

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTES of Meeting of the EXECUTIVE
COMMITTEE held via MS Teams on
Tuesday, 14th June, 2022 at 10.00 am

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

Also Present:- Councillor W. McAteer

Apologies:- Councillors C. Cochrane, C. Hamilton

In Attendance:- Chief Executive, Director Education and Lifelong Learning, Director Infrastructure & Environment, Director People Performance and Change, Financial Services Manager, Democratic Services Team Leader, Democratic Services Officer (D. Hall)

1. **MINUTE**

There had been circulated copies of the Minute of the meeting held on 14 March 2022.

DECISION

APPROVED for signature by the Chairman.

2. **2021/22 UNAUDITED REVENUE OUTTURN**

- 2.1 There had been circulated copies of a report by the Director, Finance & Corporate Governance which provided a statement comparing final revenue outturn expenditure and income for 2021/22 with the final approved budget for the year along with explanations for significant variances. A net, unaudited outturn underspend of £1.427m was achieved in the 2021/22 revenue budget. The £1.427m net underspend (less than 0.5% of final approved budget) was delivered following a number of earmarked balances carried forward from 2021/22 into 2022/23. In total, those amounted to £37.189m and related to a number of initiatives across the Council and specifically included £9.465m of carry forward into the Council's COVID-19 reserve and £1.599m of carry forward by schools under the Devolved School Management scheme (DSM). Council services had delivered an underspend position whilst delivering significant financial plan savings totalling £9.301m. A high level summary of the outturn position in each Service was detailed from section 3.16 of the report. The Council's finances and operating model had continued to be affected by the COVID-19 emergency situation during 2021/22 as well as unprecedented market conditions and inflationary pressures, pressures from pay award and staff recruitment and retention challenges. The Council had administered £73.9m of funding which had been passed to over 5,770 businesses through a variety of business grants. The COVID-19 reserve was utilised during 2021/22 to maintain public services utilising further specific support from Scottish Government to support individuals and businesses during the pandemic. The challenging operating environment had included significant recruitment and retention issues across the Council which contributed to the year-end underspend position but resulted in capacity issues with a number of teams experiencing recruitment issues in filling vacant positions. During 2021/22 detailed revenue monitoring reports were reviewed by the Strategic Leadership Team (SLT) allowing proactive corporate management action to be taken during the year where required. In line with Financial Regulations quarterly monitoring reports were approved by the Executive Committee, authorising the necessary adjustments to the budget throughout the year. There had been an impact on the delivery of approved Financial Plan savings during 2021/22, mainly as a result of the COVID-19 response and recovery phase with slippage experienced in the delivery of planned savings. The level of savings required by the financial plan, totalled £9.301m, in 2021/22. An analysis of delivery of

savings was provided in Appendix 3 to the report. The outturn position showed that £3.489m (37%) savings were delivered permanently in line with approved plans, £1.932m (21%) were delivered in 21/22 with no requirement for the savings to be delivered from 2022/23, with the remaining £3.880m (42%) delivered on a temporary basis through alternative savings.

- 2.2 The Financial Services Manager, Ms Suzanne Douglas, presented the report and responded to Members questions. Regarding the shift in position from an underspend to an overspend within the learning disability service, the Chief Executive explained that the financial reporting reflected that in the last Quarter there had been underspend within that Quarter, however across the year there had been the overspend reflected within the report. In response to a question regarding funds earmarked for Devolved School Management (DSM), Ms Douglas explained that there had been a higher than expected amount of carry forward of budget by schools, a new DSM scheme was being developed and was expected to come to full Council following the summer recess. Members requested a briefing on the DSM Review. In response to further questions regarding the overspend within the learning disability service, Ms Douglas explained that the difficulties the service faced had been raised early in the financial year, work was ongoing to manage the issues – action plans were in place to contain costs and specific plans designed to deliver savings. The financial position had improved within the final Quarter of the year, with an improved income position and reduced client care packages providing financial benefits. In response to a question regarding the underspend listed under “generic services”, Ms Douglas agreed to investigate and provide further details, and suggested that the underspend was due to lower than expected costs incurred related to the Carers Act. Regarding issues with recruitment and an underspend on staffing costs, the Director – People, Performance and Change explained that work was ongoing to address recruitment and retention problems, and that a report would be brought to the Committee outlining the steps that were being taken to address those problems.

**DECISION
AGREED :-**

- (a) the content of the report and noted the favourable outturn position for 2021/22 prior to Statutory Audit;**
- (b) to note that the draft unaudited outturn position would inform the budgetary control process during 2022/23 and inform the financial services planning process for future years;**
- (c) to approve the sums earmarked under delegated authority by the Director, Finance and Corporate Governance as well as adjustments to previously approved earmarked balances as shown in Appendix 1 to the report; and**
- (d) to note the range of pressures associated with the current operating environment will be reported through the monitoring process during 2022/23.**

3. CAPITAL FINANCIAL PLAN 2021/22 - FINAL UNAUDITED OUTTURN

There had been circulated copies of a report by the Director, Finance and Corporate Governance which provided a statement comparing the final capital outturn for 2021/22 with the final budget for the year and identified the main reasons for any significant variations. The final capital outturn statement for 2021/22 was included at Appendix 1 to the report and included the reasons identified by the Project Managers and Budget Holders for the variances to the final approved budget. This identified an outturn expenditure of £59.634m which was £7.134m below the final revised budget of £66.766m including timing movement in the final quarter of £7.474m. A number of macro-economic factors affected the Capital Plan during 2021/22. Construction materials supply chain had been subject to unprecedented disruption in recent months. A surge in demand coupled with constraints on supply had led to price increases, shortages and longer lead times.

Any financial implications from those market conditions were reported within the final outturn report with the final financial position for 2021/22. The outturn position provided the basis to inform the Capital Plan requirements in 2022/23, with any longer term impacts reflected in the financial planning process for future years. In recognition of the market conditions experienced in 2021/22 and continuing into 2022/23, the approach to slippage of block allocations within the Capital Plan had been reconsidered. From the 2021/22 outturn, the elements of projects which were legally committed would transfer budget into the next financial year to fund those commitments. All other underspend in block allocations would be carried forward on a pooled basis to benefit the wider Capital Plan. This carry forward from 2021/22 into 2022/23 of £1.253m would be used to establish an inflation contingency in light of the market condition concerns highlighted in the report. In response to a question regarding the potential for any further increases to the costs related to the repair of the Union Chain Bridge, the Director, Infrastructure and Environment, Mr John Curry, explained that work was ongoing with the project partners to manage and mitigate risks, but that material costs continued to increase. Regarding electric vehicles, the Director explained that work was ongoing with fleet management regarding the servicing of the vehicles, and that work was required to assess the impact of disposal costs of the car batteries once they had reached the end of their usage. The Director added that the management and disposal of the batteries would be part of the revenue budget rather than capital.

DECISION

(a) AGREED:-

- (i) the final outturn statement in Appendix 1 to the report;**
- (ii) the allocation of the remaining budget of £0.660m from Emergency & Unplanned to Union Chain Bridge as reflected in Appendix 1 to the report; and**
- (iii) the block allocations detailed in Appendix 3 of the report.**

(b) NOTED:-

- (i) the adjustments to funding in Appendix 1 to the report;**
- (ii) the final block allocations in Appendix 2 to the report**
- (iii) the whole project costs detailed in Appendix 4 to the report.**

5. BALANCES AT 31 MARCH 2022

There had been circulated copies of a report by the Director, Finance and Corporate Governance which provided an analysis of the Council's balances as at 31 March 2022. The Council's General Fund useable reserve (non-earmarked) balance was £9.848m at the end of the financial year. The 2021/22 balances were before a series of technical accounting adjustments, the effect of which were expected to be broadly neutral. Adjustments required as a result of the Statutory Audit process would be reported at the conclusion of the Audit. The total of all useable balances, excluding developer contributions, at 31 March 2022 was £64.481m compared to £48.264m at 31 March 2021.

DECISION

NOTED:-

- (a) the revenue balances as at 31 March 2022 as contained in Appendices 1 & 2 to the report, including movement in the allocated Reserve since the last reporting period; and**
- (b) the balance in the Capital Fund as contained in Appendix 3 to the report.**

5. **CORPORATE DEBTS - WRITE-OFFS IN 2021/22**

There had been circulated copies of a report by the Director, Finance and Corporate Governance which detailed the aggregate amounts of debt written off during 2021/22 under delegated authority. 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 decreased from £0.726m in 2020/21 to £0.39m in 2021/22. There were ongoing risks associated with the management of the Council's debts and those may lead to an increase in the levels of debts that may be required to be written off as irrecoverable in future years. Those were identified in paragraph 5.2 of the report. The Council maintained an appropriate bad debt provision to manage those risks. The Treasury Business Partner, Ms Sara Wilson and Customer Services Manager, Mr Les Grant, presented the report and answered Members questions. Ms Wilson clarified that the reports concerning write-offs are mid-year reports. Members requested that officers provide updates to Elected Members on an informal basis to provide a clear picture throughout the budget setting process. Regarding time barred debts, Ms Wilson explained that any debt not recognised by a debtor in a 5 year period became time barred, and that work was ongoing in partnership with the legal department to ensure that debts were pursued, in court if necessary, and invoices were sent to individuals to ensure that debts did not become time barred. In response to a question regarding the drop in the amount of housing benefit overpayments written off, Mr Grant explained that housing benefit overpayments were pursued differently from other debts, with the overpayment often reclaimed from an ongoing benefit over a longer period of time. Following a change to the benefits scheme, principally the shift to universal credit, the ease with which debts relating to overpayment of benefits could be recovered had increased, and the expectation was that the value of future write offs would be lower. Mr Grant undertook to investigate what "miscellaneous" referred to in the table provided at 5.1 of the report and provide clarity to Members.

DECISION

NOTED that the debtor balances written off during 2021/22 under delegated authority were reduced due to staff being moved to other Covid-related duties and that the level of write offs were likely to increase back to previous levels in 2022/23.

6. **OUR PLAN AND YOUR PART IN IT: SCOTTISH BORDERS COUNCIL'S CORPORATE PERFORMANCE AND IMPROVEMENT REPORT QUARTER 4 & ANNUAL REPORT 2021/22**

- 6.1 With reference to paragraph 2 of the Minute of the meeting held on 1 March 2022, there had been circulated copies of a report by the Director – People, Performance and Change which presented a high level summary of Scottish Borders Council's (SBC) Quarter 4 2021/22 with Annual performance information with more detail contained within Appendices 1 and 3 to the report. A summary of the Community Action Team's activity was provided in Appendix 6 to the report. Highlights on the progress of change and improvement projects across SBC under the Fit for 2021 programme was included in appendix 2 to the report, and monitoring of the progress of the Recovery Plan in appendix 4. SBC 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, performance and context information had been presented quarterly to the Executive Committee, with an annual summary in June each year. Further, the new Council Plan was developed and agreed by SBC in February 2022. As such, the quarterly performance report was being reviewed to ensure alignment with the revised Council Plan. The revised Quarterly Council Performance Report would be presented to SBC on 23 June and therefore, the report would be the last in the current format. During Quarter 4 and throughout 2021/22 SBC had continued to press ahead with a range of important initiatives and innovations, including utilising technology to automate and streamline processes; the replacement programme for synthetic pitches in the region; the continued roll out of the Inspire Learning programme; and Health and Social Care projects working with partners and the wider community.

- 6.2 The Director – People, Performance and Change presented the report, highlighting that the process to develop the revised framework was ongoing, and the need to align performance against the new Council Plan. It had not been possible to update some of the indicators in the report. Planning permission data was not available until July 2022, and the figures for adults using self-directed support were not available due to a change in the recording system. Members in attendance thanked the Director for the breadth of the report, and praised that the data in the report allowed Members to identify areas that required improvement. In response to a question regarding the reported decrease in mediation referrals, the Director explained that the drop off was expected to be a temporary dip related to covid-19, with a return to the normal trend predicted. Regarding the Eat Well Age Well project, the Director explained that the project was live, and was focussed on ensuring that people ate well and stayed hydrated. Councillor Thornton-Nicol undertook to share the details of the project, and encouraged elected Members to get trained. Regarding the lack of data for adults receiving care at home being unavailable despite the implementation of Total Mobile, the Director, Strategic Commissioning and Partnerships, explained that the reporting system had been fully set up, and that work had been undertaken to make sure that staff were reporting and using the system correctly to ensure that reported data was accurate. The Director – People, Performance and Change provided a definition of volunteers referred to in the report and undertook to define that clearly in future reports.

DECISION

AGREED to:-

- (a) **Note the progress update relating to Change and Improvement Projects, referenced at section 4 and detailed further in Appendix 2 to the report;**
- (b) **Note the changes to performance indicators outlined in Section 5 of the report; and**
- (c) **Note the performance summarised in Sections 7 and 8, and Approves the Annual Reports set out at Appendices 1, 2 and 3 and the action that is being taken within services to improve or maintain performance.**

7. STRATEGIC HOUSING INVESTMENT PLAN PROGRESS FOR 2021-2022

With reference to paragraph 2 of the meeting of the Executive Committee held on 14 September 2021, there had been circulated copies of a report by the Director, Infrastructure and Environment which advised Members of the affordable housing annual completions, and progress made in the delivery of the Strategic Housing Investment Plan (SHIP) projects for the period 2021-2022. The SHIP was the sole document for targeting affordable housing investment in the Scottish Borders. It provided a rolling 5 year planning horizon of identified and prioritised affordable housing development intentions. Current Scottish Government Guidance required that each Council submit a SHIP on an annual basis. In common with previous submissions, SBC's SHIP had received very positive feedback from Scottish Government Officials. For the financial period 2021-22, 314 affordable homes were delivered against envisaged projects set out in the current SHIP 2022-2027. This exceeded the Council's Local Housing Strategy 2017-2022 (LHS) annual target of 128 new affordable homes. Of the 314 homes delivered, Registered Social Landlords delivered 237 additional homes through new building and conversion, plus 60 via purchases of existing homes. In addition, 16 individual house purchases were assisted by Scottish Government's Open Market Shared Ownership scheme. The Scottish Government's Rural Housing Fund assisted a long term empty home to be brought back into use. This represented a 5 year average annual delivery of 180 affordable homes., As at 31 March 2022, 329 affordable homes were under construction, an additional 246 had secured Planning Consent, and Planning Applications were being considered for a further 46 homes. The Chief Planning Officer, Mr Ian Aikman, presented the report, explained that a typographical error at paragraph 1.3 of the report referred to 31 March 2021, the report should have read 31 March 2022, and outlined that he expected the next SHIP to

be submitted in October 2022. Mr Aikman advised that Mr. Begg, Lead Officer for Housing Strategy was retiring at the end of June. Mr Begg had been heavily involved in the preparation of the SHIP and Members thanked him and wished him well for the future. In response to a question regarding pre-screening assessments, Mr Aikman explained that the assessments were carried out by Council Officers on a project basis. With regard to a question on the size of houses built and the lack of those with 4 bedrooms, Mr Aikman advised that housing needs assessments were carried out but he would raise this with RSLs.

DECISION

AGREED to endorse the progress made in the delivery of affordable housing in 2021-22.

8. WHEELCHAIR ACCESSIBLE HOUSING DELIVERY 2021/2022

With reference to paragraph 7 of the Minute of the Meeting of the Executive Committee held on 17 November 2020, there had been circulated copies of a report by the Director, Infrastructure and Environment which provided an annual update regarding the number of wheelchair accessible homes delivered against the Council target for the period 2021/2022. Revised Scottish Government Guidance required Councils to set all tenure wheelchair accessible housing targets. On 17 November the Executive Committee agreed an annual target of 20 houses. During 2021-2022 Registered Social Landlords delivered 48 wheelchair accessible homes, and the private sector delivered zero. In response to a question regarding what measures could be used to encourage the private sector to deliver more wheelchair accessible homes, Mr Aikman explained that whilst measures such as planning informatives and conditions could be used, building regulations were considered the most appropriate means to persuade developers to act. Regarding targets to deliver other types of accessible homes, Mr Aikman explained that reporting on the number the wheelchair accessible homes delivered was required by the Scottish Government, and that he would investigate whether more information could be provided on specific and general needs within future reports.

DECISION

AGREED to welcome the 48 wheelchair standard homes delivered by Registered Social Landlords during 2022/21 and express disappointment that no wheelchair standard homes were delivered by the private sector in the same period.

9. 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 8 and 9 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

10. MINUTE

The Private section of the Minute of the Meeting held on 22 March 2022 was approved.

11. PROPOSED INFLATIONARY LIFT FOR CARE AT HOME PROVIDERS

A report by the Director, Strategic Commissioning and Partnerships was approved.

The meeting concluded at 12.15 pm