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SCOTTISH BORDERS COUNCIL THURSDAY, 21MAY, 2015

A MEETING of the SCOTTISH BORDERS COUNCIL will be held in the COUNCIL CHAMBER,
COUNCIL HEADQUARTERS, NEWTOWN ST. BOSWELLS on THURSDAY, 21ST MAY, 2015 at
10.00 AM

J. J. WILKINSON,
Clerk to the Council,
14 May 2015

BUSINESS																																															
1.	Convener's Remarks.																																														
2.	Apologies for Absence.																																														
3.	Order of Business.																																														
4.	Declarations of Interest.																																														
5.	<p>Minute.</p> <p>Consider Minute of Meeting of Scottish Borders Council held on:- 2 April 2015 Pages 1-14</p>	2 mins																																													
6.	<p>Committee Minutes.</p> <p>Consider Minutes of the following Committees:-</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr><td>(a) Tweeddale Area Forum</td><td style="text-align: center;">4 March 2015</td><td style="text-align: right;">Pages 15-21</td></tr> <tr><td>(b) Berwickshire Area Forum</td><td style="text-align: center;">5 March 2015</td><td style="text-align: right;">Pages 23-29</td></tr> <tr><td>(c) Executive (Performance)</td><td style="text-align: center;">10 March 2015</td><td style="text-align: right;">Pages 31-35</td></tr> <tr><td>(d) Local Review Body</td><td style="text-align: center;">16 March 2015</td><td style="text-align: right;">Pages 37-42</td></tr> <tr><td>(e) Teviot & Liddesdale Area Forum</td><td style="text-align: center;">17 March 2015</td><td style="text-align: right;">Pages 43-46</td></tr> <tr><td>(f) Audit & Risk</td><td style="text-align: center;">23 March 2015</td><td style="text-align: right;">Pages 47-51</td></tr> <tr><td>(g) Executive (Education)</td><td style="text-align: center;">24 March 2015</td><td style="text-align: right;">Pages 53-59</td></tr> <tr><td>(h) Scrutiny</td><td style="text-align: center;">26 March 2015</td><td style="text-align: right;">Pages 61-63</td></tr> <tr><td>(i) Planning & Building Standards</td><td style="text-align: center;">30 March 2015</td><td style="text-align: right;">Pages 65-73</td></tr> <tr><td>(j) Local Review Body</td><td style="text-align: center;">30 March 2015</td><td style="text-align: right;">Pages 75-80</td></tr> <tr><td>(k) Local Review Body</td><td style="text-align: center;">20 April 2015</td><td style="text-align: right;">Pages 81-85</td></tr> <tr><td>(l) Executive (Finance)</td><td style="text-align: center;">21 April 2015</td><td style="text-align: right;">Pages 87-89</td></tr> <tr><td>(m) Teviot & Liddesdale Area Forum</td><td style="text-align: center;">21 April 2015</td><td style="text-align: right;">Pages 91-95</td></tr> <tr><td>(n) Planning & Building Standards</td><td style="text-align: center;">27 April 2015</td><td style="text-align: right;">Pages 97-111</td></tr> <tr><td>(o) Executive (Economic Dev.)</td><td style="text-align: center;">12 May 2015</td><td style="text-align: right;">Pages 113-119</td></tr> </tbody> </table>	(a) Tweeddale Area Forum	4 March 2015	Pages 15-21	(b) Berwickshire Area Forum	5 March 2015	Pages 23-29	(c) Executive (Performance)	10 March 2015	Pages 31-35	(d) Local Review Body	16 March 2015	Pages 37-42	(e) Teviot & Liddesdale Area Forum	17 March 2015	Pages 43-46	(f) Audit & Risk	23 March 2015	Pages 47-51	(g) Executive (Education)	24 March 2015	Pages 53-59	(h) Scrutiny	26 March 2015	Pages 61-63	(i) Planning & Building Standards	30 March 2015	Pages 65-73	(j) Local Review Body	30 March 2015	Pages 75-80	(k) Local Review Body	20 April 2015	Pages 81-85	(l) Executive (Finance)	21 April 2015	Pages 87-89	(m) Teviot & Liddesdale Area Forum	21 April 2015	Pages 91-95	(n) Planning & Building Standards	27 April 2015	Pages 97-111	(o) Executive (Economic Dev.)	12 May 2015	Pages 113-119	5 mins
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7.	Open Questions.	15 mins																																													

8.	Local View Fusion. Presentation by Forward Planning Manager.	15 mins
9.	South of Scotland Alliance Work Programme. (Pages 1 - 6) Consider report by Service Director Strategy and Policy on the progress of the work programme of the South of Scotland Alliance, and to gain agreement for its case for a Southern Scotland NUTS 2 area. (Copy attached.)	10 mins
10.	Update on the Chambers Institution, Peebles. (Pages 7 - 12) Consider report by Chief Executive providing an update on the functioning of the Chambers Institution and Trust since the 30 October 2014. (Copy attached.)	10 mins
11.	Charities Reorganisation Update. (Pages 13 - 56) Consider report by Chief Financial Officer providing an update on the progress of the reorganisation of the Council's registered Trust Fund Charities and proposes the recommended approach to governance for the new Charitable Trusts. (Copy attached.)	15 mins
12.	City Deal. (Pages 57 - 66) Consider report by Service Director Strategy and Policy providing an update on participation in the development of a City Region Deal for the Edinburgh and South East of Scotland (ESESCR). (Copy attached.)	15 mins
13.	Early Retirement and Voluntary Severance. (Pages 67 - 82) Early Retirement and Voluntary Severance. Consider reports by Chief Executive seeking approval for members of staff who have requested early retirement and voluntary severance:- (a) Non teaching staff; and (b) Teaching staff. (Copies attached.)	10 mins
14.	Local Government Boundary Commission for Scotland 5th Review of Electoral Arrangements - Proposals for Wards. (Pages 83 - 102) Consider report by Chief Executive seeking approval for a proposed response to the Local Government Boundary Commission for Scotland's proposals for wards in the Scottish Borders Council area. (Copy attached of (a) Note of Members Sounding Board and (b) report.)	15 mins
15.	Any Other Items Previously Circulated.	
16.	Any Other Items which the Convener Decides are Urgent.	
17.	Items Likely To Be Taken In Private. Before proceeding with the private business, the following motion should be approved:- "That under Section 50A(4) of the Local Government (Scotland) Act 1973 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information	

	as defined in the relevant paragraphs of Part 1 of Schedule 7A to the aforementioned Act.”	
18.	<p>Minute.</p> <p>Consider private Section of Scottish Borders Council Meeting held on:-</p> <p>2 April 2015 Pages 121-123</p>	1 mins
19.	<p>Committee Minutes.</p> <p>Consider private sections of the Minutes of the following Committees:-</p> <p>(a) Executive (Education) 24 March 2015 Page 125 (b) Planning & Building Standards 30 March 2015 Page 127 (c) Executive (Finance) 21 April 2015 Pages 129-130 (d) Executive (Economic Dev.) 12 May 2015 Page 131</p>	2 mins

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.**

Please direct any enquiries to Louise McGeoch Tel 01835 825005
email lmcgeoch@scotborders.gov.uk

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PROGRESS ON THE WORK PROGRAMME OF THE SOUTH OF SCOTLAND ALLIANCE

Report by Service Director Strategy and Policy

SCOTTISH BORDERS COUNCIL

21 May 2015

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to update the Council on the progress of the work programme of the South of Scotland Alliance, and to gain agreement for its case for a Southern Scotland NUTS 2 area.**
- 1.2 Scottish Borders Council together with Dumfries and Galloway Council and Scottish Enterprise have been working together as part of the South of Scotland Alliance since it was formed in 2001. The purpose of the Alliance is to provide a strong voice for the South of Scotland and to address the key strategic challenges facing the economy in the South of Scotland.
- 1.3 The report outlines the progress being made on the Alliance's current programme of work which includes the South of Scotland Rural Regional Economic Development Programme, Broadband and Mobile Phone coverage, Supporting the Borderlands Initiative, and the advocacy for a Southern Scotland NUTS 2 statistical area.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Council:-**
 - (a) Notes the progress made by the South of Scotland Alliance.**
 - (b) Agrees to continue to actively support the work programme of the South of Scotland Alliance.**
 - (c) Agrees to endorse the proposal being made by the South of Scotland Alliance for a Southern Scotland NUTS 2 area.**

3 BACKGROUND

- 3.1 At the meeting of the Scottish Borders Council's Executive Committee on 2 October 2001, it was agreed that the Council would support and be actively involved in the establishment of a South of Scotland Alliance. The aims of Alliance were to raise the profile of the South of Scotland; to promote economic opportunities; to access to external funding for economic development; and to build links with the European Union (EU).
- 3.2 The membership of the South of Scotland Alliance consists of Scottish Borders Council, Dumfries and Galloway Council and Scottish Enterprise, and there is also attendance at meetings an official from the Scottish Government. Over the past five years the Alliance has held an annual meeting with Mr John Swinney MSP as the Cabinet Secretary responsible for economic development to discuss key strategic issues and proposals for projects. He has now agreed to meet with the Alliance twice a year.
- 3.3 The South of Scotland Alliance is chaired on an annual rotational basis by the Economic Development Portfolio Holders of Scottish Borders Council and Dumfries and Galloway Council. The Alliance has had major successes in the advocacy of broadband investment, European funding, and Assisted Area Status (June 2014) for significant parts of the South of Scotland covering the A74 and A7 corridors.

4 THE SOUTH OF SCOTLAND RURAL REGIONAL ECONOMIC DEVELOPMENT PROGRAMME 2014-16

- 4.1 In June 2014, the South of Scotland Alliance presented the South of Scotland Rural Regional Economic Development Programme to John Swinney MSP in Selkirk at a visit of the Scottish Government's Cabinet.
- 4.2 The programme was produced by the Alliance with support from Scottish Enterprise following concerns around the level of Scottish Enterprise investment in the South of Scotland. The South of Scotland Programme comprises four projects which were identified as having the potential to have a positive economic impact on the national economy.
- 4.3 The two projects in the Scottish Borders are the Central Borders Business Park, and Mountain Biking – refreshing a world class product. The Central Borders Business Park is designed to take advantage of the Borders Railway terminus at Tweedbank. The project has been incorporated into the Borders Railway Blueprint. The Programme also contains plans for inward investment marketing, to capitalise on the new Borders railway.
- 4.4 The Mountain Biking project encompasses the AIMUp mechanical uplift for Innerleithen, as well as refreshing the wider mountain biking product in the area. This project was developed in order to maintain the South of Scotland's reputation as a world class area for mountain bike tourism.
- 4.5 There is also a commitment in the South of Scotland Rural Regional Economic Programme to develop more effective approaches for:
 - a) Improving rural innovation
 - b) Encouraging internationalisation
 - c) Investing in Leadership Development

5 BORDERLANDS INITIATIVE

- 5.1 Scottish Borders Council had a leading role in the establishment of the Borderlands Initiative alongside Dumfries and Galloway Council, Carlisle City Council, Cumbria County Council and Northumberland County Council, as well as the Association of North East Councils. The formation of the Initiative has been greatly helped and strengthened by joint work being carried out as part of the South of Scotland Alliance.
- 5.2 The Borderlands Initiative held two 'summits' in 2014 which brought together representatives from the participant councils. The first of these was hosted by Scottish Borders Council at the Cardrona Hotel, near Peebles, in April 2014. The other meeting was hosted by Carlisle City Council in Carlisle, in November 2014. The outcome of these meetings has been an agreement to prioritise efforts to find ways of collaborating to enhance economic development in the Borderlands area with an emphasis on transportation, digital connectivity, skills and key economic sectors including tourism, forestry, and energy.
- 5.3 Currently work is underway to gather baseline information relating to the Borderlands area, to ascertain the potential impacts which could be achieved with investments in key transportation projects, as well as collaboration on the key economic sectors identified. The cost of this work is being met by Northumberland County Council, as well as other funding through academic sources. The outcome of this work will be presented to a further political 'summit' later in the year and this might form the basis of the submission of an economic programme to both the Scottish and UK Government. Officers are also discussing at a Borderlands level the possibility of extending the Borders Railway from Tweedbank to Carlisle.

6 CONNECTING THE SOUTH OF SCOTLAND

- 6.1 The Alliance was instrumental in gaining investment for the South of Scotland Broadband Pathfinder Project in 2007 and then in advocating for the roll out of Superfast Broadband in South of Scotland.
- 6.2 The roll out of Superfast Broadband is aimed to reach approximately 95% of the households in the South of Scotland by 2017. There is an ongoing challenge to ensure that solutions can be found for rural areas out with this planned coverage.
- 6.3 The Alliance is working closely with Community Broadband Scotland (CBS) on this matter. It recognises that CBS will only provide part of the solution and that there is a need to advocate for a stronger national initiative to assist those areas and premises not covered by the national roll out of Superfast Broadband.
- 6.4 The Alliance is also leading nationally in the advocacy of increased mobile phone coverage for rural areas. There are currently significant 'not spots' in the South of Scotland. These are areas with no mobile phone coverage from any of the Mobile Network Operators (MNO). There are many other areas which experience intermittent coverage. The South of Scotland also has relatively poor connectivity to mobile internet services.
- 6.5 Alliance officers have monitored developments in this sector, including the UK Government's Mobile Infrastructure Project (MIP), which aims to deliver mobile phone masts in some not spots areas. This is a £150 million UK wide project, which had identified 11 sites for masts in the South of Scotland (including five masts in the Scottish Borders). As yet no MIP masts have been provided in the South of Scotland.

- 6.6 Currently the Alliance is liaising with MNOs, who are planning large investments to roll out 3G and 4G across the UK, including in the South of Scotland. The Alliance is also lobbying for a localities approach to deliver mobile phone coverage in 'not spots' areas, which would examine a range of options for delivering mobile phone coverage.

7 NUTS2 STATISTICAL DESIGNATION FOR SOUTHERN SCOTLAND

- 7.1 NUTS (Nomenclature of Units for Territorial Statistics) areas are defined by the European Union (EU) for the purpose of providing statistical information across areas within the European Union. This information is provided at various geographical units. Scotland is a NUTS1 area and it is subdivided into four NUTS2 areas. NUTS2 areas are used to distribute European Regional Development and Cohesion funding based on average Gross Domestic Product (GDP) per head.
- 7.2 The South of Scotland is an area with a low GDP per head. The Scottish Borders is in the Eastern Scotland NUTS2 area, which groups it in with Edinburgh and Dundee. As a result the low GDP per head in the Scottish Borders is masked by Edinburgh's relatively high GDP per head. Dumfries and Galloway is located in the South Western Scotland NUT2 area and its relatively low GDP per head is similarly masked in this case by Glasgow.
- 7.3 The South of Scotland Alliance has been discussing with other local authorities across Southern Scotland the need for a strong and coherent proposal to introduce an additional NUTS2 area which would represent a wider Southern Scotland. This area has a commonality in terms of low GDP per head, low wages, a dependence on a limited range of industries, dominance of micro and small businesses, out-migration of young people, and geography based on rurality, and market and industrial towns. The Alliance considers that such a proposal would deliver the best outcome for Scotland as a whole.
- 7.4 The next NUTS Review is due to start in October 2015. The Review is a reserved matter but the UK Government's Office of National Statistics (ONS) has devolved the handling of the consultation process in Scotland to the Scottish Government. The Review is to be completed in February 2016 with the Scottish Government's Chief Statistician having the responsibility to make recommendations to the ONS. The outcome of the review will be discussed with Eurostat, the European Union's Statistical Office, during 2016. The new structure will be agreed by the EU formally in 2018 to come into effect in 2020/21 in the time of the next period of European programmes.
- 7.5 It is intended that the Southern Scotland NUTS 2 proposal would be submitted to the Scottish Government's Statistical Office by the end of July 2015 in order for it to be considered in the development of the Scottish Government's NUTS Review consultation paper.

8 IMPLICATIONS

8.1 Financial

There are no costs attached to any of the recommendations contained in this report.

8.2 Risk and Mitigations

The work of the Alliance raises the profile of the issues faced by the South of Scotland economy. Not carrying out the work would reduce the voice of the South of Scotland at the Scottish, UK and European Governmental levels. It is important that the South of Scotland provides this input to Government and governmental bodies to ensure their policies best serve the South of Scotland.

8.3 Equalities

- (a) There are no significant equality impacts resulting from this report.
- (b) The work of the Alliance helps to raise awareness of the challenges faced by people in rural areas, and can help to achieve better outcomes for the rural areas of the South of Scotland.

8.4 Acting Sustainably

No decision is required that will have economic, social, or environmental implications.

8.5 Carbon Management

There are no effects on carbon emissions.

8.6 Rural Proofing

Rural proofing is not required as this report does not relate to new or amended Council policy or strategy. However, the work of the Alliance promotes many issues which affect rural areas.

8.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made.

9 CONSULTATION

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

Approved by

Name David Cressey **Signature**
Title Service Director Strategy & Policy

Author(s)

Name	Designation and Contact Number
Douglas Scott	Senior Policy Adviser
Alan Manthorpe	Assistant Policy Officer (South of Scotland Alliance)

Background Papers: South of Scotland Rural Regional Economic Programme
Previous Minute Reference:

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

Contact us at Scottish Borders Council, Council Headquarters, Newton St Boswells, Melrose, Scottish Borders, TD6 0SA tel: 01835 825155 e-mail dscott@scotborders.gov.uk

Update on the Chambers Institution, Peebles

Report by Chief Executive

Scottish Borders Council

21 May 2015

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide members with an update on the functioning of the Chambers Institution and Trust since the 30 October 2014 when the Council asked the Chief Executive to produce a report setting out possible alternative options for the revitalisation of the Chambers Institution to meet the terms of the bequest from Dr William Chambers; so that there could be a consultation with Tweeddale residents and Trustees on these options before a final decision is made. This paper discharges this remit and seeks approval for a recommended way forward.**
- 1.2 The report provides background to the current operation of the Chambers Institution and Trust and summarises work undertaken since the Council decision of 30 October 2014 to pause and reflect. Following discussions with the Trustees and the Scottish Historic Buildings Trust, approval is now sought to undertake a community consultation on the future direction of the Institution. The Council has limited experience of running this type of engagement event and therefore proposes to retain the Scottish Historic Buildings trust to assist with this process. This consultation would be undertaken recognising the restrictions of Dr Chamber's original bequest and would focus upon potential improvements to the building, options for fundraising, including the potential of attracting grant funding, for example from the lottery, and developing a joint vision with residents on how future public service should best be delivered from the building.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- a) agrees to the Chambers institution Trust reverting to sole Council Control;
 - b) delegates responsibility to the Chief Executive, in consultation with local Tweeddale members, to undertake a community engagement and consultation exercise to gather views on potential improvements to the buildings, identify options for fundraising (including the potential of attracting grant funding) and develop a joint vision with residents on how future public service should best be delivered from the Institution;
 - c) notes the likely financial requirements for matched funding to support any future capital project; and,
 - d) requests a further report detailing the outcome of this consultation.

3 BACKGROUND

3.1 History

The Chambers Institution, an iconic Grade A listed building on the High Street in Peebles, was originally gifted to the then Town Council as Trustees by Dr William Chambers and is vest in Scottish Borders Council as statutory successors. The Council as Trustees are required to keep to the terms of the bequest to ensure the building is devoted to the social, moral and intellectual improvement of the Peeblesshire community.

3.2 Chambers Institution Buildings

There is a long standing aspiration within the community, shared by the Council, to see the Chambers Institution develop to realise its full potential as a major community asset. Despite continuing to host several key public services including the library, registrars service and town museum it has long been felt that the buildings and their environs have more to offer than its current disjointed, multi-level, institutional configuration will allow. It is felt in particular that the Burgh Hall has huge potential which is currently limited by previous outdated works. These works, for example the installation of a false ceiling which lowered the height of the room, hide its full character and size and mask its status as an iconic venue. A more sympathetic treatment to address the deficiencies of previous works could transform this part of the building and widen its prospective uses.

3.3 Governance

Previous attempts to revitalise the governance arrangements of the Trust commenced with a Council report in 2010. Efforts to revitalise the trust through the establishment of a registered charity have however proven to be complex and problematic. Consequently, despite the best efforts of the previous Trustees, progress has been slow with a lack of agreement over the best way forward for the Trust and the buildings. Concerns over the future governance model being proposed caused the Council to pause to reflect in October 2014.

3.4 Trustees

Following the Council decision of October 2014 four trustees subsequently resigned. The Institution is therefore at present a non – charitable public trust comprising 6 appointed Councillor trustees and one continuing non Council trustee who has been appointed as Chair on an interim caretaking basis while options are established to take the trust forward.

3.5 Council Trustee Responsibilities

The Council as trustees are under a legal duty to ensure that sufficient elected members are appointed as trustees to the Trust. The specific responsibilities placed upon the Trustees are:

- to ensure that the premises are kept in good condition and are capable of being used for the trust purposes,
- that rental income for those parts of the building let to the Council and private tenants are properly determined and collected,
- that proper trust accounts are kept, and
- that the trust purposes are promoted.

The property is currently held in the name of the six Council appointed trustees or their successors in office under a deed of Assumption and Conveyance.

3.6 **Uses of The Building**

The current uses of the Institution complex are complicated and are regulated by a lease and management agreement. In keeping with the trust purposes the building hosts the Council's library and museum facilities in Peebles. The Council through a leasing agreement occupy part of the building for the Contact Centre and Registrars service. The War memorial is sited in the Institution quadrangle. Together with the foregoing parts of the buildings the Council also leases and operates the Burgh Hall. Other occupants of the buildings leased to the Council are the Citizens Advice Bureau (CAB) and Visit Scotland both as subtenants of the Council. There is also a shop at 25 High Street and office accommodation above the ground floor rooms that are let directly to the John Buchan Trust.

4 **Way Forward**

4.1 **Way Forward – Governance**

In light of the QC opinion previously reported to Members, Officers have considered the way forward. Options include:

- the Council continuing to support the application to OSCR made for charitable status;
- The Trust reverting back to sole Council control, with the Council continuing to manage the building;
- The Trust reverting back to sole Council control but appointing consultants to develop the business case for a lottery bid, or
- The Council attempts once again to appoint external trustees to jointly manage the building

The advantages and disadvantages of each option are considered in appendix 1 to this report. For the reasons outlined therein it is now recommended that the Council proceed as a wholly owned Council Trust with the 6 Tweeddale members acting as trustees on behalf of the 34 Scottish Borders Council Trustee. This will mean that the application submitted to the Office Of the Scottish Charities Regulator (OSCR) by the Previous Trustees will be formally withdrawn. Should this option be pursued the VAT registration previously established for the CIT would be cancelled with the CIT reverting to being part of the Council's overall VAT registration. The external bank account would be closed with all balances reverting back to the Council but ring-fenced to be held on behalf of Chambers Institution Trust. These changes if adopted will remove the uncertainty over the governance model which has affected the Trust since the council report in October 2014.

4.2 **Way Forward - Building**

This revised governance model if adopted does however leave the question of how best to take forward the revitalisation of the building. The recent history of the Trust has been problematic with no shared view of the best governance model or structure to ensure the continued success of the Institution. Council, in pausing to reflect in October in 2014, signalled a clear desire to seek the views of the wider local population and it is now proposed to run a public engagement consultation over the summer – autumn of 2015 to gather the views and opinions of the people of Peebles and the wider Tweeddale area about how best to redevelop the whole complex of buildings.

4.3 **Scottish Historic Buildings Trust**

The Council has limited experience of running this type of community consultation and has therefore undertaken initial investigatory discussions with the Scottish Historic Buildings Trust (SHBT) to help assist with this process. The SHBT has a long and impressive track record of saving over 30 important buildings across Scotland including notable examples in the Borders at Greenlaw Town hall and the Haining stable block Selkirk. SHBT is a not for profit charitable organisation dedicated to regenerating significant historic buildings through conservation and sustainable re use. Importantly the Trust has experience of running these types of public engagement events and has indicated a willingness to help in this instance.

4.4 An initial meeting between the trustees and the Director of the SHBT has taken place. The outcome of this discussion, which included a tour of the building, was positive with SHBT recognising the importance and potential of the building and indicating a willingness to assist the council. In particular the possibilities offered by the Burgh Hall were evident in discussion with the Trust. The hall for example could be transformed by relocating the existing kitchen facilities, removing the existing false ceiling and opening up the superb views to the Tweed through inserting feature glass in the back wall of the hall. With these types of modern, sympathetic alterations, the potential of the Burgh hall as a venue for community events and functions is very significant.

4.5 **Community Consultation and Engagement**

It is proposed, subject to the approval of elected members, that the Scottish Historic Buildings Trust should therefore be engaged to help design, and assist the Council to undertake a community consultation over the future direction of the Chambers Institution. The consultation would take place over the summer/autumn of 2015, would seek to engage on as wide and inclusive basis as possible with the residents of Tweeddale. This consultation would be undertaken recognising the restrictions of Dr Chambers bequest and would focus on:

- potential improvements to the building,
- options for fundraising including the potential of attracting grant funding for example from the lottery; and,
- developing a joint vision with residents on how future public service should best be delivered from the building.

Whilst detailed arrangements remain to be agreed, it is anticipated that any engagement would make use of techniques such as community meetings, web based survey techniques as well as a more traditional paper based leaflets to publicise the consultation. Questionnaires to gather the views of residents without access to computers would be available in the library, council contact centre, schools and the East Gate Theatre.

5 IMPLICATIONS

5.1 Financial

The costs of running such a community consultation are estimated to be in the order of £30,000. These costs will be funded by the revenue balances of the Trust. The redevelopment of the building will require significant investment and will be dependent upon the availability of external grant funding and a match-funding contribution may be required. This would need to be prioritised within the Council's overall 10 Year capital programme which will next be revised in February 2016.

5.2 Risk and Mitigations

- (a) There are no risks to the Council in relation to the recommendation in this report.

5.3 Equalities

- (a) The purpose of this paper is to safeguard the future use, condition and profile of an iconic building in Peebles. The intention is that the building will be open to all and a project is envisaged which would seek to unlock the building for use by the wider community by enhancing a valued community asset using sympathetic preservation techniques allied to modern accessibility requirements and building standards.

5.4 Acting Sustainably

- (a) There are no adverse equality implications arising from this report.

5.5 Carbon Management

- (a) There are no sustainability issues arising from this report.

5.6 Rural Proofing

- (a) There is not considered to be any impact on carbon emissions.

5.7 Sustainability

- (a) The charitable application is designed to protect the future of the Chambers Institution and increase its status and profile as an iconic community asset.

5.8 Changes to Scheme of Administration or Scheme of Delegation

- (a) No changes are required to either the scheme of administration or the scheme of delegation.

6 CONSULTATION

- 6.1 The Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, and the Clerk to the Council have been consulted with comments received incorporated in the final report.

Approved by

Tracey Logan
Chief Executive

.....

Author(s)

Name	Designation and Contact Number
David Robertson	Chief Financial Officer 01835825012
Brian Frater	Head of Regulatory Services 01835825067

Background Papers:

Previous Minute Reference: Scottish Borders Council 30 October 2014

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Contact us at david.robertson, Council Headquarters, 01835 825012,
adavid.robertson@scotborders.gov.uk

Chambers Institution – Examination of Future options Appendix 1

A. CONTINUATION OF CURRENT CHARITABLE APPLICATION	
Advantages	Disadvantages
This option may provide renewed focus for this institution with the appointment of new trustees. In this regard option A may provide a focus for community engagement	No robust business case for the continuation of a charity application exists. The presumption against the council being able to apply for external grant income is erroneous. Eg Wilton Lodge Park in Hawick, proposal re Walter Scott Court Rooms in Selkirk. The functions of the institution are so inextricably linked to the provision of council core services in Peebles e.g. libraries and museums as to make their separation difficult without complicated lease and lease back agreements.
Clear outcome for the Institution	Concern from OSCR as to the "public benefit" to be derived from the current proposal. Application currently on hold.
Continuation of the previous approved direction of travel recognising the significant work completed to set up a separate VAT registration, bank account etc.	A move of the Institution to the charity sector is irrevocable. There is no opportunity to revisit the business model if the charity fails to deliver. It could only passed to another charity
May encourage private benefactors to come forward who may not be willing to assist the Council.	Lack of clarity on the potential sources of funding beyond unspecified private benefaction, gift aid and exemption from corporation tax.
	High level of ongoing involvement required from volunteer Trustees. May be difficult to sustain in the longer term.
	The current trustee groups has largely resigned and concluding the process form its current stasis will be time consuming.
	The fact that the Building <u>must</u> , under the terms of Dr Chambers bequest, remain vest with the council and cannot be disposed of into a separate charity has caused difficulty with the governance model. This resulted in proposals to have two separate classes of trustee only one of whom would have "ownership" of the building. This has caused confusion amongst the Trustees. Without the asset the business rationale for a charity would appear to be fundamentally compromised. The vesting of the building with the Council in perpetuity may cause difficulties for funders who cannot for example take a standard security over the building.
	Trust will continue to be liable for the costs of legal and financial advisors and any irrecoverable VAT arising from charitable status and would be able to claim NDR relief as a registered charity

B. TRUST REVERTS BACK TO SOLE COUNCIL CONTROL - STATUS QUO PREVAILS	
Advantages	Disadvantages
Clear Governance Model for Institution in line with the terms of Dr Chambers bequest. Clear lines of accountability to local people through elected members.	No clear business plan or vision for the institution with a potentially confused management model spilt across Customer services, libraries, Museum and the Burgh Hall.
Retains the institution in public sector ownership and continuity of service.	Under the status quo the future development of the building would not occur. The ability to develop the asset may be constrained by "Council thinking." Use of the current building is constrained by condition and suitability. Problems with disabled access to library and museum are unlikely to be resolvable without very significant investment.
CIT can continue to benefit from special VAT status of the council e.g. recovering all VAT associated with capital works.	Limited resources available to re develop the asset for the benefit of Peebles residents. External funding would be required. The vesting of the building with the Council in perpetuity may cause difficulties for funders who cannot for example take a standard security over the building.
Opportunity to develop a clear business case for the Institution supported by Council Officers from a variety of professional disciplines.	Passes a maintenance burden back onto the council for the upkeep of an ageing grade A listed building.
Avoids the complication of a charitable application and questions over the legitimacy of "public benefit."	Institution remains just one of many council buildings without the resources to manage it to its full potential.
	Work will be required to unwind the current VAT registration and current land registry entries in favour of Tweeddale councillors.
	More difficult to engage with local community and inability to access expertise of non-council trustees.

C. INSTITUTION REVERTS BACK TO SOLE COUNCIL CONTROL - CONSULTANTS APPOINTED TO DEVELOP BUSINESS CASE FOR LOTTERY BID	
Advantages	Disadvantages
Provides the opportunity to establish a properly costed business plan for the redevelopment of the Chambers Institution.	Resources would require to be devoted to support consultants. Potential to use some of the funding in the CIT balances circa £140k to develop the plan.
Business plan could provide the catalyst for the re-development of the building addressing issues of condition and suitability and giving the Institution with a continued high profile role in Peebles as a community asset.	Element of matched funding to support the investment needs identified will be required.
Development of a vision for the CIT and a new business plan will provide the opportunity to provide a focus for community engagement	Council as sole interested party will be trying to oversee the governance of the CIT as one of a number of significant priorities
Council has an established track record of investing in Historic buildings and good experience of working in partnership with redevelopment agencies e.g. Scottish Historic Building Trust in Greenlaw, Heart of Hawick and Abbotsford Trust.	If council is sole interested party may make the establishment of a shared vision supported by local people more problematic.

D. COUNCIL APPOINTS EXTERNAL TRUSTEES TO JOINTLY MANAGE BUILDING - CONSULTANTS APPOINTED TO PREPARE BUSINESS CASE FOR LOTTERY BID TO REDEVELOP THE INSTITUTION	
Advantages	Disadvantages
As C above with the following additions	As C above with the following additions
Would raise the profile of the institute trustees in Peebles.	May lead to issues which have emerged previously due to the status of non-council trustees. May be overcome by reverting to 34 councillors as trustees and then a smaller management body of Tweeddale councillors and locally appointed non council volunteer reps
Opportunity to engage with reps for the local community and to benefit from wider expertise.	May be seen as simply window dressing.
Positive project that local supporters can galvanise around.	Previous attempts to operate the institution with council and non-council trustees have proved problematic and would require to be carefully managed with everyone involved clear as to their respective responsibilities
Potential for a public appeal to raise funding to invest in the Institution	
Potential to develop an agreed shared vision for the institution which benefits all.	

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CHARITY REORGANISATION UPDATE

Report by the Chief Financial Officer

SCOTTISH BORDERS COUNCIL

21 MAY 2015

1 PURPOSE AND SUMMARY

- 1.1 This report provides an update on the progress of the reorganisation of the Council's registered Trust Fund Charities and proposes the recommended approach to governance for the new Charitable Trusts.**
- 1.2 At its meeting on 30 January 2014, the Council agreed the establishment of three new Charitable Trusts and the reorganisation and winding up of the existing Council Charity Funds, excluding the Common Good Charity Fund, into one of the new Charitable Trusts.
- 1.3 The Council successfully set up and registered the three new Charitable Trusts with the Office of Scottish Charity Regulator (OSCR) in March 2014: SBC Welfare Trust; SBC Community Enhancement Trust and SBC Educational Trust. The Council is the sole corporate trustee of each of these charities. The Trust Deeds are provided in Appendix 1.
- 1.4 Applications for reorganisations of the individual OSCR registered funds (summarised in Appendix 2) were all put to OSCR before 31 March 2014, which had the effect of removing them from the requirement of a full audit. The Ormiston Trust, due to the presence of heritable assets, will remain as a separate charity, and work to re-organise the Thomas Howden Wildlife Trust is underway. Appendix 3 summarises the agreed outcome of these applications and discussions with OSCR and any associated agreed geographical or charitable purpose restriction.
- 1.5 OSCR has confirmed de-registration of the 34 charities highlighted in this report, and these have now been wound up.
- 1.6 There is continued work on the re-organisation of the combined Charitable Trust (with 76 individual funds) and the non-Charitable Trust funds and this will be reported to Council as work is progressed.
- 1.7 In order to efficiently manage the funds of the new Charitable Trusts, it is proposed to create area based Charitable Trusts Sub-Committees with the remit as set out in Appendix 4. In addition, where awards are to specific individuals or families the award criteria will be established by the Sub-Committees but the individual applications will be agreed under delegated authority as set out in paragraphs 5.9 and 5.10

2 RECOMMENDATIONS

2.1 It is recommended that the Council:

- (a) Notes the establishment and registration of SBC Education Trust, SBC Welfare Trust and SBC Community Enhancement Trust as Charitable Trusts, each having all of the elected members of the Council as Trustees and the purposes as set out in Appendix 1;**
- (b) Agrees that the Trust Funds will start with a maximum revenue balance of 5% of the combined capital and revenue balances, that any excess revenue balances above this level will be transferred to the capital balance and invest this in accordance with the Common Good and Trust Fund Investment Strategy;**
- (c) Agrees that the budget for the expenditure from the Charitable Trusts will normally be based on the income generated in the preceding year;**
- (d) Approves the appointment of the Convenor of the Scottish Borders Council as Chairman of SBC Educational Trust, SBC Welfare Trust and SBC Community Enhancement Trust;**
- (e) Approves the appointment of the Chief Financial Officer of the Scottish Borders Council as Treasurer of SBC Educational Trust, SBC Welfare Trust and SBC Community Enhancement Trust;**
- (f) Approves the creation of Charitable Trusts Sub-Committees of Council for the management of the various Charitable Funds with the remit as set out in Appendix 4, and amends the Scheme of Administration to include these new Sub-Committees;**
- (g) Approves the amendment to the Scheme of Delegation to add the Specific Delegated Function of "Make payments to individuals from educational trusts and SBC Education Trust according to set criteria" to the Service Director – Children and Young People and remove it from the Chief Financial Officer;**
- (h) Approves the amendment to the Scheme of Delegation to add the Specific Delegated Function of "Make payments to individuals or families SBC Welfare Trust according to set criteria" to the Services Director – Neighbourhood Services;**
- (i) Agrees to receive further reports on the re-organisation of the combined Charitable Trust and non-Charitable Trust funds as the work continues;**
- (j) Agrees that all of the Charitable Trusts administered by the Council formally adopt the Council's Scheme of Administration, Procedural Standing Orders, Scheme of Delegation, Local Code of Corporate Governance and Financial Regulations as they are currently approved by Council and that any subsequent appropriately approved amendments will automatically apply to these Charitable Trusts, unless there are explicit exceptions approved by the Trustees; and**
- (k) Agrees that the Council's Policy Register as is currently**

approved by Council and that any subsequent appropriately approved amendments will also automatically apply to all the Charitable Trusts administered by the Council, unless there are explicit exceptions approved by the Trustees.

3 BACKGROUND

- 3.1 Previous Scottish Borders' Town, County, District and Regional Councils had taken advantage of tax and other legislation beneficial to charities, and as a result 112 different Trusts, Endowments, Funds and Bequests that are registered as Charities out of a total of 289 different Trusts, Endowments, Funds and Bequests (the Trust Funds) are now managed by this Council.
- 3.2 Following the establishment of the Office of the Scottish Charities Regulator (OSCR) these funds were all adopted as Scottish Charities Registered with OSCR.
- 3.3 Of these registered Charities some 37 were registered individually with unique registration numbers, all of the Common Good Funds were registered as a single charity and the balance were registered under a single holding charity registration number.
- 3.4 In January 2014 the Council agreed the establishment of three new Charitable Trusts and the reorganisation and winding up of the existing Council Charity Funds, excluding the Common Good Charity Fund, into these new Charitable Trusts, where appropriate.
- 3.5 Charities, whose Trustees are exclusively elected members of the Council, are bound by the regulations issued under both the Local Authority (Scotland) Act 1973 and the Charities and Trustee Investment (Scotland) Act 2005. Following transitional concessions, under these regulations each Registered Charity will have to have its Annual Accounts subject to a full audit no matter the size of the Charity for the financial year ended on 31 March 2014. However Audit Scotland and OSCR have agreed that there will be no audit requirement if a Charity had applied to be wound up prior to 31 March 2014.
- 3.6 In March 2014 OSCR approved the establishment of :
- SBC Community Enhancement Trust – Scottish Charity Number SC044764
SBC Welfare Trust – Scottish Charity Number SC044765
SBC Educational Trust – Scottish Charity Number SC044762
- Referred to collectively as the Charitable Trusts for the purpose of this report, **Appendix 1** contains a copy of the Trust Deed for each one.
- 3.7 Many of the existing funds were very restrictive in their use. In some cases these can no longer be used for the initially detailed purpose, and for specific geographic areas a number of funds providing benefit for the same purpose can be found. The reorganisation approvals from OSCR now permit more effective grouping of the funds within the Charitable Trusts and reflect their use in more contemporary ways. The use of funds for the maintenance of graves is no longer a charitable purpose but with the growth of genealogical study and the use of grave stones in this research OSCR have agreed that the funds previously set up for grave maintenance can be used for heritage purposes throughout the Borders.

- 3.8 The charitable purposes of the SBC Community Enhancement Trust (**Appendix 1a**) are that funds and assets are held in trust for the following purposes:
- (a) The advancement of community development;
 - (b) The advancement of arts, heritage, culture or science, including the upkeep of heritage assets;
 - (c) The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; or
 - (d) The advancement of environmental protection or improvement.
- 3.9 The charitable purposes of the SBC Welfare Trust (**Appendix 1b**) are that funds and assets are held in trust for the following purposes:
- (a) The prevention or relief of poverty;
 - (b) The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage; or
 - (c) The advancement of health, including the advancement of education in health.
- 3.10 The charitable purposes of the SBC Education Trust (**Appendix 1c**) are that funds and assets are held in trust for the following purposes:
- (a) The advancement of education,
and/or
 - (b) the promotion of cultural exchange.
- 3.11 The creation of the new Charitable Trusts will also permit the Trustees (i.e. Scottish Borders Council) to make use of the Capital Balance as well as the Revenue Balance of the transferred funds, which replaces the previous restriction on the use of the Capital Balances other than as an income generating investment.
- 3.12 The appropriate requests to wind up the historic individual charitable trusts have been submitted to OSCR removing the need to prepare separate annual accounts for 2014/15 for these charities.
- 3.13 The next step in the reorganisation programme is to establish the appropriate transition, where appropriate, for the Councils Trust Funds into these new Charitable Trusts.

4 INDIVIDUALLY REGISTERED CHARITY FUNDS

- 4.1 The individually registered charities, excluding the Common Good Funds, are detailed in **Appendix 2**. Approval has been received from both the Council and OSCR to progress with the reorganisation/wind up of these Charities.
- 4.2 The charities which are the subject of this report hold funds in the main for the following purposes:-
Educational prizes and bursaries
Welfare and the relief of poverty
Heritage, memorials, environment and grave maintenance.
- 4.3 In order to wind up any of the Council's existing Charities there has to be a suitable charity into which the funds can be transferred through a reorganisation and held therein as an Unrestricted Fund or as a Restricted Fund i.e. held for a clear identified particular purpose. The creation of the new Charitable Trusts provides the Council with such suitable charities.
- 4.4 **Appendix 3** shows the outcome of the reorganisation applications and discussions with OSCR of the Charitable Trust into which the transfer of funds can be made and the approved charitable purposes and/or geographic restrictions to apply to each transfer.
- 4.5 **Appendix 3** also shows that the approved reorganisations have provided for a number of restricted funds within each of the new charities. These restrictions are on the basis of charitable purpose and/or geographic area restriction. Both restrictions have been kept as wide as possible to create funds large enough to give meaningful distributions and to take account of the fact that due to modern transport, people identify with local towns or villages by both living in them, and living in their locality and making use of their facilities.
- 4.6 Due to these geographical and charitable purpose restrictions on many of the funds transferring into the new Charitable Trusts specific governance arrangements have been proposed in Section 5 to enable this to be managed appropriately.
- 4.7 In order to both make the management of and access to the current charity funds easier and reduce the ongoing running costs including the future external audit costs schemes of reorganisation have been agreed with OSCR which now require certain actions to put these schemes into place.
- 4.8 In order to finalise the reorganisation of the individually registered charities the transfer of the funds has been into the appropriate fund within the new Charitable Trusts is effective as of 1 April 2014 as set out in **Appendix 3**.

- 4.9 This will permit the purpose for which the funds are held to be updated so that, whilst they will be similar to those in place before reorganisation, they will be expressed in terms more relevant to the current age and compliant with OSCR's charity test, so improving access to these funds by the public.
- 4.10 It is further proposed to re-assess the level of revenue and capital balances within the funds, and start the Charitable Trusts off with a maximum revenue balance of 5% of the total revenue and capital balances of the funds. With the proposal that any additions to the capital balances as a result of this will be invested in accordance with the Common Good and Trust Funds Investment Strategy (i.e. with the Newton Fund).
- 4.11 It is further proposed that the intention will be that, due to the variable nature of the returns from the Newton Fund, the budget for the annual disbursements from the Charitable Trusts will normally be restricted to the amount of income generated in the preceding year. This should avoid any over accumulation of revenue balances or expenditure in excess of the income generated from the capital balances.
- 4.12 OSCR has confirmed the de-registration the 34 charities and therefore the charities have been fully wound up.
- 4.13 There are two remaining individual charities not included in **Appendix 3**, the first of which is the Ormiston Trust, Melrose (SC019162) where it is proposed to continue to have this as a separate charity due to the complexity associated with having physical property as part of the assets of the Trust.
- 4.14 The second charity is the Thomas Howden Wildlife Award (SC01564) for Peebles. Further work is required with OSCR before this charity can be reorganised and this will be reported to Committee as appropriate.

5 GOVERNANCE ARRANGEMENTS FOR THE NEW CHARITABLE TRUSTS

- 5.1 In order to both make the management of and access to the current charity funds easier it has been identified that the Governance Arrangements around the new Charitable Trusts require to be established.

Chairman

- 5.2 Under the terms of the New Charity Trust Deeds the Trustees should appoint a Chairman and it is proposed that the Convenor of the Council is the Chairman for each of the 3 new Charitable Trusts. It is also proposed that the Council's Chief Financial Officer shall act as Treasurer to each Charitable Trusts.

Trustees

- 5.3 All Elected Members of the Council will be Trustees of each of the Charitable Trusts and will execute their duties in this respect through the Council meetings.

- 5.4 It should be noted that in the event that the Council decides to add additional Trustees, who are not elected members of Scottish Borders Council, to the Charitable Trusts then the governance arrangements will need to be reviewed as a meeting of full Council will not constitute a meeting of all of the Trustees.

Charitable Trust Sub-Committees

- 5.5 In order to execute the area restricted business of the Charitable Trusts Funds it is proposed to create geographically based Charitable Trusts Sub-Committees (the Sub-Committees). These Sub-Committees would be established around the current Ward structure for Elected Members as set out in Appendix 4.

- 5.6 Membership of the these Sub-Committees will be restricted to Elected Members from the local wards and will be constituted around the Area Forum grouping of Wards to minimise the number of meetings that are required and reflect that for 3 of the 5 groupings the restricted funds apply equally to both Wards in the area. This will allow the elements of the Charitable Trust Funds with a geographic restriction to be managed by locally based elected members.

- 5.7 It is proposed that these Sub-Committees would determine the allocation of the annual budget for awards/payments within the restrictions of the Charitable Trusts and funds available, and where appropriate the proportion available for group/organisation and to specific individual/family awards. In addition the Sub-Committees would make the decision on any award/payment to a group or organisation applying for support.

- 5.8 Where there is an intention for the budget or a proportion of the budget to be made available to applications from specific individuals or families the Sub-Committees would agree the approach and criteria for award allocation but would delegate the assessment of applications to an Officer of the Council relevant to the charitable purposes of the Charitable Trust. This is intended to respect the confidentiality of individual circumstances.

Amendments to Scheme of Administration

- 5.9 **Appendix 4** contains the proposed amendment to the Council's Scheme of Administration to enable this to happen.

- 5.10 It is proposed that, in line with the current Educational Trusts that were inherited from the District Councils and the proposal in paragraph 5.7, the Service Director – Children and Young People will be responsible for the awarding of payments to specific individuals from the SBC Education Trust according to set criteria as agreed by the Council. This will require an amendment to the Scheme of Delegation to add:

"Make payments to individuals from educational trusts and SBC Education Trust according to set criteria"

to the Specific Delegated Functions of the Service Director – Children and Young People and remove from those of the Chief Financial Officer .

- 5.11 It is proposed that, in line with the proposal in paragraph 5.7, the Service Director – Neighbourhood Services will be responsible for the awarding of payments to specific individuals/families from the from the SBC Welfare Trust according to set criteria agreed by the Council. This will require

an amendment to the Scheme of Delegation to add:

“Make payments to individuals or families from SBC Welfare Trust according to set criteria”

to the Specific Delegated Functions of the Service Director – Neighbourhood Services.

Reporting to Council

- 5.12 Once a year an annual report for each of the Charitable Trusts will be brought to full Council and this will, where possible, coincide with a presentation from the Newton Investment Fund Manager.

Policy and Procedural Framework

- 5.13 It is important that all of the Charitable Trusts administered by the Council operate within a formal policy and procedural framework.
- 5.14 The Council’s Code of Governance comprises of five key documents:
- a) Scheme of Administration,
 - b) Procedural Standing Orders,
 - c) Scheme of Delegation,
 - d) Local Code of Corporate Governance, and
 - e) Financial Regulations.
- 5.15 It is proposed that all the Charitable Trusts administered by the Council will formally adopt all five of these documents in their current form and that the Charitable Trusts will adhere to these in their future forms as they are approved through the appropriate Council mechanisms, unless there are explicit exceptions approved by a meeting of all Trustees.
- 5.16 The Council also maintains a Policy Register of all policies that are approved within the Council’s decision making frameworks and which apply to the operation of the Council. The definition of a Policy within this context is a set of rules to be applied by officers/committees to make decisions or plan/take a course of action. These rules are to be applied at all times until rescinded/amended by committee. It is therefore also proposed that Policy Register also is formally adopted by all of the Charitable Trusts administered by the Council.

6 IMPLICATIONS

6.1 Financial

There are no further financial implications beyond those explained above in Sections 3, 4 and 5.

6.2 Risk and Mitigations

No significant risk to the financial position of the charity funds is identified; in fact these proposals enable the funds to be used for appropriate purposes to support the community.

6.3 Equalities

An Equalities Impact Scoping Assessment has been carried out on this

proposal and it is anticipated that there are no adverse equality implications.

6.4 Carbon Management

There are no significant impacts on the economy, community or environment arising from the proposals contained in this report.

6.5 Rural Proofing

There are no significant effects on carbon emissions arising from the proposals contained in this report.

6.6 Acting Sustainably

Whilst there are no economic, social or environmental effects arising from the proposals contained in this report, there should be easier access to funds by beneficiaries, which will impact upon the economic, social and environment of the Borders. The clarified administration and fund amalgamations should produce more sustainable Funds.

6.7 Changes to Scheme of Administration or Scheme of Delegation

The new Charitable Trusts are separate legal entities from the Council and are governed by their Trust Deeds. However as the Council is currently sole corporate trustee of these Charitable Trusts, it has been agreed with Legal Services the decision making for the Trusts can be run through meetings of Scottish Borders Council, providing the requirements of the Trust Deeds are followed. As a result of this the Council's Scheme of Administration and Scheme of Delegation is proposed to change as set out in Appendix 4 and paragraphs 5.9 and 5.10.

7 CONSULTATION

7.1 The Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their appropriate comments have been incorporated into this report.

7.2 The Administration Policy Working Group considered this report on the 10 March 2015 and supported the approval of the proposed recommendations.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Lynn Mirley	Corporate Finance Manager 01835 825016

Background Papers: Email from OSCR confirming reorganisation application and de-registration

Previous Minute Reference: Scottish Borders Council, 30 January 2014

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

Contact us at Corporate Finance Manager, Financial Services, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA. Tel: 01835 825016 Fax: 01835 825011, email: lmirley@scotborders.gov.uk

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TRUST DEED

OF

SBC COMMUNITY ENHANCEMENT TRUST

March 2014

PFA/MDA/SCOT/166/32(1)

Trust Deed

We, SCOTTISH BORDERS COUNCIL established under the Local Government Etc (Scotland) Act 1994 with our principal offices at Council Headquarters, Newtown St Boswells, Melrose TD6 0SA ("**the Council**"),

In order to create a trust to be known as

SBC COMMUNITY ENHANCEMENT TRUST ("**the Trust**").

Appoint the said SCOTTISH BORDERS COUNCIL as trustee (who and whose successors are referred to as "**the Founding Trustee**");

Pay the sum of £1 to the Founding Trustee;

And we direct as follows:

Trust purposes

1 The Trustees (as hereinafter defined) shall hold and apply the sum of £1 paid by us to them, and such other funds and assets as may from time to time be comprised in the Trust Property (as hereinafter defined), in trust for the following purposes ("**the Trust Purposes**"):

- (a) The advancement of community development;
- (b) The advancement of the arts, heritage, culture or science, including the upkeep of heritage assets;
- (c) The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; or
- (d) The advancement of environmental protection or improvement;

By, among other things, the payment of grants and / or loans, to such charities or other organisations or to such individuals operating or living within the Scottish Borders area or with links to the Scottish Borders area, who are deserving of benefit as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit, to be applied by such recipients for the charitable purposes of either community development, or advancing the arts, heritage, culture or science, or the provision of recreational facilities or activities, as appropriate.

2 The expenses of creating and administering the Trust, and any tax payable in relation to the Trust, shall be met in priority to all other payments and transfers of assets out of the Trust Property.

Powers

3 In the administration of the Trust, the Trustees shall, in addition to the powers and rights which are conferred by law upon trustees who are acting without remuneration, have the fullest powers with regard to investment, sale, administration and management of the Trust Property as if they were owners; in particular (but without limiting the scope of the powers which they may exercise under the preceding provision), the Trustees shall have the following powers:

- (a) To support such organisations, charities, and individuals, through the provision of payments whether as absolute grants and / or loans, and subject to such terms and conditions, as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such

benefit.

- (b) To take over and assume the whole assets and liabilities and generally the whole undertaking of various trusts held by the Council with purposes related to either community development, or advancing the arts, heritage, culture or science, or the provision of recreational facilities or activities, or environmental protection or improvement with a view to managing, discharging and generally dealing with the same in furtherance of the Trust Purposes thereafter.
- (c) To carry on any other activities which further any of the Trust Purposes.
- (d) To raise funds and otherwise acquire such monies and assets in order to pursue the Trust Purposes.
- (e) To enter into any legal or financial negotiation or arrangement, as considered appropriate in order to pursue the Trust Purposes.
- (f) To take such steps as may be deemed appropriate for the purpose of raising funds.
- (g) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (h) To establish and/or support any other charitable body, and to make donations for any charitable purpose falling within the Trust Purposes.
- (i) To purchase, take on lease, hire, or otherwise acquire, any property or rights, provided that appropriate financial, legal and other advice is obtained prior to any such action.
- (j) To improve, manage, develop, or otherwise deal with, all or any part of the Trust Property.
- (k) To sell, let, hire out, license, or otherwise dispose of, all or any part of the Trust Property.
- (l) To borrow money, and to give security in support of any such borrowings by the Trust, provided that appropriate financial, legal and other advice is obtained prior to any such action.
- (m) To employ such staff as are considered appropriate for the proper administration of the Trust or for the proper conduct of the Trust's activities, and to make reasonable provision for the payment of pension and / or other benefits for members of staff, ex-members of staff and their dependants.
- (n) To engage such consultants and advisers as are considered appropriate from time to time.
- (o) To effect insurance of all kinds (which may include officers' liability insurance).
- (p) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the Trust Purposes.
- (q) To form any charitable company with objects which are similar (wholly or in part) to those of the Trust, and, if considered appropriate, to transfer to any such company (without any payment being required from the company) the whole or any part of the Trust Property.
- (r) To retain any property comprised in the Trust Property for such time as the Trustees think proper.
- (s) To have any part of the Trust Property registered in the name of a nominee and to pay reasonable fees to such nominee.
- (t) To grant proxies in favour of any of the Trustees (or any other person) to attend, act and vote for the Trustees at any meetings (whether of the nature of general meetings, class meetings, creditors' meetings or otherwise) relating to any investment held by the Trustees or relating to any claim by the Trustees in any liquidation or sequestration proceedings.

- (u) To compromise or settle by arbitration all disputed claims by or against the Trust or the Trust Property.
- (v) To appoint one or more of the Trustees (or any firm of which any of the Trustees is a partner) to be solicitors to the Trust or agent for the Trustees in any other capacity, and to pay to such solicitors or other agent his/her/their usual charges.
- (w) To reimburse any of the Trustees out of the Trust Property, in relation to all expenses reasonably incurred by him/her in the administration of the Trust.
- (x) To do anything which may be incidental or conducive to the furtherance of any of the Trust Purposes.

Number of Trustees

- 4 The number of Trustees shall not be less than 1 (one), being the Founding Trustee. There is no maximum number of Trustees.

Appointment / removal / resignation

- 5 The Trustees shall be entitled to appoint an additional trustee or trustees, whether a corporate body, an individual or an individual appointed *ex officio*, by way of a resolution passed by a majority vote at a meeting of the Trustees. The Founding Trustee and any additional trustees appointed in terms of this clause 5 shall be "**the Trustees**".
- 6 The Trustees shall have power to remove any individual as an additional trustee, by way of a resolution passed at a meeting of the Trustees by a majority of the Trustees then in office (where the Founding Trustee has one vote, and any additional Trustee also has one vote).
- 7 An individual holding office as an additional Trustee may retire by giving notice in writing to that effect to the secretary to the Trust.

Procedure at Trustees' meetings

- 8 Subject to the provisions of the following clauses, the Trustees may regulate their proceedings as they think fit. Decisions by the Founding Trustee will be taken in meetings constituted in the same manner as a meeting of the Council or a sub-committee of the Council.
- 9 A meeting of the Trust shall be held at least once in each year.
- 10 Any Trustee (or Council Member as a representative of the Founding Trustee) may call a meeting of the Trust, or request the secretary to the Trust to call a meeting of the Trust.
- 11 No notice of a meeting of the Trust need be given to any Trustee (or Council Member as a representative of the Founding Trustee) who is absent from the United Kingdom.
- 12 Questions arising at a meeting of the Trust shall be decided by a majority of votes, on the basis of one vote per Trustee present (or, for the Founding Trustee, by a majority of the Council Members present at the meeting); where there is an equality of votes, the chairperson of the meeting shall have a casting vote.
- 13 No business shall be dealt with at a meeting of the Trustees unless a quorum is present; the quorum for meetings of the Trustees shall be one, the Founding Trustee (and for a quorum representing the Founding Trustee, at least one quarter of the Council Members currently in post must be present).
- 14 The Founding Trustee shall appoint one of the Council Members to be Chairperson, and may at any time remove the person so appointed from that office.
- 15 Unless he/she is unwilling to do so the Chairperson shall preside as chairperson at every meeting of the

Trustees at which he/she is present; if the Chairperson is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Trustees present may elect from among themselves the person who will act as chairperson of the meeting.

- 16 All acts bona fide done by any meeting of the Trustees, by a committee of the Trustees or by a person acting as a Trustee, shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any Trustee or that any of them had ceased to hold office or was not entitled to vote, be as valid as if every such person had been duly appointed and had continued to be a Trustee and had been entitled to vote.
- 17 A resolution in writing signed by all the persons holding office as Trustees at the time shall be as valid and effective as if it had been passed at a meeting of the Trustees duly convened and held; a resolution of that kind may take the form of a number of copies containing the text of the resolution, with each copy being signed by one or more Trustees.

Sub-committees

- 18 The Trustees may delegate any of their powers to any committee consisting of two or more Trustees or two or more Council Members (as representatives of the Founding Trustee); any such delegation of powers may be made subject to such conditions as the Trustees may impose, and may be revoked or altered.
- 19 Subject to any condition imposed in pursuance of the preceding clause, the proceedings of a committee consisting of two or more Trustees shall be governed by the provisions of clauses 8 to 17 so far as they are capable of applying.

Personal interests

- 20 A Trustee or a Council Member who has a personal interest in any transaction or other arrangement which the Trust is proposing to enter into, must declare that interest at a meeting of the Trustees; he/she will be debarred from voting on the question of whether or not the Trust should enter into that arrangement.
- 21 For the purposes of the preceding clause 20, a Trustee or a Council Member shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or trustee (or any other party who/which is deemed to be connected with him/her in terms of section 68(2) of the 2005 Act), has a personal interest in that arrangement.
- 22 Provided (a) he/she has declared his/her interest (b) he/she has not voted on the question of whether or not the Trust should enter into the relevant arrangement and (c) clauses 23 to 25 (remuneration) are complied with – then a Trustee or Council Member will not be debarred from entering into an arrangement with the Trust in which he/she has a personal interest (or is deemed to have a personal interest under clause 21) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

Remuneration and expenses

- 23 Trustees and / or Council Members may not:
- (a) Serve as an employees (full-time or part-time) of the Trust
 - (b) Be given any remuneration by the Trust for carrying out his/her duties as a Trustee.
- 24 Where a Trustee or Council Member provides services to the Trust, or might benefit from any remuneration paid to a connected party for such services, then:
- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable; and

- (b) the Trustees must be satisfied that it would be in the interests of the Trust to enter into the arrangement (taking account of that maximum amount); and
- (c) less than half of the Trustees must be receiving remuneration from the Trust (or benefit from remuneration of that nature); and less than half of the Council Members must be receiving remuneration from the Trust (or benefit from remuneration of that nature).

25 Trustees, and Council Members acting on behalf of the Founding Trustee, may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Trust or otherwise in connection with the carrying-out of their duties.

Conduct

26 Each of the Trustees shall, in exercising his/her functions as a Trustee (and each of the Council Members, in exercising his/her functions as a representative of the Founding Trustee), act in the interests of the Trust; and, in particular, must:

- (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with the Trust Purposes;
- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
- (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the Trust and any other party, put the interests of the Trust before that of the other party, in taking decisions as a Trustee; or, where any other duty prevents him/her from doing so, disclose the conflicting interest to the Trust and refrain from participating in any discussions or decisions with regard to the matter in question;
- (d) ensure that the Trust complies with any direction, requirement, notice or duty imposed on it by the 2005 Act.

Secretary

27 The Trustees shall appoint a secretary to the Trust for such term, at such remuneration (if any) and on such conditions, as the Trustees may think fit; and any secretary so appointed may be removed by them. The secretary need not be a Trustee but may be an employee (in which case, they cannot also be a Trustee).

28 The Trustees shall ensure that the secretary:

- (a) Keeps proper minutes of all proceedings at meetings of the Trustees (and at meetings of committees of the Trustees), including the names of the Trustees present at each such meeting;
- (b) Keeps proper records and documents in relation to all other matters connected with the administration and management of the Trust.

Accounts

29 The Trustees shall ensure that proper accounting records are maintained, in accordance with all applicable statutory requirements.

30 The Trustees shall prepare annual accounts, in liaison with the treasurer appointed under clause 32, as appropriate, and complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if the Trustees otherwise think fit, the Trustees shall ensure that an audit of such accounts is carried out by a qualified auditor.

31 An accountant engaged in an audit or independent examination of the Trust's accounts shall be entitled to have access to all accounting records and other documents relating to the Trust.

Operation of bank accounts

- 32 The Trustees shall appoint a treasurer to the Trust for such term, at such remuneration (if any) and on such conditions, as the Trustees may think fit; and any treasurer so appointed may be removed by them. The treasurer shall be the Founding Trustee's Section 95 Officer, or such other suitable individual with appropriate financial expertise identified for this role by the Founding Trustee. The Trustees shall identify an appropriate number of authorised signatories, including the treasurer, whose signature(s) (where appropriate, at least two signatures) shall be required in relation to all cheques issued by the Trust and all other operations (excluding lodgement of funds) on the bank and building society accounts held by the Trust.

Payments to charities etc

- 33 The receipt of the treasurer or other appropriate officer for any funds or other assets paid or transferred by the Trustees to any charitable body shall represent sufficient discharge to the Trustees.

Limitations on liability

- 34 The Trustees shall not be liable for loss or depreciation of the value of investments retained or made by them, nor for omissions, nor for neglect in management, nor for insolvency of debtors, nor for the acts, omissions, neglect or default of one another or of any banker, solicitor, factor or other agent employed by them.

Amendment of Trust Deed / winding-up

- 35 If in the opinion of the Trustees any change in circumstances or alteration in the law has made or is likely to make execution of the Trust Purposes impossible or impracticable, or if in the opinion of the Trustees the administration of the Trust could be improved, or the Trust Purposes be advanced in a more appropriate manner, the Trustees may (subject to clauses 36 and 37) in their discretion,
- (a) supplement or amend the provisions of this trust deed or any deed supplemental to this trust deed; or
 - (b) wind up the Trust and transfer the Trust Property (after settlement of all debts and liabilities) to some other charitable body or bodies having similar objects to those of the Trust.
- 36 The Trustees shall not take any of the steps referred to in clause 35 without the authority of a resolution passed at a meeting of the Trustees by a majority of three quarters or more of the Trustees then in office (the Founding Trustee's decision on any such step must be passed by at least three quarters of the Council Members then in office).
- 37 In no circumstances is the Trust Property to be held or applied for any purpose which is not an exclusively charitable purpose.

Interpretation

- 38 In this Trust Deed:

"**the 2005 Act**" means the Charities and Trustee Investment (Scotland) Act 2005 (including any statutory amendment or re-enactment for the time being in force);

"**charitable**" shall be interpreted as charitable within the meaning of both the Taxes Acts and section 7 of the 2005 Act;

"**charity**" shall mean a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts;

"**Council Member**" means an elected member of the said Scottish Borders Council;

"Section 95 Officer" means the proper officer appointed by the Founding Trustee in terms of Section 95 of the Local Government (Scotland) Act 1973 (including any statutory amendment or re-enactment for the time being in force) with responsibility for the proper administration of financial affairs of the Founding Trustee.

"Trust Deed" means this trust deed (including any supplementation or amendment effected in accordance with the provisions of clauses 35 to 37);

"Trustees" has the meaning specified in clause 5.

"Trust Property" means the sum of £1 paid by the Council to the Trustees, and such other funds and assets as may from time to time be received by the Trustees as Trustees under the Trust Deed (from the Council or any other person), and the assets in which any funds so received may from time to time be invested.

"Trust Purposes" has the meaning specified in clause 1.

We declare that the Trust Deed shall be irrevocable.

This trust deed, consisting of this and the six preceding pages, is executed as follows:

APPENDIX 1b

TRUST DEED

OF

SBC WELFARE TRUST

March 2014

PFA/MDA/SCOT/166/32(3)

Trust Deed

We, SCOTTISH BORDERS COUNCIL established under the Local Government Etc (Scotland) Act 1994 with our principal offices at Council Headquarters, Newtown St Boswells, Melrose TD6 0SA (**"the Council"**),

In order to create a trust to be known as

SBC WELFARE TRUST (**"the Trust"**).

Appoint the said SCOTTISH BORDERS COUNCIL as trustee (who and whose successors are referred to as **"the Founding Trustee"**);

Pay the sum of £1 to the Founding Trustee;

And we direct as follows:

Trust purposes

1 The Trustees (as hereinafter defined) shall hold and apply the sum of £1 paid by us to them, and such other funds and assets as may from time to time be comprised in the Trust Property (as hereinafter defined), in trust for the following purposes (**"the Trust Purposes"**):

- (a) The prevention or relief of poverty;
- (b) The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage; or
- (c) The advancement of health, including the advancement of education in health;

By, among other things, the payment of grants and / or loans to such charities or other organisations or to such individuals who are deserving of benefit as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit, to be applied by such recipients for the charitable purposes of either the prevention or relief of poverty or the relief of those in need or the advancement of health, as appropriate.

2 The expenses of creating and administering the Trust, and any tax payable in relation to the Trust, shall be met in priority to all other payments and transfers of assets out of the Trust Property.

Powers

3 In the administration of the Trust, the Trustees shall, in addition to the powers and rights which are conferred by law upon trustees who are acting without remuneration, have the fullest powers with regard to investment, sale, administration and management of the Trust Property as if they were owners; in particular (but without limiting the scope of the powers which they may exercise under the preceding provision), the Trustees shall have the following powers:

- (a) To support such organisations, charities, and individuals, through the provision of payments whether as absolute grants and / or loans, and subject to such terms and conditions, as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit.
- (b) To take over and assume the whole assets and liabilities and generally the whole undertaking of various trusts held by the Council with purposes related to the prevention or relief of poverty or the relief of those in need or the advancement of health, with a view to managing, discharging

and generally dealing with the same in furtherance of the Trust Purposes thereafter.

- (c) To carry on any other activities which further any of the Trust Purposes.
- (d) To raise funds and otherwise acquire such monies and assets in order to pursue the Trust Purposes.
- (e) To enter into any legal or financial negotiation or arrangement, as considered appropriate in order to pursue the Trust Purposes.
- (f) To take such steps as may be deemed appropriate for the purpose of raising funds.
- (g) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (h) To establish and/or support any other charitable body, and to make donations for any charitable purpose falling within the Trust Purposes.
- (i) To purchase, take on lease, hire, or otherwise acquire, any property or rights, provided that appropriate financial, legal and other advice is obtained prior to any such action.
- (j) To improve, manage, develop, or otherwise deal with, all or any part of the Trust Property.
- (k) To sell, let, hire out, license, or otherwise dispose of, all or any part of the Trust Property.
- (l) To borrow money, and to give security in support of any such borrowings by the Trust, provided that appropriate financial, legal and other advice is obtained prior to any such action.
- (m) To employ such staff as are considered appropriate for the proper administration of the Trust or for the proper conduct of the Trust's activities, and to make reasonable provision for the payment of pension and / or other benefits for members of staff, ex-members of staff and their dependants.
- (n) To engage such consultants and advisers as are considered appropriate from time to time.
- (o) To effect insurance of all kinds (which may include officers' liability insurance).
- (p) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the Trust Purposes.
- (q) To form any charitable company with objects which are similar (wholly or in part) to those of the Trust, and, if considered appropriate, to transfer to any such company (without any payment being required from the company) the whole or any part of the Trust Property.
- (r) To retain any property comprised in the Trust Property for such time as the Trustees think proper.
- (s) To have any part of the Trust Property registered in the name of a nominee and to pay reasonable fees to such nominee.
- (t) To grant proxies in favour of any of the Trustees (or any other person) to attend, act and vote for the Trustees at any meetings (whether of the nature of general meetings, class meetings, creditors' meetings or otherwise) relating to any investment held by the Trustees or relating to any claim by the Trustees in any liquidation or sequestration proceedings.
- (u) To compromise or settle by arbitration all disputed claims by or against the Trust or the Trust Property.
- (v) To appoint one or more of the Trustees (or any firm of which any of the Trustees is a partner) to be solicitors to the Trust or agent for the Trustees in any other capacity, and to pay to such

solicitors or other agent his/her/their usual charges.

- (w) To reimburse any of the Trustees out of the Trust Property, in relation to all expenses reasonably incurred by him/her in the administration of the Trust.
- (x) To do anything which may be incidental or conducive to the furtherance of any of the Trust Purposes.

Number of Trustees

- 4 The number of Trustees shall not be less than 1 (one), being the Founding Trustee. There is no maximum number of Trustees.

Appointment / removal / resignation

- 5 The Trustees shall be entitled to appoint an additional trustee or trustees, whether a corporate body, an individual or an individual appointed *ex officio*, by way of a resolution passed by a majority vote at a meeting of the Trustees. The Founding Trustee and any additional trustees appointed in terms of this clause 5 shall be "**the Trustees**".
- 6 The Trustees shall have power to remove any individual as an additional trustee, by way of a resolution passed at a meeting of the Trustees by a majority of the Trustees then in office (where the Founding Trustee has one vote, and any additional Trustee also has one vote).
- 7 An individual holding office as an additional Trustee may retire by giving notice in writing to that effect to the secretary to the Trust.

Procedure at Trustees' meetings

- 8 Subject to the provisions of the following clauses, the Trustees may regulate their proceedings as they think fit. Decisions by the Founding Trustee will be taken in meetings constituted in the same manner as a meeting of the Council or a sub-committee of the Council.
- 9 A meeting of the Trust shall be held at least once in each year.
- 10 Any Trustee (or Council Member as a representative of the Founding Trustee) may call a meeting of the Trust, or request the secretary to the Trust to call a meeting of the Trust.
- 11 No notice of a meeting of the Trust need be given to any Trustee (or Council Member as a representative of the Founding Trustee) who is absent from the United Kingdom.
- 12 Questions arising at a meeting of the Trust shall be decided by a majority of votes, on the basis of one vote per Trustee present (or, for the Founding Trustee, by a majority of the Council Members present at the meeting); where there is an equality of votes, the chairperson of the meeting shall have a casting vote.
- 13 No business shall be dealt with at a meeting of the Trustees unless a quorum is present; the quorum for meetings of the Trustees shall be one, the Founding Trustee (and for a quorum representing the Founding Trustee, at least one quarter of the Council Members currently in post must be present).
- 14 The Founding Trustee shall appoint one of the Council Members to be Chairperson, and may at any time remove the person so appointed from that office.
- 15 Unless he/she is unwilling to do so the Chairperson shall preside as chairperson at every meeting of the Trustees at which he/she is present; if the Chairperson is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Trustees present may elect from among themselves the person who will act as chairperson of the meeting.
- 16 All acts bona fide done by any meeting of the Trustees, by a committee of the Trustees or by a person acting as a Trustee, shall, notwithstanding that it is afterwards discovered that there was a defect in the

appointment of any Trustee or that any of them had ceased to hold office or was not entitled to vote, be as valid as if every such person had been duly appointed and had continued to be a Trustee and had been entitled to vote.

- 17 A resolution in writing signed by all the persons holding office as Trustees at the time shall be as valid and effective as if it had been passed at a meeting of the Trustees duly convened and held; a resolution of that kind may take the form of a number of copies containing the text of the resolution, with each copy being signed by one or more Trustees.

Sub-committees

- 18 The Trustees may delegate any of their powers to any committee consisting of two or more Trustees or two or more Council Members (as representatives of the Founding Trustee); any such delegation of powers may be made subject to such conditions as the Trustees may impose, and may be revoked or altered.
- 19 Subject to any condition imposed in pursuance of the preceding clause, the proceedings of a committee consisting of two or more Trustees shall be governed by the provisions of clauses 8 to 17 so far as they are capable of applying.

Personal interests

- 20 A Trustee or a Council Member who has a personal interest in any transaction or other arrangement which the Trust is proposing to enter into, must declare that interest at a meeting of the Trustees; he/she will be debarred from voting on the question of whether or not the Trust should enter into that arrangement.
- 21 For the purposes of the preceding clause 20, a Trustee or a Council Member shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or trustee (or any other party who/which is deemed to be connected with him/her in terms of section 68(2) of the 2005 Act), has a personal interest in that arrangement.
- 22 Provided (a) he/she has declared his/her interest (b) he/she has not voted on the question of whether or not the Trust should enter into the relevant arrangement and (c) clauses 23 to 25 (remuneration) are complied with – then a Trustee or Council Member will not be debarred from entering into an arrangement with the Trust in which he/she has a personal interest (or is deemed to have a personal interest under clause 21) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

Remuneration and expenses

- 23 Trustees and / or Council Members may not:
- (a) Serve as an employees (full-time or part-time) of the Trust
 - (b) Be given any remuneration by the Trust for carrying out his/her duties as a Trustee.
- 24 Where a Trustee or Council Member provides services to the Trust, or might benefit from any remuneration paid to a connected party for such services, then:
- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable; and
 - (b) the Trustees must be satisfied that it would be in the interests of the Trust to enter into the arrangement (taking account of that maximum amount); and
 - (c) less than half of the Trustees must be receiving remuneration from the Trust (or benefit from remuneration of that nature); and less than half of the Council Members must be receiving remuneration from the Trust (or benefit from remuneration of that nature).

- 25** Trustees, and Council Members acting on behalf of the Founding Trustee, may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Trust or otherwise in connection with the carrying-out of their duties.

Conduct

- 26** Each of the Trustees shall, in exercising his/her functions as a Trustee (and each of the Council Members, in exercising his/her functions as a representative of the Founding Trustee), act in the interests of the Trust; and, in particular, must:
- (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with the Trust Purposes;
 - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the Trust and any other party, put the interests of the Trust before that of the other party, in taking decisions as a Trustee; or, where any other duty prevents him/her from doing so, disclose the conflicting interest to the Trust and refrain from participating in any discussions or decisions with regard to the matter in question;
 - (d) ensure that the Trust complies with any direction, requirement, notice or duty imposed on it by the 2005 Act.

Secretary

- 27** The Trustees shall appoint a secretary to the Trust for such term, at such remuneration (if any) and on such conditions, as the Trustees may think fit; and any secretary so appointed may be removed by them. The secretary need not be a Trustee but may be an employee (in which case, they cannot also be a Trustee).
- 28** The Trustees shall ensure that the secretary:
- (a) Keeps proper minutes of all proceedings at meetings of the Trustees (and at meetings of committees of the Trustees), including the names of the Trustees present at each such meeting;
 - (b) Keeps proper records and documents in relation to all other matters connected with the administration and management of the Trust.

Accounts

- 29** The Trustees shall ensure that proper accounting records are maintained, in accordance with all applicable statutory requirements.
- 30** The Trustees shall prepare annual accounts, in liaison with the treasurer appointed under clause 32, as appropriate, and complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if the Trustees otherwise think fit, the Trustees shall ensure that an audit of such accounts is carried out by a qualified auditor.
- 31** An accountant engaged in an audit or independent examination of the Trust's accounts shall be entitled to have access to all accounting records and other documents relating to the Trust.

Operation of bank accounts

- 32** The Trustees shall appoint a treasurer to the Trust for such term, at such remuneration (if any) and on such conditions, as the Trustees may think fit; and any treasurer so appointed may be removed by them. The treasurer shall be the Founding Trustee's Section 95 Officer, or such other suitable individual with

appropriate financial expertise identified for this role by the Founding Trustee. The Trustees shall identify an appropriate number of authorised signatories, including the treasurer, whose signature(s) (where appropriate, at least two signatures) shall be required in relation to all cheques issued by the Trust and all other operations (excluding lodgement of funds) on the bank and building society accounts held by the Trust.

Payments to charities etc

- 33 The receipt of the treasurer or other appropriate officer for any funds or other assets paid or transferred by the Trustees to any charitable body shall represent sufficient discharge to the Trustees.

Limitations on liability

- 34 The Trustees shall not be liable for loss or depreciation of the value of investments retained or made by them, nor for omissions, nor for neglect in management, nor for insolvency of debtors, nor for the acts, omissions, neglect or default of one another or of any banker, solicitor, factor or other agent employed by them.

Amendment of Trust Deed / winding-up

- 35 If in the opinion of the Trustees any change in circumstances or alteration in the law has made or is likely to make execution of the Trust Purposes impossible or impracticable, or if in the opinion of the Trustees the administration of the Trust could be improved, or the Trust Purposes be advanced in a more appropriate manner, the Trustees may (subject to clauses 36 and 37) in their discretion,
- (a) supplement or amend the provisions of this trust deed or any deed supplemental to this trust deed; or
 - (b) wind up the Trust and transfer the Trust Property (after settlement of all debts and liabilities) to some other charitable body or bodies having similar objects to those of the Trust.
- 36 The Trustees shall not take any of the steps referred to in clause 35 without the authority of a resolution passed at a meeting of the Trustees by a majority of three quarters or more of the Trustees then in office (the Founding Trustee's decision on any such step must be passed by at least three quarters of the Council Members then in office).
- 37 In no circumstances is the Trust Property to be held or applied for any purpose which is not an exclusively charitable purpose.

Interpretation

- 38 In this Trust Deed:

"the 2005 Act" means the Charities and Trustee Investment (Scotland) Act 2005 (including any statutory amendment or re-enactment for the time being in force);

"charitable" shall be interpreted as charitable within the meaning of both the Taxes Acts and section 7 of the 2005 Act;

"charity" shall mean a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts;

"Council Member" means an elected member of the said Scottish Borders Council;

"Section 95 Officer" means the proper officer appointed by the Founding Trustee in terms of Section 95 of the Local Government (Scotland) Act 1973 (including any statutory amendment or re-enactment for the time being in force) with responsibility for the proper administration of financial affairs of the Founding Trustee.

"Trust Deed" means this trust deed (including any supplementation or amendment effected in

accordance with the provisions of clauses 35 to 37);

"Trustees" has the meaning specified in clause 5.

"Trust Property" means the sum of £1 paid by the Council to the Trustees, and such other funds and assets as may from time to time be received by the Trustees as Trustees under the Trust Deed (from the Council or any other person), and the assets in which any funds so received may from time to time be invested.

"Trust Purposes" has the meaning specified in clause 1.

We declare that the Trust Deed shall be irrevocable.

This trust deed, consisting of this and the six preceding pages, is executed as follows:

SIGNED on behalf of the said SCOTTISH BORDERS COUNCIL:



APPENDIX 1c

TRUST DEED

OF

SBC EDUCATIONAL TRUST

March 2014

PFA/MDA/SCOT/166/32(2)

Trust Deed

We, SCOTTISH BORDERS COUNCIL established under the Local Government Etc (Scotland) Act 1994 with our principal offices at Council Headquarters, Newtown St Boswells, Melrose TD6 0SA (**"the Council"**),

In order to create a trust to be known as

SBC EDUCATIONAL TRUST ("the Trust").

Appoint the said SCOTTISH BORDERS COUNCIL as trustee (who and whose successors are referred to as **"the Founding Trustee"**);

Pay the sum of £1 to the Founding Trustee;

And we direct as follows:

Trust purposes

1 The Trustees (as hereinafter defined) shall hold and apply the sum of £1 paid by us to them, and such other funds and assets as may from time to time be comprised in the Trust Property (as hereinafter defined), in trust for the following purposes (**"the Trust Purposes"**):

To advance education and / or promote cultural exchange by, among other things, the payment of grants and / or loans, the award of bursaries, the award of prizes, payment towards cultural exchanges that further an educational purpose both within the Scottish Borders area and further afield (including abroad), to such educational institutions, charities or other organisations or to such individuals deserving of benefit as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit, to be applied by such recipients for the charitable purposes of the advancement of education and / or the promotion of cultural exchange.

2 The expenses of creating and administering the Trust, and any tax payable in relation to the Trust, shall be met in priority to all other payments and transfers of assets out of the Trust Property.

Powers

3 In the administration of the Trust, the Trustees shall, in addition to the powers and rights which are conferred by law upon trustees who are acting without remuneration, have the fullest powers with regard to investment, sale, administration and management of the Trust Property as if they were owners; in particular (but without limiting the scope of the powers which they may exercise under the preceding provision), the Trustees shall have the following powers:

- (a) To support such educational institutions, organisations, charities, and individuals, through the provision of payments whether as absolute grants and / or loans, and subject to such terms and conditions, as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit.
- (b) To provide bursaries to such educational institutions, organisations, charities, and individuals, and subject to such terms and conditions, as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit.
- (c) To provide prizes to such educational institutions, organisations, charities, and individuals, as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit.

- (d) To support cultural exchanges that further an educational purpose both within the Scottish Borders area and further afield (including abroad) between such educational institutions, organisations, charities, and individuals, and subject to such terms and conditions, as the Trustees shall, in their sole and unfettered discretion, select as suitable recipients of such benefit.
- (e) To take over and assume the whole assets and liabilities and generally the whole undertaking of various educational trusts held by the Council with a view to managing, discharging and generally dealing with the same in furtherance of the Trust Purposes thereafter.
- (f) To carry on any other activities which further any of the Trust Purposes.
- (g) To raise funds and otherwise acquire such monies and assets in order to pursue the Trust Purposes.
- (h) To enter into any legal or financial negotiation or arrangement, as considered appropriate in order to pursue the Trust Purposes.
- (i) To take such steps as may be deemed appropriate for the purpose of raising funds.
- (j) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (k) To establish and/or support any other charitable body, and to make donations for any charitable purpose falling within the Trust Purposes.
- (l) To purchase, take on lease, hire, or otherwise acquire, any property or rights, provided that appropriate financial, legal and other advice is obtained prior to any such action.
- (m) To improve, manage, develop, or otherwise deal with, all or any part of the Trust Property.
- (n) To sell, let, hire out, license, or otherwise dispose of, all or any part of the Trust Property.
- (o) To borrow money, and to give security in support of any such borrowings by the Trust, provided that appropriate financial, legal and other advice is obtained prior to any such action.
- (p) To employ such staff as are considered appropriate for the proper administration of the Trust or for the proper conduct of the Trust's activities, and to make reasonable provision for the payment of pension and / or other benefits for members of staff, ex-members of staff and their dependants.
- (q) To engage such consultants and advisers as are considered appropriate from time to time.
- (r) To effect insurance of all kinds (which may include officers' liability insurance).
- (s) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the Trust Purposes.
- (t) To form any charitable company with objects which are similar (wholly or in part) to those of the Trust, and, if considered appropriate, to transfer to any such company (without any payment being required from the company) the whole or any part of the Trust Property.
- (u) To retain any property comprised in the Trust Property for such time as the Trustees think proper.
- (v) To have any part of the Trust Property registered in the name of a nominee and to pay reasonable fees to such nominee.
- (w) To grant proxies in favour of any of the Trustees (or any other person) to attend, act and vote for the Trustees at any meetings (whether of the nature of general meetings, class meetings,

creditors' meetings or otherwise) relating to any investment held by the Trustees or relating to any claim by the Trustees in any liquidation or sequestration proceedings.

- (x) To compromise or settle by arbitration all disputed claims by or against the Trust or the Trust Property.
- (y) To appoint one or more of the Trustees (or any firm of which any of the Trustees is a partner) to be solicitors to the Trust or agent for the Trustees in any other capacity, and to pay to such solicitors or other agent his/her/their usual charges.
- (z) To reimburse any of the Trustees out of the Trust Property, in relation to all expenses reasonably incurred by him/her in the administration of the Trust.
- (aa) To do anything which may be incidental or conducive to the furtherance of any of the Trust Purposes.

Number of Trustees

- 4 The number of Trustees shall not be less than 1 (one), being the Founding Trustee. There is no maximum number of Trustees.

Appointment / removal / resignation

- 5 The Trustees shall be entitled to appoint an additional trustee or trustees, whether a corporate body, an individual or an individual appointed *ex officio*, by way of a resolution passed by a majority vote at a meeting of the Trustees. The Founding Trustee and any additional trustees appointed in terms of this clause 5 shall be "**the Trustees**".
- 6 The Trustees shall have power to remove any individual as an additional trustee, by way of a resolution passed at a meeting of the Trustees by a majority of the Trustees then in office (where the Founding Trustee has one vote, and any additional Trustee also has one vote).
- 7 An individual holding office as an additional Trustee may retire by giving notice in writing to that effect to the secretary to the Trust.

Procedure at Trustees' meetings

- 8 Subject to the provisions of the following clauses, the Trustees may regulate their proceedings as they think fit. Decisions by the Founding Trustee will be taken in meetings constituted in the same manner as a meeting of the Council or a sub-committee of the Council.
- 9 A meeting of the Trust shall be held at least once in each year.
- 10 Any Trustee (or Council Member as a representative of the Founding Trustee) may call a meeting of the Trust, or request the secretary to the Trust to call a meeting of the Trust.
- 11 No notice of a meeting of the Trust need be given to any Trustee (or Council Member as a representative of the Founding Trustee) who is absent from the United Kingdom.
- 12 Questions arising at a meeting of the Trust shall be decided by a majority of votes, on the basis of one vote per Trustee present (or, for the Founding Trustee, by a majority of the Council Members present at the meeting); where there is an equality of votes, the chairperson of the meeting shall have a casting vote.
- 13 No business shall be dealt with at a meeting of the Trustees unless a quorum is present; the quorum for meetings of the Trustees shall be one, the Founding Trustee (and for a quorum representing the Founding Trustee, at least one quarter of the Council Members currently in post must be present).
- 14 The Founding Trustee shall appoint one of the Council Members to be Chairperson, and may at any time remove the person so appointed from that office.

- 15 Unless he/she is unwilling to do so the Chairperson shall preside as chairperson at every meeting of the Trustees at which he/she is present; if the Chairperson is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Trustees present may elect from among themselves the person who will act as chairperson of the meeting.
- 16 All acts bona fide done by any meeting of the Trustees, by a committee of the Trustees or by a person acting as a Trustee, shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any Trustee or that any of them had ceased to hold office or was not entitled to vote, be as valid as if every such person had been duly appointed and had continued to be a Trustee and had been entitled to vote.
- 17 A resolution in writing signed by all the persons holding office as Trustees at the time shall be as valid and effective as if it had been passed at a meeting of the Trustees duly convened and held; a resolution of that kind may take the form of a number of copies containing the text of the resolution, with each copy being signed by one or more Trustees.

Sub-committees

- 18 The Trustees may delegate any of their powers to any committee consisting of two or more Trustees or two or more Council Members (as representatives of the Founding Trustee); any such delegation of powers may be made subject to such conditions as the Trustees may impose, and may be revoked or altered.
- 19 Subject to any condition imposed in pursuance of the preceding clause, the proceedings of a committee consisting of two or more Trustees shall be governed by the provisions of clauses 8 to 17 so far as they are capable of applying.

Personal interests

- 20 A Trustee or a Council Member who has a personal interest in any transaction or other arrangement which the Trust is proposing to enter into, must declare that interest at a meeting of the Trustees; he/she will be debarred from voting on the question of whether or not the Trust should enter into that arrangement.
- 21 For the purposes of the preceding clause 20, a Trustee or a Council Member shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or trustee (or any other party who/which is deemed to be connected with him/her in terms of section 68(2) of the 2005 Act), has a personal interest in that arrangement.
- 22 Provided (a) he/she has declared his/her interest (b) he/she has not voted on the question of whether or not the Trust should enter into the relevant arrangement and (c) clauses 23 to 25 (remuneration) are complied with – then a Trustee or Council Member will not be debarred from entering into an arrangement with the Trust in which he/she has a personal interest (or is deemed to have a personal interest under clause 21) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

Remuneration and expenses

- 23 Trustees and / or Council Members may not:
- (a) Serve as an employees (full-time or part-time) of the Trust
 - (b) Be given any remuneration by the Trust for carrying out his/her duties as a Trustee.
- 24 Where a Trustee or Council Member provides services to the Trust, or might benefit from any remuneration paid to a connected party for such services, then:
- (a) the maximum amount of the remuneration must be specified in a written agreement and must be

reasonable; and

- (b) the Trustees must be satisfied that it would be in the interests of the Trust to enter into the arrangement (taking account of that maximum amount); and
- (c) less than half of the Trustees must be receiving remuneration from the Trust (or benefit from remuneration of that nature); and less than half of the Council Members must be receiving remuneration from the Trust (or benefit from remuneration of that nature).

25 Trustees, and Council Members acting on behalf of the Founding Trustee, may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Trust or otherwise in connection with the carrying-out of their duties.

Conduct

26 Each of the Trustees shall, in exercising his/her functions as a Trustee (and each of the Council Members, in exercising his/her functions as a representative of the Founding Trustee), act in the interests of the Trust; and, in particular, must:

- (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with the Trust Purposes;
- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
- (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the Trust and any other party, put the interests of the Trust before that of the other party, in taking decisions as a Trustee; or, where any other duty prevents him/her from doing so, disclose the conflicting interest to the Trust and refrain from participating in any discussions or decisions with regard to the matter in question;
- (d) ensure that the Trust complies with any direction, requirement, notice or duty imposed on it by the 2005 Act.

Secretary

27 The Trustees shall appoint a secretary to the Trust for such term, at such remuneration (if any) and on such conditions, as the Trustees may think fit; and any secretary so appointed may be removed by them. The secretary need not be a Trustee but may be an employee (in which case, they cannot also be a Trustee).

28 The Trustees shall ensure that the secretary:

- (a) Keeps proper minutes of all proceedings at meetings of the Trustees (and at meetings of committees of the Trustees), including the names of the Trustees present at each such meeting;
- (b) Keeps proper records and documents in relation to all other matters connected with the administration and management of the Trust.

Accounts

29 The Trustees shall ensure that proper accounting records are maintained, in accordance with all applicable statutory requirements.

30 The Trustees shall prepare annual accounts, in liaison with the treasurer appointed under clause 32, as appropriate, and complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if the Trustees otherwise think fit, the Trustees shall ensure that an audit of such accounts is carried out by a qualified auditor.

- 31 An accountant engaged in an audit or independent examination of the Trust's accounts shall be entitled to have access to all accounting records and other documents relating to the Trust.

Operation of bank accounts

- 32 The Trustees shall appoint a treasurer to the Trust for such term, at such remuneration (if any) and on such conditions, as the Trustees may think fit; and any treasurer so appointed may be removed by them. The treasurer shall be the Founding Trustee's Section 95 Officer, or such other suitable individual with appropriate financial expertise identified for this role by the Founding Trustee. The Trustees shall identify an appropriate number of authorised signatories, including the treasurer, whose signature(s) (where appropriate, at least two signatures) shall be required in relation to all cheques issued by the Trust and all other operations (excluding lodgement of funds) on the bank and building society accounts held by the Trust.

Payments to charities etc

- 33 The receipt of the treasurer or other appropriate officer for any funds or other assets paid or transferred by the Trustees to any charitable body shall represent sufficient discharge to the Trustees.

Limitations on liability

- 34 The Trustees shall not be liable for loss or depreciation of the value of investments retained or made by them, nor for omissions, nor for neglect in management, nor for insolvency of debtors, nor for the acts, omissions, neglect or default of one another or of any banker, solicitor, factor or other agent employed by them.

Amendment of Trust Deed / winding-up

- 35 If in the opinion of the Trustees any change in circumstances or alteration in the law has made or is likely to make execution of the Trust Purposes impossible or impracticable, or if in the opinion of the Trustees the administration of the Trust could be improved, or the Trust Purposes be advanced in a more appropriate manner, the Trustees may (subject to clauses 36 and 37) in their discretion,
- (a) supplement or amend the provisions of this trust deed or any deed supplemental to this trust deed; or
 - (b) wind up the Trust and transfer the Trust Property (after settlement of all debts and liabilities) to some other charitable body or bodies having similar objects to those of the Trust.
- 36 The Trustees shall not take any of the steps referred to in clause 35 without the authority of a resolution passed at a meeting of the Trustees by a majority of three quarters or more of the Trustees then in office (the Founding Trustee's decision on any such step must be passed by at least three quarters of the Council Members then in office).
- 37 In no circumstances is the Trust Property to be held or applied for any purpose which is not an exclusively charitable purpose.

Interpretation

- 38 In this Trust Deed:

"the 2005 Act" means the Charities and Trustee Investment (Scotland) Act 2005 (including any statutory amendment or re-enactment for the time being in force);

"charitable" shall be interpreted as charitable within the meaning of both the Taxes Acts and section 7 of the 2005 Act;

"charity" shall mean a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts;

"Council Member" means an elected member of the said Scottish Borders Council;

"Section 95 Officer" means the proper officer appointed by the Founding Trustee in terms of Section 95 of the Local Government (Scotland) Act 1973 (including any statutory amendment or re-enactment for the time being in force) with responsibility for the proper administration of financial affairs of the Founding Trustee.

"Trust Deed" means this trust deed (including any supplementation or amendment effected in accordance with the provisions of clauses 35 to 37);

"Trustees" has the meaning specified in clause 5.

"Trust Property" means the sum of £1 paid by the Council to the Trustees, and such other funds and assets as may from time to time be received by the Trustees as Trustees under the Trust Deed (from the Council or any other person), and the assets in which any funds so received may from time to time be invested.

"Trust Purposes" has the meaning specified in clause 1.

We declare that the Trust Deed shall be irrevocable.

This trust deed, consisting of this and the six preceding pages, is executed as follows:

SIGNED on behalf of the said SCOTTISH BORDERS COUNCIL:

SBC Funds which are Registered Charities

Appendix 2

Charity Registration Number	Fund Name	Geographical Area Restriction	SBC Welfare Trust	SBC Community Enhancement Trust	SBC Education Trust	For Year Ending 31 March 2014			As at 31 March 2014	
						Annual Income	Annual Expenditure	Net Revenue Surplus/(Deficit)	Capital Balance	Revenue Balance
SC017682	Swinton Village Trust	Berwickshire		✓		171.18	0.00	171.18	1,394.20	10,505.72
SC019156	W Dick Trust	Selkirkshire		✓		15.38	0.00	15.38	501.30	504.56
SC019589	Allerley Well Park Trust	Allerley Well Park, Jedburgh		✓		45.32	45.32	0.00	1,440.00	0.00
SC017674	W Bell (Peelwalls)	N/A		✓		0.73	0.73	0.00	20.00	2.44
SC019159	Ladhope Burial Ground Fund	N/A		✓		41.19	41.19	0.00	933.39	0.00
SC018720	Miss J M Aitken Bequest	N/A		✓		5.70	5.70	0.00	133.38	242.09
SC019585	Hawick War Memorial Fund	Teviot & Liddesdale		✓		253.27	253.27	0.00	1,014.45	16,314.52
SC017683	W R Watson Bequest	Berwickshire	✓	✓		524.33	0.00	524.33	5,216.78	30,197.93
SC019588	J Hunter Scott(Mrs J D Smith) Bequest	Teviot & Liddesdale		✓		88.50	0.00	88.50	0.00	6,275.08
SC019163	Henderson Endowment	Henderson Park and Gordon War Memorial, Gordon		✓		8.00	81.63	-73.63	284.19	183.69
SC020932	I Thom Prize Fund	N/A			✓	99.64	40.00	59.64	823.86	765.53
SC018718	Miss Erskine's Mortification	Tweeddale	✓			10.07	0.00	10.07	320.07	338.62
SC017675	A Black Bequest	Berwickshire	✓			70.95	0.00	70.95	2,353.42	2,275.23
SC017676	G Collin Bequest	Berwickshire	✓			13.45	0.00	13.45	125.00	566.74
SC017677	Duns Parish Coal Fund	Berwickshire	✓			48.24	0.00	48.24	453.78	2,889.18
SC017678	T Fair Bequest	Berwickshire	✓			69.78	0.00	69.78	1,466.15	3,233.11
SC017679	Lord Majoribanks Bequest	Berwickshire	✓			53.47	0.00	53.47	397.01	2,227.22
SC017680	D MacWatt Bequest	Berwickshire	✓			382.77	0.00	382.77	5,850.29	20,293.94
SC017681	Robertson Bequest	Berwickshire	✓			4.23	0.00	4.23	100.00	46.96
SC018703	R Hamilton Bequest	Berwickshire	✓			21.99	0.00	21.99	113.53	1,791.14
SC018704	A Cameron Bequest	Berwickshire	✓			61.83	0.00	61.83	2,000.00	2,042.81
SC019158	I Hymers-Forrester Bequest	Galashiels & District	✓			0.00	0.00	0.00	477.88	873.77
SC019161	Murray Coal Fund	Galashiels & District	✓			0.00	0.00	0.00	895.68	1,866.91
SC019590	J H Halliburton Bequest	Jedburgh & District	✓			0.00	0.00	0.00	425.36	0.00
SC019591	K Veitch Memorial Fund	Jedburgh & District	✓			264.72	0.00	264.72	5,539.41	12,287.41
SC019157	Miss H Gibson Trust	Leaderdale & Melrose	✓			0.00	0.00	0.00	1,583.96	1,236.05
SC019160	Melrose Burgh Benevolent Trust	Leaderdale & Melrose	✓			47.54	0.00	47.54	1,358.38	1,156.86
SC019164	T Welsh bequest	Leaderdale & Melrose	✓			6.60	0.00	6.60	168.63	270.97
SC019587	Sibbald Bequest	Leaderdale & Melrose	✓			0.00	0.00	0.00	335.26	1,656.69
SC019584	Lt J B Innes Memorial Fund	Teviot & Liddesdale	✓			155.17	0.00	155.17	1,000.00	3,463.43
SC019586	Denhlom Bairns Trust	Teviot & Liddesdale	✓			43.08	0.00	43.08	500.00	2,468.60
SC018717	McCall and Veitch Bequest	Tweeddale	✓			0.00	0.00	0.00	647.35	148.55
SC018719	J Hope Benevolent Fund	Tweeddale	✓			55.61	0.00	55.61	1,000.00	636.54
SC018722	M Allan Bequest	Tweeddale	✓			0.00	0.00	0.00	2,100.00	1,880.54
						2,562.74	467.84	2,094.90	40,972.71	128,642.83
Charities not to be transferred										
SC019162	Ormiston Trust Institute	To be retained as separate Charity				17,019.73	17,019.73	0.00	55,355.53	305.48
Charities pending transfer										
SC015647	Thomas Howden Wildlife Award	Tweeddale			✓	165.16	0.00	165.16	1,175.75	2,488.05

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APPENDIX 3

SUMMARY OF CHARITY REORGANISATION BY NEW CHARITABLE TRUST

Charitable Purposes of the Trust:

- a Prevention or relief of poverty
- b Relief of those in need by reason of age, ill-health, Disability, financial hardship or other
- c Advancement of Health, including the advancement of education in health

Current Charity Reg. Number	Fund Name	Area Forum	Area Restriction	Charitable Trust purpose Restriction	Capital Balance	Revenue Balance	Revised Balances with Proposal max 5%	
					as at 31 March 2014	March 2014	Capital	Revenue
					£	£	£	£
SC017675	A Black Bequest	Berwickshire	Mid & East Berwickshire	a & b	2,353.42	2,275.23		
SC017676	G Collin Bequest	Berwickshire	Mid & East Berwickshire	a & b	125.00	566.74		
SC017677	Duns Parish Coal Fund	Berwickshire	Mid & East Berwickshire	a & b	453.78	2,889.18		
SC017678	T Fair Bequest	Berwickshire	Mid & East Berwickshire	a & b	1,466.15	3,233.11		
SC017679	Lord Majoribanks Bequest	Berwickshire	Mid & East Berwickshire	a & b	397.01	2,227.22		
SC017680	D MacWatt Bequest	Berwickshire	Mid & East Berwickshire	a & b	5,850.29	20,293.94		
SC017681	Robertson Bequest	Berwickshire	Mid & East Berwickshire	a & b	100.00	46.96		
SC018703	R Hamilton Bequest	Berwickshire	Mid & East Berwickshire	a & b	113.53	1,791.14		
SC017683	W R Watson Bequest (10% of Fund)	Berwickshire	Berwickshire	a & b	521.68	3,019.79		
SC018704	A Cameron Bequest	Berwickshire	Mid & East Berwickshire	a & b	2,000.00	2,042.81		
Total Berwickshire Area					13,380.86	38,386.12	49,178.98	2,588.00
SC019158	I Hymers-Forrester Bequest	Eildon	Galashiels & District	a & b	477.88	873.77		
SC019161	Murray Coal Fund	Eildon	Galashiels & District	a & b	895.68	1,866.91		
Sub-Total Galashiels & District					1,373.56	2,740.68	3,908.24	206.00
SC019157	Miss H Gibson Trust	Eildon	Leaderdale & Melrose	a & b	1,583.96	1,236.05		
SC019160	Melrose Burgh Benevolent Trust	Eildon	Leaderdale & Melrose	a & b	1,358.38	1,156.86		
SC019164	T Welsh bequest	Eildon	Leaderdale & Melrose	a & b	168.63	270.97		
SC019587	Sibbald Bequest	Eildon	Leaderdale & Melrose	a & b	335.26	1,656.69		
Sub-Total Leaderdale & Melrose					3,446.23	4,320.57	7,378.80	388.00
Total Eildon Area					4,819.79	7,061.25	11,287.04	594.00
SC019590	J H Halliburton Bequest	Cheviot	Jedburgh & District	a & b	425.36	0.00		
SC019591	K Veitch Memorial Fund	Cheviot	Jedburgh & District	a & b	5,539.41	12,287.41		
Total Cheviot Area					5,964.77	12,287.41	17,339.18	913.00
SC019584	Lt J B Innes Memorial Fund	Teviot & Liddesdale	Hawick & Denholm/ Hawick & Hermitage	a & b	1,000.00	3,463.43		
SC019586	Denholm Bairns Trust	Teviot & Liddesdale	Hawick & Denholm/ Hawick & Hermitage	a & b	500.00	2,468.60		
Total Teviot & Liddesdale Area					1,500.00	5,932.03	7,060.03	372.00
SC018718	Miss Erskine's Mortification	Tweeddale	Tweeddale East & West	None	320.07	338.62		
Sub-Total Total General Charitable Purposes					320.07	338.62	625.69	33.00
SC018717	McCall and Veitch Bequest	Tweeddale	Tweeddale East & West	a & b	647.35	148.55		
SC018719	J Hope Benevolent Fund	Tweeddale	Tweeddale East & West	a & b	1,000.00	636.54		
SC018722	M Allan Bequest	Tweeddale	Tweeddale East & West	a & b	2,100.00	1,880.54		
Sub-Total Total Specified Charitable Purposes a) & b)					3,747.35	2,665.63	6,091.98	321.00
Total Tweeddale Area					4,067.42	3,004.25	6,717.67	354.00
Total Reallocated to new SBC Welfare Trust Fund					29,732.84	66,671.06	91,582.90	4,821.00

Charitable Purposes of the Trust:

- a Advancement of community development
- b Advancement of the arts, heritage, culture or science, including the upkeep of heritage
- c Advancement of recreational facilities, or the organisation of recreational activities, with the object of improving condition of life for the persons for whom the facilities or activities are primarily intended
- d Advancement of environmental protection or improvement.

Current Charity Reg. Number	Fund Name	Area Forum	Area Restriction	Charitable Trust purpose Restriction	Capital Balance as at 31 March 2014 £	Revenue Balance £	Revised Balances with Proposal max 5%	
							Capital £	Revenue £
SC019159	Ladhope Burial Ground Fund		None	b	933.39	0.00		
SC018720	Miss J M Aitken Bequest		None	b	133.38	242.09		
SC017674	W Bell (Peelwalls)		None	b	20.00	2.44		
Total Borders Wide					1,086.77	244.53	1,264.30	67.00
SC017682	Swinton Village Trust	Berwickshire	Berwickshire	None	1,394.20	10,505.72		
Sub-Total General Charitable Purposes					1,394.20	10,505.72	11,304.92	595.00
SC017683	W R Watson Bequest (90% of Fund)	Berwickshire	Berwickshire	b	4,695.10	27,178.14		
Sub-Total Specific to Charitable Purposes b)					4,695.10	27,178.14	30,279.24	1,594.00
SC019163	Henderson Endowment	Berwickshire	Henderson Park and War Memorial, Gordon	Specific to location	284.19	183.69		
Sub-Total Specific to Charitable Purposes relating to Park & War Memorial					284.19	183.69	444.88	23.00
Total Berwickshire Area					6,373.49	37,867.55	42,029.04	2,212.00
SC019589	Allerley Well Park Trust	Cheviot	Allerley Well Park, Jedburgh	Specific to location	1,440.00	0.00		
Total Cheviot Area					1,440.00	0.00	1,440.00	0.00
SC019156	W Dick Trust	Eildon	Selkirkshire	None	501.30	504.56		
Total Eildon Area					501.30	504.56	955.86	50.00
SC019585	Hawick War Memorial Fund	Teviot & Liddesdale	Hawick & Denholm/ Hawick	b	1,014.45	16,314.52		
Sub-Total Specific to Charitable Purposes b)					1,014.45	16,314.52	16,462.97	866.00
SC019588	J Hunter Scott(Mrs J D Smith)	Teviot & Liddesdale	Hawick & Denholm/ Hawick	b & d	0.00	6,275.08		
Sub-Total Specific to Charitable Purposes b) and d)					0.00	6,275.08	5,961.08	314.00
Total Teviot & Liddesdale Area					1,014.45	22,589.60	22,424.05	1,180.00
Total Reallocated to new SBC Community Enhancement Trust Fund					10,416.01	61,206.24	68,113.25	3,509.00

Charitable Purposes of the Trust:
 a Advance Education
 b Promote Cultural Exchange

Current Charity Reg. Number	Fund Name	Area Forum	Area Restriction	Charitable Trust purpose Restriction	Capital	Revenue	Revised Balances with	
					Balance as at 31 March 2014 £	Balance 2014 £	Proposal max 5% Capital £	Revenue £
SC020932	I Thom Prize Fund		None	a	823.86	765.53		
Total Borders Wide					823.86	765.53	1,510.39	79.00
Total Reallocated to new SBC Education Trust Fund					823.86	765.53	1,510.39	79.00

SCOTTISH BORDERS COUNCIL

Additional Functions in relation to the Charitable Trusts

1. Review the annual performance of investments and monitor the Charitable Trusts.
2. Ensure appropriate investment Management arrangements are in place for the monies invested by the Charitable Trust Funds.
3. Review the Common Good and Trust Fund Investment Strategy and ensure that it continues to meet the needs of the Charitable Trusts.
4. Approve items of expenditure for any Charitable Trust of a value greater than the delegated limit to the Charitable Trusts Sub-Committees.
5. Consult such other parties as the Council considers appropriate prior to decision making, including Community Councils.
6. Determine any matters affecting the Charitable Trusts, other than those delegated to Charitable Trusts Sub-Committees.

CHARITABLE TRUSTS SUB-COMMITTEES

The Charitable Trusts that come under the remit of each Sub-Committee are SBC Welfare Trust, SBC Community Enhancement Trust, SBC Education Trust and the Ormiston Trust.

Constitution

For each Charitable Trusts Sub-Committee, the elected Scottish Borders Councillors representing the Ward(s) of:

For **Berwickshire Area** - Mid and East Berwickshire

For **Cheviot Area** - Jedburgh and District; Kelso and District

For **Eildon Area** - Leaderdale and Melrose, Galashiels and District,

For **Teviot & Liddesdale Area**- Hawick and Denholm; Hawick and Hermitage

For **Tweeddale Area**- Tweeddale East; Tweeddale West

Quorum

Three of the Scottish Borders Council Members of each Area Charitable Trusts Sub-Committee, including at least one representative from each Ward, shall constitute a quorum, except for the Eildon Area where five shall constitute a Quorum.

Chairman of each Sub-Committee

The Chairman of each Sub-Committee shall be a Scottish Borders Councillor.

Functions Referred

The following functions of the Scottish Borders Council Charitable Trusts shall stand referred to each Sub-Committee:

1. Consider the budget for the year ahead and otherwise hold meetings on an ad hoc basis to deal with business as it arises.
2. Agree the award criteria, within the scope of the charitable and geographical restrictions of the Trust, for awards to individuals or families for the delegated officer to work within.
3. Award grants of up to £500 from one of the Charitable Trusts within the geographical and charitable restrictions that apply in respect of the Area represented by the Sub-Committee.
- *4. Make recommendations to Council in respect of grants or major items of expenditure above £500 within the geographical and charitable restrictions that apply to in respect of the Area represented by the Sub-Committee.
5. Consult such other parties as the Sub-Committee considers appropriate prior to decision making.
6. Ensure the implementation of decisions affecting the Charitable Trusts as it affects the ward(s) covered by the Sub-Committee.

Functions Delegated

All functions above NOT marked *. Those functions marked * are referred to the Sub-Committee for consideration and recommendation only and must receive approval of the Scottish Borders Council.

CITY DEAL PROPOSAL

Report by Service Director Strategy & Policy

SCOTTISH BORDERS COUNCIL

21 MAY 2015

1 PURPOSE AND SUMMARY

- 1.1 This report seeks to update the Council on its participation in the development of a City Region Deal for the Edinburgh and South East of Scotland (EESCR).**
- 1.2 The report updates members on progress to date and outlines the next steps required to take forward a City Region Deal should Scottish Borders Council wish to continue to be a participant. It identifies the process for prioritising projects, infrastructure in scope and potential fund size.
- 1.3 The report also details the payment by results criteria, the potential risks for the authority in a City deal programme and the proposed next steps should members wish to continue to engage in the process.

2 RECOMMENDATIONS

2.1 I recommend that the Council:

- (a) **Notes the progress to date in developing a City Region Deal;**
- (b) **Approves the approach undertaken to developing the City Region Deal with respect to;**
- i) Key Objective and Programme Minima**
 - ii) Each Local Authority investing in its own projects**
- (c) **Agrees that the Council should continue to participate in developing a bid to UK and Scottish governments;**
- (d) **Agrees that a contribution from the Council of up to £60,000 should be made available to support the further development of the business case.**
- (e) **Subject to recommendation (d) delegate to the Service Director Strategy and Policy in consultation with the Economic Development Portfolio holder authority to approve stage 2 tender award; and**
- (f) **Agrees that officers should bring a further report to Executive once the shortlist of infrastructure projects have been agreed across the City Region.**

3 BACKGROUND

3.1 This report builds on the initial report to Executive Committee in February 2015 which outlined the potential benefits to the Scottish Borders in participating in a City Deal. The six participating authorities include

- a) Scottish Borders Council,
- b) Edinburgh City Council,
- c) Fife Council
- d) East Lothian Council
- e) West Lothian Council and
- f) Midlothian Council

At that time members approved our participation in the initial development of a business case, now termed the 'Prospectus' that would lay out to Scottish and UK ministers the potential benefits of a City Deal. The prospectus has now been completed.

3.2 In the intervening nine weeks officers from the participating Councils have been engaged in three workshops, numerous Director meetings including two Leaders updates. Economic Development portfolio holders have also met to ensure there is a collective understanding across the region on progress.

4 DEVELOPMENT OF THE BID

4.1 At the beginning of March 2015 KPMG were appointed by the partnership to assist in the development of the prospectus and initial development of the bid. KPMG have significant experience in developing successful City deals and have supported all of the major City Deal bids to date. As a result of their engagement the partnership has been able to make significant progress with the following activity.

4.2 Developing the Key Objective and Programme Minima

The key objective of the programme is a targeted increase in Gross Value Added (GVA). GVA is a measure of wealth in an economy, the value of goods and services produced in an area, industry or sector. Therefore any infrastructure investment programme must as its primary objective lead to an increase in GVA and productivity across the Region that would not have happened had there been no investment.

4.3 The increase in GVA being aimed for across the region is 5% over the 20 year period. This has been established following an assessment of other similar City Deals across the UK and is considered achievable by KPMG.

4.4 Two secondary criteria or 'Programme Minima' have also been established. The first is in relation to tackling inequality. The deal will seek to address economic inequality across the region through targeted action that improves opportunity for employment across our most disadvantaged areas and a consequential overall increase in the average wage. The second criteria relates to geographic balance. Principally, this seeks to ensure balance across the region in terms of projects and economic benefits delivered, e.g. as measured by improved access to employment.

4.5 Economic Prioritisation: Principles and Process

In the first City Deals a 'fund approach' was taken whereby partners pooled both national and local funding streams. The principle behind the pooled approach was a commitment to outcomes rather than a project. However, the most recent City Deal in Glasgow moved away from this approach and agreed a mechanism that required individual authorities to fund their own projects whilst maintaining a commitment to joint outcomes as evidenced by the Key objective and Programme Minima. At the City Region Leaders meeting it was proposed and accepted that the partnership should adopt a similar approach to Glasgow (subject to individual Council approval) and each participating authority be responsible for funding its own projects.

4.6 In terms of prioritising a projects' inclusion in the City Deal, KPMG has been tasked with developing an economic model that will be able to objectively assess each scheme against the Key objective and Programme Minima. The next stage of the process will be for KPMG to work with each Local Authority in drawing up a long list of projects that have the potential for inclusion in the overall bid. This 'long' list will then be subject to testing by KPMG through the economic model. Each individual project will then be subsequently prioritised across all potential projects across the Region.

4.7 This process will lead to a 'medium' list of projects prioritised in order of their ability to meet the Key objective and Programme Minima. It is this list of projects that will be finally refined to a short list creating a coherent investment programme with a strong economic case for investment that can (subject to individual authority approval) then be submitted to UK and Scottish Governments for their approval.

4.8 Payment by Results

The City Deals operate a 'Payment by results' approach. This requires all authorities to be collectively 'on the hook' for delivery of the programme against the success criteria. It is therefore very important that the prioritisation process is assessed independently and importantly to be very robust as the overall programme must deliver the required GVA for UK and Scottish Government grant funding to be triggered.

4.9 Scale of Ambition and fund size

As stated in para 4.2 the increase in GVA being aimed for across the region is conservatively estimated to be 5%. The current scale of the Edinburgh and South East Scotland City Region economy is £30bn. That means to be successful; the programme needs to deliver approximately £1.5bn of growth over the next twenty years in excess of that which would happen should there be no infrastructure fund in place. Using other City Deal methodologies it is anticipated that to achieve this it will require a fund size of around £1bn giving a return on investment in terms of investment of 1:1.5. Again, this is similar to other successful City Deals.

4.10 Funding and Finance

The current Infrastructure Deals are based around a proposition of Government providing funding in the form of capital grants. The Glasgow City Deal has approximately 90% of the Infrastructure funded by capital grant from the Scottish and UK Governments. The remainder (10%) is to be funded by the Councils. The capital grants are received over a 20 year period (subject to gateways being achieved) while the capital programme is over 10 years.

4.11 If Scottish Borders were to enter into a City Deal it would therefore need to finance the cost of the infrastructure until the grants are received. This means that the real net costs of a City Deal for the Borders will be significantly higher than the headline 10% gross cost. Using current indicative only models officers anticipate real net costs to be in the region of around 50% although this is not based on estimated costs and the conditions applicable to previous deals which may not apply to the current bid process.

4.12 While the main source of funding will be from payment by results, it is for each council to consider which sources of funds it wishes to bring into "play". Additional funding from sources such as supplementary business rates or developer contributions could also be applied to funding the City Deal.

4.13 Infrastructure in Scope

The City Deal partners have sought to keep the definition of infrastructure as broad as possible consistent with a local investment case for a number of reasons:

- a) A wide approach reduces the risk of diminishing returns, and;
- b) In practice there are many forms of investment that can drive jobs & productivity:- Housing and transport both improve labour markets which are critical to economic density and productivity;
- c) The utilities also need to work to support land for housing / commercial development;
- d) The social cultural offer also has real economic value as does public realm;
- e) Reducing dependency costs will require a special focus on infrastructure that can link people to areas of employment density.

All of these infrastructure areas can be considered however, as stated any project must lead to demonstrable increases in GVA to be considered in the wider programme.

5 NEXT STEPS

5.1 The approach the partnership is currently taking is split into four distinct phases or 'Gateways'. There is no obligation on any authority to commit to the process any further that it feels appropriate. Therefore at each of the four Gateway stages Scottish Borders Council has the opportunity to withdraw. A copy of the process is attached at Appendix 1.

5.2 Scottish Borders Council has already committed to being involved in Gateway One. This has resulted in the development of the Business Case or 'Prospectus' and the activity identified above. The partnership has now progressed to where it is almost ready to progress to Gateway 2. This stage will:

- a) Test/demonstrate economic modelling suite and sign-off that it is fit for purpose. As stated above the economic model is currently being developed by KPMG and will soon be ready for initial testing with partners.
- b) Initial sift of long list and sign-off on medium list of investments/interventions. This will require consultants to work with Scottish Borders Council to refine a potential long list of projects down that will be then prioritised against all partner projects to create a medium regional list of projects.

- c) Agree funding scenarios to be developed. Finance Colleagues from across the region will form a sub group of the partnership to test possible funding scenarios within any proposed bid.
- d) Engage with potential partners and government on scale of contribution / funding devolution available and scope for Payment by Results (PbR). Each City Deal is unique and subject to agreement with all parties involved. Gateway 2 is where initial conversations with Scottish and UK government officials will commence and begin to shape the programme and the rules on how it will operate.

5.3 KPMG has supported the process through Gateway One. However, in moving to Gateway 2 there will be a requirement to go to tender to procure support for the next stage. Based upon Glasgow's actual costs for stage 2 it is likely to cost the partner authorities in the region of £600,000. The cost pro-rated on population is likely to result in a cost to Scottish Borders Council of up to £60,000, should the Council wish to proceed.

6 TIMELINE

6.1 The following timeline has been provisionally forward for procurement of stage 2 City Deal.

ITT Released	28/4/15
ITT return	18/5/15
Consensus Meeting	22/5/15
Tender award	Early June

In the meantime officers will be meeting regularly to:

- a) Develop the Economic modelling approach (bespoke) utilising existing ECR models (Transport, Land use and Economic models) to assist in prioritising future projects;
- b) Develop the Governance and Joint working arrangements for stage 2;
- c) Developing the financial and funding model; (similar to Glasgow City Region and Greater Manchester City Region);
- d) Develop consistent and accurate costing data for projects for discussions with HM treasury and SG; and
- e) Develop the Lobbying and Stakeholder Engagement strategy.

7 IMPLICATIONS

7.1 Financial

The estimated cost of £60,000, plus the £25,000 already committed in order to move forward to Gateway 2, will be funded from budget carried forward into 2015/16 specifically to support Economic Development activity and infrastructure.

7.2 Risk and Mitigations

(a) 1) *Affordability of the capital projects*

As stated in paragraph 4.6, should Scottish Borders wish to participate in the City Deal initiative it is likely that the Council will be required to front fund the net costs of Capital projects taken forward within the Scottish Borders, with UK and Scottish Government grants being paid, subject to performance over 20 years. Clearly, if projects accepted into the final City Deal programme already exist in the Councils own Capital Investment

Programme (CIP) then there is no additional risk associated with our involvement. However, should the Council decide to include additional projects that are not currently in the Capital Programme then the additional costs of financing these projects would have to be found from the Councils existing revenue budget.

2) *The ability across the region to Increase GVA.*

The targeted investment must result in fiscal gains for both HM Treasury and Scottish Government otherwise the partnership will not receive the level of grant funding expected. Having an independent assessment of the potential projects which are then prioritised accordingly will maximise the likelihood of a successful outcome.

3) *The risk sits with us* – All participating authorities are collectively on the hook in terms of success. Again, having an independent assessment of the projects which are then prioritised accordingly for maximum GVA will increase the likelihood of achieving a successful outcome. Determinations will be made by the commission at 5 yearly 'Gateway' intervals where economic performance is assessed as part of the Payment by Results approach, with

- i) The first gateway focused on programme delivery (outputs - did the partnership do what it said it would do), and
- ii) Subsequent gateways being increasingly focused on the demonstration of additional growth and thus fiscal benefits at the national level (outcomes – did it deliver what the partnership said it would).

Furthermore, the UK government is to establish an independent panel to assess all of the City Region programmes across the UK. Any successful City Deal will require the partnership to agree to being assessed in the same way. It is important to state however, that the assessment is not a simple pass/fail mechanism. It is anticipated that a graduated approach that recognises the overall level of delivery will be applied which in turn will help to mitigate the partnerships risks should one project fail to deliver the required level of GVA growth.

7.3 **Equalities**

- (a) An Equalities Impact Assessment needs to be carried out as part of the overall development of the City Deal Business Case, but it is not required at this time.

7.4 **Acting Sustainably**

- (a) There are considered to be no environmental risks associated with the recommendations.

7.5 **Carbon Management**

- (a) The report seeks approval to proceed to project identification. There are no effects on carbon emissions arising from the proposals contained in this report at this stage.

7.6 **Rural Proofing**

- (a) Not applicable.

7.7 Changes to Scheme of Administration or Scheme of Delegation

- (a) There are no changes to be made to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals contained in this report.

8 CONSULTATION

- 8.1 The Chief Financial Officer, 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 their comments have been incorporated into the final report.

Approved by

David Cressey

Signature

Service Director, Strategy & Policy

Author(s)

Name	Designation and Contact Number
David Cressey	Service Director Strategy and Policy

Background Papers: [insert list of background papers used in compiling report]

Previous Minute Reference: [insert last Minute reference (if any)]

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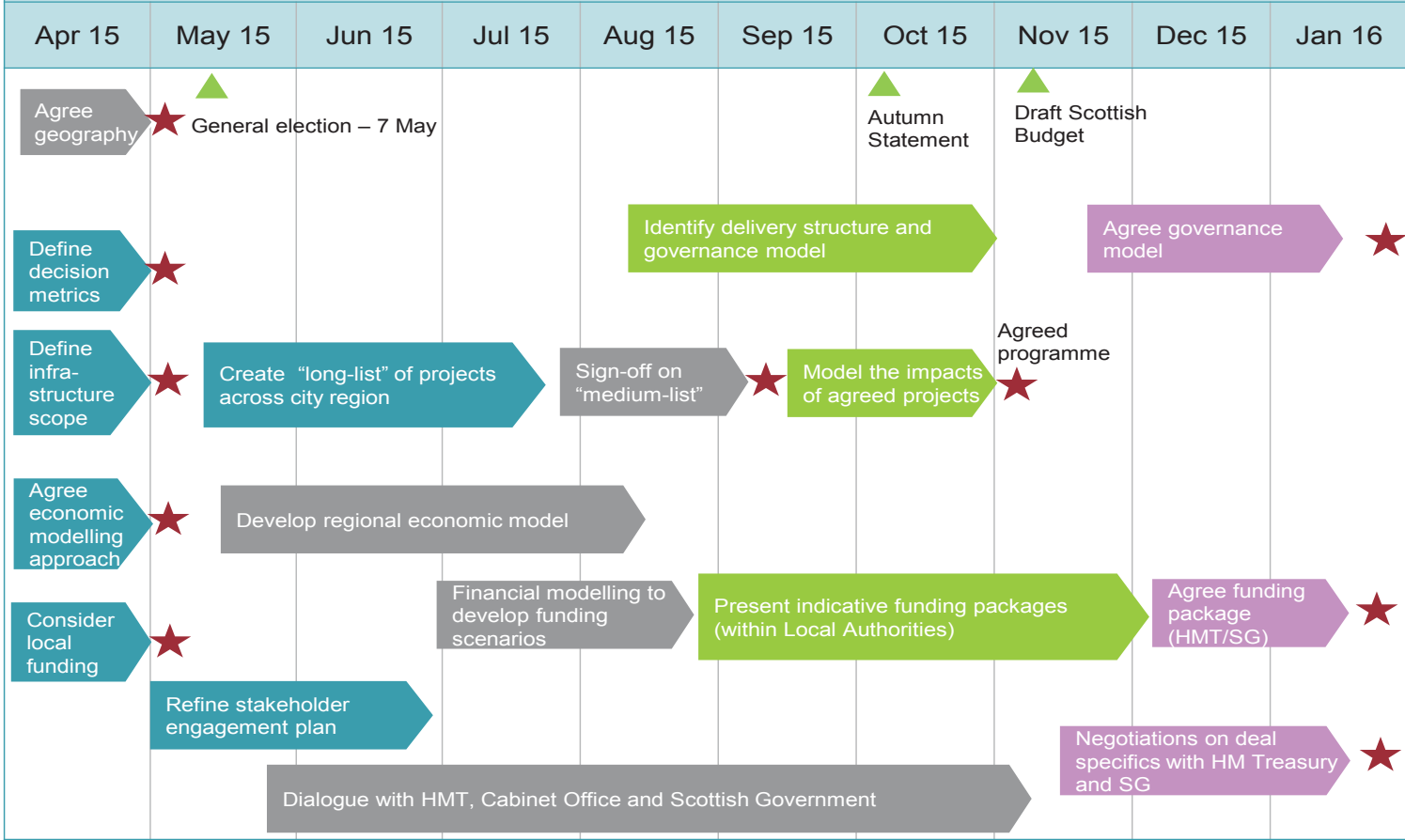
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Appendix 1

Key: ★ Sign off point



Edinburgh City Region Infrastructure Fund – Indicative timetable to agreed deal



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MANAGING OUR WORKFORCE: PROPOSALS TO SECURE EARLY RETIREMENTS AND VOLUNTEERS FOR SEVERANCE IN THE SCOTTISH BORDERS COUNCIL

Report by Chief Executive

Scottish Borders Council

21 May 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report seeks approval for 15 members of staff who have requested early retirement and voluntary severance. These volunteers have the support of the Chief Executive, Depute Chief Executives and Service Directors.**
- 1.2 Council agreed a revised policy for both compulsory redundancy and voluntary severance/early retirement schemes in August 2010. The scheme was open to all staff, except teachers.
- 1.3 For the period, January – April, 34 expressions of interest were received from **staff** of which 15 applications are supported by Service Directors. Should all 15 applications be agreed, total one-off costs of £516,051 will be incurred and total direct recurring employee cost savings of £320,763 will be delivered each year, demonstrating an average payback period of 1.61 years which is an attractive proposition for the Council.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Council approves the current 15 staff applications as detailed in Appendix 1 with the associated costs being met from the Voluntary Severance/ Early Retirement budget for 2015/16 of £718,000.**

3 EARLY RETIREMENTS AND VOLUNTEERS FOR SEVERANCE BACKGROUND

- 3.1 At its meeting of 19 August 2010, Scottish Borders Council agreed a revised policy for both compulsory redundancy and voluntary severance/early retirement schemes, including the creation of a budget provision to fund such applications in future years. Following this, the Executive agreed that in order to enable the Council to deliver an affordable balanced financial plan for 2012/13 and beyond, this revised policy would be open to all staff indefinitely and teachers as required, which would allow the organisation to reduce its overall staff numbers.
- 3.2 Definitions
- early retirement: voluntary retirements in the interests of efficiency for staff over the age of 50 who can access pension
 - voluntary severance: where staff are allowed to volunteer to leave the organisation with a compensation payment but without their posts being declared redundant and where there is no access to pension.
- 3.3 There have been a total of 34 expressions of interest for voluntary early retirement or voluntary severance for this period.
- 3.4 All volunteers were evaluated against a number of criteria, including length of service, skills held, cost and financial payback, by the appropriate departmental Service Director. Of the original expressions of interest, currently **15** applicants remain interested, with their application being supported by their Service Director.

4 PROPOSALS

- 4.1 Following Council approval offers will be confirmed to individuals. It has been made clear that final release dates will be dependent on operational needs and in many cases, this date has not yet been finalised and will range over a period of up to 15 months, commencing immediately. For the purposes of cost / benefit analysis, a severance date of the 30 June 2015 has been used for all services.
- 4.2 15 applications have been approved in principle, reducing FTE posts by 12. A summary of the approved applications by department and the FTE equivalent is summarised in Table 1 below.

Table 1 – Summary of current applications FTE reduction by department

Department	FTE Reduction	FTE Replaced	Final FTE Reduction
Chief Executive's	1.0	1.0	0.0
People – non teaching	7.0	0	7.0
Place	4.0	0	4.0
Total	12.0	1.0	11.0

- 4.3 Should all the current applications above be agreed, total one-off costs of £516,051 will be incurred. This is made up of two components, a severance lump-sum and a payment of the additional cost to the Local Government Pension Scheme of staff retiring early. A detailed outline of these additional costs, again by department, is in Appendix 1.
- 4.4 Each individual application has been closely examined and evaluated in terms of whether there is a robust business case supporting the application. None of the applicants is currently a subject of either the Managing Absence or Poor Performance Policy. Whilst taking due account of non-financial aspects such as performance improvement or increased structural flexibility, the financial benefits of accepting the application, including the length of time of financial payback, formed the main consideration.

5 IMPLICATIONS

5.1 Financial

- (a) The purpose of this exercise is to facilitate the reduction in overall employment costs to the Council. As detailed above, an assessment has been made of potential savings in each Department and considered against the estimated costs incurred and overall efficiency in terms of non-financial benefits. There is sufficient funding available within the 2015/16 Early Retirement / Voluntary Severance budget to meet the cost of these applications.
- (b) In total, £320,763 of direct recurring employee cost savings will be delivered in year 1, should all of the above 15 applications be accepted. A breakdown of the expected net annual staffing savings by department is detailed in Table 2 below.

Table 2 – Expected employee cost savings Year 1

Department	Employee cost savings nearest £
Chief Executive's	11,624
People – non-teaching	205,051
Place	104,088
Total	320,763

- (c) The financial payback associated with each of the proposals above varies however; the average payback period for all staff is 1.61 years, which is an attractive proposition for the Council. The associated costs of £516,051 will be met by the 2015/16 Early Retirement/Voluntary Severance provision.

5.2 **Risk and Mitigations**

- (a) Failure to agree the attached voluntary severance/early retirement proposals or a significant proportion thereof will result in an inability by the Council to deliver a number of its commitments within the 2015/16 financial plan, agreed by Council on 12th February 2015. The scheme is a valuable enabler in ensuring that the Council continues to deliver savings and the financial plan is affordable and sustainable.
- (b) It is also essential that agreement by Members is secured as a matter of urgency in order that the necessary arrangements are put in place quickly and a plan of implementation developed in order that the maximum financial benefit from the scheme can be accrued as soon as possible.
- (c) As part of the monitoring of Early Retirement/Voluntary Severance decisions it is important that members are aware of the impact on the composition of scheme membership, arising through people granted Early Retirement/Voluntary Severance leaving the service of the Council.
- (d) Should the balance of pension fund membership change substantially due to Early Retirement/Voluntary Severance decisions there may be a need to change the funding strategy of the pension fund towards more income generating investments.
- (e) The Local Government pension fund continues to keep the composition of membership under review to ensure that the future funding strategy is optimised with respect to the relative number of active scheme members to pensioners drawing benefits.

5.3 **Equalities**

- (a) An Equalities Impact Assessment has been carried out on this proposal and is not discriminatory in terms of protected characteristics.

5.4 **Acting Sustainably**

- (a) Not Applicable.

5.5 **Carbon Management**

- (a) No effect on carbon emissions are anticipated from the recommendations of this report.

5.6 **Rural Proofing**

- (a) Not Applicable.

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

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

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer Human Resources and the Clerk to the Council have been consulted and their comments have been reflected in this report.

Approved by

Tracey Logan
Chief Executive

Signature

Author(s)

Name	Designation and Contact Number
Judith Harding	Organisational Design and Change Business Partner 01835 824000 ext 5717

Background Papers: Nil

Previous Minute Reference: Council 18 December 2014

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Employing Department	Employing Service	Post Title	Age	FTE	severance cost	Strain on Pension Fund	Salary including NI and Supp	ER/VS Costs Payable	Year 1-5	Payback Period	Comments
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Chief Executive's

Chief Executive	Human Resources	WORKFORCE PLANNING & DEVELOP CONSULTANT	60	1.00	£17,404	£5,042	£50,896	£22,446	£11,624	1.93	Service restructure
				1.0	£17,404	£5,042	£50,896	£22,446	£11,624	1.93	

People

People	Children & Young People	LIBRARIAN	59	0.86	£13,603	£2,655	£20,243	£16,258	20,243	0.80	Service restructure
People	Children & Young People	PLAYGROUND SUPERVISOR	55	0.26	£2,014	£4,816	£3,825	£6,830	3,825	1.79	Service restructure
People	Children & Young People	JANITOR	52	1.06	£12,231	£41,968	£20,831	£54,199	20,831	2.60	Service restructure
People	Children & Young People	PLAYGROUND SUPERVISOR	52	0.19	£1,699	£4,023	£2,891	£5,722	2,891	1.98	Service restructure
People	Children & Young People	PRIMARY SCHOOL ADMINISTRATOR	58	0.66	£8,820	£4,916	£13,228	£13,737	13,228	1.04	Service restructure
People	Children & Young People	PLAYGROUND SUPERVISOR	58	0.21	£2,135	£1,187	£3,199	£3,321	3,199	1.04	Service restructure
People	Performance Improvement	BUSINESS SUPPORT OFFICER	56	1.00	£13,555	£61,327	£33,351	£74,882	33,351	2.25	Service restructure
People	Children & Young People	CLASSROOM ASSISTANT	58	0.79	£8,364	£4,607	£13,885	£12,971	13,885	0.93	Service restructure
People	Children & Young People	CHIEF OFFICER STRATEGY/POLICY DEV CYPD	61	1.00	£0	£36,400	£93,598	£36,400	46,799	0.78	Service restructure
People	Children & Young People	CHIEF OFFICER - SCHOOLS	57	1.00	£0	£70,310	£93,598	£70,310	46,799	1.50	Service restructure
				7.0	£62,421	£232,209	£298,649	£294,630	£205,051	1.44	

Place

Place	Regulatory Services	BUILT & NATURAL HERITAGE MANAGER	59	1.00	£38,465	£23,922	£58,674	£62,387	£25,000	2.50	Service Restructure
Place	Commercial Services	DRIVER	56	1.00	£12,812	£15,447	£22,672	£28,259	£22,672	1.25	Post being deleted
Place	Commercial Services	OPERATIVE	59	1.00	£15,131	£2,306	£22,619	£17,436	£22,619	0.77	Post being deleted
Place	Neighbourhood Services	NEIGHBOURHOOD ASSISTANT AREA MANAGER	51	1.00	£19,089	£71,804	£33,797	£90,893	£33,797	2.69	Post being deleted
				4.0	£85,496	£113,479	£137,762	£198,975	£104,088	1.91	

Total				12.0	£165,321	£350,730	£487,307	£516,051	£320,763	1.61	
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MANAGING OUR WORKFORCE: PROPOSALS TO SECURE EARLY RETIREMENTS AND VOLUNTEERS FOR SEVERANCE IN THE SCOTTISH BORDERS COUNCIL

Report by Chief Executive

Scottish Borders Council

21 May 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report seeks approval for 38 teaching members of staff who have requested early retirement and voluntary severance. These volunteers have the support of the Chief Executive, Depute Chief Executives and Service Directors.**
- 1.2 Council agreed a revised policy for both compulsory redundancy and voluntary severance/early retirement schemes in August 2010. The scheme was open to all staff, except teachers. This was later amended to include all staff indefinitely and teachers as required. Therefore, in January 2015 an opportunity for teaching staff to access an early retirement/voluntary service scheme was opened between January and March 2015.
- 1.3 For the period January – March, 102 expressions of interest were received from **teaching staff** of which 38 applications are supported by the Service Director.
- 1.4 Of the 38 supported applications 27 have opted for a one off severance payment and 11 have opted for a compensatory pension payment. Should all 27 applications for severance be agreed, total one-off costs of £749,539 will be incurred with year 1 employee cost savings of £503,112 being delivered, demonstrating an average payback period of 1.49 years.
- 1.5 Should the 11 applications for compensatory pension payment be agreed, total one-off costs of £48,201 will be incurred with an annual recurring cost of £16,840, delivering year 1 employee cost savings of £217,722. (A compensatory pension payment is an actuarially reduced pension and lump sum based on pensionable service paid by the employer for the lifetime of the employee.)

2 RECOMMENDATIONS

- 2.1 I recommend that the Council approves the 38 teaching applications as detailed in Appendix 1 with the associated costs being met from the balance of the Voluntary Severance/ Early Retirement budget for 2015/16 of £201,949 a departmental contribution of £200,000 and the balance of £395,791 from identified corporate funding.**

3 EARLY RETIREMENTS AND VOLUNTEERS FOR SEVERANCE BACKGROUND

- 3.1 At its meeting of 19 August 2010, Scottish Borders Council agreed a revised policy for both compulsory redundancy and voluntary severance/early retirement schemes, including the creation of a budget provision to fund such applications in future years. Following this, the Executive agreed that in order to enable the Council to deliver an affordable balanced financial plan for 2012/13 and beyond, this revised policy would be open to all staff indefinitely and teachers as required, which would allow the organisation to reduce its overall staff numbers.
- 3.2 Definitions
- early retirement: voluntary retirements in the interests of efficiency for staff over the age of 50 who can access pension
 - voluntary severance: where staff are allowed to volunteer to leave the organisation with a compensation payment but without their posts being declared redundant and where there is no access to pension
 - a compensatory pension payment is an actuarially reduced pension and lump sum based on pensionable service paid by the employer for the lifetime of the employee
- 3.3 There have been a total of 102 expressions of interest for voluntary early retirement or voluntary severance for this period.
- 3.4 All volunteers were evaluated against a number of criteria, including length of service, skills held, cost and financial payback, by the appropriate departmental Service Director. Of the original expressions of interest, currently **38 teaching** applicants remain interested, with their application being supported by their Service Director.

4 PROPOSALS

- 4.1 Following Council approval offers will be confirmed to individuals. It has been made clear that final release dates will be dependent on operational needs and in many cases, this date has not yet been finalised and will range over a period of up to 15 months, commencing immediately. For the purposes of cost / benefit analysis, a severance date of 16 August 2015 has been used for teaching staff.
- 4.2 **38 teaching** applications have been approved in principle. The approval of the applications specified in the report will require front line teaching posts to be filled on a permanent basis. There will be no reduction in the overall number of teachers reported to the Scottish Government in the 2014/15 census.
- 4.3 Should all the current applications above be agreed, total one-off costs of £797,740 will be incurred. This is made up of two components, a severance lump-sum and the payment of the additional cost to the Scottish Public Pensions Agency of staff retiring early. A detailed outline of these additional costs, again by department, is in Appendix 1.

- 4.4 The ongoing annual costs of £16,840 for teachers electing to take the compensatory pension option will be funded from the departmental Revenue budget.
- 4.5 Each individual application has been closely examined and evaluated in terms of whether there is a robust business case supporting the application. None of the applicants is currently a subject of either the Managing Absence or Poor Performance Policy. Whilst taking due account of non-financial aspects such as performance improvement or increased structural flexibility, the financial benefits of accepting the application, including the length of time of financial payback, formed the main consideration.

5 IMPLICATIONS

5.1 Financial

- (a) The purpose of this exercise is to facilitate the reduction in overall employment costs to the Council. As detailed above, an assessment has been made of potential savings in the Department and considered against the estimated costs incurred and overall efficiency in terms of non-financial benefits. There is not sufficient funding available within the 2015/16 Early Retirement/ Voluntary Severance budget to meet the cost of these applications, without further resources to "top up" the budget. A virement from the People department and from identified corporate savings in the costs of financing capital expenditure will be required to fund the total costs envisaged.
- (b) In total, £720,834 of direct recurring employee cost savings will be delivered in year 1, should all of the above 38 applications be accepted.
- (c) The action recommended in this report if approved will utilise the full 2015/16 budget for Early retirement/ voluntary severance and any further approvals before 31/3/2016 will require further budget to be identified.

5.2 Risk and Mitigations

- (a) Failure to agree the attached voluntary severance/early retirement proposals or a significant proportion thereof will result in an inability by the Council to deliver a number of its commitments within the 2015/16 financial plan, agreed by Council on 12th February 2015. The scheme is a valuable enabler in ensuring that the Council continues to deliver savings and the financial plan is affordable and sustainable.
- (b) It is also essential that agreement by Members is secured as a matter of urgency in order that the necessary arrangements are put in place quickly and a plan of implementation developed in order that the maximum financial benefit from the scheme can be accrued as soon as possible.

- (c) Teacher's retiring from the service of the authority will require to be replaced as required by the terms of the local government funding mechanism implemented in 2015/16 by the Scottish Government which requires the absolute number of teachers and the pupil teacher ratio to be maintained at 2014/15 levels. A failure to replace teaching staff retiring will therefore result in a significant financial penalty to the Council. To avoid this risk before staff are released new replacement teachers will require to have been interviewed and appointed with contract of employment put in place for the start of the new academic year.

5.3 Equalities

- (a) An Equalities Impact Assessment has been carried out on this proposal and is not discriminatory in terms of protected characteristics.

5.4 Acting Sustainably

- (a) Not Applicable.

5.5 Carbon Management

- (a) No effect on carbon emissions are anticipated from the recommendations of this report.

5.6 Rural Proofing

- (a) Not Applicable.

5.7 Changes to Scheme of Administration or Scheme of Delegation

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

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer Human Resources and the Clerk to the Council have been consulted and their comments have been reflected in this report.

Approved by

**Tracey Logan
Chief Executive**

Signature

Author(s)

Name	Designation and Contact Number
Judith Harding	Organisational Design and Change Business Partner 01835 824000 ext 5717

Background Papers: Nil

Previous Minute Reference: Council 18 December 2014

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

Contact Judith Harding, Organisational Design and Change Business Partner, Human Resources, Council Headquarters, Newtown St Boswells, TD6 0SA. 01835 824000 ext 5717

Location	Age	FTE	Salary including NI and Supp	Severance cost	Comp. Pension Lump Sum	Annual Comp. Pension.	3 year saving	Comments
GALASHIELS ACADEMY	54	0.8	£40,598	£25,190	£0	£0	£40,358	Replacing 1.8 fte's with 1.0Fte
GALASHIELS ACADEMY	59	1.0	£50,748	£34,457	£0	£0	£0	
GALASHIELS ACADEMY	60	0.4	£18,702	£12,946	£0	£0	£15,388	Chartered Teacher
GALASHIELS ACADEMY	60	0.6	£31,667	£22,325	£0	£0	£33,925	TCS Protected
GALASHIELS ACADEMY	57	1.0	£42,812	£0	£5,423	£1,808	£36,046	TCS Protected
GALASHIELS ACADEMY	55	0.80	£34,250	£0	£5,349	£1,783	£23,537	Service redesign - replaced by Probationer
GALASHIELS ACADEMY	56	1.00	£42,812	£0	£4,500	£1,500	£36,046	Service redesign - replaced by Probationer
BERWICKSHIRE HIGH SCHOOL	61	1.0	£50,748	£35,645	£0	£0	£50,448	Being replaced by a temp for one year
BERWICKSHIRE HIGH SCHOOL	55	0.75	£32,109	£0	£3,654	£1,218	£20,410	Service redesign - replaced by Probationer
SELKIRK HIGH SCHOOL	57	1.0	£52,779	£0	£2,756	£919	£158,337	Post being replaced by an ICS transfer
SELKIRK HIGH SCHOOL	63	1.0	£50,748	£36,281	£0	£0	£152,244	Post being deleted
SELKIRK HIGH SCHOOL	60	0.80	£34,250	£23,750	£0	£0	£102,749	Service Redesign - not being replaced
SELKIRK HIGH SCHOOL	59	1.0	£60,911	£29,184	£0	£0	£6,093	Replaced by deputy (grade 4)
SELKIRK HIGH SCHOOL	59	1.0	£56,849	£38,422	£0	£0	£78,157	Would be replaced by a probationer
PEEBLES HIGH SCHOOL	61	0.6	£35,084	£24,564	£0	£0	£24,280	Post being deleted
PEEBLES HIGH SCHOOL	59	0.6	£31,667	£21,466	£0	£0	£76,258	Replacing 1.6 fte's with 1.0 fte Grade 4
PEEBLES HIGH SCHOOL	61	0.6	£38,705	£26,939	£0	£0	£0	Post being deleted
PEEBLES HIGH SCHOOL	61	0.6	£33,251	£28,784	£0	£0	£35,621	Chartered Teacher
PEEBLES HIGH SCHOOL	57	1.0	£52,779	£0	£3,891	£1,297	£56,541	Chartered Teacher
EYEMOUTH HIGH SCHOOL	59	0.7	£38,227	£22,456	£0	£0	£22,291	Will be replaced by a probationer
EYEMOUTH HIGH SCHOOL	57	1.00	£42,812	£0	£2,216	£739	£36,046	Service redesign - replaced by Probationer
HAWICK HIGH SCHOOL	59	0.6	£32,891	£22,261	£0	£0	£37,595	Assume being replaced with NQT
HAWICK HIGH SCHOOL	56	1.0	£42,812	£0	£6,711	£2,237	£26,640	Service redesign - replaced by Probationer / NQT
HAWICK HIGH SCHOOL	59	1.0	£42,812	£22,642	£0	£0	£36,046	Service redesign - replaced by Probationer
KELSO HIGH SCHOOL	62	1.0	£52,779	£37,011	£0	£0	£56,541	Chartered Teacher
KELSO HIGH SCHOOL	54	1.0	£52,779	£32,693	£0	£0	£56,541	Chartered Teacher
EARLSTON HIGH SCHOOL	57	1.0	£46,755	£27,428	£0	£0	£38,469	Chartered Teacher
EARLSTON HIGH SCHOOL	59	1.0	£46,755	£31,817	£0	£0	£38,469	Chartered Teacher
	58	23.9	£1,190,091	£556,261	£34,500	£11,500	£1,295,076	

Location	Age	FTE	Salary including NI and Supp	Severance cost	Comp. Pension Lump Sum	Annual Comp. Pension.	3 year saving	Comments
Principal Teacher Howdenburn	58	0.8	£45,479	£30,208	£0	£0	£136,438	Redesign - would not be replaced
Duns Primary School	59	0.5	£23,378	£15,908	£0	£0	£19,235	Chartered Teacher
Stirches Primary School	54	1.0	£46,755	£32,914	£0	£0	£38,469	Chartered Teacher
Wilton Primary School	62	1.0	£46,755	£32,914	£0	£0	£38,469	Chartered Teacher
	58	3.30	£162,367	£111,945	£0	£0	£232,611	
West Linton	56	1.0	£42,812	£0	£3,044	£1,015	£26,640	Nursery Teacher
Parkside	56	1.0	£42,812	£0	£965	£1,094	£26,640	Nursery Teacher
Kingsland	64	1.0	£42,812	£25,662	£0	£0	£26,640	Nursery Teacher
	59	3.0	£128,436	£25,662	£4,009	£2,108	£79,920	
Paton Street, Galashiels	59	0.8	£45,479	£30,738	£0	£0	£136,438	Redesign - would not be replaced
Team Leader	63	0.71	£35,216	£24,934	£0	£0	£105,647	Redesign - would not be replaced
Education Team Leader	56	1.00	£49,302	0	£9,692	£3,231	£147,906	Service Redesign
	59	2.5	£129,997	£55,672	£9,692	£3,231	£389,991	
TOTAL TEACHERS	58.5	32.8	£1,610,891	£749,539	£48,201	£16,840	£1,997,598	

SECONDARY SCHOOLS	58	23.9	£1,190,091	£556,261	£34,500		
PRIMARY SCHOOLS	58	3.3	£206,529	£111,945	£0		
NURSERY	59	3.0	£128,436	£25,662	£4,009		
ICS etc.	59	2.5	£129,997	£55,672	£9,692		
	58.5	32.8	£1,655,053	£749,539	£48,201		

SCOTTISH BORDERS COUNCIL
MEMBERS' SOUNDING BOARD: POLITICAL
MANAGEMENT ARRANGEMENTS

NOTE of MEETING of the MEMBERS'
SOUNDING BOARD: POLITICAL
MANAGEMENT ARRANGEMENTS held in
the Council Chamber, Council Headquarters,
Newtown St. Boswells on 23 April 2015 at
10.30 a.m.

Present:- Councillors D. Parker (Chairman), S. Aitchison, M. Ballantyne, C. Bhatia, J. Mitchell.

Also Present:- Councillors S. Bell, J. Brown, A. Cranston, G. Edgar, I. Gillespie, J. Greenwell, B. Herd, W. McAteer, D. Paterson, F. Renton, R. Smith, R. Stewart, J. Torrance, G. Turnbull, T. Weatherston.

Apologies:- Councillor J. Campbell, V. Davidson, D. Moffat, A. Nicol; Chief Executive and Service Director Strategy and Policy.

In Attendance:- Clerk to the Council, Research and Policy Officer.

**CONSULTATION ON LOCAL GOVERNMENT BOUNDARY COMMISSION FOR
SCOTLAND'S PROPOSALS FOR WARDS IN THE SCOTTISH BORDERS COUNCIL
AREA**

1. With reference to paragraph 16 of the Minute of the Meeting of Scottish Borders Council held on 2 April 2015, there had been circulated copies of an extract from the Minute of Meeting of the Local Government Boundary Commission held on 13 January 2015; an extract from the Local Government Boundary Commission Guidance Booklet; and the Local Government Boundary Commission for Scotland's Proposals for Scottish Borders Council Wards. At its meeting held on 13 January 2015, the Boundary Commission had agreed to provisionally adopt the proposal for a reduction in Councillor numbers for Scottish Borders Council from 34 to 32 as part of its proposals for Ward boundaries. The proposals for the Scottish Borders Council area received from the Boundary Commission on 18 March 2015 proposed an electoral arrangement for 32 Councillors representing 8 x 3-member wards and 2 x 4-member wards, reducing the number of wards in the area by 1 and reducing Councillor numbers by 2. The Chairman gave some background to previous reviews by the Local Government Boundary Commission for Scotland, emphasising the need to meet the criteria set by the Commission in any proposals put forward by the Council, the main one being parity of electors per Councillor. Ms Erin Murray, Research and Policy Officer, then gave a presentation showing some options for Members to consider in place of the Commission's proposals. As part of the Review, the Commission had placed the Council in a category which had a parity of 2,800 electors per Councillor, with an expectation of no more than +/-10% variation on this number. If this criteria was applied to existing Wards, then Wards 9 to 11 (Jedburgh & District, Hawick & Denholm, and Hawick & Hermitage) were currently on average -14% under parity, with the rest being within 8% of parity. A minor change proposed by the Commission was for the move of Charlesfield (approx. 80 electors) from the Jedburgh & District Ward to the Selkirkshire Ward. No property within the settlement of St Boswells was affected by this proposal and Members accepted this. Two options were proposed for Councillors to consider. The first was a proposal to place Newcastleton and Hermitage as part of a Hawick and District Ward, with the area north of Hawick moving to a Jedburgh & Denholm Ward, with the boundary between the Kelso & District Ward and the Jedburgh & Denholm Ward remaining as the current one. The second option was the same as the first option with the exception of a proposed move of boundary between Kelso & District and Jedburgh & Denholm Wards, moving the boundary further out from the edge of Kelso.

2. Members discussed the Commission's proposals and what the Council could make as a counter-proposal. It was the firm view that the Commission's proposal for an enlarged Jedburgh Ward would result in a Ward which was too large and in which Newcastleton had no affinity, with the preference for the latter to remain in a Hawick Ward. In response to a question from Cllr McAteer about whether Denholm could also be moved into a Hawick Ward, Ms Murray advised that this would mean the move of about 1500 electors which would take parity to approx. +20%, and undertook to provide Cllr McAteer with the new figures. Cllr Bhatia gave the example of Clovenfords, which was currently in the Tweeddale East Ward, but was strongly associated with Galashiels. Members of Clovenfords community attended Tweeddale Area Forum and accepted this, while continuing their association with Galashiels. Members also discussed whether the status quo should be put forward to the Commission but the majority view was that this may weaken any subsequent proposal and should not be considered. Cllr Moffat requested officers look at Newhorndean Farm which currently had the boundary between Mid and East Berwickshire Wards running down the middle of the Farm, with the preference being the whole Farm be placed in the Mid Berwickshire Ward. Members expressed a preference for the second option to be taken to Council as an alternative to the Commission's proposals and officers would carry out further work to support this alternative.

DECISION

AGREED:

- (a) to thank officers for the work they had carried out in relation to the proposed Ward boundaries;**
- (b) to support the move of Charlesfield from the Jedburgh & District Ward to the Selkirkshire Ward;**
- (c) to support the second option to go forward to Council on 21 May;**
- (d) that officers continue to work on supporting evidence for the second option; and**
- (e) that Councillors would let the Clerk to the Council know of any other minor changes in relation to boundaries.**

The meeting concluded at 2.10 p.m.

**LOCAL GOVERNMENT BOUNDARY COMMISSION FOR
SCOTLAND 5TH REVIEW OF ELECTORAL ARRANGEMENTS –
PROPOSALS FOR WARDS**

Report by Chief Executive

SCOTTISH BORDERS COUNCIL

21 May 2015

1 PURPOSE AND SUMMARY

- 1.1 This report seeks approval for a proposed response to the Local Government Boundary Commission for Scotland’s proposals for wards in the Scottish Borders Council area.**
- 1.2 The current proposals by the Local Government Boundary Commission for Scotland for the Scottish Borders Council area present an electoral arrangement for 32 Councillors representing 8 x 3-member wards and 2 x 4-member wards, reducing the number of wards in the area by 1 and reducing Councillor numbers by 2. Appendix 1 details the electorates and associated variation from parity of the proposed Wards, and gives details of the Commission’s new Ward proposals, in particular Jedburgh, Denholm & Hermitage and Hawick. The proposals remove the existing Hawick & Denholm and Hawick & Hermitage Wards, placing Newcastleton and Denholm (and surrounding areas) into a new Jedburgh, Denholm & Hermitage Ward. A minor change is also proposed moving around 80 electors from Charlesfield from the Jedburgh Ward into the Selkirkshire Ward, with the detail of this change in boundary given in Appendix 2.
- 1.3 The Commission has made it clear that parity of electors to Councillors is the main determinant for Councillor numbers and ward design. This has been used to develop a response for the Council, proposing a different configuration of Wards, retaining Newcastleton in a Hawick Ward. Details of this are given in Appendix 3. Consideration has been given to including Denholm in the Hawick Ward but this is not being recommended as it would take the total electorate for that Ward 20% above parity.

2 RECOMMENDATIONS

- 2.1 I recommend that the Council agrees:-**
- (a) to support the Commission’s proposal to move Charlesfield (approximately 80 electorate) from the Jedburgh & District Ward into the Selkirkshire Ward, with no change proposed for the houses lying within the settlement boundary of St Boswells;**

- (b) not to support the new Jedburgh, Denholm & Hermitage or the Hawick Wards as detailed in the Commission's proposals;**
- (c) to propose to the Commission that the area to the south of Hawick, including Newcastleton, should be included in a new Ward 10 (Hawick & District Ward) with 4 Councillors. The new Ward electorate would be 12,426 (at September 2013 level) which would be 11% above parity, but this would reduce in the forecast electorate in 2019 to 12,122 which is a variation of 8% above parity. This would then reflect the same variation from parity (-8%) of the existing and proposed Tweeddale West Ward. The new Ward would cover an area of 621 km², the same area as the current Mid Berwickshire Ward. Wilton Park and Galalaw Business Park, in Hawick, currently have postcodes which place them out-with the new Hawick Ward and it is recommended that these be included within the new Hawick Ward as they lie within the settlement boundary, albeit containing no houses.**
- (d) to propose to the Commission that the area to the north and east of Hawick, including Denholm, be included in a proposed new Ward 9 (Jedburgh & Denholm Ward) which would also retain the change in boundary between Kelso & District and Jedburgh as proposed by the Commission, and would be served by 3 Councillors. The new Ward electorate would be 8,533 based on 2013 figures (2% above parity) with a minor increase forecast for 2019. The new Jedburgh & Denholm Ward would cover an area of 576 km², as opposed to the Commission's proposal for a Jedburgh Ward covering 868 km².**
- (e) to support a further amendment to move all of the property at New Horndean Farm into the Mid Berwickshire Ward – currently the Farm is split between Mid and East Berwickshire Wards.**
- (f) to also submit as part of its response to the Commission the following supporting information:**
 - (i) in terms of linkages within the new Wards, Newcastleton is a geographically remote village, located just over 21 miles south of Hawick, with a driving time of approximately 56 minutes. There is a direct public transport link between Newcastleton and Hawick. There are existing links between Newcastleton and Hawick in terms of school catchment area, social work services, and health services. Newcastleton is located almost 27 miles from Jedburgh, with a driving time of approximately 1 hour and 8 minutes and no direct public transport link (public transport link is via Hawick). There are no specific links either socially, currently or historically with Jedburgh;**
 - (ii) Denholm is located just under 5 miles from Hawick and just under 6 miles from Jedburgh, almost equidistant, and there is a direct public transport link to both Hawick and Jedburgh. Denholm lies in both the school catchment areas for Jedburgh Grammar School and Hawick High School. While some members of the Denholm community would have a more natural affinity with Hawick, there are**

existing links with Jedburgh. This change in boundaries should have no impact on the social and cultural relationships which currently exist between Denholm, Hawick and Jedburgh; and

- (iii) with regard to Community Council areas, Scottish Borders currently has 69 Community Councils, a number of which are split across existing Wards e.g. Hawick Community Council and Hobkirk Community Council areas are split between the current Hawick & Denholm and Hawick & Hermitage Wards. The proposed new Kelso & District and Jedburgh & Denholm Ward boundary would see Heiton & Roxburgh Community Council split between the 2 Wards, with the majority of the Community Council area in the Kelso & District Ward. Crailing, Eckford & Nisbet Community Council area would also be split between these Wards. Denholm and Southdean Community Council areas would be wholly included in the new Jedburgh & Denholm Ward.**

3 BACKGROUND

- 3.1 At its meeting on 2 April 2015, Scottish Borders Council noted the details of the proposals by the Local Government Boundary Commission for Scotland ("the Commission") for the new Wards in the Scottish Borders Council area and agreed that the matter be considered in detail at a meeting of the Political Management Arrangements: Members Sounding Board, with recommendations subsequently being made to Council on a proposed response. The meeting of the Members Sounding Board took place on 23 April 2015 and all Members were invited to attend.
- 3.2 The Commission had previously placed each Council area in Scotland – based on deprivation and population distribution – into one of five categories, assigning a ratio of electors to Councillors in each category in order to calculate the appropriate number of Councillors for each Council. Scottish Borders Council was placed in Category 4 (between 30% and 60% of the population living in the most deprived areas), where the optimum ratio of electors to each Councillor was 2,800. This meant that the current number of 34 Councillors would reduce to 32 from the 2017 local government election onwards.
- 3.3 The current proposals by the Commission for the Scottish Borders Council area present an electoral arrangement for 32 Councillors representing 8 x 3-member wards and 2 x 4-member wards, reducing the number of wards in the area by 1 and reducing Councillor numbers by 2. The Commission's proposals are intended to improve the overall forecast parity of electors to Councillors; address forecast disparities in existing Wards 10 and 11; make no changes to Wards 1, 2, 3, 5, 6 and 7; and amend Ward boundaries at Charlesfield, Hawick and Roxburgh. Appendix 1 details the electorates and associated variation from parity of the proposed Wards, and gives details of the Commission's new Ward proposals, in particular Jedburgh, Denholm & Hermitage and Hawick. The proposals remove the existing Hawick & Denholm and Hawick & Hermitage Wards, placing Newcastleton and Denholm (and surrounding areas) into a new Jedburgh, Denholm & Hermitage Ward.
- 3.4 The Commission also proposed a minor change to the boundary between the Jedburgh & District Ward and the Selkirkshire Ward, moving around 80 electors from Charlesfield from the Jedburgh Ward into the Selkirkshire Ward. This move does not include any electors from the settlement of St Boswells. The detail of this change in boundary is given in Appendix 2.
- 3.5 The Commission has made clear in its guidance issued with its proposals that population distribution and levels of deprivation had been used to set Councillor numbers, creating categories of Councils to set ratios of Councillors to electors. Population size remains the biggest determinant of Councillor numbers and the design of Wards. Nationally, over 96% of the Commission's proposed wards are forecast to be within 10% of parity for that particular Council area. At present 17% of existing Scottish Council wards are 10% or more from parity, with only 2 out of the proposed new 351 wards in Scotland forecast to be more than 15% from parity. The Commission has sought to construct wards from complete local sub-geographies such as community council areas, and in a few Council areas, the Commission has also adopted ward designs that recognise other locally significant boundaries such as community planning areas, neighbourhoods or natural communities.

4 POLITICAL MANAGEMENT ARRANGEMENTS: MEMBERS SOUNDING BOARD

4.1 As the Commission has made it clear that parity of electors to Councillors is the main determinant for Councillor numbers and ward design, this criteria has been applied to the existing Council wards to establish a starting point. The table below gives details of the existing Wards, the number of Councillors per Ward, optimum parity per Ward (2,800 electors per Councillor) and the actual electorate in each Ward in September 2013. The remainder columns in the table give details of the actual variation from parity, the forecast electorate in 2019, along with forecast variation from parity in 2019. The final column gives details of the current area of each Ward in square kilometres – with Ward 3 (Galashiels & District) the smallest at 216 km², and Ward 1 (Tweeddale West) the largest at 695 km². It is clear from the table that existing Wards 9 (Jedburgh & District), 10 (Hawick & Denholm), and 11 (Hawick & Hermitage), are between 13% and 16% below the Commission’s parity benchmark based on the electorate in September 2013, moving to between 13% and 17% below parity in the forecast electorate in 2019. In comparison, the Commission’s new ward proposals show a maximum of -8% and +10% from parity.

Current Scottish Borders Wards (2007 based - Best fit to provided Electorate Data by Post Code)

Ward No	Ward Name	Cllrs	Parity	Electorate (Sept - 2013)	Actual variation from 2800 parity	Forecast electorate 2019	Forecast variation from 2800 parity	Area KM2
1	Tweeddale West	3	8,400	7,716	-8%	7,730	-8%	695
2	Tweeddale East	3	8,400	8,243	-2%	8,323	-1%	284
3	Galashiels & District	4	11,200	10,868	-3%	10,545	-6%	216
4	Selkirkshire	3	8,400	7,845	-7%	8,170	-3%	671
5	Leaderdale & Melrose	3	8,400	8,425	0%	8,763	4%	353
6	Mid Berwickshire	3	8,400	8,350	-1%	8,692	3%	620
7	East Berwickshire	3	8,400	8,465	1%	9,013	7%	300
8	Kelso & District	3	8,400	8,343	-1%	8,416	0%	347
9	Jedburgh & District	3	8,400	7,208	-14%	7,313	-13%	377
10	Hawick & Denholm	3	8,400	7,319	-13%	7,109	-15%	243
11	Hawick & Hermitage	3	8,400	7,082	-16%	6,994	-17%	631
	Totals	34	95,200	89,864	-6%	91,068	-4%	4737

4.2 To bring forward alternative proposals to put to the Commission, officers looked at data-zones within each Ward and also within the Commission’s proposals, and – based on this data - drew up 2 options for consideration by the Members Sounding Board. The first was a proposal to place

Newcastleton and Hermitage as part of a Hawick and District Ward, with the area north of Hawick moving to a Jedburgh & Denholm Ward, with the boundary between the Kelso & District Ward and the Jedburgh & Denholm Ward remaining as the current one. The second option was the same as the first option with the exception of a proposed move of boundary between Kelso & District and Jedburgh & Denholm Wards, moving the boundary further out from the edge of Kelso.

- 4.3 Members discussed the Commission's proposals and what the Council could make as a counter-proposal. It was the firm view that the Commission's proposal for an enlarged Jedburgh Ward would result in a Ward which was too large and in which Newcastleton had no affinity, with the preference for the latter to remain in a Hawick Ward. This would give a new electorate of 12,426 (11% above parity), changing to an electorate of 12,122 by 2019 (8% above parity). Members also discussed whether the status quo should be put forward to the Commission but the majority view was that this may weaken any subsequent proposal and should not be considered. Cllr Moffat requested officers look at New Horndean Farm which currently had the boundary between Mid and East Berwickshire Wards running down the middle of the Farm, with the preference being the whole Farm be placed in the Mid Berwickshire Ward. Members expressed a preference for the second option to be taken to Council as an alternative to the Commission's proposals and officers would carry out further work to support this alternative. The details of this option are given in Appendix 3.
- 4.4 A request was made at the meeting of the Members Sounding Board that Denholm also be moved into the new Hawick Ward, as well as Newcastleton. Details of this are given in Appendix 4. However, doing this would lead to an electorate of 13,693 (22% above parity), changing to an electorate of 13,386 by 2019 (20% above parity). Whilst recognising the affiliation of Denholm to Hawick, the village sits almost equidistant between Hawick and Jedburgh, with a direct public transport link, and Denholm also sits within the school catchment areas for both Jedburgh Grammar School and Hawick High School. In terms of traditional links between Hawick and Denholm, such as in the Common Riding, changes to the ward boundaries should have no impact on these. Prior to 2007, Denholm was in a separate Ward from those which covered Hawick. There will also be no impact on Hawick Common Good Fund. Finally, as the parity for the inclusion of Denholm as well as Newcastleton in a Hawick Ward is far out-with the 10% variation range, it is not recommended that this option be included in the response to the Commission.

5 PROPOSED RESPONSE TO LOCAL GOVERNMENT BOUNDARY COMMISSION FOR SCOTLAND

- 5.1 The Commission's proposals for new Wards for the Scottish Borders Council area concentrate on the area which covered – in the majority – that of the previous Roxburgh District Council, with minor changes proposed between Jedburgh & District and Selkirkshire Wards. The proposals included changes to the Kelso & District Ward, the move of Denholm and Newcastleton into a new Jedburgh, Denholm and Hermitage Ward, and the creation of new Hawick Ward with 4 Councillors. The new proposed Jedburgh, Denholm & Hermitage Ward stretches from just outside Earlston in the north to Newcastleton in the south and would cover an area of 868 km². The variation on parity is a maximum of 10% for Wards in the Commission's proposals.

5.2 Following discussions at the Political Management Arrangements: Members Sounding Board, officers have carried out further work on the second option considered by the Board, details of which are attached in Appendix 3. It is proposed that a response be sent to the Local Government Boundary Commission for Scotland consultation, including the following details:

- (a) Support is given to the move of Charlesfield (approximately 80 electorate) from the Jedburgh & District Ward into the Selkirkshire Ward, with no change proposed for the houses lying within the settlement boundary of St Boswells.
- (b) The Council does not support the new Jedburgh, Denholm & Hermitage or the Hawick Wards as detailed in the Commission's proposals.
- (c) The area to the south of Hawick, including Newcastleton, should be included in a new Ward 10 (Hawick & District Ward) with 4 Councillors. The new Ward electorate would be 12,426 (at September 2013 level) which would be 11% above parity, but this would reduce in the forecast electorate in 2019 to 12,122 which is a variation of 8% above parity. This would then reflect the same variation from parity (-8%) of the existing and proposed Tweeddale West Ward. The new Ward would cover an area of 621 km², the same area as the current Mid Berwickshire Ward. Wilton Park and Galalaw Business Park, in Hawick, currently have postcodes which place them out-with the new Hawick Ward and it is recommended that these be included within the new Hawick Ward as they lie within the settlement boundary, albeit containing no houses.
- (d) This would mean the area to the north and east of Hawick, including Denholm, would need to be included in a proposed new Ward 9 (Jedburgh & Denholm Ward) which would also retain the change in boundary between Kelso & District and Jedburgh as proposed by the Commission, and would be served by 3 Councillors. The new Ward electorate would be 8,533 based on 2013 figures (2% above parity) with a minor increase forecast for 2019. The new Jedburgh & Denholm Ward would cover an area of 576 km², as opposed to the Commission's proposal for a Jedburgh Ward covering 868 km².
- (e) In terms of linkages within the new Wards, Newcastleton is a geographically remote village, located just over 21 miles south of Hawick, with a driving time of approximately 56 minutes. There is a direct public transport link between Newcastleton and Hawick. There are existing links between Newcastleton and Hawick in terms of school catchment area, social work services, and health services. Newcastleton is located almost 27 miles from Jedburgh, with a driving time of approximately 1 hour and 8 minutes and no direct public transport link (public transport link is via Hawick). There are no specific links either socially, currently or historically with Jedburgh.
- (f) Denholm is located just under 5 miles from Hawick and just under 6 miles from Jedburgh, almost equidistant, and there is a direct public transport link to both Hawick and Jedburgh. Denholm lies in both the school catchment areas for Jedburgh Grammar School and Hawick High School. While some members of the Denholm community would have a more natural affinity with Hawick, there are existing links with Jedburgh. This change in boundaries should have no impact on the

social and cultural relationships which currently exist between Denholm, Hawick and Jedburgh.

- (g) With regard to Community Council areas, Scottish Borders currently has 69 Community Councils, a number of which are split across existing Wards e.g. Hawick Community Council and Hobkirk Community Council areas are split between the current Hawick & Denholm and Hawick & Hermitage Wards. The proposed new Kelso & District and Jedburgh & Denholm Ward boundary would see Heiton & Roxburgh Community Council split between the 2 Wards, with the majority of the Community Council area in the Kelso & District Ward. Crailing, Eckford & Nisbet Community Council area would also be split between these Wards. Denholm and Southdean Community Council areas would be wholly included in the new Jedburgh & Denholm Ward.
- (h) A further amendment is requested to move all of the property at New Horndean Farm into the Mid Berwickshire Ward – currently the Farm is split between Mid and East Berwickshire Wards.

6 IMPLICATIONS

6.1 Financial

There are no costs attached to any of the recommendations contained in this report.

6.2 Risk and Mitigations

There is a risk that the Commission's proposals and the Council's response could both prove unacceptable to local communities in the new Wards. While the preference for some may be to retain the status quo, the Council in providing a response, must place due cognisance on the criteria used by the Commission - in particular the parity of electors to Councillors - in formulating its proposals for Wards across all local authority areas in Scotland. Officers have taken account of this criteria used by the Commission when drafting a proposed response for the Council, but it is for the Commission to make the ultimate decision on the new Ward boundaries, not this Council. A further consultation by the Commission will take place in summer 2015 with other community groups and members of the public once the Commission has received the Council's response, which will allow further views from communities to be put to the Commission.

6.3 Equalities

Within the Council, no equality impact assessment (EIA) has been carried out as the responsibility for this lies with the Local Government Boundary Commission for Scotland. The Council's preferred option, should that be approved, mitigates as far as possible within the criteria set by the Commission, the impact on Borders communities, specifically Newcastleton.

6.4 Acting Sustainably

There is no direct economic, social or environmental impact of the potential changes in Ward boundaries. The Commission has a parity of electors per Councillor of 2,800 as the main criteria when devising Councillor numbers and ward boundaries.

6.5 Carbon Management

There is no discernible impact on the Council's carbon emissions resulting from changes to Ward boundaries.

6.6 Rural Proofing

The Council’s proposed preferred option better reflects local rural communities within the southern area of the Council.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required at this time to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report.

7 CONSULTATION

7.1 *The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, and the Chief Officer HR are being consulted and any comments received will be incorporated into the final report.*

Approved by

**Tracey Logan
Chief Executive**

Signature

Author(s)

Name	Designation and Contact Number
Jenny Wilkinson	Clerk to the Council - 01835 825004
Erin Murray	Policy and Research Officer – 01835 82400 ext 5394

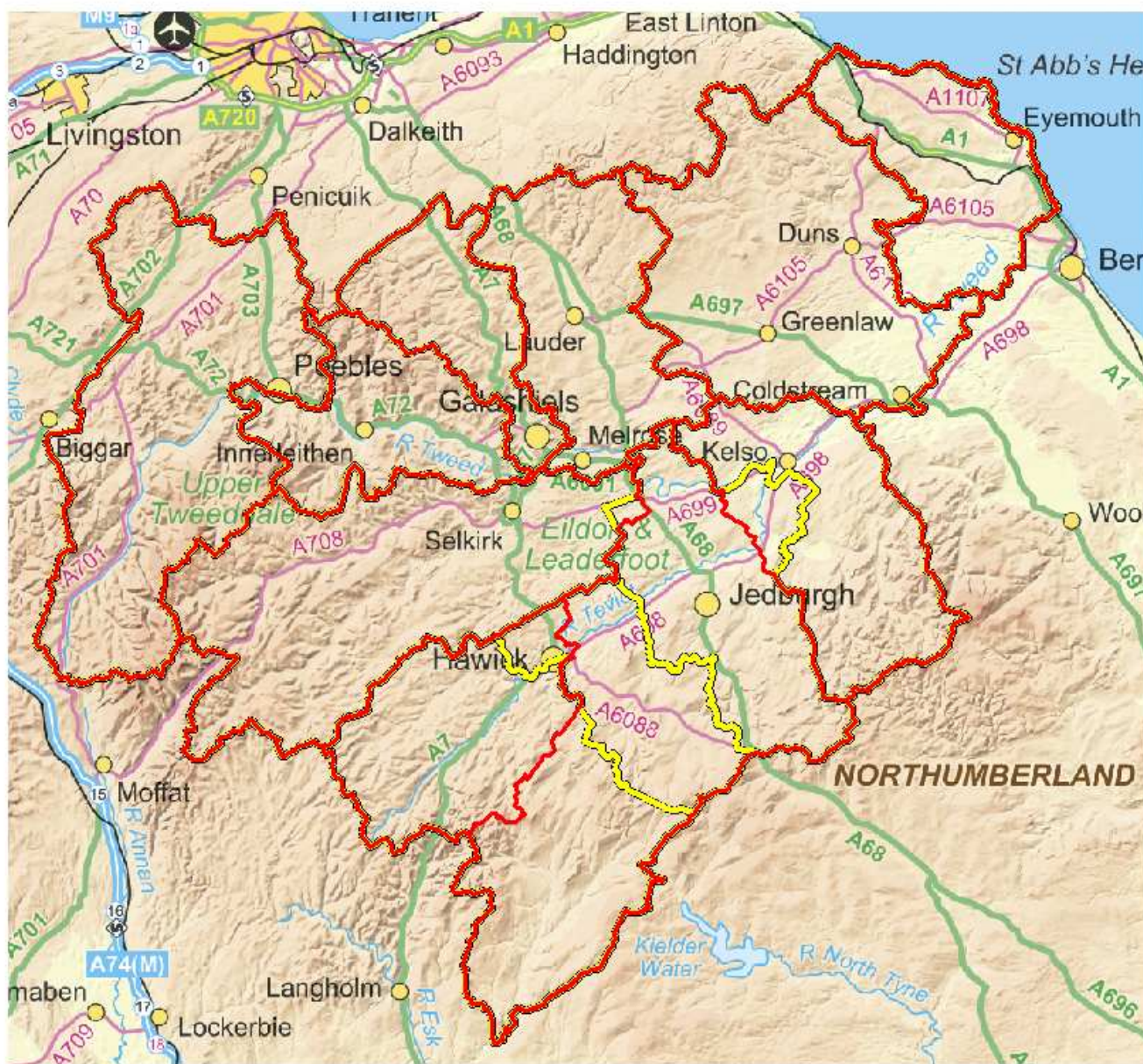
Background Papers: Ward Boundary maps; Community Council maps; data-zones information

Previous Minute Reference: Scottish Borders Council, 2 April 2015

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

Contact us at Jenny Wilkinson, Democratic Services, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA. Tel: 01835 825004 Email: jjwilkinson@scotborders.gov.uk



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**Local Government
Boundary Commission
For Scotland -
Fifth Reviews of
Electoral
Arrangements
(March 2015)**

**Proposals for Wards:
Scottish Borders**

- Proposed Ward Boundaries
- Current Wards


3
Miles


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Boundary Commission Proposal - based on the postcode population information provided

Ward No	Ward Name	Cllrs	Parity	Electorate (Sept -2013)	Actual variation from 2800 parity	Forecast electorate 2019	Forecast variation from 2800 parity	Area KM2
1	Tweeddale West	3	8,400	7,716	-8%	7,730	-8%	695
2	Tweeddale East	3	8,400	8,243	-2%	8,323	-1%	284
3	Galashiels & District	4	11,200	10,868	-3%	10,545	-6%	216
4	Selkirkshire	3	8,400	7,926	-6%	8,252	-2%	679
5	Leaderdale & Melrose	3	8,400	8,425	0%	8,763	4%	353
6	Mid Berwickshire	3	8,400	8,350	-1%	8,692	3%	620
7	East Berwickshire	3	8,400	8,465	1%	9,013	7%	300
8	Kelso & District	3	8,400	8,912	6%	9,081	8%	394
9	Jedburgh, Denholm & Hermitage	3	8,400	9,225	10%	9,217	10%	868
10	Hawick	4	11,200	11,734	5%	11,452	2%	329
	Totals	32	89,600	89,864	0%	91,068	2%	4738

Description of Datazones:

Teviothead and Hermitage Area Split between Hawick and Jedburgh

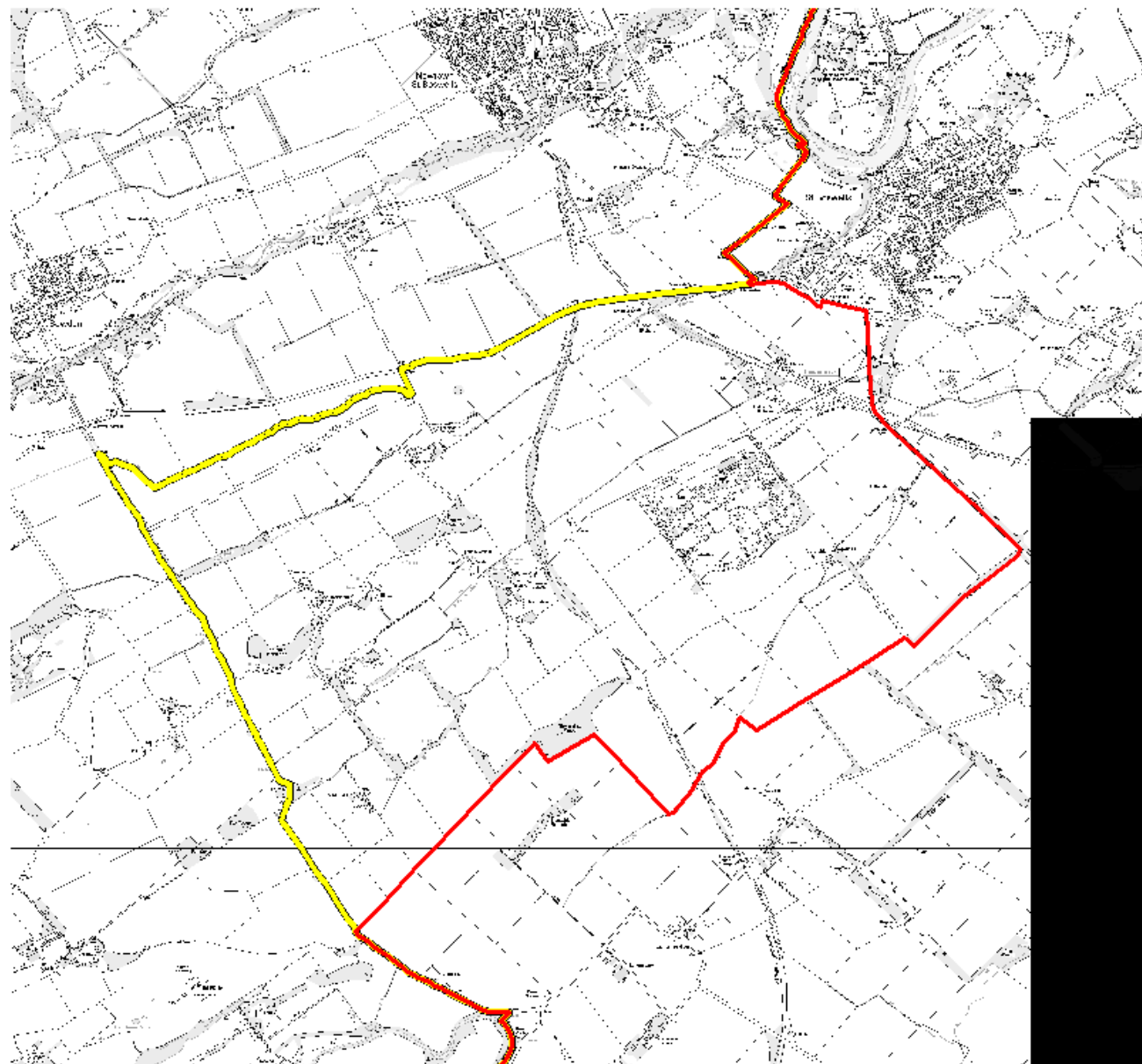
Newcastleton in Jedburgh Ward



Minto, Cauldmill and Boonraw Area is split between Hawick and Jedburgh wards



Roxburgh Heiton,Eckford Area is split between Jedburgh and Kelso

**Local Government
Boundary Commission
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**Proposals for Wards:
Scottish Borders**



-  Proposed Ward Boundaries
-  Current Wards

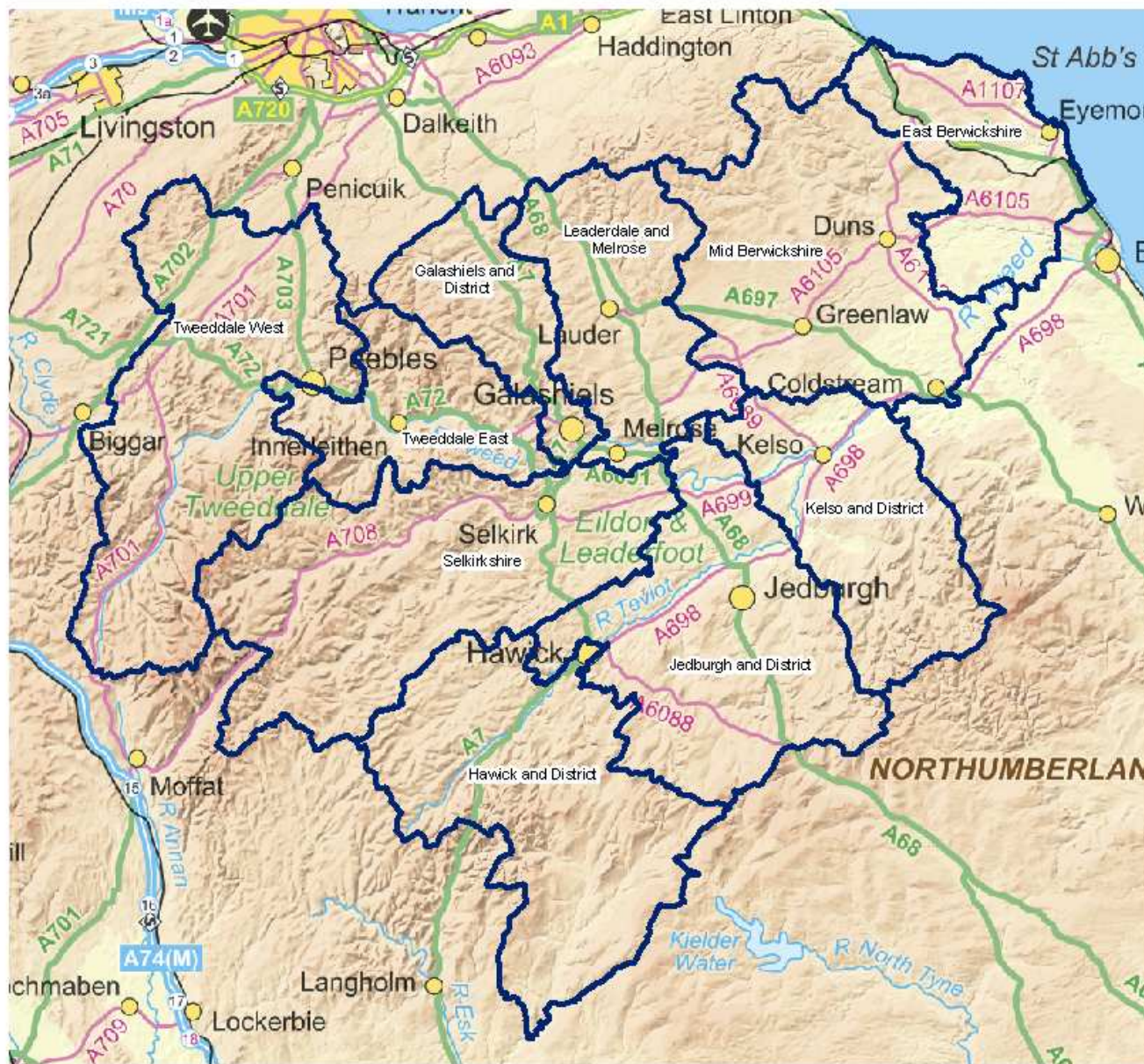
 0.2 Miles 

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Local Government Boundary Commission For Scotland - Fifth Reviews of Electoral Arrangements (March 2015)

Proposals for Wards: Scottish Borders



Scottish Borders - Preferred Option

Ward No	Ward Name	Cllrs	Parity	Electorate (Sept -2013)	Actual variation from 2800 parity	Forecast electorate 2019	Forecast variation from 2800 parity	Area KM2
1	Tweeddale West	3	8,400	7,716	-8%	7,730	-8%	695
2	Tweeddale East	3	8,400	8,243	-2%	8,323	-1%	284
3	Galashiels and District	4	11,200	10,868	-3%	10,545	-6%	216
4	Selkirkshire	3	8,400	7,926	-6%	8,252	-2%	679
5	Leaderdale and Melrose	3	8,400	8,425	0%	8,763	4%	353
6	Mid Berwickshire	3	8,400	8,350	-1%	8,692	3%	620
7	East Berwickshire	3	8,400	8,465	1%	9,013	7%	300
8	Kelso and District	3	8,400	8,912	6%	9,081	8%	394
9	Jedburgh and Denholm	3	8,400	8,533	2%	8,547	2%	576
10	Hawick and District	4	11,200	12,426	11%	12,122	8%	621
	Totals	32	89,600	89,864	0%	91,068	2%	4,738

2,808

Description of Datazones:

Newcastleton and Hermitage part of Hawick and District

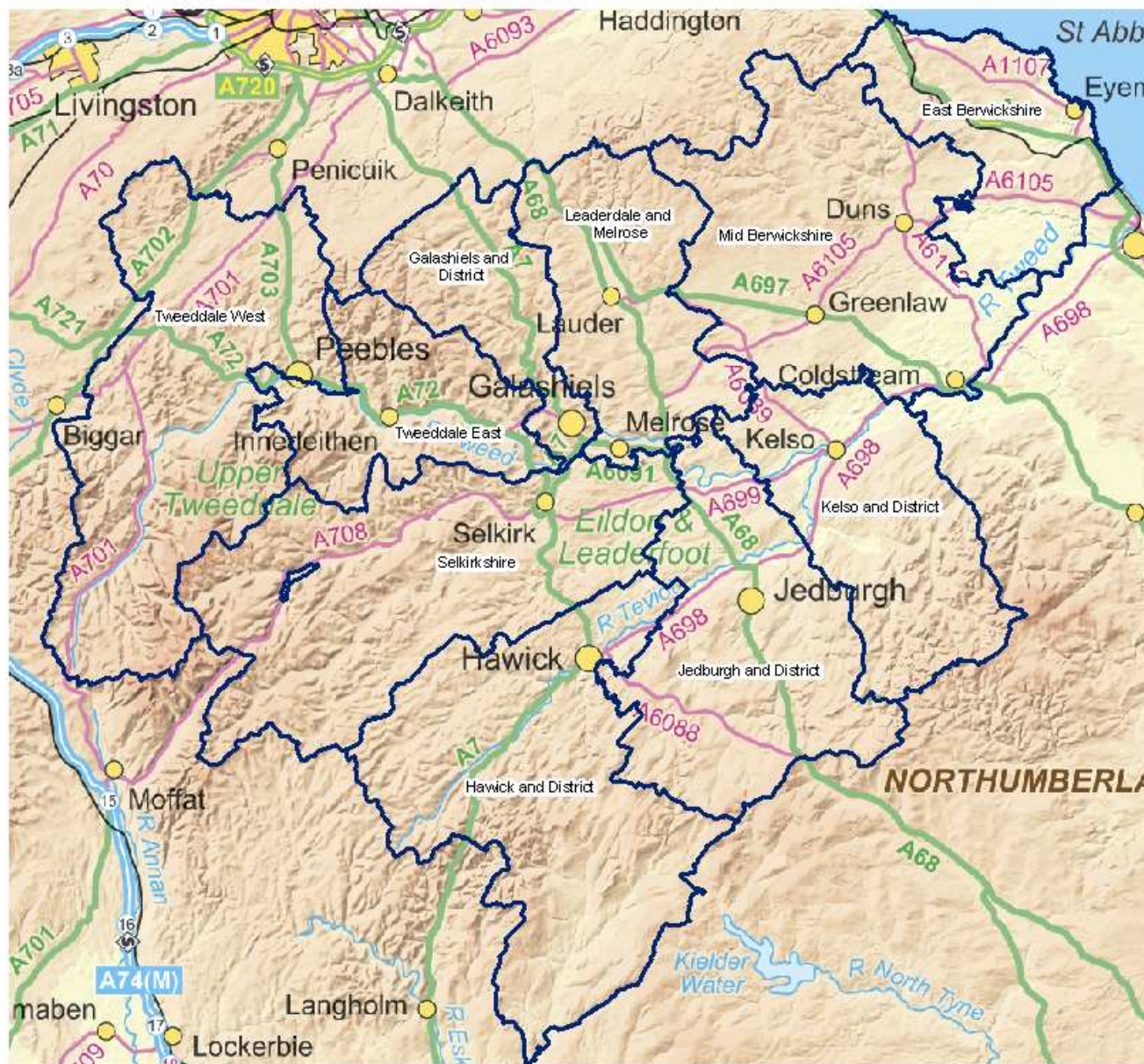
Area north of Hawick with Jedburgh and Denholm


Using the proposed boundary between Kelso and District and Jedburgh and Denholm




Request the boundary of Hawick and District follows the Hawick settlement boundary around Wilton Park.

**Local Government
Boundary Commission
For Scotland -
Fifth Reviews of
Electoral
Arrangements
(March 2015)**

**Proposals for Wards:
Scottish Borders**



 Denholm Alternative

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Scottish Borders - Denholm Alternative (Denholm and Newcastleton with Hawick)

Ward No	Ward Name	Cllrs	Parity	Electorate (Sept -2013)	Actual variation from 2800 parity	Forecast electorate 2019	Forecast variation from 2800 parity	Area KM2
1	Tweeddale West	3	8,400	7,716	-8%	7,730	-8%	695
2	Tweeddale East	3	8,400	8,243	-2%	8,323	-1%	284
3	Galashiels and District	4	11,200	10,868	-3%	10,545	-6%	216
4	Selkirkshire	3	8,400	7,920	-6%	8,246	-2%	678
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6	Mid Berwickshire	3	8,400	8,350	-1%	8,692	3%	620
7	East Berwickshire	3	8,400	8,465	1%	9,013	7%	300
8	Kelso and District	3	8,400	8,912	6%	9,081	8%	394
9	Jedburgh and District	3	8,400	7,272	-13%	7,289	-13%	505
10	Hawick and District	4	11,200	13,693	22%	13,386	20%	692
	Totals	32	89,600	89,864	0%	91,068	2%	4,737

Description:

Newcastleton and Hermitage part of Hawick and District

Area north of Hawick and Denholm in Hawick

Using the proposed boundary between Kelso and District and Jedburgh and Denholm

Request the boundary of Hawick and District follows the Hawick settlement boundary around Wilton Park.