NHS Borders. This report recommended that the existing NHS Borders funding should be transferred to SBC via a Health Resource Transfer. Previous Health Resource Transfers had taken place between NHS Borders and SBC. COSLA arrangements were already in place to settle the annual uplift arrangements for Health Resource Transfers. The Health Resource Transfer would allow SBC to apply its Charging Policy to all tenants therefore maximising income not currently available in a health funded service. The new supported living scheme would require additional funding. There would be one vacancy and as the tenancies provided best value compared to similar schemes, the Learning disability service had agreed to provide the funding to balance the budget. The Joint Learning Disability Service and finance representatives from both organisations had discussed and agreed the financial model for the reprovisioning of Mountview Care Home.

DECISION

(a) **AGREED** that the £429,923 NHS Borders Mountview Funding be resource transferred to Scottish Borders Council.

(b) **NOTED** the proposed funding arrangements for the remaining balance.

SCOTTISH BORDERS COUNCIL COMMUNITY GRANT SCHEME – GENERIC

9. There had been circulated copies of a report by the Service Director Strategy and Policy recommending an application for funding from the Community Grant Scheme Generic Budget. The application was from Alchemy Film & Arts which was an organisation based in Hawick but which delivered a range of arts projects across the Borders. The request was for a support grant to contribute towards the normal running costs of its annual Alchemy Film & Moving Image Festival which would be held in Hawick, from 16 to 19 April 2015. The organisation was in short-term financial difficulty. £7,121 was available in the CGS Generic Budget and the grant request was for £4,500. The Funding and Project Officer answered Members' questions and explained this would be a one-off grant. A bid for funding from Creative Scotland had not been lodged in time by Alchemy Film & Arts for this project but discussions regarding future funding had been held.

DECISION

APPROVED a grant to the value of £4,500 to Alchemy Film & Arts, conditional on the organisation revising its fundraising plans to bridge this gap in future years.

The meeting concluded at 11.40 a.m.