

SCOTTISH BORDERS COUNCIL

MINUTE of SPECIAL MEETING of the
SCOTTISH BORDERS COUNCIL held in
Council Headquarters, Newtown St. Boswells
on 9 February 2017 at 10.00 a.m.

Present:- Councillors G. Garvie (Convener), S. Aitchison, W. Archibald, M. Ballantyne, S. Bell, C. Bhatia, J. Brown, J. Campbell, K. Cockburn, M. Cook, A. Cranston, G. Edgar, V. Davidson, J. Fullarton, I. Gillespie, J. Greenwell, B. Herd, G. Logan, W. McAteer, S. Marshall, J. Mitchell, S. Mountford, A. Nicol, D. Parker, D. Paterson, F. Renton, R. Smith, R. Stewart, J. Torrance, G. Turnbull, T. Weatherston, B. White.

Apologies:- Councillors D. Moffat, S. Scott.

In Attendance:- Chief Executive, Depute Chief Executive (People), Depute Chief Executive (Place), Corporate Transformation and Services Director, Service Director Assets & Infrastructure, Service Director Neighbourhood Services, Service Director Regulatory Services, Chief Financial Officer, Chief Officer Roads, Clerk to the Council.

1. CONVENER'S REMARKS

The Convener advised that at the recent Scottish Awards for Quality in Planning the Council had success in two categories. Two members of staff, Sharon Renwick and Trish Connolly, within the Council's Plans and Research team played key roles within their respective winning submissions. Sharon Renwick's submission entitled "Identifying Potential Heat from Waste Water Projects" won an award within the "Process" category. The project identified where heat energy could be obtained from waste water pipes to heat council owned buildings through new, innovative technology. Trish Connolly's submission entitled "Supplementary Guidance: Glentress Masterplan" won an award within the "Partnership" category. The Masterplan guided the future sustainable development of the Glentress forest visitor attraction.

DECISION

AGREED that congratulations be passed to the staff concerned.

2. ORDER OF BUSINESS

The Convener advised of an urgent item of business for consideration at the meeting. This was in relation to a call-in of an Executive decision.

3. CORPORATE TRANSFORMATION PROGRAMME ANNUAL PROGRESS REPORT

There had been circulated copies of a report by the Corporate Transformation and Services Director providing an update on progress delivering the Council's Corporate Transformation Programme over the past year. The report explained that the Corporate Transformation Programme set out a far-reaching programme of change to enable the Council to respond to unprecedented social, demographic and economic challenges. The Programme supported the delivery of 8 Corporate Priorities and the delivery of the significant savings set out in the Council's 5-year Financial Strategy. Building on the previous Business Transformation approach, the Programme, together with a range of service improvement and efficiency initiatives across all Council services, had delivered substantial change and supported the delivery of £26.7m in savings since 2013/14. This included the current year savings which were on target to deliver. The Programme currently comprised 14 sub-programmes and progress against each of these 14 projects over the last year was summarised in Appendix 1 to the report. Members were shown a short video which highlighted the main achievements. The report also detailed some of the main activities in the Programme over the year ahead.

The importance of the savings achieved through transformation was highlighted as was the need for digital connectivity across all areas of the region.

DECISION

NOTED the significant work undertaken and the achievements made across the Council in delivering service improvements and efficiencies.

4. BUDGET COMMUNICATION STRATEGY

There had been circulated copies of a report by the Chief Financial Officer on the steps taken to engage with stakeholders as part of a consultation exercise on the budget. The report detailed the budget Communication Strategy used and provided feedback gathered from the Dialogue Community Engagement tool. As part of the agreed budget consultation exercise on the Council's updated Financial Plan, the Dialogue Community Engagement tool was made available on the Council website from 5 September 2016 to members of the public. This interactive tool allowed 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. As at the end of January 2016 the Dialogue Community Engagement tool generated 26 ideas and suggestions. This feedback had been considered as part of the 2017-2022 Financial Planning process. The Dialogue tool would remain open online which would allow ongoing feedback to be considered during future Financial Planning cycles. The Council also undertook a series of Live Question and Answer sessions on the Council's Facebook page and Twitter feed with over 60 responses from the public. This included sessions with the Council Leader and Members of the Council's Executive Committee with responsibility for each of the Council's priority areas. Feedback from the Dialogue tool as well as the Q&A sessions were included in the form of a 'you said, we did' in Appendix 1 to the report.

DECISION

NOTED:-

- (a) the budget Communication Strategy used;**
- (b) the feedback from the Dialogue Community Engagement tool and the Q&A Sessions and how the Council has used this feedback to inform the Financial Planning process, as detailed in Appendix 1 to the report; and**
- (c) that the actual responses from the Dialogue tool with all comments would be available on the Council's website and a hard copy available in the Member's Library.**

5. FINANCIAL STRATEGY 2017/18 - 2021/22

There had been circulated copies of a report by the Chief Financial Officer seeking approval of the Financial Strategy for the Council covering the period 2017/18 – 2021/22. The Strategy provided the overall framework for the financial management of the Council and covered the revenue budget, capital investment plan, the Council's treasury management arrangements and its reserves policy. The report explained that the Financial Strategy was designed to ensure the Council raised the funds required to meet approved service levels in the most effective manner, managed the effective deployment of those resources in line with the Council's corporate objectives and priorities, and provided stability in resource planning and service delivery as expressed through revenue and capital budgets and approved Corporate plans. The Plan had been amended and updated each year since 2013/14 and to date savings of £26.87m had been delivered in a planned manner. Despite the resource challenges facing the Council and wider public services, the approach to financial planning had so far delivered balanced budgets and small underspends in each year of the Plan. In the current year 2016/17, the latest monitoring projections indicated, despite pressures in a number of areas, that once again a balanced out turn position would be achieved. The Financial Plan was highly dependent on the delivery of savings and a risk based approach

had once again been used to set the level of recommended balances. These were held both as contingency against unforeseen circumstances and additionally were used to facilitate the delivery of savings and to smooth the financial plan in the event of non-realisation of the savings envisaged. The Chief Financial officer highlighted the impact of the end of the Council Tax Freeze and commented on the level of reserves.

DECISION

AGREED to approve the financial strategy for 2017/18 – 2021/22 as set out below:

- **set a prudent, sustainable budget in line with available resources;**
- **continue to invest in infrastructure through a sustainable capital programme financed by £19.952m loans charges per annum;**
- **maximise income while keeping fees charged to service users at an affordable level;**
- **continue to invest in corporate transformation and efficiency projects to deliver long term financial savings and service benefits;**
- **focus on preventative revenue and capital spend; and**
- **maintain unallocated reserves of £5.638m for 2017/18 in line with the assessed risk register in appendix 1 to the report.**

6. FINANCIAL PLAN RESOURCES AND COUNCIL TAX 2017/18

6.1 There had been circulated copies of a report by the Chief Financial Officer on the estimated revenue and capital resources available for financial year 2017/18 following publication of the local government finance settlement on the 15 December 2016 and subsequent amendments. The report also outlined the process supporting the construction of the draft revenue and capital Financial Plans from 2017/18 and identified the financial constraints and major risks to be addressed. Following Scottish Government confirmation that the national 9 year Council Tax freeze was no longer in place Council had agreed on 22 December 2016 to increase Council Tax by 3% in 2017/18 whilst noting the increase was in addition to legislative changes to the 2017 Council tax multiplier affecting bands E - H. The Corporate Management Team had worked together to support Members to set a Corporate revenue and capital budget to meet identified pressures facing the Council. These pressures had arisen due to the continuing constraints on external revenue and capital funding from central government and the increasing pressures from demographics, inflation and employment costs. The revenue and capital budgets had been designed to ensure the effective deployment of funds available in line with the Council's corporate objectives and approved service plans. The report also detailed the conditions placed by the Scottish Government on the funding.

6.2 A further report had been circulated detailing additional funding which had been made available from the Scottish Government on 2 February 2017. This report explained that as part of the stage one debate on the Scottish Budget on 2 February 2017, the Scottish Government confirmed an additional £130m of revenue and £30m of capital funding nationally for Scottish Local Authorities. This funding would come to Local Authorities on an un-hypothecated basis for 2017/18 to be spent at local discretion. The allocation to the Scottish Borders was £2.889m revenue and £0.888m capital. At present it was assumed this funding was one off pending confirmation from the Scottish Government. These additional sums required to be added to the previous budget totals giving revised resources for 2017/18 of £267.647m revenue and £39.66m capital.

DECISION

AGREED:-

- (a) **to note the estimated revenue resources for 2017/18 to 2021/22;**
- (b) **to note the estimated Capital Resources for 2017/18 to 2026/27 and the requirement to adhere to the prudential code for capital borrowing;**

- (c) a Band D council tax of £1,116.52 for financial year 2017/18, reflecting a 3% increase as a result of the ending of the Scottish Government Council Tax freeze policy after 9 years;
- (d) the council taxes to be paid for 2017/18 in respect of chargeable dwellings as set out in appendix 1 to the report, including increases in bands E-H as a result of legislative changes by Scottish Government to the 2017 Council tax multiplier;
- (e) to proceed to consider the Administration's proposed Financial Plan for 2017/18 including further associated fees and charges for 2017/18 in addition to those approved by Council on 22 December 2016; and
- (f) to note the additional one-off revenue and capital funding made available from the Scottish Government in 2017/18 and proceed to consider the application of this funding as part of the budget setting process.

7. **TREASURY MANAGEMENT STRATEGY 2017/18**

There had been circulated copies of a report by the Chief Financial Officer seeking approval of the Treasury Management Strategy for 2017/18. The draft Treasury Management Strategy for 2017/18 was appended to the report and was based on the Administration's Capital Financial Capital Plan for 2017/18 to 2026/27. Annex A to the appendix contained a summary of the proposed indicators within the Strategy. The significant changes from the 2016/17 Strategy were the increase in the Capital Financing Requirement (CFR) for 2017/18 due to movements in anticipated capital borrowing requirements associated with the re-phasing of projects from 2016/17 into 2017/18 and future years, as well as movements in the scheduled debt amortisation projections for the year. It was noted that the Audit and Risk Committee had considered and was supportive of the Strategy.

DECISION

AGREED:-

- (a) to approve the Treasury Management Strategy 2017/18 as set out in Appendix 1 to the report;
- (b) that the Council review its capital expenditure plans going forward to ensure they remained realistic, affordable and sustainable; and
- (c) to ensure that the revenue consequences of all capital projects would be fully reviewed in all investment decisions.

8. **FINANCIAL PLAN EQUALITY IMPACT ASSESSMENT**

There had been circulated copies of a report by the Chief Financial Officer providing assurance that any potential equality impacts of the proposals brought forward within the Council's Financial Plan from 2017/18 had been identified and would be managed accordingly. The report explained that initial Equality Impact Assessments had been undertaken in respect of the 27 key component revenue Financial Plan savings proposals and 37 Capital Plan proposals. Of these total proposals, 45 had been held to have some relevance to the Council's duties under the Equality Act 2010. They potentially might impact in a positive or negative way on one or more equality 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.

DECISION

AGREED:-

- (a) to note the summary outcomes of the 64 Initial Equality Impact assessments undertaken in respect of the 2017/18 Financial Plan proposals;

- (b) to undertake further and ongoing Equality Impact work in respect of the 45 proposals where it had been identified that they had 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;
- (c) that where there was an identified relevance to the Council's statutory duty and there was a possible positive impact on one or more equality characteristic group, actions to maximise this impact were identified and implemented as part of the project planning and delivery of each proposal or project; and
- (d) that where there was an identified relevance to the Council's statutory duty and where there was a possible negative impact on one or more equality characteristic group, actions to mitigate and alleviate this impact were identified and implemented as part of the project planning and delivery of each proposal or project.

9. URGENT BUSINESS

Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Convener was of the opinion that the item dealt with in the following paragraph should be considered at the meeting as a matter of urgency, in view of the need to make a decision prior to consideration of the final budget.

10. FUTURE PROVISION OF PUBLIC CONVENIENCES ACROSS THE SCOTTISH BORDERS

- 10.1 There were circulated at the meeting copies of an Extract of the Minute of the Executive Committee of 31 January 2017, and a copy of the Call-in of the decision regarding the future provision of public conveniences. Councillor Turnbull as lead Member, supported by the required 5 other Members, had submitted a Call-in in the following terms:-

"We the undersigned would like to call-in the said decision to the Scrutiny Committee for further scrutiny because we believe that there has been a lack of consultation, is of sufficient importance and of public interest to warrant closer scrutiny."

- 10.2 It was explained that in view of the requirement to approve the budget it was not possible for the usual call-in procedure to be followed and that the matter would be dealt with at this meeting by full Council. Councillor Turnbull spoke in support of the call-in and moved "that the Council overturn the recommendation of the Executive Committee on 31 January 2017 and carry out a full consultation. The finances would and should be taken from the Corporate Transformation Programme Budget". This Motion was seconded by Councillor Logan. Members discussed the matter in detail and Councillor Parker, seconded by Councillor Edgar, moved as an amendment that the decision of the Executive Committee stand and be approved as part of the Revenue Financial Plan for 2017/18.

VOTE

On a show of hands Members voted as follows:-

<i>Councillor Turnbull's Motion</i>	-	<i>11 votes</i>
<i>Councillor Parker's Amendment</i>	-	<i>19 votes</i>

The Motion was accordingly carried.

DECISION

DECIDED that the decision of the Executive Committee of 31 January 2017 relating to charging for public conveniences remain unchanged and approved this as part of the Revenue Financial Plan for 2017/18.

11. ADMINISTRATION'S DRAFT FINANCIAL PLAN FOR REVENUE AND CAPITAL

There had been circulated copies of the Administration's Draft Financial Plan for Revenue and Capital expenditure. With reference to paragraph 6.2 of this Minute, there were

circulated at the meeting copies of a paper showing amendments to the tabled Draft Financial Plan for Revenue and Capital expenditure, taking account of the additional funding recently made available by Scottish Government. Councillor Parker advised Members that this was the 14th time he had presented the Administration's budget and as usual it was not without its challenges. The theme of austerity continued with £26.7m being saved over the last 5 years. He commented on the major projects involving the Council which included the Borders Railway, the IT contract with CGI, the completion of the Selkirk Flood Prevention Scheme and the upcoming Hawick Flood Protection Scheme. There were also new schools being built including Langlee, Broomlands and Kelso High School and in the weeks ahead other new projects would be announced. He also mentioned the additional revenue and capital funding and further funding for the roads network. He thanked the Chief Executive and the Corporate Management Team for the way in which they had transformed the budget setting process. He considered that the Council's finances were in a good place for the new Council, thanked Members for their input, and commended the budget to the Chamber.

DECISION

AGREED to approve the Financial Plan for Revenue and Capital expenditure, including the amendments due to additional funding being received, as contained in the Appendices to this Minute.

The meeting concluded at 12.45 p.m.