

# Public Document Pack



## SCOTTISH BORDERS COUNCIL TUESDAY, 20 FEBRUARY, 2018

A MEETING of the SCOTTISH BORDERS COUNCIL will be held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS, NEWTOWN ST. BOSWELLS on TUESDAY, 20 FEBRUARY, 2018 at 10.00 AM

J. J. WILKINSON,  
Clerk to the Council,  
13 February 2018

<b>BUSINESS</b>		
1.	<b>Apologies for Absence.</b>	
2.	<b>Order of Business.</b>	
3.	<b>Declarations of Interest.</b>	
4.	<p><b>Scottish Border Council's Corporate Plan 2018-2023</b> (Pages 7 - 66)</p> <p>Consider report by the Chief Executive seeking approval for a new Corporate Plan for Scottish Borders Council for the period 2018-2023. (Copy attached.)</p>	20 mins
5.	<p><b>Corporate Transformation Programme Progress Report</b> (Pages 67 - 80)</p> <p>Consider report by Executive Director providing an update on the delivery of the Corporate Transformation Programme over the last year and setting out proposed changes to ensure that the programme remains best placed to respond to the challenges facing the Council. (Copy attached.)</p>	15 mins
6.	<p><b>Budget Communication Strategy 2018/19</b> (Pages 81 - 98)</p> <p>Consider report by Chief Financial Officer on the steps taken to engage with stakeholders as part of consultation exercise on the budget. (Copy attached.)</p>	10 mins
7.	<p><b>Revenue and Capital Resources and Council Tax 2018/19</b> (Pages 99 - 120)</p> <p>Consider report by Chief Financial Officer on the estimated revenue and capital resources available for financial year 2018/19 (Copy attached.)</p>	10 mins
8.	<p><b>Treasury Management Strategy 2018/19</b> (Pages 121 - 168)</p> <p>Consider report by Chief Financial Officer seeking approval for the Treasury Management and Investment Strategies 2018/19. (Copy attached.)</p>	10 mins
9.	<b>Financial Plan Equality Impact Assessments</b> (Pages 169 - 180)	10 mins

	Consider report by Chief Financial Officer on potential equality impacts of the savings proposals. (Copy attached.)	
10.	<b>Draft 5 Year Revenue and 10 Year Capital Financial Plans</b>	60 mins
	Consider:-	
	<p>(a) <b>Motion by Councillor Haslam</b> (Pages 181 - 236)</p> <p>1. The Conservative Independent Administration recommend approval of the 5 year revenue budget and the 10 year capital plan set out in document 10(a)(i) and in doing so ask Council to note:</p> <ul style="list-style-type: none"> <li>• The Administration's budget plans include a five year revenue plan of £1.3bn and a ten year capital plan of £294m.</li> <li>• The budget builds on opportunities and improves the lives of Borderers, whatever their age. It focuses on delivering quality services, opportunities for all in a thriving economy, empowering communities and enabling people to live independently and achieve their goals.</li> <li>• This Administration are committed to investing in services to help the most vulnerable in society, both young and old, deliver improvements to our roads, build new schools and support businesses by stimulating the local economy and improving our town centres.</li> <li>• This budget also protects teacher numbers and frontline Council services, whilst also recognising that we must modernise service delivery and make efficiencies.</li> <li>• The Administration's budget specifically proposes: <ul style="list-style-type: none"> <li>➢ £2.1m over three years for new and improved outdoor community spaces</li> <li>➢ £0.282m for a community policing team to prevent low level criminal activity and deal with issues such as parking in our towns</li> <li>➢ £4.8m for a new specialist dementia residential facility</li> <li>➢ Over £22m investment in roads and bridges over three years, with £79m planned investment over the next 10 years</li> <li>➢ £89m to improve the school estate over 10 years</li> <li>➢ £8.3m contribution to the £41m Hawick Flood Protection Scheme</li> <li>➢ £1m to assist in delivering town centre regeneration including investment in Eyemouth and £150,000 match funding to progress a new Conservation Area Regeneration Scheme (CARS) in Hawick.</li> </ul> </li> </ul> <p>2. On behalf of the Conservative and Independent Administration it is proposed that:</p> <p>a) Scottish Borders Council approves a band D Council Tax of <b>£1,150.02</b> in 2018/19, a 3% increase on the 2017/18 charge, with revised charges applying from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 for all council tax bands as shown</p>	

below. This Council Tax being sufficient, net of government grant and other sources of income, to fund the financial plan of the Council

2018/19 Band	Proportion of Band D Tax	£
A	6/9	£766.68
B	7/9	£894.46
C	8/9	£1,022.24
<b>D</b>	<b>9/9</b>	<b>£1,150.02</b>
E	12/9	£1,510.99
F	15/9	£1,868.78
G	18/9	£2,252.11
H	22/9	£2,817.54

- b) Scottish Borders Council proceeds to approve the revenue and capital plans as set out in document 10(a)(i).
- c) Scottish Borders Council agrees the fees and charges applicable for financial year 2018/19 as set out in document 10(a)(ii).

(Copies attached of 10(a)(i) Administration's Draft Financial Plan for Revenue & Capital and 10(a)(ii) Administration's Fees & Charges Schedule.)

(b) **Motion by Councillor Bell** (Pages 237 - 294)

1. The Opposition Parties on Scottish Borders Council – the Scottish National Party and the Liberal Democrat Party - recommend approval of an alternative 5 year budget for the Scottish Borders including the following principals and proposals:
  - Scottish Borders Council upholds the key principle of fairness for all our citizens and communities;
  - Council initiates and finances a two year pilot of a Fairness Fund to address rural poverty and isolation;
  - Council initiates and finances a Cleaner Communities Initiative in conjunction with Police Scotland;
  - Council reschedules its Capital Plan as detailed in document 10(b)(i) to put more resource into school rebuilding and refurbishment;
  - Council approves the detail of expenditures and resourcing in the 5 year Revenue plan and in the 10 year Capital plan as set out in document 10(b)(i);
  - Council approves the schedule of fees and charges as set out in document 10(b)(ii);

- Scottish Borders Council approves a band D Council Tax of **£1,150.02** in 2018/19, a 3% increase on the 2017/18 charge, with revised charges applying from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 for all council tax bands as shown below. This Council Tax being sufficient, net of government grant and other sources of income, to fund the financial plan of the Opposition Parties.
2. On behalf of the Opposition Parties it is proposed that:
- a) Scottish Borders Council approves a band D Council Tax of **£1,150.02** in 2018/19, a 3% increase in the 2017/18 charges with charges applying from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 for all bands as shown below. This Council Tax being sufficient, net of government grant and other sources of income, to fund the financial plan as set out in document 10(b)(i).

2018/19 Band	Proportion of Band	
	D Tax	£
A	6/9	£766.68
B	7/9	£894.46
C	8/9	£1,022.24
<b>D</b>	<b>9/9</b>	<b>£1,150.02</b>
E	12/9	£1,510.99
F	15/9	£1,868.78
G	18/9	£2,252.11
H	22/9	£2,817.54

The increase in Council Tax by 3% across all bands ensures that Scottish Borders Council can both continue to deliver core services and also increase investment in roads, schools, footpaths and communities, as well as providing value for money for the taxpayer.

For 85% of households in the Scottish Borders, this increase amounts to less than 86p per week. For 55% of households it is equivalent 50p per week or less. For 15% it represents an increase of between £1.05 and £1.58 per week.

Support through the Council Tax Reduction Scheme will continue to be available for those most in need and eligible.

The Council will also continue to provide a welfare advice service to protect the most vulnerable through the introduction of Universal Credit later this year.

- b) Scottish Borders Council proceeds to approve the revenue and capital plans as set out in document 10(b)(i).
- c) Scottish Borders Council agrees the fees and charges applicable for financial year 2018/19 as set out in document 10(b)(ii).

(Copies attached of 10(b)(i) Opposition's Draft Financial Plan for Revenue & Capital and 10(b)(ii) Opposition's Fees & Charges Schedule.)

11.	<b>Any Other Items Previously Circulated</b>	
12.	<b>Any Other Items Which the Convener Decides Are Urgent</b>	

**NOTES**

- 1. Timings given above are only indicative and not intended to inhibit Members' discussions.**
- 2. Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.**

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<b>SCOTTISH BORDERS COUNCIL'S CORPORATE PLAN 2018-2023</b>	
<b>Report by Chief Executive</b>	
<b>SCOTTISH BORDERS COUNCIL</b>	
<b>20 February 2018</b>	

## 1 PURPOSE AND SUMMARY

- 1.1 **This report seeks approval for a new Corporate Plan for Scottish Borders Council for the period 2018- 2023 and a campaign to promote the new approach proposed within the plan.**
- 1.2 Scottish Borders Council (SBC) approved its last Corporate Plan in April 2013, with eight priorities to address for the Scottish Borders over a five year period.
- 1.3 Recent years have seen significant progress across the eight priorities in the Corporate Plan, as well as internal and external changes, and combined with the ongoing tightening of public sector finances a review of the corporate plan and priorities is now necessary and timely.
- 1.4 A new Corporate Plan, attached at **Appendix 1**, proposes a strategic direction for SBC for the five year period 2018 to 2023 and builds on the priorities in the previous Corporate Plan, as well as SBC's Administration's vision within "Connected Borders", current opportunities and challenges now facing by the Scottish Borders. The Plan focuses on what SBC will do, under four themes:
  - Our services for you
  - Independent achieving people
  - A thriving economy with opportunities for everyone
  - Empowered, vibrant communities
- 1.5 To ensure that SBC is able to respond effectively to ongoing budget pressures in line with what is being proposed within SBC's 5 year Financial Plan, a change in approach is proposed within the Corporate Plan. Not only does it state the work that SBC is committing to for the next 5 year but it suggests where individuals, families, businesses, partners and communities can "play their part" to improve outcomes for the Scottish Borders. A campaign to promote this approach has been designed to sit alongside the plan and will include the involvement of Community Planning partners.
- 1.6 When the last Corporate Plan was approved, a Performance Management Framework (PMF) was also developed to ensure that the Council, its partners and the public could monitor progress on a regular basis. Given changes to the internal and external context, and the proposed new plan and approach, this PMF now requires to be amended.

## **2 RECOMMENDATIONS**

### **2.1 I recommend that Scottish Borders Council:**

- (a) Approves the new Corporate Plan 2018-2023 as detailed in Appendix 1 to this report;**
- (b) Approves the new approach and the “#yourpart” campaign to support the approach, involving community planning partners;**
- (b) Notes that a revised Performance Management Framework be brought back to Council in August 2018 for approval.**



### 3 CONTEXT FOR THE DEVELOPMENT OF A NEW CORPORATE PLAN

- 3.1 SBC approved its last Corporate Plan in April 2013, with eight priorities to address for the Scottish Borders over a 5 year period. The plan was updated in October 2015, with an ongoing commitment made to the eight priorities and to improving outcomes for people in the Scottish Borders.
- 3.2 Over the last five years:
- a) SBC has put economic development at the heart of its plans and successfully made the argument with Scottish Government that Scottish Borders should have special status for additional investment and support;
  - b) the Borders Railway opened, with communities across the region involved in the celebrations, and SBC working to maximise economic opportunities and the ongoing benefits;
  - c) SBC has built new schools in Kelso, Duns, and Langlee (Galashiels), and established the Scottish Borders Leader Valley school to provide high quality support for pupils with additional needs;
  - d) Partnership working with NHS Borders has expanded and strengthened through the Integrated Joint Board, to join up health and social care services and improve outcomes;
  - e) SB Cares (with over 800 employees) and the Integrated Culture and Sport Trust "Live Borders" have been established;
  - f) Significant investment has been made in projects across the region including Selkirk Flood Protection Scheme, Wilton Lodge Park in Hawick, Galashiels Transport Interchange and town centre regeneration projects in Kelso and Selkirk;
  - g) A 13 year contract was signed with CGI for the provision of modern ICT across the Council.
- 3.3 Since the plan was approved, a range of performance information under each priority is presented to SBC's Executive Committee on a quarterly basis and an annual performance summary is also prepared in June each year. All performance reports can be accessed on SBC's [website](#)
- 3.4 The last plan is now reaching the end of its timeframe (March 2018), but there have been some significant internal and external changes and national policy developments over the last few years (summarised below) which mean that a review of the plan is now not only timely but necessary:
- a) Local Government Elections in May 2017 saw the election of 18 new councillors to SBC (out of 34), and the formation of a Conservative/Independent Administration;
  - b) There has been a corporate restructure within SBC, with the creation of 2 Executive Directors, and 7 Service Directors, and realignment and rationalisation within services;
  - c) The Scottish Government has committed to creating a new South of Scotland Enterprise Agency covering Dumfries & Galloway and the Scottish Borders. This, combined with the Edinburgh and South East Scotland Region City Deal and the Borderlands Initiative, have the potential to lead to a step-change in the development of the Scottish Borders economy;
  - d) The Community Empowerment (Scotland) Act 2015 has required

SBC to lead the development of a Community Plan (called a "Local Outcomes Improvement Plan" within the Act) for the Scottish Borders, replacing the previous Single Outcome Agreement to which the last Corporate Plan was aligned;

- e) As well as the Act above, Scottish Government has introduced some other significant legislation in relation to:
- Partnership working with NHS Borders (Public Bodies (Joint Working)(Scotland) Act 2014)
  - Children and Young People (Scotland) Act 2014
  - Education (Scotland) Act 2016
  - And in 2017, Education (Scotland) Bill 2017, and the Child Poverty (Scotland) Bill were introduced.

3.5 Across Scotland, year on year, there has been an ongoing tightening of public sector finances, which has presented ongoing annual budget setting challenges for SBC. If the Council were to continue delivering services in the same way as it does today, there would be a significant funding gap over the next five years. The requirement to 'balance the books' each year requires SBC to save money, generate additional income and prioritise spending and as demand rises, this gets more and more difficult.

3.6 SBC sets a 5 year financial plan each year and in doing so, engages with staff, partners, stakeholders and the Scottish Borders community using an interactive tool ([Dialogue](#)) that allows residents and other stakeholders to provide ideas and suggestions on how the Council could do things differently to save money in a challenging economic climate as well as allowing them to comment on other ideas already logged. The concept, therefore, for asking people to play their part is not new, but needs to now extended into "business as usual" and not just when setting a budget.

3.7 The changing internal and external context, the opportunities now available to Scottish Borders and the ongoing financial situation means that in order to continue to be ambitious for the Scottish Borders, provide high quality, sustainable services and have an ongoing positive impact within communities, SBC needs to take a different approach to the planning, and in some cases, where appropriate, the delivery of services and the attached plan proposes this new approach.

#### **4 PROPOSED CORPORATE PLAN 2018 – 2023**

4.1 The Corporate Plan attached at **Appendix 1** sets a direction for Scottish Borders Council (SBC) for the next 5 years in order to:

- make the most of current opportunities
- tackle ongoing and emerging challenges
- take account of what SBC's Councillors want to achieve for the Scottish Borders
- ensure that SBC responds to national policies and other statutory requirements.

4.2 Within the Corporate Plan, SBC has laid its commitments out under four themes:

- **Our services for you-** SBC needs to look at the way it provides services, using digital technology where possible to reduce costs and improve processes, whilst focusing resources on helping the most vulnerable within communities. We have also made commitments

- around our property, workforce, waste and infrastructure investment;
- **Independent achieving people**- our commitments will focus on early years, attainment and achievement, resilience of young people, preparing our services for increases in the older population, and on public protection;
  - **A thriving economy with opportunities for everyone**- we need to work with partners to create the best possible environment in which to do business, and encourage inward investment, growth, diversification, innovation and job creation. Business engagement is also a key part of our plan as well as transport and positive promotion of the Scottish Borders;
  - **Empowered, vibrant communities**- under the Community Empowerment Act, we want to work with communities and involve them in the decisions that affect them, as well as ensuring that the third sector is a key partner in delivery.
- 4.3 SBC's last Corporate Plan was very much about what *SBC* was going to do. The difference this time is that SBC is asking individuals, families, businesses, partners and communities to play their part across the four themes.
- 4.4 The Plan commits SBC to the following:
- developing and building its leadership role to drive change and make the most of opportunities (for example in relation to the economy);
  - building partnerships within and out with the Scottish Borders that focus on improving quality of life (like services to keep people living within their community independently);
  - thinking and acting differently to reduce costs and maintain delivery of the essential high quality services Borders residents are used to (and will include, for example, offering more services online).
- 4.5 In return, SBC is asking individuals, families, businesses, communities and partners to:
- help plan what it does with its resources
  - be involved with delivering some service
  - think differently about what is expected from SBC, and what people might be able to do themselves or might be done differently
- 4.6 In order to communicate and promote this new approach, a campaign, titled "**#yourpart**" has been developed where SBC is asking stakeholders to play "**#yourpart**" to ensure high quality services are maintained for everyone in the future despite being faced by various challenges. The objectives of the campaign are to:
- Communicate this new approach within the council and community
  - Raise awareness of our progress, challenges, opportunities and key areas of focus moving forward
  - Ensure communities are clear about what SBC expects from them, in return for the services SBC provides ("give and take")
- 4.7 SBC's Chief Executive has asked all Community Planning partners to formally endorse and become involved in the campaign, as there are significant benefits to be had from SBC *and* partners taking this new approach together. During 2017, the Scottish Borders Community Planning partnership approved a Community Plan, with four key outcomes for the

Borders (LIST). As resources are tight right across the public sector, it is as relevant for the CPP to ask people to “play their part” as it is for SBC in the delivery of its services.

- 4.8 The campaign will focus on the need for individuals, families and communities to take responsibility for their own actions. A few examples are provided below:
- SBC will:** design and deliver as many services as we can online, so we can focus our face to face contact on supporting vulnerable individuals and families
- Your part:** Use the services we put online for example, applying for Housing Benefit, reporting a complaint to help us to reduce costs – check online before you call
- SBC will:** provide the best possible learning and teaching environments for all children and young people
- Your part:** make sure your child attends school, is ready to learn and is encouraged at home
- SBC will:** Ensure that our 5 revamped Area Partnerships provide you with a regular and structured opportunity to get involved in what matters to you within your area
- Your part:** participate in your area partnership- this is your opportunity to shape and develop a locally based forum that can really understand and respond to the opportunities and challenges within your community
- 4.9 As well as a formal launch of the campaign with partners, press releases etc., a range of media will be used on an ongoing basis to promote the approach and will include a clearly designed landing page with relevant links, creation of a friendly URL ([www.scotborders.gov.uk/yourpart](http://www.scotborders.gov.uk/yourpart)), #yourpart hashtag, and use of the Dialogue tool for a “your part” campaign. This will ensure that when an individual, business, or group wishes to get involved, it is as easy, open, co-ordinated and reactive as possible. A staff campaign has also been designed to run alongside the outward facing campaign.
- 4.10 The 5 new Area Partnerships will also form a key part of engagement around this new approach, ensuring that communities are able to have their say, influence and be involved with the service that are delivered and the money that is spent within local areas.
- 4.11 As the attached plan is a very public facing document, an **Appendix 1a** has been prepared to ensure that more detail is provided where required. (Note: this additional information is simply referred to as Appendix 1 within the public facing Corporate Plan).

## **5 PERFORMANCE MANAGEMENT ARRANGEMENTS**

- 5.1 In order to ensure that progress against the last Corporate Plan was being monitored, a Performance Management Framework (PMF) was developed in 2013 and revised in 2015. It details various levels of performance reporting in order that Elected Members, community planning partners and the public can see the impact of the work SBC is involved with.
- 5.2 For the last 4 years, a range of performance indicators has been developed and used under each of the 8 Corporate Priorities in order that reporting can be undertaken for various purposes (e.g. to report publicly) and at various levels (e.g. within operational services). These indicators vary, from the more strategic outcome indicators (e.g. Employment Rate) to

more process orientated indicators that show the efficiency and effectiveness of services (e.g. processing times for planning applications).

- 5.3 The Framework references the requirement for the Council to demonstrate how it contributes to the Community Planning Partnership's Single Outcome Agreement (SOA) for the Scottish Borders (which focused on growing the economy, reducing inequality and low carbon) but under the Community Empowerment Act, the SOA has now been replaced by the recently published Scottish Borders Community Plan (Dec 2017).
- 5.4 It is proposed that the Q4 2017/18 and the 2017/18 annual performance reports are prepared using the current format and structure (i.e. around the 8 Corporate priorities and existing indicators) to complete the reporting cycle but that reporting from Q1 2018/19 onwards is aligned to the new Corporate Plan and a revised Framework. The Corporate Performance Team will now develop the revised PMF to reflect these changes, and bring this to SBC for approval in August 2018.

## **6 IMPLICATIONS**

### **6.1 Financial**

There may be some small campaign costs associated with recommendation (b) within this report, but will be minimised with the use of web and social media, providing only limited printed copies for use across SBC premises and when requested.

### **6.2 Risk and Mitigations**

The new Corporate Plan and campaign seek to mitigate the risks that SBC may not be able to continue to provide high quality service due to restricted budgets and other ongoing challenges, by setting out a new approach to service delivery and asking people to play their part. The main risks to delivering the commitments in the new Corporate Plan include:

- (a) *Stakeholder Engagement*: There is a risk that residents and businesses in the Scottish Borders believe that as Council tax and/or non-domestic rate payers, it's not their responsibility to "play their part". However, the Council is reliant on the support and buy-in of primary stakeholders – residents, businesses, partners, staff – to enable the changes required to deliver services in the future. Ineffective engagement with these stakeholders may result in stakeholders not understand what is required of them or in resistance, resulting in delay or non-achievement of outcomes. To mitigate this risk an engagement and communications campaign has been developed, as described in sections 4.6 to 4.10, and SBC is confident that the likelihood of this risk will be significantly lower as a result.
- (b) *Digital Inclusion*: the Council recognises that there is a possibility that some citizens may be at risk of being 'left behind' as the Council moves to providing more services online. The Council has signed Scotland's "Digital Participation Charter" as part of its commitment to ensuring that it does all it can to ensure digital inclusion. SBC's Digital Transformation Programme and the Community Planning Partnership are also addressing digital inclusion within their remit, so there is a focus on skills, access to the internet (affordability and availability), trust and motivation. However, it is still important to recognise that the Council cannot do this in isolation and is reliant on

communities, businesses, partners and third party organisations to play their part. More detail is provided within the new Corporate Plan.

### 6.3 **Equalities**

Delivery of the commitments and actions within the Corporate Plan, be that through a service or a project, will be subject to SBC's Equality Impact Assessment process and any potentially negative impacts will be mitigated as part of that work.

The #yourpart campaign is being designed in conjunction with Corporate Communications and Community Engagement and will ensure that the reach is as extensive as possible and routes in are easy to find, use and navigate for everyone.

### 6.4 **Acting Sustainably**

There are significant economic, social and environmental benefits of addressing the four themes covered in the new Corporate Plan and of considering different approaches, involving communities and stakeholders, to delivering services in order that they are more sustainable into the future.

### 6.5 **Carbon Management**

There are no effects on carbon emissions as a result of the recommendations in this report.

### 6.6 **Rural Proofing**

The new Corporate Plan continues to seek to address the challenges of delivering services and improving quality of life in a rural context through the priorities and actions that have been identified. Any work undertaken in the context of the Corporate Plan should reflect these challenges.

### 6.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

## **7 CONSULTATION**

7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

7.2 Others to be consulted if required are:

- Corporate Equalities and Diversity Officer – for any new or revised policies/strategies to assure Equality Impact Assessment.
- Procurement Officer – if you are buying any goods or services.
- Corporate Communications – if what you are proposing involves likely media interest or high public information dissemination.

### **Approved by**

**Tracey Logan, Chief Executive**

**Signature .....**

**Author(s)**

Name	Designation and Contact Number
Sarah Watters	Policy, Performance and Planning; 01835 826542

**Background Papers:****Previous Minute Reference: Scottish Borders Council, 7 October 2015**

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Sarah Watters can also give information on other language translations as well as providing additional copies.

Contact us at Sarah Watters, [swatters@scotborders.gov.uk](mailto:swatters@scotborders.gov.uk), Tel: 01835 826542

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# OUR PLAN for 2018-2023 and your part in it

SCOTTISH BORDERS COUNCIL'S **STRATEGIC PLAN 2018-2023**  
*for working with individuals, families, communities, partners and businesses*



# CONTENTS

## CORPORATE PLAN 2018-2023

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# INTRODUCTION AND CURRENT CONTEXT

This Corporate Plan sets a direction for Scottish Borders Council (SBC) for the next 5 years (2018 to 2023) in order to:

- make the most of the opportunities we now have
- tackle the challenges we face
- take account of what our new Councillors want to achieve for the Scottish Borders
- ensure we respond to national policies and other statutory requirements.

## Over the last five years:

- we've put **economic development** at the heart of our plans and successfully made the argument with Scottish Government that Scottish Borders should have special status for additional investment and support
- the **Borders Railway** opened, with communities across the region involved in the celebrations, and we are already working hard to maximise the economic potential and the ongoing benefits
- we built **new schools** in Kelso, Duns, and Langlee (Galashiels), and established the Scottish Borders Leader Valley school to provide high quality support for pupils with additional needs
- our **partnership working with NHS Borders** has expanded and strengthened through the Integrated Joint Board
- we established **SB Cares** (with over 800 employees) and the Integrated Culture and Sport Trust "**Live Borders**"
- **significant investment** has been made in projects across the region including Selkirk Flood Protection Scheme, Wilton Lodge Park in Hawick, Galashiels Transport Interchange and town centre regeneration projects in Kelso and Selkirk
- we signed a 13 year contract with CGI for the provision of **modern ICT** across the Council

Our last Corporate Plan was very much about what we, as a Council, were going to do. But here's the difference-this time, we're not just saying what we're going to do, we're asking you to **play your part**- as individuals, families, businesses, partners and communities.

With employees and resources right across the Scottish Borders, SBC provides a huge range of services and leads a large range of initiatives and capital projects, for example the building of new schools. Like throwing a pebble into a pond, the impact of our work spreads out into people's lives, into businesses and into our communities.



The next two pages provide examples of that positive impact.



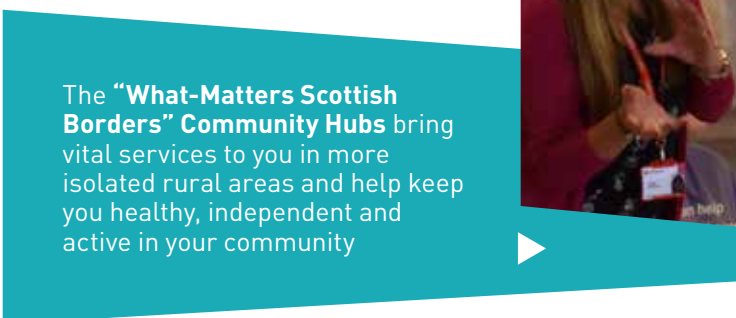
◀ The **increased childcare we provide** for your family allows you to get a job, and have more money to spend on your family and in your community



The **business advice and support we provide** helps you to create jobs and keep your town centre vibrant



◀ The **extra care housing we're building** will allow you or a family member to live locally for longer in the community they know and love



The **“What-Matters Scottish Borders” Community Hubs** bring vital services to you in more isolated rural areas and help keep you healthy, independent and active in your community





The **education we provide** allows you to achieve your full potential, study for the qualifications you need and get the job you really want



The **new schools we build** not only provide excellent teaching and learning environments but create jobs during construction



The **financial inclusion advice** we give when you need it helps you keep your home, a job and live independently



The **street cleaning and waste collection services** we provide help maintain a high quality environment for you, your family, for businesses and for tourists (who spend money in our shops and restaurants)

But like households across the Scottish Borders, resources are tighter than back in 2013 (when we published our last Corporate Plan) and our costs are rising. Like your wages or your pension, our income from Council Tax and from the Scottish Government is not rising sufficiently to meet increasing demands for our services e.g. social care, additional support needs in school. And even if we were able to increase council tax further, it only accounts for around ¼ of our income. With this ongoing tightening of finances and increasing demands, we want to ensure that we can still create the positive “ripple” effect but this will get more challenging if we don’t rethink the way in which we deliver:

- services that everyone uses (roads, waste, parks, street lighting, schools)
- more specialist services for more vulnerable individuals and families
- projects and initiatives aimed at enhancing towns and communities

We want to continue to have a positive, if not transformational, effect on lives, livelihoods, well-being and communities well into the future.

## But we can only do this with your input. So....

ACROSS OUR SERVICES, WE WILL:	AS AN INDIVIDUAL, A FAMILY, A BUSINESS, AS PART OF A COMMUNITY OR THIRD SECTOR ORGANISATION, WE ARE ASKING YOU TO:
<ul style="list-style-type: none"> <li>✓ <b>develop and build our leadership role</b> to drive change and make the most of opportunities (for example in relation to the economy)</li> <li>✓ <b>build partnerships within and out with the Scottish Borders</b> that focus on improving quality of life (like services to keep people living within their community)</li> <li>✓ <b>Think and act differently</b> to reduce our costs and maintain delivery of the essential high quality services you’re used to (for example offering more services online)</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>help us plan</b> what we do with our resources</li> <li>✓ <b>be involved</b> with delivering some service</li> <li>✓ <b>think differently</b> about what you expect from us, and what you might be able to do yourself</li> </ul>

## Does that sound like a plan?

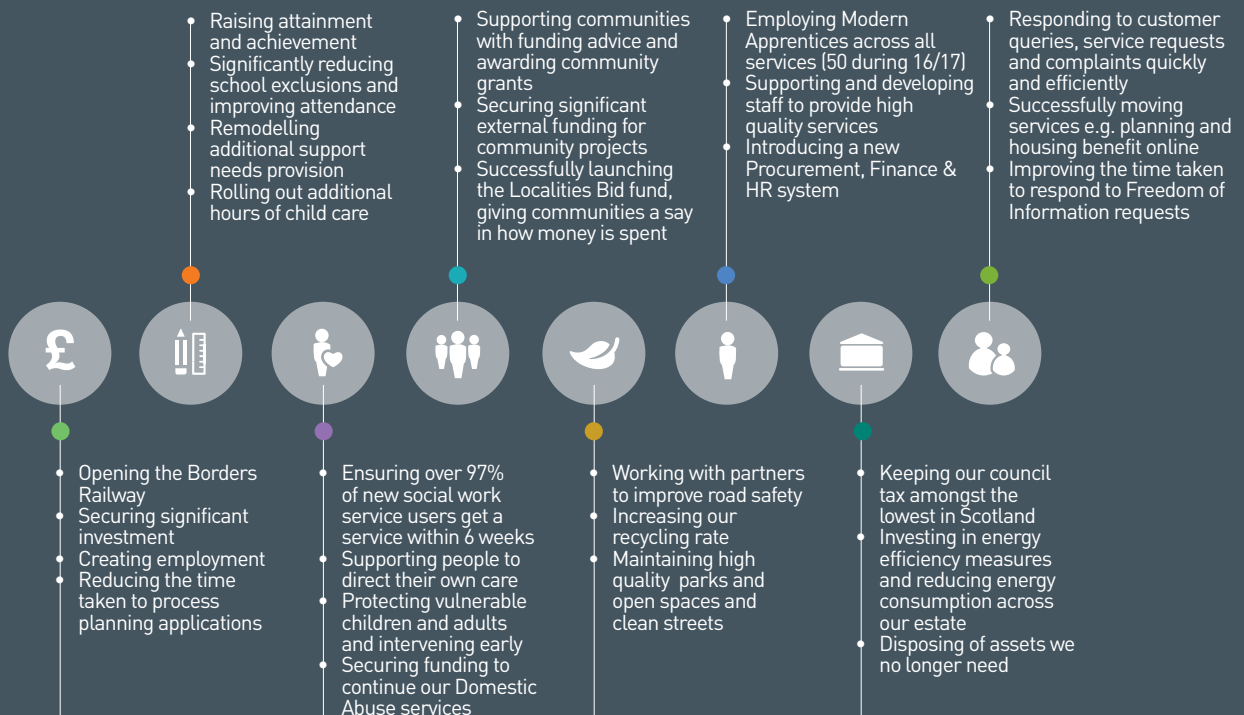






# WHY DO WE NEED A NEW APPROACH & NEW CORPORATE PLAN?

Our last SBC Corporate Plan made commitments under eight key priorities, and over the last 5 years **we've made some great progress:**



**Appendix 1** contains more information on our progress.

The last plan was for the period up to March 2018 so it was time for a review. But there are some other key reasons why we need a new plan:

1. There have been some very big changes in the last 5 years (some that present real opportunities)
2. There's less money and more demand on our services
3. There are still some really big challenges

## 1. There have been some very big changes in the last 5 years (some that present real opportunities)

- The Borders Railway has provided the Scottish Borders with one of the most significant economic development opportunities in recent years, and as well as helping businesses and communities to make the most of the opportunities it presents, we will continue to build the case for its extension so that the benefits can be spread further;
- We've built new schools in Duns, Kelso and Galashiels, a new Additional Support Needs (ASN) school in Earlston and are building an intergenerational learning campus in Jedburgh, one of the first of its kind in Scotland;
- Scottish Government has agreed to establish a South of Scotland Enterprise Agency, so SBC and partners can more effectively address the challenges facing our rural region (along with Dumfries and Galloway) e.g. connectivity, business land, premises and skills;
- There are two other significant national investment opportunities to make the most of: City Deal and Borderlands (more details are presented at **Appendix 1**), both of which will assist us to support economic growth, skills and infrastructure and create a step-change;
- Scottish Government has introduced some new legislation around:
  - Involving communities (Community Empowerment (Scotland) Act 2015
  - Partnership working with NHS Borders (Public Bodies (Joint Working)(Scotland) Act 2014
  - Children and Young People (Scotland) Act 2014, Education (Scotland) Act 2016, and in 2017, Education (Scotland) Bill 2017, and the Child Poverty (Scotland) Bill were introduced
- The UK is leaving Europe which will impact many including those involved with farming and exporting, sector that are important to the Borders

## 2. There's less money and more demand on our services

If the Council were to continue delivering services in the same way as we do today there will be a significant funding gap over the next five years. The requirement to 'balance the books' each year requires us to save money, generate additional income and prioritise spending and as demand rises, this gets more and more difficult. We've worked hard to keep Council Tax down and we're not expecting funding from Scottish Government to increase to keep pace with additional demands.

## 3. There are still some really big challenges

Despite what we've achieved over the last 5 years, there are still some really big challenges to address for individuals, families, communities and businesses across the Scottish Borders. The next 2 pages demonstrate how these challenges affect you, your family, your business or your community and why we need to work hard to address them.



◀ *My earnings are still low and I'm struggling to find a better job locally, unless I have transport.*

“ *I'm not sure what the future holds- college, employment, and transport opportunities are limited here.* ”



▲ *We have been renting for years but would like to buy a home in our town.*

▶ *Some kids in my class get high grades and go on trips, and others aren't able to do either.*



▲ *My elderly mother now needs more care than I can provide- can I get what she needs locally?*

“ *I've assessed my client and he's not ready to go into a home- he just needs some extra care.* ”



◀ *I know SBC has limited money but I want the potholes in my street fixed.*

“ *Vital services in my community are at risk- can we develop a local solution?* ”



▲ *I work for SBC and want to ensure I have the digital skills I need in the future.*

▶ *My community group would like to get its hands on that building and create a community hub.*

“ *I'd do more online if SBC made services available.* ”

**LOCALITIES BID FUND**  
*your money your choice*

**YOUR IDEAS  
YOUR VOTE**

“ **To address these challenges AND to make the most of opportunities, we're proposing some big changes and we need you to play your part.** ”

“ *There are vulnerable people in my community- will SBC have resources to support them?* ”

# A bit about Scottish Borders and the Council



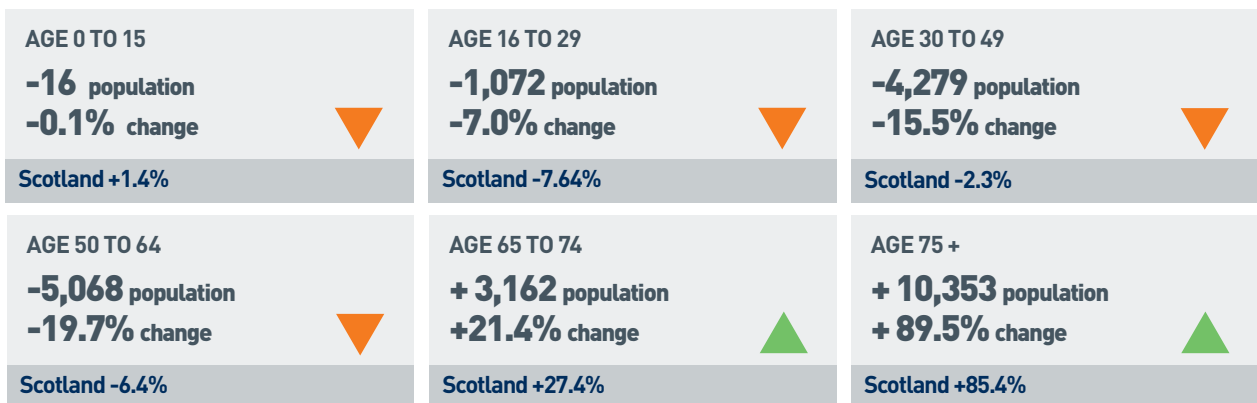
There's more information in **Appendix 1** but here's the key facts about our area and Scottish Borders Council.



Source: Scottish Borders Community Planning Partnership - Strategic Assessment 2016

We are a large rural area with a network of small towns, villages and hamlets. This presents challenges when delivering services like roads, transport, schools, and waste.

## Projected population numbers from 2014 to 2039 by age group in the Scottish Borders (2014-based)








Source: National Records of Scotland

Scottish Borders population, like Scotland, has risen over the longer term, but the main challenge for us going forward is *the way* the population is projected to change:

- We'll have many more older people, who will need care and support
- There will be fewer people of working age, which could present real challenges to local businesses including the care sector, if we don't attract inward investment and more working age people to the area.

# SCOTTISH BORDERS COUNCIL

<p><b>WORKFORCE</b></p> <p><b>3635</b> number of <b>full time</b> equivalent <b>employees</b></p> 	<p><b>REVENUE BUDGET</b></p> <p><b>£272m</b> to <b>spend</b> (18/19) on <b>delivering services</b> to you</p> 	<p><b>CAPITAL BUDGET</b></p> <p><b>£294m</b> to <b>invest</b> in <b>projects</b> over the <b>next 10 years</b></p> 
<p><b>34</b> <b>ELECTED MEMBERS</b></p> <p><b>15</b> Scottish Conservative and Unionist (SCUP)</p> <p><b>9</b> Scottish National Party (SNP)</p> <p><b>8</b> Independents (Ind)</p> <p><b>2</b> Liberal Democrats (Lib Dem)</p> 		<p><b>5</b> <b>AREA PARTNERSHIPS</b> for you to get <b>involved with locally</b></p>  <ul style="list-style-type: none"> <li>• Berwickshire</li> <li>• Cheviot</li> <li>• Eildon</li> <li>• Teviot &amp; Liddesdale</li> <li>• Tweeddale</li> </ul>

We don't work in isolation to serve the Scottish Borders. We have strong working relationships with partners such as NHS Borders and a well-established Scottish Borders Community Planning Partnership (CPP) who has just published a Community Plan focused on improving quality of life and reducing inequalities, and working with local communities to:

- build and improve our economy, skills and learning
- promote and improve our health, care and wellbeing
- protect and improve our quality of life
- develop and improve our place

(more details provided in **Appendix 1**)







# SO WHAT'S THE PLAN?

As money is tight and demand is rising, we'll commit to change if you will play your part.

On the next few pages, we are committing to the high level actions that we believe are required to reshape and improve our services, and allow us to continue to have that positive "ripple effect" on quality of life, well-being, on our economy and in communities.

**We're laying out our commitments on the next few pages, under the following 4 themes:**

-  Our services for you
-  Independent, achieving people
-  A thriving economy, with opportunities for everyone
-  Empowered, vibrant communities

And as we work through each of the commitments over the next 5 years, we will consult, involve and engage with you and our partners, and increasingly, we will work to create solutions with you and for your local area, through our new Area Partnerships.

**OUR PLAN**

**YOUR PART**

So here goes....







# Our services for you



# THE PLAN, YOUR PART

## THE WAY WE PROVIDE OUR SERVICES.....



OUR PLAN OVER THE NEXT 5 YEARS WE WILL	YOUR PART
Design and deliver as many services as we can online, so we can focus our face to face contact on supporting vulnerable individuals and families	Use the services we put online for example, applying for Housing Benefit, reporting a complaint to help us to reduce costs - check online before you call
Build the digital skills of our staff and within communities through training programmes	Help a friend or family member get online or attend locally provided training. Or could you volunteer and help with training?
Develop our Customer Advice and Support Service further to ensure we provide relevant help including dealing with changes to the benefits system and the move to Universal Credit	Go online to get the advice and support you need; phone us if you need more support. Help us help you get what you are entitled to
Drive out waste and inefficiency, cut unnecessary red tape and provide better value for money. And maximise the use of digital technology to improve services where possible	When there's too much red tape or you see inefficiency, work with us to suggest improvement and simplify processes
Continue to explore different models for delivering our services e.g. with communities	If you've got an innovative new idea about providing services, contact us
Reduce the amount of property we own and operate (including the school estate) to reduce costs, energy consumption & improve the facilities we need for the future	Are you part of a group or organisation who is interested in one of our properties to create a community facility?
Invest in our workforce through training, career development and succession planning	Don't just tell us when it's gone wrong- tell us when you've received exceptional service and we'll know our training is working
Provide a sustainable, fit for purpose waste service that focuses on working with communities to reduce waste, recycle & reuse	REDUCE, REUSE, and RECYCLE (correctly!)
Invest in roads, property and infrastructure in a planned, sustainable way, prioritising and communicating clearly with communities about our investment	Consult our website, report faults and potholes on line; and <b>accept that SBC can't do it all at once</b>



OUR SERVICES FOR YOU



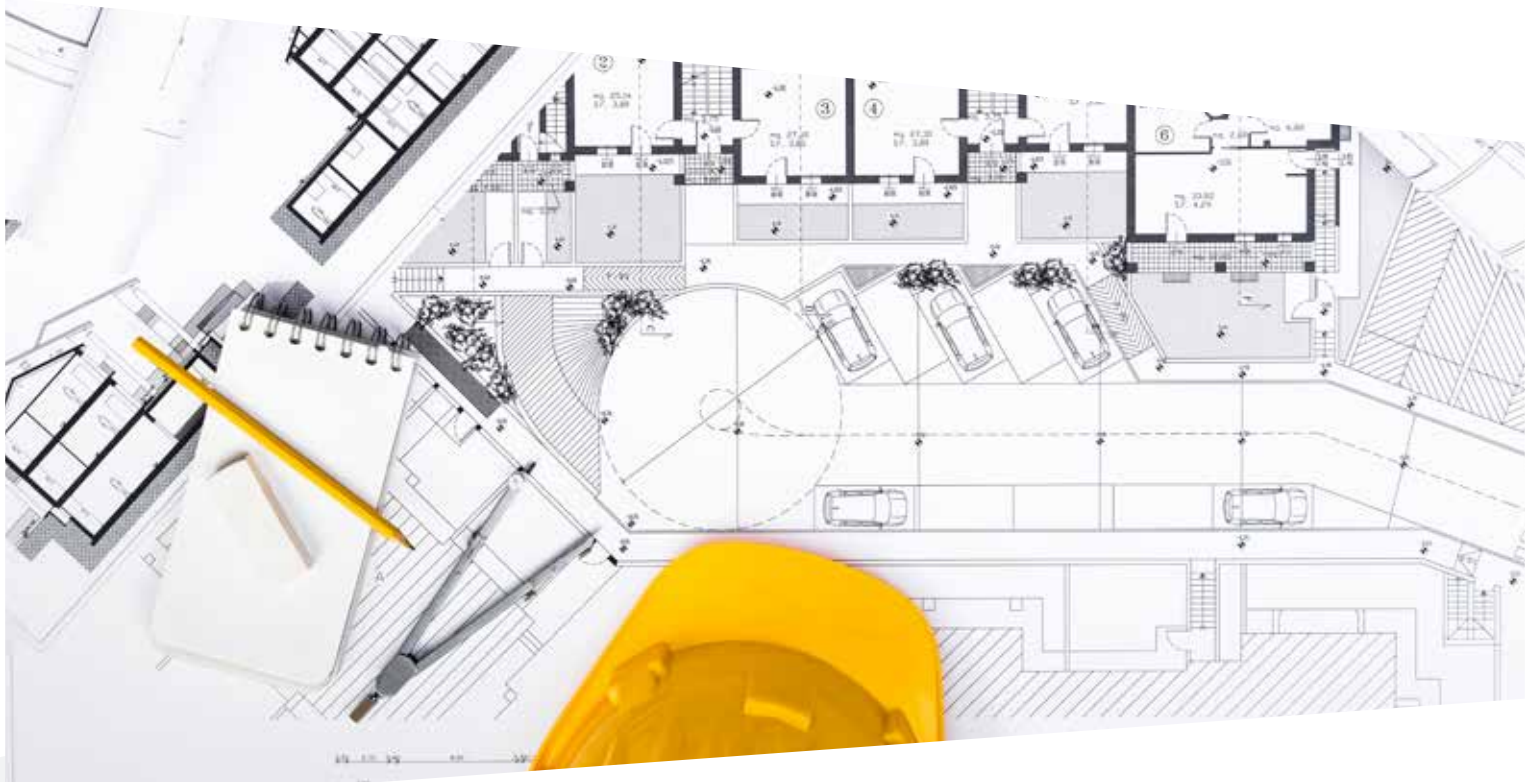


## SOME POSITIVE CHANGES TO SERVICES SO FAR.....

The new online Parents' Evening Booking System is great- not only did I get to see all of my son's teachers to discuss options for his future, but it worked out really efficient time slots for me. That must save loads of time for the school support staff and the teachers.



We've seen award winning improvements in our Planning Service through cost effective use of IT and process improvement where the changes have led to a demonstrable positive impact on performance. The average time, for example, to process non-householder planning applications has gone from **17.4 weeks** in 15/16 to **6.9 weeks** in 16/17, which is not only great for local business applicants but for the local construction sector too.





# Independent, achieving people



# THE PLAN, YOUR PART IMPROVING QUALITY OF LIFE.....



OUR PLAN OVER THE NEXT 5 YEARS WE WILL	YOUR PART
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Roll out high quality increased hours of childcare (age 2+) across the region by 2020	Register your child and ensure they attend
Provide the best possible learning and teaching environments for all children and young people	Make sure your child attends school, is ready to learn and is encouraged at home
Ensure schools “poverty proof” their action plans and give our most vulnerable children the support they need to achieve, attain and feel included	Join your Parent Council to not only give us your views, but to work with the school to provide every child with the same opportunities
Keep local businesses engaged and involved in the work of our schools to ensure that young people understand future employment opportunities	If you’re a business, get involved in our School/Employer partnerships (one in each high school)
Work in partnership to build the resilience of our young people and to support and develop their emotional well-being, resilience, and mental health	Parents, businesses, communities – it’s your responsibility to develop positive relationships with young people, treat them with respect, and build their confidence through life.
<p><b>Prepare our services for the projected increase in the older population by:</b></p> <ul style="list-style-type: none"> <li>• Building extra care housing</li> <li>• Focusing our strategies on keeping adults more active and living independently</li> <li>• Further integrating our services with NHS Borders so services become seamless</li> <li>• Delivering more services through our Community Hubs (What Matter Scottish Borders)</li> <li>• Developing a Dementia Strategy that will support you to remain in your home and community as long as you wish (through a combination of specialist care and support, and housing-based and residential services)</li> <li>• Strengthening and building SB Cares, SBC’s care company</li> </ul>	<p>Keep as active as you can, and take responsibility for your own health and well-being; look out for your family and elderly neighbours</p> <p>Keep your body and brain healthy, through regular exercise and activity</p> <p>Become more informed about services in your community for older people and those with dementia</p> <p>Consider whether or not simple equipment could help a family member remain at home</p>
Establish a more joined up Public Protection Service that focuses SBC and partner work on keeping everyone in our community safe	<p><b>Keep us informed</b>– we want you to tell us about children and adults in your community who you think may be vulnerable.</p> <p><b>Adults:</b> tel: 0300 100 1800</p> <p><b>Children:</b> tel: 01896 662787</p>



## SOME POSITIVE CHANGES TO SERVICES SO FAR.....

Last summer all head teachers across the Scottish Borders received training in ‘**1 in 5 living in poverty**’ which prompted them to take action and really help families experiencing financial barriers.

Actions included monitoring costs throughout the year (e.g. trips, fundraising, equipment) and providing parents with more time to pay, uniform swaps and Eco schools initiatives to recycle uniforms and sportswear, a “Cinderella” project to recycling prom/ formal wear) and the cancellation of “no uniform days” which not only puts pressure on families to “bring a £1 to school” but further stigmatises those who can’t afford the latest fashion or designer brands.

Many schools also have **active parent councils** whose fundraising efforts can, for example, pay for every child to attend a panto or a trip to the zoo.

Dovecot Court in Peebles is an **extra care housing development** which opened in May 2013, providing 37 self-contained rented flats (let through Scottish Secure Tenancies). Eildon Housing Association is the landlord, and their tenants receive services from **SB Cares staff** who are based on site 24 hours a day, and can provide planned, and unplanned, care and support.

A full evaluation and review of Dovecot was undertaken in 2015 and has demonstrated that in overall terms, this model of housing and care is successful, and is a highly valued asset amongst stakeholders.







# A thriving economy, with opportunities for everyone



# THE PLAN, YOUR PART

## SUPPORTING THE SCOTTISH BORDERS ECONOMY.....



OUR PLAN OVER THE NEXT 5 YEARS WE WILL	YOUR PART
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Work with partners to create the best possible environment in which to do business, using the developing South of Scotland Enterprise Agency, Borderlands and City Deal* (including delivering the Borders Innovation Park) to encourage inward investment, growth, diversification, innovation and job creation	If you are a business, engage with us through events and business networks; tell us what your business needs to grow and thrive; work with other businesses in your local area; take up the support we offer through Business Gateway
Continue to lobby for high speed broadband and improved digital connectivity in all our communities- benefiting everyone	Support our work and engage with your MP and MSP to ensure we ALL get well connected!
Use the new City Deal* to improve the skills of young people leaving school and those further from the labour market	If you are an employer, provide work experience for young people or someone who needs support, or take on a Modern Apprentice
Spend as much money as we can sustainably and locally, publish all contract opportunities, and run events and training to build local capacity	If you are a business attend events, use our services (including Business Gateway) and bid for contracts
Attract as much funding as we can to improve our town centres (which we've done successfully in Kelso, Selkirk and Jedburgh)	Shop locally in your town centre and use your local businesses
Support and promote local events and attractions in an inclusive way, celebrating and building on our unique culture and heritage	Celebrate your unique community and support local events and attractions
Continue to invest in capital projects across the region- new schools, affordable and extra care housing, visitor attractions, care service	Tell us what you need from new developments, and engage with us as projects develop.
Support the case for the extension of the Borders Railway and the development Reston	Lend your support too!
Work to maintain a sustainable bus network	Use and support your local bus service and work with us to develop innovative ways of delivering sustainably into the future
Promote the Scottish Borders positively at every opportunity	Promote the Scottish Borders positively at every opportunity

\*more detail on the South of Scotland Enterprise Agency, City Deal and Borderlands in **Appendix 1**



## SOME POSITIVE CHANGES TO SERVICES SO FAR.....

Not only will **Jedburgh Intergenerational Learning Campus**, opening in 2020, have a transformational effect on teaching and learning and on the lives of children, young people and the wider community, but it will create jobs during construction and **attract businesses and families** to relocate to the Borders.



The range of regional, national and international events held in the Scottish Borders is estimated to generate an economic impact of **£8million** a year. And this is only possible when SBC works with event organisers, providing funding, advice and in-kind support.

A great example is the **Tweedlove Bike Festival** in May and June each year, which is now the UK's biggest bike festival, with visitors coming from all over the planet for a warm welcome in the Scottish Borders. But this can only happen when SBC works with communities, organisers, and local businesses to create sustainable events that have a hugely positive economic impact year after year.





# Empowered, vibrant communities





# THE PLAN, YOUR PART

## ENGAGE WITH AND SUPPORT COMMUNITIES.....

OUR PLAN OVER THE NEXT 5 YEARS WE WILL	YOUR PART
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<p>Ensure that our 5 revamped Area Partnerships provide you with a regular and structured opportunity to get involved in what matters to you within your area</p>	<p>Participate in your area partnership- this is your opportunity to shape and develop a locally based forum that can really understand and respond to the opportunities and challenges within your community</p>
<p><b>Build community capacity in each locality to:</b></p> <ul style="list-style-type: none"> <li>• Take on projects that address inequalities</li> <li>• Improve health, well-being and get people active</li> <li>• Develop creative community based solutions to problems</li> <li>• develop and manage buildings, assets and greenspace to enhance our towns, villages and more remote rural areas</li> </ul>	<p>Get involved in local community initiatives, bring your ideas and discuss them with us- the Community Empowerment Act has given you the right to do this and we want to work with you</p>
<p>Starting with our Localities Bid Fund, we will develop ways to get communities more actively involved with decisions about how we spend public money, and promote easier access to community funding</p>	<p>If you have a community project, come and have a chat with us about how it could be funded. The Localities Bid Fund is all about thinking about solving problems differently, developing funding bids and getting your community to vote!</p>
<p>Working with the Third Sector and other partners, we are looking to expand our “community hub” model to bring services and support into our communities</p>	<p>Where there is a need for health and care advice and services, encourage friends and family to attend the Community Hub nearest you</p>
<p>Work with partners to increase housing supply (both affordable and private sector) creating a sense of place, community belonging and increasing health and wellbeing.</p>	<p>Take up the support we offer to make your home more energy efficient</p>
<p>Although we are not obliged to provide these, SBC want to work with local communities and businesses to develop a network of public conveniences across the Borders</p>	<p>Could your community group or business be part of a comprehensive network of public conveniences?</p>
<p>Develop our Responsible Dog Ownership Strategy so that our public spaces remain safe and clean for use by everyone</p>	<p>Take responsibility for your environment. If you have a dog, pick up after it!</p>



## SOME POSITIVE CHANGES TO SERVICES SO FAR.....

Our **Localities Bid Fund**, launched in October 2017, has already attracted over 130 applications, demonstrating to us that there is a huge appetite for communities to get involved in deciding what money is spent on locally.



“What-Matter Scottish Borders” hubs are a new way of providing advice and information for adults who are looking for ways to maintain independence in their own homes.

The aim is to give people the opportunity to:

- attend drop-in sessions or appointments in their own locality
- meet with a range of professional staff and trained volunteers
- get advice about social care needs, general wellbeing and independence.





# Delivering the plan

A framework of plans is in place to support the delivery of our Corporate Plan:

## SBC CORPORATE PLAN 2018-2023

SBC TRANSFORMATION PLAN	SBC'S FINANCIAL PLAN	SBC'S CAPITAL PLAN	STRATEGIC & LOCAL DEVELOPMENT PLANS
2017 onwards	5 year; Reviewed in Feb each year	10 year; (3 year operating)	June 2013, for 10 yrs (5 yr review)  May 2016, for 5 yrs
<ul style="list-style-type: none"> <li>• Integration of Health Social Care</li> <li>• Children &amp; Young People</li> <li>• Corporate Landlord</li> <li>• Digital transformation</li> <li>• Workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue spend by service area</li> <li>• One year fixed</li> <li>• 4 year provisional</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• School investment</li> <li>• Flood / coastal protection</li> <li>• Land and Property</li> <li>• Plant &amp; Vehicles</li> <li>• Sport &amp; Culture</li> </ul>	Development and land use, at strategic and local level

These plans are reviewed in a regular basis to keep us focused on delivery and on creating the positive “ripples” that we talked about earlier, within the resources that are available to us. More details provided in **Appendix 1**.

# Keeping an eye on progress

## You'll be interested in our progress, right?

Each quarter, we will report performance to our Executive Committee, as well as at other more focused groups such as our Safer Communities Board.

And we'll start reporting on local issues at Area Partnerships so you can hear about the progress we are making in your area.

More details provided in **Appendix 1**.

Get involved....

 **#yourpart**

[scotborders.gov.uk/yourpart](http://scotborders.gov.uk/yourpart)

[yourpart@scotborders.gov.uk](mailto:yourpart@scotborders.gov.uk)



You can get this document on audio CD, in large print, and various other formats by contacting us at the address below. In addition, contact the address below for information on language translations, additional copies, or to arrange for an officer to meet with you to explain any areas of the publication that you would like clarified.

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# Appendix 1a to Scottish Borders Councils Strategic Plan 2018-2023

This appendix provides more detail on some of the key areas mentioned in Scottish Borders Council's Strategic Plan 2018-2023.

For additional information, email [yourpart@scotborders.gov.uk](mailto:yourpart@scotborders.gov.uk) or phone 01835 826542

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## Why do we need a new approach and a new Corporate Plan? (Page 9 of SBC Strategic Plan):

**Our progress:** SBC’s last Corporate Plan (2013-2018) was reviewed in 2015, and a number of key pieces of work were identified as required, to address each of the 8 corporate priorities in that plan. Below is a review of progress since 2015:

Page 54

Corporate Priority (from last corporate plan 2013-2018)	Key work identified in 2015	Progress made
<b>1</b> Encouraging sustainable economic growth	<ul style="list-style-type: none"> <li>• Deliver Railway Blueprint projects with partners to maximise benefits of railway</li> <li>• Continued lobbying on Digital connectivity</li> <li>• Attracting investment</li> <li>• Integrated transport</li> <li>• Strategic partnership working</li> <li>• Developing young people’s skills for work</li> <li>• Affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Significant progress on Blueprint projects including Central Borders Business Park, Tapestry Visitor Centre &amp; Inward Investment Marketing</li> <li>✓ Scottish Government commitment for a South of Scotland Enterprise Agency</li> <li>✓ Significant progress on City Deal and Borderlands initiatives</li> <li>✓ Ongoing work through the Strategic Transport Board and a review concluded</li> <li>✓ Borders-wide school/employer partnership &amp; locality groups established in each high school</li> <li>✓ Delivery of over 350 affordable homes since April 2015; new Local Housing Strategy and Strategic Housing Investment Programme (SHIP) in place</li> </ul>
<b>2</b> Improving attainment and achievement	<ul style="list-style-type: none"> <li>• Children and Young People’s (CYP) Service transformation</li> <li>• Leadership and professional growth programmes</li> <li>• New schools programme</li> </ul>	<ul style="list-style-type: none"> <li>✓ Significant savings within CYP delivered since 2015 and complete review of Management and Admin structures, around Secondary School “cluster” model</li> <li>✓ Early years and Childcare expansion (600 hours &amp; 1140 hours) successfully piloted; now developing the delivery plan for roll-out across the Borders</li> <li>✓ Significant change &amp; strengthening of leadership within schools across the region</li> <li>✓ SBC/University of Highlands and Islands (UHI) Partnership for teacher training in Scottish Borders in Science, Technology, Engineering, Maths (STEM) subjects</li> <li>✓ Completion of new schools in Kelso, Duns and Langlee (Galashiels) and funding secured for Jedburgh Intergenerational Learning Campus</li> </ul>

Corporate Priority (from last corporate plan 2013-2018)	Key work identified in 2015	Progress made
<b>3</b> Support, care and protection	<ul style="list-style-type: none"> <li>• Integration of health and social care &amp; a review our Adult Services strategy for supporting independence</li> <li>• Review of specialist support for Children &amp; Young People</li> <li>• Community Justice Authority (CJA) transition to Borders</li> <li>• Ongoing health improvement work</li> </ul>	<ul style="list-style-type: none"> <li>✓ Integration Joint Board (IJB) established; Strategic Plan published + Commissioning and Implementation Plan + locality action plans; focus on independence; Community Hub model rolled out</li> <li>✓ Review of Additional Support Needs (ASN) provision, establishment of Scottish Borders Leader Valley school in central Borders; comprehensive restructure within the Additional Needs staff team across Primary and Secondary schools</li> <li>✓ Community Justice Authority now sitting under the Scottish Borders Community Planning Partnership, with ability to focus on Borders issues</li> <li>✓ Targeted work through Healthy Living Network; “Small Change, Big Difference” campaign promoted across SBC and SBCares workforce</li> </ul>
<b>4</b> Communities and voluntary sector	<ul style="list-style-type: none"> <li>• Develop Co-production approach</li> <li>• Develop a Localities approach</li> <li>• Develop a Community Learning &amp; Development (CLD) Strategic Plan</li> <li>• Respond to the Community Empowerment (Scotland) Act</li> <li>• Climate change mitigation on the ground</li> <li>• Satellite broadband pilot, addressing connectivity issues in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>• Co-production tool-kit produced and adopted across SBC and partners</li> <li>• Localities approach developed, and the creation of new Area Partnerships</li> <li>• CLD Strategic plan published + 9 local plans; excellent inspection in 2017</li> <li>• Preparations across SBC for the Community Empowerment Act, including a review of processes and policies around Community Asset Transfer and participation requests; Community Plan published and locality plans now being developed</li> <li>• 42 out of 69 “Resilient Communities” plans in place with Community Councils to prepare local areas for emergencies and severe weather</li> <li>• During 2016, parts of the South of Scotland were eligible for a pilot project, run by Avanti and received funding from the UK Government to target up to 1000 customers across Aberdeenshire, the South of Scotland and parts of Northern Ireland. In the Scottish Borders, about 50 premises took advantage of the pilot before it finished.</li> </ul>
<b>5</b> Maintaining & improving our high quality environment	<ul style="list-style-type: none"> <li>• Review of Waste strategy</li> <li>• Energy Efficiency Programme, incl SLEEP</li> <li>• Low Carbon Econ Strategy Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Planning permission for Waste Transfer station granted and ongoing work on developing the service for the future (cost of collection and disposal per premises lower than the Scottish average and lower than similar councils in Scotland)</li> <li>• Successful roll-out of LED street lighting programme and a range of energy efficiency measures across our estate including boiler and window replacement, and ongoing work with partners</li> </ul>

Corporate Priority (from last corporate plan 2013-2018)	Key work identified in 2015	Progress made
<b>6</b> Developing our workforce	<ul style="list-style-type: none"> <li>• Workforce and succession planning</li> <li>• Employee benefits strategy</li> <li>• Employee engagement and communication</li> <li>• Flexible working/change in working practices</li> </ul>	<ul style="list-style-type: none"> <li>• “People planning” process rolled out across SBC, and integrated approach to Business, People and Business Planning developed during 2017</li> <li>• Employee benefits scheme implemented</li> <li>• Employee Council meets regularly</li> <li>• Pool car pilot implemented to tackle business mileage; hot desking at HQ; mobile working being explored where appropriate</li> </ul>
<b>7</b> Developing our assets and resources	<ul style="list-style-type: none"> <li>• Estate rationalisation</li> <li>• Joint delivery and co-location with partners</li> <li>• Delivery of the Capital programme</li> </ul>	<ul style="list-style-type: none"> <li>• Over £2.5m Capital receipts realised since April 2015; draft property locality plans developed in partnership. Proposals for further rationalisation are in hand and will be developed as part of our new Property and Asset Strategy (Corporate Landlord)</li> <li>• Significant investment across the region through our capital programme, and £293m to be invested over the next 10 years in our roads, bridges, new schools, new visitor attractions and new housing options</li> </ul>
<b>8</b> Ensuring excellent, adaptable, collaborative and accessible public services	<ul style="list-style-type: none"> <li>• Information sharing with partners</li> <li>• Review service delivery and Trust models</li> <li>• Involvement of communities</li> <li>• Continued roll out and development of modern customer services</li> <li>• Implement modern ICT systems that support us to expand and update our online services</li> </ul>	<ul style="list-style-type: none"> <li>• Protocols in place with key partners to allow appropriate information sharing focused on protection and effective service delivery</li> <li>• Establishment of SB Cares (with over 800 FTE) and the Integrated Culture and Sport Trust (LIVE Borders)</li> <li>• Development of Localities model, Area Partnerships, Localities Bid Fund and a revised approach to dealing with Community Asset Transfer and Participation requests, as well as Budget Dialogue each year</li> <li>• Successful roll out of e-Building Standards, and ongoing improvements to our website to provide enhanced interactive capability for customers</li> <li>• 13 year contract signed with CGI for the provision of modern ICT across the Council</li> </ul>



## Big Changes: South of Scotland Enterprise Agency, City Deal and Borderlands (Page 10 of SBC Strategic Plan)

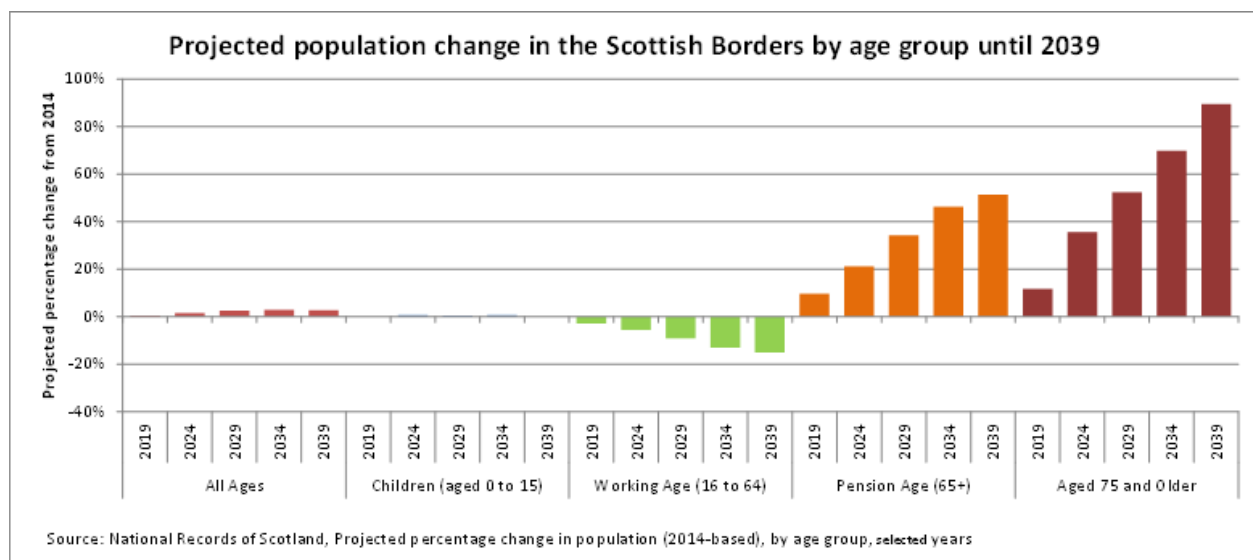
There are three significant Scottish and UK Government economic development policy initiatives that we are working on that could lead to a step change in the development of the economy of the Scottish Borders. These are the **South of Scotland Enterprise Agency** and its Interim Arrangements, the **Edinburgh and South East Scotland Region City Deal**, the **Borderlands Initiative**:

- Firstly, as part of Phase 2 of the Enterprise and Skills Review, the Scottish Government has committed to creating a new **South of Scotland Enterprise Agency** covering Dumfries & Galloway and the Scottish Borders. It will offer a once in a generation opportunity that has the potential to improve the level of investment in economic growth, enterprise, skills and innovation across the Scottish Borders and the South of Scotland. It is intended that this new Agency will be fully operational by April 2020, and will operate in a similar way to Highlands and Islands Enterprise and will closely align its work with Scottish Enterprise, Skills Development Scotland, Scottish Funding Council, and Visit Scotland.
- Secondly, there is the **Edinburgh and South East Scotland Region City Deal**. The Head of Terms were approved by the UK and Scottish Government and this is likely to lead to significant investments at Tweedbank, Central Borders as well as additional specific assistance around skills, business support and innovation which is still being determined. The projects and programmes supported through this Deal will complement the work on the South of Scotland Enterprise Agency and its Interim Arrangements.
- Thirdly the **Borderlands Initiative** which involves a cross border proposition for Inclusive Economic Growth is being developed by SBC together with Dumfries and Galloway Council, Carlisle City Council, Cumbria County Council and Northumberland County Council. This follows from the Conservative Manifesto for the UK Government elections in May 2017 to “bring forward a Borderlands Growth Deal, including all councils on both sides of the border, to help secure prosperity in southern Scotland”. This is still at a very early stage in development but there are opportunities through this initiative to gain momentum on extending the Borders Railway to Carlisle and for cross border tourism, enhancing business through business innovation projects and for further improvements to the Digital Infrastructure. Any work in taking this forward will complement the work on the South of Scotland Enterprise Agency and its Interim Arrangements.

## A bit about Scottish Borders and the Council (Page 13 of SBC Strategic Plan)

Scottish Borders covers **4732 square kilometres** (1,827 square miles) and is located in the South East of Scotland. It has Edinburgh and the Lothians to the North, Northumberland to the South and Dumfries and Galloway to the West. The region is the fourth most sparsely-populated mainland Local Authority area in Scotland after Highland, Argyll and Bute and Dumfries and Galloway. Just under 30% of the population live in settlements of under 500 people or in isolated hamlets, and no towns have a population over 14,000. However, the region sits on the edge of three city regions (Edinburgh, Newcastle and Carlisle) which provides significant opportunities in terms of cross border co-operation, jobs, tourism, leisure, work and study.

The estimated 2015 population for Scottish Borders was **114,030**, virtually unchanged from the previous year. However, over the longer term, the population has risen, as has the population of Scotland. Initial findings from the 2016 Mid-year estimates indicate that the population is continuing to rise. One of the main challenges we face, as shown in the graph below, is the way in which the population is set to change, with a projected decrease in working age population and a significant increase in those 75+.

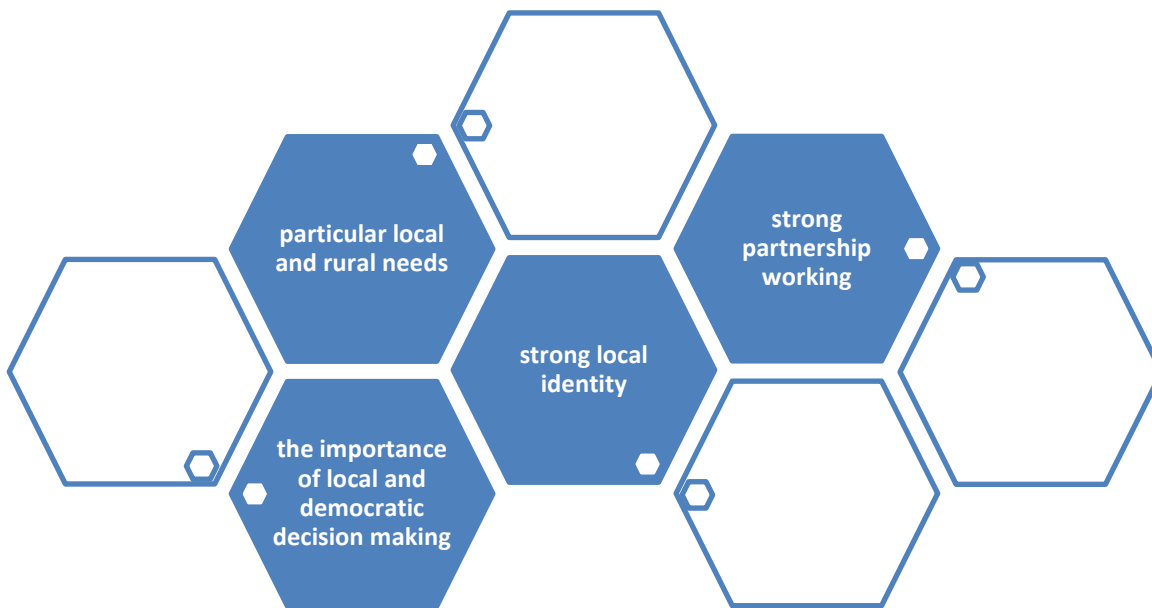


The Scottish Borders has been recognised as a strategic area for local government in Scotland since the Local Government (Scotland) Act 1973 when it was designated as one of the nine Regional Council administrative units in Scotland. Even before this, the integrity of the Scottish Borders for local government was implicitly acknowledged as the area comprised the counties of Berwickshire, Peeblesshire, Roxburghshire and Selkirkshire (with the only exception being the Stow and Heriot area which was part of Midlothian County). And May 2017 saw the election of 18 new councillors to SBC (out of 34), and the formation of a Conservative/Independent Administration.

The boundaries of the Scottish Borders have similarly been recognised for delivery for other public services particularly Health and Further Education. Police Scotland and Scottish Fire and Rescue

Services also recognise the boundaries of the Scottish Borders for their local Police and Fire and Rescue Plans.

The decision to use the Scottish Borders as an area for the delivery of public services is based on:



These strengths are still very much apparent and they need to be further developed in order that we:

- deliver public services in the Scottish Borders that meet the principles of public service delivery, as set out by the Christie Commission,
- address the future socio-economic, environmental and financial challenges facing the area.

A larger range of information in the Scottish Borders can be found within the Scottish Borders Strategic Assessment [https://www.scotborders.gov.uk/downloads/download/211/strategic\\_assessment](https://www.scotborders.gov.uk/downloads/download/211/strategic_assessment)

## Partnership Working (Page 14 of SBC Strategic Plan)

During 2017, SBC has led the development of a Community Plan (called a “Local Outcomes Improvement Plan” within the Community Empowerment (Scotland) Act 2015) for the Scottish Borders. The Scottish Borders Community Plan highlights what the *Borders-wide* inequalities are, and how the Community Planning Partnership (CPP) together and with local communities and businesses can address those inequalities and improve outcomes. The outcomes in the Community Plan are grouped around 4 main themes.



Under **Our Economy, Skills and Learning**, outcomes include:

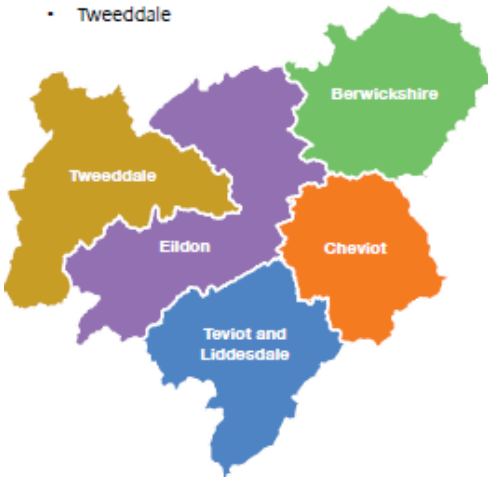
- More people working more productively for higher wages
- More business people benefitting from greater investment and better support for their new and existing businesses, particularly in key growth sectors

Under **Our Health, Care and Wellbeing**, outcomes include:

- More people in good health and leading an active lifestyle at every age and stage of life
- Improved support and care for older people

These outcomes can only be addressed by working with partners and communities, and in some cases, by tailoring what we do to the needs of a specific local area, so we are now working to develop five local plans that will truly reflect local need and opportunity across our 5 areas (see map below). These locality plans will evolve and build up over the next 12 months, and address the same themes in the Community Plan.

- Berwickshire
- Cheviot
- Eildon
- Teviot & Liddesdale
- Tweeddale



To make the most of shrinking public sector resources, we must ensure that there is a clear link between this Corporate Plan, partnership strategies and plans, and what our communities want to achieve. The following diagram presents the relationships between these plans:



More information on Community Planning:

[https://www.scotborders.gov.uk/info/20062/strategies\\_plans\\_and\\_policies/387/community\\_planning](https://www.scotborders.gov.uk/info/20062/strategies_plans_and_policies/387/community_planning)

## Delivering the Plan (Page 33 of SBC Strategic Plan)

Many of the services we deliver across SBC ensure that we meet our statutory requirements, or a requirement to respond to a European, UK or Scottish Government directive, framework, strategy, or plan. Some legislative or statutory requirements are very prescriptive, for example around the maintenance of the Electoral Roll, whilst others are not e.g. around the promotion of sustainable economic growth.

There are some key pieces of legislation and Government policy that are currently guiding and influencing our work within specific services and our strategic work with partners:

Local Government in Scotland Act 2003	Scottish Gvt's Purpose: <i>"Create a more successful country with opportunities for all of Scotland to flourish, through increasing sustainable economic growth"</i>	Children and Young People (Scotland) Act 2014; Education (Scotland) Act 2016	Public Bodies (Joint Working) (Scotland) Act 2014	Community Empowerment (Scotland) Act 2015	Planning etc (Scotland) Act 2006
<ul style="list-style-type: none"> <li>Best Value</li> <li>Delivery of statutory services</li> <li>Community Planning</li> </ul>	Scotland's Economic Strategy 2007 (updated March 2015) <ul style="list-style-type: none"> <li>Increase growth</li> <li>tackle inequalities</li> </ul>	<ul style="list-style-type: none"> <li>Early years</li> <li>GIRFEC</li> <li>"Delivering Excellence and Equity in Education"- A Delivery Plan for Scotland (2016)</li> <li>Developing the Young workforce</li> <li>Digital skills</li> </ul>	<ul style="list-style-type: none"> <li>Health and Social Care integration</li> <li>Locality planning for Health and Social care</li> </ul>	<ul style="list-style-type: none"> <li>Localities focus for Community Planning</li> <li>Asset transfer</li> <li>Community participation requests</li> <li>Guidance still to be issued on other parts of the Act</li> </ul>	2016 Review: <ul style="list-style-type: none"> <li>Strong &amp; flexible development plans</li> <li>High quality homes</li> <li>Infrastructure 1<sup>st</sup> approach</li> <li>Collaboration rather than conflict</li> </ul>

**What** we have to achieve is, in most cases, clearly articulated within national policy or legislation, but **how** we deliver is less prescribed and means that, for example, every Council will be responding to the Community Empowerment Act slightly differently.

As part of our Community Planning arrangements, there are a number of key strategies that we work with partners to deliver:

Key Borders-wide partnership plans and strategies						
Scottish Borders Community Plan 2017	Health & Social Care Strategic Plan	Integrated Children & Young People's Plan	Economic Strategy	Low Carbon Economic Strategy	Local Housing Strategy	Strategic Housing Investment Plan (SHIP)
10 year outcomes and targets	2016-19	2017-2020	2013-2018	2013-2018	2017-2022	2018-23

Council Officers work with partners on a regular basis to ensure that progress is being made and that outcomes are improving for individuals, communities and businesses across the region.

Within SBC, a range of plans are in place to support the delivery of our Corporate Priorities, as shown in the table below:

SBC Corporate Plan 2018-2023			
SBC Transformation Plan	SBC's Financial Plan	SBC's Capital Plan	Strategic & Local Development Plans
2017 onwards	5 year; Reviewed in Feb each year	10 year; (3 year operating)	June 2013, for 10 yrs (5 yr review)  May 2016, for 5 yrs
<ul style="list-style-type: none"> <li>Integration of Health Social Care</li> <li>Children &amp; Young People</li> <li>Corporate Landlord</li> <li>Digital transformation</li> <li>Workforce</li> </ul>	<ul style="list-style-type: none"> <li>Revenue spend by service area</li> <li>One year fixed</li> <li>4 year provisional</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure</li> <li>Schools investment</li> <li>Flood / coastal protection</li> <li>Land and Property</li> <li>Plant &amp; Vehicles</li> <li>Sport &amp; Culture</li> </ul>	Development and land use, at strategic and local level

**SBC Transformation Plan:** this plan pulls together the strategy change programmes that are underway within SBC, that will have a significant effect on the way services are delivered into the future. The 5 key programme are:

- *Integration of Health & Social Care* – The consolidation and further development of fully integrated services across a range of adult health & social care functions, including improved client/patient pathways, more efficient business processes & systems and improved joint governance arrangements.
- *Children & Young People* – A programme of projects that facilitate high quality, cost effective education and social work services for Children & Young People in line with local needs, national priorities and funding opportunities.
- *Corporate Landlord* – Consolidating all property and facilities management in a single “Corporate Landlord” service that delivers all strategic and operational property matters on behalf of our services enabling them to focus directly on their business.
- *Digital Transformation* – By 2021 SBC will be a Digital organisation that uses Digital across the organisation, with partners and citizens to improve outcomes; and .
- *Workforce Transformation* – Exploring the most effective working methods, practices, patterns, skills and tools to enable SBC to minimise costs and maximise the effectiveness of the workforce.

**Financial Plan:** The Council first adopted a five year approach to financial planning in 2013/14 in recognition of the significant financial challenges facing the organisation as it aims to provide the best possible services within the resources available. The continued adoption of a longer term timeframe for financial planning has enabled the Council to plan the delivery of service changes across financial years, with a focus on modernising services, investing in new technology, and adopting a range of strategic partnerships with our partners in the public, private and third sectors.

This approach is designed to ensure the Council:

- raises the funds required to meet approved service levels in the most effective manner;
- manages the effective deployment of those resources in line with the Council's corporate objectives and priorities; and,
- provides stability in resource planning and service delivery as expressed through revenue and capital budgets and approved Corporate plans.

**Capital Plan:** this plan outlines what SBC will spend over the next 10 years to make sure its portfolio of land, buildings and other assets are used as effectively as possible to support our service delivery. This includes investing in infrastructure such as roads, schools, flood protection works, communities, IT and regeneration. The capital plan includes specific Scottish Government grants as well as from external funders e.g. SportScotland. The plan shows *when* money will be spent

**Strategic and Local Development plans:** Planning Authorities have a statutory duty to produce Development Plans. Development Plans comprise of 2 component parts – a Strategic Development Plan (SDP) and a Local Development Plan (LDP). The SDP is prepared by SESPlan (the Strategic Developing Planning Authority for Edinburgh, and South East Scotland), of which SBC is a member authority. In essence the SDP sets out a range of strategic planning issues which the LDP must address. The role of the LDP is to then identify specific land use allocations at a local level for a range of uses, including for example, housing, employment, town boundaries, protected green space, conservation areas, and redevelopment opportunities. The LDP also lays down a range of criteria tests within planning policies which would be tested following the submission of planning applications

**Business Plans:** 2017 has seen the integration of People, Financial and Business Planning with services in order to ensure that all services areas of focused on delivery, including making the savings we need given the challenging economic context. As part of the process, Business Resource Packs are prepared for services and Councillors, providing an overview of each service area (resources (people and £), statutory requirements, and performance) as well as savings proposals and other key work that needs to be undertaken within the next financial year.

Once savings and work are agreed within the Business plan, this will guide the service's work and inform team and individual work plans.



## Keeping an eye on progress (Page 34 of SBC Strategic Plan)

When the last Corporate Plan was approved, a Performance Management Framework (PMF) was also agreed that enables Scottish Borders Council (SBC) to monitor and report progress against the priorities identified with Community Planning partners and within the SBC Corporate Plan.

Effective performance management is critical to the success of any organisation, including

Local Authorities and provides a framework to achieve aims/objectives and promotes the continuous improvement of services provided to the public. For this purpose, a range of performance indicators is presented to Executive Committee each quarter under each of the Corporate Priorities. Reports can be accessed [here](#)

In light of the new SBC Corporate Plan and Scottish Borders Community Plan, the Performance Management Framework now needs to be updated and will be brought to Scottish Borders Council in August 2018 for approval.

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## **CORPORATE TRANSFORMATION PROGRESS REPORT**

**Report by Executive Director**

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### **SCOTTISH BORDERS COUNCIL**

**20 February 2018**

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#### **1 PURPOSE AND SUMMARY**

##### **1.1 This report:**

- **Updates Members on the delivery of the Corporate Transformation Programme over the last year**
- **Sets out proposed changes to ensure that the programme remains best placed to respond to the challenges facing the Council, and is aligned to the plans and priorities of the new Administration**

1.2 The Corporate Transformation Programme is designed to help achieve our 8 Corporate Priorities and deliver significant savings set out in the 5-year Financial Plan.

1.3 The Programme and previous Business Transformation projects –has delivered substantial change and is on target to deliver **£35.5 m** in savings since 2013/14.

1.4 The Programme currently comprises the 14 sub-programmes and projects including digital and workforce transformation, Children and Young people, Information management, Alternative Service Delivery models, the Integration of Health and Social Care and realising the benefits of investment in the Borders railway. Regular progress updates are provided on a quarterly basis to the Council Executive Committee Progress against each of these 14 projects over the last year is set out in section 4 below.

1.5 Highlights of the programme to date include:

- (a) The Borders Railway – opened in September 2015
- (b) The ICT Review and CGI Contract
- (c) SBCares –operational from April 2015
- (d) Integrated Culture & Sport Trust –operational from April 2016
- (e) Integration of Social Care & Health –operational from April 2016
- (f) On-line Payments in Schools –operational from April 2016
- (g) School Estate – 5 new State-of-the-art schools
- (h) Street Lighting –16,000 streetlights replaced with LED to date

1.6 Looking to the future, the Council will continue to face major challenges and opportunities. Our mainly rural geography and increased demand for services from an ageing population poses specific challenges to service delivery and redesign. These mean that we will need to achieve a further **£32.5m** of savings over the next 5 years to balance the financial plan.

- 1.7 The programme, in its current form, is well established however a number of factors make this an appropriate time to take stock and reshape the way it is configured. These factors include:
- (a) Aligning the programme with the priorities and ambitions of the new Administration as set out in "Connected Borders".
  - (b) Aligning the programme to support the delivery of both the newly revised Corporate Plan and 5-year Financial Plan 2018/19 – 2022/23.
  - (c) Mainstreaming transformation Projects to so that redesigned services become business as usual.
  - (d) Taking the opportunities to merge existing projects as they have now reached a point where their inter-dependencies make a compelling case to bring them together.
  - (e) Better focus on a reduced number of projects to ensure that resources are used in the most effective way for maximum benefit.
- 1.8 The report proposes a revised programme structure with 5 re-focussed and simplified strands as follows:
- Digital Transformation
  - Workforce Transformation
  - Children & Young People
  - Corporate Landlord (incorporating Property & Assets and Energy Efficiency)
  - Health & Social Care (incorporating Adult Services)

## **2 RECOMMENDATIONS**

### **2.1 I recommend that Council**

- (a) Note progress in delivering the programme**
- (b) Agree the role of the programme in delivering the corporate plan and the Council's 5-year financial plan**
- (c) Agree the planned activity for the programme in the year ahead**
- (d) Agree that the Executive Committee continue to receive quarterly monitoring reports in respect of Programme delivery alongside Performance Management and Budget Monitoring.**

### 3 BACKGROUND

- 3.1 The Corporate Transformation Programme sets out a far-reaching programme of change which helps achieve our 8 Corporate Priorities and the delivery of the significant savings set out in our 5-year Financial Plan.
- 3.2 Building on the previous Business Transformation approach, the Programme – together with a range of service improvement and efficiency initiatives across all Council services – has delivered substantial change and is on target to deliver **£35.5 m** in savings over the last 5 years.
- 3.3 This is the third annual report on the Corporate Transformation Programme. The Programme was initially approved by Council on 12 February 2015 and the first annual report was presented to Council on 11 February 2016.
- 3.4 The Programme currently comprises the 14 sub-programmes and projects set out in table 1 below. Progress against each of these 14 projects over the last year is set out in section 4 below.

**Table 1 – The 14 Sub-Programmes and Projects of the Corporate Transformation Programme**

1. Digital Transformation	8. Integration of Health & Social Care
2. Workforce Transformation	9. Railway Programme
3. Children & Young People	10. Localities
4. Adult Services	11. Waste Management
5. Information Management	12. Transport
6. Alternative Service Delivery Models	13. Energy Efficiency
7. Co-Production	14. Property & Assets

- 3.5 As well as supporting the delivery of £35.5m savings, the programme – over its lifetime – has already realised significant achievements including:
- (a) **The Borders Railway** – which opened in September 2015.
  - (b) **The ICT Review** - which completed in March 2016 resulting in the CGI Contract establishing a digital services partnership and attracting significant inward investment including the planned creation of 200 jobs in the Borders.
  - (c) **SB Cares** – which went live in April 2015.
  - (d) **Integrated Culture & Sport Trust** – which became operational from April 2016.
  - (e) **Integration of Social Care & Health** – which became operational from April 2016, has established locality working groups in each of the 5 Health & Social Community Planning Localities, with work progressing to develop to develop co-located integrated teams. The annual performance report for integration will be published by 31 July 2017.
  - (f) **On-line Payments in Schools** – became fully operational in April 2016 following 4 successful implementation phases from October 2014. (Scottish Borders Council became the first Scottish local authority – and remains the only authority – to have implemented on-line payments across all of its schools).
  - (g) **School Estate** – State-of-the-art schools opened across the borders – Kelso High School, Langlee Primary School, Broomlands Primary

School, Duns Primary School and Leader Valley School.

- (h) **Street Lighting** – to date, 16,000 (76%) streetlights have been replaced with the more efficient (around 60% less energy) LED technology by the Street Lighting Team. Installations to date have saved over 3 million kWhs in energy consumption and over 200 Tonnes of carbon emissions since the project began.

3.6 The Council's Corporate Management Team leads the Programme, acting as the Programme Board and focussing on Programme delivery alongside service performance and the monitoring of the financial plan. This helps to ensure that the Programme delivers both the savings required and improvements to services. The Executive Committee monitors the Programme through quarterly progress reports.

## 4 REVIEW OF PROGRESS

4.1 **Digital Transformation** – This Programme sits at the core of the Corporate Transformation Programme. Progress over last year includes:

- (a) **Business World** - the new integrated Finance, HR and Procurement system went live. This implementation is a major change to the way we operate, affecting the entire business. Work continues to develop and roll out the features available. This project will continue to be a catalyst for extensive changes and efficiencies within our back-office services.
- (b) **Digital Customer Access Programme** – work continues with CGI to develop our online services. This programme will be critical in enabling services and information to be accessible over the web on an anytime anywhere basis and to enable flexibility and efficiencies.
- (c) **Business Intelligence** – the Business Intelligence project has been established and is initially focussed on the development of a solution for Children & Young People. The project brings together data from multiple systems to give a better, more timely, insight into issues and trends enabling quicker and more informed decision-making and early intervention and prevention.
- (d) **Office 365** - We have made good progress in preparations for our migration to Office 365, which will be rolled out in 2018. This will enable greater opportunities for flexibility and efficiency in how we work.
- (e) **Electoral Registration** – We delivered a new system which streamlines the canvassing process.
- (f) **Printer Rationalisation** – significant progress has been made in reducing the number of printers and associated printing costs across the organisation.
- (g) **High School Broadband** – new high speed broadband has been delivered to all of our high schools to support digital learning and allowing pupils to bring their own devices.
- (h) **Online Parents Evening Booking** – a new booking system has been delivered which has greatly simplified the process for parents and staff.
- (i) **Broadband & Mobile Connectivity** – work continues with national bodies to improve the broadband and mobile connectivity across the Borders.
- (j) **Digital Charter** – we have signed up to the Scottish Council for Voluntary Service's Digital charter which commits us to helping staff

and citizens to embrace the advantages of new technology.

4.2 **Workforce Transformation** – Progress over the last year includes:

- (a) People Planning - The Council's Strategic People Plan was published. Resource packs, bringing together People, Financial and Business Planning were developed. A new rota system for home carers was introduced.
- (b) Pool Cars – A trial fleet of 15 pool cars was introduced in July last year. Initial monitoring shows that vehicle usage is significantly higher than anticipated with vehicles projected to achieve 15,000 miles per year (originally projected to achieve between 8,000 and 10,000 miles). Subject to evaluation in early summer, proposals will be developed to expand the fleet at HQ and in the localities. The potential to make the cars available to the public via a car club scheme will also be explored.
- (c) Overtime – A project to look at reducing the use of overtime has been established and is focussing on those areas with highest overtime costs. The project is also looking at the potential to establish a flexible pool of staff that can be accessed to meet demand in the care sector and how this model might be applied in other areas.

4.3 **Children & Young People Programme** – Progress over the last year includes:

- (a) School Estate Review
  - New schools at Kelso High, Leader Valley, Langlee Primary, Duns Primary and Broomlands Primary
  - Following extensive community engagement, funding has been secured and planning permission gained to create an Intergenerational Learning Campus in Jedburgh.
  - Statutory consultation on the proposal to close St. Margaret's Roman Catholic Primary School in Hawick has recently concluded and Education Scotland will prepare a report on their recommendations. A consultation outcome report will then be published outlining the full results of the consultation and next steps.
  - A 'School Estate Review Next Steps 2017/18' Report was presented to Executive in November outlining future activity.
- (b) Business Support in Schools Review
  - New structures and staffing arrangements for School Offices were implemented in August 2017. Transition to the new model continues with a review of processes ongoing.
- (c) Early Years
  - A successful trial of the offer of 1,140 hours of early learning and childcare was held at Philiphaugh.
  - A further six settings – Coldstream, Greenlaw, Eyemouth, Langlee, Burnfoot and Kirkhope – delivered options for 1,140 hours from August 2017.
  - A Service Delivery and Implementation Plan was submitted to Scottish Government in relation to the Council's approach to increase funded early learning and childcare provision from 600 to 1,140 hours for all 3 and 4 year olds and eligible 2 year olds.
  - A Report was submitted to Executive in November setting out

options for Phase 3 of the plan which will commence in August 2018, and for further phases thereafter.

- (d) Children & Families Social Work Service
- This Service has now been fully re-designed and new structures implemented. Office accommodation and business support arrangements are in place to support the new approach.

4.4 **Adult Services Programme** – Progress over the last year includes:

- (a) Waverley care home refurbishment has delivered a number of improvements including 26 en-suite rooms, improved sluice facilities, improved fire safety, a new nurse call system and full redecoration.
- (b) Recommissioning of Craw Wood as Discharge to Assess (DTA) unit was undertaken at short notice and has delivered capacity for 15-24 patients. The DTA unit helps to relieve pressure on BGH beds and provides a more suitable environment for patients to be assessed for their care at home needs.
- (c) Financial Plan savings have been delivered and will continue to be delivered through the Joint Transformation Programme with NHS.

4.5 **Information Management Project** – The project is now complete. Protocols, guidance and processes are in place including data-sharing agreements. An Information Asset Register is established with identified and appropriately-trained Asset Owners. The Council is compliant with legal and best practice standards and operational management will now be taken forward under the Information Team and Information Governance Group.

4.6 **Alternative Service Delivery Models** – Progress over the last year includes:

- (a) Continued delivery of a number of services, including Homecare, and Day services by SB Cares.
- (b) Plans approved to transfer call monitoring for the Bordercare Alarm service to East Lothian Council.

4.7 **Co-Production** – The project is complete. The policy, guide and toolkit was adopted by the Council and it's Community Planning Partners in Autumn 2016.

4.8 **Health & Social Care (H&SC) Integration Programme** – Progress over the last year includes:

- (a) First Annual Report has been published.
- (b) H&SC Locality Plans have been developed through engagement with communities and other stakeholders.
- (c) Strategic Commissioning Plan has been reviewed and agreed.
- (d) An initial IJB Transformation Programme has been established comprising 10 projects looking at establishing best/most efficient practice:
- Community & Day Hospitals
  - Care at Home (including Enablement)
  - Allied Health Professionals
  - Dementia Services
  - Mental Health Redesign
  - Day Services



- Carers Strategy
- Alcohol & Drugs Service
- IT & Telehealth Care
- Integrated Health & Social Care Team

#### 4.9 **Railway Programme** - Progress includes:

- Delivery of 2017 Steam Train Experience by SRPS in August 2017, which 'sold out' based on original projections. 1680 passengers travelled by steam from Fife & Edinburgh to the Scottish Borders, with 1100 choosing add-on tours to local visitor attractions.
- Positive media impact of the Steam Train reported through VisitScotland included 261,000 views of Facebook video footage on the first Sunday.
- Launch of the Midlothian & Borders Tourism Action Group (MBTAG) and development of the MBTAG 'Going Beyond' Travel Trade Guide for tourism business.
- Publication of the Borders Railway Hotel Market Assessment by Hotel Solutions.
- Delivery of 'Borders Railway – More Connected' inward investment marketing campaign, including editorial coverage in the Herald and Scotsman, and an e-newsletter to 6000 businesses. A Borders Railway business supplement in BQ Magazine, distributed across Scotland, Northeast and Northwest England.
- Delivery of MBTAG Tourism Showcase event in the Galashiels Transport Interchange on 14 November.
- Development of Borders Railway Corridor Masterplanning Programme at Tweedbank and Galashiels.
- Delivery of Year 2 of the VisitScotland Borders Railway Marketing Campaign, which has reached a total global audience of 23 million people.
- Investment in the first phase of Borders Railway BIDS Corridor in supporting Galashiels and Dalkeith town centres.
- Approval of £2.5m investment in the Great Tapestry of Scotland Visitor Centre and additional bid for RCGF funding for the regeneration of Galashiels town centre.

#### 4.10 **Localities** – Progress includes:

- Implementing the parts of the Community Empowerment (Scotland) Act 2015 which were enacted in 2017: Asset Transfers, Participation Requests and the development of the CPP Community Plan.
- Piloting participatory budgeting in Scottish Borders by introducing a Localities Bid Fund of £500k.
- Introducing Area Partnerships, a new model of community engagement and participation within Scottish Borders which will include creating Area Locality Plans and align to the CPP Community Plan.

#### 4.11 **Waste Management** – Progress includes:

- The Council received planning consent for the development of a new Waste Transfer Station at Easter Langlee, Galashiels. This is a key part of the Council's residual waste management strategy, which will

enable the Council to export waste for treatment out with the Borders and close Easter Langlee Landfill site prior to the introduction of landfill bans that come into effect in January 2021.

- (b) The kerbside collection review has continued with the support of Zero Waste Scotland. This has involved modelling the impacts of multiple kerbside collection scenarios with the aim of identifying the best option going forwards whilst taking account of legislative and policy drivers, customer feedback and financial constraints.
- (c) A review of the Community Recycling Centre provision and operating hours has been completed with the aim providing a service which better reflects the needs of residents whilst maximising savings opportunities.

4.12 **Sustainable Transport** – The project is now complete. New inter-agency arrangements for the procurement of improved cost-effective public transport have been put in place with the establishment of the CPP Strategic Transport Board and Framework.

4.13 **Energy Efficiency Programme** – Progress over last year includes:

- (a) LED upgrades at another 16 sites.
- (b) Boiler room upgrades at 21 sites.
- (c) Contract awarded to install solar panels at 12 sites.
- (d) Tender released for £1.2m of energy efficiency works all funded through national funding scheme.

4.14 **Property & Assets Programme**

- (a) Street Lighting Energy Efficiency Programme (SLEEP) - the project is now nearing completion with the few remaining major towns, completion of the areas previously visited to replace the illuminated signs and bollards as well as solutions for the heritage lanterns that are located throughout the region. To date 16,000 lights have been replaced with LED using around 60% less electricity. This coupled with the requirement for little maintenance will lead to significant efficiency savings as well as reducing our Carbon Footprint and future Carbon tax liabilities. Installations, to date, have led to a reduction of over 3 million kWhs in energy consumption and over 2000 Tonnes of carbon emissions since the project began, figures that will continue to rise as the project nears completion.
- (b) Property Rationalisation – Work continues on the rationalisation of the non-school estate. Over the year a further 7 properties have been identified as surplus, 8 have been sold (realising approximately £380K in capital receipts) and 4 are currently on the market. A further 13 properties are currently under offer. Opportunities for a significant rationalisation of properties have been identified and these will be developed further for discussion with members and engagement with communities.

## 5 CHALLENGES AND OPPORTUNITIES IN THE NEXT YEAR

- 5.1 Looking to the future, the Council will continue to face major challenges and opportunities. Given our rurality and the aging demographic, these can be more difficult to address. In particular, financial challenges – combined with an increasing demand for our services – mean that we need to achieve a further **£32.5m** of savings over the next 5 years.
- 5.2 The Corporate Transformation Programme has now been up-and-running in its current form for 3 years and a number of factors make this an

appropriate time to take stock and reshape the way it is configured. These factors include:

- (a) Aligning the programme with the priorities and ambitions of the new Administration and “Connected Borders”.
- (b) Aligning the programme to support the delivery of both the newly revised Corporate Plan and 5-year Financial Plan.
- (c) The completion or transfer to *business as usual* of 7 of the Transformation Projects:
  - (i) **Railway Programme** – The first phase of the project is now completed with the opening of the railway and the establishment of the Blueprint Action Plan and associated Partnership. A 2<sup>nd</sup> phase of the Programme will continue as a mainstream programme within Economic Development.
  - (ii) **Localities** – With the development and approval of the Community Plan and the setting up of the new Area Partnerships, the locality model now moves into an operational phase and becomes part of the way the Council and its Partners will engage and involve communities in the development and delivery of services. Initially, this will include developing area Locality Plans.
  - (iii) **Information Management** – Information management protocols, policies and governance arrangements are now in place and part of business as usual.
  - (iv) **Transport** – The project is now complete. New inter-agency arrangements for the procurement of cost-effective public transport have been put in place with the establishment of the Community Planning Partnership’s Strategic Transport Board.
  - (v) **Co-Production** – The project is complete and the policy, guide and toolkit was adopted by the Council and it’s Community Planning Partners in Autumn 2016.
  - (vi) **Waste Management Strategy** – Work on this continues. However, given the service-specific nature of the Strategy and its locus on the operational delivery of the waste management service, this will be taken forward within the service and not part of the Corporate Transformation Programme.
  - (vii) **Alternative Service Delivery Models** – Both the Integrated Sport and Culture Trust and SBCares have been operational now for some time. Plans are being developed to deliver improved profitability in the Roads Trading Operation (SBC Contracts) and this will be taken forward within the service on an operational basis.
- (d) Opportunities to merge 4 existing programmes into 2 as they have now reached a point where their inter-dependencies make a compelling case to bring them together:
  - (i) **Adult Services** and the **Integration of Health & Social Care** – both programmes focus on transforming adult social care services with a significant overlap in terms of outcomes and efficiencies.
  - (ii) **Property & Assets** and the **Energy Efficiency Programmes** – both projects seek to make efficiencies from the Council estate and could be incorporated under the development of a **Corporate Landlord** model.

- (e) Better focus on a reduced number of projects that ensures resources are used effectively and to help simplify and clarify the narrative supporting transformation projects.
- 5.3 The report proposes a revised programme with 5 – as opposed to 14 – strands as follows:
- (a) **Digital Transformation** – using the latest digital approaches to service delivery such as building processes around the customer experience, data-driven decision making, digital learning, using self-service, simplifying and standardising processes, exploiting automation and utilising digital methods of engagement with employees and citizens.
  - (b) **Workforce Transformation** – ensuring we have an agile workforce that is equipped and skilled to meet future demands and challenges.
  - (c) **Children & Young People** – Ensuring that services are fit for the 21<sup>st</sup> Century and meet the demands and high expectation of our service users.
  - (d) **Corporate Landlord** – Consolidating all Property & Asset functions and competencies under a single Corporate Landlord service to enable a more consistent and efficient approach to the management of our property and assets. The programme incorporates both the existing Property & Assets and Energy Efficiency Programmes and will deliver the associated service improvements and efficiency savings.
  - (e) **Health & Social Care** (incorporating Adult Services) – the Programme will seek to deliver service improvements as set out in the IJB' Strategic Plan, bringing about the necessary shift in investment to enable this and helping meet the challenge of an aging population.

An outline of the anticipated activity under each programme over the coming year is set out in 6 below.

## 6 FUTURE DELIVERY OF THE PROGRAMME

- 6.1. **Digital Transformation** – Will continue to be a core element of the Corporate Transformation Programme. In the year ahead we will need to ensure that the new technologies and processes that we are putting in place result in positive changes to the way do things and that the anticipated benefits to service users and savings to the organisation are realised in practical terms. There will be a greater focus on managing changes including defining benefits to be achieved; understanding how the changes will be achieved; the effect change will have on the business in terms of new operational arrangements; and being clear about responsibilities for delivering benefits. In particular we will:
- (a) Fully roll out the functionality of Business World and implement new ways of working to exploit that functionality and realise benefits
  - (b) Launch a new online portal that will be a single point for customers to interact with us online and start to migrate transactions to this channel while ensuring that there are still other suitable options for vulnerable customers.
  - (c) Implement our Business Intelligence solution for Children & Young people and start to gain insight that will improve decision making, early intervention and prevention.
  - (d) Migrate to Office 365 and use this to work more efficiently and flexibly.
  - (e) Implement solutions to offer digital facilities and skills for staff who

currently do not use IT at work to improve communication with these staff.

- (f) Help staff and citizens to embrace the advantages of Digital Technology.
- (g) Complete work to rationalise printers and move to a cost per print model across the organisation.
- (h) Continue to work with national bodies to improve the broadband and mobile capability of the Scottish Borders.

## 6.2 **Workforce Transformation**

- (a) Review of Grading - It has been 10 years since the introduction of Single Status. A review of the Councils grading system will be carried out to ensure it is robust for the future taking into account the living wage, labour markets, flexible workforce requirements and equality legislation.
- (b) Pool Cars – subject to an evaluation of the Pool Car pilot, proposals will be developed for the extension of the pool car fleet at HQ and the Localities with an option to extend the fleet to the public via a Car Club scheme. If agreed, proposals will be implemented.
- (c) Overtime – Proposals to reduce the use of overtime across the organisation will be developed focussing on those services with highest use of overtime.

## 6.3 **Children & Young People**

- (a) School Estate Review
  - Work will commence on the construction of the Intergenerational Learning Campus in Jedburgh. The proposed opening date for the new building is April 2020. Transition planning will be undertaken throughout the year in establishments affected by the new campus.
  - Due process around the proposal to close St. Margaret's Roman Catholic Primary School in Hawick will continue to be followed. Next steps include publishing the consultation outcome report and reporting the final decision to Council before inviting Scottish Government and the public to submit any final considerations.
  - Future activity as outlined in the November 2017 Report to Executive entitled 'School Estate Review Next Steps 2017/18' includes:
    - Detailed assessment of the remaining High Schools (Peebles, Gala Academy, Selkirk and Hawick)
    - Further consideration of Eyemouth and Earlston primary schools
    - Commence statutory process for closure of mothballed schools (Hobkirk, Eccles/Leitholm and Ettrick)
    - Community engagement around schools with low rolls regarding long term solutions (Walkerburn, Sprouston, Yarrow, Kirkhope, Fountainhall and St Joseph's Selkirk).
- (b) School Technicians Review
  - School Technicians were originally in scope as part of the Business Support Review, however in scoping that review it became clear that this Staff Group had different requirements from that of School Office Staff. This review was placed on hold to allow for the implementation of School Office Structures from June to August

2017. The Review of School Technicians will be completed in 2018.

(c) Early Years

- Planning is already underway for Phase 3 of the Service Delivery and Implementation Plan which will come into effect from August 2018. This involves working with the identified settings to ensure they are prepared, including information on admissions, workforce and other practical arrangements.
- Planning for Phase 4 will commence also, and involves identifying the next set of local catchment communities to receive the 1,140 hours entitlement.

6.4 **Corporate Landlord**

- (a) Develop and implement the Corporate Landlord Model.
- (b) Develop and refine a schedule of potential property rationalisation through engagement with services, stakeholders and communities.
- (c) Develop a programme of investment in the retained, core estate to ensure it is both fit for purpose and enables agile working.
- (d) Promote agile working to enable a more efficient use of the estate.
- (e) Continue energy efficiency upgrades and prioritise works with highest impact.

6.5 **Integrated Health & Social Care (incorporating Adult Services)**

- (a) Implement best practice service models in Community Hospitals to improve patient pathways and make better use of resources.
- (b) Develop and roll-out enablement within a home care setting to deliver improved outcomes and help reduce hours of long-term care.
- (c) Reshape Allied Health Professional (AHP) services to support the "Out of Hospital Care Model".
- (d) Develop plans for the delivery of a residential dementia unit in the Borders.
- (e) Redesign mental health services in line with the Mental Health Needs Assessment recommendations, Mental Health Strategy and financial constraints.
- (f) Rationalisation of building-based day services provision.
- (g) Implementation and compliance with the Carers Act.
- (h) Increased joint working to improve services (e.g.) Hospital to Home, which involves Health staff, care staff and GPs.
- (i) Early intervention and prevention and the redesign of patient pathways using new technologies.

## **7 REPORTING ON CORPORATE TRANSFORMATION**

- 7.1 The Council's Executive Committee receives quarterly performance reports, on progress in delivering the Corporate Transformation Programme. Performance summaries for each element of the programme are presented over the year with the aim of providing members with the assurance that the work being undertaken is having the desired effect.

## **8 LINKS WITH THE FINANCIAL PLANNING PROCESS**

- 8.1 The Corporate Transformation Programme and approach underpins the ongoing delivery of a balanced and sustainable financial position across the 5-years of the Financial Strategy 2018/19 – 2022/23 in two respects:
- (a) It continues to enable successful delivery of existing, detailed savings proposals.
  - (b) It provides the necessary corporate framework to develop and deliver projects and activities that will help achieve a sustainable financial position in future years.

## **9 IMPLICATIONS**

### **9.1 Financial**

- (a) There are no specific costs attached to any of the recommendations contained in this report outside those considered within the Administration's Budget Proposals.
- (b) Business cases with return on investment information continue to be developed for the projects and activities within the programme.
- (c) Improvement actions arising from an Internal Audit review of the Corporate Transformation during 2017 on monitoring/reporting and business cases are progressing. The new monitoring report which is designed to improve transparency of benefits realisation and return on investment information will be introduced for the new programme.
- (d) Gateway Reviews will be used by Internal Audit to provide CMT with the assurance that the Programme remains on a sound footing.

### **9.2 Risk and Mitigations**

- (a) The Corporate Transformation Programme, itself, seeks to mitigate strategic risks facing the Council resulting from the increasingly challenging social and economic environment through the delivery of more efficient and effective ways of working. With a programme of this size and complexity, risks have been identified at the appropriate level – Programme, Sub-Programme and Project – and managed following the Corporate Risk Management Policy and Framework. CMT have ownership of key strategic risks and manage them through the Corporate Risk Register. Strategic Corporate Transformation Risks are now managed by the Service Director Human Resources. Individual programme and project risk registers have also been developed and are managed following the Corporate Policy and Framework.
- (b) One of the main risks facing the Programme is ensuring that there are sufficient resources to undertake the depth and breadth of activity needed to deliver it. While this is a continuing challenge, the process is managed via the Business Change and Programme Management Team and supported by robust governance arrangements, including CMT and Programme and Project Boards. Programme and Project

Assurance is provided by Internal Audit.

- (c) The programme also recognises that effective engagement and communication with staff and their representative bodies is essential to ensure support and reduce resistance to the achievement of desired change. To mitigate this, senior manager events are held and communications plans are in place. Regular consultation and dialogue also takes place with Trades Unions and managers have also received training in change management.

**9.3 Equalities**

Equalities Impact Assessments are being carried out on the sub-programmes and projects within the Corporate Transformation programme.

**9.4 Acting Sustainably**

The programme will support the approach of acting sustainably ensuring any effects are identified and the impact evaluated where appropriate.

**9.5 Carbon Management**

The programme actively promotes a positive impact on the Council's carbon emissions where appropriate.

**9.6 Rural Proofing**

This will be undertaken within the programme where appropriate.

**9.7 Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made to the Scheme of Administration or Scheme of Delegation.

**10 CONSULTATION**

- 10.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

**Approved by**

**Rob Dickson**  
**Executive Director**

**Signature .....**

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**Background Papers:** Nil

**Previous Minute Reference:** Scottish Borders Council, 9 February 2017

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. James Lamb can also give information on other language translations as well as providing additional copies.

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## **BUDGET COMMUNICATIONS STRATEGY 2018/19**

**Report by the Chief Financial Officer**

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### **SCOTTISH BORDERS COUNCIL**

**20 FEBRUARY 2018**

#### **1 PURPOSE AND SUMMARY**

- 1.1 The purpose of this report is to inform the Council of the steps taken to engage with stakeholders as part of a consultation exercise on the budget.**
- 1.2 The paper highlights the budget Communication Strategy used and provides feedback gathered from the Dialogue Community Engagement tool and the social media Question & Answer session with the Council Leader and the Executive Member for Finance. As part of the agreed budget consultation exercise on the Council's updated Financial Plan the Dialogue Community Engagement tool was made available from the 16<sup>th</sup> November 2017 to members of the public on the Council website. This interactive tool allows residents and other stakeholders to provide ideas and suggestions on how the Council could do things differently to save money in a challenging economic climate as well as allowing them to comment on other ideas already logged. This approach is being developed within the Council's new Corporate Plan (Our plan – and your part in it).
- 1.3 As at the 31<sup>st</sup> of January 2018, the Dialogue Community Engagement tool was contributed to by stakeholders across 27 differently themed discussion threads. In total, 74 suggestions and follow up comments were made. This feedback has been considered as part of the 2018-2023 Financial Planning process.
- 1.4 The Council also undertook a Live Question and Answer (Q&A) session on the Council's Facebook page and Twitter feed with the general public. This was a session with the Council Leader and the Council's Executive Member for Finance.
- 1.5 A summary of the public feedback from the Dialogue tool is detailed in Appendix 1. A summary of the social media discussions is included in Appendix 2.

## **2 RECOMMENDATIONS**

### **2.1 It is recommended that Council notes:-**

- (a) the budget Communication Strategy used;**
- (b) the feedback from the Dialogue Community Engagement tool and the Q&A Session and how the Council has used this feedback to inform the Financial Planning process (Appendices 1 and 2);**
- (c) the actual responses from the Dialogue tool with all comments are available on the Council's website and a hard copy is available in the Elected Member's Library.**

### 3 BACKGROUND

3.1 As part of the financial planning process for 2018/19 the Council committed to engaging with staff, partners, stakeholders and the Scottish Borders community.

3.2 The forms of engagement have included:

- An online Dialogue Community Engagement tool was made available from the 16<sup>th</sup> November 2017 to all members of the public allowing the Council to gain valuable feedback on ideas and suggestions from local people on how the Council could do things differently to save money;
- A Live Question and Answer (Q&A) session on the Council's Facebook page and Twitter feed took place. This was a session with the Council Leader and the Council's Executive Member for Finance;
- Consultation with all Unions as part of the budget process;
- Stakeholder engagement meetings took place with a range of stakeholders including partners and staff prior to this report made to Council.

### 4 DIALOGUE COMMUNITY ENGAGEMENT TOOL

4.1 As part of the agreed budget Communication Strategy the Dialogue Community Engagement tool was made available to members of the public via the Council website. This interactive tool allows a person to give the Council their views and ideas, it has been used as part of the financial planning process to gain views on how the Council could do things differently to save money. The tool also provides the facility for members of the public to comment on other people's ideas and also rate ideas. This has allowed a broader range of views to be considered as part of the Financial Planning process. The following context and question was provided:

#### ***We need you***

*We are now starting our budget-setting process for 2018/19 and want YOUR ideas on what our priorities should be for our budget.*

*Where should we prioritise funding, do things differently and improve services, whilst still addressing our priorities for the Borders, including economic growth, attainment and care?*

*Like household budgeting, there are limited funds available. To put this into perspective, if the Council were to continue delivering services in the same way as we do now there will be a funding gap of approximately £26million over the next five years.*

#### ***Considerations***

*The requirement to 'balance the books' each year requires us to save money, generate additional income and prioritise spending. We need to make a number of difficult choices which may not be popular with all people. When submitting your ideas, you **may** want to consider the following themes:*

- **Efficiencies** – can we do things in a more streamlined way?
- **Removal or reduction of services** – are there services, which in your view, could be removed, or reduced?
- **Different Models of delivering services** – are there services which we could deliver differently?
- **Increased charges to service users** – should we be charging more for some services?

***Please give us your ideas on how the Council can save money through annual revenue savings over the next 5 years. Please also give us your ideas on how we can prioritise spending and/or generate additional income.***

*The consultation will remain open until end of January 2018 and all responses will be fed into the budget planning process before the final proposals go to the Council meeting on 8 February 2018.*

- 4.2 The Dialogue tool has been available on the Council website from 16<sup>th</sup> November 2017 to the 31<sup>st</sup> January 2018. Up to the 31<sup>st</sup> of January 2018 it generated 74 comments and suggestions across 27 differently themed discussion threads.
- 4.3 The responses to date from the Dialogue tool as well as relevant feedback from the online Q&A session, which generated 244 comments, have been summarised in Appendices 1 and 2. These appendices also show how these responses have been considered as part of the 2018/19 Financial Planning process.
- 4.4 The Dialogue Community Engagement tool has been considered a worthwhile exercise. It is proposed therefore that this tool will not only remain a feature of subsequent budget processes but will continue to be used by the Council to engage on other topics to ensure the public continue to have the opportunity to give their views. Further budget responses will be considered as part of future Financial Planning cycles.
- 4.5 The new Corporate plan (Our plan – and your part in it) proposes a new approach to engaging individuals, communities, businesses and partners on an ongoing basis. This concept, therefore, of asking people to play their part is not new, but needs to now extend into "business as usual".

## 5 IMPLICATIONS

### 5.1 Financial

There are no direct financial implications resulting from this report.

### 5.2 Risk and Mitigations

There are no risks, issues or mitigating actions associated with this report.

### 5.3 Equalities

All forms of budget communication have been inclusive, easily accessible and available in a range of formats.

### 5.4 Acting Sustainably

There are no economic, social or environmental effects from this report.

### 5.5 Carbon Management

There are no effects on carbon emissions resulting from this report.

### 5.6 Rural Proofing

This report contains no implications that will compromise the Council's rural proofing policy.

### 5.7 Changes to the Scheme of Administration or Scheme of Delegation

This report does not result in any changes to the Scheme of Administration or the Scheme of Delegation.

## 6 CONSULTATION

- 6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments have been incorporated into the report.

### Approved by

**David Robertson**  
**Chief Financial Officer**

**Signature**

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**Background Papers:** N/A

**Previous Minute Reference:**

**Note** – You can get this document on tape, in large print and various other formats by contacting us at the address below. In addition, contact the address below for information on language translations, additional copies, or to arrange for an Officer to meet with you to explain any areas of the publication that you would like clarified. Contact Suzy Douglas Council Headquarters on 01835 824000 X5881

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## APPENDIX 1 – DIALOGUE

The online Dialogue community engagement tool generated a range of ideas within 27 individually themed discussion threads. These ideas have been consolidated into the 15 areas below with narratives on how these ideas have been used to inform the 2018/19 – 2022/23 financial planning process. Actual responses from residents with all comments are available on the Council's website and a copy has been made available in the Member's Library.

Theme	You Said	We Did
Grass Cutting	<ul style="list-style-type: none"> <li>• Better kept cemeteries</li> <li>• Outsource grass cutting</li> <li>• Don't reduce grass cutting to where it is unmanaged</li> <li>• Prioritise grass cutting</li> <li>• Reduce grass cutting and add wild flowering, shrubbery and preserve insect and animal life</li> <li>• Use communities to assist with developing and maintaining wild flowers and trees</li> <li>• Reduce roadside verge cutting prioritising those only in the interests of safety</li> </ul>	<p>A review of grass cutting and Biodiversity has been undertaken and a pilot grass cutting regime covering 49 selected areas was undertaken in 2017/18. As a result of this a recommendation will shortly be going to Council on how we can most effectively change this service in future reflecting many of the themes highlighted by members of the public.</p>
Bus Transport	<ul style="list-style-type: none"> <li>• Reduce bus service frequency to increase service utilisation</li> <li>• Use smaller fleet. Encourage demand-led, ring and ride provision</li> <li>• Reduced, more competitive pricing will lead to an increase in demand</li> <li>• Increased public transport integration and modernisation</li> <li>• Do not cut services, particularly those beyond the A7 corridor</li> </ul>	<p>We are only looking to change service frequencies on the most under-utilised routes in order to improve cost effectiveness</p> <p>We are looking to work closely in partnership with Border Buses which will look to address various issues such as vehicle size and creating an integrated network</p> <p>The bus fleet delivering services is increasingly being modernised with new more comfortable and fuel efficient vehicles by service providers such as Border Buses.</p>
Local Government Pension Scheme	<ul style="list-style-type: none"> <li>• Cease defined benefit pension scheme for employees</li> </ul>	<p>The Council has adopted a responsible policy over a number of years of restricting wage increases in line with public sector pay and only provides those benefits through pensions available through statutory provision. Public sector pay has over</p>

APPENDIX 1 – DIALOGUE

		many years been restricted to the level of inflation or below. The Council recognises the need for value for money to the tax payer in the cost of employing staff. The Council has one of the best funded LGPS schemes and one of the lowest contribution rates.
Street Lighting	<ul style="list-style-type: none"> <li>• Turn off street lighting at certain times</li> </ul>	This opportunity has been considered but was discounted as a feasible option to reduce costs due to negative feedback from other Local Authorities who have already implemented this change and concerns over perceived community safety.
Refuse and Waste Disposal	<ul style="list-style-type: none"> <li>• Increase efficiency of vehicle utilisation by introducing 24 hour shift patterns</li> </ul>	A review of our kerbside collection service has been undertaken in conjunction with Zero Waste Scotland which looked at multiple delivery options and considered the impact on householders, recycling rates, and cost. The recommendations following this review will be presented to Council in the Spring.
Increase Council Tax for Empty and Second Properties	<ul style="list-style-type: none"> <li>• Increase availability of affordable housing and increase income through raised council tax for empty and second properties</li> </ul>	Levels of Council Tax for Long Term Empty properties and second homes is at the maximum allowed by current legislation with a proportion of that income ring fenced to support the development of Affordable Housing in the Borders.
New Playground in Kelso	<ul style="list-style-type: none"> <li>• Modernise or redevelop Kelso play area in line with other towns in the Scottish Borders</li> </ul>	<p>Provision of £2.8m over 4 years has been made within the financial plan to invest in new outdoor community spaces to support leisure and play for all ages in all major towns.</p> <p>The Council has delivered a number of new play areas across the Scottish Borders both directly and working in partnership with communities and supporting them to access funding and maintain the playparks. It is committed to the ongoing improvement of all outdoor community spaces including play parks across all towns in the Scottish Borders.</p>



APPENDIX 1 – DIALOGUE

<p>Great Tapestry of Scotland</p>	<ul style="list-style-type: none"> <li>• Do not proceed with the Tapestry of Scotland project</li> <li>• Redirect capital and revenue resources to more obvious council priorities</li> </ul>	<p>The Tapestry project is proceeding in a new town centre location in Galashiels which will lead to significant economic benefits including increased visitor numbers in Galashiels and the wider Scottish Borders. The development of the Tapestry provides the opportunity to capitalise on this major investment as the first phase of town centre regeneration within Galashiels (with the Council having also recently published a masterplan document) and supports the planned activities and aims of the Border Railway Blueprint Group.</p>
<p>Property Portfolio</p>	<ul style="list-style-type: none"> <li>• Review and rationalise / re-provision Council properties to deliver priorities</li> </ul>	<p>The Council has significant savings proposals included in the Financial Plan which will be delivered through a review of Property &amp; Assets. Capital receipts of £4.4m are anticipated through disposals of Council assets over the next three years of the 2018/19 Financial Plan.</p>
<p>Make Better Use of Technology for Councillors and Staff</p>	<ul style="list-style-type: none"> <li>• More efficient working practices through increased use of digital technology will reduce expenditure in travel, stationery and correspondence and property utility costs.</li> </ul>	<p>The Council is committed to developing digital solutions to improve both effectiveness within its workforce and the customer experience. A Digital Transformation Programme was established in 2016 and oversees this work. Significant savings attributed to this efficiency programme are included within the Financial Plan.</p>
<p>Roads Plant and Machinery</p>	<ul style="list-style-type: none"> <li>• Introduce a 24 hour shift system for plant and machinery to improve efficiency and responsiveness of unplanned works</li> </ul>	<p>We always seek to maximise the usage of our plant and vehicles to optimise cost effectiveness. This is done by using suitable plant &amp; vehicles with surplus capacity to generate an income by doing work for other Local Authorities and private sector businesses such as AMEY, the trunk road service provider.</p> <p>Some services are not suitable</p>

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		for night-time delivery and also carry addition costs in the form of staff overtime. Night works are often used to minimise disruption to the travelling public when major road works or re-surfacing schemes are required.
Scrap Council Awards Ceremonies	<ul style="list-style-type: none"> <li>Abolish staff awards and civic ceremonies for new projects/services</li> </ul>	Scottish Borders Council recognises the importance of valuing its staff. Loyal and committed service of staff is recognised by the local authority through a small award that costs very little to make.
Economic Development	<ul style="list-style-type: none"> <li>Stimulate economic development to utilise unused office and retail accommodation in order to increase employment opportunities</li> </ul>	Economic Development is one of the Council's 8 Priorities. Capital Investment in Town Centre regeneration is proposed with the Council's Capital Financial plan to support this work.
Facilities Management	<ul style="list-style-type: none"> <li>Save money by moving to a facilities management company to undertake minor and routine repairs and maintenance</li> <li>Support local businesses and keep money invested in the Scottish Borders</li> </ul>	Scottish Borders Council is committed to supporting local businesses, particularly those small and medium-sized. Nonetheless, it is also committed to delivering best value through its procurement processes and robust planning and management of its commissioning arrangements and frameworks helps ensure this is achieved. The authority commissions services from a large range of national and local providers and will continue to ensure that costs are minimised, whilst the economic benefit to the Scottish Borders is maximised.
A Future Vision	<ul style="list-style-type: none"> <li>Define and articulate a vision for the region and the local towns.</li> <li>Engage the community and local businesses in defining this vision. Listen to their contributions.</li> <li>Keep the vision simple and easy to communicate but regularly reinforce it.</li> <li>Make use of businesses and</li> </ul>	<p>Since the Community Empowerment (Scotland) Act 2015 came into force the Council, along with other key partners from across the Borders region, have been working together and with local communities and businesses to look at tackling the challenges and taking up the opportunities the Scottish Borders faces.</p> <p>This is being taken forward by the Scottish Borders</p>

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	<p>the community to implement the strategy</p>	<p>Community Planning Partnership (CPP), both at a regional level through the preparation and publication of the Scottish Borders Community Plan (November 2017) which sets out a vision for the Borders, and at a locality level through the newly created five Area Partnerships and the development of their respective Locality Plans. Each Area Partnership invites key partners, local communities and business representatives to discuss the key local challenges and opportunities that together, as a partnership, they can tackle or take forward.</p>
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## APPENDIX 2 – SOCIAL MEDIA Q&A

A Budget Social Media Q&A took place on 11 December 2017 with the Council Leader and Executive Member for finance. The Q&A generated 244 comments and reached 13,200 people. The consistent themes from this have been summarised below and responses were provided to as many as possible on the night. We have now provided responses in relation to the Administration's budget plans below.

**Please Note: Because of the large amount of interaction on social media, it would be impossible to be able to capture everything in this format. Themes have been grouped below and this also covers some of the themes which could not be covered on the night within the hour.**

Themes	Responses
Investment in the Tapestry is a waste of money	<p>The Council is committed to the Tapestry project, which is a major town centre regeneration project for Galashiels and which will have significant economic benefits including increased visitor numbers for the wider Scottish Borders. The visitor centre will also have social and education opportunities and has the support of a range of local groups.</p> <p>A full report to Council members on 22 December 2016 covering the consultation and due diligence process on the Great Tapestry proposal is available on the Council website or by clicking here:</p> <p><a href="http://scottishborders.moderngov.co.uk/documents/s14284/Item%20No.%2015%20-%20GTS%20Report%20Dec%2016.pdf">http://scottishborders.moderngov.co.uk/documents/s14284/Item%20No.%2015%20-%20GTS%20Report%20Dec%2016.pdf</a></p>
Investment in some areas of the Borders over others. It all seems to be Galashiels.	<p>It is not just about Galashiels. All the various investment plans are outlined in our published Financial Plans. This includes high level investment in towns across the region - not just one town and investment in one is not detrimental to any others as these projects will deliver much wider benefits to the Scottish Borders as a whole.</p> <p>We are also actively encouraging members of the public to get involved in how money is spent in their area. They can do this by taking part in their Area Partnerships and becoming involved in Localities Bid Fund and ongoing consultations.</p>
More shops needed in town centres	<p>Through various projects and investments the Council is aiming to ensure the region's town centres are thriving, vibrant places for businesses of all sizes and for people to work and live in, and are attractive to visitors from out-with the Scottish Borders. Through the next Local Development Plan, the Administration is committed to promoting diversification in town centres to support existing businesses and encourage a greater variety of business types to set up.</p>
More transparent procurement of professional services. Single tender responses don't provide value for the tax payer and exclude businesses that could	<p>The Council procures products and services in different ways, using a variety of methods with the aim of achieving best quality and value in all instances. Local contractors and suppliers are actively encouraged and supported to take part in tendering exercises. 'Meet the Buyer' events are also arranged in partnership with our contractors for many major projects to ensure that local businesses can access sub-contracting opportunities. The Council also seeks maximum efficiency through being part of Scotland Excel and Procurement Scotland frameworks from which it benefits through high economies of scale.</p>

APPENDIX 2 – SOCIAL MEDIA Q&A

<p>otherwise provide a great service for SBC</p>	
<p>Will there be a rise in grants to Common Ridings and Festivals after no rise in 14 years, the cost of health and safety which SBC have enforced on us with no extra funds?</p>	<p>There is no proposed increase of the Festival Grants included within the financial plan. There is a full review of grants underway within SBC which will look to improve the ease of access to grants, transparency of distribution, grant compliance and monitoring of outcomes to ensure we achieve best value.</p>
<p>Invest money in the whole roads infrastructure rather than just one town?</p>	<p>The published budget plans propose investment of over £92m on Borders wide road and traffic infrastructure including £67m on roads and bridges over the next 10 years. This is in addition to the £5m revenue spend each year region wide.</p>
<p>Why are we not doing something immediately with the old Kelso High School?</p>	<p>This is a Grade B listed building and there is a process which we have to follow. This does mean it will be vacant for a short period of time but it is soon to be marketed as a development opportunity.</p>
<p>Parking issues across the Borders</p>	<p>The council has established a working group on parking that will be looking at all aspects of parking across the region. Residents can contact their local Councillor to feed in their views.</p>
<p>We need more affordable housing</p>	<p>The current Strategic Housing Investment Plan for the period to 2023 identifies the potential for 1,177 affordable homes to be delivered over the next 5 years.</p> <p>This is based on assumed funding amounts from the Scottish Government, partners and other agencies, that all land and infrastructure challenges are resolved in a timely manner and the construction sector has capacity to deliver projects.</p> <p>It is anticipated that the large majority of the homes would be delivered by local registered social landlords.</p>
<p>Re-instate garden waste</p>	<p>During a time of reducing resources we have to prioritise where we spend our budget. The garden waste service was non-statutory and a partial service and reinstating this service is not in our plans due to the costs involved.</p> <p>(The withdrawal of the garden waste service has contributed a net £450,000 per annum to the Council's overall budget deficit and a cost/benefit analysis was done at the time the Council took the decision to remove the service).</p>

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<p>Why are you outsourcing Border Care Alarms</p>	<p>The agreement to move to a partnership agreement with East Lothian Council follows a detailed review of the BorderCare service, which has been operational in its current form since 1987. As the review established that significant investment would be required to upgrade out of date monitoring software and meet the expected industry quality standards, an options appraisal was undertaken to establish the most effective and efficient way of continuing to provide the service. The chosen option will provide a number of significant quality, developmental and financial advantages which would be of benefit to all clients using the service. East Lothian Council has been providing a similar service to Midlothian Council and is considered to be an expert in this field.</p>
<p>SBC have had the power locally to assist businesses with non-domestic rates since 2015 but have not done anything. Are SBC looking to use this power to assist anytime soon with the budget?</p>	<p>Local authorities have been given discretionary powers under the Community Empowerment (Scotland) Act 2015 to reduce Non-Domestic Rates (NDR). Significant numbers of premises in town centres are already eligible for rates relief, including full relief, through national schemes and any local reliefs would need to be equitable across the whole of the Scottish Borders and financially sustainable.</p>
<p>When will rural areas receive fibre broadband?</p>	<p>A large number of rural communities have access to superfast broadband through the Digital Scotland Superfast Broadband programme, which the Council contributed £8m to.</p> <p>However, the Council absolutely recognises and shares the frustration that a number of communities, particularly rural ones, have, over the limitations of the current programme. As a result, the Council continues to lobby and work closely with all relevant partners to maximise the impact of infrastructure developments. Access to high speed broadband is critical to achieving Scottish Borders Council's vision of making the Scottish Borders an attractive place to live and work and for this reason the Council, together with the South of Scotland Alliance, is focusing its efforts on working closely with the Scottish Government to achieve the digital infrastructure necessary to deliver the Government's aim of providing Next Generation Broadband to 100 per cent of business and residential premises, as set out in the 2016/17 Programme for Government. Next Generation Broadband usually means anything over 25 Megabits per second (Mbps).</p> <p>The Council is fully committed to working with a range of partners to maximise the delivery of broadband to as many homes and businesses in the Scottish Borders as possible, both through existing programmes of work and through alternative methods.</p>
<p>Do something about dog fouling</p>	<p>The Council launched its Responsible Dog Ownership Strategy in February 2016, which aims to change people's behaviour to dog fouling and remind owners of their social and legal responsibilities.</p> <p>A number of initiatives have been launched, including the Green Dog Walker</p>

APPENDIX 2 – SOCIAL MEDIA Q&A

	<p>Scheme, which aims to change attitudes towards dog fouling. Over 200 people have so far signed up to the community-led scheme since it was introduced in April 2016.</p> <p>A dog wellbeing day in Hawick and several microchipping events have also been held, while posters and pavement stencils can be requested by members of the public to be placed in areas where dog fouling is an issue.</p> <p>The strategy also included two dog fouling and litter enforcement officers being appointed through an external provider to target problem areas as part of a pilot. The Council carried out a series of communications to promote the strategy, including encouraging people to report dog fouling blackspots.</p> <p>Consultation with members of the public on the strategy has shown the majority believe the Council is doing more to tackle this problem. At the same time, we recognise dog fouling remains an issue but it is one which cannot be solely tackled by the Council, particularly when demand on public services is increasing while budgets are being squeezed.</p> <p>Officers have now collated all the information from the enforcement pilot project and assessed potential future options, which will be included in a Council report on the strategy which is due to be discussed by Councillors in early 2018.</p> <p>Members of the public can visit <a href="http://www.scotborders.gov.uk/dogfouling">www.scotborders.gov.uk/dogfouling</a> or phone 0300 100 1800 for further information, to request posters/stencils, join the Green Dog Walker scheme or anonymously report a dog fouling issue.</p>
<p>How to obtain an empty building for a business opportunity?</p>	<p>SBC has over 260 workshop units and 40 shop premises throughout the Borders. Properties currently available to let or buy can be found on our website - <a href="https://www.scotborders.gov.uk/directory/64/land_and_property_for_sale_or_let">https://www.scotborders.gov.uk/directory/64/land_and_property_for_sale_or_let</a> Business Gateway can advise on business loans and grants available and can also support new and established businesses in a wide variety of ways.</p>
<p>More play parks needed</p>	<p>The Council has invested significant funds into refurbishing and improving existing outdoor community spaces across the region, including Wilton Lodge Park in Hawick. A new play park at the Public Park, Galashiels is also planned. Other investments in play parks can be found in the detailed financial plan. The Council Administration is committed to ensuring that further investment in existing and new outdoor community spaces is a key priority with £2.8m included in the Capital budget over the next 4 years.</p>
<p>Staff parking is an issue in Newtown</p>	<p>Staff are regularly reminded to park responsibly in and around Council Headquarters. We do also promote various schemes such as car-sharing and cycle to work.</p>
<p>During budget cuts, why has the Council Leader been allowed to revamp her office?</p>	<p>Following the 2017 Local Government elections, in order to align to the new political administration arrangements some minor modifications were made to member office accommodation by Property Management. This was primarily done to increase capacity for desktop work and meeting space and to avoid removing reasonable adjustments which were previously provided under DDA legislation.</p>
<p>Ensure all road users including</p>	<p>We are working with Sustrans to develop multi-use paths across the Borders and are committed to protecting the roads budget and delivering significant road improvements.</p>



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cyclists are safe from the growing number of potholes	
Keep the share of the sport and PA budget to the Trust as free as is practical from cuts	We work in partnership with Live Borders to ensure the management fee provided is sufficient to deliver the services they are responsible for. As with other SBC departments they continually look to improve efficiency within their organisation and maximise income opportunities.
Keep clearing ditches to avoid accidents	We clean out the gullies within the Scottish Borders once a year. Blockages can occur all year round although known areas that are susceptible to blocking are inspected regularly and cleared when necessary.
What progress on the rail line to Carlisle?	A feasibility study is currently taking place and the Administration is committed to supporting an extension to the line.
Why is there a difference between what the Borders residents pay for Bordercare to the equivalent East Lothian system?	Each local authority sets its pricing models independently of each other taking into account a number of factors including the geographical spread of the service.
Increase the social care budget or will you just continue to outsource?  Who has duty of care when private contracts have been handed back?	We commission vital services from those who are best placed to deliver the service. The duty of care resides with the Council and we take that very seriously. The Council's arms-length care company is contractually its provider of last resort. This is a key safeguard to service users to minimise any risks associated with a provider exiting the market or a contract being taken back.
When are you going to flatten Hawick High School and give us a school that is	Detailed assessments of Hawick High, Galashiels Academy, Peebles High and Selkirk High are being carried out as part of the ongoing School Estate Review. Each will be considered in relation to their condition, suitability and capacity in order to prioritise the order of investment in the secondary estate over the next 10 to 15 years. The outcome of the review will be brought back to the Executive Committee in due course, along with proposals to undertake consultations within each local community.

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<p>fit for purpose?</p>	
<p>IS SBC looking seriously at a permanent replacement for the road bridge at Lowood? Longer term surely a new bridge would be more cost effective than repairing the old one.</p>	<p>The current Lowood Bridge is a B listed structure and repairs will be implemented in order to maintain road network capacity with the minimum of disruption to users. In the longer term, a new crossing is desirable, at a location to be agreed, to increase overall network capacity, and not just in relation to any potential future development near Tweedbank Station.</p>
<p>Increase number of resources assigned to ground maintenance, pathways are infested with weeds and grass areas only cut couple of times a year it seems.</p>	<p>This is an area we are keen to explore further with communities and community groups to investigate where we can work better together to ensure the region looks its best. A pilot initiative to develop a way of managing communal land and increasing biodiversity is an ambition of the Administration.</p>

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**REVENUE AND CAPITAL RESOURCES AND COUNCIL TAX  
2018/19**

**Report by the Chief Financial Officer**

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**SCOTTISH BORDERS COUNCIL**

**20 February 2018**

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**1 PURPOSE AND SUMMARY**

- 1.1 **The purpose of this report is to advise Council of the estimated revenue and capital resources available for financial year 2018/19 following publication of the local government finance settlement on the 14 December 2017 and subsequent funding notifications from Scottish Government for 2018/19 on the 23<sup>rd</sup> and 31<sup>st</sup> January 2018.**
- 1.2 The report recommends the financial strategy to be followed by the Council next year and identifies the financial constraints and major risks to be addressed.
- 1.3 The report also outlines the process supporting the construction of the draft revenue and capital Financial Plans for 2018/19 as well as draft plans for future years.
- 1.4 The Corporate Management Team has worked with political groups to support Members set a corporate revenue and capital budget, meeting identified pressures facing the Council. These pressures have arisen from a variety of factors, the principle pressures identified are due to the anticipated continuing constraints on external revenue and capital funding from central government, the increasing pressures from demographics, particularly the increasing numbers of very elderly people requiring care services, as well as inflation and employment costs. The budget process has been conducted to ensure that the financial plans of the Council are aligned with its business and people planning objectives and the level of resources available.
- 1.5 The report highlights that total resources of £272.665m are available to Elected Members assuming the Council accepts the 2018/19 settlement offer from Scottish Government and approves a 3% increase in the council tax rate. The impact of other potential variations in the council tax is shown in the table in paragraph 9.1.
- 1.6 The benefits, in terms of financial stability and effective change management, derived from adopting a longer term corporate approach to the revenue and capital planning process are widely accepted. Financial year 2018/19 provides the opportunity to prepare a new 5 year financial plan for the Council. It is anticipated members will continue to adopt a longer term approach to financial planning and consequently the estimated resources available over the following four financial years are

also shown. These estimates will continue to be updated annually as the detail of the financial settlement from Scottish Government becomes known.

- 1.7 The Council's 2016/17 statutory report from Audit Scotland highlighted the good practise previously adopted by the Council with regard to medium term 5 year financial planning and recommended that this approach be extended to encompass scenario planning over a longer period. In considering the likely levels of resource availability in future years the Council has therefore modelled a range of scenarios with regard to Scottish Government grant, Council Tax increases and estimated future inflation. This analysis is included at Appendix 2. It is envisaged that this approach to scenario planning will increasingly feature as part of the Council's financial planning process.
- 1.8 This report also seeks approval of the financial strategy for the Council covering the period 2018/19 – 2022/23. The strategy provides the overall framework for the financial management of the Council and covers the revenue budget, capital investment plan, the Council's treasury management arrangements and the recommended policy on reserves.
- 1.9 The financial plan is highly dependent on the delivery of savings and a risk based approach has once again been used to set the level of recommended balances. These are held both as contingency against unforeseen circumstances, to facilitate the delivery of savings and to smooth the financial plan in the event of non-realisation of the savings envisaged.

## **2 RECOMMENDATIONS**

### **2.1 It is recommended that Council:**

- (a) notes the estimated revenue resources for 2018/19 to 2022/23;**
- (b) notes the estimated capital resources for 2018/19 to 2027/28 and the requirement to adhere to the prudential code for capital borrowing;**
- (c) notes the requirement to set a band D council tax for 2018/19;**
- (d) approves the financial strategy set out in section 4.4 (a) to (h) of this report having considered the risk register highlighted in appendix 1;**
- (e) proceeds to consider the Administration's proposed Financial Plan for 2018/19, and approves the council taxes to be paid for 2018/19 in respect of all chargeable dwellings to fund these plans as part of the budget motion.**

### **3 THE REVENUE FINANCIAL PLANNING PROCESS 2018/19 TO 2022/23**

- 3.1 The final budget within the Council's first 5 year Financial Plan 2013/14 – 2017/18 was agreed in February 2017 therefore the 2018/19 budget provides the opportunity to develop a new 5 year plan covering the period 2018/19 to 2022/23. A corporate approach has again been pursued with a much greater focus on aligning the financial, business and people planning elements of the Council's Corporate Plan.

### **4 FINANCIAL STRATEGY**

- 4.1 The Council faces significant challenges as it aims to provide the best possible services within the resources available. The adoption of a longer term timeframe for financial planning has previously enabled the Council to plan the delivery of service changes across financial years, modernising services, investing in new technology, and in developing a range of strategic partnerships to provide longer term benefits. Despite the annual nature of the financial settlement this longer term approach has enabled the required changes to be delivered in a planned manner mitigating the need reactive cuts to services
- 4.2 The financial strategy for 2018/19 is therefore designed to further this approach and to ensure that:
- (a) resources are raised to meet approved service levels in the most effective manner;
  - (b) officers manage the effective deployment of those resources in line with the Council's corporate objectives and priorities;
  - (c) the revenue and capital plans approved by Council provides stability in resource planning; and,
  - (d) that the changes required to services are delivered in a properly planned manner through the Council's transformation programme.
- 4.3 This strategy continues to recognise the need to ensure that the Council's budget is targeted so that it meets a number of strategic aims. The Council recognises it has a duty to provide the most effective possible stimulus to the wider economy, protect the environment, look after those who are most vulnerable in society and work with community planning partners to intervene as early as possible to reduce future demand for public services. This can be best achieved through stopping anticipated problems arising or by addressing issues that are likely to escalate early on, assisting communities and individuals to help themselves wherever possible. This approach recognises the important need to continue to maximise efficiency and providing good value for money to local taxpayers over the long term.

- 4.4 The recommended high level financial strategy to be followed over the period 2018/19 – 22/23 is therefore to:-
- (a) set a prudent, sustainable budget in line with available resources;
  - (b) continue to invest in infrastructure that will raise standards, improve quality of life for local communities and reduce future demand for services;
  - (c) set a capital programme which keeps debt within prudent sustainable limits as set out in the treasury strategy,
  - (d) provide for loans charges of £20.467m (2018/19) to finance capital investment recognising the long term implications of capital borrowing;
  - (e) maximise income while keeping fees charged to service users at an affordable level;
  - (f) continue to invest in new ways of working and efficiency projects to deliver long term financial savings and service benefits;
  - (g) focus on preventative revenue and capital spend; and,
  - (h) recognising the challenges faced by the organisation, maintain unallocated reserves of £6.315m for 2018/19 in line with the assessed risk register in appendix 1.

## 5 RESERVES

### 5.1 Reserves

The Council maintains a number of funds and balances which are reported to Elected Members at regular intervals during the financial year. Table 1 below shows the projected balance on each fund at 1 April 2018.

<b>Table 1 Funds and Balances</b>	<b>1 April 2018 (Estimated) £m</b>
<b>Statutory Funds</b>	
Corporate Property Repairs and Renewals Fund	0
Plant and Vehicles Renewals Fund	5.697
Insurance Fund	1.373
Capital Fund Excl Developer Contributions	1.599
<b>General Fund – Earmarked</b>	
Devolved School Management	1.036
Specific Departmental Reserves	1.316
Allocated reserves	4.147
<b>General Fund – Non-Earmarked</b>	6.315
<b>Total</b>	<b>21.483</b>

- 5.2 The Council holds reserves in order to manage identified risks, smooth uneven cash flows and provide a contingency against unforeseen circumstances. The existence and management of adequate reserves is a fundamental aspect of any sound financial strategy. The financial strategy and the associated reserves position is subject to scrutiny by the Council's external auditors.
- 5.3 A Corporate Financial Risk Register has again been used as the basis for setting reserve levels in 2018/19 and future years. This approach seeks to quantify the risks facing the council's finances, including over optimistic saving assumptions, unplanned employment and pension cost increases, the failure by managers to enact effective budgetary control, severe weather events, the economic downturn, potential legal and contractual claims and unplanned emergencies in approving an appropriate level of unallocated balances.
- 5.4 A review of the major risks facing the Council has been undertaken by senior finance officers and these are shown in the risk register in appendix 1. The level of unallocated general fund balances is directly informed by an assessment of the risks facing the Council. This approach, despite being subject to an element of informed judgement, fundamentally reflects the risks inherent in setting the revenue budget, the reasons why reserves are held in the first place, the scale and complexity of the organisation and also provides an appropriate transparent rationale for the level of balances held.
- 5.5 **Unallocated balances**
- Given the issues identified in the risk register and risks inherent in setting the revenue budget, members are recommended to maintain an unallocated general fund equivalent to £6.315m in 2018/19. The unallocated balance projected at the 31<sup>st</sup> March 2018 equates to 2.32% of net revenue expenditure and is sufficient to cover 57% of the risks identified in the finance risk register should they be realised.

## **6 THE AEF SETTLEMENT 2018/19**

- 6.1 Mainstream support for Local Government from the Scottish Government is collectively known as Aggregate External Finance (AEF) and comprises:-
- (a) General Revenue Funding to support expenditure on the complete range of Council Services;
  - (b) A distribution of funding from the National Non-Domestic Rates Pool;
  - (c) Ring-fenced grants which must be used for specified purposes.

- 6.2 The Scottish Government has stipulated within the Settlement that it will work with local government partners on implementing the budget and delivering joint priorities in return for the full funding package which includes the following conditions:-
- (a) local authorities will be required to maintain the overall pupil:teacher ratio at 13.7:1 and secure places for all probationer teachers who require one under the teacher induction scheme. This is supported by a continued national funding package of £88m million, made up of £51m to maintain teacher numbers and £37m million to support the teacher induction scheme;
  - (b) the settlement provides the flexibility to increase Council Tax by up to 3% which provides £70 million nationally.

## **7 REVENUE RESOURCES**

7.1 The Local Government Finance Settlement (the Settlement) was published on 14 December 2017 and subsequently updated on the 23<sup>rd</sup> and 31<sup>st</sup> January 2018. The Settlement confirmed resources from the Scottish Government through:

- (a) Revenue Support Grant of £167.539m and Non Domestic Rates of £32.790m providing total grant support of £200.329m;
- (b) Total specific grant has been confirmed to fund the Pupil Equity Fund (£1.841m), Community Justice Social Work (£1.124m) and Gaelic (£0.001m);
- (c) Funding over and above the Settlement is awaited to fund the Teachers Induction Scheme, the expansion of Early Years services and Discretionary Housing Payments (DHP). All these budgets will be created during 2018/19 when funding is confirmed;
- (d) The £367m provided nationally in 2017/18 to support Health and Social Care partnerships has now been baselined. Resources totalling £7.188m are to be transferred from Health through the NHS to the Integration Joint Board (IJB). This funding was provided to finance the living wage for social care workers, including sleepovers, improve sustainability, remove social care charges for those in receipt of war pensions and support the implementation the new carers legislation. The majority of this funding has previously been delegated on a permanent recurrent basis to the Council's Social Care function by the IJB and permanent delegation of further funding due to the Council will be sought during 2018/19. A further adjustment has been made to the local government settlement to directly provide councils with £66m nationally in 2018/19 to fund increasing costs of social care. The council's share of this funding is £1.537m. Final adjustments will be made if required to ensure budgets for Social Care are in line with that approved through the Integration Joint Board in 2018/19.



Table 1

	2018/19 £'000	2019/20 (Provisional) £'000	2020/21 (Provisional) £'000	2021/22 (Provisional) £'000	2022/23 (Provisional) £'000	Total £'000
<b>Aggregate External Finance</b>						
General Revenue Support	167,539	164,759	160,755	157,838	154,965	805,856
Assumed SG grant reductions (2% 2019/20, 1.5% thereafter)		(4,004)	(2,917)	(2,873)	(2,830)	(12,624)
Ring fenced grants	2,966	2,966	1,125	1,125	1,125	9,307
Health & Social Care Partnership	7,188	7,188	7,188	7,188	7,188	35,940
Non-domestic Rates	32,790	32,790	32,790	32,790	32,790	163,950
	<b>210,483</b>	<b>203,699</b>	<b>198,941</b>	<b>196,068</b>	<b>193,238</b>	<b>1,002,429</b>
<b>Repay Reserves</b>	<b>(677)</b>	<b>(677)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,354)</b>
<b>Earmarked Balance (including £0.767m SG funding)</b>	<b>2,782</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,782</b>
<b>Council Tax (Band D £1,150.02 - increase of 3% in 2018/19)</b>	<b>60,077</b>	<b>61,448</b>	<b>62,827</b>	<b>64,027</b>	<b>65,227</b>	<b>313,606</b>
<b>Total</b>	<b>272,665</b>	<b>264,470</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>

## 8 RESOURCING ESTIMATES 2019/20 AND BEYOND

- 8.1 At present the Scottish Government has only confirmed a one year Settlement and therefore has only published draft AEF figures for 2018/19. In planning resources over the next 5 years the Council has therefore made assumptions about the levels of funding likely to be available and the level of savings which will be required to balance to these estimates. The assumption for planning purposes is that AEF resources will reduce by 2% in 2019/20, with further reductions of 1.5% in each of the subsequent 3 years. These estimates exclude any transfers for new statutory burdens.
- 8.2 Any movement from these assumptions in future finance settlements will require adjustments to be made to the overall level of savings made in the Financial Plan. Despite the absence of firm future figures, the scale of the challenge facing the Council is unlikely to diminish in the foreseeable future and longer term planning for the delivery of savings, which may have significant lead in times and require large scale organisational change, remains an essential discipline.
- 8.3 It should be noted that the 2018/19 figures from Scottish Government remain draft until the local government finance order is approved by Parliament. Any further amendments to the draft figures published will be reported to Council with an assessment of the financial implications.
- 8.4 The benefits of longer term financial planning have previously been promoted by Audit Scotland in the overview report for Local Government in Scotland. The Council's 2016/17 statutory report from Audit Scotland highlighted the good practise previously adopted by the Council in adopting medium term 5 year financial planning. The report recommended that this approach be extended to encompass greater use of scenario planning over a longer period. In response Council officers have modelled variations in the assumed level of Scottish Government grant, Council Tax increases and estimated inflationary increases in cost pressures over the 10 year period commencing 2018/19. This analysis is included at Appendix 2.

- 8.5 This analysis highlights a range of potential financial outcomes which would if realised require the Council to identify revenue savings of between £33m and £80m over the next 10 year period depending on the assumptions used. The range of scenarios modelled highlights the need for robust cost control and the continuation of a programme of strategic transformational change to ensure the Council can respond appropriately to these challenges. It is envisaged that this approach to scenario planning will increasingly feature as part of the Council's financial planning process and the approach to longer term planning will be refined as part of future financial planning processes. It is anticipated that this will become an increasingly important tool in shaping the future strategic direction of the Council and related resource planning for revenue expenditure and investment of capital resources in the creation and enhancement of assets.

## 9 COUNCIL TAX

- 9.1 The Settlement for 2018/19 provides flexibility for Councils to increase Council Tax by up to 3%. The Table below shows the impact of various increases in the council tax. The Council is required under legislation to approve its Council Tax for the following financial year commencing 1 April by the 11 March in the preceding financial year.

3% Increase	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Charge 17/18	744.35	868.40	992.46	<b>1,116.52</b>	1,466.98	1,814.35	2,186.52	2,735.47
18/19 prices - 3%	766.68	894.46	1,022.24	<b>1,150.02</b>	1,510.99	1,868.78	2,252.11	2,817.54
Annual Increase	22.33	26.05	29.77	<b>33.50</b>	44.01	54.43	65.60	82.06
Monthly Increase	1.86	2.17	2.48	<b>2.79</b>	3.67	4.54	5.47	6.84

2% Increase	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Charge 17/18	744.35	868.40	992.46	<b>1,116.52</b>	1,466.98	1,814.35	2,186.52	2,735.47
18/19 prices - 2%	759.23	885.77	1,012.31	<b>1,138.85</b>	1,496.32	1,850.63	2,230.25	2,790.18
Annual Increase	14.89	17.37	19.85	<b>22.33</b>	29.34	36.29	43.73	54.71
Monthly Increase	1.24	1.45	1.65	<b>1.86</b>	2.44	3.02	3.64	4.56

1% Increase	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Charge 17/18	744.35	868.40	992.46	<b>1,116.52</b>	1,466.98	1,814.35	2,186.52	2,735.47
18/19 prices - 1%	751.79	877.09	1,002.39	<b>1,127.69</b>	1,481.65	1,832.49	2,208.38	2,762.83
Annual Increase	7.44	8.68	9.92	<b>11.17</b>	14.67	18.14	21.87	27.35
Monthly Increase	0.62	0.72	0.83	<b>0.93</b>	1.22	1.51	1.82	2.28

- 9.2 The table above shows the impact of a 1%, 2% and 3% increase in the council tax alongside the annual and monthly increases that would be associated with these uplifts in council tax bills.

## 10 CAPITAL RESOURCES

- 10.1 In setting its Capital Plan, the Council must adhere to The Prudential Code of Capital Finance (the Code) in Local Authorities as published by CIPFA. The Code was established to both give Local Authorities an element of flexibility but also to ensure they do not over borrow beyond levels that are sustainable over the longer term.
- 10.2 The code requires the Council to set a Capital Annual Treasury Management Strategy (the Strategy) which includes how it will finance its Capital Plans in an affordable and sustainable way. The Strategy is approved each year along with the Revenue and Capital Plans.
- 10.3 The Council recognises that the requirements of the Prudential Code were updated in December 2017 including the recommendation that Councils publish a capital strategy for 2018/19. The Code also recognises however the short timescale available for the production of this document and allows deferral of this development to 2019/20. Consequently Council officers will produce this document for 2019/20.
- 10.4 The borrowing requirements associated with the proposals are anticipated to be fully financed by the Loans Charges revenue budget of:

	<b>£m</b>
2018/19	20.467
2019/20	20.636
2021/22	20.669
2022/23	20.689
2023/24	20.700

- 10.5 These are the recommended figures that should be reflected in the revenue budget to finance the proposed capital programme and are reflected in the Treasury strategy shown elsewhere Council agenda.

## 11 CAPITAL FUNDING ASSUMPTIONS

### 11.1 Capital Settlement

A General Capital Grant is issued to each Local Authority in Scotland as part of the Settlement process. Overall the level of capital grant has reduced by £2.4m in 2018/19 when compared to previous assumptions. This arises from a reduction of £1m in the level of general capital grant available and a further re-phasing of £1.4m associated with the £150m top sliced from the national capital settlement in 2016/17. It has originally been assumed that £1.4m would be repaid over two years i.e. £1.4m in 2018/19 and £1.4m in 2019/20. It is now understood this funding will now be repaid in full in 2019/20. The in-year impact of this deferral is £1.4m. Both items have been addressed by additional capital borrowing to provide temporary bridging finance and no projects have required to be scaled back or removed from the planned programme as a result of this change.

## 11.2 **Scottish Government –Capital Grants**

The draft settlement confirms capital grant of £26.135m in 2018/19 which includes £11.703m for the Hawick flood protection scheme. In addition the settlement confirms the continuation of the specific capital grant for cycling walking and safer street of £0.156m in 2018/19. The proposed plan assumes specific grants of £38.1m over the 10 year period.

## 11.3 **Other External Capital Grants & Contributions**

- (a) Many projects and programs are successful in bringing in matched funding from a range of external sources such as Sports Scotland, Historic Scotland and Lottery and European funds. These funds each come with specific conditions and are usually time limited.

## 11.4 **Developer Contributions**

- (a) Developer Contributions are contributions made by private developers for specific items. Legal agreements in place detail the terms of both the location and type of asset. Due to the uncertainty of the timing on payment of these it is not prudent to include large sums of developer contributions being received at the same time as the assets are being constructed. This means the Council is required to either use the General Capital Grant or Borrowing to up front fund the construction until the contributions are received.
- (b) The proposed Plan includes an assumed £2.240m of developer contributions over the next 10 year period.

## 11.5 **Capital Receipts**

- (a) Capital Receipts are funds generated from the disposal of capital assets. These funds are held in the Capital Fund and used to either finance new capital expenditure or repay existing loan principle. The estimate is reviewed on a regular basis to determine assets available for disposal and their likely disposal value and timing.
- (b) The Plan is predicated on £4.360m of capital receipts being generated over first 3 years of the plan. The assumptions around the deliverability of these will be subject to continual review.

## 11.6 **General Capital Grant future years**

The total estimated Capital Grant over the period of the Plan is estimated at £141.824m, a decrease of £2.323m from the previous Plan. Although indicative grant figures have not been provided for future years the assumption in the Plan is that the 2018/19 level, adjusted for the £150m national top slice referred to in paragraph 11.1 will be maintained. There is a risk that the assumptions for future years may be over or under estimated.

## 11.7 Replacement Funds

- (a) A fund was established by the Council in 2004 to ensure funds were in place for the continued replacement of its fleet. The fund is used to purchase the vehicles and then reimbursed by the department's revenue budgets over the life of the vehicle. The Plan has assumed purchases of £2m per annum over the period of the Plan which are fully funded from the Fund.
- (b) A Fund was established by the Council in 2016 to ensure funds were available to provide for the replacement of carpets on synthetic pitches. The plan is based on assumed replacement lives of 10 years for each facility.

## 11.8 Borrowing

- (a) The balance of the funds required for the Plan is secured by borrowing. Local Authorities are able to borrow to fund Capital expenditure or if given specific consent by Scottish Government. When determining the borrowing requirements the Council must follow the Prudential Code which requires Councils to ensure they are acting prudentially and sustainably. The costs of borrowing are charged to revenue via the Loans Charges budgets.
- (b) The proposed revenue budget to support capital through loans charges is set out in paragraph 10.4 and the proposed Financial Strategy states that the borrowing will be constrained within this available budget. Decisions to increase capital borrowing will require permanent adjustments, funded by savings elsewhere to be made to the loans charges budget in order to repay additional capital borrowing.
- (c) The proposed Plan includes a total borrowing over the 10 year period of £75m borrowing an increase of £1.7m from the previous plan. It is estimated based on assumptions around cash flow and interest rates that this is deliverable within the estimated revenue resources. There is a risk however if interest rates rise above the assumed levels this may result in additional charges. This will require regular monitoring to ensure that the borrowing levels are sustainable and affordable.

- 11.9 The total capital funding available is £293.961m. The following table summarises the total resources for the proposed Capital Plan and movement from the 2017/18 plan. It should be noted the significant difference in Scottish Government Specific Grants is due to the revised assumption that Schools development will now be funded through revenue. As such the revenue consequences of the new Jedburgh Intergenerational Campus are now detailed within the revenue plan.

## **12 IMPLICATIONS**

### **12.1 Financial Implications**

There are no additional financial implications associated with this report, its content referring specifically to the revenue and capital budgets.

### **12.2 Risk and Mitigation**

#### Revenue Plan

- (a) The Council faces a number of risks in setting its Revenue Financial Plan for five years 2018/19 - 2022/23. The main identified risks are set out in the appendix 1. The council faces significant financial challenges, not least the requirement to deliver ongoing savings to balance the revenue and capital plan each year and fund on going pressure from the demographic change facing the Borders population. The maintenance of reserves to manage such risks is an essential element of any sound financial strategy and the recommended level of reserves, to act as a contingency is £6.315m in financial year 2018/19.
- (b) It should be noted that the offer of funding from Scottish Government contained in the finance circular is provisional at this stage pending Parliamentary approval of the Government's budget bill and the publication of the final 2018/19 funding order. Any adjustment to the Scottish Government's proposed budget and the local government settlement as part of the parliamentary approvals process may require subsequent adjustment to the Council's budget. In this event a further report will be submitted to Council at the earliest opportunity.
- (c) There is an ongoing requirement for robust management action to further continue to deliver Financial Plan savings. This is fundamental to ensure the delivery of the proposals set out in the five year Financial Plan on time and to the levels expected by the approved budget. The failure to deliver savings in line with the budget plan represents the most significant financial risk to the Council.
- (d) The key risks associated with the revenue plan will be monitored on a regular basis within the regular monitoring reports submitted to the Council's Executive Committee.

#### Capital Plan

- (e) Due to affordability several major projects have not been included within the proposed plan. There are a number which are linked to substantial developer contributions and major housing developments, such as Newtown St Boswells. There are also a number of ongoing strategic projects across the Council, including Waste, Roads and School Estates and the development of the Tweedbank masterplan, which may result in future Capital requirements.

**12.3 Equalities**

An equalities impact assessment has been undertaken with regard to individual budget proposals, where issues have been identified mitigating actions will be put in place. There are no further equalities impacts arising from this specific report.

**12.4 Acting Sustainably**

The revenue budget will affect the people and economy of the borders it has been designed to be as financially, socially and environmentally sustainable as possible.

**12.5 Carbon Management**

There are no effects on carbon emissions.

**12.6 Rural Proofing**

This report contains no implications that will compromise the Council’s rural proofing strategy.

**12.7 Changes to the Scheme of Administration or Scheme of Delegation**

There are no changes required to either the scheme of administration or the scheme of delegation.

**13 CONSULTATION**

- 13.1 Corporate Management Team has fully supported the revenue and capital financial planning process.
- 13.2 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit & Risk, the Chief Officer HR, and the Clerk to the Council have been consulted and any comments have been reflected in the report.

**Approved by**

**David Robertson**  
**Chief Financial Officer**

**Signature .....**

**Author(s)**

Name	Designation and Contact Number
Suzy Douglas	Financial Services Manager Tel: 01835 824000 X5881
David Robertson	Chief Financial Officer Tel: 01835 825012

**Background Papers:**  
**Previous Minute Reference:**

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Finance can also give information on other language translations as well as providing additional copies.

Contact us at Suzy Douglas, Council HQ, [sdouglas@scotborders.gov.uk](mailto:sdouglas@scotborders.gov.uk), 01835 824000 X5881.



No.	Risk Category	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			Risk Control Measures in Place	Are all Controls Operational? Y / N / Partial	Potential Financial Risk £	Assessment of Residual Risk (likelihood x impact) With Control Measures		
				Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
				1	Economy and Funding	Reduction in Government funding to Local Authorities in real terms.				Less funding from Government, reduction in ability to provide services, take on other agencies' responsibilities.	3	3
2	Economy and Funding	Continuation of depressed housing market.	Assumption re Developer Contributions prove too optimistic. Funding shortfall for railway, PPP schools etc. Risk of Challenge to existing policy with knock on impact on funding available for essential infrastructure projects.	4	3	12	Budget adjustment to take account of potential shortfall, diverting resources from other priorities in revenue and capital plans. Reassessment of likely developer contributions undertaken as part of review of CIP funding.	Y	0	4	2	8
3	Environment	Weather - adverse winter conditions.	Strain on Winter Maintenance budget. Additional revenue and capital costs.	4	4	16	Bellwin Scheme available, but only within certain criteria. Not available to cover higher costs of adverse winter weather. Reserve of £1m earmarked to provide contingency for adverse weather. Development of Community Resilience Scheme progressing but unlikely to make significant impact on costs.	Y	1,000,000 (unfunded residual estimate of Adverse Winter beyond average conditions)	4	3	12

No.	Risk Category	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			Risk Control Measures in Place	Are all Controls Operational? Y / N / Partial	Potential Financial Risk £	Assessment of Residual Risk (likelihood x impact) With Control Measures		
				Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
				4	Environment	Weather - severe floods				Additional revenue and capital costs.	3	4
5	Budget Control	Inability to achieve projected savings.	Increased risks due to budget not being met, may result in future reduced service provision as a consequence.	4	3	12	Tracking through monitoring process. Monitoring indicates greater levels of savings being delivered but the % of the overall requirement for permanent savings is reducing year on year ie it is becoming more difficult. 2017/18 monitoring indicates delay in delivery of £4m of savings and difficulty of delivery increasing.	Partial	2,000,000	3	3	9
6	Budget Control	Future demographics - Social Work. Ageing population, more children with complex needs.	Additional revenue and capital costs. Assumption this will be funded by transfer from IJB.	5	3	15	Business and medium term Revenue Financial Plans aligned to demographic pressures.	Y	0	4	2	8
7	Budget Control	Future Demographics Vulnerable Children.	Risk of significant overspend due to demand pressures and the need to accommodate looked after children in expensive residential settings including secure units.	5	4	20	Current costs reflected in revenue budget.	Partial	0	3	3	9
8	Projects	Development Major Capital projects requiring Govt Support E.g. Flooding	Potential Requirement to Write costs incurred developing capital Schemes off to Revenue should Govt Support not be forthcoming. Further risk of need for project acceleration in response to current flood events.	3	4	12	Inherent risks associated with development of large complex capital schemes e.g. Tweedbank and Hawick Flood. Robust project management. Dialogue and ensuring necessary statutory approvals are achieved mitigates risks.	Y	0	3	3	9

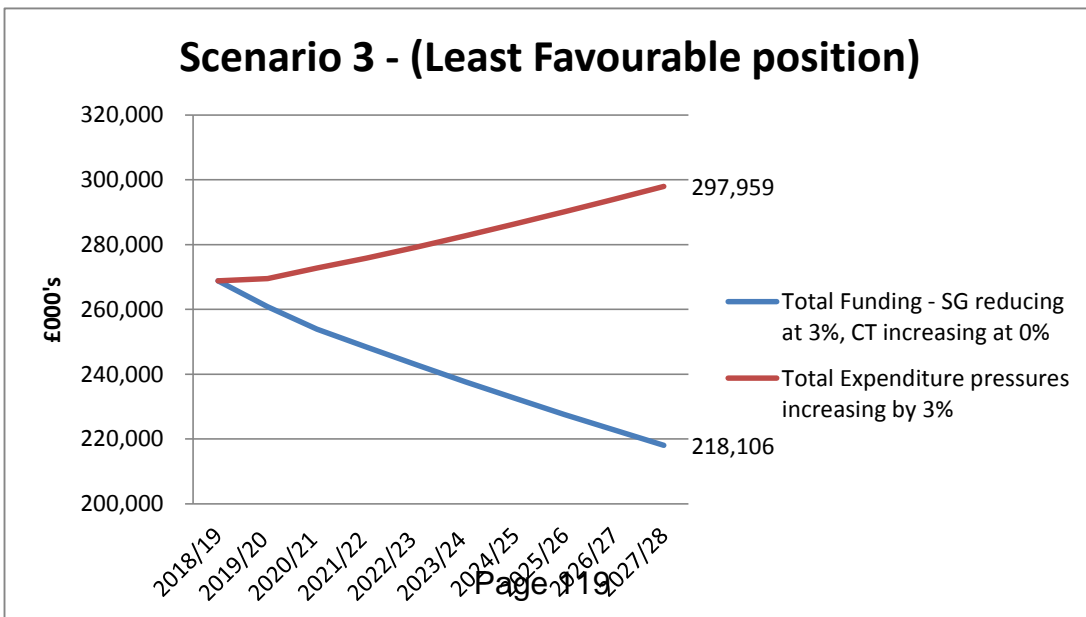
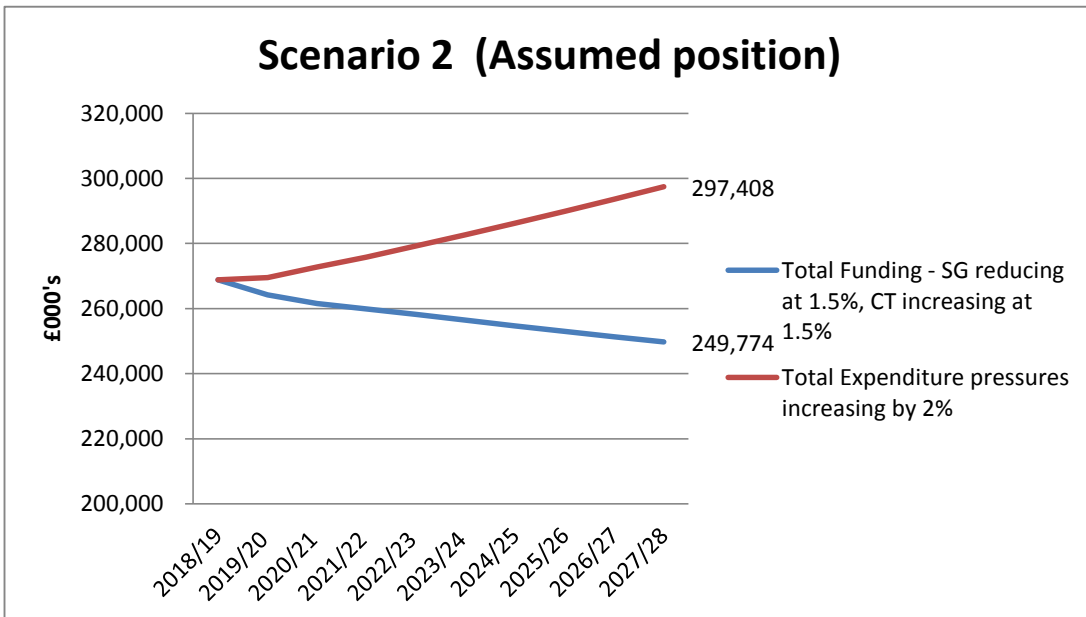
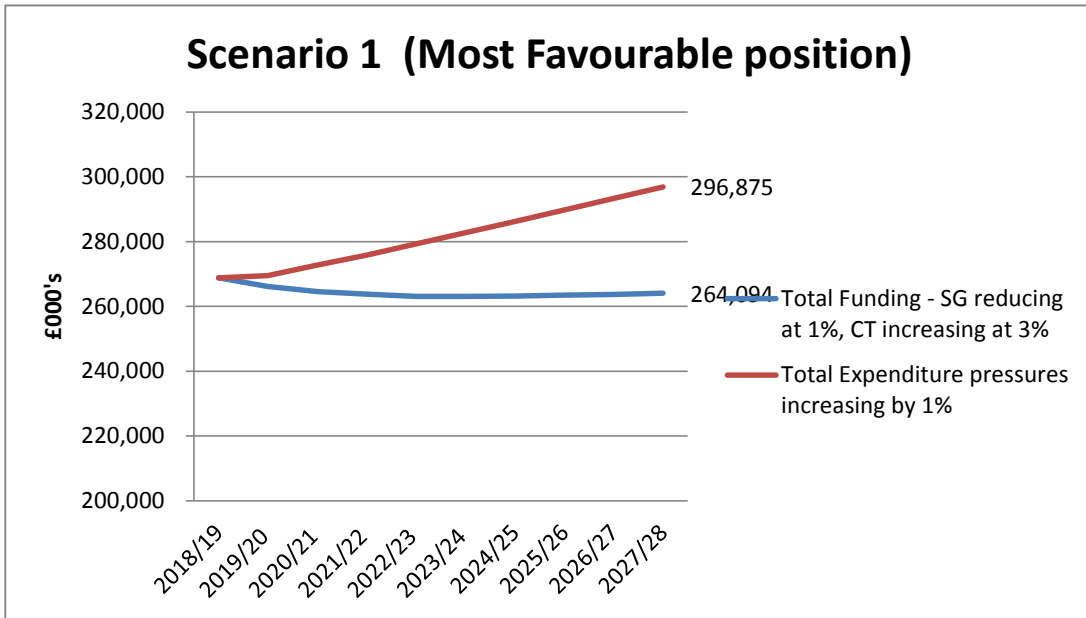
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				Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
				9	IT	Delays in the delivery of savings associated with the Council ICT transformation programme.				Requirement to deliver significant savings in IT business case .	3	2
10	Supplier failure	Major contractors / providers of essential services going out of business e.g. Transport provider or care providers	Immediate pressure on revenue budgets / reserves. Increased evidence of routes being handed back following retendering.	3	3	9	In some cases monthly contract monitoring and ongoing liaison. More due diligence required during and before contract periods. Sbcars now in place as provider of last resort for care contracts	Partial	250,000	3	2	6
11	Pension Fund	Local Government Pension Scheme - increase in employer contributions	Increased costs to the Council through increased employer contributions and impact on service budgets	4	4	16	Triennial Valuation with options to deal with any projected funding deficit through recovery period and / or medium term Revenue Financial Plan. Next Fund valuation due as at 31 March 2017. Positive results from 2014 valuation are expected to be maintained given investment performance over the last 3 years.	Y	0	3	3	9
12	Pension Fund	Pension Fund Including Admitted Bodies. Change in level of participation in the pension fund leading to a risk re past service cost.	Call on Council indemnity for past service costs.	3	2	6	Ongoing monitoring and engagement with admitted bodies and appointed actuary. Ongoing monitoring of financial impact of changes to the composition of scheme membership.	Y	700,000	3	2	6

No.	Risk Category	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			Risk Control Measures in Place	Are all Controls Operational? Y / N / Partial	Potential Financial Risk £	Assessment of Residual Risk (likelihood x impact) With Control Measures		
				Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
13	Economy and Funding	Counterparty risk	Funds deposited in banks are lost	3	3	9	Disciplined maintenance of counterparty list, spread deposits where practicable. Treasury strategy and policy in place and regularly reviewed. Daily Information from Link Asset Services. Annual revisions made to strategy to reflect changes in the economic situation. Compliance with credit control worthiness policy monitored on an ongoing basis and robust scrutiny at point of investment.	Y	0	2	3	9
14	Economy and Funding	Increase in scale of bad debts owed to the Council (AR, Council Tax, NDR)	Potential pressure on revenue budgets as greater amounts need to be written off. Debt recovery arrangements indicate this risks is being managed with significant improvement in recent years over debt management and recovery.	4	3	12	Bad Debt provision in place, proved adequate for C/Tax and NDR historically. More robust policy framework now in place. Current level of bad debt provision acceptable debt acceptable.	Y	125,000	3	2	6
15	Economy and Funding	Change to taxation base e.g. NDR income lies with collecting Authority and not part of national pool	Reduced level of NDR income for Council with subsequent pressure on revenue budgets	2	2	4	3 year spending review, medium term Revenue Financial Plan	Partial	Estimate Covered in Finance plan	1	2	2
16	Budget Control	General Contingency including - Failure of budgetary control processes (increased likelihood as budgets are stretched). Savings required by the 5 Year financial plan not delivered or delayed. Increased risk of overspend given pressures arising from H&SC integration, unplanned withdrawal of resource transfer funding or around delayed discharge.	Unexpected overspends in revenue and / or capital budgets.	4	3	12	Monitoring processes, both for revenue and capital. Monitoring now includes tracking of delivery of required efficiencies. Risk analysis re delivery of savings approved in financial plan. Regular reporting to CMT and quarterly reporting to Executive. Challenges facing the Council associated with constraints on public sector funding are increasing.	Y	2,600,000 (1% overspend risk on £260m)	4	3	12
17	Economy and Funding	Municipal Mutual Insurance	Council is a scheme creditor of failed insurance firm. Solvent run off of the company no longer anticipated.	4	3	12	Contained monitoring of the situation - no risk mitigation possible. Provision made in allocated balances.	N	0	4	3	12

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No.	Risk Category	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			Risk Control Measures in Place	Are all Controls Operational? Y / N / Partial	Potential Financial Risk £	Assessment of Residual Risk (likelihood x impact) With Control Measures		
				Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
				18	Economy and Funding	Contractual legal claims/ penalties levied against council claim including damages claims from individual formerly in local authority care				Litigation from contractor following failure of Council to enact obligations under a strategic contract e.g. PPP works compensation event. Contractual claim resulting from legal disputes. Legal costs following an adverse judgement.	4	3
19	Economy and funding	Compliance failure with HMRC requirements	Penalty and Interest due to failure of business processes.	4	3	12	Review of Business processes to ensure they remain fit for purpose.	Partially	50,000	4	3	12
20	Economy and funding	EU grant funded programmes	Risk of claw back of grant funding following EU grant funded programme conformity audit	4	3	12	Satisfactory governance systems within SBC. Discussions continue with Scottish Government to ensure clear guidance.	Partially	0	3	4	12
Projected General Fund unallocated balance as at 1 April 2018									6,315,000			
Risks Per risk register									11,063,000			
% of Risks per risk register covered by unallocated balances									57 %			

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## **TREASURY MANAGEMENT STRATEGY 2018/19**

**Report by Chief Financial Officer**

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### **SCOTTISH BORDERS COUNCIL**

**20 February 2018**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report proposes the Treasury Management Strategy 2018/19 for Council approval.**
- 1.2 The Treasury Management Strategy is the framework which ensures that the Council operates within prudent, affordable financial limits in compliance with the CIPFA Code.
- 1.3 The Strategy for 2018/19 is included in this report at Appendix 1 and reflects the impact of the Administration's Financial Plans for 2018/19 onwards on the prudential and treasury indicators for the Council.

#### **2 RECOMMENDATIONS**

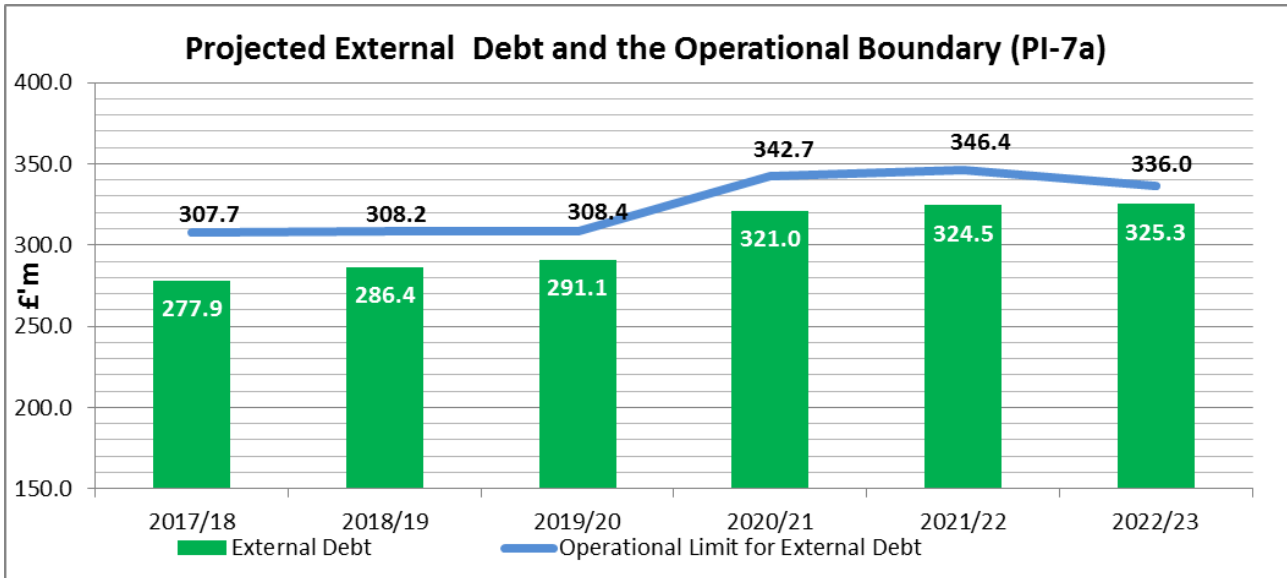
- 2.1 It is recommended that the Council:**
  - (a) Approves the Treasury Management Strategy 2018/19 as set out in Appendix 1.**
  - (b) Notes that the draft Treasury Management Strategy was considered by Audit & Scrutiny Committee on 15 January 2018.**
  - (c) Reviews its capital expenditure plans going forward to ensure they remain realistic, affordable and sustainable; and,**
  - (d) Ensures that the revenue consequences of all capital projects be fully reviewed in all investment decisions.**

### **3 BACKGROUND**

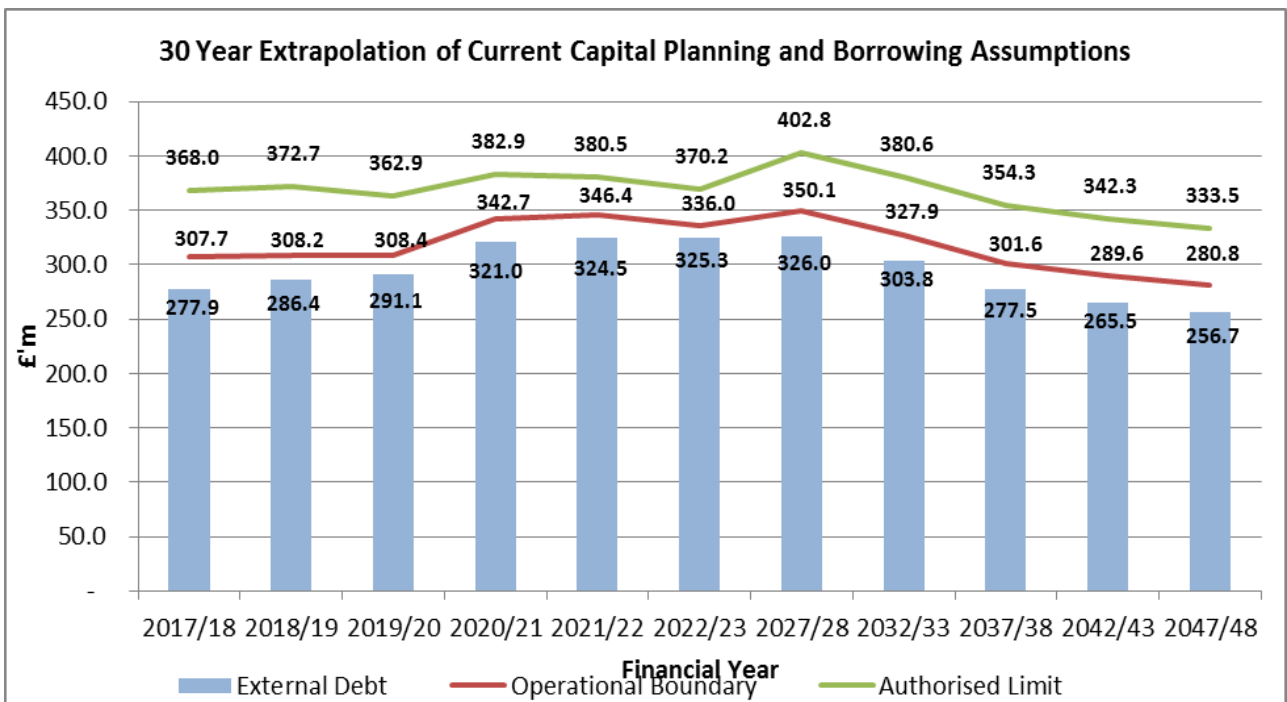
- 3.1 The Council is required to present a Treasury Management strategy for approval at the same time as the Council's Financial Plan and Financial Strategy is approved.
- 3.2 The Audit and Scrutiny Committee is responsible for scrutinising the Treasury Management Strategy in line with recommended practice set out in the CIPFA (Chartered Institute of Public Finance and Accountancy) Code (i.e. Treasury Management in the Public Services: Code of Practice and Cross-sectorial Guidance Notes). The Committee reviewed the Strategy set out in Appendix 1 at the meeting on 15 January 2018.

### **4 TREASURY MANAGEMENT STRATEGY 2018/19**

- 4.1 Appendix 1 contains the draft Treasury Management Strategy for 2018/19 for consideration by the Council.
- 4.2 This is based on the Administration's Capital Financial Plans for 2018/19 to 2027/28.
- 4.3 Appendix 1, Annex A contains a summary of the proposed indicators within the strategy. The significant changes from the 2017/18 strategy are:
  - (a) Increase in the Capital Financing Requirement (CFR) for 2018/19 due to the inclusion of the new Kelso High School in the Council's Fixed Assets in 2017/18. Also impacting on the CFR movement is the anticipated capital borrowing requirements associated with the re-phasing of projects from 2017/18 into 2018/19 and future years as well as movements in the scheduled debt amortisation projections for the year.
  - (b) Increase in the Authorised Limit in 2018/19 associated with debt following the completion of Kelso High School and the resulting Long Term liability and the increase in external borrowing resulting from the capital plan.
- 4.4 The table below shows the "Operational Boundary" against the anticipated levels of external borrowing. The external borrowing levels should not normally exceed the operational boundary limit, defined by the Prudential Framework. The gap between these two elements as seen in the table, consistently shows that the Council maintains an "under-borrowed" position for current and next 5 years. The step change in 2020-21 represents the planned Jedburgh Intergenerational Campus becoming a Council asset, along with the associated long term liability.



4.5 Council Officers are currently undertaking a longer term assessment of the cost of capital consistent with the proposed development of a long term capital strategy in 2019/20. This is in line with the updated Prudential Code for Capital Finance issued in December 2017. The chart below details projected external borrowing for the next 5 financial years and then at each 5 year interval up to 2047/48. Alongside this, the Operational Boundary and Authorised Limit are also shown. The chart is designed to inform long term scenario planning in line with best practice.



## **5 IMPLICATIONS**

### **5.1 Financial**

There are no additional financial implications in relation to this report, its content specifically relating to the financing and investment activities of the Council.

### **5.2 Risk and Mitigations**

The key purpose of presenting the Strategy to Audit and Scrutiny Committee scrutiny is to ensure that the members are satisfied with this element of the risk management framework for the treasury management function within the Council. The risks to delivering the Strategy have been identified within the Strategy itself at Appendix 1. Controls and mitigating actions have been implemented, monitored and reviewed in line with the Council's Risk Management Policy. The Strategy provides the parameters and guidance for the investment and borrowing decisions for the Council.

### **5.3 Equalities**

It is anticipated that there are no adverse equality implications arising from the proposals in this report.

### **5.4 Acting Sustainably**

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

### **5.5 Carbon Management**

There are no direct issues or consequences arising from this report which would affect the Council's carbon management.

### **5.6 Rural Proofing**

There are no direct issues or consequences arising from this report which would affect the Council's rural proofing policy. The treasury strategy ensures the capital programme of the council, which in turn creates and enhances local infrastructure including schools, roads, bridges and social care assets. This activity provides community benefits and opportunities for local suppliers benefitting the local economy wherever possible.

### **5.7 Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

## 6 CONSULTATION

6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

### Approved by

**David Robertson**  
**Chief Financial Officer**

**Signature .....**

### Author(s)

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### Background Papers:

**Previous Minute Reference:** Audit & Scrutiny Committee, 15 January 2018

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. The Capital and Investment Team can also give information on other language translations as well as providing additional copies.

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## **APPENDIX 1**

# **SCOTTISH BORDERS COUNCIL**

## **TREASURY MANAGEMENT STRATEGY (incorporating the Annual Investment Strategy) 2018/19**

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## 1 Purpose and Scope

1.1 The Council is required to receive and approve, as a minimum, three main reports on treasury activity each year, which incorporate a variety of policies, estimated and actual figures.

a) **Treasury Management Strategy 2018/19** (this report).

This report is the most important of the three reports and covers:

- The capital plans of the Council (including prudential indicators);
- The treasury management strategy (how the investments and borrowings are organised), including treasury indicators, and
- An investment strategy (investment options and limits applied).

b) **Mid Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and assess whether treasury activity is adhering to the approved strategy, or whether any policies require revision.

c) **Annual Treasury Report** - This provides details of a selection of actual prudential and treasury indicators compared to the estimates within the strategy and the performance of actual treasury operations.

### 1.2 Scrutiny

These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the **Audit and Scrutiny Committee**.

1.3 The treasury management issues covered by this report are:

#### Capital Issues

- the capital plans and associated prudential indicators

#### Treasury management issues

- the current treasury position
- treasury indicators which will limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy and
- policy on use of external service providers

1.4 These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code (the Prudential Code), the CIPFA Treasury Management Code (the Code) and Scottish Government Investment Regulations.

1.5 The increased Member consideration of treasury management matters and the need to ensure that officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council will address this important issue by:

a) **Elected Members**

- Working with members of the Audit and Scrutiny Committee to identify their training needs
- Working with Link Asset Services to identify appropriate training provision for elected members

b) **Officers** dealing with treasury management matters will have the option of various levels of training including:

- Treasury courses run by the Council's advisers
- Attendance at CIPFA treasury management training events
- Attendance at the CIPFA Scottish Treasury Management Forum and information exchanged via the Treasury Management Forum network
- On the job training in line with the approved Treasury Management Practices (TMPs).

## 1.6 Treasury Management Consultants

The Council uses Link Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that it does not rely solely upon information and advice from its external service providers.

It also recognises however that there is value in employing external providers of treasury management services in order to gain access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

1.7 The Treasury Management Strategy covers the treasury management activities for the Council (including any subsidiary organisations), the cash managed by the Council on behalf of the Scottish Borders Council Pension Fund, the Common Good and Trust Funds.

## 2 Background

2.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

2.3 The Prudential and Treasury Indicators (summarised in **Annex A**) consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. These Indicators have been developed in line with both the Prudential and Treasury Codes. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992. The Treasury Management Strategy therefore forms an integral part of the Council's overall Financial Strategy covering both its revenue and capital budgets.

2.4 CIPFA defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

### 3 The Capital Prudential Indicators 2017/18 – 2021/22

The Council's Financial Strategy sets out financial resource and management parameters within which it will deliver its Corporate Vision and Priorities. The Financial Strategy brings together various elements of financial policy and strategy, including the Treasury Management Strategy, and establishes the financial planning framework for the Council in terms of Revenue Expenditure and Capital Investment. The output from this framework is the Council's Financial Plan, approved annually in February, presenting the financial proposals for delivering its services and objectives.

The Financial Strategy establishes that the Financial Principles underpinning the planning for the Council's future service delivery are to:

- (i) Raise the funds required by the Council to meet approved service levels in the most effective manner;
- (ii) Manage the effective deployment of those funds in line with the Council's corporate objectives and priorities; and
- (iii) Provide stability in resource planning and service delivery as expressed through Corporate and Business Plans and the Revenue and Capital Financial Plan.

In order to adhere to these Principles, the Financial Strategy states that the Council will adopt Financial Objectives to:

***"ensure capital borrowing is within prudential borrowing limits and sustainable in the longer term. In this regard it is important to recognise the capital investment decisions taken now have long term borrowing implications and these have the potential to place a significant burden on future tax payers".***

The draft revenue budget sets loans charges associated with capital borrowing over the next 5 years at £20.5m in 2018/19, rising to £20.7m in 2019/20.

The Council's Capital Financial Plan is the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

#### 3.1 Capital Expenditure (Prudential Indicator PI-1)

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this planning cycle. The Capital Financial Plan for 2018/19 – 2027/28 includes the following capital expenditure forecasts for the first five years. 2017/18 projected outturn figures are also shown:

Capital Expenditure (PI-1) £m	Estimate					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Assets & Infrastructure	19.6	27.4	29.3	31.8	23.3	17.6
Other Corporate Services	4.1	0.6	0.5	0.6	0.7	0.6
Children & Young People	14.3	7.1	5.8	4.4	6.1	10.3
Culture & Sport	1.1	1.8	1.4	2.1	0.5	0.6
Economic Regeneration	2.6	6.0	3.6	0.2	0.2	0.2
Housing Strategy & Services	0.4	0.4	0.3	0.4	0.4	0.4
Social Care Infrastructure	0.3	0.3	5.0	0.3	0.3	0.1
Emergency & Unplanned Schemes	0.5	0.3	0.3	0.3	0.3	0.3
<b>Total</b>	<b>42.9</b>	<b>43.9</b>	<b>46.2</b>	<b>40.1</b>	<b>31.8</b>	<b>30.1</b>

It should be noted that expenditure associated with the construction of the proposed Jedburgh inter-generational school campus is not included in the above as it is funded as a 'Design, Build, Fund & Maintain (DBFM) model and therefore out-with the Councils capital programme. However, £3.7m has

been included in the Children & Young People budget above for non-grant funded expenditure in relation to the project, e.g. project management and the provision of a new 3G synthetic pitch.

### 3.2 Other Relevant Expenditure

The Council anticipates to have additional expenditure which, for the purposes of the Treasury and Prudential Indicators, will be treated as capital expenditure. This expenditure relates to initiatives where the Council has applied, or is planning to apply, for a Consent to Borrow from the Scottish Government. The key area not included in paragraph 3.1 is borrowing to lend in respect of an affordable house building programme in partnership with the Scottish Futures Trust (Bridge Homes LLP). The estimated amounts are as follows:

Other Relevant Expenditure £m	Estimate					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Bridge Homes LLP (Affordable house building programme)	0.4	0.4	-	-	-	-

### 3.3 Capital Financing Assumptions

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a financing need.

Capital Expenditure £m	Estimate					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Expenditure – per plan	42.9	43.9	46.2	40.1	31.8	30.1
Other Relevant Expenditure	0.4	0.4	-	-	-	-
<b>Total Expenditure</b>	<b>43.3</b>	<b>44.3</b>	<b>46.2</b>	<b>40.1</b>	<b>31.8</b>	<b>30.1</b>
<b>Financed by:</b>						
Capital receipts	0.7	2.3	1.8	0.3	-	-
CFCR	0.4	-	-	-	-	-
Developer Contributions	1.4	0.7	0.7	0.1	0.1	0.1
Govt. General Capital Grants	15.4	14.4	15.4	14.0	14.0	14.0
Govt. Specific Capital Grants	3.7	4.0	10.2	13.4	6.9	0.5
Other Grants & Contributions	2.5	3.7	2.6	1.6	-	-
Plant & Vehicle / Infrastructure Fund	1.3	2.0	2.4	2.0	2.2	2.4
<b>Net financing need for the year</b>	<b>17.9</b>	<b>17.2</b>	<b>13.1</b>	<b>8.7</b>	<b>8.6</b>	<b>13.1</b>

### 3.4 The Council's Borrowing Need (the Capital Financing Requirement – Prudential Indicator PI-2)

- a) The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure identified above, which has not immediately been paid for (e.g. via grants), will increase the CFR. The CFR does not increase indefinitely, as prudent annual repayments from revenue need to be made which reflect the useful life of capital assets financed by borrowing.
- b) The CFR includes any other long term liabilities (e.g. PPP schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council has £72.9 of liabilities relating to such schemes within the 2017/18 long term liabilities figure which includes £21.7m relating to funding arrangements for the construction of a new High School in Kelso. The CFR increases by a further £33.0m in 2020/21 as a result of the Jedburgh campus mentioned above.

c) The Council is asked to approve the CFR projections below:

Capital Financing Requirement (PI-2) £m	Actual	Estimate					
	16/17	17/18	18/19	19/20	20/21	21/22	22/23
<b>Total CFR (PI-2) *</b>	<b>286.6</b>	<b>315.9</b>	<b>322.1</b>	<b>325.2</b>	<b>356.7</b>	<b>354.5</b>	<b>356.8</b>
<b>Movement in CFR represented by:</b>							
Net financing need for the year (above)		17.9	17.2	13.1	8.7	8.6	13.1
Less scheduled debt amortisation and other financing movements		11.4	(11.0)	(10.0)	22.8	(10.8)	(10.8)
<b>Movement in CFR</b>		<b>29.3</b>	<b>6.2</b>	<b>3.1</b>	<b>31.5</b>	<b>(2.2)</b>	<b>2.3</b>

\* *The CFR for this calculation includes capital expenditure to 31 March of each financial year.*

The CFR variance between 2016/17 and 2017/18 is driven by the shift in the net financing need for the year as detailed in the table in section 3.3 and also by the inclusion of Kelso High School.

## 4 Treasury Management Strategy

The capital expenditure plans set out in Section 3 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional Codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

### 4.1 Current Portfolio Position

- a) The Council's treasury portfolio position at 31 March 2018, with forward projections, is summarised below. The table shows the actual external debt, (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

as at 31 March £m	Estimate				
	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Borrowing</b>	204.9	215.7	222.7	222.7	229.8
<b>Other Long Term Liabilities</b>	73.0	70.7	68.4	98.3	94.7
<b>Total Gross Borrowing (Prudential Indicator PI-5)</b>	<b>277.9</b>	<b>286.4</b>	<b>291.1</b>	<b>321.0</b>	<b>324.5</b>
<b>CFR – the borrowing need *</b>	<b>325.2</b>	<b>356.7</b>	<b>354.5</b>	<b>356.8</b>	<b>368.8</b>
<b>(Under) / Over Borrowing (Prudential Indicator PI-6)</b>	<b>(47.3)</b>	<b>(70.3)</b>	<b>(63.4)</b>	<b>(35.8)</b>	<b>(44.3)</b>

\* The CFR for this calculation includes the current and two future years projected capital expenditure see 4.1b)

- b) Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these (PI-6) is that the Council needs to ensure that its gross debt figure (shown above) does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and following two financial years. This allows some flexibility for limited borrowing for future years, but ensures that borrowing in advance of need is not undertaken for revenue purposes.
- c) The Council has complied with this prudential indicator in the current year and no difficulties are currently envisaged for the long term future. This view takes into account current commitments, existing plans, and the proposals in the Financial Plans for 2018/19.

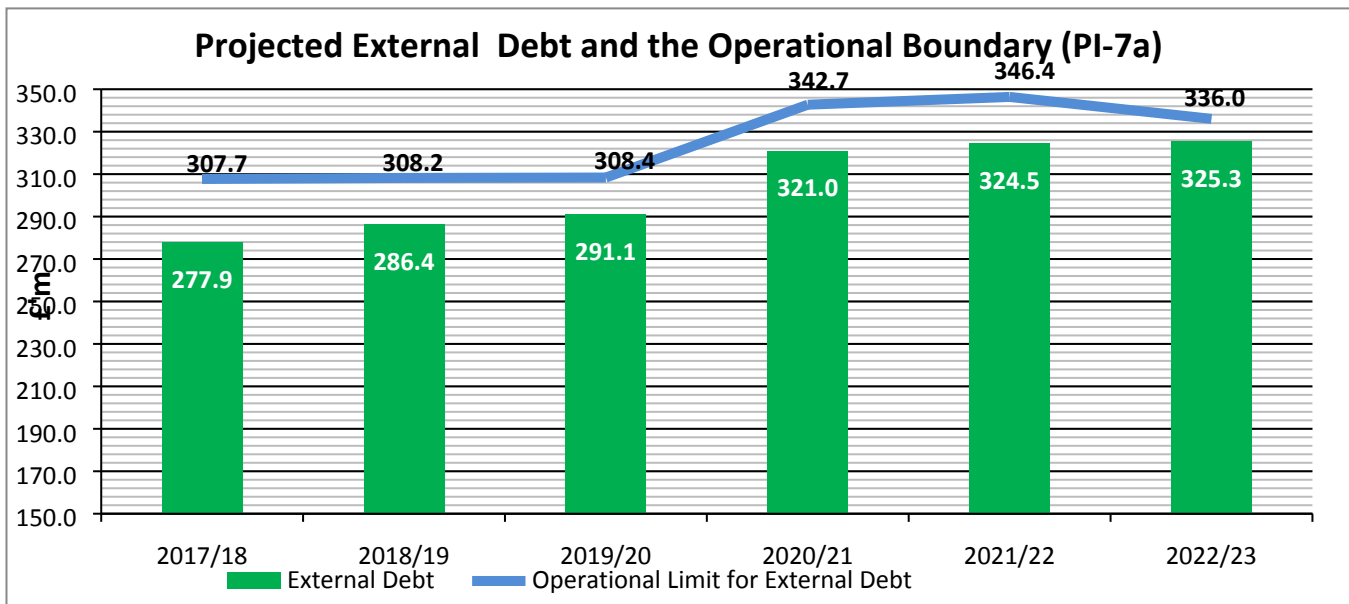
## 4.2 Treasury Indicators: Limits to Borrowing Activity

### The Operational Boundary (Prudential Indicator PI-7)

- a) This is the limit which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £m	Estimate					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Total Operational Boundary (PI-7a)</b>	<b>307.7</b>	<b>308.2</b>	<b>308.4</b>	<b>342.7</b>	<b>346.4</b>	<b>336.0</b>
Less: Other long term liabilities	(73.0)	(70.7)	(68.4)	(98.3)	(94.7)	(91.1)
<b>Operational Boundary exc. Other Long Term Liabilities (PI-7b)</b>	<b>234.7</b>	<b>237.5</b>	<b>240.0</b>	<b>244.4</b>	<b>251.7</b>	<b>244.9</b>

- b) The following chart shows how the current and projected Operational Borrowing limit compare with the anticipated levels of actual debt.

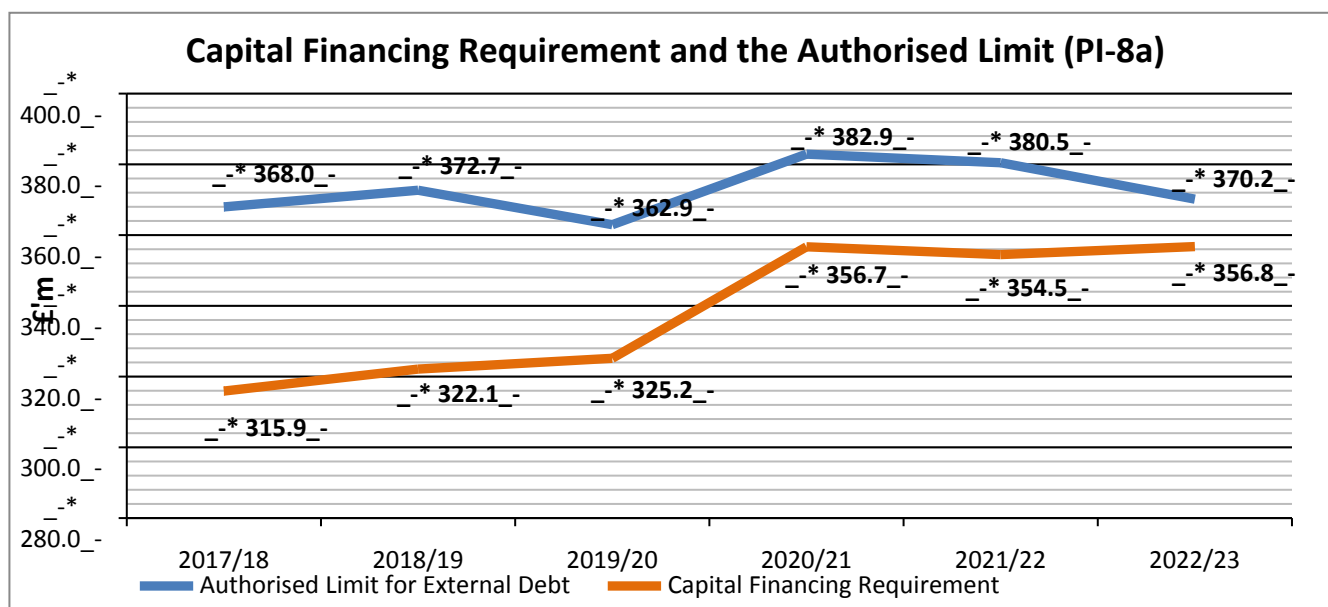


### The Authorised Limit for External Debt (Prudential Indicator PI-8)

- c) A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- d) This is the statutory limit (Affordable Capital Expenditure Limit) determined under section 35(1) of the Local Government in Scotland Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- e) The Council is asked to approve the following authorised limit:

Authorised Limit £m	Estimate					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Total Authorised Limit (PI-8a)</b>	<b>368.0</b>	<b>372.7</b>	<b>362.9</b>	<b>382.9</b>	<b>380.5</b>	<b>370.2</b>
Less: Other long term liabilities	(73.0)	(70.7)	(68.4)	(98.3)	(94.7)	(91.1)
<b>Authorised Limit exc. Other Long-Term Liabilities (PI-8b)</b>	<b>295.0</b>	<b>302.0</b>	<b>294.6</b>	<b>284.6</b>	<b>285.8</b>	<b>279.1</b>

f) The chart on the below shows how the current and projected Capital Financing Requirement compares the Authorised Limit for External Debt





### 4.3 Prospects for Interest Rates

- a) The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

- b) As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.
- c) The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the Fed. has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.
- d) Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed. has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.
- e) From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period
- f) Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

- g)** Downside risks to current forecasts for UK gilt yields and PWLB rates currently include.
- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
  - Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
  - A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
  - Weak capitalisation of some European banks.
  - The result of the October 2017 Austrian general election is likely to result in a strongly anti-immigrant coalition government. In addition, the new Czech prime minister is expected to be Andrej Babis who is strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
  - Rising protectionism under President Trump
  - A sharp Chinese downturn and its impact on emerging market countries
- h)** The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
  - UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
  - The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- i)** Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years;
- Borrowing interest rates increased sharply after the result of the general election in June and then also after the September MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Apart from that, there has been little general trend in rates during the current financial year. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
  - There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.
- j)** **Annex C** contains a more comprehensive Economic Background narrative from Link Asset Services.

#### 4.4 Borrowing Strategy

- a) The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue to be considered.
- b) Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
  - *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast*, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- c) Any decisions will be reported to Members at the next available opportunity.

#### 4.5 Policy on borrowing in advance of need

- a) Borrowing in advance is defined as any borrowing undertaken by the local authority which will result in the total external debt of the local authority exceeding the capital financing requirement (CFR) of the local authority for the following twelve month period. This twelve month period is on a rolling twelve month basis.
- b) The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.
- c) Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- d) The Chief Financial Officer has the authority to borrow in advance of need under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. The Chief Financial Officer will adopt a cautious approach to any such borrowing and a business case to support the decision making process must consider:
  - the benefits of borrowing in advance,
  - the risks created by additional levels of borrowing and investment, and
  - how far in advance it is reasonable to borrow considering the risks identified
- e) Any such advance borrowing should be reported through the mid-year or annual Treasury Management reporting mechanism.

## 4.6 Debt Rescheduling

- a) As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- b) The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings
  - helping to fulfil the treasury strategy
  - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- c) Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- d) All rescheduling will be reported to the **Executive** at the earliest meeting following its action.

## 5 Investment Strategy

### 5.1 Investment Objectives and Policy

- a) The Council's investment policy has regard to the Scottish Government's Investment (Scotland) Regulations (and accompanying Finance Circular) and the 2017 revised CIPFA Treasury Management in the Public Services Code of Practice and Cross Sectorial Guidance Notes ("the CIPFA TM Code").
- b) The Council's primary investment objectives are as follows, in order of importance:
- (i) The safeguarding or **security** of the re-payment of principal and interest of investments on a timely basis; and
  - (ii) The **liquidity** of its investments
  - (iii) The **returns on investments** that can be realised

The Council will therefore aim to achieve the optimum return on its investments corresponding with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments.

- c) In accordance with guidance from the Scottish Government and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- d) Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- e) Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- f) Investment instruments identified for use in the financial year are listed in Annex D. Counterparty limits will be as set through the Council's treasury management practices.

- g)** Scottish Borders Council's classification with financial institutions has been reviewed with regard to the Markets in Financial Instruments Directive II (MiFID II). Professional client status has been granted for all relevant investment and cash deposits.

## 5.2 Council Permitted Investments

The proposed criteria for permitted investments are shown in annex D approval.

## 5.3 Creditworthiness Policy

- a)** This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies
  - Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings
  - sovereign ratings to select counterparties from only the most creditworthy countries
- b)** This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Creditworthiness Colour Banding	Maximum Investment Duration
Yellow	5 years
Dark pink	5 years for Ultra short dated bond funds with a credit score of 1.25
Light pink	5 years for Ultra short dated bond funds with a credit score of 1.5
Purple	2 years
Blue	1 year (only applies to nationalised or semi-nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used (ie don't invest)

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

- c)** The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.
- d)** Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- e)** All credit ratings will be monitored on a real time basis. The Council is alerted to changes to ratings of all three agencies through its use of a creditworthiness service provided by Link Asset Services.

- if a downgrade results in the counterparty investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- f) Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

## 5.4 Country and Sector Considerations

- a) Due care will be taken to consider the country and sector exposure of the Council's investments.

### Country Limits

- b) If the institution is non-UK, then the country in which it is domiciled must have a minimum Sovereign long term rating of AAA.
- c) No more than **10%** will be placed with any non-UK country at any time.

### Institutional Sector Limits

- d) These institutions must either be UK Local Authorities or UK Incorporated Institutions, UK Banks and Building Societies incorporated in the European Economic Area entitled to accept deposits through a branch in the UK. The Council may also use the UK Government including in the form of gilts and the Debt Management Account Deposit Facility (DMADF).
- e) Limits will be applied to the overall amount lent out to any one sector at any one time in order to limit sector specific exposure risk, as follows:

<b>UK Building Societies</b>	<b>£25 m</b>
<b>Banks</b>	<b>£35 m</b>
<b>UK Local Authorities</b>	<b>£40 m</b>
<b>UK Government Debt Management Office</b>	<b>£unlimited</b>
<b>UK Gilts and Treasury Bills</b>	<b>£20 m</b>
<b>Institutions covered by Government Guarantee</b>	<b>£10 m</b>
<b>Part Nationalised Banks</b>	<b>£35 m</b>
<b>Money Market Funds (AAA)</b>	<b>£20 m</b>

These limits will be monitored regularly for appropriateness.

### Group Limits

- g) Limits will be applied to the overall amount lent out to institutions within the same group at any one time in order to limit group specific exposure risk, as follows, and subject to the parent company appearing on Capita Asset Services' creditworthiness list:

<b>Group of Banks</b>	<b>£10m</b>
-----------------------	-------------

### Council's Own Banker

- h) The Council's own banker (Bank of Scotland – part of Lloyds) will be maintained on the Council's counterparty list in situations where rating changes may mean this is below the above criteria. This is to allow the Council to continue to operate normal current account banking facilities and overnight and short-term investment facilities. However, in the event that the rating does change below the criteria, officers will review the situation carefully and identify any appropriate action required to manage the risk that this change creates for the Council. Page 142

## 5.5 Individual Institution Monetary Limits

a) The monetary limits for institutions on the Council’s Counterparty List are as follows:

	Money Limit
UK Building Societies	£5m
Banks	£5m
UK Local Authorities (i)	£40m
UK Government Debt Management Office	Unlimited
UK Gilts & Treasury Bills	£20m
Government Guaranteed Institutions	£2m
AAA rated Money Market Funds	£5m
Council’s Own Banker (ii)	£5m

- (i) No individual limit will be applied on lending to a UK local authority, other than it must not exceed the relevant sector limit of £40m.
- (ii) Further to Sections 5.4 and 5.5, in the event that the rating of the Council’s own banker falls below the criteria, the time limit on money deposited with the bank will be reduced to an overnight basis.

b) As mentioned earlier, the treasury function manages the funds of the Council, any subsidiary organisations, the Pension Fund and the Common Good and Trust Funds. When applying the limits set out in the table above, these limits will apply to the cumulative investment with an institution from the Council, the Pension Fund and the Common Good Funds and Trust Funds.

## 5.6 Types of Investments

- a) For institutions on the approved counterparty list, investments will be restricted to safer instruments (such as deposits). Currently this involves the use of money market funds, the DMADF and institutions with higher credit ratings than the minimum permissible rating outlined in the investment strategy, as well as the Council’s own bank.
- b) Where appropriate, investments will be made through approved brokers. The current list of approved brokers comprises:
  - ICAP Securities Limited
  - Sterling International Brokers Limited
  - Tradition (UK) Limited

## 5.7 Investment Strategy and bank rate projections

### In-house funds

- a) Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

### Investment returns expectations

- b) Bank Rate is forecast to stay flat at 0.50% until quarter 4, 2018 and not to rise above 1.25% by quarter 1, 2021. Bank rate forecasts for financial year-ends (March) are:

2017/2018	0.50%
2018/2019	0.75%
2019/2020	1.00%
2020/2021	1.25%

- c) The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows

2017/2018	0.40%
2018/2019	0.60%
2019/2020	0.90%
2020/2021	1.25%

- d) The overall balance of risks to these forecasts is currently skewed to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively.

### Investment Treasury Indicator and Limit (Treasury Indicator TI-5)

- e) Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of investment, and are based on the availability of funds after each year end.

The Council is asked to approve the treasury indicator and limit:

Maximum principal sums invested > 364 days (TI-5)					
£m	2016/17	2017/18	2018/19	2019/20	2020/21
Principal sums invested > 364 days	20%	20%	20%	20%	20%

- f) For positive cash balances and in order to maintain liquidity, the Council will seek to use overnight investment accounts, short term (< 1 month) notice accounts, money market funds and short-dated deposits (overnight to three months).

## 5.8 Investment Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is.



The Council's **maximum** security risk benchmark for the current portfolio, when compared to historic default tables, is:

**0.04% historic risk of default when compared to the whole portfolio.**

**b) Liquidity**

In respect of this area the Council seeks to maintain:

- Bank Overdraft: £250,000
- Liquid short term deposits of at least £3,000,000 available with a week's notice.
- Weighted Average Life benchmark is **expected to be 0.5 years** (equivalent to an weighted average life of 6 months), with a **maximum of 1.00 years**

**c) Yield**

Local measures of yield benchmarks are:

Investments – **Internal returns above the 7 day LIBID rate**

- d)** At the end of the financial year, the Chief Financial Officer will report on its investment activity as part of the annual treasury report.

## 6 Performance Indicators

**6.1** The CIPFA Code requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking.

### 6.2 Debt Performance Indicators

- (i) Average “Pool Rate” charged by the Loans Fund compared to Scottish Local Authority average Pool Rate.

Target is to be at or below the Scottish Average for 2017/18.

- (ii) Average borrowing rate movement year on year

Target is to maintain or reduce the average borrowing rate for the Council versus 2017/18.

**6.3 Investment Risk Benchmark Indicators** for Security, Liquidity and Yield, as set out in paragraph 5.9.

### 6.4 Loan Charges

- a) Loan Charges for 2017/18 are expected to be at or below the Revenue Budget estimate contained in the Council’s Financial Plans to be approved in February 2018, which are estimated as follows:

£m	2018/19	2019/20	2020/21	2021/22	2022/23
Interest on Borrowing	11.7	11.8	12.1	11.6	11.3
Investment income	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Capital Repayments	8.9	8.9	8.7	9.2	9.5
<b>Total Loan Charges</b> *	<b>20.5</b>	<b>20.6</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>

\*The Loan Charges exclude the capital element of PPP repayments.

- b) The above budget excludes the revenue impact of funding the cost of the NHT and the lending to RSLs and lending in respect of the Council-led house building programme with the Scottish Futures Trust, as these are assumed to be revenue neutral overall.

**6.5** The indicators, based on actual performance for the year, will be included in the Treasury Management Annual Report for 2018/19.

# ANNEXES

## ANNEX A SUMMARY OF PRUDENTIAL AND TREASURY INDICATORS

Indicator Ref.	Indicator	Page Ref.	2017/18	2018/19	2019/20	2020/21	2021/22
<b>PRUDENTIAL INDICATORS</b>							
<b>Capital Expenditure Indicator</b>							
PI-1	Capital Expenditure Limits (£m)	5	42.9	43.9	46.2	40.1	31.8
PI-2	Capital Financing Requirement (CFR) (£m)	7	315.9	322.1	325.2	356.7	354.5
<b>Affordability Indicator</b>							
PI-3	Ratio of Financing Costs to Net Revenue (inc. PPP repayment costs)	23	9.6%	9.5%	9.9%	10.6%	10.8%
PI-4	Incremental (Saving)/Cost Impact of Capital Investment Decisions on Council Tax	23	£0.00	£0.00	£0.00	£0.00	£(0.01)
<b>External Debt Indicators</b>							
PI-5	Actual Debt (£m)	8	277.9	286.4	291.1	321.0	324.5
PI-7a	Operational Boundary (inc. Other Long Term Liabilities) (£m)	9	307.7	308.2	308.4	342.7	346.4
PI-7b	Operational Boundary (exc. Other Long Term Liabilities) (£m)	9	234.7	237.5	240.0	244.4	251.7
PI-8a	Authorised Limit (inc. Other Long Term Liabilities) (£m)	9	368.0	372.7	362.9	382.9	380.5
PI-8b	Authorised Limit (exc. Other Long Term Liabilities) (£m)	9	295.0	302.0	294.6	284.6	285.8
<b>Indicators of Prudence</b>							
PI-6	(Under)/Over Gross Borrowing against the CFR (£m)	8	(47.3)	(70.3)	(63.4)	(35.8)	(44.3)
<b>TREASURY INDICATORS</b>							
TI-1	Upper Limit to Fixed Interest Rates based on Net Debt (£m)	24	307.7	308.2	308.4	342.7	346.4
TI-2	Upper Limit to Variable Interest Rates based on Net Debt (£m)	24	107.7	107.9	107.9	119.9	121.2
TI-3	Maturity Structure of Fixed Interest Rate Borrowing 2018/19	24	<b>Lower</b>		<b>Upper</b>		
	Under 12 months		0%		20%		
	12 months to 2 years		0%		20%		
	2 years to 5 years		0%		20%		
	5 years to 10 years		0%		20%		
	10 years and above		20%		100%		
TI-4	Maximum Principal Sum invested greater than 364 days	18	20%	20%	20%	20%	20%

Further prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The updated indicators are as follows:

### Ratio of financing costs to net revenue stream (Prudential Indicator PI-3)

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs, net of investment income) against the net revenue stream.

%	Actual	Estimate				
	16/17	17/18	18/19	19/20	20/21	21/22
<b>Ratio of Financing Costs to Net Revenue Stream (PI-3)</b> <i>(inc. PPP repayment costs)</i>	9.6%	9.5%	9.9%	10.6%	10.8%	10.8

The estimates of financing costs include current commitments and the proposals in the Financial Plans for 2018/19. The movements in the above ratio from 2016/17 onwards reflect a reduction in overall financial resources available to the Council.

### Incremental impact of capital investment decisions on council tax (Prudential Indicator PI-4)

This indicator identifies the revenue costs associated the operational three year capital programme detailed in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	Estimate				
	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Incremental (Saving)/Cost Impact of Capital Investment Decisions on the Band D Council Tax (PI-4)</b>	0.00	0.00	0.00	0.00	(0.01)

### Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

**(i) Upper limits on fixed interest rate exposure (Treasury Indicator TI-1)**

This identifies a maximum limit for borrowing exposure to fixed interest rates, based on the debt position net of investments.

**(ii) Upper limits on variable interest rate exposure (Treasury Indicator TI-2)**

This identifies a maximum limit for borrowing exposure to variable interest rates based upon the debt position net of investments.

**(iii) Maturity structure of borrowing (Treasury Indicator TI-3)**

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

**(iv) The following table highlights the proposed treasury indicators and limits:**

<b>£m</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2022/23</b>
<b>Interest rate exposures</b>					
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt (TI-1)</b>	307.7	308.2	308.4	342.7	346.4
<b>Limits on variable interest rates based on net debt (TI-2)</b>	107.7	107.9	107.9	119.9	121.2
<b>Maturity Structure of fixed interest rate borrowing 2018/19 (TI-3)</b>					
		<b>Lower</b>		<b>Upper</b>	
Under 12 months		0%		20%	
12 months to 2 years		0%		20%	
2 years to 5 years		0%		20%	
5 years to 10 years		0%		20%	
10 years and above		20%		100%	

**ANNEX B: INTEREST RATE FORECASTS 2018-21**

<b>Link Asset Services Interest Rate View</b>														
	<b>Dec-17</b>	<b>Mar-18</b>	<b>Jun-18</b>	<b>Sep-18</b>	<b>Dec-18</b>	<b>Mar-19</b>	<b>Jun-19</b>	<b>Sep-19</b>	<b>Dec-19</b>	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>	<b>Mar-21</b>
<b>Bank Rate View</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%
<b>3 Month LIBID</b>	0.40%	0.40%	0.40%	0.40%	0.60%	0.60%	0.60%	0.70%	0.90%	0.90%	1.00%	1.20%	1.20%	1.20%
<b>6 Month LIBID</b>	0.50%	0.50%	0.50%	0.60%	0.80%	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%
<b>12 Month LIBID</b>	0.70%	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.10%	1.30%	1.30%	1.40%	1.50%	1.50%	1.60%
<b>5yr PWLB Rate</b>	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
<b>10yr PWLB Rate</b>	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
<b>25yr PWLB Rate</b>	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
<b>50yr PWLB Rate</b>	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%
<b>Bank Rate</b>														
<b>Link Asset Services</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%
<b>Capital Economics</b>	0.50%	0.50%	0.75%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	-	-	-	-	-
<b>5yr PWLB Rate</b>														
<b>Link Asset Services</b>	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
<b>Capital Economics</b>	1.70%	1.90%	2.30%	2.60%	2.90%	2.90%	2.90%	2.90%	2.90%	-	-	-	-	-
<b>10yr PWLB Rate</b>														
<b>Link Asset Services</b>	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
<b>Capital Economics</b>	2.30%	2.60%	2.80%	3.10%	3.30%	3.30%	3.30%	3.30%	3.30%	-	-	-	-	-
<b>25yr PWLB Rate</b>														
<b>Link Asset Services</b>	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
<b>Capital Economics</b>	2.95%	3.15%	3.45%	3.65%	3.90%	3.90%	3.90%	3.90%	3.90%	-	-	-	-	-
<b>50yr PWLB Rate</b>														
<b>Link Asset Services</b>	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%
<b>Capital Economics</b>	2.80%	3.10%	3.30%	3.60%	3.80%	3.80%	3.80%	3.80%	3.80%	-	-	-	-	-

**Source: Link Asset Services, December 2018**

## ANNEX C Economic Background

**GLOBAL OUTLOOK.** World growth looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, **inflation prospects are generally muted** and it is particularly notable that **wage inflation** has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high). In turn, this raises the question of what has caused this? The likely answers probably lay in a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers. Indeed, this is now being labelled as being the start of the **fourth industrial revolution**.

### **KEY RISKS - central bank monetary policy measures**

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this then also encouraged investors into a search for yield and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery by taking too rapid and too strong action, or alternatively, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.**

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the **low level of productivity growth**, which may be the main driver for increases in wages; and **decreasing consumer disposable income**, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.



A further question that has come to the fore is whether **an inflation target for central banks of 2%**, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a **lower inflation target of 1%** to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a **shift UP in the inflation target to 3%** in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.
- In addition, there is a strong argument that central banks should **target financial market stability**. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.
- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that **other non-financial asset prices**, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

**UK.** After the UK surprised on the upside with strong economic growth in 2016, **growth in 2017 has been disappointingly weak**; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the **manufacturing sector** which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year while robust world growth has also been supportive. However, this sector only accounts for around 10% of GDP so expansion in this sector will have a much more muted effect on the overall GDP growth figure for the UK economy as a whole.

While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the **Monetary Policy Committee, (MPC), meeting of 14 September 2017** managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.0% in both September and October so that might prove now to be the peak.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that **the amount of spare capacity in the economy was significantly diminishing** towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a *decrease* in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At Its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the **contradiction within the Bank of England** between action in 2016 and in 2017 **by two of its committees**. After the shock result of the EU referendum, the **Monetary Policy Committee (MPC)** voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was *because* the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the **Financial Policy Committee (FPC)** of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that **some consumers may have over extended their borrowing** and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

**EZ.** Economic growth in the eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.0% y/y), 0.7% in quarter 2 (2.3% y/y) and +0.6% in quarter 3 (2.5% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in October inflation was 1.4%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

**USA.** Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and

quarter 3 coming in at 3.0%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with four increases in all and three increases since December 2016; and there could be one more rate rise in 2017, which would then lift the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

**CHINA.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

**JAPAN.** has been struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

### **Brexit timetable and process**

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: initial two-year negotiation period on the terms of exit. In her Florence speech in September 2017, the Prime Minister proposed a two year transitional period after March 2019.
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy will leave the single market and tariff free trade at different times during the two year transitional period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.

## Annex D

### TREASURY MANAGEMENT PRACTICE: PERMITTED INVESTMENTS, ASSOCIATED CONTROLS AND LIMITS

This Council approves the following forms of investment instrument for use as permitted investments as set out in table 1

#### Treasury risks

All the investment instruments in tables 1/2 are subject to the following risks: -

1. **Credit and counter-party risk:** this is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have the highest, relative, level of creditworthiness.
2. **Liquidity risk:** this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. gilts, CDs, corporate bonds can usually be sold immediately if the need arises, there are two caveats: - a. cash may not be available until a settlement date up to three days after the sale b. there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer.
3. **Market risk:** this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure to market risk e.g. those investing in investment instruments with a view to obtaining a long term increase in value.
4. **Interest rate risk:** this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report. All types of investment instrument have interest rate risk except for the following forms of instrument which are at variable rate of interest (and the linkage for variations is also shown): - (Link Asset Services note – please specify any such instruments should you use them)
5. **Legal and regulatory risk:** this is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

#### Controls on treasury risks

1. **Credit and counter-party risk:** this authority has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes. See paragraphs 4.2 and 4.3.
2. **Liquidity risk:** this authority has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested.
3. **Market risk:** this authority does not purchase investment instruments which are subject to market risk in terms of fluctuation in their value.
4. **Interest rate risk:** this authority manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to

maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.

- 5. Legal and regulatory risk:** this authority will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations. All types of investment instruments

### **Unlimited investments**

Regulation 24 states that an investment can be shown in tables 1 / 2 as being 'unlimited' in terms of the maximum amount or percentage of the total portfolio that can be put into that type of investment. However, it also requires that an explanation must be given for using that category. The authority has given the following types of investment an unlimited category: -

- 1. Debt Management Agency Deposit Facility.** This is considered to be the lowest risk form of investment available to local authorities as it is operated by the Debt Management Office which is part of H.M. Treasury i.e. the UK Government's sovereign rating stands behind the DMADF. It is also a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts.

## **Annex E**

### **SCHEME OF DELEGATION**

#### **(i) Full board/council**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

#### **(ii) Boards/committees/council/responsible body**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

#### **(iii) Body/person(s) with responsibility for scrutiny**

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

### **5.8 THE TREASURY MANAGEMENT ROLE OF THE SECTION 95 OFFICER**

#### **The S95 (responsible) officer**

- Take and/or authorise all operational decisions regarding the Council's investments and borrowing, in accordance with approved Treasury Management Policy and Strategy.
- Responsible for execution and administration of treasury management decisions in accordance with the Council's Treasury Management policy statement and Treasury Management Practice, and if (s)he is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- In terms of Treasury Management, from time to time, formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and construct a lending list defining appropriate limits.
- Borrow, in advance of need, where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Adopt a cautious approach to any such borrowing, and a business case to support the decision-making process must consider:
  - the benefits of borrowing in advance,
  - the investment risks created by the existence of investments at the same time as additional borrowing being outstanding; and
  - how far in advance it is reasonable to borrow, considering the risks identified. Any such advance borrowing shall be reported through the mid-year or annual Treasury Management reporting mechanism.
- Take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast contained in the Treasury Management Strategy.
- Maintain a counterparty list consistent with the Investment Counterparty Selection Criteria and revise the criteria and submit them to Committee for approval as necessary, and in addition, set out the types of investment to be made (Permitted Investments).

## Annex F

### Credit and Counterparty Risk Management

#### Permitted Investments, Associated Controls and Limits for Scottish Borders Council, Common Good and Trust Funds and In-house Managed Pension Fund

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good & Trust Fund Limits	Pension Fund In-House Limits
<b>Cash type instruments</b>					
a. Deposits with the Debt Management Account Facility (UK Government) <b>(Very low risk)</b>	This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months.	Little mitigating controls required. As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments	£unlimited, maximum 6 months.	£unlimited, maximum 6 months.	£unlimited, maximum 6 months.
b. Deposits with other local authorities or public bodies <b>(Very low risk)</b>	These are considered quasi UK Government debt and as such counterparty risk is very low, and there is no risk to value. Liquidity may present a problem as deposits can only be broken with the agreement of the counterparty, and penalties can apply.  Deposits with other non-local authority bodies will be restricted to the overall credit rating criteria.	Little mitigating controls required for local authority deposits, as this is a quasi UK Government investment.  Non- local authority deposits will follow the approved credit rating criteria.	£40m, maximum 1 year.	£5m, maximum 1 year.	£40m, maximum 1 year.
c. Money Market Funds (MMFs) <b>(Very low risk)</b>	Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where the MMFs has a "AAA" rated status from either Fitch, Moody's or Standard and Poor's.	£5m per fund/£20m overall	£5m per fund/£20m overall	£5m per fund/£20m overall

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good & Trust Fund Limits	Pension Fund In-House Limits
d. Ultra short dated bond funds <b>(low risk)</b>	Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where they have a “AAA” rated status from either Fitch, Moody’s or Standard and Poor’s.			
e. Call account deposit accounts with financial institutions (banks and building societies) <b>(Low risk depending on credit rating)</b>	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody’s and Standard and Poor’s. Day to day investment dealing with this criteria will be further strengthened by use of additional market intelligence.	As shown in the counterparty section criteria above.	As shown in the counterparty section criteria above.	As shown in the counterparty section criteria above.
f. Term deposits with financial institutions (banks and building societies) <b>(Low to medium risk depending on period &amp; credit rating)</b>	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody’s and Standard and Poor’s. Day to day investment dealing with this criteria will be further strengthened by use of additional market intelligence.	As shown in the counterparty section criteria above.	As shown in the counterparty section criteria above.	As shown in the counterparty section criteria above.



Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good & Trust Fund Limits	Pension Fund In-House Limits
g. Government Gilts and Treasury Bills ( <b>Very low risk</b> )	These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates (no loss if these are held to maturity).	Little counterparty mitigating controls are required, as this is a UK Government investment. The potential for capital loss will be reduced by limiting the maximum monetary and time exposures.	£20m, maximum 1 year.	£5m, maximum 1 year	£20m, maximum 1 year.

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good & Trust Fund Limits	Pension Fund In-House Limits
<b>Other types of investments</b>					
a. Investment properties	These are non-service properties which are being held pending disposal or for a longer term rental income stream. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids).	In larger investment portfolios some small allocation of property based investment may counterbalance/compliment the wider cash portfolio.  Property holding will be re-valued regularly and reported annually with gross and net rental streams.	£30m	£25m	N/A
b. Loans to third parties, including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default.	£25m	£1m	N/A
c. Loans to a local authority company	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each loan to a local authority company requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default.	<b>£25M</b>	N/A	N/A
d. National Housing Trust ( <b>Very Low Risk due to Scottish Government Underwriting</b> )	These are loans to a Special Purpose Vehicle to allow it to purchase new homes under the NHT umbrella. These loans represent either 65% or 70% of the purchase price, the remainder being funded by the developer. The loan is redeemed after a 5 to 10 year period when the properties	Loan redemption arises when the homes are sold. Interest payments are made to the Council by the SPV from rental payments in the intervening period. Both the loan amount and associated interest payments are underwritten by Scottish Government.	£8m	N/A	N/A

	are sold.				
e. Shareholdings in a local authority company	These are service investments which may exhibit market risk and are likely to be highly illiquid.	Each equity investment in a local authority company requires Member approval and each application will be supported by the service rational behind the investment and the likelihood of loss.	£1m	N/A	N/A
f. Investment in the Subordinated Debt of projects delivered via the 'HubCo' model ( <b>Very Low Risk</b> )	These are investments that are exposed to the success or failure of individual projects and are highly illiquid.	The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. As such they are well placed to influence and ensure the successful completion of the project's term. These projects are based on robust business cases with a cashflow from public sector organisations (i.e. low credit risk)	£600,000	N/A	N/A

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### The Monitoring of Investment Counterparties

The status of counterparties will be monitored regularly. The Council receives credit rating and market information from Link Asset Services, including when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Finance, and if required new counterparties which meet the criteria will be added to the list.

### Use of External Fund Managers

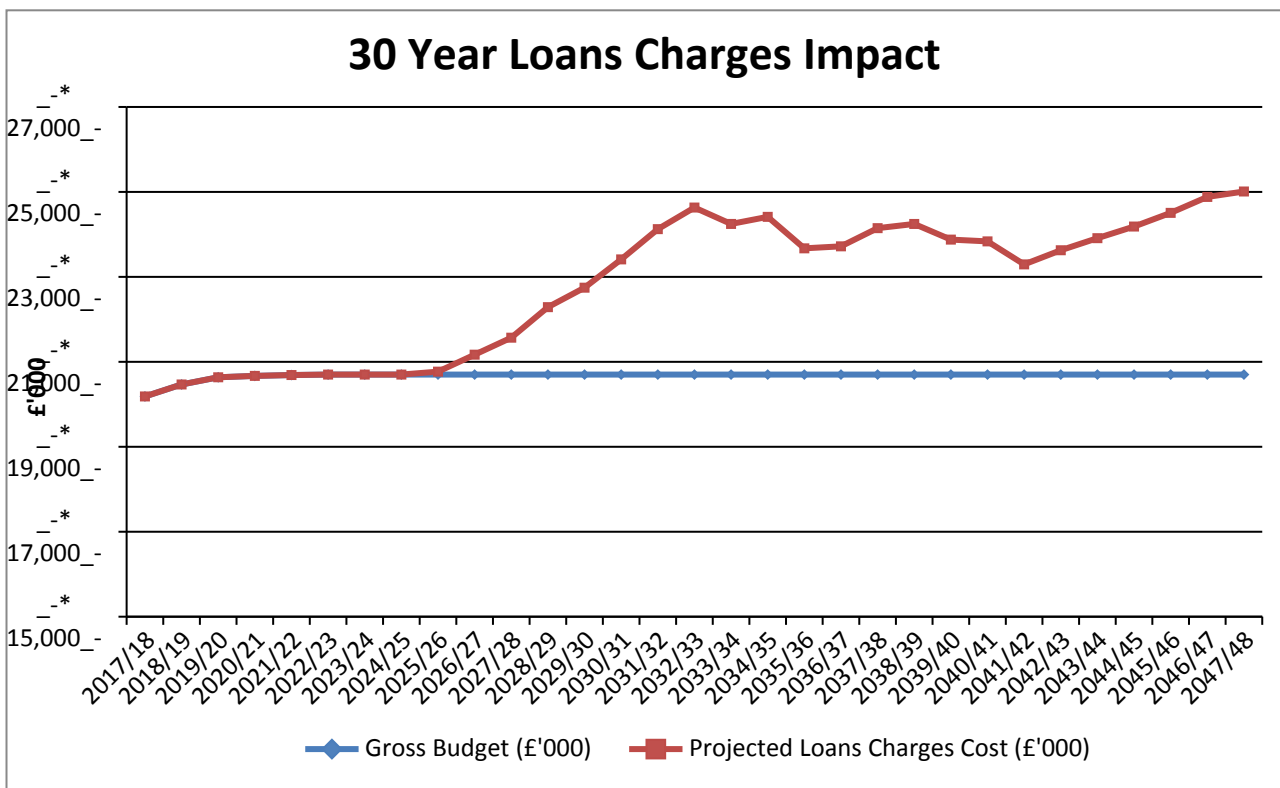
It is the Council's policy to use external fund managers to manage the investment portfolios of the Scottish Borders Council Pension Fund and the pooled investment fund of the Common Good and Trust Funds. This Annex reflects the approved policies around the Common Good and Trust Fund Investment Strategy but specifically excludes, as allowed by regulations, the work undertaken by External Fund Managers in relation to the Scottish Borders Council Pension Fund.

## ANNEX G

### Long Term (30 Yr) Loans Charges Analysis

Current capital and revenue plans have been extrapolated over a 30 year period in order to assess the impact on the revenue Loans Charges budget. In line with assumptions made when assessing external debt and associated limits as described in paragraph 4.5 of the covering report, long term capital planning will cause a pressure on the loans charges budget from financial year 2026/26, as detailed in the chart below. Movements in notional loans charges associated with internal borrowing also impact on these figures.

It should be noted that from 2028-29, the first year outwith the current 10 year Capital Plan, a 5 year average capital expenditure and borrowing requirement has been assumed. Work on a Capital strategy will commence in 2019-20 which will better inform the long term capital plan.



## ANNEX H

### Credit Ratings

#### Long and Short Term Credit Ratings

Audit Commission Grading#	Fitch		Moody's		Standard and Poor's	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Extremely strong grade	AAA	F1+	Aaa	P-1	AAA	A-1+
Very strong grade	AA+	F1+	Aa1	P-1	AA+	A-1+
	AA	F1+	Aa2	P-1	AA	A-1+
	AA-	F1+	Aa3	P-1	AA-	A-1+
Strong grade But susceptible to adverse conditions	A+	F1+ / F1	A1	P-1	A+	A-1+ / A-1
	A	F1	A2	P-1 / P-2	A	A-1
	A-	F1	A3	P-1 / P-2	A	A-1 / A-2
Adequate Grade	BBB+	F2	Baa1	P-2	BBB+	A-2
	BBB	F2 / F3	Baa2	P-2 / P-3	BBB	A-2 / A-3
	BBB-	F3	Baa3	P-3	BBB-	A-2
Speculative Grade	BB+	B	Ba1	NP *	BB+	B-1
	BB	B	Ba2	NP	BB	B-2
	BB-	B	Ba3	NP	BB-	B-3
Very Speculative Grade	B+	B	Ba1	NP	B+	-
	B	B	Ba2	NP	B	-
	B-	B	Ba3	NP	B-	-
Vulnerable Grade	CCC	C	Caa1	NP	CCC+	C
	CCC	C	Caa2	NP	CCC	C
	CCC	C	Caa3	NP	CCC-	C
	CC	C	-	NP	CC	C
	C	C	Ca	NP	C	C
Defaulting Grade	D	D	C	NP	D	D

# for the purpose of standardisation based on Standard and Poor's credit rating definitions.

\* NP – Not Prime

Source: Audit Commission adaptation of information from Fitch, Moody's and Standard & Poor's

### Viability, Financial Strength and Support Ratings

Continuing regulatory changes in the banking sector designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key rating agency information used to monitor counterparties will be the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes

As a result of these rating agency changes, the credit element of creditworthiness methodology applied by Capita Asset Services will focus solely on the Short and Long Term ratings of an institution. Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor's that has always taken, but a change to the use of Fitch and Moody's ratings. Furthermore, Credit Default Swap prices will continue to be used as an overlay to ratings in our new methodology.

## Benchmarking and Monitoring Security, Liquidity and Yield

The consideration and approval of security and liquidity benchmarks are also part of Member reporting. These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons, in the annual treasury report.

### Yield

These benchmarks are currently widely used to assess investment performance. Local measures of yield benchmarks are:

- Investments – **Internal returns above the 7 day LIBID rate**

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. Benchmarks for the cash type investments are below. In the other investment categories, appropriate benchmarks will be used where available.

### Liquidity

This is defined as an organisation “having adequate, though not excessive, cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of liquidity, the Council seeks to maintain:

- Bank overdraft - £250,000
- Liquid short term deposits of at least £3,000,000 available with a week’s notice.

The availability of liquidity in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect, the proposed benchmark to be used is:

- **WAL benchmark is expected to be 0.5 years, with a maximum of 1.00 years.**

### Security of the investments

In the context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of the Creditworthiness service provided by Capita Asset Services. Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council’s investment strategy.

The Council’s maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- **0.04% historic risk of default when compared to the whole portfolio.**

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Annual Treasury Management Report. As this data is collated, trends and analysis will be collected and reported.

## GLOSSARY OF TERMS

<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy
<b>CIPFA Code</b>	Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes
<b>CFR</b>	Capital Financing Requirement is the estimated the level of borrowing or financing needed to fund capital expenditure.
<b>Consent to Borrow</b>	Para 1 (1) of Schedule 3 of the Local Government (Scotland) Act 1975 (the 1975 Act) effectively restricts local authorities to borrowing only for capital expenditure. Under the legislation Scottish Ministers may provide consent for local authorities to borrow for expenditure not covered by this paragraph, where they are satisfied that the expenditure should be met by borrowing.
<b>Gilts</b>	A gilt is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. The term “gilt” or “gilt-edged security” is a reference to the primary characteristic of gilts as an investment: their security. This is a reflection of the fact that the British Government has never failed to make interest or principal payments on gilts as they fall due.
<b>LIBID</b>	London Interbank Bid Rate The rate at which banks bid on Eurocurrency Deposits, being the rate at which a bank is willing to borrow from other banks.
<b>MPC</b>	Monetary Policy Committee
<b>NHT</b>	National Housing Trust initiative undertaken in partnership with the Scottish Futures Trust.
<b>Other Long Term Liabilities</b>	Balance sheet items such as Public Private Partnership (PPP), and leasing arrangements which already include borrowing instruments.
<b>PPP</b>	Public-Private Partnership.
<b>Prudential Indicators</b>	The Prudential Code sets out a basket of indicators (the Prudential Indicators) that must be prepared and used in order to demonstrate that local authorities have fulfilled the objectives of the Prudential Code.
<b>QE</b>	Quantitative Easing
<b>Treasury Indicators</b>	These consist of a number of Treasury Management Indicators that local authorities are expected to ‘have regard’ to, to demonstrate compliance with the Treasury Management Code of Practice.

You can get this document on tape, in Braille, large print and various computer formats by contacting the address below.

Capital & Investments Team, Corporate Finance, Scottish Borders Council, Council HQ, Newtown St Boswells  
01835 824000, [t&cteam@scotborders.gov.uk](mailto:t&cteam@scotborders.gov.uk)

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## **FINANCIAL PLAN FROM 2018/19 EQUALITY IMPACT ASSESSMENTS**

**Report By Chief Financial Officer**

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### **SCOTTISH BORDERS COUNCIL**

**20 February 2018**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report seeks to provide assurance to members that any potential equality impacts of the proposals brought forward within the Council's Financial Plan from 2018/19 have been identified and will be managed accordingly.**
- 1.2 An equality impact assessment (EIA) is a tool that helps public authorities make sure their policies and the ways they carry out their functions, do what they are intended to do for everybody in a fair manner. EIAs therefore help the Council to fulfil legal obligations, ensure it meets its core business needs and identifies any ethical considerations which require to be managed. In doing so, it ensures no equality group is inadvertently discriminated against and that equality and inclusion are promoted consistently.
- 1.3 From the 27<sup>th</sup> May 2012, the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires that all changes to Council policy are Impact Assessed for relevance to each part of the Public Sector General Duty under the Act. Carrying out and considering the findings of an EIA therefore provides evidence there has been "due regard" to equality impact as part of the decision-making process. Initial Equality Impact Assessments on the 2018/19 Financial Plan proposals have been undertaken as an integral part of the revenue and capital budget planning processes in order to fully inform decisions proposed by officers and approved by members.
- 1.4 Initial Equality Impact Assessments have been undertaken in respect of 63 key component Revenue Financial Plan savings proposals and 26 Capital Plan proposals. Of these, 75 (54 Revenue and 21 Capital) have been held to have some relevance to the Council's duties under the Act. They potentially may impact on one or more of the Equality Characteristic Groups in a positive or negative way and any potential negative impact would require ongoing management through each proposal's implementation stage, in terms of mitigating and alleviating these impacts. Any positive impact identified should be maximised during the planning and implementation stage of the proposals.
- 1.5 In many cases, relevance to the Council's Equality duty is attributable to potential impact (positive or negative) on employees. Whilst it has been identified that there will be a reduction in numbers of staff in certain areas, steps will be taken to minimise the impact of this on current members of staff.

- 1.6 Key to this is the 'People Planning' process, the aim of which is to support managers to consider their current workforce make-up, think about where their services will be in the coming years and plan ahead to manage changes effectively.
- 1.7 To manage changes/ reductions effectively in impacted areas the Council will consider Deployment, Redeployment, Early Retirement and Voluntary Severance (ER/VS), It is anticipated that these efforts will reduce the need for staff members to leave the employment of the Council. Deployment opportunities are sought on a Council wide basis, which should increase retention. Relevant HR tools and Policies promote good practice by prominently stating that employees will be treated fairly and that the Council is committed to ensuring that discrimination, victimisation and harassment does not occur. Additionally HR Policies provides guidance and procedures that when consistently applied ensure fairness on application.
- 1.8 All of these aspects demonstrate SBC's commitment to eliminating discrimination, advancing equality of opportunity and fostering good relations
- 1.9 These 75 proposals (54 Revenue / 21 Capital) may therefore potentially impact in a positive or negative way on 1 or more Equality Characteristic Groups and any potential negative impact would require ongoing management through their implementation stage, in terms of mitigating and alleviating these impacts. Any positive impacts identified at this stage should be maximised during the planning and implementation stage of the proposals.

## **2 RECOMMENDATIONS**

### **2.1 It is recommended that Council**

- **notes the summary outcomes of the 89 Initial Equality Impact assessments undertaken in respect of the 2018/19 Financial Plan proposals;**
- **agrees to undertake further and ongoing Equality Impact work in respect of the 75 proposals where it has been identified that they have a relevance to the Council's duty under the Equality Act 2010, with specific reference to the equality groups on whom there may be possible negative impact;**
- **agrees that where there is an identified relevance to the Council's statutory duty and there is a possible positive impact on one or more equality characteristic group, actions to maximise this impact are identified and implemented as part of the project planning and delivery of each proposal or project;**
- **agrees that where there is an identified relevance to the Council's statutory duty and where there is a possible negative impact on one or more equality characteristic group, actions to mitigate and alleviate this impact are identified and implemented as part of the project planning and delivery of each proposal or project.**

### **3 OVERVIEW OF EQUALITY IMPACT ASSESSMENT PROCESS**

3.1 An Equality Impact Assessment (EIA) is a tool to help the Council make sure its policies, services and functions are fit for purpose by meeting the needs of its community, service users and staff. Carrying out an EIA involves systematically assessing the potential (or actual) effects of policies on people in respect of what are known in the Equality Act 2010 as protected characteristics. These are:

- Age,
- Disability
- Gender
- Marital status
- Pregnancy and Maternity
- Race groups,
- People with religious or other beliefs,
- Sexual orientation,
- Carers,
- Poverty, and
- Employees

3.2 In addition the Council also undertakes a rural proofing assessment as part of any Policy change decision.

3.3 If the EIA shows there is discrimination against a protected group, then the proposal should go no further until the discrimination has been alleviated, mitigated or justified; alternatively if there is a negative but non-discriminatory impact on such a group, efforts should be made to minimise any detrimental impact and to maximise any beneficial impact.

3.4 On reporting equalities impacts to Council it is not enough to state that an EIA has been carried out. The Council must be made aware of what the equalities impacts are and how these can be addressed, and must use these findings within their decision making processes. Copies of each of the Initial EIA Assessments have been made available in the Members' Library.

### **4 INITIAL IMPACT ASSESSMENT FOR BUDGET PROPOSALS**

4.1 As an integral part of the 2018/19 Financial Planning process initial impact analyses on all proposals brought forward to members have been undertaken in order to inform the Corporate Management Team and Members' planning and decision-making. This ensures that any potential equalities impact formed part of the evaluation criteria when considering budget proposals alongside financial benefit, potential impact on performance and outcomes, deliverability and the views of stakeholders through the budget process.

4.2 For each Financial Planning proposal a relevant officer within each

department undertook an initial evaluation of equality impact, considering the following factors:

- Whether the proposal has any relevance to the duties of the Council under the Equality Act 2010 (*in terms of eliminating discrimination, victimisation and harassment, promoting equal opportunities and fostering good relations*);
- Which groups of people may be positively or negatively impacted should the proposal be adopted;
- Where a possible negative impact is identified, what this impact, in summary terms may be and how it may be mitigated against.

4.3 In terms of relevance to the duties of the Council under the Equality Act 2010, the initial assessment has indicated that 75 of the 89 assessments have relevance to one or more of the groups of people who may be positively or negatively impacted should the proposal be adopted. The outcomes of these assessments are summarised in Appendix 1.

## **5 NEXT STEPS**

- 5.1 Based on the outcomes from the Initial Impact Assessment for Budget Proposals (summarised in Appendix 1 to this report and made available in detail per proposal for Councillors as hard copy in the Members' Library), the proposals that have been identified as having relevance to the Council's equality duties, with particular focus on the proposals in which a potential negative impact was identified will, in line with the EIA process, continue to be assessed and managed through evidence gathering and mitigation and alleviation.
- 5.2 If at any point when undertaking further Equality Impact Assessments evidence suggests there may be discrimination against a protected characteristic group, then the proposal will go no further until the discrimination has been alleviated, mitigated or justified. Alternatively if there is a negative but non-discriminatory impact on such a group, efforts will be made to minimise any detrimental impact and to maximise any beneficial impact.

## **IMPLICATIONS**

- 6.1 **Financial**  
There are no additional financial implications associated with this report, its content referring specifically to the Equality Impacts of the Council's Financial Plan proposals.

## 6.2 **Risk and Mitigations**

- (a) Rigorously following the Council's agreed process for Equality Impact Assessment should ensure that any potential impact, positive or negative, of any proposal, on any equality group, is identified in a timely manner.
- (b) Where a potential negative equality impact is identified, a clear plan for mitigation, alleviation and/or justification will be put in place in order to address this impact. Where any impact prevails, this will be reported back to members to inform ongoing decision-making over the delivery of the Financial Plan required savings.

## 6.3 **Equalities**

There are no direct adverse equality implications arising from this report. Any potential equality impacts of any Financial Plan proposal will be identified by the application of the Council's EIA process, which has already commenced through the completion of Initial Impact Assessments. Any issues regarding Council staff will be addressed through Trades Unions and Staff Consultation processes.

## 6.4 **Acting Sustainably**

There are no economic, social or environmental effects arising directly from this report.

## 6.5 **Carbon Management**

There are no effects on carbon emissions.

## 6.6 **Rural Proofing**

There are no implications that would compromise the Council's rural proofing policy.

## 6.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes required to either the Scheme of Administration or the Scheme of Delegation.

## **7 CONSULTATION**

- 7.1 The Monitoring and Reporting Officer, the Chief Legal Officer, 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 report.

## Approved by

**David Robertson**  
**Chief Financial Officer**

### Author

Name	Designation and Contact Number
Suzy Douglas	Financial Services Manager 01835 824000 x5881

**Background Papers: Copies of each of the 89 Initial EIA Assessments have been made available in the Members' Library.**

### Previous Minute Reference:

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Finance can also give information on other language translations as well as providing additional copies.

Contact us at: Suzy Douglas, Financial Services Manager, Scottish Borders Council, Council Headquarters, Newtown St Boswells, and Melrose, TD6 0SA.  
Telephone – 01835 825000 X5881. Fax – 01835 824000. e-mail –  
sdouglas@scotborders.gov.uk











	Is the project relevant to the duties of the Council under the Equality Act 2010			Which groups of people may be impacted (both positively and negatively) if the proposal is adopted?											
Revenue proposals	Elimination of discrimination victimisation and harassment	Promotion of equality of opportunity	Foster good relations	Age	Disability	Gender	Marital Status	Pregnancy and Maternity	Race Groups	People with Religious or other Beliefs	Sexual Orientation	Carers	Poverty	Employees	
Generate further additional income from providing Pre-Planning advice	This proposal is of an operational nature and there will be no equality impact														
South East Scotland Planning Authority (SESPlan) Payment Holiday	This proposal is of an operational nature and there will be no equality impact														
Assessors: reduction in canvassers	This proposal is of an operational nature and there will be no equality impact														
Assessors Printing	This proposal is of an operational nature and there will be no equality impact														
Regulated Bus Fares	N	Y	Y	Negative	Negative	None	None	None	None	None	None	None	Negative	Negative	
Transport Review Savings	N	N	Y	Negative	Negative	None	None	None	None	None	None	None	Negative	Negative	
Provision of shared service with Midlothian Council for Audit and Risk Services	This proposal is of an operational nature and there will be no equality impact														
Legal	This proposal is of an operational nature and there will be no equality impact														
Shared "on call" service for environmental health incidents	This proposal is of an operational nature and there will be no equality impact														
Provide animal feed service for other rural local authorities	This proposal is of an operational nature and there will be no equality impact														
Regulatory Services Directorate	N	N	Y	None	None	None	None	None	None	None	None	None	None	Negative	

		Is the project relevant to the duties of the Council under the Equality Act 2010			Which groups of people may be impacted (both positively and negatively) if the proposal is adopted?										
		Elimination of discrimination victimisation and harassment	Promotion of equality of opportunity	Foster good relations	Age	Disability	Gender	Marital Status	Pregnancy and Maternity	Race Groups	People with Religious or other Beliefs	Sexual Orientation	Carers	Poverty	Employees
<b>CAPITAL FINANCIAL PLAN 2018/19</b>	<b>Service</b>														
Plant & Vehicle Replacement	Other	N	N	N	None	None	None	None	None	None	None	None	None	None	None
Waste Collection Vehicles	Other	N	N	N	None	None	None	None	None	None	None	None	None	None	None
Hawick Flood Protection	Flood & Coastal Protection	N	Y	Y	Positive	Positive	None	None	None	None	None	None	None	Positive	None
Energy Efficiency Works	Land & Property Infrastructure	N	N	Y	None	None	None	None	None	None	None	None	None	None	Positive
A72 Dirtpot Corner - Road Safety Works	Roads & Transport Infrastructure	N	Y	Y	Positive	Positive	Positive	None	Positive	None	None	Positive	Positive	Positive	Positive
Innerlethan - Walkerburn (shared access route)	Roads & Transport Infrastructure	Y	Y	Y	Positive	Positive	None	None	None	None	None	None	None	Positive	Positive
Peebles Bridge	Roads & Transport Infrastructure	Y	Y	Y	Positive	None	None	None	None	None	None	None	None	Positive	None
Reston Station Contribution	Roads & Transport Infrastructure	Y	Y	Y	Positive	Positive	None	None	None	None	None	None	None	Positive	Positive
Union Chain Bridge	Roads & Transport Infrastructure	N	Y	Y	Positive	Positive	None	None	None	None	None	None	None	Positive	None
Easter Langlee Cell Provision	Waste Management	N	N	N	None	None	None	None	None	None	None	None	None	None	None
Easter Langlee Leachate Management Facility	Waste Management	N	N	N	None	None	None	None	None	None	None	None	None	None	None
New Easter Langlee Waste Transfer Station	Waste Management	N	N	N	None	None	None	None	None	None	None	None	None	None	None
Waste Containers	Waste Management	Y	Y	Y	None	None	None	None	None	None	None	None	None	Positive	Positive
ICT - Outwith CGI Scope	Corporate Transformation & Services	N	Y	Y	Positive	None	None	None	None	Positive	None	Positive	Positive	Positive	Positive
Broomlands Primary School	School Estate	Y	Y	Y	Positive	Positive	Positive	None	Positive	None	Positive	Positive	Positive	Positive	Positive
Langlee Primary School	School Estate	Y	Y	Y	Positive	Positive	Positive	None	Positive	None	Positive	Positive	Positive	Positive	Positive
Jedburgh Learning Campus incorporating 3G Pitch	School Estate	Y	Y	Y	Positive	Positive	Positive	None	Positive	None	Positive	Positive	Positive	Positive	Positive
School Estate Review	School Estate	Y	Y	Y	Positive	Positive	Positive	None	Positive	None	Positive	Positive	Positive	Positive	Positive
Jim Clark Museum	Corp Transformation : Cultural Services	N	N	Y	Positive	Positive	Positive	None	None	None	None	None	None	None	None
Sir Walter Scott Courthouse	Chief Executive	N	Y	Y	Positive	Positive	Positive	None	None	None	None	None	None	None	None
Great Galloway of Scotland - Building	Chief Executive	N	Y	Y	Positive	Positive	None	None	None	None	None	None	None	None	Positive
Central Borders Business Park	Economic Development	Y	Y	Y	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	None	Positive	None
Newtown St Boswells Regeneration	Economic Development	N	Y	Y	Positive	Positive	None	None	None	None	None	None	None	None	None
Development - Lowood, Tweedbank	Economic Development	Y	Y	Y	Positive	Positive	Positive	None	Positive	Positive	Positive	Positive	None	Positive	None
Private Sector Housing Grant - Adaptations	Housing Strategy & Services	Y	Y	Y	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive
Residential Dementia Care	Social Care Infrastructure	Y	Y	Y	Positive	Positive	Positive	None	Positive	None	None	None	Positive	Positive	None



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# Scottish Borders Council

## Administration's Draft Financial Plans

20 February 2018



Agenda Item 10a

**Draft Revenue & Capital Financial Plan**  
**Revenue 2018/19 - 2022/23, Capital 2018/19-2027/28**

Scottish Borders Council  
 Draft Financial Plan 2018/19 to 2022/23  
 Revenue Resources

	2018/19 £'000	2019/20 (Provisional) £'000	2020/21 (Provisional) £'000	2021/22 (Provisional) £'000	2022/23 (Provisional) £'000	Total £'000
<b>Aggregate External Finance</b>						
General Revenue Support	167,539	164,759	160,755	157,838	154,965	805,856
Assumed SG grant reductions (2% 2019/20, 1.5% thereafter)		(4,004)	(2,917)	(2,873)	(2,830)	(12,624)
Ring fenced grants	2,966	2,966	1,125	1,125	1,125	9,307
Health & Social Care Partnership	7,188	7,188	7,188	7,188	7,188	35,940
Non-domestic Rates	32,790	32,790	32,790	32,790	32,790	163,950
	<b>210,483</b>	<b>203,699</b>	<b>198,941</b>	<b>196,068</b>	<b>193,238</b>	<b>1,002,429</b>
<b>Repay Reserves</b>	<b>(677)</b>	<b>(677)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,354)</b>
<b>Earmarked Balance (including £0.767m SG funding)</b>	<b>2,782</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,782</b>
<b>Council Tax (Band D £1,150.02 - increase of 3% in 2018/19)</b>	<b>60,077</b>	<b>61,448</b>	<b>62,827</b>	<b>64,027</b>	<b>65,227</b>	<b>313,606</b>
<b>Total</b>	<b>272,665</b>	<b>264,470</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>

**Scottish Borders Council**  
**Draft Financial Plan 2018/19 to 2027/28**  
**Capital Resources**

	<b>3 yr operational £000's</b>	<b>7 year strategic £000's</b>	<b>Total £000's</b>	<b>Est External Funding £000's</b>	<b>Est. SBC Contribution £000's</b>
Specific Grants from Scottish Government	27,639	10,426	38,065	38,065	0
Other External Grants & Contributions	7,909	0	7,909	7,909	0
Developer Contributions	1,540	700	2,240	2,240	0
Capital Receipts	4,360	0	4,360	0	4,360
General Capital Grant	43,824	98,000	141,824	0	141,824
Plant & Vehicle Replacement - P&V Fund	6,000	14,000	20,000	20,000	0
Synthetic Pitch Replacement Fund	364	3,338	3,702	3,702	0
Borrowing	38,538	37,323	75,861	1,200	74,661
<b>Total</b>	<b>130,174</b>	<b>163,787</b>	<b>293,961</b>	<b>73,116</b>	<b>220,845</b>

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Detailed Capital funding can be found at the back of this budget pack



**Scottish Borders Council**  
**Draft Financial Plan 2018/19 to 2022/23**  
**Summary of Revenue Budget Movement**

	2018/19 £'000	2019/20 (Provisional) £'000	2020/21 (Provisional) £'000	2021/22 (Provisional) £'000	2022/23 (Provisional) £'000	Total £'000
<b>Base Budget (approved 9 February 2017)</b>	<b>267,647</b>	<b>272,665</b>	<b>264,470</b>	<b>261,768</b>	<b>260,095</b>	<b>1,326,645</b>
Manpower adjustments	4,723	1,890	2,059	2,233	2,481	13,386
Non-pay and department specific inflation	951	656	978	781	792	4,158
Service Specific priorities & National policy changes	10,775	(5,226)	83	47	151	5,830
<b>Total Pressures</b>	<b>16,449</b>	<b>(2,680)</b>	<b>3,120</b>	<b>3,061</b>	<b>3,424</b>	<b>23,374</b>
<b><u>Savings Proposals</u></b>						
Corporate	(3,670)	(1,844)	(4,915)	(4,582)	(4,904)	(19,915)
Contracted Services (Live Borders/SBCares)	(1,240)	(658)	(88)	(87)	(85)	(2,158)
Assets & Infrastructure	(1,554)	(544)	(120)	(10)	(10)	(2,238)
Economic Development & Corporate Services	(1,398)	(496)	0	0	0	(1,894)
Health & Social Care	(208)	0	(10)	(10)	(10)	(238)
Children & Young People	(2,088)	(1,464)	(531)	(5)	(5)	(4,093)
Customer & Communities	(311)	(11)	25	0	0	(297)
Finance, IT & Procurement	(302)	(293)	(143)	0	0	(738)
Human Resources	(79)	0	0	0	0	(79)
Regulatory Services	(581)	(205)	(40)	(40)	(40)	(906)
<b>Total Savings</b>	<b>(11,431)</b>	<b>(5,515)</b>	<b>(5,822)</b>	<b>(4,734)</b>	<b>(5,054)</b>	<b>(32,556)</b>
	<b>272,665</b>	<b>264,470</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>
<b>Funding</b>	<b>272,665</b>	<b>264,470</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>

**Scottish Borders Council**  
**Draft Financial Plan 2018/19 to 2027/28**  
**Summary of Capital Budget Movement**

	<b>3 yr operational £000's</b>	<b>7 year strategic £000's</b>	<b>Total £000's</b>	<b>Est External Funding £000's</b>	<b>Est. SBC Contribution £000's</b>
<b>Base Budget (approved 9 February 2017)</b>	<b>117,833</b>	<b>204,248</b>	<b>322,081</b>	<b>(103,546)</b>	<b>218,535</b>
CFCR	(684)	0	(684)	684	0
Specific Grants from Scottish Government	12,278	(34,568)	(22,290)	22,290	0
Other External Grants & Contributions	1,736	(1,540)	196	(196)	0
Developer Contributions	(1,256)	(2,000)	(3,256)	3,256	0
Capital Receipts	(1,603)	(300)	(1,903)	0	(1,903)
General Capital Grant	(2,323)	0	(2,323)	0	(2,323)
Plant & Vehicle Replacement - P&V Fund	0	0	0	0	0
Synthetic Pitch Replacement Fund	0	473	473	(473)	0
Borrowing	4,193	(2,526)	1,667	4,869	6,536
<b>Total Funding Adjustments</b>	<b>12,341</b>	<b>(40,461)</b>	<b>(28,120)</b>	<b>30,430</b>	<b>2,310</b>
<b>Funding</b>	<b>130,174</b>	<b>163,787</b>	<b>293,961</b>	<b>(73,116)</b>	<b>220,845</b>
<b>Investment Proposals</b>					
Corporate	900	2,100	3,000	0	3,000
Contracted Services (Live Borders/SBCares)	10,920	6,127	17,047	(9,601)	7,446
Asset & Infrastructure	88,492	109,740	198,232	(61,215)	137,017
Economic Development & Corporate Services	5,305	4,019	9,324	(1,000)	8,324
Health & Social Care	5,508	707	6,215	0	6,215
Children & Young People	17,321	37,172	54,493	(1,300)	53,193
Customer & Communities	0	0	0	0	0
Finance, IT & Procurement	1,728	3,922	5,650	0	5,650
Human Resources	0	0	0	0	0
Regulatory Services	0	0	0	0	0
<b>Total Investment</b>	<b>130,174</b>	<b>163,787</b>	<b>293,961</b>	<b>(73,116)</b>	<b>220,845</b>

Detailed Capital Investment by year can be found at the back of this budget pack

Scottish Borders Council  
 Draft Financial Plan 2018/19 - 2022/23  
 Service Level Summary

	2018/19 £'000	2019/20 (Provisional) £'000	2020/21 (Provisional) £'000	2021/22 (Provisional) £'000	2022/23 (Provisional) £'000	Total £'000	Capital Investment (10 years)
Corporate	(108)	261	(2,306)	(4,361)	(6,455)	(12,969)	3,000
Contracted Services (Live Borders/SBCares)	14,042	13,147	13,088	13,030	12,945	66,252	17,047
Assets & Infrastructure	29,826	27,027	27,091	27,266	27,441	138,651	198,232
Economic Development & Corporate Services	458	208	448	438	428	1,980	9,324
Health & Social Care	47,910	46,880	46,880	46,880	46,880	235,430	6,215
Children & Young People	117,023	114,669	114,047	114,361	114,680	574,780	54,493
Customer & Communities	18,635	18,798	18,827	18,831	18,925	94,016	0
Finance, IT & Procurement	34,557	33,373	33,332	33,329	33,340	167,931	5,650
Human Resources	2,634	2,634	2,634	2,634	2,634	13,170	0
Regulatory Services	7,688	7,473	7,727	7,687	7,647	38,222	0
<b>Total</b>	<b>272,665</b>	<b>264,470</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>	<b>293,961</b>

## Corporate

### Corporate budget movements which cross more than one service

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	Total £'000s	Est External Funding £'000s	Est. SBC Contribution £'000s	Detail
Emergency & Unplanned	900	2,100	3,000	0	3,000	Budget to deliver emergency works in year
<b>Total Investment</b>	<b>900</b>	<b>2,100</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>	

Corporate Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Pay Inflation	4,594	1,861	2,030	2,204	2,481	To provide for the assumed pay award for all employees. 2%/3% in 2018/19. This includes all SB Cares staff
Insurance	94	24	26	27	27	To provide for Insurance inflation across the council
Utilities	18	114	116	119	123	To provide for Utilities inflation across the council
Rates	(179)	103	104	105	107	To provide for Rates inflation across the council
One-off 2017/18 budget allocations	(1,600)	0	0	0	0	Removal of one off Scottish Government funding received in 2017/18
Water Rates Valuation	0	50	50	50	50	To allow for anticipated increases from water revaluation
Road Fuel (all services)	0	21	22	22	22	To allow for inflationary road fuel increases across the council
Council Tax Reduction scheme (CTRS)	635	40	0	0	0	Provided by Scottish Government to assist Councils with Tax reform changes
<b>Total Pressures</b>	<b>3,562</b>	<b>2,213</b>	<b>2,348</b>	<b>2,527</b>	<b>2,810</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Organisational Efficiencies	(601)	0	0	0	0	Efficiencies driven through changes to staffing and optimising resources across different staffing models. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Changes to working practices	(548)	0	0	0	0	Efficiencies driven through changes to working practices including more efficient working patterns. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Digital Transformation	(1,175)	(975)	(500)	(500)	(500)	Efficiency driven through Digital Transformation within the Council. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Property & Assets	(284)	0	0	0	0	Review of SBC property and its use
Vehicle Tracking and Scheduling	(100)	0	0	0	0	Increased efficiency and productivity enabling more efficient/less costly travel. Technology dependent

## Corporate

### Corporate budget movements which cross more than one service

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Mobile phone contracts	(30)	0	0	0	0	A review of mobile phone usage to ensure best value and where and when they are required. Assume 20% reduction
Corporate Commissioning	(232)	(400)	(400)	(400)	(400)	Savings from a review of commissioned services to ensure consistent best practice across the council
Corporate Landlord	(100)	(215)	(250)	(251)	0	Savings resulting from implementing the corporate landlord model across the council
Shared Services	0	(100)	(100)	(100)	(100)	To target opportunistic shared service possibilities with partners and other councils
Council Tax Reduction Scheme	(100)	0	0	0	0	Reduced spend based on current levels per 17/18 monitoring
Service proposals to be developed	0	(154)	(3,665)	(3,331)	(3,904)	Proposals and change across the council to be developed, including transformation opportunities
Top slice external grants received	(500)	0	0	0	0	Administrative top-slice charge on all grants received where allowed under the grant conditions
<b>Total Savings</b>	<b>(3,670)</b>	<b>(1,844)</b>	<b>(4,915)</b>	<b>(4,582)</b>	<b>(4,904)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Net Pressures & Savings	(108)	261	(2,306)	(4,361)	(6,455)
<b>Net position</b>	<b>(108)</b>	<b>261</b>	<b>(2,306)</b>	<b>(4,361)</b>	<b>(6,455)</b>

## Contracted Services: SB Cares; LIVE Borders (Sport, Heritage and Culture)

SB CARES: Provision of Social Care and Support Services including Residential Care, Care at Home, Day Services, Extra Care Housing, Night Support, Equipment and Technology

LIVE Borders: Sport Facilities, Active Schools, Cultural Services (Libraries, Museums, Halls & Community Centres, Arts Development + SBC Capital Projects)

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Sports Infrastructure	1,294	6,028	7,322	(3,702)	3,620	Capital allocation to Sports Trusts to improve and refurbish SBC owned Sport and Leisure facilities and a Synthetic Pitch replacement fund to manage the replacement of synthetic pitches across the Borders
Culture & Heritage	4,060	99	4,159	(2,699)	1,460	Public Halls upgrades, new upgraded Jim Clark Museum in Duns and the upgrade and redevelopment of the Sir Walter Scott Courthouse in Selkirk
Great Tapestry of Scotland	5,566	0	5,566	(3,200)	2,366	To provide a permanent home for the Great Tapestry of Scotland in Galashiels town centre
<b>Total Investment</b>	<b>10,920</b>	<b>6,127</b>	<b>17,047</b>	<b>(9,601)</b>	<b>7,446</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	15,639	14,739	13,844	13,785	13,727
Base Budget (approved 9 February 2017) Income	(697)	(697)	(697)	(697)	(697)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>14,942</b>	<b>14,042</b>	<b>13,147</b>	<b>13,088</b>	<b>13,030</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
SB Cares Contract inflation	29	29	29	29	0	SB Cares Contract inflation to cover increased utilities costs
Synthetic Sports Pitches (Live Borders)	45	0	0	0	0	To provide for the increased running costs of the new 3G pitches being developed
Live Borders Contract inflation	266	(266)	0	0	0	To provide for Live Borders inflationary pressures such as utility and pay inflation
<b>Total Pressures</b>	<b>340</b>	<b>(237)</b>	<b>29</b>	<b>29</b>	<b>0</b>	

## Contracted Services: SB Cares; LIVE Borders (Sport, Heritage and Culture)

SB CARES: Provision of Social Care and Support Services including Residential Care, Care at Home, Day Services, Extra Care Housing, Night Support, Equipment and Technology

LIVE Borders: Sport Facilities, Active Schools, Cultural Services (Libraries, Museums, Halls & Community Centres, Arts Development + SBC Capital Projects)

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
<b>SB Cares</b>						
SB Cares Contribution to SBC General Fund per Original Business Case	(162)	(152)	0	0	0	As per SB Cares approved Business Plan, there are forecast increases to the profitability of SB Cares through additional income streams and more efficient service delivery
SB Cares Structure Review	(100)	0	0	0	0	Review of SB Cares structures targeting increased effectiveness in the provision of all services. This is expected to provide a saving through redefining roles and responsibilities and process redesign. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Implement relief staff management tool	(80)	0	0	0	0	Implement improved management processes and systems to deliver an effective relief bank resulting in reduced costs through a reduction in rates paid, compared to current 3rd party costs
Offer new relief bank of staff agency service for other Borders providers at commercial rate.	(20)	0	0	0	0	This is a commercial opportunity. This would be offered to other providers in the Borders at a rate below city agency rates and allow services to continue in all areas
Implement equitable support worker structure in Care Home	(20)	0	0	0	0	Staffing changes will be required as a result of this proposal. No overall FTE effect. Council HR policy will be consistently applied throughout review
Review of how Sleep-Ins are provided	(80)	0	0	0	0	To deliver greater efficiency. Any potential increase in risk to clients would require mitigation assurances and work with Health and Social Care required to ensure no duplication. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Review of Finance System – use Business World as an alternative - Licence & Maintenance Fee Saving	(20)	0	0	0	0	Consistency with other SBC services and subsidiaries and reduced cost through no longer requiring a separate financial management information system
Increase pool car fleet in homecare	(20)	0	0	0	0	Reduced costs through reduced mileage claimed and increased efficiency due to reliable vehicles
Review provision of fleet across all services	(10)	0	0	0	0	Cost savings arising from greater efficiency in the economy, deployment and use of vehicles
Brokerage service – Management fee for promoting services – Community provision e.g. Care & Repair	(10)	0	0	0	0	Increased signposting activity that would enable clients (unassessed) to access a wider range of support services

## Contracted Services: SB Cares; LIVE Borders (Sport, Heritage and Culture)

SB CARES: Provision of Social Care and Support Services including Residential Care, Care at Home, Day Services, Extra Care Housing, Night Support, Equipment and Technology

LIVE Borders: Sport Facilities, Active Schools, Cultural Services (Libraries, Museums, Halls & Community Centres, Arts Development + SBC Capital Projects)

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
East Lothian collaboration for the provision of Alarms Service	(250)	0	0	0	0	This provides a Telecare Services Association (TSA) accredited solution which will enable sales to the third sector. This also improves current alarm service to current client base and provides some financial savings. A total saving of 7 FTE is anticipated. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Review of Bordercare and Community Equipment Service delivery structures	(80)	0	0	0	0	Review to deliver an integrated service provision for Bordercare and Community Equipment Service following transfer of Call Response service to East Lothian. This is expected to provide a saving through redefining roles and responsibilities and process redesign, and could reduce the workforce by up to 2 FTE. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
<b>LIVE BORDERS</b>						
Management Fee reduction to Live Borders	(388)	(506)	(88)	(87)	(85)	Proposals to increase income, reduce management and back office staffing (3.8 FTE) and improve efficiency within the Trust with regards to procurement and energy efficiency
<b>Total Savings</b>	<b>(1,240)</b>	<b>(658)</b>	<b>(88)</b>	<b>(87)</b>	<b>(85)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	14,739	13,844	13,785	13,727	13,642
Base Budget - Income	(697)	(697)	(697)	(697)	(697)
<b>Base Budget - Net</b>	<b>14,042</b>	<b>13,147</b>	<b>13,088</b>	<b>13,030</b>	<b>12,945</b>



## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBC Contracts, Fleet, Pay & Display, Waste Management

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Land & Property Infrastructure	13,790	21,788	35,578	0	35,578	Capital works on the Council estate including parks and play facilities, encompassing structural, energy efficiency, Health & Safety works, improvements and upgrades
Roads & Transport Infrastructure	24,132	58,211	82,343	(130)	82,213	Encompasses the Roads, Bridges and Lighting blocks and a number of other infrastructure projects
Cycling, Walking & Safer Streets	562	1,649	2,211	(2,211)	0	Specific Scottish Government funding to encourage walking and cycling, especially to schools and to connect communities
Peebles Bridge	0	420	420	0	420	Preparatory work to consider the future requirement for a new bridge in Peebles to support future development per the Local Development Plan
Flood & Coastal Protection works	1,614	3,850	5,464	(3,500)	1,964	Small scale capital flood works projects and flood studies for future major schemes. Flood studies and scheme preparation fully funded by Scottish Government
Hawick Flood Protection	33,033	8,217	41,250	(32,934)	8,316	Infrastructure project to protect residential and commercial properties from flood risk within the River Teviot's flood plain in Hawick. Scottish Government 80% funding of the project partially confirmed
Waste Management	1,400	600	2,000	(1,200)	800	Easter Langlee cell provision and leachate management, CRC skip infrastructure and provision of waste containers
Easter Langlee Waste Transfer Station	5,099	0	5,099	0	5,099	Construction of new waste transfer station at Langlee
Waste Collection (Non P&V)	1,432	365	1,797	0	1,797	Contribution to refuse lorry replacements not provided by Plant and Vehicle fund, funded by Waste revenue budget contribution for specific funding
Reston Station Contribution	1,430	640	2,070	(1,240)	830	Council contribution to provision of new platform and car parking at Reston, supported by potential funding from developer contributions
Plant & Vehicle Fund	6,000	14,000	20,000	(20,000)	0	Rolling programme of fleet replacement to meet council requirements, fully funded from the Plant and Vehicle fund and replenished by revenue budgets over vehicle lives
<b>Total Investment</b>	<b>88,492</b>	<b>109,740</b>	<b>198,232</b>	<b>(61,215)</b>	<b>137,017</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	61,987	63,453	60,666	60,740	60,925
Base Budget (approved 9 February 2017) Income	(33,514)	(33,627)	(33,639)	(33,649)	(33,659)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>28,473</b>	<b>29,826</b>	<b>27,027</b>	<b>27,091</b>	<b>27,266</b>

## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBC Contracts, Fleet, Pay & Display, Waste Management

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Property Maintenance Fund Inflation	0	47	49	50	50	To allow for anticipated inflationary increases of materials and works associated with maintaining the Council estate
New Kelso High School	206	0	0	0	0	Increased revenue costs associated with the lifecycle costs of new Kelso High School
Catering (Food) Inflation	0	28	29	29	29	Estimated inflationary price increase of food costs
Winter Maintenance (Salt) Inflation	0	14	15	15	15	Estimated inflationary price increase of salt costs
Aggregates & Bitumen Inflation	0	5	5	5	5	Estimated inflationary price increase of bitumen and aggregates
Roads Investment	1,800	(1,800)	0	0	0	One-off injection into the Roads budget which will be targeted at roads across the region
Vehicle Spare Parts Inflation	0	13	13	13	13	Estimated inflationary price increase of spare parts
Waste Plant & Vehicle Fund	200	0	0	0	0	To provide for additional depreciation and interest payments associated with previously invested capital to allow rolling fleet replacement within Waste Services
Landfill Tax Inflation	70	70	73	73	73	Estimated inflationary price increase of Landfill tax which is set by the Scottish Government
Reduced Flood allocation	(1)	0	0	0	0	Minor adjustment by Scottish Government as detailed in Settlement
Shared Access Paths	350	(350)	0	0	0	Match funding to be used to access external funding to develop shared access paths linking up specific towns for cycling and recreational use
Community Policing	282	(282)	0	0	0	Community policing team which will be deployed to target local issues under the direction of SBC e.g. anti-social behaviour. The team will work closely with the new Locality Committees and Elected Members and will seek to do more to prevent low level criminal activity and deal with issues such as parking
<b>Total Pressures</b>	<b>2,907</b>	<b>(2,255)</b>	<b>184</b>	<b>185</b>	<b>185</b>	

## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBC Contracts, Fleet, Pay & Display, Waste Management

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Energy Efficiency Project	(119)	(103)	(103)	0	0	Spend to save investments in a range of energy efficiency measures designed to reduce our Carbon Footprint and make cashable savings
Public-Private Partnership (PPP)	(100)	0	0	0	0	Extract savings on utilities from PPP contract. Early engagement with PPP Contract holders required to reach a common position and realise savings
Staff Canteen Efficiency	(60)	0	0	0	0	Replacement of existing staff canteen service with a sandwich, snacks and coffee service at an alternative location within HQ
Additional service for nursery meals based on the 7 pilot nursery meals uptake	(71)	0	0	0	0	Roll out of current pilot which provides Free School Meals to children attending full day nursery under the expansion of Early Years provision to 1140 hours
Improved Income from higher Secondary Schools Meals uptake	(75)	0	0	0	0	Anticipated increased income through increased uptake of school meals in Secondary Schools
Catering Marketing reduction	(20)	0	0	0	0	Reduction to marketing budget based on current spend levels
Cleaning Services Rationalisation (inc Janitor, crossings)	(80)	0	0	0	0	Completion of a project to deliver rationalisation of the cleaning service including Janitorial & Crossing Patrols. Expected reduction of 5.1 FTE. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Major projects Feasibility Study budget reduction	(30)	0	0	0	0	Reduced ability to evaluate possible future projects with the most important potential projects being prioritised to mitigate this risk
New delivery model for Public Toilet provision	0	(100)	0	0	0	Phase 2 of the public convenience review. Service impacts still to be assessed with review recommendations
Review winter working patterns / overtime	(50)	0	0	0	0	Review of staffing arrangements regarding providing winter services, no service impact expected
Neighbourhoods : Grass cutting, Biodiversity and Floral Detail	(345)	(100)	0	0	0	Redesign of Council grass cutting, £100k Review of Path Maintenance and £30k from Floral Gateway savings. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Children & Young People grounds maintenance transfer	(20)	0	0	0	0	Transfer budget to Neighbourhood Services to be managed as part of the service and within the normal framework of maintenance. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions

## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBC Contracts, Fleet, Pay & Display, Waste Management

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Review of Street Lighting Energy Efficiency Project (SLEEP) provision	0	(7)	(7)	0	0	Completion of SLEEP project
Roads review savings	(100)	0	0	0	0	Implementation of new Roads structure and delivery model. Expected reduction of 3FTE posts. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Increase the surplus budget of the Fleet Management service	(56)	(22)	0	0	0	Bringing Fleet budget in line with historic performance. No service impact expected
Waste services Kerbside Collection Review	(175)	(200)	0	0	0	Savings arising from the proposal of a new optimised model of service delivery, including route optimisation, review of working patterns and depot rationalisation (est 3FTE impact). The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Waste Services Leachate Management budget reduction	(100)	0	0	0	0	Peak demands for leachate movement now to be met from the Council's Weather Reserve which will reduce the risk of under and over spends due to the variability of demand for this service which is weather dependent
Waste Services Community Recycling Centre Review	(40)	0	0	0	0	Realign annual operating hours to focus more on periods of peak demand, changes to working patterns will be required to ensure staff are contracted to work during periods of high demand, Estimated increase of 3FTE as weekend working is contracted. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Waste Fees & Charges	(105)	0	0	0	0	Increased Trade Waste charges as agreed as part of the 2017/18 Financial Plan
Additional Fees & Charges Income across Assets & Infrastructure and Regulatory Services	(8)	(12)	(10)	(10)	(10)	Extra income from higher Fees & Charges which have been increased in line with inflation. Possible reductions in demand due to higher prices have been factored into the assumed additional income
<b>Total Savings</b>	<b>(1,554)</b>	<b>(544)</b>	<b>(120)</b>	<b>(10)</b>	<b>(10)</b>	

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Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	63,453	60,666	60,740	60,925	61,110
Base Budget - Income	(33,627)	(33,639)	(33,649)	(33,659)	(33,669)
<b>Base Budget - Net</b>	<b>29,826</b>	<b>27,027</b>	<b>27,091</b>	<b>27,266</b>	<b>27,441</b>

## Economic Development & Corporate Services

Corporate Policy, Economic Development, Commercial Property Income, Emergency Planning, Communications & Marketing, Corporate Transformation

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	Total £'000s	Est External Funding £'000s	Est. SBC Contribution £'000s	Detail
Town Centre Regeneration	300	700	1,000	0	1,000	To support the outcome of the Locality/Town review work, including development of new CARS schemes in Hawick and Eyemouth
Central Borders Business Park	2,500	0	2,500	(1,000)	1,500	To support the development of necessary infrastructure to maximise inward investment and the future growth of the Scottish Borders economy
Newtown St Boswells Regeneration	56	344	400	0	400	Initial development phase for the village centre regeneration
Eyemouth Regeneration	799	0	799	0	799	To support the regeneration of Eyemouth
Tweedbank Development	500	0	500	0	500	Funds to commence delivery of the Tweedbank Masterplan
Private Sector Housing Grant	1,150	2,975	4,125	0	4,125	Grant funding to assist the provision of major adaptations to Private Sector housing following a needs and priority assessment by Social Work
<b>Total Investment</b>	<b>5,305</b>	<b>4,019</b>	<b>9,324</b>	<b>(1,000)</b>	<b>8,324</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	1,411	1,728	1,478	1,728	1,728
Base Budget (approved 9 February 2017) Income	(1,270)	(1,270)	(1,270)	(1,280)	(1,290)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>141</b>	<b>458</b>	<b>208</b>	<b>448</b>	<b>438</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Transformational Change support	500	(250)	250	0	0	To support transformational change across the organisation
Scottish Enterprise Regeneration	25	0	0	0	0	Further funding from Scottish Government as detailed in settlement
<b>Total Pressures</b>	<b>525</b>	<b>(250)</b>	<b>250</b>	<b>0</b>	<b>0</b>	

## Economic Development & Corporate Services

Corporate Policy, Economic Development, Commercial Property Income, Emergency Planning, Communications & Marketing, Corporate Transformation

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Shared Service opportunities with Dumfries & Galloway	(150)	0	0	0	0	Enabled by sharing services with Dumfries & Galloway to deliver the South of Scotland Economic Partnership Work Plan. Area of saving not yet confirmed, possible implication of 2/3FTE. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Business Gateway	(10)	0	0	0	0	Use of technology to reduce travel time to ensure minimal impact
Housing Strategy savings	(30)	0	0	0	0	Work only required once every 5 years
Commercial Rent income	0	0	(10)	(10)	(10)	Inflationary rent increases
Travel in Emergency Planning	(4)	0	0	0	0	Minimal impact as pool cars will be used
Resilient Communities materials budget	(5)	0	0	0	0	Work with communities to fund and deliver differently to minimise impact
Communications Web and Digital Media post	(9)	0	0	0	0	Change grade 8 to Modern Apprentice (MA) or Grade 5- Short term training requirement
<b>Total Savings</b>	<b>(208)</b>	<b>0</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	1,728	1,478	1,728	1,728	1,728
Base Budget - Income	(1,270)	(1,270)	(1,280)	(1,290)	(1,300)
<b>Base Budget - Net</b>	<b>458</b>	<b>208</b>	<b>448</b>	<b>438</b>	<b>428</b>

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## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Capital Investment	3 yr. operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Adult Services Facilities Upgrade (Older People)	550	293	843	0	843	Planned Residential Care Home upgrades to enhance and improve facilities for residents
Care Inspectorate Requirements (Older People)	158	414	572	0	572	Residential Care Home works in order to deliver specific recommendations within the Joint Older People's Services Inspection Report
Residential Dementia (Older People)	4,800	0	4,800	0	4,800	Proposed specialist Dementia Residential Facility to deliver a specific Health and Social Care Partnership priority on Dementia
<b>Total Investment</b>	<b>5,508</b>	<b>707</b>	<b>6,215</b>	<b>0</b>	<b>6,215</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	60,786	61,478	60,448	60,448	60,448
Base Budget (approved 9 February 2017) Income	(13,568)	(13,568)	(13,568)	(13,568)	(13,568)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>47,218</b>	<b>47,910</b>	<b>46,880</b>	<b>46,880</b>	<b>46,880</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Older People demographic increases	343	348	348	348	348	Forecast additional cost of increasing numbers of Older People 65-74 and 74+
COSLA Residential Care Home Contract (Older People)	74	75	75	75	75	Inflationary Provision for COSLA residential care home contract
Dementia care services (Older People)	534	(534)	0	0	0	increase in beds in proposed dementia unit - revenue consequences remain unknown at the current time
Increased young adults with learning / physical disabilities	250	250	250	250	250	Forecast additional cost of increasing numbers of young adults in transition from Children's to Adult Services
Health & Social Care Integration (IJB - Older People, Learning Disability and Physical Disability)	(667)	(673)	(673)	(673)	(673)	The above demographic pressures have been identified. The SBC Financial Plan assumes however, that as in 2016/17 and 2017/18, these pressures will be met in full via the direction of additional social care funding by the Integration Joint Board
SBC share of £66m for H & SC (All)	1,537	0	0	0	0	Per settlement - to support additional investment in social care in recognition of a range of pressures Local Authorities are facing including new commitments
Choose Life	19	0	0	0	0	Additional funding as detailed in Settlement
<b>Total Pressures</b>	<b>2,090</b>	<b>(534)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Purchase Criminal Justice Service (CJS) training (e.g. Health and Safety) from Scottish Borders Council instead of an external provider	(2)	0	0	0	0	Greater cost-effectiveness of existing SBC training provision - Criminal Justice Service will no longer seek this provision externally but instead use the Council's in-house service
Review of Day Services (Older People and Learning Disability)	(290)	(400)	0	0	0	The Re-imagining Day Services Review project is ongoing, a key pillar of the Integration Joint Board Integrated Transformation Programme. Following implementation of its recommendations, including new service provision, some existing day centre provision will be decommissioned. This may impact on the current SB Cares General Fund Contribution level and on current the level of service required from SB Cares. This will not have an impact in Health & Social Care staffing although there may be potential impact for SB cares staff. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Following analysis of contract utilisation, review of non-day service functions commissioned from SB Cares aimed at increasing efficiency and reducing cost (decommissioning of Day Services is already in Financial Plan (£690k)) (Older People)	(100)	0	0	0	0	New, fitter-for-purpose, more cost effective services will be commissioned. This will save money and improve efficiency but may impact on the current SB Cares General Fund Contribution level. This will not have an impact in Health & Social Care staffing although there may be potential impact for SB Cares staff. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Review and re-commission of Specialist Care and Support Services (Older People)	(250)	0	0	0	0	Greater efficiency through more effective and economic specialist service provision commissioned from external organisations
Review the Shopping Service (Older People)	(41)	0	0	0	0	Alternative delivery models are now available which clients can access which may mean this service can be decommissioned (subject to consultation)
Review Commissioned Services including SB Cares within Learning Disability Service	(100)	0	0	0	0	New, more cost effective services will be commissioned in addition to a comprehensive review of all existing commissioning arrangements. This will save money and improve efficiency but may impact on the current SB Cares General Fund Contribution level and their levels of staffing although the majority of services (and cost) are commissioned from external providers. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions



## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Decommission Learning Disability Services with new alternatives	(76)	0	0	0	0	An evaluation of Social Enterprises has been undertaken resulting in a decision by Learning Disability Service for one grant contract for a social enterprise being decommissioned. This work is now delivered by Project Search and has been successful to date
Reduction in Night-Time Support (note the wider context of a future strategic review of Night-Time Support) (Learning Disability)	(74)	0	0	0	0	Formal Project underway in collaboration with Learning Disability Service providers to look at reducing the amount of night time support. Target reduction of 2 FTE for the project. Extensive work has already been undertaken by a previous project. Any impact will be mitigated. No impact on H&SC staff however potential impact on SB Cares staff
Decommission Learning Disability Services delivered by Borders College	(24)	0	0	0	0	New, more appropriate alternative services have been developed for implementation from Autumn Term 2018 with no further cost to the Council
Return adults with high supported living needs to the Scottish Borders, decommissioning high-tariff out of area placements (Learning Disability)	0	(52)	0	0	0	Longer-term, requires significant capital and revenue partnership investment, but for the specific clients identified, will provide better outcomes to meet specialist client needs at considerably reduced cost. Potential for unquantified increase in front line staff although options for commissioning the service are being considered
Decommission a specific Adults with Learning Disability contract	(10)	0	0	0	0	This client-specific service is currently being decommissioned as it is no longer required
Decommission 2 Mental Health services with identified alternatives	(53)	0	0	0	0	For one service, there is now a national telephone helpline available which clients would be able to access and for the other, if they wish to continue, clients would be able to access the service using Self Directed Support
Greater Use of Technology	(100)	0	0	0	0	Through further increasing the use of technology and equipment, it is anticipated we will reduce the number of lower-level care at home packages
Undertake a productivity review programme across Adult Social Work services, savings are targeted year 1 and 2 and will require investment to commission the review	(88)	(44)	0	0	0	This is currently underway across some services in NHS Borders – clinical and non clinical, has identified considerable cashable savings through increased efficiency by productivity. Potential reduction of 2FTE following work study although exact potential is unknown until process review. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions

## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Review management arrangements across all Adult social work services	(60)	0	0	0	0	There would be impacts and risks attached to this due to reduced capacity but the opportunity for more joined up management and efficiency exists. Before 2019/20, where vacancies arise beforehand, joint posts will be considered and there will be potential regrading of roles. There will be increased vigilance in all vacancy management. The Councils HR Policies and Procedures will be utilised to manage any staffing changes/reductions
Review Community Based Services (considering posts / skill mix) covering Occupational Therapy and Social Work in order to maximise benefit of Enablement and Buurtzorg	(110)	0	0	0	0	New, innovative, community based health and social care services will result in constraining costs for traditional (and more intensive) social care services - better for the client and more cost-effective
Review all small grants, contributions to communities and payments to 3rd sector organisations across all Adult social work services	(20)	0	0	0	0	This review will be targeted at maintaining the quality of support currently provided. Will place greater focus on a more commissioned-based relationship between SBC and the organisations, with a focus on clear outcomes
<b>Total Savings</b>	<b>(1,398)</b>	<b>(496)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	61,478	60,448	60,448	60,448	60,448
Base Budget - Income	(13,568)	(13,568)	(13,568)	(13,568)	(13,568)
<b>Base Budget - Net</b>	<b>47,910</b>	<b>46,880</b>	<b>46,880</b>	<b>46,880</b>	<b>46,880</b>

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Broomlands Primary School	6	0	6	0	6	Final costs relating to the new Broomlands Primary School (opened 9th January 2018)
Langlee Primary School	3	0	3	0	3	Final costs relating to the new Langlee Primary School (opened August 2017)
Jedburgh Learning Campus	3,687	0	3,687	(300)	3,387	A new 3-18 learning campus in Jedburgh replacing 2 Primary Schools and the High School. The capital budget provision is primarily for project management, incidentals and the new 3G synthetic pitch provision
School Estate Block	10,551	24,655	35,206	(1,000)	34,206	Programme of works across the school estate to ensure compliance with a range of legislation in relation to health and safety, care inspectorate, environmental health and Insurers and to enable improvement of safety in schools
School Estate Review	3,074	12,517	15,591	0	15,591	Ambitious large scale project to significantly improve the school estate to match current and future demand
<b>Total Investment</b>	<b>17,321</b>	<b>37,172</b>	<b>54,493</b>	<b>(1,300)</b>	<b>53,193</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	118,429	118,738	116,389	115,772	116,091
Base Budget (approved 9 February 2017) Income	(1,710)	(1,715)	(1,720)	(1,725)	(1,730)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>116,719</b>	<b>117,023</b>	<b>114,669</b>	<b>114,047</b>	<b>114,361</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Expansion of Early Years to 1,140 hours (fully funded)	482	0	0	0	0	Expansion of Early Years provision to 1,140 hours in seven locations (more locations will follow). This expansion will be fully funded by the Scottish Government
Supply Teacher settlement	100	0	0	0	0	Provision to provide for changes in supply teachers Terms & Conditions including restoring the rate of pay to the individual's appropriate point on the main grade scale rather than scale point 1
Langlee Primary School	38	0	0	0	0	Langlee Primary School opened in August 2017. The full year impact of the opening is estimated at £101k with £63k having been provided in the 2017/18 Financial Plan
Broomlands Primary School	24	0	0	0	0	Broomlands Primary School opened on the 9th January 2018. The full year impact of the forecast pressure is £64k with £40k having been included in the 2017/18 Financial plan

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Unitary Charge Public-Private Partnership (PPP) Schools	305	310	315	319	324	This is the forecast contractual inflationary increase required for the 3 High Schools built with PPP funding. An inflation rate of 3.6% has been used
New Kelso High School	144	0	0	0	0	The new Kelso High School opened on the 14th November 2017. The full year impact of the opening is estimated at £192k with £48k reflected in the 2017/18 Financial Plan. Increased Non Domestic Rates accounts for a significant part of this
Jedburgh funding charges	0	0	975	0	0	The proposed new multi-generational Jedburgh campus is being funded by a combination of SBC capital funding / Scottish Government grant & revenue funding. This pressure relates to the revenue funding element only
Jedburgh lifecycle maintenance	0	0	300	0	0	This is a provision for maintaining the new multi-generational Jedburgh campus in an as new condition, including regular painting, replacement of boilers etc
Jedburgh increased Facilities Management (FM) charges	0	0	160	0	0	This pressure relates to increased revenue costs related to the new multi-generational Jedburgh campus (mainly Non Domestic Rates)
Pupil Equity Fund	11	0	(1,841)	0	0	Pupil Equity Fund of £1.841m is based on free school meal entitlement. This is fully funded by Scottish Government and assumed to continue to 2020/21. The Pupil Equity Fund is allocated directly to schools and targeted at closing the poverty related attainment gap. The funding is spent at the direction of Head teachers working in partnership with each other and the local authority
1 + 2 Languages	63	0	0	0	0	Fully funded in December 2017 Scottish Government settlement to expand and improve language learning to equip young people with the language skills they need
Sensory Impairment	14	0	0	0	0	Training materials for people with sensory impairment. Guidance from RNIB and Action for Hearing. Fully funded in December 2017 Scottish Government settlement
British Sign Language	11	0	0	0	0	Fully funded in December 2017 Scottish Government settlement to support British Sign Language interpreters and costs of training courses
ASN Residential Placements and Respite Care	500	(500)	0	0	0	Funding will support the creation of a 6 or 8 bedded residential unit in partnership with Aberlour which will bring children with severe and complex needs back to the Borders creating savings. It will also enable the development of respite care and emergency beds for our most vulnerable children and young people preventing escalation to external residential placements

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Children & Young People Prevention, Intervention and Innovation	500	(500)	0	0	0	Activities and programmes led by Children and Young People and involving partner agencies to tackle ongoing issues affecting young people including mental and emotional health issues, behaviour improvement, and positive choices regarding exercise, diet, nutrition and lifestyle alongside school/community led activity projects
Access to Youth opportunities	200	(200)	0	0	0	To increase access to education and work for Young people through travel and digital initiatives
<b>Total Pressures</b>	<b>2,392</b>	<b>(890)</b>	<b>(91)</b>	<b>319</b>	<b>324</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Review of Early Years Service aligning budget with 2017/18 service delivery	(320)	0	0	0	0	The Early Years Service has delivered a budget underspend of £200k in 2017/18 and it is anticipated that further economies will be delivered in 2018/19 delivering permanent saving of £320k with minimal impact. There will be no staff to be deployed as separate funding from the Scottish Government to fund the expansion of Early Years provision from 600 hours to 1,140 hours will result in an increase in Early Years staff. Expansion of Early Years provision from 600 hours to 1,140 hours will result in an increase in Early Years staff
Teacher allocations and class organisation	(230)	(770)	(380)	0	0	Subject to maintaining the Pupil / Teacher ratio as directed by the Scottish Government, there will be an opportunity to review the placement of teachers in light of roll projections, class organisation/timetable structures and the national allocation of newly qualified teachers. It is anticipated that teacher numbers and the ratios will be maintained in 2018 and that Council HR Policies and Procedures will be utilised to manage staffing deployments. In 2019 further developments in class organisation / timetable structures will release savings which could effect teacher numbers and pupil/teacher ratios
School Estate Review	(85)	(289)	(146)	0	0	Delivering school estate savings will be subject to approval of the Scottish Government. Closure of St Margaret's (Hawick) is progressing through the statutory process. Priority will be to identify potential opportunities to deploy/redeploy staff from schools being "mothballed"
Music Tuition Review	(50)	0	0	0	0	Review of provision to deploy existing resources more effectively. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Outdoor Education Review	(55)	0	0	0	0	Closure of Whiteadder Sailing school which is only used by a few schools. More responsibility for service delivery in outdoor education will now be within the outdoor localities within the school community to maximise learning time for pupils and provide more regular access to the outdoors. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
School Library Review	(75)	0	0	0	0	There will be a review of Literacy Support Services within schools which will consider how best to support pupils' development of literacy skills. Pilots will develop and provide opportunities for learning. Following a pilot in three secondary schools it is anticipated the Secondary School Library Service will be redesigned. There is likely to be a reduction in FTE. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Central Schools Review	(476)	0	0	0	0	This review has identified an opportunity to review all centrally funded budgets as practice has developed in a number of areas affecting allocations to key projects eg links to the Pupil Equity Fund allocation. Centrally funded training, continuing professional development (CPD) spend and other discretionary spend will be reviewed in line with expenditure forecasts for 2017/18
Additional Support Needs (ASN) - Passenger Transport Review - reducing private taxi provision to clients	(200)	0	0	0	0	The transport provision for ASN pupils (£1.2m) will be reviewed. This is expected to result in less use of private taxi services and reduce the need for associated special escort service. Staff consultation will take place through our normal HR process
Children & Families Social Work – reduce external placements	(400)	(400)	0	0	0	Expenditure on external placements in 2017/18 is forecast to deliver a significant underspend and the service will continue to focus on preventative action to avoid spend on external placements in future years
Review of Children & Families Social Work service	(100)	0	0	0	0	This is likely to have a minimal impact on service delivery where priority is in taking preventative action to deliver reductions in external placements etc. The service restructure is delivering considerable savings with permanent appointments replacing the use of supply staff

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Reduce the use of Social Work agency staff	(42)	0	0	0	0	The reduced use of agency staff will enable delivery of this saving with minimal impact on service delivery. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes
Increased Fees & Charges	(5)	(5)	(5)	(5)	(5)	Forecast fees & charges increase to be agreed. (No increase to school meals is included)
Review of Community Learning & Development (CLD) service (Adults & Youth)	(50)	0	0	0	0	There will be a change in service provision in some localities to reflect local needs. Staff to be deployed in response to service demands with minimal impact on staff numbers. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
<b>Total Savings</b>	<b>(2,088)</b>	<b>(1,464)</b>	<b>(531)</b>	<b>(5)</b>	<b>(5)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	118,738	116,389	115,772	116,091	116,415
Base Budget - Income	(1,715)	(1,720)	(1,725)	(1,730)	(1,735)
<b>Base Budget - Net</b>	<b>117,023</b>	<b>114,669</b>	<b>114,047</b>	<b>114,361</b>	<b>114,680</b>

## Customer & Communities

Business Support, Business Planning Performance & Policy Development, Community Planning & Engagement, Localities Fund, Customer Advice & Support, Democratic Services, Business Change & Programme Management, Discretionary Housing Payments, Housing Benefits, Non Domestic Rates Relief, Scottish Welfare Fund

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	51,650	51,452	51,615	51,644	51,648
Base Budget (approved 9 February 2017) Income	(32,817)	(32,817)	(32,817)	(32,817)	(32,817)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>18,833</b>	<b>18,635</b>	<b>18,798</b>	<b>18,827</b>	<b>18,831</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Localities Bid Fund	(250)	250	0	0	0	To continue Locality bid fund at a permanent £500k by 2019/20
Contract Inflation	0	4	4	4	4	To allow for small inflationary increases to external contracts
Universal Credit impact & reduced funding	157	0	0	0	0	Departmental pressure arising from reduced Department for Work and Pensions administration grant and legislative changes arising from Universal Credit
Temporary Accommodation	185	0	0	0	0	Temporary Accommodation funding per settlement
Council Tax Reduction Scheme (CTRS) Administration	10	0	0	0	0	CTRS administration funding allocated per settlement
Direct Housing Payment (DHP) Administration	21	0	0	0	0	DHP administration funding allocated per settlement
Local Government election	(90)	0	0	0	90	Adjustment of budget required to run local government elections every 5 years
Men's Shed Co-ordinator	30	(30)	0	0		To coordinate and promote the development of Men's Sheds across the Borders
Locality Public Nuisance Funding	50	(50)	0	0		£10k per locality for communities to bid into to deal with local antisocial behavioural issues
<b>Total Pressures</b>	<b>113</b>	<b>174</b>	<b>4</b>	<b>4</b>	<b>94</b>	



## Customer & Communities

Business Support, Business Planning Performance & Policy Development, Community Planning & Engagement, Localities Fund, Customer Advice & Support, Democratic Services, Business Change & Programme Management, Discretionary Housing Payments, Housing Benefits, Non Domestic Rates Relief, Scottish Welfare Fund

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Maximise funding opportunities from partners	(100)	0	0	0	0	Opportunity to raise income through delivering engagement, research, Project Management etc on behalf of partners
Performance Team: Grade 8 to Modern Apprentice (MA)	(15)	0	0	0	0	Minimal impact, although short term training requirement
Integrated Customer Services Model	(161)	(11)	0	0	0	Reduction to costs following amalgamation of Customer Services, Welfare Benefits and Housing staff following a review of how these services are delivered (3.5FTE). This will also include a review of the welfare and debt advice provided by the Citizens Advice Bureau. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Housing Benefits overpayment	0	0	25	0	0	This was a temporary increase to income which will reduce by 2020/21
Democratic Services vacancy	(35)	0	0	0	0	Removal of existing vacancy (1FTE)
<b>Total Savings</b>	<b>(311)</b>	<b>(11)</b>	<b>25</b>	<b>0</b>	<b>0</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	51,452	51,615	51,644	51,648	51,742
Base Budget - Income	(32,817)	(32,817)	(32,817)	(32,817)	(32,817)
<b>Base Budget - Net</b>	<b>18,635</b>	<b>18,798</b>	<b>18,827</b>	<b>18,831</b>	<b>18,925</b>

## Finance, IT and Procurement

Chief Executive, Corporate Finance, Financial Services, Information Technology, Capital Financed from Current Revenue , Interest on Revenue Balances, Loan Charges, Provision for Bad Debts, Recharge to Non-General Fund

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
ICT - Out with existing contract Scope	240	560	800	0	800	IT works outwith the scope of the CGI contract
ICT Transformation	1,488	3,362	4,850	0	4,850	IT replacements, upgrades and transformation across the Council
<b>Total Investment</b>	<b>1,728</b>	<b>3,922</b>	<b>5,650</b>	<b>0</b>	<b>5,650</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	40,922	45,364	44,180	44,139	44,136
Base Budget (approved 9 February 2017) Income	(10,792)	(10,807)	(10,807)	(10,807)	(10,807)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>30,130</b>	<b>34,557</b>	<b>33,373</b>	<b>33,332</b>	<b>33,329</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
IT Contract Inflation	504	(97)	(97)	0	0	Inflation and changes to funding assumptions
IT costs per previously agreed contract	3,943	(963)	166	(23)	0	ICT contract including initial transformation spend
Loans charges to provide for capital	282	169	33	20	11	Revenue cost of capital borrowing for new projects
<b>Total Pressures</b>	<b>4,729</b>	<b>(891)</b>	<b>102</b>	<b>(3)</b>	<b>11</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Procurement savings across all departments	(250)	(143)	(143)	0	0	Ongoing efficiencies through Procurement activity
Self insurance approach	0	(150)	0	0	0	Alternative approach to move to self insurance model. May involve higher policy excess. Saving subject to retender
Common Good Grants	(27)	0	0	0	0	Stop current grant to common good trusts and review the model of charging for SBC support
IT Licensing	(10)	0	0	0	0	Corporate approach regarding concurrent or per seat licenses
NHS Borders IT disaster recovery	(15)	0	0	0	0	Shared disaster recovery suite with other CPP partners. SBC would host using existing disaster recovery facility. Subject to negotiation
<b>Total Savings</b>	<b>(302)</b>	<b>(293)</b>	<b>(143)</b>	<b>0</b>	<b>0</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	45,364	44,180	44,139	44,136	44,147
Base Budget - Income	(10,807)	(10,807)	(10,807)	(10,807)	(10,807)
<b>Base Budget - Net</b>	<b>34,557</b>	<b>33,373</b>	<b>33,332</b>	<b>33,329</b>	<b>33,340</b>

## Human Resources

### Human Resources, HR Shared Services, Early Retirement/Voluntary Severance

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	3,084	2,654	2,654	2,654	2,654
Base Budget (approved 9 February 2017) Income	(20)	(20)	(20)	(20)	(20)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>3,064</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Early Retirement/Voluntary Severance (ERVS) reduction	(351)	0	0	0	0	Reduction of the central ERVS funding
<b>Total Pressures</b>	<b>(351)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Human Resources, HRSS Discretionary spend	(10)	0	0	0	0	Budget reduction based on 17/18 expenditure levels
Reduce Subscription for Licenses	(5)	0	0	0	0	Budget reduction based on 17/18 expenditure levels
Apprenticeship Levy income assumption	(50)	0	0	0	0	Reduced budget pressure from 17/18 based on current projections
Salary Sacrifice income assumption	(14)	0	0	0	0	Reduced budget pressure from 17/18 based on current projections
<b>Total Savings</b>	<b>(79)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	2,654	2,654	2,654	2,654	2,654
Base Budget - Income	(20)	(20)	(20)	(20)	(20)
<b>Base Budget - Net</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>

## Regulatory Services

Planning, Assessors; Passenger Transport, Audit and Risk; Legal; Protective Services, Housing Strategy

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	20,067	19,770	19,655	19,909	19,869
Base Budget (approved 9 February 2017) Income	(11,940)	(12,082)	(12,182)	(12,182)	(12,182)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>8,127</b>	<b>7,688</b>	<b>7,473</b>	<b>7,727</b>	<b>7,687</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Building Warrant Income	(32)	0	0	0	0	Income assumption per the settlement
Bus Contracts (renewal) Inflation	139	0	304	0	0	Expected inflationary increase in re-tendering bus contracts due for renewal
Galashiels Transport Interchange	(5)	(10)	(10)	0	0	Reduced revenue pressure from Gala TI due to higher income
Smoking in cars	40	0	0	0	0	Per 2017/18 settlement to enforce the legislation
<b>Total Pressures</b>	<b>142</b>	<b>(10)</b>	<b>294</b>	<b>0</b>	<b>0</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Planning Fee Income	(100)	(100)	0	0	0	Additional Planning Fee Income based on a forecast increase in applications
Phase 2 staffing reductions within Planning Service	(50)	0	0	0	0	Offers an opportunity to develop staff. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions (2FTE)
Generate further additional income from providing Pre-Submission East Scotland Planning Authority (SESPAN) Payment	(10)	0	0	0	0	Additional service to be provided
Assessors: reduction in canvassers	(22)	0	0	0	0	Reduce number of Canvassers with associated savings in travel & overtime. Requires new competitively priced laptops. Possible reduction in the effectiveness of maintaining the Electoral Roll
Assessors Printing	(10)	0	0	0	0	Use of Xerox bulk printing from June 2018 onwards to make savings in current printing costs, no service impact expected
Regulated Bus Fares	(40)	(40)	(40)	(40)	(40)	Extra income from higher fares in line with inflation. Higher cost of bus travel in The Borders
Transport Review savings	(200)	(100)	0	0	0	Savings to be achieved from Bus Subsidies & partnership arrangement with Border Buses
Provision of shared service with Midlothian Council for Audit and Risk Services	(34)					Income for SBC, currently undertaking a 6 month pilot. Makes use of existing SBC resource and expertise to provide a shared service

## Regulatory Services

Planning, Assessors; Passenger Transport, Audit and Risk; Legal; Protective Services, Housing Strategy

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Legal	(3)	0	0	0	0	Budget reduction to reflect reduced subscription costs, no service impact expected
Shared "on call" service for environmental health incidents	(4)	0	0	0	0	Dependent on engagement of partners with whom consultation will take place to engage full support
Provide animal feed service for other rural local authorities	(30)					Positive impact locally, with potential job creation and income for SBC. Additional net income of £30k assumed in 2018/19
Protective Services Staffing	(43)	0	0	0	0	Further staffing reductions in addition to savings made from 17/18 restructure. Savings from grading changes to vacant posts and the deletion of 1 vacant post. Limited impact against current resourcing as it is vacant posts that will yield the saving (1FTE)
<b>Total Savings</b>	<b>(581)</b>	<b>(205)</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	19,770	19,655	19,909	19,869	19,829
Base Budget - Income	(12,082)	(12,182)	(12,182)	(12,182)	(12,182)
<b>Base Budget - Net</b>	<b>7,688</b>	<b>7,473</b>	<b>7,727</b>	<b>7,687</b>	<b>7,647</b>

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Draft Capital Financial Plan 2018/19 to 2027/28  
Capital Investment Proposals

	CAPITAL INVESTMENT PROPOSALS	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total Operational Plan	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total Strategic Plan	Total £'000	Specific Project Funding	Net cost to SBC Capital
	<b>Plant &amp; Vehicle Fund</b>															
	Plant & Vehicle Replacement - P&V Fund	2,000	2,000	2,000	6,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	14,000	20,000	(20,000)	0
	<b>Waste Collection Vehicles - Non P&amp;V Fund</b>															
	Waste Collection Vehicles - Non P&V Fund	1,100	300	0	1,400	0	0	300	300	0	0	0	600	2,000	(1,200)	800
	<b>Flood &amp; Coastal Protection</b>															
Block	Flood Studies	350	350	350	1,050	350	350	350	350	350	350	350	2,450	3,500	(3,500)	0
Block	General Flood Protection Block	164	200	200	564	200	200	200	200	200	200	200	1,400	1,964	0	1,964
	Hawick Flood Protection	4,390	12,607	16,036	33,033	7,909	193	115	0	0	0	0	8,217	41,250	(32,934)	8,316
	<b>Land and Property Infrastructure</b>															
Block	Asset Rationalisation	950	950	750	2,650	750	0	0	0	0	0	0	750	3,400	0	3,400
Block	Building Upgrades	630	730	730	2,090	730	770	770	770	770	770	770	5,350	7,440	0	7,440
Block	Cleaning Equipment Replacement Block	50	50	50	150	50	50	50	50	50	50	50	350	500	0	500
Block	Commercial Property Upgrades	50	50	50	150	50	50	50	50	50	50	50	350	500	0	500
Block	Contaminated Land Block	38	52	52	142	52	52	52	52	52	52	52	364	506	0	506
	Energy Efficiency Works	1,545	1,045	1,045	3,635	1,045	1,045	1,045	1,045	1,045	1,045	1,045	7,315	10,950	0	10,950
Block	Health and Safety Works	635	835	835	2,305	835	835	835	835	835	835	835	5,845	8,150	0	8,150
Block	Parks & Open Spaces - Upgrades	333	130	105	568	106	107	108	110	111	111	111	764	1,332	0	1,332
NEW	Outdoor Community Spaces	700	700	700	2,100	700	0	0	0	0	0	0	700	2,800	0	2,800
	<b>Road &amp; Transport Infrastructure</b>															
	A72 Dirtpot Corner - Road Safety Works	2,066	0	0	2,066	0	0	0	0	0	0	0	0	2,066	0	2,066
Block	Accident Investigation Prevention Schemes Block	50	50	50	150	50	50	50	50	50	50	50	350	500	0	500
Block	Cycling Walking & Safer Streets	156	207	199	562	211	221	232	244	247	247	247	1,649	2,211	(2,211)	0
	Galashiels Developments	416	205	0	621	0	0	0	0	0	0	0	0	621	0	621
	Innerleithen to Walkerburn - Shared Access Route	265	0	0	265	0	0	0	0	0	0	0	0	265	(130)	135
Block	Lighting Asset Management Plan	250	300	200	750	200	200	200	200	200	200	200	1,400	2,150	0	2,150
	Peebles Bridge	0	0	0	0	0	0	0	0	0	0	420	420	420	0	420
	Reston Station Contribution	330	500	600	1,430	640	0	0	0	0	0	0	640	2,070	(1,240)	830
Block	Roads & Bridges -inc. RAMP, Winter Damage & Slopes	5,360	6,610	7,410	19,380	7,410	11,365	9,910	6,342	7,114	7,160	7,160	56,461	75,841	0	75,841
	Union Chain Bridge	240	400	260	900	0	0	0	0	0	0	0	0	900	0	900
	<b>Waste Management</b>															
Block	CRC - Improved Skip Infrastructure	146	0	0	146	0	0	0	0	0	0	0	0	146	0	146
	Easter Langlee Cell Provision	40	50	110	700	0	0	0	0	0	0	0	0	700	0	700
	Easter Langlee Leachate Management Facility	23	377	42	442	0	0	0	0	0	0	0	0	442	0	442
	New Easter Langlee Waste Transfer Station	5,090	9	0	5,099	0	0	0	0	0	0	0	0	5,099	0	5,099
	Waste Containers	48	48	48	144	50	50	51	53	53	54	54	365	509	0	509

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	CAPITAL INVESTMENT PROPOSALS	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total Operational Plan	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total Strategic Plan	Total £'000	Specific Project Funding	Net cost to SBC Capital
	<b>Corporate</b>															
Block	ICT - Outwith CGI Scope	80	80	80	240	80	80	80	80	80	80	80	560	800	0	800
	ICT Transformation	473	449	566	1,488	599	468	526	381	336	526	526	3,362	4,850		4,850
	<b>School Estate</b>															
	Broomlands Primary School	6	0	0	6	0	0	0	0	0	0	0	0	6	0	6
	Langlee Primary School	3	0	0	3	0	0	0	0	0	0	0	0	3	0	3
	Jedburgh Learning Campus incorporating 3G Pitch	3,168	519	0	3,687	0	0	0	0	0	0	0	0	3,687	(300)	3,387
Block	School Estate Block	3,930	4,551	2,070	10,551	2,300	6,905	5,890	2,390	2,390	2,390	2,390	24,655	35,206	(1,000)	34,206
	School Estate Review	0	740	2,334	3,074	3,800	3,410	1,374	1,833	700	700	700	12,517	15,591	0	15,591
	<b>Sports Infrastructure</b>															
Block	Culture & Sports Trusts - Plant & Services	350	290	290	930	290	290	290	290	290	290	290	2,030	2,960	0	2,960
	Synthetic Pitch Replacement Fund	0	364	0	364	153	358	369	380	1,792	473	473	3,998	4,362	(3,702)	660
	<b>Culture &amp; Heritage</b>															
Block	John Clark Museum	1,305	5	0	1,310	0	0	0	0	0	0	0	0	1,310	(699)	611
	Public Halls Upgrades	72	0	208	280	99	0	0	0	0	0	0	99	379	0	379
	Walter Scott - Phase 2	60	760	1,590	2,410	0	0	0	0	0	0	0	0	2,410	(2,000)	410
	Montium, Melrose	60	0	0	60	0	0	0	0	0	0	0	0	60	0	60
	<b>Economic Regeneration</b>															
Block	Great Tapestry of Scotland - Building	2,612	2,924	30	5,566	0	0	0	0	0	0	0	0	5,566	(3,200)	2,366
	Borders Town Centre Regeneration Block	100	100	100	300	100	100	100	100	100	100	100	700	1,000	0	1,000
	Central Borders Business Park	2,500	0	0	2,500	0	0	0	0	0	0	0	0	2,500	(1,000)	1,500
	Newtown St'Boswells Regeneration	16	20	20	56	84	84	120	56	0	0	0	344	400	0	400
	Eyemouth Regeneration	286	513	0	799	0	0	0	0	0	0	0	0	799	0	799
	Development Tweedbank	500	0	0	500	0	0	0	0	0	0	0	0	500	0	500
	<b>Housing Strategy &amp; Services</b>															
	Private Sector Housing Grant - Adaptations	375	375	400	1,150	400	400	425	425	425	450	450	2,975	4,125	0	4,125
	<b>Social Care Infrastructure</b>															
Block	Adult Services Facilities Upgrades	150	200	200	550	200	59	34	0	0	0	0	293	843	0	843
Block	Care Inspectorate Requirements & Upgrades	51	53	54	158	55	57	58	59	61	62	62	414	572	0	572
NEW	Residential Dementia Care	100	4,700	0	4,800	0	0	0	0	0	0	0	0	4,800	0	4,800
	<b>Other</b>															
	Emergency & Unplanned	300	300	300	900	300	300	300	300	300	300	300	2,100	3,000	0	3,000
	<b>Total</b>	<b>43,912</b>	<b>46,198</b>	<b>40,064</b>	<b>130,174</b>	<b>31,798</b>	<b>30,049</b>	<b>25,884</b>	<b>18,945</b>	<b>19,601</b>	<b>18,545</b>	<b>18,965</b>	<b>163,787</b>	<b>293,961</b>	<b>(73,116)</b>	<b>220,845</b>

**Scottish Borders Council**  
**Draft Capital Financial Plan 2018/19 to 2027/28**  
**Capital Funding Proposals**

	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total Operational Plan	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total Strategic Plan	Total £000
<b>CAPITAL FUNDING</b>													
<b>Specific Grants from Scottish Government</b>													
Hawick Flood Protection	(3,512)	(9,686)	(12,829)	<b>(26,027)</b>	(6,327)	0	0	0	0	0	0	<b>(6,327)</b>	<b>(32,354)</b>
Flood Studies	(350)	(350)	(350)	<b>(1,050)</b>	(350)	(350)	(350)	(350)	(350)	(350)	(350)	<b>(2,450)</b>	<b>(3,500)</b>
Cycling Walking & Safer Streets	(156)	(207)	(199)	<b>(562)</b>	(211)	(221)	(232)	(244)	(247)	(247)	(247)	<b>(1,649)</b>	<b>(2,211)</b>
School Estate Review	0	0	0	<b>0</b>	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
<b>Other External Grants &amp; Contributions</b>													
Hawick Flood Protection	0	(500)	(80)	<b>(580)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(580)</b>
Innerleithen to Walkerburn - Shared Access Route	(130)	0	0	<b>(130)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(130)</b>
Jedburgh Learning Campus incorporating 3G Pitch	(300)	0	0	<b>(300)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(300)</b>
Jim Clark Museum	(699)	0	0	<b>(699)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(699)</b>
Sir Walter Scott - Phase 2	0	(460)	(1,540)	<b>(2,000)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(2,000)</b>
Great Tapestry of Scotland - Building	(1,600)	(1,600)	0	<b>(3,200)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(3,200)</b>
Central Borders Business Park	(1,000)	0	0	<b>(1,000)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(1,000)</b>
<b>Developer Contributions</b>													
Peebles Bridge	0	0	0	<b>0</b>	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
Reston Station Contribution	(595)	(645)	0	<b>(1,240)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(1,240)</b>
School Estate Block	(100)	(100)	(100)	<b>(300)</b>	(100)	(100)	(100)	(100)	(100)	(100)	(100)	<b>(700)</b>	<b>(1,000)</b>
<b>Capital Receipts</b>	<b>(2,300)</b>	<b>(1,760)</b>	<b>(300)</b>	<b>(4,360)</b>								<b>0</b>	<b>(4,360)</b>
<b>General Capital Grant</b>	<b>(14,432)</b>	<b>(15,392)</b>	<b>(14,000)</b>	<b>(43,824)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(98,000)</b>	<b>(141,824)</b>
<b>Plant &amp; Vehicle Replacement - P&amp;V Fund</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(6,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(14,000)</b>	<b>(20,000)</b>
<b>Synthetic Pitch Replacement Fund</b>	<b>0</b>	<b>(364)</b>	<b>0</b>	<b>(364)</b>	<b>(153)</b>	<b>(358)</b>	<b>(369)</b>	<b>(380)</b>	<b>(1,132)</b>	<b>(473)</b>	<b>(473)</b>	<b>(3,338)</b>	<b>(3,702)</b>
<b>Borrowing</b>				<b>0</b>								<b>0</b>	<b>0</b>
- General	(16,438)	(12,834)	(8,666)	<b>(37,938)</b>	(8,657)	(13,020)	(8,533)	(1,571)	(1,772)	(1,375)	(1,795)	<b>(36,723)</b>	<b>(74,661)</b>
Waste Collection Vehicles - Non P&V Fund	(300)	(300)	0	<b>(600)</b>	0	0	(300)	(300)	0	0	0	<b>(600)</b>	<b>(1,200)</b>
<b>Total</b>	<b>(43,912)</b>	<b>(46,198)</b>	<b>(40,064)</b>	<b>(130,174)</b>	<b>(31,798)</b>	<b>(30,049)</b>	<b>(25,884)</b>	<b>(18,945)</b>	<b>(19,601)</b>	<b>(18,545)</b>	<b>(18,965)</b>	<b>(163,787)</b>	<b>(293,961)</b>





# **Administration**

# **Fees**

and

# **Charges**

2018/19

All fees & charges are quoted exclusive of VAT. Specific services are subject to VAT as required by HM Customs & Excise. Therefore, where applicable, VAT will be charged in addition to the quoted fee or charge.

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Chief Executive</b>				

Property Clearance Certificates	£75.00	£77.00	£79.00	3%
Street Naming	£0.00	£150.00	£150.00	0%
Property Numbering	£0.00	£75.00	£75.00	0%
Property Re-naming	£0.00	£75.00	£75.00	0%
Landlord Registration <sup>1</sup>	£55.00	£55.00	£55.00	0%
Private Sector Housing Grant - Recording Fee	£60.00	£60.00	£62.00	3%
Private Sector Housing Grant - Admin Fee	£100.00	£103.00	£106.00	3%

<sup>1</sup>Fees set by national agency

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Children &amp; Young People</b>				

<b>School lets - Standard Rate</b>				
Assembly Hall - Per Band B Hall per Hour *	£ 16.00	£ 17.00	£ 17.50	3%
Dining Hall per hour *	£ 9.50	£ 9.90	£ 10.20	3%
Library per hour *	£ 9.50	£ 9.90	£ 10.20	3%
Classroom per hour *	£ 5.00	£ 5.25	£ 5.40	3%
Craft Studio per hour *	£ 9.50	£ 9.90	£ 10.20	3%
Community Room per hour *	£ 5.00	£ 5.25	£ 5.40	3%
1 Court per Hour *	£ 5.00	£ 5.25	£ 5.40	3%
2 Courts per Hour *	£ 9.50	£ 10.50	£ 10.80	3%
3 Courts per Hour *	£ 14.00	£ 15.75	£ 16.25	3%
4 Courts per Hour *	£ 19.00	£ 21.00	£ 21.60	3%
Grass Pitch - all (per game up to 2 hours) *	£ 19.00	£ 26.00	£ 26.80	3%
Synthetic Pitch (2G) (per game up to 2 hours) *	£ 38.00	£ 45.00	£ 46.40	3%
Synthetic Pitch (2G) - Half Pitch (per game up to 2 hours) *	£ 19.00	£ 22.50	£ 23.20	3%

<b>Discounts</b>
Junior Use entitled to 33% discount

<b>Commercial Rate</b>
Twice Standard rate

<b>Fees Music Instruction Fees</b>				
Fee per annum **	£ 132.00	£ 140.00	£ 144.00	3%
Residential Fee per pupil ***	£ 80.00	£ 85.00	£ 87.00	2%
Residential Fee per two family members ***	£ 122.00	£ 125.00	£ 129.00	3%

<b>School Meals</b>				
Primary Schools - Pupil Meal cost	£2.10	£2.10	£2.10	0%
Primary Schools - Adult Meal cost	£2.27	£2.27	£2.27	0%

\* No Vat on multiple lets of 10+ dates

\*\* (min of 28 1/2hour lessons in academic year)

\*\*\* Non refundable £15 deposit per child

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Health and Social Care</b>				

Lunch Clubs (per meal)	£3.20	£3.30	£3.40	3%
Meal Provided at Day Centres (per meal)	£3.20	£3.30	£3.40	3%
Meals at home (per meal)	£2.99	£3.10	£3.20	3%

Day Care (per day attendance)	£3.00	£3.10	£3.20	3%
Transport (per day)	£2.00	£2.10	£2.20	5%
Extra Care Housing (per week) minimum	£89.40	£90.28	£90.28	0%
Extra Care Housing (per week) maximum	£178.80	£180.56	£185.90	3%
Clients requiring 24hr/day care (per week) Range Min to Max	£89.40	£90.28	£90.28	0%
	£178.80	£180.56	£185.90	3%
Homecare max charge (per hour)	£12.80	£15.88	£15.88	0%
Housing with Care (per week) Range Min to Max	£10.00	£10.30	£10.60	3%

<b>Residential<sup>1</sup></b>				
Residential Homes in house (per week)	£632.15	£673.73	£673.73	0%
External residential - Single Min (per week)	£499.38	£574.42	£574.42	0%
External residential - Single Max (per week)	£501.88	£576.92	£576.92	0%
Shared (per week)	£474.38	£549.42	£549.42	0%
External Nursing - Single Min (per week)	£580.11	£667.09	£667.09	0%
External Nursing - Single Max (per week)	£583.11	£670.09	£670.09	0%
Shared (per week)	£555.11	£642.09	£642.09	0%
Residential Respite - max (per week)	£333.38	£403.42	£403.42	0%
Bordercare Alarms (per week)	2.50	4.50	4.50	0%
Intermediate Care - max (free for first 42 days)	£333.38	£403.42	£403.42	0%
Enhanced Residential		£620.76	£620.76	0%
Respite - outwith client's own home (per night) Station Court	£15.00	£15.45	£15.45	0%
The above charges are those set by the Council where specific contribution is required by service users. Clients financially assessed under Self-Directed Support will pay a contribution to all services received based on their ability to pay"				

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Customer Services</b>				

<b>Customer Services - Registrars</b>				
Notice of Marriage & Civil Partnerships each <sup>1</sup>	£30.00	£30.00	£30.00	0%
Extract <sup>1</sup>	£10.00	£10.00	£10.00	0%
Religious Marriage <sup>1</sup>	£70.00	£70.00	£70.00	0%
Conducting Civil Marriage & Civil Partnership Registration in Office in Office Hours <sup>1</sup>	£125.00	£125.00	£125.00	0%
Conducting Civil Marriage & Civil Partnership Ceremony in Office 1 hour or more after office hours	£207.00	£213.00	£219.00	3%
Conducting Civil Marriage & Civil Partnership Ceremony in Office on Saturday	£249.00	£256.00	£264.00	3%
Conducting Civil Marriage & Civil Partnership Ceremony at a temp licensed venue	£304.00	£313.00	£322.00	3%
Conducting Civil Marriage & Civil Partnership on a Sunday/Public Holidays & New Year at any venue	£311.50	£321.00	£331.00	3%
Conducting Civil Ceremony & Civil Partnership after 5pm Office	£274.00	£282.00	£290.00	3%
Conducting Civil Ceremony & Civil Partnership after 5pm Temp Venue	£319.00	£329.00	£339.00	3%
Naming & Vow renewing ceremony	£125.00	£129.00	£133.00	3%
Naming & Vow renewing ceremony (Saturday)	£137.50	£142.00	£146.00	3%
Naming & Vow renewing ceremony (after 5pm)	£137.50	£142.00	£146.00	3%
Naming & Vow renewing ceremony Sunday/Public Holidays, Christmas & New Year	£165.00	£170.00	£175.00	3%
Ceremony Advance booking fee (over 3 months)	£35.00	£36.00	£37.00	3%
Civil Marriages –				
Period Approval	£191.00	£197.00	£203.00	3%
Temporary Approval	£65.00	£67.00	£69.00	3%
Genealogy - per hour <sup>1</sup>	£15.00	£15.00	£15.00	0%
Digros Print	£1.50	£2.00	£2.00	0%
Extracts search fee <sup>1</sup>	£20.00	£21.00	£22.00	5%
Private Citizenship	£60.00	£62.00	£64.00	3%
Blue Badges <sup>1</sup>	£20.00	£20.00	£20.00	0%

<sup>1</sup>Fees set by national agency

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Neighbourhood services</b>				

<b>Environmental Services - Burial Grounds</b>				
<b>Purchase of Ground</b>				
Lairs for one or two interments	£751.54	£774.00	£797.00	3%
Woodland burial - land (includes tree & marker)	£751.54	£774.00	£797.00	3%
Lairs for cremation caskets (up to 4)	£751.54	£774.00	£797.00	3%

<b>Interments</b>				
Adults (first, or re-open)	£645.54	£665.00	£685.00	3%
Woodland burial - interment	£645.54	£665.00	£685.00	3%
Cremation caskets	£213.20	£220.00	£227.00	3%
Child under 8 years	£213.20	£220.00	£227.00	3%
Child 8-16 years	£315.65	£325.00	£335.00	3%

<b>Interments on a Saturday (last interment 10:30am)</b>				
Adult	£829.11	£854.00	£880.00	3%
Cremation caskets	£337.57	£348.00	£358.00	3%
Child under 8 years	£337.57	£348.00	£358.00	3%
Child 8-16 years	£515.23	£531.00	£547.00	3%

<b>Interments on a Sunday, holiday or outwith seasonal working hours</b>				
Adult	£1,095.62	£1,128.00	£1,162.00	3%
Cremation caskets	£438.24	£451.00	£465.00	3%
Child under 8 years	£438.24	£451.00	£465.00	3%
Child 8-16 years	£692.92	£714.00	£735.00	3%

<b>Other Charges</b>				
Re-issue of lair certificate	£26.00	£27.00	£28.00	4%
Burial search fee - first hour	£42.00	£43.00	£44.00	2%
Burial search fee - second hour	£42.00	£43.00	£44.00	2%
Burial search fee - each additional hour	£11.00	£11.00	£11.00	0%

<b>Headstone foundations</b>				
Marking out, excavate, lay foundation	£165.00	£170.00	£175.00	3%
Marking out, excavate only	£140.00	£144.00	£148.00	3%

<b>Administration Charges</b>				
Non resident lair sale/interment premium 50% of fee	£375.77	£387.00	£399.00	3%
Admin fee per burial	£50.00	£52.00	£54.00	4%
Issuing Title deed	£25.00	£26.00	£27.00	4%
Fee selling lair back to SBC - 10% of price paid				
Fee to test dig a lair	£645.54	£665.00	£685.00	3%
Marking a grave for placement of small memorial	£85.00	£88.00	£91.00	3%

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Neighbourhood services</b>				
Scattering ashes	£50.00	£52.00	£54.00	4%
Memorial Tree	£30.00	£31.00	£32.00	3%
<b>Keys for disabled facilities</b>				
RADAR Keys for disabled facilities	£4.00	£5.00	£5.00	0%
<b>Environmental Services - Parks &amp; Open Spaces</b>				
<b>Allotments</b>				
Per individual plot (size varies)	£40.00	£41.00	£42.00	2%
<b>Changing Pavilion - Hawick</b>				
	Dressing room and showers - per 2 teams			
- Adults, Monday to Saturday	£30.00	£31.00	£32.00	3%
- Adults, Sunday	£37.00	£38.00	£39.00	3%
- Juveniles, Monday to Saturday	£13.00	£13.00	£13.00	0%
- Juveniles, Sunday	£15.00	£15.00	£15.00	0%
<b>Individual showers inc. of dressing room</b>				
- Adults	£2.00	£2.00	£2.00	0%
- Juveniles	£1.00	£1.00	£1.00	0%
<b>Dressing room only - per 2 teams</b>				
- Adults, Monday to Saturday	£13.00	£13.50	£14.00	4%
- Adults, Sunday	£15.00	£15.50	£16.00	3%
- Juveniles, Monday to Saturday	£5.00	£5.00	£5.00	0%
- Juveniles, Sunday	£6.00	£6.00	£6.00	0%
<b>Other Facilities</b>				
Small facilities - Parks & Open Spaces	£106.00	£109.00	£112.00	3%
Medium Facilities - Parks & Open Spaces	£212.00	£218.00	£225.00	3%
Large Facilities - Parks & Open Spaces	£318.00	£328.00	£338.00	3%
<b>LONG TERM LETS</b>				
Public Park, Galashiels (Messrs Codona)	£3,000.00	£3,090.00	£3,183.00	3%
<b>Langlee Recycling Centre</b>				
Cover/Washed/Sharp Sand	£14.00	£14.50	£15.00	3%
Whin Dust	£14.00	£14.50	£15.00	3%
Building Sand	£20.00	£21.00	£22.00	5%
6mm to 10mm Pipe Bedding	£14.00	£14.50	£14.50	0%
12mm to 25mm Pipe Bedding	£12.50	£13.00	£13.00	0%
25mm to 75mm Type B Filler	£10.00	£10.50	£10.50	0%
Type 1 Sub-Base	£7.50	£8.00	£8.00	0%
Concrete Mix	£13.00	£13.50	£14.00	4%
Crusher Run 4"	£6.75	£7.00	£7.25	4%
4 by 2 Clean Stone	£8.00	£8.50	£9.00	6%

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Neighbourhood services</b>				
Topsoil (as dug)	£5.50	£6.00	£6.20	3%
Screened Top Soil	£25.00	£26.00	£27.00	4%
Verge Soil	£3.50	£4.00	£4.10	2%
Plainings	£8.50	£9.00	£9.25	3%
Reinstatement Soil	£12.50	£13.00	£13.40	3%

<sup>1</sup> Fees set by national agency

<sup>2</sup> Additional labour, plant and machinery charged at dayworks rates

<sup>3</sup> Annual charge based on one collection per week



<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>WASTE</b>				

<b>Tipping Charges - per tonne, pro-rata</b>				
General Waste to Easter Langlee Landfill Site	£29.00	£30.00	£31.00	3%
General Waste to Hawick & Eshiels Waste Transfer Stations	£35.00	£36.00	£37.00	3%
Mixed Dry Recyclate is accepted at Easter Langlee, Hawick & Eshiels Waste Transfer Stations. Please contact 0300 100 1800 for current price				
Green Waste to Hawick & Eshiels Waste Transfer Stations	£36.00	£37.00	£38.00	3%
Wood is accepted at Easter Langlee, Hawick & Eshiels Waste Transfer Stations. Please contact 0300 100 1800 for current price				
Soils are accepted at Easter Langlee Landfill Site only. Please contact 0300 100 1800 for current price and further information				
Administration Charge - charged per invoice. Invoices are collated on a monthly basis	£0.00	£25.00	£25.00	0%

<b>Landfill Tax <sup>1</sup></b>				
Charged by weight at site (per tonne, pro-rata)				
Active waste	£84.40	£86.10	£88.95	3%
Non active waste	£2.65	£2.70	£2.80	4%

<b>Trade General Waste Contract (Bin) <sup>3 4</sup></b>				
1100 ltr	£815.00	£914.00	£1,014.00	11%
660 ltr	£526.00	£583.00	£640.00	10%
360 ltr	£262.00	£300.00	£338.00	13%
240 ltr	£247.00	£247.00	£247.00	0%

<b>Trade General Waste Sacks</b>				
Per 52 sacks	£93.60	£112.00	£130.00	16%
Per 13 sacks (minimum purchase)			£32.50	

<b>Trade Recycling Contracts (Bin) <sup>5</sup></b>				
1100 ltr bin rental	£600.42	£679.00	£758.00	12%
660 ltr bin rental	£353.94	£450.00	£547.00	22%
360 ltr bin rental	£126.26	£194.00	£263.00	36%
240 ltr bin rental	£126.26	£155.00	£183.00	18%

<b>Trade Recycling Contracts (Sacks) <sup>6</sup></b>				
Minimum (1 sack/week)	£43.00	£63.00	£83.00	32%
Small (3 sacks/week)	£104.00	£122.00	£140.00	15%
Medium (7 sacks/week)	£269.00	£296.00	£323.00	9%
Large (13 sacks/week)	£516.00	£531.00	£531.00	0%
Large quantities from commercial producers will be priced on an individual basis, based on quantity & method of collection.				

<b>Trade Recyclate Sacks (Additional to contract only)</b>				

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>WASTE</b>				

<b>Tipping Charges - per tonne, pro-rata</b>				
Per 26 sacks	£20.80	£31.60	£41.60	32%

<b>Food Contracts <sup>5</sup></b>				
140 ltr bin	£307.32	£317.00	£326.00	3%
23 ltr bin	£70.20	£72.00	£74.00	3%
1 roll of 35 ltr compostable liners (25 liners/roll)	£3.15	£3.25	£3.35	3%
Replacement key for 140 ltr bin	£5.00	£5.15	£5.30	3%

<b>Special Collections - Business</b>				
Per hour - pro-rata <sup>2</sup>	£108.00	£111.00	£114.00	3%
Minimum charge (20 minutes) <sup>2</sup>	£37.50	£39.00	£40.00	3%

<b>Special Collections - Domestic</b>				
Up to 5 articles (including fridges and freezers)	£30.00	£31.00	£32.00	3%

<b>Community Recycling Centre Trade Access Permit</b>				
Recycling	£340.00	£350.00	£350.00	0%
Green, Construction and Recycling	£875.00	£901.00	£901.00	0%

<sup>1</sup> Fees set by national agency

<sup>2</sup> Additional labour, plant and machinery charged at dayworks rates

<sup>3</sup> Annual charge based on one collection per week

<sup>4</sup> Includes Bin rental, disposal, service and landfill

<sup>5</sup> Includes Bin rental, disposal and service

<sup>6</sup> Includes disposal and service

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Place - Environmental Health</b>				
<b>Pest Control</b>				
Eradication (commercial premises non-farm) of vermin, wasps, fleas and ants per treatment.	£48.00	£55.00	£57.00	4%
Eradication (domestic premises) of wasps	£48.00	£48.00	£49.50	3%
Eradication (domestic premises) of rats / mice plus re-visit	£48.00	£62.00	£64.00	3%
Eradication (domestic premises) of fleas in up to 2 bedrooms. Additional bedroom price £20.00	£48.00	£58.00	£59.75	3%
Eradication (domestic premises) of bed bugs in up to 2 bedrooms. Additional bedroom price £40.00 **	£48.00	£80.00	£82.50	3%
Eradication (domestic premises) of ants	£48.00	£54.00	£55.50	3%
Eradication (domestic premises) of moles	£48.00	£48.00	£50.00	4%
Eradication (domestic premises) of insects	£48.00	£50.00	£51.50	3%

**Annual contracts for pest control for agricultural & commercial premises are costed individually**

<b>Stray Dog Re-Claiming Fee</b>	£ 91.00	£94.00	£97.00	3%
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<b>Water Samples</b>				
<b>Type A Supplies</b>				
Initial Sample Visit Fee #	£70.00	£70.00	£70.00	0%
Additional Sample Visit Fee #	£49.03	£49.03	£49.03	
Risk Assessment (Preparatory Work) #	£70.00	£70.00	£70.00	0%
Risk Assessment (Site Visit & Report) #	£49.03	£49.03	£49.03	0%
Risk Assessment (Annual Review) Prep #	£70.00	£70.00	£70.00	0%
Risk Assessment (Failure Investigation) #	£49.03	£49.03	£49.03	
Risk Assessment (5 year update) #	£49.03	£49.03	£49.03	

<b>Type B Supplies</b>				
Sample Visit Fee #	£ 70.00	£ 70.00	£ 70.00	0%
Analysis of Monitoring parameters	As per Scottish Water Lab Costs			
Additional Monitoring	As per Scottish Water Lab Costs			
Risk Assessment (Preparatory Work) #	£ 70.00	£ 70.00	£ 70.00	0%
Risk Assessment (Site Visit & Report) #	£ 50.00	£ 50.00	£ 50.00	0%
Analysis of Domestic Parameters #	£ 48.00	£ 48.00	£ 48.00	0%
<b>Exempt Mains Supplies (Non Statutory)</b>				
Sample Visit Charge	£ 49.03	£ 49.03	£ 49.03	
Analysis of Monitoring Parameters	As per Scottish Water Lab Costs			

SCOTTISH BORDERS COUNCIL FEES & CHARGES	2016/17 Charge (excl.vat)	2017/18 Charge (excl.vat)	2018/19 Charge (excl.vat)	Increase %
<b>Place - Environmental Health</b>				

# already at statutory max.

\*\* variable

<b>SCOTTISH BORDERS COUNCIL</b>				
<b>FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Trading Standards</b>				
Linear measure not exceeding 10 metres	£12.50	£13.00	£13.40	3%
Capacity measures	£12.50	£13.00	£13.40	3%
Measuring instruments for liquid fuel and lubricants				
i) Single outlet	£125.00	£130.00	£133.90	3%
ii) Multi Outlet				
1 meter tested	£143.50	£148.00	£152.50	3%
2 meters tested	£230.50	£238.00	£245.00	3%
3 meters tested	£323.00	£333.00	£343.00	3%
4 meters tested	£410.00	£423.00	£436.00	3%
5 meters tested	£492.00	£508.00	£523.00	3%
6 meters tested	£574.00	£593.00	£610.00	3%
7 meters tested	£665.00	£685.00	£705.00	3%
8 meters tested	£750.00	£775.00	£798.00	3%

iii) Additional tests of ancillary equipment (e.g. credit card readers) to any of the foregoing categories the basic fee given in (i) and (ii) above and any additional costs calculated at the rate of: (per extra hour)	£97.50	£101.00	£104.00	3%
Measuring instruments for intoxicating liquor	£ 25.00	£26.00	£26.75	3%
Dipstick Measuring Systems - replacement dipsticks (including examination of compartment)	£ 53.50	£56.00	£57.75	3%
Weights	£12.50	£13.00	£13.40	3%
<b>Health Certificates</b>				
<i>(charge is per hour - minimum charge 1 hour)</i>				
Export Health Certificates (Food)	£ 63.00	£ 63.00	£ 65.00	3%
<b>Additional Charges:</b>				
Correction / Re-Issue of a Certificate	£ 21.00	£ 21.00	£ 21.75	4%
Copies of a Certificate	£ 21.00	£ 21.00	£ 21.75	4%
Charge for a Certificate issued at point of entry rather than the originating authority.	£ 75.00	£ 75.00	£ 77.25	3%
Request for Country / Region / Product specific Certificate where there is an absence of a DEFRA agreed format.	£ 82.00	£ 82.00	£ 84.50	3%
<b>Abandoned Vehicles</b>				
Two wheeled vehicle < 3.5 tons MAM	£150.00	£150.00	£155.00	3%
Other vehicle upright & on road < 3.5 tons	£150.00	£150.00	£155.00	3%
Other vehicle upright & on road 3.5 - 7.5 tons	£200.00	£200.00	£206.00	3%

<b>SCOTTISH BORDERS COUNCIL</b>				
<b>FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Trading Standards</b>				
Other vehicle upright & on road 7.5 - 18 tons	£350.00	£350.00	£360.00	3%
Other vehicle upright & on road > 18 tons	£350.00	£350.00	£360.00	3%
Other unladed vehicle not upright < 3.5t	£250.00	£250.00	£257.00	3%
Other unladed vehicle not upright 3.5 - 7.5t	£650.00	£650.00	£670.00	3%
Other unladed vehicle not upright 7.5 - 18t	£2,000.00	£2,000.00	£2,060.00	3%
Other unladed vehicle not upright >18t	£3,000.00	£3,000.00	£3,090.00	3%
Other laden vehicle upright & on road < 3.5t	£250.00	£250.00	£257.00	3%
Other laden vehicle upright & on road 3.5-7.5t	£650.00	£650.00	£670.00	3%
Other laden vehicle upright & on road 7.5-18t	£3,000.00	£3,000.00	£3,090.00	3%
Other laden vehicle upright & on road > 18t	£4,500.00	£4,500.00	£4,635.00	3%
Other vehicle upright & off road < 3.5 tons	£200.00	£200.00	£206.00	3%
Other vehicle upright & off road 3.5 - 7.5 tons	£400.00	£400.00	£412.00	3%
Other vehicle upright & off road 7.5 - 18 tons	£1,000.00	£1,000.00	£1,030.00	3%
Other vehicle upright & off road > 18 tons	£1,500.00	£1,500.00	£1,545.00	3%
Other laden vehicle upright & off road < 3.5t	£200.00	£200.00	£206.00	3%
Other laden vehicle upright & off road 3.5-7.5t	£400.00	£400.00	£412.00	3%
Other laden vehicle upright & off road 7.5-18t	£1,500.00	£1,500.00	£1,545.00	3%
Other laden vehicle upright & off road > 18t	£2,000.00	£2,000.00	£2,060.00	3%
Other vehicle not upright & off road < 3.5 tons	£300.00	£300.00	£309.00	3%
Other vehicle not upright & off road 3.5 - 7.5 t	£850.00	£850.00	£875.00	3%
Other vehicle not upright & off road 7.5 - 18 tons	£3,000.00	£3,000.00	£3,090.00	3%
Other vehicle not upright & off road > 18 tons	£4,500.00	£4,500.00	£4,635.00	3%
Other laden vehicle not upright & off road < 3.5t	£300.00	£300.00	£309.00	3%
Other laden vehicle not upright & off road 3.5-7.5t	£850.00	£850.00	£875.00	3%
Other laden vehicle not upright & off road 7.5-18t	£4,500.00	£4,500.00	£4,635.00	3%
Other laden vehicle not upright & off road > 18t	£6,000.00	£6,000.00	£6,180.00	3%
Stray Dog Charge (kenneling, transport etc.)	£110.00	£110.00	£113.00	3%

<b>SCOTTISH BORDERS COUNCIL</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>FEES &amp; CHARGES</b>				
<b>Trading Standards</b>				
<b>Weights And Measures Act 1985</b>				
<b>Fees for the purpose of Section 11(5) of the 1985 Act</b>				
Weighing instruments:				
i) Not exceeding 15kg	£36.00	£37.00	£38.20	3%
Exceeding 15kg to 100kg	£52.50	£55.00	£56.75	3%
Exceeding 100kg to 250kg	£75.00	£78.00	£80.50	3%
Exceeding 250kg to 1 tonne	£128.00	£135.00	£139.00	3%
Exceeding 1 tonne to 10 tonnes	£205.00	£212.00	£218.00	3%
ii) Instruments incorporating remote display or printing facilities the basic fee given in (i) above and any additional costs calculated at the rate of (per hour)	£97.50	£100.00	£103.00	3%
<b>Special Weighing and Measuring Equipment</b> The fee for the examining, testing and stamping of any equipment not described above, shall be calculated at the rate (per hour)	£97.50	£100.00	£103.00	3%
<b>Fees for the purposes of Section 49 (4) of the 1985 Act</b> The fee for the examining, testing and certification of equipment shall be calculated (per hour)	£97.50	£100.00	£103.00	3%
<b>Fees for the purpose of Section 74 (2) and (4) of the 1985 Act</b> The fee to be paid for the adjustment of any weight or measure in the course of a service provided pursuant to Section 74 of the Act, shall be the same as the amount prescribed as the fee for testing it (plus VAT)	£97.50	£100.00	£103.00	3%
For the testing of weighing or measuring equipment with a view to E.C initial or partial verification for other services or facilities provided, or for authorisations, certificates or other documents issued in pursuance of a Community Obligation Fee (per hour).	£97.50	£100.00	£103.00	3%
<b>Charge for the issue of a Calibration Certificate on the accuracy of any weight,</b>	£27.00	£30.00	£31.00	3%

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES Roads</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
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<b>Road Closure</b>				
- per Notice	£140.00	£145.00	£150.00	3%
- per Order	£275.00	£300.00	£309.00	3%

*Costs for Road Closures are currently being reviewed. It is proposed to introduce a sliding scale depending on the complexity of the closure, however no figures have been agreed as yet*

<b>Street name plates</b>				
Developers				
- first sign	£200.00	£206.00	£212.00	3%
- 2nd and subsequent signs (each)	£140.00	£145.00	£150.00	3%

<b>Scaffolding Permits</b>				
	£125.00	£130.00	£134.00	3%
	£492.00	£510.00	£525.00	3%
Up to 3 Months and every subsequent 3 months to a maximum of 4 payments (Min to Max)	£574.00	£595.00	£613.00	3%
	£665.00	£685.00	£705.00	3%
	£750.00	£775.00	£800.00	3%

<b>De-icing salt</b>				
Supplied to the public <sup>1</sup> - 1 tonne or more (pro-rata)	£60.00	£71.00	£73.00	3%

<b>New Charges for 2017/18</b>				
Road Opening Permits		£108.00	£111.25	3%
Road Occupation Permits		£36.00	£37.00	3%

<b>Parking Permits</b>				
Residents Annual Parking Permit	£25.00	£25.00	£26.00	4%
Non-Residents Annual Parking Permit	£40.00	£40.00	£41.50	4%
Monthly Parking Permit (£/month)	£10.00	£10.00	£10.30	3%

<sup>1</sup>excluding delivery - call 01835 825571 for quotation



<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Planning</b>				

<b>Archaeology</b>				
Professional time (per hour)	£61.00	£63.00	£65.00	3%

<b>Books/Leaflets</b>				
Borders Heritage Book	£5.00	£5.25	£5.40	3%
Tweed Rivers Book	£9.99	£10.50	£10.80	3%
Town Trail Leaflets	£1.00	£1.10	£1.15	5%
Paths around (old stock)	£1.00	£1.10	£1.15	5%
Paths around (new stock)	£2.00	£2.10	£2.20	5%

<b>Walks</b>				
Short walks on the Eastern SUW	£3.50	£3.75	£3.85	3%
Ranger led walks - full day - adults	£6.00	£6.25	£6.50	4%
Ranger led walks - full day - concessions	£4.00	£4.25	£4.40	4%
Ranger led walks - part day - adults	£4.00	£4.25	£4.40	4%
Ranger led walks - part day - concessions	£3.00	£3.25	£3.35	3%
Hill walking navigations workshop - adult	£21.00	£22.00	£22.75	3%
Hill walking navigations workshop - concessions	£16.00	£17.00	£17.50	3%
Other various short walks and workshops/activity sessions have various small charges				

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Civic Government : Taxis etc.</b>				
Taxi/Private Hire Operator (note 1)	£588.00	£606.00	£606.00	0%
Taxi/Private Hire Driver	£84.00	£87.00	£87.00	0%
Replacement Driver's Badge	£12.50	£13.00	£13.00	0%
Substitute Vehicle	£89.00	£92.00	£92.00	0%
Change of Use from Taxi to Private Hire & Private Hire to Taxi Licence	£64.00	£67.00	£67.00	0%
Taxi Booking Office	£215.00	£222.00	£222.00	0%
Temporary Licence Application Plate Deposit (refundable)	£40 for full set and £17 for individual plates			

<b>Other Civic Government Licensing:</b>				
Second Hand Dealers	£177.00	£183.00	£188.50	3%
Street Traders	£199.00	£205.00	£211.00	3%
Street Trader employee	£58.00	£60.00	£62.00	3%
Market Operators	£246.00	£254.00	£262.00	3%
Metal Dealers	£149.00	£154.00	£159.00	3%
Itinerant Metal Dealer	£149.00	£154.00	£159.00	3%
Indoor Sports Entertainment	£149.00	£154.00	£159.00	3%
Late Hours Catering	£332.00	£342.00	£352.00	3%
Sex Shops	£177.00	£183.00	£189.00	3%
Knife Dealer	£228.00	£235.00	£242.00	3%
Skin Piercing and Tattooing (1 year Grant)	£177.00	£183.00	£189.00	3%
Skin Piercing and Tattooing (3 Years renewal)	£177.00	£183.00	£189.00	3%
Ear Piercing Only (1 year grant)	£116.00	£119.00	£123.00	3%
Ear Piercing Only (3 years renewal)	£116.00	£119.00	£123.00	3%

<b>Public Entertainment:</b>				
Commercial	£518.00	£535.00	£551.00	3%
<b>Commercial Funfair –</b>				
1-5 stalls	£45.00	£47.00	£48.50	3%
6-20 stalls	£149.00	£154.00	£159.00	3%
21 or more stalls	£297.00	£306.00	£315.00	3%
Non-commercial	£149.00	£154.00	£159.00	3%
Non-commercial	£50.00	£52.00	£54.00	4%
Non-commercial	£36.00	£38.00	£39.00	3%
Other temporary licences	£74.00	£77.00	£79.00	3%

<b>Civic Government : General</b>				
Application for Material Change	£30.00	£31.00	£32.00	3%
Issue of Duplicate Licence	£22.00	£23.00	£23.75	3%
Certified true copy of entry in register	£22.00	£23.00	£23.75	3%

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Civic Government : Taxis etc.</b>				

<b>Miscellaneous Licensing:</b>				
Pet Shops	£66.00	£68.00	£70.00	3%
Performing Animals	£43.00	£45.00	£46.50	3%
*Dog Breeding Establishments	£135.00	£139.00	£143.00	3%
Venison Dealers	£101.00	£104.00	£107.00	3%
*Riding Establishments	£88.00	£91.00	£94.00	3%
*Dangerous Wild Animals	£80.00	£91.00	£94.00	3%
Animal Boarding Establishments	£135.00	£140.00	£144.00	3%
Cinemas – Annual	£269.00	£277.00	£285.00	3%
Theatres –				
Commercial	£149.00	£154.00	£158.75	3%
Non-commercial	£59.00	£61.00	£63.00	3%
Commercial	£80.00	£83.00	£86.00	4%
Non-commercial	£36.00	£38.00	£39.00	3%
Houses in Multiple Occupation (HMO)	£539.00	£539.00	£555.00	3%

**NOTE**

(1) Operators may pay in three annual instalments which may then be subject to approved increases.

\* Wherever a veterinary inspection is required, the applicant will be required to pay the veterinary inspection fee.

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# **Opposition Parties'**

## **Draft Revenue & Capital Financial Plan Revenue 2018/19 - 2022/23, Capital 2018/19-2027/28**

Scottish Borders Council  
 Draft Financial Plan 2018/19 to 2022/23  
 Revenue Resources

	2018/19 £'000	2019/20 (Provisional) £'000	2020/21 (Provisional) £'000	2021/22 (Provisional) £'000	2022/23 (Provisional) £'000	Total £'000
<b>Aggregate External Finance</b>						
General Revenue Support	166,939	164,759	160,755	157,838	154,965	805,256
Assumed SG grant reductions (2% 2019/20, 1.5% thereafter)		(4,004)	(2,917)	(2,873)	(2,830)	(12,624)
Ring fenced grants	2,966	2,966	1,125	1,125	1,125	9,307
Health & Social Care Partnership	7,188	7,188	7,188	7,188	7,188	35,940
Non-domestic Rates	32,790	32,790	32,790	32,790	32,790	163,950
	<b>209,883</b>	<b>203,699</b>	<b>198,941</b>	<b>196,068</b>	<b>193,238</b>	<b>1,001,829</b>
<b>Draw down and repay Reserves</b>	<b>(677)</b>	<b>(677)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,354)</b>
<b>Earmarked Balance</b>	<b>2,782</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,382</b>
<b>Council Tax (Band D £1,150.02 - increase of 3%)</b>	<b>60,077</b>	<b>61,448</b>	<b>62,827</b>	<b>64,027</b>	<b>65,227</b>	<b>313,606</b>
<b>Total</b>	<b>272,065</b>	<b>265,070</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>

**Scottish Borders Council**  
**Draft Financial Plan 2018/19 to 2027/28**  
**Capital Resources**

	<b>3 yr operational £000's</b>	<b>7 year strategic £000's</b>	<b>Total £000's</b>	<b>Est External Funding £000's</b>	<b>Est. SBC Contribution £000's</b>
Specific Grants from Scottish Government	27,639	10,426	38,065	38,065	0
Other External Grants & Contributions	7,909	0	7,909	7,909	0
Developer Contributions	1,540	700	2,240	2,240	0
Capital Receipts	4,360	0	4,360	0	4,360
General Capital Grant	43,824	98,000	141,824	0	141,824
Plant & Vehicle Replacement - P&V Fund	6,000	14,000	20,000	20,000	0
Synthetic Pitch Replacement Fund	364	3,338	3,702	3,702	0
Borrowing	36,648	36,833	73,481	1,200	72,281
<b>Total</b>	<b>128,284</b>	<b>163,297</b>	<b>291,581</b>	<b>73,116</b>	<b>218,465</b>

Detailed Capital funding can be found at the back of this budget pack

**Scottish Borders Council**  
**Draft Financial Plan 2018/19 to 2022/23**  
**Summary of Revenue Budget Movement**

	2018/19 £'000	2019/20 (Provisional) £'000	2020/21 (Provisional) £'000	2021/22 (Provisional) £'000	2022/23 (Provisional) £'000	Total £'000
<b>Base Budget (approved 9 February 2017)</b>	<b>267,647</b>	<b>272,065</b>	<b>265,070</b>	<b>261,768</b>	<b>260,095</b>	<b>1,326,645</b>
Manpower adjustments	4,723	1,890	2,059	2,233	2,481	13,386
Non-pay and department specific inflation	951	656	978	781	792	4,158
Service Specific priorities & National policy changes	9,916	(3,462)	(611)	27	140	6,010
<b>Total Pressures</b>	<b>15,590</b>	<b>(916)</b>	<b>2,426</b>	<b>3,041</b>	<b>3,413</b>	<b>23,554</b>
<b>Savings Proposals</b>						
Corporate	(3,707)	(2,199)	(4,821)	(4,562)	(4,893)	(20,182)
Contracted Services (Live Borders/SBCares)	(1,240)	(599)	(88)	(87)	(85)	(2,099)
Assets & Infrastructure	(1,454)	(602)	(120)	(10)	(10)	(2,196)
Economic Development & Corporate Services	(1,188)	(706)	0	0	0	(1,894)
Health & Social Care	(233)	0	(10)	(10)	(10)	(263)
Children & Young People	(2,088)	(1,464)	(530)	(5)	(5)	(4,092)
Customer & Communities	(300)	(11)	25	0	0	(286)
Finance, IT & Procurement	(302)	(293)	(144)	0	0	(739)
Human Resources	(79)	0	0	0	0	(79)
Regulatory Services	(581)	(205)	(40)	(40)	(40)	(906)
<b>Total Savings</b>	<b>(11,172)</b>	<b>(6,079)</b>	<b>(5,728)</b>	<b>(4,714)</b>	<b>(5,043)</b>	<b>(32,736)</b>
	<b>272,065</b>	<b>265,070</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>
<b>Funding</b>	<b>272,065</b>	<b>265,070</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>



**Scottish Borders Council**  
**Draft Financial Plan 2018/19 to 2027/28**  
**Summary of Capital Budget Movement**

	<b>3 yr operational £000's</b>	<b>7 year strategic £000's</b>	<b>Total £000's</b>	<b>Est External Funding £000's</b>	<b>Est. SBC Contribution £000's</b>
<b>Base Budget (approved 9 February 2017)</b>	<b>117,833</b>	<b>204,248</b>	<b>322,081</b>	<b>(103,546)</b>	<b>218,535</b>
CFCR	(684)	0	(684)	684	0
Specific Grants from Scottish Government	12,278	(34,568)	(22,290)	22,290	0
Other External Grants & Contributions	1,736	(1,540)	196	(196)	0
Developer Contributions	(1,256)	(2,000)	(3,256)	3,256	0
Capital Receipts	(1,603)	(300)	(1,903)	0	(1,903)
General Capital Grant	(2,323)	0	(2,323)	0	(2,323)
Plant & Vehicle Replacement - P&V Fund	0	0	0	0	0
Synthetic Pitch Replacement Fund	0	473	473	(473)	0
Borrowing	2,303	(3,016)	(713)	4,869	4,156
<b>Total Funding Adjustments</b>	<b>10,451</b>	<b>(40,951)</b>	<b>(30,500)</b>	<b>30,430</b>	<b>(70)</b>
<b>Funding</b>	<b>128,284</b>	<b>163,297</b>	<b>291,581</b>	<b>(73,116)</b>	<b>218,465</b>
<b>Investment Proposals</b>					
Corporate	900	2,100	3,000	0	3,000
Contracted Services (Live Borders/SBCares)	10,920	6,127	17,047	(9,601)	7,446
Asset & Infrastructure	86,392	101,265	187,657	(61,215)	126,442
Economic Development & Corporate Services	5,305	4,019	9,324	(1,000)	8,324
Health & Social Care	5,508	707	6,215	0	6,215
Children & Young People	17,531	45,157	62,688	(1,300)	61,388
Customer & Communities	0	0	0	0	0
Finance, IT & Procurement	1,728	3,922	5,650	0	5,650
Human Resources	0	0	0	0	0
Regulatory Services	0	0	0	0	0
<b>Total Investment</b>	<b>128,284</b>	<b>163,297</b>	<b>291,581</b>	<b>(73,116)</b>	<b>218,465</b>

Detailed Capital Investment by year can be found at the back of this budget pack

Scottish Borders Council  
 Draft Financial Plan 2018/19 - 2022/23  
 Service Level Summary

	2018/19 £'000	2019/20 (Provisional) £'000	2020/21 (Provisional) £'000	2021/22 (Provisional) £'000	2022/23 (Provisional) £'000	Total £'000	Capital Investment (10 years)
Corporate	455	469	(2,604)	(4,639)	(6,722)	(13,041)	3,000
Contracted Services (Live Borders/SBCares)	14,037	13,467	13,408	13,350	13,265	67,527	17,047
Assets & Infrastructure	30,254	27,069	27,132	27,307	27,482	139,244	187,657
Economic Development & Corporate Services	183	183	423	413	403	1,605	9,324
Health & Social Care	47,661	46,874	46,874	46,874	46,874	235,157	6,215
Children & Young People	115,963	114,669	114,048	114,362	114,681	573,723	62,688
Customer & Communities	18,641	18,884	18,838	18,842	18,936	94,141	0
Finance, IT & Procurement	34,549	33,348	33,288	33,265	33,265	167,715	5,650
Human Resources	2,634	2,634	2,634	2,634	2,634	13,170	0
Regulatory Services	7,688	7,473	7,727	7,687	7,647	38,222	0
<b>Total</b>	<b>272,065</b>	<b>265,070</b>	<b>261,768</b>	<b>260,095</b>	<b>258,465</b>	<b>1,317,463</b>	<b>291,581</b>

## Corporate

Corporate budget movements which cross more than one service

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	Total £'000s	Est External Funding £'000s	Est. SBC Contribution £'000s	Detail
Emergency & Unplanned	900	2,100	3,000	0	3,000	Budget to deliver emergency works in year
<b>Total Investment</b>	<b>900</b>	<b>2,100</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>	

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Corporate Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Pay Inflation	4,594	1,861	2,030	2,204	2,481	To provide for the assumed pay award for all employees. 2%/3% in 2018/19. This includes all SB Cares staff
Insurance	94	24	26	27	27	To provide for Insurance inflation across the council
Utilities	18	114	116	119	123	To provide for Utilities inflation across the council
Rates	(179)	103	104	105	107	To provide for Rates inflation across the council
One-off 2017/18 budget allocations	(1,600)	0	0	0	0	Removal of one off Scottish Government funding received in 2017/18
Water Rates Valuation	0	50	50	50	50	To allow for anticipated increases from water revaluation
Road Fuel (all services)	0	21	22	22	22	To allow for inflationary road fuel increases across the council
Council Tax Reduction scheme (CTRS)	635	40	0	0	0	Provided by Scottish Government to assist Councils with Tax reform changes
Fairness Fund	600	0	(600)	0	0	Many people in our communities are missing out because they aren't getting their fair share of support, their full financial entitlement or a fair chance to contribute to their local communities. Over this 2 year pilot, our Fairness Team will work across all services and with all age groups to find the people having the toughest time. Their aim is to increase income levels, improve support and build connections. We will also build a capacity audit of both the statutory and voluntary sector across the Borders and develop mechanisms to ensure the third sector is treated fairly. The pilot will be fully evaluated to assess impact
<b>Total Pressures</b>	<b>4,162</b>	<b>2,213</b>	<b>1,748</b>	<b>2,527</b>	<b>2,810</b>	

## Corporate

### Corporate budget movements which cross more than one service

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Organisational Efficiencies	(601)	0	0	0	0	Efficiencies driven through changes to staffing and optimising resources across different staffing models. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Changes to working practices	(548)	0	0	0	0	Efficiencies driven through changes to working practices including more efficient working patterns. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Digital Transformation	(1,175)	(975)	(500)	(500)	(500)	Efficiency driven through Digital Transformation within the Council. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Property & Assets	(284)	0	0	0	0	Review of SBC property and its use
Vehicle Tracking and Scheduling	(100)	0	0	0	0	Increased efficiency and productivity enabling more efficient/less costly travel. Technology dependent
Mobile phone contracts	(30)	0	0	0	0	A review of mobile phone usage to ensure best value and where and when they are required. Assume 20% reduction
Corporate Commissioning	(232)	(383)	(400)	(400)	(400)	Savings from a review of commissioned services to ensure consistent best practice across the council
Corporate Landlord	(100)	(215)	(250)	(251)	0	Savings resulting from implementing the corporate landlord model across the council
Shared Services	0	(100)	(100)	(100)	(100)	To target opportunistic shared service possibilities with partners and other councils
Council Tax Reduction Scheme	(100)	0	0	0	0	Reduced spend based on current levels per 17/18 monitoring
Service proposals to be developed	0	(526)	(3,571)	(3,311)	(3,893)	Proposals and change across the council to be developed, including transformation opportunities
Top slice external grants received	(500)	0	0	0	0	Administrative top-slice charge on all grants received where allowed under the grant conditions
Services to Other Authorities	(25)	0	0	0	0	Increased income through outsourcing to partners and other Local Authorities
Business Continuity & Emergency Planning	(12)	0	0	0	0	Increased income from providing emergency planning services to partners
<b>Total Savings</b>	<b>(3,707)</b>	<b>(2,199)</b>	<b>(4,821)</b>	<b>(4,562)</b>	<b>(4,893)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Net Pressures & Savings	455	469	(2,604)	(4,639)	(6,722)
<b>Net position</b>	<b>455</b>	<b>469</b>	<b>(2,604)</b>	<b>(4,639)</b>	<b>(6,722)</b>

## Contracted Services: SB Cares; LIVE Borders (Sport, Heritage and Culture)

SB CARES: Provision of Social Care and Support Services including Residential Care, Care at Home, Day Services, Extra Care Housing, Night Support, Equipment and Technology

LIVE Borders: Sport Facilities, Active Schools, Cultural Services (Libraries, Museums, Halls & Community Centres, Arts Development + SBC Capital Projects)

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Sports Infrastructure	1,294	6,028	7,322	(3,702)	3,620	Capital allocation to Sports Trusts to improve and refurbish SBC owned Sport and Leisure facilities and a Synthetic Pitch replacement fund to manage the replacement of synthetic pitches across the Borders
Culture & Heritage	4,060	99	4,159	(2,699)	1,460	Public Halls upgrades, new upgraded Jim Clark Museum in Duns and the upgrade and redevelopment of the Sir Walter Scott Courthouse in Selkirk
Great Tapestry of Scotland	5,566	0	5,566	(3,200)	2,366	To provide a permanent home for the Great Tapestry of Scotland in Galashiels town centre
<b>Total Investment</b>	<b>10,920</b>	<b>6,127</b>	<b>17,047</b>	<b>(9,601)</b>	<b>7,446</b>	

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	15,639	14,734	14,164	14,105	14,047
Base Budget (approved 9 February 2017) Income	(697)	(697)	(697)	(697)	(697)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>14,942</b>	<b>14,037</b>	<b>13,467</b>	<b>13,408</b>	<b>13,350</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
SB Cares Contract inflation	29	29	29	29	0	Contract inflation to cover increased non-pay inflation
Synthetic Sports Pitches (Live Borders)	45	0	0	0	0	To provide for the increased running costs of the new 3G pitches being developed
Live Borders Contract Inflation	261	0	0	0	0	To provide for Live Borders inflationary pressures such as utility and pay inflation
<b>Total Pressures</b>	<b>335</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>0</b>	

## Contracted Services: SB Cares; LIVE Borders (Sport, Heritage and Culture)

SB CARES: Provision of Social Care and Support Services including Residential Care, Care at Home, Day Services, Extra Care Housing, Night Support, Equipment and Technology

LIVE Borders: Sport Facilities, Active Schools, Cultural Services (Libraries, Museums, Halls & Community Centres, Arts Development + SBC Capital Projects)

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
<b>SB CARES</b>						
SB Cares Contribution to SBC General Fund per Original Business Case	(162)	(152)	0	0	0	As per SB Cares approved Business Case, there are forecast increases to the profitability of SB Cares through additional income streams and more effective and efficient service delivery
SB Cares Structure Review	(100)	0	0	0	0	Review of SB Cares structures targeting increased effectiveness in the provision of all services. This is expected to provide a saving through redefining roles and responsibilities and process redesign. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Implement relief staff management tool	(80)	0	0	0	0	Implement improved management processes and systems to deliver an effective relief bank resulting in reduced costs through a reduction in rates paid, compared to current 3rd party costs
Offer new relief bank of staff agency service for other Borders providers at commercial rate.	(20)	0	0	0	0	This is a commercial opportunity. This would be offered to other providers in the Borders at a rate below city agency rates and allow services to continue in all areas
Implement equitable support worker structure in Care Homes	(20)	0	0	0	0	Staffing changes will be required as a result of this proposal. No overall FTE effect. Council HR policy will be consistently applied throughout review
Review of how Sleep-Ins are provided	(80)	0	0	0	0	To deliver greater efficiency. Any potential increase in risk to clients would require mitigation assurances and work with Health and Social Care required to ensure no duplication. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Review of Finance System – use Business World as an alternative - Licence & Maintenance Fee Saving	(20)	0	0	0	0	Consistency with other SBC services and subsidiaries and reduced cost through no longer requiring a separate financial management information system
Increase pool car fleet in homecare	(20)	0	0	0	0	Reduced costs through reduced mileage claimed and increased efficiency due to reliable vehicles
Review provision of fleet across all services	(10)	0	0	0	0	Cost savings arising from greater efficiency in the economy, deployment and use of vehicles
Brokerage service – Management fee for promoting services – Community provision e.g. Care & Repair	(10)	0	0	0	0	Increased signposting activity that would enable clients (unassessed) to access a wider range of support services

## Contracted Services: SB Cares; LIVE Borders (Sport, Heritage and Culture)

SB CARES: Provision of Social Care and Support Services including Residential Care, Care at Home, Day Services, Extra Care Housing, Night Support, Equipment and Technology

LIVE Borders: Sport Facilities, Active Schools, Cultural Services (Libraries, Museums, Halls & Community Centres, Arts Development + SBC Capital Projects)

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
East Lothian collaboration for the provision of Alarms Service Page 247	(250)	0	0	0	0	This provides a Telecare Services Association (TSA) accredited solution which will enable sales to the third sector. This also improves current alarm service to current client base and provides some financial savings. A total saving of 7 FTE is anticipated. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Merge Bordercare and Community Equipment Service.	(80)	0	0	0	0	Review to deliver an integrated service provision for Bordercare and Community Equipment Service following transfer of Call Response service to East Lothian. This is expected to provide a saving through redefining roles and responsibilities and process redesign, and could reduce the workforce by up to 2 FTE. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
<b>LIVE BORDERS</b>						
Management Fee reduction to Live Borders	(388)	(447)	(88)	(87)	(85)	Proposals to increase income, reduce management and back office staffing (3.8 FTE) and improve efficiency within the Trust with regards to procurement and energy efficiency
<b>Total Savings</b>	<b>(1,240)</b>	<b>(599)</b>	<b>(88)</b>	<b>(87)</b>	<b>(85)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	14,734	14,164	14,105	14,047	13,962
Base Budget - Income	(697)	(697)	(697)	(697)	(697)
<b>Base Budget - Net</b>	<b>14,037</b>	<b>13,467</b>	<b>13,408</b>	<b>13,350</b>	<b>13,265</b>

## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBc Contracts, Fleet, Pay & Display, Waste Management

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Land & Property Infrastructure	11,690	21,088	32,778	0	32,778	Capital works on the Council estate including parks and play facilities, encompassing structural, energy efficiency, Health & Safety works, improvements and upgrades
Roads & Transport Infrastructure	24,132	50,256	74,388	(130)	74,258	Encompasses the Roads, Bridges and Lighting blocks and a number of other infrastructure projects
Cycling, Walking & Safer Streets	562	1,649	2,211	(2,211)	0	Specific Scottish Government funding to encourage walking and cycling, especially to schools and to connect communities
Peebles Bridge		600	600		600	Preparatory work to consider the future requirement for a new bridge in Peebles to support future development per the Local Development Plan
Flood & Coastal Protection works	1,614	3,850	5,464	(3,500)	1,964	Small scale capital flood works projects and flood studies for future major schemes. Flood studies and scheme preparation fully funded by Scottish Government
Hawick Flood Protection	33,033	8,217	41,250	(32,934)	8,316	Infrastructure project to protect residential and commercial properties from flood risk within the River Teviot's flood plain in Hawick. Scottish Government 80% funding of the project partially confirmed
Waste Management	1,400	600	2,000	(1,200)	800	Easter Langlee cell provision and leachate management, CRC skip infrastructure and provision of waste containers
Easter Langlee Waste Transfer Station	5,099	0	5,099	0	5,099	Construction of new waste transfer station at Langlee
Waste Collection (Non P&V)	1,432	365	1,797	0	1,797	Contribution to refuse lorry replacements not provided by Plant and Vehicle fund, funded by Waste revenue budget contribution for specific funding
Reston Station Contribution	1,430	640	2,070	(1,240)	830	Council contribution to provision of new platform and car parking at Reston, supported by potential funding from developer contributions
Plant & Vehicle Fund	6,000	14,000	20,000	(20,000)	0	Rolling programme of fleet replacement to meet council requirements, fully funded from the Plant and Vehicle fund and replenished by revenue budgets over vehicle lives
<b>Total Investment</b>	<b>86,392</b>	<b>101,265</b>	<b>187,657</b>	<b>(61,215)</b>	<b>126,442</b>	

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	61,987	63,881	60,706	60,780	60,965
Base Budget (approved 9 February 2017) Income	(33,514)	(33,627)	(33,637)	(33,647)	(33,657)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>28,473</b>	<b>30,254</b>	<b>27,069</b>	<b>27,133</b>	<b>27,308</b>



## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBc Contracts, Fleet, Pay & Display, Waste Management

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Property Maintenance Fund Inflation	0	47	49	50	50	To allow for anticipated inflationary increases of materials and works associated with maintaining the Council estate
New Kelso High School	206	0	0	0	0	Increased revenue costs associated with the lifecycle costs of new Kelso High
Catering (Food) Inflation	0	28	29	29	29	Estimated inflationary price increase of food costs
Winter Maintenance (Salt) Inflation	0	14	15	15	15	Estimated inflationary price increase of salt costs
Aggregates & Bitumen Inflation	0	5	5	5	5	Estimated inflationary price increase of bitumen and aggregates
Roads Investment	2,000	(2,000)	0	0	0	Additional investment to improve the Roads Condition Index over 29.2 kilometres of road, improving road surfaces, drainage and lining for the long term
Cleaner Communities	500	(500)	0	0	0	Over this one year pilot, a new team of 5 Cleaner Communities Co-ordinators will work collaboratively with our Police Scotland Sergeant and our team of six community police officers to address the problems of dog fouling, littering, anti-social behaviour and inconsiderate parking. Working with local communities on the ground, our Cleaner Communities Co-ordinators will develop home grown initiatives and ensure that all police enforcement work is targeted and in line with community priorities. This pilot in collaboration will be fully evaluated after one year's operation
School repairs, redecoration and maintenance	100	(100)	0	0	0	A 10% increase in revenue funding to accelerate planned improvements in our schools and classrooms
Shared Access Paths	160	(160)	0	0	0	In line with our commitment to increase multi-use paths, this funding will lever in match funding to ensure that design and preparatory work is undertaken on two new routes and at least one other route is completed
Vehicle Spare Parts Inflation	0	13	13	13	13	Estimated inflationary price increase of spare parts
Waste Plant & Vehicle Fund	200	0	0	0	0	To provide for additional depreciation and interest payments associated with previously invested capital to allow rolling fleet replacement within Waste
Landfill Tax Inflation	70	70	73	73	73	Estimated inflationary price increase of Landfill tax which is set by the Scottish Government
Reduced Flood allocation	(1)	0	0	0	0	Minor adjustment by Scottish Government as detailed in Settlement
<b>Total Pressures</b>	<b>3,235</b>	<b>(2,583)</b>	<b>184</b>	<b>185</b>	<b>185</b>	

## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBc Contracts, Fleet, Pay & Display, Waste Management

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Energy Efficiency Project	(119)	(103)	(103)	0	0	Spend to save investments in a range of energy efficiency measures designed to reduce our Carbon Footprint and make cashable savings
Public-Private Partnership (PPP)	(100)	0	0	0	0	Extract savings on utilities from PPP contract. Early engagement with PPP Contract holders required to reach a common position and realise savings
Staff Canteen Efficiency	(60)	0	0	0	0	Replacement of existing staff canteen service with a sandwich, snacks and coffee service at an alternative location within HQ
Additional service for nursery meals based on the 7 pilot nursery meals uptake	(71)	0	0	0	0	Roll out of current pilot which provides Free School Meals to children attending full day nursery under the expansion of Early Years provision to 1140 hours
Improved Income from higher Secondary Schools meals uptake	(75)	0	0	0	0	Anticipated increased income through increased uptake of school meals in Secondary Schools
Catering Marketing reduction	(20)	0	0	0	0	Reduction to marketing budget based on current spend levels
Cleaning Services Rationalisation (inc Janitor, crossings)	(20)	(60)	0	0	0	Completion of a project to deliver rationalisation of the cleaning service including Janitorial & Crossing Patrols. Expected reduction of 5.1 FTE. Delay in introducing any change in support to crossing patrol provision until we are able to fully consult with all parent councils on alternative models of provision. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Major Projects Feasibility Study budget reduction	(30)	0	0	0	0	Reduced ability to evaluate possible future projects with the most important potential projects being prioritised to mitigate this risk
New delivery model for Public Toilet provision	0	(100)	0	0	0	Phase 2 of the public convenience review. Service impacts still to be assessed with review recommendations
Review winter working patterns / overtime	(50)	0	0	0	0	Review of staffing arrangements regarding providing winter services, no service impact expected
Neighbourhoods : Grass cutting, Biodiversity and Floral	(345)	(100)	0	0	0	Redesign of Council grass cutting, 100k Review of Path Maintenance and £30k from Floral Gateway savings. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Children & Young People grounds maintenance transfer	(20)	0	0	0	0	Transfer budget to Neighbourhood Services to be managed as part of the service and within the normal framework of maintenance. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing
Review of Street Lighting Energy Efficiency Project (SLEEP) provision	0	(7)	(7)	0	0	Completion of SLEEP project. No service impact expected

## Asset and Infrastructure

Property Management, Estates, Catering, Cleaning, Design, Major Projects, Neighbourhood Services, Infrastructure & Assets, SBc Contracts, Fleet, Pay & Display, Waste Management

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Roads review savings	(100)	0	0	0	0	Implementation of new Roads structure and delivery model. Expected reduction of 3FTE posts . The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Increase the surplus budget of the Fleet Management	(56)	(22)	0	0	0	Bringing Fleet budget in line with historic performance. No service impact
Waste Services Kerbside Collection Review	(175)	(200)	0	0	0	Savings arising from the proposal of a new optimised model of service delivery, including route optimisation, review of working patterns and depot rationalisation (est 3FTE impact). The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Waste Services Leachate Management budget reduction	(100)	0	0	0	0	Peak demands for leachate movement now to be met from the Council's Weather Reserve which will reduce the risk of under and over spends due to the variability of demand for this service which is weather dependent
Waste Fees & Charges	(105)	0	0	0	0	Increased Trade Waste charges as agreed as part of the 2017/18 financial plan
Additional Fees & Charges Income across Assets & Infrastructure and Regulatory Services	(8)	(10)	(10)	(10)	(10)	Extra income from higher Fees & Charges which have been increased in line with inflation. Possible reductions in demand due to higher prices have been factored into the assumed additional income
<b>Total Savings</b>	<b>(1,454)</b>	<b>(602)</b>	<b>(120)</b>	<b>(10)</b>	<b>(10)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	63,881	60,706	60,780	60,965	61,150
Base Budget - Income	(33,627)	(33,637)	(33,647)	(33,657)	(33,667)
<b>Base Budget - Net</b>	<b>30,254</b>	<b>27,069</b>	<b>27,133</b>	<b>27,308</b>	<b>27,483</b>

## Economic Development and Corporate Services

Corporate Policy, Economic Development, Commercial Property Income, Emergency Planning, Communications & Marketing, Corporate Transformation

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	Total £'000s	Est External Funding £'000s	Est. SBC Contribution £'000s	Detail
Town Centre Regeneration	300	700	1,000	0	1,000	To support the outcome of the Locality/Town review work
Central Borders Business Park	2,500	0	2,500	(1,000)	1,500	To support the development of necessary infrastructure to maximise inward investment and the future growth of the Scottish Borders economy
Newtown St Boswells Regeneration	56	344	400	0	400	Initial development phase for the village centre regeneration
Eyemouth Regeneration	799	0	799	0	799	To support the regeneration of Eyemouth
Tweedbank Development	500	0	500	0	500	Funds to commence delivery of the Tweedbank Masterplan
Private Sector Housing Grant	1,150	2,975	4,125	0	4,125	Grant funding to assist the provision of major adaptations to Private Sector housing following a needs and priority assessment by Social Work
<b>Total Investment</b>	<b>5,305</b>	<b>4,019</b>	<b>9,324</b>	<b>(1,000)</b>	<b>8,324</b>	

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	1,411	1,453	1,453	1,703	1,703
Base Budget (approved 9 February 2017) Income	(1,270)	(1,270)	(1,270)	(1,280)	(1,290)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>141</b>	<b>183</b>	<b>183</b>	<b>423</b>	<b>413</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Transformational Change support	250	0	250	0	0	To support transformational change across the organisation
Enterprise Regeneration	25	0	0	0	0	Further funding from Scottish Government as detailed in settlement
<b>Total Pressures</b>	<b>275</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>0</b>	

## Economic Development and Corporate Services

Corporate Policy, Economic Development, Commercial Property Income, Emergency Planning, Communications & Marketing, Corporate Transformation

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Shared Service opportunities with Dumfries & Galloway	(150)	0	0	0	0	Enabled by sharing services with Dumfries & Galloway to deliver the South of Scotland Economic Partnership Work Plan. Area of saving not yet confirmed, possible implication of 2/3FTE. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Business Gateway	(10)	0	0	0	0	Use of technology to reduce travel time to ensure minimal impact
Housing Strategy savings	(30)	0	0	0	0	Work only required once every 5 years
Commercial Rent income	0	0	(10)	(10)	(10)	Inflationary rent increases
Travel in Emergency Planning	(4)	0	0	0	0	Minimal impact as pool cars will be used
Resilient Communities materials budget	(5)	0	0	0	0	Work with communities to fund and deliver differently to minimise impact
Communications Web and Digital Media post	(9)	0	0	0	0	Change grade 8 to Modern Apprentice (MA) or Grade 5- Short term training requirement
Reduce Business Grants	(25)	0	0	0	0	Reduce level of Business grants provided
<b>Total Savings</b>	<b>(233)</b>	<b>0</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	1,453	1,453	1,703	1,703	1,703
Base Budget - Income	(1,270)	(1,270)	(1,280)	(1,290)	(1,300)
<b>Base Budget - Net</b>	<b>183</b>	<b>183</b>	<b>423</b>	<b>413</b>	<b>403</b>

## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Capital Investment	3 yr. operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Adult Services Facilities Upgrade (Older People)	550	293	843	0	843	Planned Residential Care Home upgrades to enhance and improve facilities for residents
Care Inspectorate Requirements (Older People)	158	414	572	0	572	Residential Care Home works in order to deliver specific recommendations within the Joint Older People's Services Inspection Report
Residential Dementia (Older People)	4,800	0	4,800	0	4,800	Proposed specialist Dementia Residential Facility to deliver a specific Health and Social Care Partnership priority on Dementia
<b>Total Investment</b>	<b>5,508</b>	<b>707</b>	<b>6,215</b>	<b>0</b>	<b>6,215</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	60,786	61,229	60,442	60,442	60,442
Base Budget (approved 9 February 2017) Income	(13,568)	(13,568)	(13,568)	(13,568)	(13,568)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>47,218</b>	<b>47,661</b>	<b>46,874</b>	<b>46,874</b>	<b>46,874</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Older People demographic increases	343	348	348	348	348	Forecast additional cost of increasing numbers of Older People 65-74 and 74+
COSLA Residential Care Home Contract (Older People)	74	75	75	75	75	Inflationary Provision for COSLA residential care home contract
Dementia care services (Older People)	81	(81)	0	0	0	increase in beds in proposed dementia unit -revenue consequences remain unknown at the current time
Increased young adults with learning / physical disabilities	250	250	250	250	250	Forecast additional cost of increasing numbers of young adults in transition from Children's to Adult Services
Health & Social Care Integration (IJB - Older People, Learning Disability and Physical Disability)	(667)	(673)	(673)	(673)	(673)	The above demographic pressures have been identified. The SBC Financial Plan assumes however, that as in 2016/17 and 2017/18, these pressures will be met in full via the direction of additional social care funding by the Integration Joint Board
SBC share of £66m for H & SC (All)	1,523	0	0	0	0	Per settlement - to support additional investment in social care in recognition of a range of pressures Local Authorities are facing including new commitments
Freeze all SC&H charges at 2017/18 levels	8		0	0	0	Decision to freeze charges to be funded from SBC share of £66m above
Choose Life	19	0	0	0	0	As detailed in Settlement
<b>Total Pressures</b>	<b>1,631</b>	<b>(81)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Purchase Criminal Justice Service (CJS) training (e.g. Health and Safety) from Scottish Borders Council instead of an external provider	(2)	0	0	0	0	Greater cost-effectiveness of existing SBC training provision - Criminal Justice Service will no longer seek this provision externally but instead use the Council's in-house service
Review of Day Services (Older People and Learning Disability)	(290)	(400)	0	0	0	The Re-imagining Day Services Review project is ongoing, a key pillar of the Integration Joint Board Integrated Transformation Programme. Following implementation of its recommendations, including new service provision, some existing day centre provision will be decommissioned. This may impact on the current SB Cares General Fund Contribution level and on current the level of service required from SB Cares. This will not have an impact in Health & Social Care staffing although there may be potential impact for SB cares staff. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Following analysis of contract utilisation, review of non-day service functions commissioned from SB Cares aimed at increasing efficiency and reducing cost (decommissioning of Day Services is already in Financial Plan (£690k)) (Older People)	(100)	0	0	0	0	New, fitter-for-purpose, more cost effective services will be commissioned. This will save money and improve efficiency but may impact on the current SB Cares General Fund Contribution level. This will not have an impact in Health & Social Care staffing although there may be potential impact for SB Cares staff. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Review and recommission of Specialist Care and Support Services (Older People)	(100)	(150)	0	0	0	Greater efficiency through more effective and economic specialist service provision commissioned from external organisations
Review the Shopping Service (Older People)	(41)	0	0	0	0	Alternative delivery models are now available which clients can access which may mean this service can be decommissioned (subject to consultation)
Review Commissioned Services including SB Cares within Learning Disability Service	(100)	0	0	0	0	New, more cost effective services will be commissioned in addition to a comprehensive review of all existing commissioning arrangements. This will save money and improve efficiency but may impact on the current SB Cares General Fund Contribution level and their levels of staffing although the majority of services (and cost) are commissioned from external providers. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Decommission Learning Disability Services with new alternatives	(76)	0	0	0	0	An evaluation of Social Enterprises has been undertaken resulting in a decision by Learning Disability Service for one grant contract for a social enterprise being decommissioned. This work is now delivered by Project Search and has been successful to date

## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Reduction in Night-Time Support (note the wider context of a future strategic review of Night-Time Support) (Learning Disability)	(74)	0	0	0	0	Formal Project underway in collaboration with Learning Disability Service providers to look at reducing the amount of night time support. Target reduction of 2FTE for the project. Extensive work has already been undertaken by a previous project. Any impact will be mitigated. No impact on H&SC staff however potential impact on SB Cares staff
Decommission Learning Disability Services delivered by Borders College	(24)	0	0	0	0	New, more appropriate alternative services have been developed for implementation from Autumn Term 2018 with no further cost to the Council
Return adults with high supported living needs to the Scottish Borders, decommissioning high-tariff out of area placements (Learning Disability)	0	(52)	0	0	0	Longer-term, requires significant capital and revenue partnership investment, but for the specific clients identified, will provide better outcomes to meet specialist client needs at considerably reduced cost. Potential for unquantified increase in front line staff although options for commissioning the service are being considered
Decommission a specific Adults with Learning Disability contract	(10)	0	0	0	0	This client-specific service is currently being decommissioned as it is no longer required
Decommission 2 Mental Health services with identified alternatives	(53)	0	0	0	0	For one service, there is now a national telephone helpline available which clients would be able to access and for the other, if they wish to continue, clients would be able to access the service using Self Directed Support
Greater Use of Technology	(100)	0	0	0	0	Through further increasing the use of technology and equipment, it is anticipated we will reduce the number of lower-level care at home packages
Undertake a productivity review programme across Adult Social Work services (Meridian) Savings are targeted year 1 and 2 and will require investment to commission the review	(88)	(44)	0	0	0	This is currently underway across some services in NHS Borders – clinical and non clinical, has identified considerable cashable savings through increased efficiency by productivity. Potential reduction of 2FTE following work study although exact potential is unknown until process review. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing
Review management arrangements across all Adult social work services	(60)	0	0	0	0	There would be impacts and risks attached to this due to reduced capacity but the opportunity for more joined up management and efficiency exists. Before 2019/20, where vacancies arise beforehand, joint posts will be considered and there will be potential regrading of roles. There will be increased vigilance in all vacancy management. The Councils HR Policies and Procedures will be utilised to manage any staffing changes/reductions



## Health and Social Care

Child & Adult Protection, Emergency Duty, Business Support, Quality Improvement, Criminal Justice, Safer Communities, Older People, Learning Disability, Mental Health, Physical Disability, Generic

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Review Community Based Services (considering posts / skill mix) covering Occupational Therapy and Social Work in order to maximise benefit of Enablement and Buurtzorg	(50)	(60)	0	0	0	New, innovative, community based health and social care services will result in constraining costs for traditional (and more intensive) social care services - better for the client and more cost-effective
Review all small grants, contributions to communities and payments to 3rd sector organisations across all Adult social Work services	(20)	0	0	0	0	This review will be targeted at maintaining the quality of support current provided. Will place greater focus on a more commissioned-based relationship between SBC and the organisations, with a focus on clear outcomes
<b>Total Savings</b>	<b>(1,188)</b>	<b>(706)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	61,229	60,442	60,442	60,442	60,442
Base Budget - Income	(13,568)	(13,568)	(13,568)	(13,568)	(13,568)
<b>Base Budget - Net</b>	<b>47,661</b>	<b>46,874</b>	<b>46,874</b>	<b>46,874</b>	<b>46,874</b>

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
Broomlands Primary School	6	0	6	0	6	Final costs relating to the new Broomlands Primary School (opened 9th January 2018)
Langlee Primary School	3	0	3	0	3	Final costs relating to the new Langlee Primary School (opened August 2017)
Jedburgh Learning Campus	3,687	0	3,687	(300)	3,387	A new 3-18 learning campus in Jedburgh replacing 2 Primary Schools and the High School. The capital budget provision is primarily for project management, incidentals and the new 3G synthetic pitch provision
School Estate Block	10,551	16,700	27,251	(1,000)	26,251	Programme of works across the school estate to ensure compliance with a range of legislation in relation to health and safety, care inspectorate, environmental health and Insurers and to enable improvement of safety in schools
School Estate Review	3,284	28,457	31,741	0	31,741	Ambitious large scale project to significantly improve the school estate to match current and future demand. Increase of £16m through to 2024 to maintain the pace of the school rebuilding programme, increasing the potential for the provision of up to 3 new schools
<b>Total Investment</b>	<b>17,531</b>	<b>45,157</b>	<b>62,688</b>	<b>(1,300)</b>	<b>61,388</b>	

Revenue Opening Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	118,429	117,678	116,389	115,773	116,092
Base Budget (approved 9 February 2017) Income	(1,710)	(1,715)	(1,720)	(1,725)	(1,730)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>116,719</b>	<b>115,963</b>	<b>114,669</b>	<b>114,048</b>	<b>114,362</b>

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Expansion of Early Years to 1,140 hours (fully funded)	482	0	0	0	0	Expansion of Early Years provision to 1,140 hours in seven locations (more locations will follow). This expansion will be fully funded by the Scottish Government
Supply Teacher settlement	100	0	0	0	0	Provision to provide for changes in supply teachers Terms & Conditions including restoring the rate of pay to the individual's appropriate point on the main grade scale rather than scale point 1
Langlee Primary School	38	0	0	0	0	Langlee Primary School opened in August 2017. The full year impact of the opening is estimated at £101k with £63k having been provided in the 2017/18 Financial Plan
Broomlands Primary School	24	0	0	0	0	Broomlands Primary School opened on the 9th January 2018. The full year impact of the forecast pressure is £64k with £40k having been included in the 2017/18 Financial plan
Unitary Charge Public-Private Partnership (PPP) Schools	305	310	315	319	324	This is the forecast contractual inflationary increase required for the 3 High Schools built with PPP funding. An inflation rate of 3.6% has been used
New Kelso High School	144	0	0	0	0	The new Kelso High School opened on the 14th November 2017. The full year impact of the opening is estimated at £192k with £48k reflected in the 2017/18 Financial Plan. Non Domestic Rates accounts for a significant part of this pressure
Jedburgh funding charges	0	0	975	0	0	The proposed new multi-generational Jedburgh campus is being funded by a combination of SBC capital funding / Scottish Government grant & revenue funding. This pressure relates to the revenue funding element only
Jedburgh lifecycle maintenance	0	0	300	0	0	This is a provision for maintaining the new multi-generational Jedburgh campus in an as new condition, including regular painting, replacement of boilers etc
Jedburgh increased Facilities Management (FM) charges	0	0	160	0	0	This pressure relates to increased revenue costs related to the new multi-generational Jedburgh campus (mainly Non Domestic Rates)
Pupil Equity Fund	11	0	(1,841)	0	0	Pupil Equity Fund of £1.841m is based on free school meal entitlement. This is fully funded by Scottish Government and assumed to continue to 2020/21. The Pupil Equity Fund is allocated directly to schools and targeted at closing the poverty related attainment gap. The funding is spent at the direction of Head teachers working in partnership with each other and the local authority
1 + 2 languages	63	0	0	0	0	Fully funded in December 2017 Scottish Government settlement to expand and improve language learning to equip young people with the language skills they need

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Sensory Impairment	14	0	0	0	0	Training materials for people with sensory impairment. Guidance from RNIB and Action for Hearing. Fully funded in December 2017 Scottish Government
British Sign Language	11	0	0	0	0	Fully funded in December 2017 Scottish Government settlement to support British Sign Language interpreters and costs of training courses
Additional Support Needs Residential Placements and Respite Care Provision	40	(40)	0	0	0	Funding will support the creation of a 6 or 8 bedded residential unit in partnership with Aberlour which will bring children with severe and complex needs back to the Borders creating savings. It will also enable the development of respite care and emergency beds for our most vulnerable children and young people preventing escalation to external residential placements
A focus on mental health	100	(100)	0	0	0	Investment in the provision of additional support to young people who may be experiencing mental ill health, particularly early intervention and at the stage of transition from children to adult services. Including investment in self-help, assessments & social media tools to support the mental health first-aid approach
<b>Total Pressures</b>	<b>1,332</b>	<b>170</b>	<b>(91)</b>	<b>319</b>	<b>324</b>	
Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Review of Early Years Service aligning budget with 2017/18 service delivery	(320)	0	0	0	0	The Early Years Service has delivered a budget underspend of £200k in 2017/18 and it is anticipated that further economies will be delivered in 2018/19 delivering permanent saving of £320k with minimal impact. There will be no staff to be deployed as separate funding from the Scottish Government to fund the expansion of Early Years provision from 600 hours to 1,140 hours will result in an increase in Early Years staff
Teacher allocations and class organisation	(230)	(770)	(379)	0	0	Subject to maintaining the Pupil / Teacher ratio as directed by the Scottish Government, there will be an opportunity to review the placement of teachers in light of roll projections, class organisation/timetable structures and the national allocation of newly qualified teachers . It is anticipated that teacher numbers and the ratios will be maintained in 2018 and that Council HR Policies and Procedures will be utilised to manage staffing deployments. In 2019 further developments in class organisation /timetable structures will release savings which could effect teacher numbers and pupil/teacher ratios

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
School Estate Review	(85)	(289)	(146)	0	0	Delivering school estate savings will be subject to approval of the Scottish Government. Closure of St Margaret's (Hawick) is progressing through the statutory process. Priority will be to identify potential opportunities to deploy/redeploy staff from schools being "mothballed"
Music Tuition Review	(50)	0	0	0	0	Review of provision to deploy existing resources more effectively. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Outdoor Education Review	(55)	0	0	0	0	Closure of Whiteadder Sailing school which is only used by a few schools. More responsibility for service delivery in outdoor education will now be within the outdoor localities within the school community to maximise learning time for pupils and provide more regular access to the outdoors. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
School Library Review	(75)	0	0	0	0	There will be a review of Literacy Support Services within schools which will consider how best to support pupils' development of literacy skills. Pilots will develop and provide opportunities for learning. Following a pilot in three secondary schools it is anticipated the Secondary School Library Service will be redesigned. There is likely to be a reduction in FTE. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing
Central Schools Review	(476)	0	0	0	0	This review has identified an opportunity to review all centrally funded budgets as practice has developed in a number of areas affecting allocations to key projects eg links to the Pupil Equity Fund allocation. Centrally funded training, continuing professional development (CPD) spend and other discretionary spend will be reviewed in line with expenditure forecasts for 2017/18
Additional Support Needs (ASN) - Passenger Transport Review reducing private taxi provision to clients	(200)	0	0	0	0	The transport provision for ASN pupils (£1.2m) will be reviewed. This is expected to result in less use of private taxi services and reduce the need for associated special escort service. Staff consultation will take place through our normal HR process
Children & Families Social Work – reduce external placements	(400)	(400)	0	0	0	Expenditure on external placements in 2017/18 is forecast to deliver a significant underspend and the service will continue to focus on preventative action to avoid spend on external placements in future years

## Children & Young People

Early Years, Primary Schools, Secondary Schools, Additional Support Needs, Children & Families Social Work, Educational Psychology, Central Schools, School Meals, Transport, Community Learning & Development (CLD).

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Review of Children & Families Social Work service	(100)	0	0	0	0	This is likely to have a minimal impact on service delivery where priority is in taking preventative action to deliver reductions in external placements etc. The service restructure is delivering considerable savings with permanent appointments replacing the use of supply staff
Reduce the use of Social Work agency staff	(42)	0	0	0	0	The reduced use of agency staff will enable delivery of this saving with minimal impact on service delivery. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes
Increased Fees & Charges	(5)	(5)	(5)	(5)	(5)	Forecast fees & charges increase to be agreed. (No increase to school meals is included)
Review of Community Learning & Development (CLD) service (Adults & Youth)	(50)	0	0	0	0	There will be a change in service provision in some localities to reflect local needs. Staff to be deployed in response to service demands with minimal impact on staff numbers. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
<b>Total Savings</b>	<b>(2,088)</b>	<b>(1,464)</b>	<b>(530)</b>	<b>(5)</b>	<b>(5)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	117,678	116,389	115,773	116,092	116,416
Base Budget - Income	(1,715)	(1,720)	(1,725)	(1,730)	(1,735)
<b>Base Budget - Net</b>	<b>115,963</b>	<b>114,669</b>	<b>114,048</b>	<b>114,362</b>	<b>114,681</b>

## Customer & Communities

Business Support, Business Planning Performance & Policy Development, Community Planning & Engagement, Localities Fund, Customer Advice & Support, Democratic Services, Business Change & Programme Management, Discretionary Housing Payments, Housing Benefits, Non Domestic Rates Relief, Scottish Welfare Fund

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	51,650	51,458	51,701	51,655	51,659
Base Budget (approved 9 February 2017) Income	(32,817)	(32,817)	(32,817)	(32,817)	(32,817)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>18,833</b>	<b>18,641</b>	<b>18,884</b>	<b>18,838</b>	<b>18,842</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Localities Bid Fund	(250)	250	0	0	0	To continue Locality bid fund at a permanent £500k by 2019/20
Contract Inflation	0	4	4	4	4	To allow for small inflationary increases to external contracts
Universal Credit impact & reduced funding	157	0	0	0	0	Departmental pressure arising from reduced Department for Work and Pensions administration grant and legislative changes arising from Universal Credit
Temporary Accommodation	185	0	0	0	0	Temporary Accommodation funding per settlement
Council Tax Reduction Scheme (CTRS) Administration	10	0	0	0	0	CTRS administration funding allocated per settlement
Direct Housing Payment (DHP) Administration	21	0	0	0	0	DHP administration funding allocated per settlement
Third Sector support for Universal Credit Advisors	75	0	(75)	0	0	Over 2 years we will provide additional funding to ensure the provision of professional welfare rights advice and representation to protect individuals and their families from the impact of the introduction of Universal Credit
Local Government election	(90)	0	0	0	90	Adjustment of budget required to run local government elections every 5 years
<b>Total Pressures</b>	<b>108</b>	<b>254</b>	<b>(71)</b>	<b>4</b>	<b>94</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Maximise funding opportunities from partners	(100)	0	0	0	0	Opportunity to raise income through delivering engagement, research, Project Management etc on behalf of partners
Performance Team: Grade 8 to Modern Apprentice (MA)	(15)	0	0	0	0	Minimal impact, although short term training requirement
Integrated Customer Services Model	(150)	(11)	0	0	0	Reduction to costs following amalgamation of Customer Services, Welfare Benefits and Housing staff following a review of how these services are delivered (3.5FTE). This will include a future review of welfare and debt advice. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions
Housing Benefits overpayment	0	0	25	0	0	This was a temporary increase to income which will reduce by 2020/21
Democratic Services vacancy	(35)	0	0	0	0	Removal of existing vacancy (1FTE)
<b>Total Savings</b>	<b>(300)</b>	<b>(11)</b>	<b>25</b>	<b>0</b>	<b>0</b>	

## Customer & Communities

Business Support, Business Planning Performance & Policy Development, Community Planning & Engagement, Localities Fund, Customer Advice & Support, Democratic Services, Business Change & Programme Management, Discretionary Housing Payments, Housing Benefits, Non Domestic Rates Relief, Scottish Welfare Fund

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	51,458	51,701	51,655	51,659	51,753
Base Budget - Income	(32,817)	(32,817)	(32,817)	(32,817)	(32,817)
<b>Base Budget - Net</b>	<b>18,641</b>	<b>18,884</b>	<b>18,838</b>	<b>18,842</b>	<b>18,936</b>



## Finance, IT and Procurement

Chief Executive, Corporate Finance, Financial Services, Information Technology, Capital Financed from Current Revenue , Interest on Revenue Balances, Loan Charges, Provision for Bad Debts, Recharge to Non-General Fund

Capital Investment	3 yr operational £'000s	7 year strategic £'000s	TOTAL	Est External Funding	Est. SBC Contribution	Detail
ICT - Out with existing contract Scope	240	560	800	0	800	IT works outwith the scope of the CGI contract
ICT Transformation	1,488	3,362	4,850	0	4,850	IT replacements, upgrades and transformation across the Council
<b>Total Investment</b>	<b>1,728</b>	<b>3,922</b>	<b>5,650</b>	<b>0</b>	<b>5,650</b>	

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	40,922	45,356	44,155	44,095	44,072
Base Budget (approved 9 February 2017) Income	(10,792)	(10,807)	(10,807)	(10,807)	(10,807)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>30,130</b>	<b>34,549</b>	<b>33,348</b>	<b>33,288</b>	<b>33,265</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
IT Contract Inflation	504	(97)	(97)	0	0	Inflation and changes to funding assumptions
IT costs per previously agreed contract	3,943	(963)	166	(23)	0	ICT contract including initial transformation spend
Loans Charges to provide for capital	274	152	14	0	0	Revenue cost of capital borrowing for new projects
<b>Total Pressures</b>	<b>4,721</b>	<b>(908)</b>	<b>83</b>	<b>(23)</b>	<b>0</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Procurement savings across all departments	(250)	(143)	(143)	0	0	Ongoing efficiencies through Procurement activity
Self insurance approach	0	(150)	0	0	0	Alternative approach to move to self insurance model. May involve higher policy excess. Saving subject to retender
Common Good Grants	(27)	0	0	0	0	Stop current grant to common good trusts and review the model of charging for SBC support
IT Licensing	(10)	0	0	0	0	Corporate approach regarding concurrent or per seat licenses
NHS Borders IT disaster recovery	(15)	0	0	0	0	Shared disaster recovery suite with other CPP partners. SBC would host using existing disaster recovery facility, subject to negotiation
<b>Total Savings</b>	<b>(302)</b>	<b>(293)</b>	<b>(143)</b>	<b>0</b>	<b>0</b>	

## Finance, IT and Procurement

Chief Executive, Corporate Finance, Financial Services, Information Technology, Capital Financed from Current Revenue , Interest on Revenue Balances, Loan Charges, Provision for Bad Debts, Recharge to Non-General Fund

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	45,356	44,155	44,095	44,072	44,072
Base Budget - Income	(10,807)	(10,807)	(10,807)	(10,807)	(10,807)
<b>Base Budget - Net</b>	<b>34,549</b>	<b>33,348</b>	<b>33,288</b>	<b>33,265</b>	<b>33,265</b>

## Human Resources

### Human Resources, HR Shared Services, Early Retirement/Voluntary Severance

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	3,084	2,654	2,654	2,654	2,654
Base Budget (approved 9 February 2017) Income	(20)	(20)	(20)	(20)	(20)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>3,064</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Early Retirement/Voluntary Severance (ERVS) reduction	(351)	0	0	0	0	Reduction of the central ERVS funding
<b>Total Pressures</b>	<b>(351)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Human Resources, HRSS Discretionary Spend	(10)	0	0	0	0	Budget reduction
Reduce Subscription for Licenses	(5)	0	0	0	0	Budget reduction
Apprenticeship Levy income assumption	(50)	0	0	0	0	Reduced budget pressure from 17/18 based on current projections
Salary Sacrifice income assumption	(14)	0	0	0	0	Reduced budget pressure from 17/18 based on current projections
<b>Total Savings</b>	<b>(79)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	2,654	2,654	2,654	2,654	2,654
Base Budget - Income	(20)	(20)	(20)	(20)	(20)
<b>Base Budget - Net</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>	<b>2,634</b>

## Regulatory Services

Planning, Assessors; Passenger Transport, Audit and Risk; Legal; Protective Services, Housing Strategy

Revenue Opening Position	£'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget (approved 9 February 2017) Expenditure	20,067	19,770	19,655	19,909	19,869
Base Budget (approved 9 February 2017) Income	(11,940)	(12,082)	(12,182)	(12,182)	(12,182)
<b>Base Budget (approved 9 February 2017) Net</b>	<b>8,127</b>	<b>7,688</b>	<b>7,473</b>	<b>7,727</b>	<b>7,687</b>

Budget Pressures	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Building Warrant Income	(32)	0	0	0	0	Income assumption per the settlement
Bus Contracts (renewal) Inflation	139	0	304	0	0	Expected inflationary increase in re-tendering bus contracts due for renewal
Galashiels Transport Interchange	(5)	(10)	(10)	0	0	Reduced revenue pressure from Gala TI due to higher income
Smoking in cars	40	0	0	0	0	Per 2017/18 settlement to enforce the legislation
<b>Total Pressures</b>	<b>142</b>	<b>(10)</b>	<b>294</b>	<b>0</b>	<b>0</b>	

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Planning Fee Income	(100)	(100)	0	0	0	Additional Planning Fee Income based on a forecast increase in applications
Phase 2 staffing reductions within Planning Service	(50)	0	0	0	0	Offers an opportunity to develop staff. The Council's HR Policies and Procedures will be utilised to manage and mitigate any staffing changes/reductions (2FTE)
Additional income from providing Pre-Planning advice	(10)	0	0	0	0	Additional service to be provided
South East Scotland Planning Authority (SESPlan) Payment Holiday	(35)	35	0	0	0	One year saving from reduced SESPlan contribution. No service impact expected
Assessors: reduction in canvassers	(22)	0	0	0	0	Reduce number of Canvassers with associated savings in travel & overtime. Requires new competitively priced laptops. Possible reduction in the effectiveness of maintaining the Electoral Roll
Assessors Printing	(10)	0	0	0	0	Use of Xerox bulk printing from June 2018 onwards to make savings in current printing costs, no service impact expected
Regulated Bus Fares	(40)	(40)	(40)	(40)	(40)	Extra income from higher fares in line with inflation. Higher cost of bus travel in The Borders
Transport Review savings	(200)	(100)	0	0	0	Savings to be achieved from Bus Subsidies & partnership arrangement with Border Buses
Provision of shared service with Midlothian Council for Audit and Risk Services	(34)	0	0	0	0	Income for SBC, currently undertaking a 6 month pilot. Makes use of existing SBC resource and expertise to provide a shared service

## Regulatory Services

Planning, Assessors; Passenger Transport, Audit and Risk; Legal; Protective Services, Housing Strategy

Savings Proposals	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	Detail
Legal	(3)	0	0	0	0	Budget reduction to reflect reduced subscription costs, no service impact expected
Shared "on call" service for environmental health incidents	(4)	0	0	0	0	Dependent on engagement of partners with whom consultation will take place to engage full support
Provide animal feed service for other rural local authorities	(30)					Positive impact locally, with potential job creation and income for SBC. Additional net income of £30k assumed in 2018/19
Protective Services Staffing	(43)	0	0	0	0	Further staffing reductions in addition to savings made from 17/18 restructure. Savings from grading changes to vacant posts and the deletion of 1 vacant post. Limited impact against current resourcing as it is vacant posts that will yield the saving (1FTE)
<b>Total Savings</b>	<b>(581)</b>	<b>(205)</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>	

Revenue Closing Position	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s
Base Budget - Expenditure	19,770	19,655	19,909	19,869	19,829
Base Budget - Income	(12,082)	(12,182)	(12,182)	(12,182)	(12,182)
<b>Base Budget - Net</b>	<b>7,688</b>	<b>7,473</b>	<b>7,727</b>	<b>7,687</b>	<b>7,647</b>

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	<b>Plant &amp; Vehicle Fund</b>															
	Plant & Vehicle Replacement - P&V Fund	2,000	2,000	2,000	<b>6,000</b>	2,000	2,000	2,000	2,000	2,000	2,000	2,000	<b>14,000</b>	<b>20,000</b>	(20,000)	<b>0</b>
	<b>Waste Collection Vehicles - Non P&amp;V Fund</b>															
	Waste Collection Vehicles - Non P&V Fund	1,100	300	0	<b>1,400</b>	0	0	300	300	0	0	0	<b>600</b>	<b>2,000</b>	(1,200)	<b>800</b>
	<b>Flood &amp; Coastal Protection</b>															
Block	Flood Studies	350	350	350	<b>1,050</b>	350	350	350	350	350	350	350	<b>2,450</b>	<b>3,500</b>	(3,500)	<b>0</b>
Block	General Flood Protection Block	164	200	200	<b>564</b>	200	200	200	200	200	200	200	<b>1,400</b>	<b>1,964</b>	0	<b>1,964</b>
	Hawick Flood Protection	4,390	12,607	16,036	<b>33,033</b>	7,909	193	115	0	0	0	0	<b>8,217</b>	<b>41,250</b>	(32,934)	<b>8,316</b>
	<b>Land and Property Infrastructure</b>															
Block	Asset Rationalisation	950	950	750	<b>2,650</b>	750	0	0	0	0	0	0	<b>750</b>	<b>3,400</b>	0	<b>3,400</b>
Block	Building Upgrades	630	730	730	<b>2,090</b>	730	770	770	770	770	770	770	<b>5,350</b>	<b>7,440</b>	0	<b>7,440</b>
Block	Cleaning Equipment Replacement Block	50	50	50	<b>150</b>	50	50	50	50	50	50	50	<b>350</b>	<b>500</b>	0	<b>500</b>
Block	Commercial Property Upgrades	50	50	50	<b>150</b>	50	50	50	50	50	50	50	<b>350</b>	<b>500</b>	0	<b>500</b>
Block	Contaminated Land Block	38	52	52	<b>142</b>	52	52	52	52	52	52	52	<b>364</b>	<b>506</b>	0	<b>506</b>
	Energy Efficiency Works	1,545	1,045	1,045	<b>3,635</b>	1,045	1,045	1,045	1,045	1,045	1,045	1,045	<b>7,315</b>	<b>10,950</b>	0	<b>10,950</b>
Block	Health and Safety Works	635	835	835	<b>2,305</b>	835	835	835	835	835	835	835	<b>5,845</b>	<b>8,150</b>	0	<b>8,150</b>
Block	Parks & Open Spaces - Upgrades	333	130	105	<b>568</b>	106	107	108	110	111	111	111	<b>764</b>	<b>1,332</b>	0	<b>1,332</b>
	<b>Road &amp; Transport Infrastructure</b>															
	A72 Dirtpot Corner - Road Safety Works	2,066	0	0	<b>2,066</b>	0	0	0	0	0	0	0	<b>0</b>	<b>2,066</b>	0	<b>2,066</b>
Block	Accident Investigation Prevention Schemes Block	50	50	50	<b>150</b>	50	50	50	50	50	50	50	<b>350</b>	<b>500</b>	0	<b>500</b>
Block	Cycling Walking & Safer Streets	156	207	199	<b>562</b>	211	221	232	244	247	247	247	<b>1,649</b>	<b>2,211</b>	(2,211)	<b>0</b>
	Galashiels Developments	416	205	0	<b>621</b>	0	0	0	0	0	0	0	<b>0</b>	<b>621</b>	0	<b>621</b>
	Innerleithen to Walkerburn - Shared Access Route	265	0	0	<b>265</b>	0	0	0	0	0	0	0	<b>0</b>	<b>265</b>	(130)	<b>135</b>
Block	Lighting Asset Management Plan	250	300	200	<b>750</b>	200	200	200	200	200	200	200	<b>1,400</b>	<b>2,150</b>	0	<b>2,150</b>
	Peebles Bridge	0	0	0	<b>0</b>	0	0	0	0	0	0	600	<b>600</b>	<b>600</b>	0	<b>600</b>
	Reston Station Contribution	330	500	600	<b>1,430</b>	640	0	0	0	0	0	0	<b>640</b>	<b>2,070</b>	(1,240)	<b>830</b>
Block	Roads & Bridges -inc. RAMP, Winter Damage & Slopes	5,360	6,610	7,410	<b>19,380</b>	7,410	6,910	6,410	6,342	7,114	7,160	7,160	<b>48,506</b>	<b>67,886</b>	0	<b>67,886</b>
	Union Chain Bridge	240	400	260	<b>900</b>	0	0	0	0	0	0	0	<b>0</b>	<b>900</b>	0	<b>900</b>

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	<b>Waste Management</b>															
Block	CRC - Improved Skip Infrastructure	146	0	0	146	0	0	0	0	0	0	0	0	146	0	146
	Easter Langlee Cell Provision	40	550	110	700	0	0	0	0	0	0	0	0	700	0	700
	Easter Langlee Leachate Management Facility	23	377	42	442	0	0	0	0	0	0	0	0	442	0	442
	New Easter Langlee Waste Transfer Station	5,090	9	0	5,099	0	0	0	0	0	0	0	0	5,099	0	5,099
	Waste Containers	48	48	48	144	50	50	51	53	53	54	54	365	509	0	509
	<b>Corporate</b>															
Block	ICT - Outwith CGI Scope	80	80	80	240	80	80	80	80	80	80	80	560	800	0	800
	ICT Transformation	473	449	566	1,488	599	468	526	381	336	526	526	3,362	4,850	0	4,850
	<b>School Estate</b>															
	Broomlands Primary School	6	0	0	6	0	0	0	0	0	0	0	0	6	0	6
	Langlee Primary School	3	0	0	3	0	0	0	0	0	0	0	0	3	0	3
	Jedburgh Learning Campus incorporating 3G Pitch	3,168	519	0	3,687	0	0	0	0	0	0	0	0	3,687	(300)	3,387
Block	School Estate Block	3,930	4,551	2,070	10,551	2,300	2,450	2,390	2,390	2,390	2,390	2,390	16,700	27,251	(1,000)	26,251
	School Estate Review	0	740	2,544	3,284	4,010	12,320	8,374	1,833	700	700	520	28,457	31,741	0	31,741
	<b>Sports Infrastructure</b>															
Block	Culture & Sports Trusts - Plant & Services	350	290	290	930	290	290	290	290	290	290	290	2,030	2,960	0	2,960
	Synthetic Pitch Replacement Fund	0	364	0	364	153	358	369	380	1,792	473	473	3,998	4,362	(3,702)	660
	<b>Culture &amp; Heritage</b>															
Block	Jim Clark Museum	1,305	5	0	1,310	0	0	0	0	0	0	0	0	1,310	(699)	611
	Public Halls Upgrades	72	0	208	280	99	0	0	0	0	0	0	99	379	0	379
	Sir Walter Scott - Phase 2	60	760	1,590	2,410	0	0	0	0	0	0	0	0	2,410	(2,000)	410
	Trimontium, Melrose	60	0	0	60	0	0	0	0	0	0	0	0	60	0	60
	<b>Economic Regeneration</b>															
Block	Great Tapestry of Scotland - Building	2,612	2,924	30	5,566	0	0	0	0	0	0	0	0	5,566	(3,200)	2,366
	Borders Town Centre Regeneration Block	100	100	100	300	100	100	100	100	100	100	100	700	1,000	0	1,000
	Central Borders Business Park	2,500	0	0	2,500	0	0	0	0	0	0	0	0	2,500	(1,000)	1,500
	Newtown St'Boswells Regeneration	16	20	20	56	84	84	120	56	0	0	0	344	400	0	400
	Eyemouth Regeneration	286	513	0	799	0	0	0	0	0	0	0	0	799	0	799
	Development Tweedbank	500			500									500	0	500

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	<b>Housing Strategy &amp; Services</b>															
	Private Sector Housing Grant - Adaptations	375	375	400	1,150	400	400	425	425	425	450	450	2,975	4,125	0	4,125
	<b>Social Care Infrastructure</b>															
Block	Adult Services Facilities Upgrades	150	200	200	550	200	59	34	0	0	0	0	293	843	0	843
Block	Care Inspectorate Requirements & Upgrades	51	53	54	158	55	57	58	59	61	62	62	414	572	0	572
NEW	Residential Dementia Care	100	4,700	0	4,800	0	0	0	0	0	0	0	0	4,800	0	4,800
	<b>Other</b>															
	Emergency & Unplanned	300	300	300	900	300	300	300	300	300	300	300	2,100	3,000	0	3,000
	<b>Total</b>	<b>43,212</b>	<b>45,498</b>	<b>39,574</b>	<b>128,284</b>	<b>31,308</b>	<b>30,049</b>	<b>25,884</b>	<b>18,945</b>	<b>19,601</b>	<b>18,545</b>	<b>18,965</b>	<b>163,297</b>	<b>291,581</b>	<b>(73,116)</b>	<b>218,465</b>



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CAPITAL FUNDING	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total Operational Plan	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total Strategic Plan	Total £000
<b>Specific Grants from Scottish Government</b>													
Hawick Flood Protection	(3,512)	(9,686)	(12,829)	<b>(26,027)</b>	(6,327)	0	0	0	0	0	0	<b>(6,327)</b>	<b>(32,354)</b>
Flood Studies	(350)	(350)	(350)	<b>(1,050)</b>	(350)	(350)	(350)	(350)	(350)	(350)	(350)	<b>(2,450)</b>	<b>(3,500)</b>
Cycling Walking & Safer Streets	(156)	(207)	(199)	<b>(562)</b>	(211)	(221)	(232)	(244)	(247)	(247)	(247)	<b>(1,649)</b>	<b>(2,211)</b>
<b>Other External Grants &amp; Contributions</b>													
Hawick Flood Protection	0	(500)	(80)	<b>(580)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(580)</b>
Inverleithen to Walkerburn - Shared Access Route	(130)	0	0	<b>(130)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(130)</b>
Jedburgh Learning Campus incorporating 3G Pitch	(300)	0	0	<b>(300)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(300)</b>
Jim Clark Museum	(699)	0	0	<b>(699)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(699)</b>
Sir Walter Scott - Phase 2	0	(460)	(1,540)	<b>(2,000)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(2,000)</b>
Great Tapestry of Scotland - Building	(1,600)	(1,600)	0	<b>(3,200)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(3,200)</b>
Central Borders Business Park	(1,000)	0	0	<b>(1,000)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(1,000)</b>
<b>Developer Contributions</b>													
Peebles Bridge	0	0	0	<b>0</b>	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
Reston Station Contribution	(595)	(645)	0	<b>(1,240)</b>	0	0	0	0	0	0	0	<b>0</b>	<b>(1,240)</b>
School Estate Block	(100)	(100)	(100)	<b>(300)</b>	(100)	(100)	(100)	(100)	(100)	(100)	(100)	<b>(700)</b>	<b>(1,000)</b>
<b>Capital Receipts</b>	<b>(2,300)</b>	<b>(1,760)</b>	<b>(300)</b>	<b>(4,360)</b>								<b>0</b>	<b>(4,360)</b>
<b>General Capital Grant</b>	<b>(14,432)</b>	<b>(15,392)</b>	<b>(14,000)</b>	<b>(43,824)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(14,000)</b>	<b>(98,000)</b>	<b>(141,824)</b>
<b>Plant &amp; Vehicle Replacement - P&amp;V Fund</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(6,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(14,000)</b>	<b>(20,000)</b>
<b>Synthetic Pitch Replacement Fund</b>	<b>0</b>	<b>(364)</b>	<b>0</b>	<b>(364)</b>	<b>(153)</b>	<b>(358)</b>	<b>(369)</b>	<b>(380)</b>	<b>(1,132)</b>	<b>(473)</b>	<b>(473)</b>	<b>(3,338)</b>	<b>(3,702)</b>
<b>Borrowing</b>													
- General	(15,738)	(12,134)	(8,176)	<b>(36,048)</b>	(8,167)	(13,020)	(8,533)	(1,571)	(1,772)	(1,375)	(1,795)	(36,233)	<b>(72,281)</b>
Waste Collection Vehicles - Non P&V Fund	(300)	(300)	0	<b>(600)</b>	0	0	(300)	(300)	0	0	0	<b>(600)</b>	<b>(1,200)</b>
<b>Total</b>	<b>(43,212)</b>	<b>(45,498)</b>	<b>(39,574)</b>	<b>(128,284)</b>	<b>(31,308)</b>	<b>(30,049)</b>	<b>(25,884)</b>	<b>(18,945)</b>	<b>(19,601)</b>	<b>(18,545)</b>	<b>(18,965)</b>	<b>(163,297)</b>	<b>(291,581)</b>

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# Opposition Parties

## Fees

and

## Charges

2018/19

All fees & charges are quoted exclusive of VAT. Specific services are subject to VAT as required by HM Customs & Excise. Therefore, where applicable, VAT will be charged in addition to the quoted fee or charge.

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Chief Executive</b>				

Property Clearance Certificates	£75.00	£77.00	£79.00	3%
Street Naming	£0.00	£150.00	£150.00	0%
Property Numbering	£0.00	£75.00	£75.00	0%
Property Re-naming	£0.00	£75.00	£75.00	0%
Landlord Registration <sup>1</sup>	£55.00	£55.00	£55.00	0%
Private Sector Housing Grant - Recording Fee	£60.00	£60.00	£62.00	3%
Private Sector Housing Grant - Admin Fee	£100.00	£103.00	£106.00	3%

<sup>1</sup>Fees set by national agency

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Children &amp; Young People</b>				

<b>School lets - Standard Rate</b>				
Assembly Hall - Per Band B Hall per Hour *	£ 16.00	£ 17.00	£ 17.50	3%
Dining Hall per hour *	£ 9.50	£ 9.90	£ 10.20	3%
Library per hour *	£ 9.50	£ 9.90	£ 10.20	3%
Classroom per hour *	£ 5.00	£ 5.25	£ 5.40	3%
Craft Studio per hour *	£ 9.50	£ 9.90	£ 10.20	3%
Community Room per hour *	£ 5.00	£ 5.25	£ 5.40	3%
1 Court per Hour *	£ 5.00	£ 5.25	£ 5.40	3%
2 Courts per Hour *	£ 9.50	£ 10.50	£ 10.80	3%
3 Courts per Hour *	£ 14.00	£ 15.75	£ 16.25	3%
4 Courts per Hour *	£ 19.00	£ 21.00	£ 21.60	3%
Grass Pitch - all (per game up to 2 hours) *	£ 19.00	£ 26.00	£ 26.80	3%
Synthetic Pitch (2G) (per game up to 2 hours) *	£ 38.00	£ 45.00	£ 46.40	3%
Synthetic Pitch (2G) - Half Pitch (per game up to 2 hours) *	£ 19.00	£ 22.50	£ 23.20	3%

<b>Discounts</b>
Junior Use entitled to 33% discount

<b>Commercial Rate</b>
Twice Standard rate

<b>Fees Music Instruction Fees</b>				
Fee per annum **	£ 132.00	£ 140.00	£ 144.00	3%
Residential Fee per pupil ***	£ 80.00	£ 85.00	£ 87.00	2%
Residential Fee per two family members ***	£ 122.00	£ 125.00	£ 129.00	3%

<b>School Meals</b>				
Primary Schools - Pupil Meal cost	£2.10	£2.10	£2.10	0%
Primary Schools - Adult Meal cost	£2.27	£2.27	£2.27	0%

\* No Vat on multiple lets of 10+ dates

\*\* (min of 28 1/2hour lessons in academic year)

\*\*\* Non refundable £15 deposit per child

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Health and Social Care</b>				

Lunch Clubs (per meal)	£3.20	£3.30	£3.30	0%
Meal Provided at Day Centres (per meal)	£3.20	£3.30	£3.30	0%
Meals at home (per meal)	£2.99	£3.10	£3.10	0%

Day Care (per day attendance)	£3.00	£3.10	£3.10	0%
Transport (per day)	£2.00	£2.10	£2.10	0%
Extra Care Housing (per week) minimum	£89.40	£90.28	£90.28	0%
Extra Care Housing (per week) maximum	£178.80	£180.56	£180.56	0%
Clients requiring 24hr/day care (per week) Range Min to Max	£89.40	£90.28	£90.28	0%
	£178.80	£180.56	£180.56	0%
Homecare max charge (per hour)	£12.80	£15.88	£15.88	0%
Housing with Care (per week) Range Min to Max	£10.00	£10.30	£10.30	0%

<b>Residential<sup>1</sup></b>				
Residential Homes in house (per week)	£632.15	£673.73	£673.73	0%
External residential - Single Min (per week)	£499.38	£574.42	£574.42	0%
External residential - Single Max (per week)	£501.88	£576.92	£576.92	0%
Shared (per week)	£474.38	£549.42	£549.42	0%
External Nursing - Single Min (per week)	£580.11	£667.09	£667.09	0%
External Nursing - Single Max (per week)	£583.11	£670.09	£670.09	0%
Shared (per week)	£555.11	£642.09	£642.09	0%
Residential Respite - max (per week)	£333.38	£403.42	£403.42	0%
Bordercare Alarms (per week)	2.50	4.50	4.50	0%
Intermediate Care - max (free for first 42 days)	£333.38	£403.42	£403.42	0%
Enhanced Residential		£620.76	£620.76	0%
Respite - outwith client's own home (per night) Station Court	£15.00	£15.45	£15.45	0%
The above charges are those set by the Council where specific contribution is required by service users. Clients financially assessed under Self-Directed Support will pay a contribution to all services received based on their ability to pay"				

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Customer Services</b>				

<b>Customer Services - Registrars</b>				
Notice of Marriage & Civil Partnerships each <sup>1</sup>	£30.00	£30.00	£30.00	0%
Extract <sup>1</sup>	£10.00	£10.00	£10.00	0%
Religious Marriage <sup>1</sup>	£70.00	£70.00	£70.00	0%
Conducting Civil Marriage & Civil Partnership Registration in Office in Office Hours <sup>1</sup>	£125.00	£125.00	£125.00	0%
Conducting Civil Marriage & Civil Partnership Ceremony in Office 1 hour or more after office hours	£207.00	£213.00	£219.00	3%
Conducting Civil Marriage & Civil Partnership Ceremony in Office on Saturday	£249.00	£256.00	£264.00	3%
Conducting Civil Marriage & Civil Partnership Ceremony at a temp licensed venue	£304.00	£313.00	£322.00	3%
Conducting Civil Marriage & Civil Partnership on a Sunday/Public Holidays & New Year at any venue	£311.50	£321.00	£331.00	3%
Conducting Civil Ceremony & Civil Partnership after 5pm Office	£274.00	£282.00	£290.00	3%
Conducting Civil Ceremony & Civil Partnership after 5pm Temp Venue	£319.00	£329.00	£339.00	3%
Naming & Vow renewing ceremony	£125.00	£129.00	£133.00	3%
Naming & Vow renewing ceremony (Saturday)	£137.50	£142.00	£146.00	3%
Naming & Vow renewing ceremony (after 5pm)	£137.50	£142.00	£146.00	3%
Naming & Vow renewing ceremony Sunday/Public Holidays, Christmas & New Year	£165.00	£170.00	£175.00	3%
Ceremony Advance booking fee (over 3 months)	£35.00	£36.00	£37.00	3%
Civil Marriages –				
Period Approval	£191.00	£197.00	£203.00	3%
Temporary Approval	£65.00	£67.00	£69.00	3%
Genealogy - per hour <sup>1</sup>	£15.00	£15.00	£15.00	0%
Digros Print	£1.50	£2.00	£2.00	0%
Extracts search fee <sup>1</sup>	£20.00	£21.00	£22.00	5%
Private Citizenship	£60.00	£62.00	£64.00	3%
Blue Badges <sup>1</sup>	£20.00	£20.00	£20.00	0%

<sup>1</sup> Fees set by national agency

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Neighbourhood services</b>				

<b>Environmental Services - Burial Grounds</b>				
<b>Purchase of Ground</b>				
Lairs for one or two interments	£751.54	£774.00	£797.00	3%
Woodland burial - land (includes tree & marker)	£751.54	£774.00	£797.00	3%
Lairs for cremation caskets (up to 4)	£751.54	£774.00	£797.00	3%

<b>Interments</b>				
Adults (first, or re-open)	£645.54	£665.00	£685.00	3%
Woodland burial - interment	£645.54	£665.00	£685.00	3%
Cremation caskets	£213.20	£220.00	£227.00	3%
Child under 8 years	£213.20	£220.00	£227.00	3%
Child 8-16 years	£315.65	£325.00	£335.00	3%

<b>Interments on a Saturday (last interment 10:30am)</b>				
Adult	£829.11	£854.00	£880.00	3%
Cremation caskets	£337.57	£348.00	£358.00	3%
Child under 8 years	£337.57	£348.00	£358.00	3%
Child 8-16 years	£515.23	£531.00	£547.00	3%

<b>Interments on a Sunday, holiday or outwith seasonal working hours</b>				
Adult	£1,095.62	£1,128.00	£1,162.00	3%
Cremation caskets	£438.24	£451.00	£465.00	3%
Child under 8 years	£438.24	£451.00	£465.00	3%
Child 8-16 years	£692.92	£714.00	£735.00	3%

<b>Other Charges</b>				
Re-issue of lair certificate	£26.00	£27.00	£28.00	4%
Burial search fee - first hour	£42.00	£43.00	£44.00	2%
Burial search fee - second hour	£42.00	£43.00	£44.00	2%
Burial search fee - each additional hour	£11.00	£11.00	£11.00	0%

<b>Headstone foundations</b>				
Marking out, excavate, lay foundation	£165.00	£170.00	£175.00	3%
Marking out, excavate only	£140.00	£144.00	£148.00	3%

<b>Administration Charges</b>				
Non resident lair sale/interment premium 50% of fee	£375.77	£387.00	£399.00	3%
Admin fee per burial	£50.00	£52.00	£54.00	4%
Issuing Title deed	£25.00	£26.00	£27.00	4%
Fee selling lair back to SBC - 10% of price paid				
Fee to test dig a lair	£645.54	£665.00	£685.00	3%
Marking a grave for placement of small memorial	£85.00	£88.00	£91.00	3%



<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Neighbourhood services</b>				
Scattering ashes	£50.00	£52.00	£54.00	4%
Memorial Tree	£30.00	£31.00	£32.00	3%
<b>Keys for disabled facilities</b>				
RADAR Keys for disabled facilities	£4.00	£5.00	£5.00	0%
<b>Environmental Services - Parks &amp; Open Spaces</b>				
<b>Allotments</b>				
Per individual plot (size varies)	£40.00	£41.00	£42.00	2%
<b>Changing Pavilion - Hawick</b>				
	Dressing room and showers - per 2 teams			
- Adults, Monday to Saturday	£30.00	£31.00	£32.00	3%
- Adults, Sunday	£37.00	£38.00	£39.00	3%
- Juveniles, Monday to Saturday	£13.00	£13.00	£13.00	0%
- Juveniles, Sunday	£15.00	£15.00	£15.00	0%
<b>Individual showers inc. of dressing room</b>				
- Adults	£2.00	£2.00	£2.00	0%
- Juveniles	£1.00	£1.00	£1.00	0%
<b>Dressing room only - per 2 teams</b>				
- Adults, Monday to Saturday	£13.00	£13.50	£14.00	4%
- Adults, Sunday	£15.00	£15.50	£16.00	3%
- Juveniles, Monday to Saturday	£5.00	£5.00	£5.00	0%
- Juveniles, Sunday	£6.00	£6.00	£6.00	0%
<b>Other Facilities</b>				
Small facilities - Parks & Open Spaces	£106.00	£109.00	£112.00	3%
Medium Facilities - Parks & Open Spaces	£212.00	£218.00	£225.00	3%
Large Facilities - Parks & Open Spaces	£318.00	£328.00	£338.00	3%
<b>LONG TERM LETS</b>				
Public Park, Galashiels (Messrs Codona)	£3,000.00	£3,090.00	£3,183.00	3%
<b>Langlee Recycling Centre</b>				
Cover/Washed/Sharp Sand	£14.00	£14.50	£15.00	3%
Whin Dust	£14.00	£14.50	£15.00	3%
Building Sand	£20.00	£21.00	£22.00	5%
6mm to 10mm Pipe Bedding	£14.00	£14.50	£14.50	0%
12mm to 25mm Pipe Bedding	£12.50	£13.00	£13.00	0%
25mm to 75mm Type B Filler	£10.00	£10.50	£10.50	0%
Type 1 Sub-Base	£7.50	£8.00	£8.00	0%
Concrete Mix	£13.00	£13.50	£14.00	4%
Crusher Run 4"	£6.75	£7.00	£7.25	4%
4 by 2 Clean Stone	£8.00	£8.50	£9.00	6%

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Neighbourhood services</b>				
Topsoil (as dug)	£5.50	£6.00	£6.20	3%
Screened Top Soil	£25.00	£26.00	£27.00	4%
Verge Soil	£3.50	£4.00	£4.10	2%
Plainings	£8.50	£9.00	£9.25	3%
Reinstatement Soil	£12.50	£13.00	£13.40	3%

<sup>1</sup> Fees set by national agency

<sup>2</sup> Additional labour, plant and machinery charged at dayworks rates

<sup>3</sup> Annual charge based on one collection per week

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>WASTE</b>				

<b>Tipping Charges - per tonne, pro-rata</b>				
General Waste to Easter Langlee Landfill Site	£29.00	£30.00	£31.00	3%
General Waste to Hawick & Eshiels Waste Transfer Stations	£35.00	£36.00	£37.00	3%
Mixed Dry Recyclate is accepted at Easter Langlee, Hawick & Eshiels Waste Transfer Stations. Please contact 0300 100 1800 for current price				
Green Waste to Hawick & Eshiels Waste Transfer Stations	£36.00	£37.00	£38.00	3%
Wood is accepted at Easter Langlee, Hawick & Eshiels Waste Transfer Stations. Please contact 0300 100 1800 for current price				
Soils are accepted at Easter Langlee Landfill Site only. Please contact 0300 100 1800 for current price and further information				
Administration Charge - charged per invoice. Invoices are collated on a monthly basis	£0.00	£25.00	£25.00	0%

<b>Landfill Tax <sup>1</sup></b>				
Charged by weight at site (per tonne, pro-rata)				
Active waste	£84.40	£86.10	£88.95	3%
Non active waste	£2.65	£2.70	£2.80	4%

<b>Trade General Waste Contract (Bin) <sup>3 4</sup></b>				
1100 ltr	£815.00	£914.00	£1,014.00	11%
660 ltr	£526.00	£583.00	£640.00	10%
360 ltr	£262.00	£300.00	£338.00	13%
240 ltr	£247.00	£247.00	£247.00	0%

<b>Trade General Waste Sacks</b>				
Per 52 sacks	£93.60	£112.00	£130.00	16%
Per 13 sacks (minimum purchase)			£32.50	

<b>Trade Recycling Contracts (Bin) <sup>5</sup></b>				
1100 ltr bin rental	£600.42	£679.00	£758.00	12%
660 ltr bin rental	£353.94	£450.00	£547.00	22%
360 ltr bin rental	£126.26	£194.00	£263.00	36%
240 ltr bin rental	£126.26	£155.00	£183.00	18%

<b>Trade Recycling Contracts (Sacks) <sup>6</sup></b>				
Minimum (1 sack/week)	£43.00	£63.00	£83.00	32%
Small (3 sacks/week)	£104.00	£122.00	£140.00	15%
Medium (7 sacks/week)	£269.00	£296.00	£323.00	9%
Large (13 sacks/week)	£516.00	£531.00	£531.00	0%
Large quantities from commercial producers will be priced on an individual basis, based on quantity & method of collection.				

<b>Trade Recyclate Sacks (Additional to contract only)</b>				

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>WASTE</b>				

<b>Tipping Charges - per tonne, pro-rata</b>				
Per 26 sacks	£20.80	£31.60	£41.60	32%

<b>Food Contracts <sup>5</sup></b>				
140 ltr bin	£307.32	£317.00	£326.00	3%
23 ltr bin	£70.20	£72.00	£74.00	3%
1 roll of 35 ltr compostable liners (25 liners/roll)	£3.15	£3.25	£3.35	3%
Replacement key for 140 ltr bin	£5.00	£5.15	£5.30	3%

<b>Special Collections - Business</b>				
Per hour - pro-rata <sup>2</sup>	£108.00	£111.00	£114.00	3%
Minimum charge (20 minutes) <sup>2</sup>	£37.50	£39.00	£40.00	3%

<b>Special Collections - Domestic</b>				
Up to 5 articles (including fridges and freezers)	£30.00	£31.00	£32.00	3%

<b>Community Recycling Centre Trade Access Permit</b>				
Recycling	£340.00	£350.00	£350.00	0%
Green, Construction and Recycling	£875.00	£901.00	£901.00	0%

<sup>1</sup> Fees set by national agency

<sup>2</sup> Additional labour, plant and machinery charged at dayworks rates

<sup>3</sup> Annual charge based on one collection per week

<sup>4</sup> Includes Bin rental, disposal, service and landfill

<sup>5</sup> Includes Bin rental, disposal and service

<sup>6</sup> Includes disposal and service

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Place - Environmental Health</b>				
<b>Pest Control</b>				
Eradication (commercial premises non-farm) of vermin, wasps, fleas and ants per treatment.	£48.00	£55.00	£57.00	4%
Eradication (domestic premises) of wasps	£48.00	£48.00	£49.50	3%
Eradication (domestic premises) of rats / mice plus re-visit	£48.00	£62.00	£64.00	3%
Eradication (domestic premises) of fleas in up to 2 bedrooms. Additional bedroom price £20.00	£48.00	£58.00	£59.75	3%
Eradication (domestic premises) of bed bugs in up to 2 bedrooms. Additional bedroom price £40.00 **	£48.00	£80.00	£82.50	3%
Eradication (domestic premises) of ants	£48.00	£54.00	£55.50	3%
Eradication (domestic premises) of moles	£48.00	£48.00	£50.00	4%
Eradication (domestic premises) of insects	£48.00	£50.00	£51.50	3%

**Annual contracts for pest control for agricultural & commercial premises are costed individually**

<b>Stray Dog Re-Claiming Fee</b>	£ 91.00	£94.00	£97.00	3%
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<b>Water Samples</b>				
<b>Type A Supplies</b>				
Initial Sample Visit Fee #	£70.00	£70.00	£70.00	0%
Additional Sample Visit Fee #	£49.03	£49.03	£49.03	
Risk Assessment (Preparatory Work) #	£70.00	£70.00	£70.00	0%
Risk Assessment (Site Visit & Report) #	£49.03	£49.03	£49.03	0%
Risk Assessment (Annual Review) Prep #	£70.00	£70.00	£70.00	0%
Risk Assessment (Failure Investigation) #	£49.03	£49.03	£49.03	
Risk Assessment (5 year update) #	£49.03	£49.03	£49.03	

<b>Type B Supplies</b>				
Sample Visit Fee #	£ 70.00	£ 70.00	£ 70.00	0%
Analysis of Monitoring parameters	As per Scottish Water Lab Costs			
Additional Monitoring	As per Scottish Water Lab Costs			
Risk Assessment (Preparatory Work) #	£ 70.00	£ 70.00	£ 70.00	0%
Risk Assessment (Site Visit & Report) #	£ 50.00	£ 50.00	£ 50.00	0%
Analysis of Domestic Parameters #	£ 48.00	£ 48.00	£ 48.00	0%
<b>Exempt Mains Supplies (Non Statutory)</b>				
Sample Visit Charge	£ 49.03	£ 49.03	£ 49.03	
Analysis of Monitoring Parameters	As per Scottish Water Lab Costs			

SCOTTISH BORDERS COUNCIL FEES & CHARGES	2016/17 Charge (excl.vat)	2017/18 Charge (excl.vat)	2018/19 Charge (excl.vat)	Increase %
<b>Place - Environmental Health</b>				

# already at statutory max.

\*\* variable

<b>SCOTTISH BORDERS COUNCIL</b>				
<b>FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Trading Standards</b>				
Linear measure not exceeding 10 metres	£12.50	£13.00	£13.40	3%
Capacity measures	£12.50	£13.00	£13.40	3%
Measuring instruments for liquid fuel and lubricants				
i) Single outlet	£125.00	£130.00	£133.90	3%
ii) Multi Outlet				
1 meter tested	£143.50	£148.00	£152.50	3%
2 meters tested	£230.50	£238.00	£245.00	3%
3 meters tested	£323.00	£333.00	£343.00	3%
4 meters tested	£410.00	£423.00	£436.00	3%
5 meters tested	£492.00	£508.00	£523.00	3%
6 meters tested	£574.00	£593.00	£610.00	3%
7 meters tested	£665.00	£685.00	£705.00	3%
8 meters tested	£750.00	£775.00	£798.00	3%

iii) Additional tests of ancillary equipment (e.g. credit card readers) to any of the foregoing categories the basic fee given in (i) and (ii) above and any additional costs calculated at the rate of: (per extra hour)	£97.50	£101.00	£104.00	3%
Measuring instruments for intoxicating liquor	£ 25.00	£26.00	£26.75	3%
Dipstick Measuring Systems - replacement dipsticks (including examination of compartment)	£ 53.50	£56.00	£57.75	3%
Weights	£12.50	£13.00	£13.40	3%
<b>Health Certificates</b>				
<i>(charge is per hour - minimum charge 1 hour)</i>				
Export Health Certificates (Food)	£ 63.00	£ 63.00	£ 65.00	3%
Additional Charges:				
Correction / Re-Issue of a Certificate	£ 21.00	£ 21.00	£ 21.75	4%
Copies of a Certificate	£ 21.00	£ 21.00	£ 21.75	4%
Charge for a Certificate issued at point of entry rather than the originating authority.	£ 75.00	£ 75.00	£ 77.25	3%
Request for Country / Region / Product specific Certificate where there is an absence of a DEFRA agreed format.	£ 82.00	£ 82.00	£ 84.50	3%
<b>Abandoned Vehicles</b>				
Two wheeled vehicle < 3.5 tons MAM	£150.00	£150.00	£155.00	3%
Other vehicle upright & on road < 3.5 tons	£150.00	£150.00	£155.00	3%
Other vehicle upright & on road 3.5 - 7.5 tons	£200.00	£200.00	£206.00	3%
Other vehicle upright & on road 7.5 - 18 tons	£350.00	£350.00	£360.00	3%

<b>SCOTTISH BORDERS COUNCIL</b>				
<b>FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Trading Standards</b>				
Other vehicle upright & on road > 18 tons	£350.00	£350.00	£360.00	3%
Other unladed vehicle not upright < 3.5t	£250.00	£250.00	£257.00	3%
Other unladed vehicle not upright 3.5 - 7.5t	£650.00	£650.00	£670.00	3%
Other unladed vehicle not upright 7.5 - 18t	£2,000.00	£2,000.00	£2,060.00	3%
Other unladed vehicle not upright >18t	£3,000.00	£3,000.00	£3,090.00	3%
Other laden vehicle upright & on road < 3.5t	£250.00	£250.00	£257.00	3%
Other laden vehicle upright & on road 3.5-7.5t	£650.00	£650.00	£670.00	3%
Other laden vehicle upright & on road 7.5-18t	£3,000.00	£3,000.00	£3,090.00	3%
Other laden vehicle upright & on road > 18t	£4,500.00	£4,500.00	£4,635.00	3%
Other vehicle upright & off road < 3.5 tons	£200.00	£200.00	£206.00	3%
Other vehicle upright & off road 3.5 - 7.5 tons	£400.00	£400.00	£412.00	3%
Other vehicle upright & off road 7.5 - 18 tons	£1,000.00	£1,000.00	£1,030.00	3%
Other vehicle upright & off road > 18 tons	£1,500.00	£1,500.00	£1,545.00	3%
Other laden vehicle upright & off road < 3.5t	£200.00	£200.00	£206.00	3%
Other laden vehicle upright & off road 3.5-7.5t	£400.00	£400.00	£412.00	3%
Other laden vehicle upright & off road 7.5-18t	£1,500.00	£1,500.00	£1,545.00	3%
Other laden vehicle upright & off road > 18t	£2,000.00	£2,000.00	£2,060.00	3%
Other vehicle not upright & off road < 3.5 tons	£300.00	£300.00	£309.00	3%
Other vehicle not upright & off road 3.5 - 7.5 t	£850.00	£850.00	£875.00	3%
Other vehicle not upright & off road 7.5 - 18 tons	£3,000.00	£3,000.00	£3,090.00	3%
Other vehicle not upright & off road > 18 tons	£4,500.00	£4,500.00	£4,635.00	3%
Other laden vehicle not upright & off road < 3.5t	£300.00	£300.00	£309.00	3%
Other laden vehicle not upright & off road 3.5-7.5t	£850.00	£850.00	£875.00	3%
Other laden vehicle not upright & off road 7.5-18t	£4,500.00	£4,500.00	£4,635.00	3%
Other laden vehicle not upright & off road > 18t	£6,000.00	£6,000.00	£6,180.00	3%
Stray Dog Charge (kenneling, transport etc.)	£110.00	£110.00	£113.00	3%



<b>SCOTTISH BORDERS COUNCIL</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>FEES &amp; CHARGES</b>				
<b>Trading Standards</b>				
<b>Weights And Measures Act 1985</b>				
<b>Fees for the purpose of Section 11(5) of the 1985 Act</b>				
Weighing instruments:				
i) Not exceeding 15kg	£36.00	£37.00	£38.20	3%
Exceeding 15kg to 100kg	£52.50	£55.00	£56.75	3%
Exceeding 100kg to 250kg	£75.00	£78.00	£80.50	3%
Exceeding 250kg to 1 tonne	£128.00	£135.00	£139.00	3%
Exceeding 1 tonne to 10 tonnes	£205.00	£212.00	£218.00	3%
ii) Instruments incorporating remote display or printing facilities the basic fee given in (i) above and any additional costs calculated at the rate of (per hour)	£97.50	£100.00	£103.00	3%
<b>Special Weighing and Measuring Equipment</b> The fee for the examining, testing and stamping of any equipment not described above, shall be calculated at the rate (per hour)	£97.50	£100.00	£103.00	3%
<b>Fees for the purposes of Section 49 (4) of the 1985 Act</b> The fee for the examining, testing and certification of equipment shall be calculated (per hour)	£97.50	£100.00	£103.00	3%
<b>Fees for the purpose of Section 74 (2) and (4) of the 1985 Act</b> The fee to be paid for the adjustment of any weight or measure in the course of a service provided pursuant to Section 74 of the Act, shall be the same as the amount prescribed as the fee for testing it (plus VAT)	£97.50	£100.00	£103.00	3%
For the testing of weighing or measuring equipment with a view to E.C initial or partial verification for other services or facilities provided, or for authorisations, certificates or other documents issued in pursuance of a Community Obligation Fee (per hour).	£97.50	£100.00	£103.00	3%
<b>Charge for the issue of a Calibration Certificate on the accuracy of any weight,</b>	£27.00	£30.00	£31.00	3%

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES Roads</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
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<b>Road Closure</b>				
- per Notice	£140.00	£145.00	£150.00	3%
- per Order	£275.00	£300.00	£309.00	3%
<i>Costs for Road Closures are currently being reviewed. It is proposed to introduce a sliding scale depending on the complexity of the closure, however no figures have been agreed as yet</i>				

<b>Street name plates</b>				
Developers				
- first sign	£200.00	£206.00	£212.00	3%
- 2nd and subsequent signs (each)	£140.00	£145.00	£150.00	3%

<b>Scaffolding Permits</b>				
	£125.00	£130.00	£134.00	3%
Up to 3 Months and every subsequent 3 months to a maximum of 4 payments (Min to Max)	£492.00	£510.00	£525.00	3%
	£574.00	£595.00	£613.00	3%
	£665.00	£685.00	£705.00	3%
	£750.00	£775.00	£800.00	3%

<b>De-icing salt</b>				
Supplied to the public <sup>1</sup> - 1 tonne or more (pro-rata)	£60.00	£71.00	£73.00	3%

<b>New Charges for 2017/18</b>				
Road Opening Permits		£108.00	£111.25	3%
Road Occupation Permits		£36.00	£37.00	3%

<b>Parking Permits</b>				
Residents Annual Parking Permit	£25.00	£25.00	£26.00	4%
Non-Residents Annual Parking Permit	£40.00	£40.00	£41.50	4%
Monthly Parking Permit (£/month)	£10.00	£10.00	£10.30	3%

<sup>1</sup>excluding delivery - call 01835 825571 for quotation

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Planning</b>				

<b>Archaeology</b>				
Professional time (per hour)	£61.00	£63.00	£65.00	3%

<b>Books/Leaflets</b>				
Borders Heritage Book	£5.00	£5.25	£5.40	3%
Tweed Rivers Book	£9.99	£10.50	£10.80	3%
Town Trail Leaflets	£1.00	£1.10	£1.15	5%
Paths around (old stock)	£1.00	£1.10	£1.15	5%
Paths around (new stock)	£2.00	£2.10	£2.20	5%

<b>Walks</b>				
Short walks on the Eastern SUW	£3.50	£3.75	£3.85	3%
Ranger led walks - full day - adults	£6.00	£6.25	£6.50	4%
Ranger led walks - full day - concessions	£4.00	£4.25	£4.40	4%
Ranger led walks - part day - adults	£4.00	£4.25	£4.40	4%
Ranger led walks - part day - concessions	£3.00	£3.25	£3.35	3%
Hill walking navigations workshop - adult	£21.00	£22.00	£22.75	3%
Hill walking navigations workshop - concessions	£16.00	£17.00	£17.50	3%
Other various short walks and workshops/activity sessions have various small charges				

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Civic Government : Taxis etc.</b>				
Taxi/Private Hire Operator (note 1)	£588.00	£606.00	£606.00	0%
Taxi/Private Hire Driver	£84.00	£87.00	£87.00	0%
Replacement Driver's Badge	£12.50	£13.00	£13.00	0%
Substitute Vehicle	£89.00	£92.00	£92.00	0%
Change of Use from Taxi to Private Hire & Private Hire to Taxi Licence	£64.00	£67.00	£67.00	0%
Taxi Booking Office	£215.00	£222.00	£222.00	0%
Temporary Licence Application Plate Deposit (refundable)	£40 for full set and £17 for individual plates			

<b>Other Civic Government Licensing:</b>				
Second Hand Dealers	£177.00	£183.00	£188.50	3%
Street Traders	£199.00	£205.00	£211.00	3%
Street Trader employee	£58.00	£60.00	£62.00	3%
Market Operators	£246.00	£254.00	£262.00	3%
Metal Dealers	£149.00	£154.00	£159.00	3%
Itinerant Metal Dealer	£149.00	£154.00	£159.00	3%
Indoor Sports Entertainment	£149.00	£154.00	£159.00	3%
Late Hours Catering	£332.00	£342.00	£352.00	3%
Sex Shops	£177.00	£183.00	£189.00	3%
Knife Dealer	£228.00	£235.00	£242.00	3%
Skin Piercing and Tattooing (1 year Grant)	£177.00	£183.00	£189.00	3%
Skin Piercing and Tattooing (3 Years renewal)	£177.00	£183.00	£189.00	3%
Ear Piercing Only (1 year grant)	£116.00	£119.00	£123.00	3%
Ear Piercing Only (3 years renewal)	£116.00	£119.00	£123.00	3%

<b>Public Entertainment:</b>				
Commercial	£518.00	£535.00	£551.00	3%
Commercial Funfair –				
1-5 stalls	£45.00	£47.00	£48.50	3%
6-20 stalls	£149.00	£154.00	£159.00	3%
21 or more stalls	£297.00	£306.00	£315.00	3%
Non-commercial	£149.00	£154.00	£159.00	3%
Non-commercial	£50.00	£52.00	£54.00	4%
Non-commercial	£36.00	£38.00	£39.00	3%
Other temporary licences	£74.00	£77.00	£79.00	3%

<b>Civic Government : General</b>				
Application for Material Change	£30.00	£31.00	£32.00	3%
Issue of Duplicate Licence	£22.00	£23.00	£23.75	3%
Certified true copy of entry in register	£22.00	£23.00	£23.75	3%

<b>SCOTTISH BORDERS COUNCIL FEES &amp; CHARGES</b>	<b>2016/17 Charge (excl.vat)</b>	<b>2017/18 Charge (excl.vat)</b>	<b>2018/19 Charge (excl.vat)</b>	<b>Increase %</b>
<b>Civic Government : Taxis etc.</b>				

<b>Miscellaneous Licensing:</b>				
Pet Shops	£66.00	£68.00	£70.00	3%
Performing Animals	£43.00	£45.00	£46.50	3%
*Dog Breeding Establishments	£135.00	£139.00	£143.00	3%
Venison Dealers	£101.00	£104.00	£107.00	3%
*Riding Establishments	£88.00	£91.00	£94.00	3%
*Dangerous Wild Animals	£80.00	£91.00	£94.00	3%
Animal Boarding Establishments	£135.00	£140.00	£144.00	3%
Cinemas – Annual	£269.00	£277.00	£285.00	3%
Theatres –				
Commercial	£149.00	£154.00	£158.75	3%
Non-commercial	£59.00	£61.00	£63.00	3%
Commercial	£80.00	£83.00	£86.00	4%
Non-commercial	£36.00	£38.00	£39.00	3%
Houses in Multiple Occupation (HMO)	£539.00	£539.00	£555.00	3%

**NOTE**

(1) Operators may pay in three annual instalments which may then be subject to approved increases.

\* Wherever a veterinary inspection is required, the applicant will be required to pay the veterinary inspection fee.

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