

SCOTTISH BORDERS COUNCIL

MINUTE of SPECIAL MEETING of the
SCOTTISH BORDERS COUNCIL held in
Council Headquarters, Newtown St. Boswells
on 20 February 2018 at 10.00 a.m.

Present:- Councillors D. Parker (Convener), S. Aitchison, A. Anderson, H. Anderson,
J. Brown, S. Bell, K. Chapman, K. Drum, G. Edgar, J. Fullarton, J. Greenwell,
C. Hamilton, S. Hamilton, S. Haslam, E. Jardine, H. Laing, S. Marshall, W.
McAteer, T. Miers, D. Moffat, S. Mountford, D. Paterson, C. Ramage,
N. Richards, E. Robson, M. Rowley, H. Scott, S. Scott, E. Small, R. Tatler,
E. Thornton-Nicol, G. Turnbull, T. Weatherston.

In Attendance:- Chief Executive, Executive Director (P. Barr), Executive Director (R. Dickson),
Service Director Assets and Infrastructure, Service Director Customer and
Communities, Service Director HR, Service Director Regulatory Services, Chief
Financial Officer, Chief Social Worker, Clerk to the Council.

1. SCOTTISH BORDERS COUNCIL'S CORPORATE PLAN 2018-2023

There had been circulated copies of a report by the Chief Executive seeking 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. The report explained that the Council had approved its last Corporate Plan in April 2013, with eight priorities to address for the Scottish Borders over a five year period. Recent years had seen significant progress across these eight priorities, 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 was now necessary and timely. A new Corporate Plan, which was appended to the report, proposed a strategic direction for the Council for the five year period 2018 to 2023 and built on the priorities in the previous Plan, as well as the Council Administration's vision within "Connected Borders", current opportunities and challenges now being faced by the Scottish Borders. The Plan focused on what SBC will do, under four themes, namely "Our services for you", "Independent achieving people", "A thriving economy with opportunities for everyone" and "Empowered, vibrant communities". To ensure that the Council was able to respond effectively to ongoing budget pressures in line with what was being proposed within the 5 year Financial Plan, a change in approach was proposed within the Corporate Plan. Not only did it state the work that the Council was committing to do for the next 5 years but it suggested where individuals, families, businesses, partners and communities could "play their part" to improve outcomes for the Scottish Borders. A campaign to promote this approach had been designed to sit alongside the Plan and would include the involvement of Community Planning partners. 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 also required to be amended.

DECISION

AGREED to:-

- (a) approve the new Corporate Plan 2018-2023 as contained in Appendix 1 to the report;**
- (b) approve the new approach and the "#yourpart" campaign to support the approach, involving community planning partners; and**

- (c) **note that a revised Performance Management Framework would be brought back to Council in August 2018 for approval.**

2. **CORPORATE TRANSFORMATION PROGRAMME ANNUAL PROGRESS REPORT**

With reference to paragraph 3 of the Minute of 9 February 2017, there had been circulated copies of a report by the Executive Director, Mr R. Dickson, providing an update on progress delivering the Council's Corporate Transformation Programme over the past year and setting out proposed changes to ensure that the programme remained best placed to respond to the challenges facing the Council, and was aligned to the plans and priorities of the new Administration. The report explained that the Corporate Transformation Programme had been designed to help achieve 8 Corporate Priorities and deliver significant savings as set out in the 5-year Financial Plan. The Programme and previous Business Transformation projects had delivered substantial change and was on target to deliver £35.5m in savings since 2013/14. The Programme currently comprised 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 had been provided on a quarterly basis to the Council's Executive Committee and progress against each of the 14 projects over the last year was detailed in the report. Looking to the future, the Council would continue to face major challenges and opportunities. The Scottish Borders' mainly rural geography and increased demand for services from an ageing population posed specific challenges to service delivery and redesign and would mean that a further £32.5m of savings would need to be achieved over the next 5 years to balance the Financial Plan. The programme, in its current form, was well established but a number of factors made this an appropriate time to take stock and reshape the way it was configured. The report proposed 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)

Members welcomed the reduction from 14 to 5 strands and noted the importance of workforce transformation. In response to a question regarding the Waste Management Strategy, Mr Dickson advised that he would provide a note to Members of progress.

DECISION

AGREED:-

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

3. **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 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 16 November 2017 to members of the public on the Council website. 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. This approach was being developed within the Council's new Corporate Plan (Our plan – and your part in it). As at 31 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 had been considered as part of the 2018-2023 Financial Planning process. 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. A summary of the public feedback from the Dialogue tool was detailed in Appendix 1 to the report and a summary of the social media discussions was included in Appendix 2. Members welcomed the public engagement.

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 Appendices 1 and 2 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.**

4. REVENUE AND CAPITAL RESOURCES AND COUNCIL TAX 2018/19

There had been circulated copies of a report by the Chief Financial Officer on 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 23 and 31 January 2018. The report recommended the financial strategy to be followed by the Council next year, identified the financial constraints and major risks to be addressed and also outlined the process supporting the construction of the draft revenue and capital Financial Plans for 2018/19 as well as draft plans for future years. The Corporate Management Team had worked with political groups to support Members in setting a corporate revenue and capital budget, meeting identified pressures facing the Council. These pressures had arisen from a variety of factors, the principle pressures identified were 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 had been conducted to ensure that the financial plans of the Council were aligned with its business and people planning objectives and the level of resources available. Total resources of £272.665m were available to Elected Members assuming the Council accepted the 2018/19 settlement offer from Scottish Government and approved a 3% increase in the council tax rate. 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, were widely accepted. Financial year 2018/19 provided the opportunity to prepare a new 5 year financial plan for the Council. The estimated resources available over the following four financial years were also shown and would continue to be updated annually as the detail of the financial settlement from Scottish Government became known. 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 had therefore modelled a

range of scenarios with regard to Scottish Government grant, Council Tax increases and estimated future inflation. This analysis was included at Appendix 2 to the report and it was envisaged that this approach to scenario planning would increasingly feature as part of the Council's financial planning process. The report also sought approval of the financial strategy for the Council covering the period 2018/19 – 2022/23. 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 the recommended policy on reserves. 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, to facilitate the delivery of savings and to smooth the financial plan in the event of non-realisation of the savings envisaged.

DECISION

AGREED to:-

- (a) note the estimated revenue resources for 2018/19 to 2022/23;**
- (b) note the estimated capital resources for 2018/19 to 2027/28 and the requirement to adhere to the prudential code for capital borrowing;**
- (c) note the requirement to set a band D council tax for 2018/19;**
- (d) approve the financial strategy set out in the report having considered the risk register contained in Appendix 1 to the report;**
- (e) proceed 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.**

5. TREASURY MANAGEMENT STRATEGY 2018/19

There had been circulated copies of a report by the Chief Financial Officer seeking approval of the Treasury Management Strategy for 2018/19. The Treasury Management Strategy was the framework which ensured that the Council operated within prudent, affordable financial limits in compliance with the CIPFA Code. The Strategy for 2018/19 was appended to the report and reflected the impact of the Administration's Financial Plans for 2018/19 onwards on the prudential and treasury indicators for the Council. There were two significant changes to the Strategy since the previous year. These included an increase in the Capital Financing Requirement (CFR) for 2018/19 due to the inclusion of the new Kelso High School in the Councils Fixed Assets in 2017/18. Also impacting on the CFR movement was 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. There was also an 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.

DECISION

AGREED to:-

- (a) approve the Treasury Management Strategy 2018/19 as set out in Appendix 1 to the report;**
- (b) note that the draft Treasury Management Strategy had been considered by the Audit & Scrutiny Committee on 15 January 2018;**
- (c) review capital expenditure plans going forward to ensure they remained realistic, affordable and sustainable; and**

- (d) **ensure that the revenue consequences of all capital projects be fully reviewed in all investment decisions.**

6. FINANCIAL PLAN EQUALITY IMPACT ASSESSMENTS

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 2018/19 had been identified and would be managed accordingly. The report explained that initial Equality Impact Assessments had been undertaken in respect of the 63 key component revenue Financial Plan savings proposals and 26 Capital Plan proposals. Of these total proposals, 75 (54 revenue and 21 capital) had been held to have some relevance to the Council's duties under the Equality Act 2010. They potentially could 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 89 Initial Equality Impact assessments undertaken in respect of the 2018/19 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.**

7. DRAFT 5 YEAR REVENUE AND 10 YEAR CAPITAL FINANCIAL PLAN

7.1 There had been detailed on the agenda Motions by both the Administration and the Opposition Groups and supporting papers had been circulated relating to each. The Convener advised Members how the debate would be managed in that each Motion would be presented by the Mover. The Mover and Seconder would then speak to their Motions and this would be followed by the debate. At the conclusion of the debate the vote would be taken.

7.2 Councillor Haslam, seconded by Councillor Turnbull, moved:-

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:
 - The Administration's budget plans include a five year revenue plan of £1.3bn and a ten year capital plan of £294m.
 - 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.

- 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.
- This budget also protects teacher numbers and frontline Council services, whilst also recognising that we must modernise service delivery and make efficiencies.
- The Administration's budget specifically proposes:
 - £2.1m over three years for new and improved outdoor community spaces
 - £0.282m for a community policing team to prevent low level criminal activity and deal with issues such as parking in our towns
 - £4.8m for a new specialist dementia residential facility
 - Over £22m investment in roads and bridges over three years, with £79m planned investment over the next 10 years
 - £89m to improve the school estate over 10 years
 - £8.3m contribution to the £41m Hawick Flood Protection Scheme
 - £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.

2. On behalf of the Conservative and Independent Administration it is proposed that:

- a) 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 1st April 2018 to 31st 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 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
D	9/9	£1,150.02
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).

Councillor Haslam and Councillor Turnbull spoke in support of the Motion. Councillor Turnbull, seconded by Councillor Edgar, further moved that the vote be taken by roll call and this was unanimously approved.

7.3 Councillor Bell, seconded by Councillor H. Anderson, moved:-

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 1st April 2018 to 31st 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 1st April 2018 to 31st 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
D	9/9	£1,150.02
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).

Councillor Bell and Councillor Anderson spoke in support of the Motion.

- 7.4 Members debated both Motions and further expanded on the details of proposals contained within each. At the conclusion of the debate the roll call vote was taken as detailed below.

MEMBER

Councillor Paterson left the meeting during the discussion

7.5 Roll Call Vote

Motion by Councillor Haslam

Councillor Aitchison
Councillor Edgar
Councillor Fullarton
Councillor Greenwell
Councillor C. Hamilton
Councillor S. Hamilton
Councillor Haslam
Councillor Jardine
Councillor Marshall
Councillor McAteer
Councillor Miers
Councillor Mountford
Councillor Parker
Councillor Richards
Councillor Rowley
Councillor H. Scott
Councillor S. Scott
Councillor Small
Councillor Tatler
Councillor Turnbull
Councillor Weatherston

Motion by Councillor Bell

Councillor A. Anderson
Councillor H. Anderson
Councillor Bell
Councillor Brown
Councillor Chapman
Councillor Drum
Councillor Laing
Councillor Moffat
Councillor Ramage
Councillor Robson
Councillor Thornton-Nicol

There were 21 votes for Councillor Haslam's Motion and 11 votes for Councillor Bell's Motion. Councillor Haslam's Motion was therefore carried.

DECISION

DECIDED to approve the Motion as detailed in paragraph 7.2 above including the Administration's Budget as contained in the Appendix to this Minute.

The meeting concluded at 12.45 p.m.