

# Public Document Pack



## SCOTTISH BORDERS COUNCIL THURSDAY, 28 JUNE, 2018

A MEETING of the SCOTTISH BORDERS COUNCIL will be held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS, NEWTOWN ST. BOSWELLS on THURSDAY, 28 JUNE, 2018 at 10.00 AM

J. J. WILKINSON,  
Clerk to the Council,  
21 June 2018

<b>BUSINESS</b>																														
1.	<b>Convener's Remarks.</b>																													
2.	<b>Apologies for Absence.</b>																													
3.	<b>Order of Business.</b>																													
4.	<b>Declarations of Interest.</b>																													
5.	<p><b>Minute</b> (Pages 5 - 20)</p> <p>Consider Minute of Scottish Borders Council held on 31 May 2018 for approval and signing by the Convener. (Copy attached.)</p>	2 mins																												
6.	<p><b>Committee Minutes</b></p> <p>Consider Minutes of the following Committees:-</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr><td>(a) Eildon Area Partnership</td><td style="text-align: right;">10 May 2018</td></tr> <tr><td>(b) Audit &amp; Scrutiny</td><td style="text-align: right;">14 May 2018</td></tr> <tr><td>(c) Hawick Common Good Fund</td><td style="text-align: right;">15 May 2018</td></tr> <tr><td>(d) Local Review Body</td><td style="text-align: right;">21 May 2018</td></tr> <tr><td>(e) Tweeddale Area Partnership</td><td style="text-align: right;">23 May 2018</td></tr> <tr><td>(f) Civic Government Licensing</td><td style="text-align: right;">25 May 2018</td></tr> <tr><td>(g) Hawick Common Good Fund</td><td style="text-align: right;">25 May 2018</td></tr> <tr><td>(h) Planning &amp; Building Standards</td><td style="text-align: right;">4 June 2018</td></tr> <tr><td>(i) Executive</td><td style="text-align: right;">5 June 2018</td></tr> <tr><td>(j) Kelso Common Good Fund</td><td style="text-align: right;">6 June 2018</td></tr> <tr><td>(k) Jedburgh Common Good Fund</td><td style="text-align: right;">6 June 2018</td></tr> <tr><td>(l) Audit &amp; Scrutiny</td><td style="text-align: right;">7 June 2018</td></tr> <tr><td>(m) Selkirk Common Good Fund</td><td style="text-align: right;">13 June 2018</td></tr> <tr><td>(n) Local Review Body</td><td style="text-align: right;">18 June 2018</td></tr> </tbody> </table> <p>(Please see separate Supplement containing the public Committee Minutes.)</p>	(a) Eildon Area Partnership	10 May 2018	(b) Audit & Scrutiny	14 May 2018	(c) Hawick Common Good Fund	15 May 2018	(d) Local Review Body	21 May 2018	(e) Tweeddale Area Partnership	23 May 2018	(f) Civic Government Licensing	25 May 2018	(g) Hawick Common Good Fund	25 May 2018	(h) Planning & Building Standards	4 June 2018	(i) Executive	5 June 2018	(j) Kelso Common Good Fund	6 June 2018	(k) Jedburgh Common Good Fund	6 June 2018	(l) Audit & Scrutiny	7 June 2018	(m) Selkirk Common Good Fund	13 June 2018	(n) Local Review Body	18 June 2018	5 mins
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7.	<b>Committee Minute Recommendations</b> (Pages 21 - 24)	5 mins																												

	<p>Consider the recommendations made by the following Committees:-</p> <p>Audit &amp; Scrutiny – 14 May 2018 Jedburgh Common Good Fund – 6 June 2018</p> <p>(Copy attached.)</p>	
8.	<b>Open Questions</b>	15 mins
9.	<p><b>Public Conveniences Phase 2 - Future Options for Provision</b> (Pages 25 - 56)</p> <p>Consider report by Service Director Assets and Infrastructure. (Copy attached.)</p>	15 mins
10.	<p><b>Integrated Strategic Plan for Older People's Housing, Care &amp; Support 2018-2028</b> (Pages 57 - 128)</p> <p>Consider report by Service Director Regulatory Services. (Copy attached.)</p>	10 mins
11.	<p><b>Edinburgh and South East Scotland City Region Deal</b></p> <p>Consider reports by Executive Director on:-</p>	20 mins
	(a) <b>Outline Business Case for Central Borders Innovation Park</b> (Pages 129 - 192)	
	(b) <b>Final City Deal Documentation</b> (Pages 193 - 264) (Copies attached.)	
12.	<p><b>Proposals for Localities Bid Fund Pilot - Round 2</b> (Pages 265 - 286)</p> <p>Consider report by Service Director Customer and Communities. (Copy attached.)</p>	10 mins
13.	<p><b>Early Retirement and Voluntary Severance</b></p> <p>Consider report by Service Director HR. (Copy to follow.)</p>	5 mins
14.	<p><b>Motion by Councillor Bell</b></p> <p>Consider Motion by Councillor Bell in the following terms:-</p> <p>“Scottish Borders Council amends the current Scheme of Administration to restore 3 Opposition positions to the membership of the Executive Committee.”</p>	5 mins
15.	<b>Any Other Items Previously Circulated</b>	
16.	<b>Any Other Items Which the Convener Decides Are Urgent</b>	
17.	<p><b>Private Business</b></p> <p>Before proceeding with the private business, the following motion should be approved:-</p> <p>“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</p>	

	aforementioned Act.”																			
18.	<b>Minute</b> (Pages 287 - 290)  Consider private Section of Minute of Scottish Borders Council held on 31 May 2018. (Copy attached.)	1 mins																		
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## NOTES

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

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Please direct any enquiries to Louise McGeoch Tel 01835 825005  
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**SCOTTISH BORDERS COUNCIL**

MINUTE of MEETING of the SCOTTISH BORDERS COUNCIL held in Council Headquarters, Newtown St. Boswells on 31 May 2018 at 10.00 a.m.

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Present:- Councillors D. Parker (Convener), S. Aitchison, A. Anderson, H. Anderson, J. Brown, S. Bell, K. Chapman, K. Drum. G. Edgar, J. A. Fullarton, J. Greenwell, C. Hamilton, S. Hamilton, S. Haslam, E. Jardine (from para 5) , H. Laing, S. Marshall, W. McAteer, T. Miers, D. Moffat, S. Mountford, D. Paterson, C. Penman, C. Ramage, N. Richards, E. Robson, M. Rowley, H. Scott, S. Scott, E. Small, R. Tatler, E. Thornton-Nicol, G. Turnbull, T. Weatherston

In Attendance:- Chief Executive, Executive Director (P. Barr), Executive Director (R. Dickson), Service Director Assets & Infrastructure, Service Director Children & Young People, Service Director Customer & Communities, Service Director Regulatory Services, Joint Director of Public Health, Chief Legal officer, Chief Social Work Officer, Financial Services Manager, Clerk to the Council.

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1. **CONVENER'S REMARKS**

The Convener congratulated the following:-

- (a) Councillor Paterson for 30 years' service to the community having first been elected in May 1988;
- (b) Chief Inspector Andy McLean and Safer Communities & Community Justice Manager, Graham Jones on behalf of the Drivewise project which received the Partnership of the Year award sponsored by Crimestoppers; and
- (c) Kimberley O'May, employee of Scottish Borders Council, who was this years Gala Braw Lass.

**DECISION**

**AGREED that congratulations be passed to those concerned.**

2. **MINUTE**

The Minute of the Meeting held on 26 April 2018 was considered.

**DECISION**

**AGREED that the Minute be approved and signed by the Convener.**

3. **COMMITTEE MINUTES**

The Minutes of the following Committees had been circulated:-

Tweeddale Area Partnership	27 March 2018
Cheviot Area Partnership	28 March 2018
Major Contracts Governance Group	12 April 2018
Local Review Body	16 April 2018
Teviot & Liddesdale Area Partnership	17 April 2018
Audit & Scrutiny	19 April 2018
Civic Government Licensing	20 April 2018
Planning & Building Standards	30 April 2018
Executive	1 May 2018
Peebles Common Good Fund	9 May 2018
Galashiels Common Good Fund	10 May 2018

## **DECISION**

**APPROVED the Minutes listed above.**

## **DECLARATION OF INTEREST**

Councillor Weatherston declared an interest in the question asked by Councillor S. Scott in terms of Section 5 of the Councillors Code of Conduct and left the Chamber when this question was answered.

### **4. OPEN QUESTIONS**

The questions submitted by Councillors Paterson, S. Scott, Fullarton, Brown, Bell, Ramage and H. Anderson were answered.

## **DECISION**

**NOTED the replies as detailed in Appendix I to this Minute.**

### **5. EARLY LEARNING AND CHILDCARE: EXPANSION TO 1140 HOURS**

With reference to paragraph 7 of the Minute of 26 April 2018, there had been circulated copies of a report by the Service Director Children and Young People providing an update on progress in relation to implementing the Early Learning and Childcare Expansion to 1140 hours by 2020/21 since the report to the Executive Committee on 7 November 2017. This included liaison with the Scottish Government on the Service Development and Implementation Plan, the 2018/19 revenue allocation for the expansion, a further medium-term revenue and capital allocation for the period 2017/18 to 2021/22 and the Council's plans for the next phases of the expansion from August 2018. The report outlined the implications for Council provision, partner providers and childminders. The Service Director commented on the success of the pilot at Philiphaugh Primary School and the positive impact it had on the children involved. Members welcomed the report and hoped that this provision would assist in closing the attainment gap.

## **DECISION**

**AGREED:-**

**(a) the next phases of the expansion plan from August 2018; and**

**(b) to increase Partner Providers Payment rates by 55p to £4.20 per hour for 3 and 4 year olds, and to £4.55 per hour for 2 year olds from August 2018. .**

### **6. RESPONSE TO THE CONSULTATION ON THE SAFE AND PLANNED FUTURE OF THE SCOTTISH FIRE AND RESCUE SERVICE**

There had been circulated copies of a report by the Chief Executive on the proposed response to the consultation 'Your Service Your Voice: A consultation on the safe and planned future of the Scottish Fire and Rescue Service' published on 13 February 2018. The report explained that the Consultation envisioned a four-year programme that would transform both the Scottish Fire and Rescue Service (SFRS) and the role of its firefighters. Potential areas of change included a more effective crewing model, new fully-harmonised conditions and more flexible working arrangements and mobility, use of the latest technology and new types of vehicles, a review of the national 'fire station' footprint and a strengthening of services to rural communities through the appointment of new whole-time rural manager positions in key locations across Scotland. There were three important considerations for the Council, namely how these proposals would impact upon the type and quality of service provided by SFRS in the Scottish Borders, the impact upon the outcomes to which both the Council and the SFRS were committed through Community Planning, and how the proposals were viewed by the public of the Scottish Borders. The draft response, which was appended to the report, sought to take a balanced view of the drivers for change, potential areas of change and to measure these against those three considerations. An obvious challenge was that the proposed changes were currently at a high level, so the detailed implications and

specifically the precise consequences for the Scottish Borders were not yet clear. Members agreed that there was a need to better align resources and supported the proposed response.

#### **DECISION**

**AGREED the draft response to ‘Your Service Your Voice: A consultation on the safe and planned future of the Scottish Fire and Rescue Service’ set out in Appendix 1 to the report.**

#### **7. SOUTH OF SCOTLAND ENTERPRISE AGENCY – CONSULTATION RESPONSE**

With reference to paragraph 20 of Appendix II to the Minute of 29 March 2018, there had been circulated copies of a report by the Executive Director, Mr Dickson, seeking agreement to the Council’s response to the current Scottish Government pre-legislative consultation on a new Enterprise Agency for the South of Scotland. The purpose of this pre-legislative consultation was to gather views on how the new South of Scotland Enterprise Agency could make the difference in delivering Inclusive Growth, increasing competitiveness, and tackling inequality across the South of Scotland and the proposed response was appended to the report as Appendix 2. The consultation on a new Enterprise Agency for the South for Scotland closed on 7 June 2018 and, given the importance of the consultation and its proposals to the Scottish Borders, it was vital that Scottish Borders Council submitted a considered and comprehensive response before that deadline. Members welcomed the proposed response.

#### **DECISION**

##### **AGREED:-**

- (a) to note the significance of the current Scottish Government pre-legislative consultation on the proposed South of Scotland Enterprise Agency; and**
- (b) that the draft consultation response set out in Appendix 2 to the report was submitted to Scottish Government as the Council’s formal response to the consultation on a new Enterprise Agency for the South of Scotland.**

#### **8. RESPONSIBLE DOG OWNERSHIP AND MEASURES TO CONTROL DOG FOULING**

With reference to paragraph 7 of the Minute of 25 February 2016, there had been circulated copies of a report by the Service Director Assets and Infrastructure providing an update on both the Responsible Dog Ownership Strategy and the pilot approach undertaken to enforcement in relation to dog fouling. The report explained that Scottish Borders Council had agreed to pilot a new approach to dog fouling enforcement, as part of a wider Responsible Dog Ownership Strategy, in February 2016. The Strategy encompassed three aims – reduce dog fouling; reduce incidents relating to noise caused by dogs; respond to reports of stray dogs and injury caused by dog attacks. The report summarised the outcomes and lessons learned from the pilot and other work undertaken as part of the Responsible Dog Ownership Strategy around dog fouling detailing activities undertaken across six delivery action areas. The pilot had created significant opportunities for lessons learned and these were detailed in the report and appendices. However, the most significant and consistent message was that in order to have an effective Responsible Dog Ownership Strategy, it required to be integrated as part of a wider strategy to educate dog owners which needed to be resourced over a sustained period of time in order to measure its effectiveness and demonstrate its success within the community. Councillor Aitchison emphasised the need for partnership working and commended the work of the “Dog Friendly Newtown” group. Councillor Thornton-Nicol who was involved in the group advised that this approach could be replicated in any town or village in the Borders.

#### **DECISION**

- (a) NOTED the findings of the report on the Responsible dog Ownership Strategy and associated enforcement pilot.**
- (b) AGREED to:-**

- (i) **an updated Responsible Dog Ownership Strategy 2018-2022, as a publication, to be prepared based on outcomes and findings of the Pilot and reflective of the new Corporate Plan and that this would be available within six months;**
- (ii) **instruct the Service Director Assets and Infrastructure to enter into negotiations for a contract for the future provision of dog bags from a third party, which had no costs to the Council in their provision or maintenance; and**
- (iii) **the delivery of enforcement activity via the Police Community Action Team under the agreed Terms of Reference as part of a responsive, intelligence-led and prioritised service integral to the Local Policing Plan.**

**9. CAPITAL PROGRAMME 18/19 – INVESTMENT IN PLAY AREAS AND OUTDOOR COMMUNITY SPACES**

There had been circulated copies of a report by the Service Director Assets and Infrastructure setting out a proposed programme of work to deliver a strategic network of outdoor community spaces across the Borders, approved as part of the Council's 2018/19 Financial Plan and proposing the establishment of an Elected Members Reference Group to oversee delivery. The report explained that as part of the Council's Financial Plan 2018/19 – 22/23, £2.8m would be invested in Outdoor Community Spaces with the aim of improving community wellbeing and enhancing activity levels for all ages with a beneficial impact on the health of the population. Appendix A to this report outlined the programme of proposed projects across the Scottish Borders and provided an indicative timescale for delivery. The programme proposed a range of provision including Children's Playparks, Pump bike/Skate tracks and Fitness/Youth Shelter provision as well as the rationalisation of obsolete equipment, where this was no longer fit for purpose. The programme was subject to change, with possible new priorities emerging in consultation with communities and through the Elected Members Reference Group. Any recommendations for amendments would be brought to future meetings of the Executive Committee for consideration through the normal financial monitoring process. The Members Reference Group would support the delivery of the Play area and Outdoor Community spaces investment over the next four years, and would:

- oversee the procurement and delivery of the programme;
- make recommendations on which obsolete play areas should be removed, particularly in areas where this programme would deliver significant new investment;
- support community consultation in the delivery of the projects; and
- make recommendations on appropriate changes to the programme should additional resources become available, particularly should projects not proceed to construction, or if delivery timescales changed.

Members welcomed the report.

**DECISION  
AGREED:-**

- (a) **to approve the proposed programme of work set out in Appendix A to the report;**
- (b) **to approve the establishment of the Members Reference Group, as detailed in the report to support delivery of the proposed programme and appoint the Convener as Chairman, the Executive Member for Neighbourhoods and Locality Services together with a representative from each of the five Area Partnerships as Members of the Group;**
- (c) **an addition to the Scheme of Delegation to give authority to the Service Director Assets & Infrastructure: "After consultation with local Members, the Chief Financial Officer and the Chief Legal Officer, declare play parks obsolete or**



**those surplus to community requirements and arrange for the removal of equipment and disposal, if appropriate.”;**

- (d) to approve the Capital budget adjustments required and the revenue funding requirement as detailed in the report; and**
- (e) that recommendations on changes to the programme would be highlighted as part of the established Financial Monitoring process to the Executive Committee.**

**10. MEMBERS ALLOWANCES AND EXPENSES 2017/2018**

There had been circulated copies of a report by the Chief Executive detailing the allowances paid to Members during 2017/18, which the Council required to publish in terms of Regulation 6(5) of the Local Government (Allowances and Expenses) (Scotland) Regulations 2007. Appendix 1 to the report detailed the allowances paid to Councillors in 2017/18 and Appendix 2 detailed attendance at training events and conferences. Overall these payments totalled £747,698.02. In response to a question on why a total column was included it was explained that the format was specified in the Regulations.

**DECISION**

**AGREED that the information in the Appendices to the report be published on the Council’s website, in order to meet the publicity requirements of the Local Government (Allowances and Expenses) (Scotland) Regulations 2007.**

**11. MOTION BY COUNCILLOR H. ANDERSON**

Councillor H. Anderson, seconded by Councillor Haslam, moved her Motion as detailed on the agenda in the following terms:-

“Valuing our Community Centres

Live Borders have recently completed an independent Appraisal of the operation, aptitude and ambitions of the house committees of the 10 community centres they have responsibility for. The report states that whilst 2 of these 10 centres are interested in actively pursuing greater autonomy, the remaining 8 are more tentative.

Changing the management arrangements and responsibilities for these buildings requires careful facilitation in order to ensure that the capacity of the existing house committees is retained and strengthened, not weakened.

Whilst the centres are currently the responsibility of Live Borders, any potential transfer of the buildings will require the agreement of full council. A key consideration must be the consequences of any transfer on the wider communities who use these facilities every day.

The Council therefore asks that the Executive Director and Council representatives on the Joint Officer Group and the Executive/Board Liaison Group monitor and take relevant action to ensure that any negotiations about potential transfer are sensitively and effectively managed to safeguard the community value these centres represent.”

Councillor Anderson spoke in support of her Motion which was unanimously approved.

**DECISION**

**AGREED to approve the Motion as detailed above.**

**12. PRIVATE BUSINESS**

**DECISION**

**AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in Appendix II to this Minute on the grounds that it involved the likely disclosure of**

**exempt information as defined in Paragraphs 1, 6, 8 and 9 of Part I of Schedule 7A to the Act.**

### **SUMMARY OF PRIVATE BUSINESS**

13. **Minute**  
The private section of the Council Minute of 26 April 2018 was approved.
14. **Committee Minutes**  
The private sections of the Committee Minutes as detailed in paragraph 3 of this Minute were approved.
15. **Tweedbank Future Development Opportunities**  
It was decided to approve a joint report by the Executive Director and Service Director Assets and Infrastructure.
16. **City Region Deal – Business Case**  
A report on governance arrangements by the Executive Director was approved

*The meeting concluded at 2.05 p.m.*

**SCOTTISH BORDERS COUNCIL**  
**31 MAY 2018**  
**APPENDIX I**

**OPEN QUESTIONS**

**Questions from Councillor Paterson**

1. To Executive Member for Neighbourhoods and Locality Services

Will this administration not admit that they have got it wrong by cutting back on grass cutting in cemeteries and in well used areas in all of our Border Towns to try and save money while still proceeding with a multi-million pound scheme like the tapestry?

Answer from Councillor Aitchison

In February this year, Council agreed a series of revenue savings within the Neighbourhood team which included changes to the grass cutting regime. A significant part of the change was moving general amenity grass to a 20 day cutting cycle from a 10 day cutting cycle. High amenity areas remain on a 10 day cutting cycle and therefore this is a change to some, but not all, areas of grass. There does appear unfortunately to be a general misconception that all areas of grass are affected by these changes, which is not the case.

We are of course also encouraging communities to play "their part" in supporting the Council during these periods of budgetary constraint to maintain areas should they wish to get involved and Officers will actively support any such group..

The Great Tapestry of Scotland capital project, which is receiving a significant external financial contribution from Scottish Government to the value of £2.5m, plus the more recent success in leveraging in a further £1.2m of Regeneration Capital Grant Funding, is intended to contribute to the both the regeneration of Galashiels town centre and improve the overall tourism and visitor offer within the Scottish Borders as a whole.

Supplementary

Councillor Paterson asked that the decision to reduce the number of cuts be reversed. Councillor Aitchison advised that Councillor Paterson was aware of the process to change Council policy and, as a capital project for tourism would not fund grass cutting, Councillor Paterson would need to identify budget if the policy was to be changed. .

To Executive Member for Community Safety

2. Is the new Community Policing team working within the £280,000 budget they were given to do the job or is there a chance that they may go over budget bearing in mind that when the Council Leader, Cllr Haslam and Cllrs Turnbull and Aitchison presented the budget they said that it would be more than £280,000 which begs the question how much over £280,000 will it be allowed to go before action is taken?

Answer from Councillor McAteer

The SLA between SBC and Police Scotland provides that the charges will be £278,500.00 for 2018/19 paid in 4 instalments of £69,625.00.

Supplementary

Councillor Paterson asked who received the income from fines. Councillor McAteer advised that this was a regulatory issue and fines went to the Scottish Government.

3. Can the Executive Member please tell the Council how many parking fines and dog fouling fines the new Community Policing team have issued since they came into being ?

Answer from Councillor McAteer

Between 1<sup>st</sup> April and 25<sup>th</sup> May 2018 there have been 121 parking tickets issued by the CAT.

In an average year the police expect to issue 300 – 400 parking tickets issued by all police officers in the Borders. There have been no dog fouling tickets issued during this period.

As per the Terms of Reference of the Officer/Member Strategic Oversight Group, performance of the CAT will be reported on quarterly at the Police, Fire & Rescue and Safer Communities Board and Executive Committee.

#### Supplementary

Councillor Paterson asked if the Council should not receive the fine income to help offset the costs. Councillor McAteer advised that there was a clear service level agreement which detailed the roles and responsibilities of the CAT. The Team was very proactive and that it was less about the cost and more about improving the quality of life by supplementing the existing police service.

4. Do you not think that it would be a sensible way forward, in the interests of health and safety and possibly saving some poor person's life, if this Council would consider installing a defibrillator into halls owned by SBC and currently leased or hired out to the public or other organisations?

#### Answer from Councillor McAteer

The management and hire of town halls and other community venues such as swimming pools, leisure centres and community centres are now the responsibility of Live Borders. Currently 50% (17 out of 34) Live Border properties have AED's installed.

SBC in partnership with NHS Borders, Scottish Ambulance and Fire and Rescue Services and local charities have produced a guidance document for the public providing advice on the installation of Automated External Defibrillators (AED'S) with the aim of increasing survival rates. To date 276 AED's have been installed across the Scottish Borders at public venues including Live Borders managed town and village halls, community centres, leisure centres and other council owned properties such as schools and community hubs. Many of these AED's are funded through SBC community grants, charity fundraising or donation from organisations such as British Red Cross.

SBC and their partners remain committed to the Scottish Governments 'Out of Hospital Cardiac Arrest (OHCA) Strategy for Scotland' with the goal of increased availability of AED's and equipping our public with lifesaving skills. This strategy has increased survival rates in the Scottish Borders from 12% in 2015 to 29% in 2018. An increase of 17% in 3 years, exceeding the Scottish Govt target of 10% in 5 years.

#### Supplementary

Councillor Paterson commented on a recent event in Hawick Town Hall and asked the cost of providing a defibrillator was worth it even if it saved one life. Councillor McAteer recognised his concerns but advised that there was a defibrillator on the wall outside the Town Hall. The Council did promote their installation.

#### 5. To the Executive Member for Finance

Can the Executive Member please tell the Council if all members of the Ruling Administration were made aware by officers of the full implications that the cuts were going to have on the people of the Scottish Borders for example the reduced number of cuts to some grassed areas of the Scottish Borders meaning that some areas will only be cut every 20 days, there seems to be some confusion with some admin members.

#### Answer from Councillor Turnbull

As part of the 2018/19 budget setting process, a report entitled 'Neighbourhood Services – Grass Cutting & Biodiversity, Floral Gateway Competition' was presented to the Administration Budget Working Group on the 16th January 2018.

The proposals in the report contained savings of £345k, which included £215k of savings from grass cutting service redesign, with the recommendation that general amenity grass areas move

from a 10 working day cycle to a 20 working day cycle, with high amenity areas continuing to be cut on a 10 day cycle. Other changes, to slopes and wild flower areas, were also included.

A further meeting with the Administration was undertaken on 23rd January by the Neighbourhoods Manager, who delivered a PowerPoint presentation to Elected Members. This provided further clarity on the proposals, including photographic examples of the grass cutting pilot carried out during 2016/17. The proposals were approved by Council on 20th February as part of the 2018/19 Financial Plan.

A further briefing was held on 20th March which was open to all members to attend. A similar presentation detailing the service changes, including changes to grass maintenance was undertaken at that time.

#### Supplementary

Councillor Paterson asked if there was any possibility that Councillors may have been misled given a recent article in the Hawick paper. Councillor Turnbull advised he had no control over articles in the local press but reaffirmed that Members briefings had been held. There had been some delays in obtaining new equipment but this would be resolved soon.

#### 6. To Executive Member for Roads and Infrastructure

With the recent publicity regarding roads in and around the Teviot & Liddesdale Area getting resurfaced, while welcoming the work being done, I have to ask what criteria was used for doing the work to these roads. I have been contacted by people in my ward amazed at how these particular roads seemed to have leap frogged in front of other roads that look as if they are in a far worse condition. Was this work solely based on these roads being in a far poorer condition or was it just based on getting the popular vote and will this work to the roads mentioned in the local paper mean that work needing to be done to other roads in the Teviot & Liddesdale area will not now happen?

#### Answer from Councillor Edgar

During the budget setting process for 18/19, Officers were asked to identify high profile roads in villages and towns that would benefit from higher value capital improvement works - when compared to lower value revenue works that generally comprise more minor pothole or other repairs.

An additional £1.8m of revenue was allocated to Roads as part of the budget process, and of this additional £1.8m, £1.2m was allocated to some of the identified roads with the balance of £600k being used to undertake a variety of revenue works including the provision of a 2<sup>nd</sup> jet patcher.

As six of the identified roads had already been included with the programme for 18/19 and as it was additional money, no other schemes were displaced from the planned programme.

#### Supplementary

Councillor Paterson asked if this meant that there would be more temporary filling of potholes when this money could have been used for more permanent repairs. Councillor Edgar advised that most potholes were filled on a permanent or semi-permanent basis.

#### **Question from Councillor S. Scott**

#### To Executive Member for Finance

Can the Executive Member please assure me that all the paper work/contracts for the care of the residents in Millfield Home, Jedburgh, and the new owners are now in place?

#### Answer from Councillor Turnbull

We have been working with Bield Housing Association and the purchasing care organisation to ensure that the transfer of care is completed with the minimum of disruption to residents. Whilst

we cannot confirm that the contracts are in place we are confident that progress has been made for the sale and transfer and will be completed in June as previously noted.

### **Question from Councillor Fullarton**

#### To Executive Member for Planning and Environment

What are the implications for SBC of the Scottish Government Proposals for Fees charged for Applications under the Electricity Act 1989?

#### Answer from Councillor Miers

The Scottish Government has consulted on new fees for applications submitted under the Electricity Act 1989 which includes windfarm applications above 50MW capacity. Such applications are submitted to the Energy Consents Division of the Scottish Government who in turn consult with local authorities. In practice local authorities undertake the majority of the work associated with processing applications for which they receive a two thirds proportion of the fee. At present the maximum fee for an application between 50MW and 100MW is £18,000 of which local authorities get £12,000 in recognition of the substantial burden that falls on them.

The Scottish Government's proposal is to increase the maximum fee for developments of this size to £190,000 but there is no proposal to increase the fee payable to local authorities which would be capped at the existing £12,000. Scottish Borders Council would therefore continue to bear the burden of having to assess and respond to these applications but would receive no additional fee income. The proportion of fee provided to local authorities would drop from 66% to 6%.

- In effect this is an additional tax imposed on rural Scotland, because the work is done locally but the money goes to the Scottish Government
- Our suggestion in our response to the consultation was that local authorities should continue to receive c. 2/3rds of the fee – ie £125,000
- The cost implications to SBC, based on the last five years, has been calculated at c£1.25m
- If we all work together we can persuade the SG to drop this levy.

#### Supplementary

Councillor Fullarton asked if he agreed that there was a 7% cut to local government. Councillor Miers advised that the Council needed to get this decision overturned.

### **Question from Councillor Brown**

#### To Executive Member for Neighbourhoods and Locality Services

There has been uproar across the Borders to the changes in the grass cutting regime: Kelso Provost, Dean Weatherston, is quoted in The Southern Reporter as saying "We've got all the brilliant new plants in the Coldstream Road .... But you can't see them, the grass is higher than the plants."

In my town of Jedburgh, writing about the disgraceful state of Castlewood Cemetery in a post in Facebook last week Ex-Councillor Rory Stewart states "the grass cutting is a concern, SBC seem to have moved the goalposts without due consultation with communities".

What consultation was there with communities in advance of the changes in grass cutting implemented in April this year?

#### Answer from Councillor Aitchison

As part of its budget consultation, the Council proactively invited responses in the winter edition of its SBConnect magazine to a proposal to change grasscutting maintenance. This article was issued in December 2017 to all 56,000 households in the Scottish Borders.

We also asked the public for their views through our online engagement tool Dialogue.

The proposal was around cutting some grass areas less often to change the look and feel of areas, introducing wildflowers and working with communities to hand over or back responsibility for certain areas.

In total, we received 28 responses on the topic, of which 22 were supportive, two unsupportive and four neither supportive nor unsupportive.

On the issue in Kelso, it is the view of officers that it is regrettable that the location at Coldstream Road in Kelso, which has benefitted from community-led bulb planting, was referred to as a cause for concern.

The presence of bulbs within the established grass at the location prevents grass cutting until leaf growth has died back to the correct stage, as per good horticultural practice, prior to cutting. Doing so allows the below surface bulbs to grow and develop themselves sufficiently to continue to flourish the following year.

The area was monitored locally to determine when grass cutting should be carried out on the bulb planted areas, which has now been completed. In the interim, areas at the location which, as yet, have not been planted with bulbs were cut as per the agreed schedule.

This approach to maintenance of the area, following the flowering of the bulbs, is the same practice and timings as last year.

#### Supplementary

Councillor Brown advised there had not been enough communication with independent and opposition Members and communities. Councillor Aitchison advised that this saving had also been part of the opposition budget and that it had been discussed with Community Councils. He was accessible at all times to discuss concerns and that less grass cutting had led to more biodiversity including wild flowers, bees, etc. had been welcomed. He did accept that there had been some glitches in the introduction of the new policy.

#### **Question from Councillor Bell**

##### To the Leader

How many Member-Officer Working Groups, or Reference Groups are now operating across this Council. What is the general remit of each one and what is the defined lifetime of each?

##### Answer from Councillor Haslam

There are currently eight Member Officer Groups. These are:-

- The two Economic Development Working Groups for Hawick and Eyemouth. They will hold their first meetings in June to agree their terms of reference and timescales
- The Parking Issues Working Group which has the remit of ensuring the Council maximises parking opportunities in Border towns, ensuring sufficient turnover within town centres to bring economic benefits to the businesses located there, and, where parking restrictions are in place, that these are clearly marked and enforceable. The Group aims to report in August 2018
- The Police Community Action Team Oversight Group which has the remit of ensuring the Council maximises the value and operational effectiveness of the police Community Action Team (CAT) across the Scottish Borders; and an intelligence led approach to identifying priority areas of activity, supporting delivery of the Local Policing Plan and Community Planning Partnership Community Plan. This Group will meet so long as the CAT is in place.
- The Corporate Parenting Strategy Group which has the remit of fulfilling the Council's obligations as corporate parents. This is a legislative responsibility so this is an ongoing group
- The Planning Policy Working group which is a forum to discuss a wide range of planning issues e.g. LDP, policy development, the Planning Bill and Scottish Government Consultations. This is an ongoing group.
- Localities Bid Fund Assessment Panel which assesses application for funding against the criteria. Will remain in place for the duration of the Fund.

- Live Borders Trustee Liaison Group which discusses strategic direction, future priorities, and commissioning, as well as raising any concerns about the service delivery and /or the partnership. This is an ongoing group.

If item 12 on the agenda is approved later in the meeting a further group will be set up to maintain a strategic overview of the delivery of the investment programme in outdoor community spaces. This group will be required for the duration of the current capital programme.

There are also a number of Political Working Groups including Administration Policy Working Group, Administration Budget Working Group, Opposition Budget Working Group and the Living Wage Working Group.

#### Supplementary

Councillor Bell accepted that some working groups did require a degree of privacy but there was a need for more public scrutiny. Councillor Haslam undertook to meet with Councillor Bell to ascertain how and where there could be greater transparency.

#### **Questions from Councillor Ramage**

##### 1. To Executive Member for Children and Young People

I have had complaints about the cutting of the library service in schools across the Scottish Borders from students, staff and parents. Can I ask what consultation has taken place and were staff, schools or Parents Councils informed?

##### Answer from Councillor C. Hamilton

There is no 'cut to the library service' – all libraries are remaining open and the pilot should actually lead to school libraries becoming more inclusive to pupils and open longer.

In the 2016/17 budget it was agreed that there was to be a review of library services and savings were attached. This was based upon feedback from young people about wishing for more modernised and digitally enabled learning /study provision. The library review was held back for a year as the Scottish Government called for a national review of library provision. A document was then produced entitled 'How good is our school library?'

There is nothing in the document which states that professional librarians are required to manage school libraries. The modernisation we are aiming to achieve will meet the expectations set out in the document.

In our primary schools –some larger than our secondary schools- they do not have any staff managing the libraries. During consultation about school improvement the primary HTs felt that we had an inequitable approach. The very good practice in our primary school libraries was not being followed through into secondaries eg the primary library ambassador role was not continuing and this was in libraries with greater stock than some of the secondaries and the level of community involvement in primaries was not being followed through.

In 2017/18 budget it was agreed that the best way forward was to carry out a pilot in the schools where staff were on temporary contracts – and not librarians – to pilot a more modernised approach – which would also enable the library role to continue into secondary resulting in SCQF 5 leadership accreditation for pupils. The recent secondary estate and YOYP consultations with pupils reinforced that the young people wished for social space in schools to be transformed and they were very clear that libraries need to change: they want learning spaces that have a 'café style' ethos with digitally enabled resources and that they wanted libraries and social space to be more 'pupil owned and led'.

The Council in this pilot is listening to the young people and responding. The pilot will be evaluated and taken to the Executive and the 6 schools will continue to run as normal with the permanent staff. NO LIBRARIES ARE CLOSING – in the pilot we are actually looking at creating a space that could be open for the duration of the school day. In this 'modernisation of learning' pilot we also have to fulfil the opportunity that schools provide young people employability skills – a modernised



digitalised learning/study space provides such an opportunity as well as accreditation ie recognition for pupil leadership.

Staff have been met with and all consultation and HR procedures have been followed throughout.

Parents will be informed of the developments and involved in the evaluation in school session 2018/19 ie next term as part of the normal improvement plan consultation process that takes place in schools when learning pilots are being trialled.

The pupil voice will continue to be at the heart of this pilot. Our ambition to be a pupil centred education service must respond to the modernisation ideas that children are wanting in some schools to create equal opportunities and also to respond to our children of today in terms of how they wish to learn/study.

#### Supplementary

Councillor Ramage commented on 2 part-time librarians who had lost their jobs, the help and support they provided to vulnerable pupils and the fact that qualified librarians were now being replaced with volunteers. She asked if there was still a place for qualified librarians. Councillor Hamilton advised that pastoral staff provided the support to vulnerable pupils but she would take Councillor Ramage's comments back to the Department.

#### 2. To Executive Member for Transformation and HR

In your budget you stated that SBC will be completing "a project to deliver rationalisation of the cleaning services including janitorial".

Can you explain how this will be accomplished and exactly how staffing will be targeted to reach your reduction?

#### Answer from Councillor Mountford

Rationalisation was achieved through:

- 20% frequency reduction in cleaning to office and schools
- Standardisation of janitorial numbers across High Schools, including changes to working patterns
- An increase in the peripatetic janitorial model

The staffing implication to achieving this was managed through:

- The use of existing vacancies to maintain cleaning staff contract size – staff were issued with list of available hours and asked to preference. All staff who wished to maintain their existing hours were offered suitable alternatives.
- A similar approach was taken with the janitorial service, Vacancies were held to ensure that all permanent members of staff had options and were offered a suitable alternative role based on their preferences where possible.
- Changes to janitorial staff's working patterns in High Schools were also introduced in April.

All changes were made in full consultation with staff and Trade Unions.

#### Supplementary

Councillor Ramage commented on the impact of the reduction on the cleanliness of schools and asked why it was the more economically vulnerable staff who were being targeted. Councillor Mountford advised that he did not agree that this was the case.

#### **Questions from Councillor H. Anderson**

#### 1. To Executive Member for Roads and Infrastructure

Just in the last month:

- Clovenfords Community Council have written to SBC protesting against the proposed reduction in the 62 Galashiels – Clovenfords bus service – with no consultation
- A Selkirk Community Councillor resigned in protest against the cancellation of the 72 bus to BGH “without anything to replace it”
- Stow Community Council have written to SBC to protest about proposed changes to the X95 service – with inadequate consultation
- Cockburnspath Community Council members are extremely angry at the proposed cuts to the 253 bus service from Berwick-upon-Tweed
- West Linton Community Council have written to SBC to protest about proposed cuts to the 101/102 bus service from Biggar to Edinburgh and I have gathered over 2,500 signatures in support of a petition to protect this service – cuts again proposed with no consultation

Does this Tory-led administration believe the public have any right to consultation on these proposed changes to potentially vital rural transport links?

Answer from Councillor Edgar

There is no legal requirement to consult on changes to commercial bus services but the Council informs local elected members and Community Councils of proposed changes to subsidised bus services.

**Services 62 (Clovenfords) X95 (Stow) and 253 (Cockburnspath)** are all commercial services and the responsibility for consulting with communities lies with the Bus Operators.

**Service 72 (Selkirk)** was a wholly subsidised bus service which ceased to operate on 13th May 2018. An alternative route using services X95 and 73 is available to connect with services to Melrose and the BGH at the Galashiels Interchange. Through tickets are available on the alternative services at no extra cost to the original 72 journey. A new Sunday service on 73 was added to enhance the timetable. The Selkirk Community Council was informed on these changes on 16th March and notified of the change but offered no comment to the Council.

**Service 101/102 (West Linton)** is run in partnership with Swestrans/Dumfries and Galloway Council, SPT and Midlothian Council. This contract currently runs until August of this year. A new contract is currently being negotiated with tenders due to be returned in mid-June. SBC has also identified an alternative more cost effective service which could be delivered. Consultation on the available options will be undertaken with the community once the outcome of the current tendering process is known.

Supplementary

Councillor Anderson commented on the deep concern of communities and asked for an assurance that people were effectively consulted on any proposed changes. Councillor Edgar advised that the current contracts ran until August and once the tenders had been returned at the end of June consultation would be carried out if required.

2. To Executive Member for Neighbourhoods and Locality Services

At the Council meeting on 29 March 2018 Cllr Aitchison was asked to consider reversing the proposed cut to Citizens Advice Bureau service provision, due to be implemented in September this year.

CAB advisors are now spending an hour or more per claimant assisting individuals with completing the initial on-line application form to apply for their Identify Verification Interview. Given the increasing pressure on these volunteer advisors, can Cllr Aitchison now confirm he is seriously considering reversing this proposed saving?

Answer from Councillor Aitchison

In this chamber last month I advised Councillor Robson that regular meetings were taking place between Council Officers and members of the Borders Citizens Advice Consortium. These

meetings focus both on current and future arrangements. These meetings have been extremely productive and the matter you refer to has never been raised.

My understanding is that it normally takes between 5 and 15 minutes to verify your identity the first time you use GOV.UK Verify which is required for Universal Credit claims. Any time after that, it should only take a couple of minutes to sign in. Council Officers are providing support with digital access and the Jobcentres will also provide support to anyone who is having difficulty with GOV.UK Verify.

To fully understand the issues that you are highlighting Mrs Craig, Service Director for Customer & Communities will ensure this matter is discussed at the next meeting.

The agreed savings equate to an 8% reduction in funding over a two year period and a number of options are collectively being discussed to achieve these.

#### Supplementary

Councillor Anderson advised that she would be happy to provide information to the group and asked for the cut to be reversed as the CAB had never been needed more. Councillor Aitchison advised that he was attending the next meeting on 11 June and asked that she provide him with her evidence so that the issues could be raised.

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**SCOTTISH BORDERS COUNCIL – THURSDAY, 28 JUNE 2018**

**STARRED ITEMS FROM COMMITTEE MINUTES**

**AUDIT AND SCRUTINY COMMITTEE – 14 MAY 2018**

**6. Risk Management Annual Report 2017/18**

- 6.1 With reference to paragraph 3 of the Minute of the Audit and Risk Committee of 28 March 2018, there had been circulated a report by the Chief Officer Audit and Risk detailing Scottish Borders Council's responsibilities in respect of risk management and the progress made to deliver the Council's Risk Management Strategy during 2017/18. The report explained that effective Risk Management was one of the foundations of successful Corporate Governance and was recognised as such within the Council's Code of Governance. The Audit function of the Audit and Scrutiny Committee included a requirement to scrutinise the framework of internal financial control, risk management and governance throughout the Council to ensure its adequacy. The Council had undergone, and continued to undergo substantial change and with a Risk Management landscape that was dynamic, moving increasingly towards partnerships and alternative models of service delivery, the range of risks that the Council was exposed to had also increased. The report detailed the work that had been undertaken with Management to ensure that a Risk Management culture was embedded throughout working practices across the Council and the actions taken to progress this work. There had been a range of training events delivered under the Risk Management training programme. Further training and workshops were scheduled during 2018. To date, 182 managers and staff had attended these events with positive feedback being received. The report advised that Covalent had now been replaced by Pentana and managers could monitor their Business Plan Actions, Performance Indicators and Audit Actions through dedicated portals. Service Risk Registers were also accessible via these portals.

**DECISION**

- \* (c) **AGREED TO RECOMMEND the revised Risk Management Policy Statement and Strategy 2018 for Council approval.**

**7. Counter Fraud Annual Report 2017/18**

With reference to paragraph 4 of the Minute of 28 March 2017, there had been circulated copies of a report by the Chief Officer Audit and Risk. The report provided an update of the Council's responsibilities in respect of fraud prevention, detection and investigation activity. The report also proposed a revised Counter Fraud Policy and Strategy for consideration by the Committee for Council approval. The report explained that during 2015 the Council refreshed its approach to tackling fraud with a refocus on prevention and detection using fraud risk assessment at its core. There was in place a 3-year counter fraud strategy and associated improvement plan to embed anti-fraud culture across the Council, taking account of reducing resources. The status of recommended improvement actions was reported to the Committee in June 2016 and in March 2017. Assurances in respect of the effectiveness of the Council's existing systems and arrangements for the prevention, detection and investigation of fraud were also demonstrated in the Annual Fraud report. The initial recommended improvement actions from the Counter Fraud Working Group had been achieved and the Group had agreed to use the Scottish Government's Counter Fraud

Maturity Model as a means of self-assessment moving forward. The Council's current position on the Maturity Model was based on examples provided in the report and was detailed at Appendix 1 to the report. The report advised that following approval of the 2018/19 Counter Fraud Strategy, targeted Fraud Vulnerability Assessments and Fraud Awareness training would be delivered to relevant Senior Managers. Members noted that, following publication of an Audit Scotland report into a significant fraud incident in another Scottish Local Authority, Scottish Borders Council would adopt recommendations contained within that report as appropriate. Ms Stacey emphasised that work to develop the Business World ERP system to hold corporate records of Gifts and Hospitalities and Registers of Interests was ongoing. In terms of savings related to fraud, under the National Fraud Initiative (NFI), the main area where savings were identified was the Council Tax Single Person Discount and the report provided statistics relating to the cases found to be fraudulent. The report also provided information relating to other NFI work which resulted in action being taken by SBC in relation to fraud. The Counter Fraud Policy Statement included an explanation of the roles and responsibilities of Corporate Management Team, Senior Management, Chief Financial Officer, Chief Officer Audit and Risk, Corporate Fraud and Compliance Officer, Internal Audit, the Audit and Scrutiny Committee and Elected Members. Officers responded to questions raised by Members.

## **DECISION**

- \* **(b) AGREED TO RECOMMEND the revised Counter Fraud Policy Statement and Counter Fraud Strategy 2018 for Council approval.**

### **9. Scottish Borders Council Annual Governance Statement 2017/18 and Local Code of Corporate Governance**

- 9.1 With reference to paragraph 7 of the Minute of 28 March 2017, there had been circulated copies of a report by the Chief Executive seeking approval of the Annual Governance Statement to be published in the Council's Statement of Accounts for 2017/18 and endorsement of the Council's Local Code of Corporate Governance for presentation to Council for approval. The report explained that the CIPFA/SOLACE framework "Delivering Good Governance in Local Government" urged Local Authorities to review the effectiveness of their existing governance arrangements against their Local Code and to prepare a governance statement in order to report publicly on the extent to which they complied with their own Code on an annual basis, including how they had monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period. Part of the Audit & Risk Committee's remit was to assess the effectiveness of internal controls, risk management and governance arrangements and this included 'being satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflected the risk environment and any actions required to improve it, and demonstrated how governance supported the achievements of the authority's objectives'. The Annual Governance Statement 2017/18 was detailed in Appendix 1 to the report and this explained the Governance Framework, including the key elements of the Council's governance arrangements and the Review Framework, outlining the annual review process, overall opinion and areas of further improvement. In terms of overall corporate governance, it was the Chief Executive's opinion that, although there were a few areas of work to be completed for full compliance with the Local Code, the overall governance arrangements of the Council were considered sound. The Annual Governance Statement was informed by the self-assessment of compliance against the Local Code by the officer

self-evaluation working group, the work of internal audit, external audit and inspection agencies, and by Depute Chief Executives' and Service Directors' assurance statements. This Statement would be published in the Statement of Accounts 2017/18. A number of areas for further improvement to ensure compliance with the Local Code were highlighted and were detailed in Appendix 1, paragraphs (1) to (7). The Chief Executive advised Members that the Council had improved and developed its Governance Framework and continued to demonstrate that the governance arrangements within which it operated were sound and effective.

- \* (c) **AGREED TO RECOMMEND the revised Local Code of Corporate Governance for Council approval.**

## **JEDBURGH COMMON GOOD FUND – 6 JUNE 2018**

### **2.2 Jedburgh Leisure Facilities Trust**

There had been circulated copies of an Application for Financial Assistance from the Jedburgh Leisure Facilities Trust in the sum of £30,000 towards a £325,000 major development which would include new changing facilities, heat saving and recovery, increased disabled provision and an extension to the public area which would include an enlargement of the soft-play area as a facility in itself. The application explained that the Leisure Trust had managed the Laidlaw Memorial Pool and Fitness Centre on behalf of the Community for 15 years. The usage had increased 300% during that period and many improvements had been made, with all surpluses being re-invested in the facility. In terms of the project above the trust had already secured funding in the sum of £80,000 from Scottish Borders Council and had applied for £120,000 from SB Leader, £70,000 from SportScotland and £25,000 from BCCR which had been approved in principle. Following general discussion with regard to exploring other sources of funding available, it was agreed in principle to award the Jedburgh Leisure Facilities Trust the sum of £30,000, following confirmation and receipt of all other funding detailed in the application. The grant being paid following confirmation of costings. At the point of payment of the grant, an assessment of cash levels held by Jedburgh Common Good Fund would be required to be undertaken. It was possible that a level of disinvestment from the Kames Capital fund may be required to fund the full payment.

#### **DECISION**

##### \* **AGREED TO RECOMMEND:-**

- (a) **in principle, that an award in the sum of £30,000 be made to the Jedburgh Leisure Facilities Trust towards a £325,000 major development as detailed above;**
- (b) **that at the point of payment of the grant, an assessment of cash levels held by Jedburgh Common Good Fund be undertaken as it was possible that a level of disinvestment from the Kames Capital fund may be required to fund the full payment;**
- (c) **that prior to the release of the funding, the applicant confirm that all other funding detailed in the application had been received;**

**(d) that the funding only be released on receipt of confirmation of total costings.**



## **PUBLIC CONVENIENCES PHASE 2 - FUTURE OPTIONS FOR THE PROVISION OF PUBLIC CONVENIENCES**

**Report by Service Director Asset & Infrastructure**

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### **SCOTTISH BORDERS COUNCIL**

**28 June 2018**

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

- 1.1 **This report updates progress in relation to the implementation of charging for access to 27 public conveniences across the Scottish Borders, provides feedback on the community response to the potential development of Comfort Schemes and Community Partnerships for public conveniences, and makes recommendations for the future options for public conveniences provision.**
- 1.2 A report and its recommendations were considered and approved by the Executive Committee on 31 January 2017; this was further agreed following a call in request at the meeting of Scottish Borders Council on 9 February 2017.
- 1.3 The previous report proposed the introduction of charging for access to 27 public conveniences and Members agreed to implement 'Option 5' at that time (which is detailed below) and which set the charge at 30p;  
  
"**OPTION 5:** In phase 1 introduce charging at a number of facilities as well as engaging local members and communities on potential partnership arrangements. In phase 2 introduce partnership arrangements and evaluate options to rationalise the overall number of toilets provided."
- 1.4 It was estimated at that time that this would generate income of £268k per annum and allow us to create a £10k budget to support the creation of Comfort Schemes/Partnerships.
- 1.5 Members also agreed to Council undertaking engagement over the possibility of the creation of Comfort Schemes/Partnerships with the wider community. This report provides an update on the feedback received to date.
- 1.6 This report responds to the requirement to bring a further report on future options for the provision of public conveniences.

## **2 RECOMMENDATIONS**

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

- (a) Notes the findings of this report;**
- (b) Agrees to the development of Option 5 (Item 7.5);**
- (c) Agrees to undertake a formal procurement exercise to identify a 3<sup>rd</sup> party partner to undertake the Design, Operation and Management of the public toilet network aimed at maximising efficiencies whilst sustaining facilities for a fixed annual fee;**
- (d) Agrees to a further report to Council on the findings of this procurement exercise.**

### 3 BACKGROUND

3.1 In January 2017 the Council Executive agreed to the introduction of charging for access to 27 of its 41 public conveniences as part of the revenue budget setting process for 2017/18. Those facilities are listed below;

1.	Eyemouth Bantry car park
2.	Coldstream Court house car park
3.	Jedburgh Lothian Park
4.	St Abbs Harbour
5.	Galashiels High Street, car park
6.	Galashiels Bank Street Gardens
7.	St Boswells Main Street
8.	Earlston Bus station
9.	Peebles School Brae
10.	Lauder The Avenue
11.	Peebles Kingsmeadows
12.	Hawick Howegate
13.	Eyemouth Harbour (FMA)
14.	Selkirk Market Place
15.	Innerliethen Hall Street
16.	Hawick Volunteer Park
17.	Yarrow Valley St Marys Loch
18.	Coldingham Coldingham Sands
19.	Kelso Shedden Park
20.	Melrose Abbey Place
21.	Hawick Common Haugh
22.	Peebles Eastgate car park
23.	Jedburgh TIC
24.	Newcastleton Langholm Street
25.	Duns Briery Baulk
26.	Kelso Woodmarket/Horsemarket
27.	Galashiels Transport Interchange

3.2 The approved report assumed, based on previous monitoring of the use of public conveniences, that charging for use could generate an estimated annual income of £268k.

3.3 Following approval, the first units went live in the middle of June 2017 with all units operational by the middle of July 2017. What is apparent from financial monitoring is that revenue income received to date is significantly less than the estimated levels that were forecast. A revised full year of income of £89k is now being estimated, a shortfall of some £179k which in turn was expected to also cover the cost of the implementation of Comfort Schemes.

3.4 A significant body of anecdotal evidence around payment avoidance has been received and observed, including from Elected Members. This centres around tailgating (following the previous paying entrant into the facility), the 'good Samaritan' (people exiting the facility allowing free access by holding the entry door open), families paying one fee for multiple usage or antisocial behaviour, where people vandalise doors or wedge them open, allowing free access to all.

- 3.5 The previous report also emphasised the potential for communities to become involved in the delivery of facilities either through the creation of Comfort Schemes or a Partnership approach. Consultation has been undertaken with relevant groups and businesses to initiate dialogue.
- 3.6 Community Councils (67), 'critical friends' (54) and appropriate business (310) were contacted by letter in May 2017 (See appendices 1,2 & 3) and advised of the decision to implement charging and inviting them to provide feedback and/or note interest in creating a Comfort Scheme.
- 3.7 Four out of the 64 Community Councils in the region responded (Lanton, Newtown, Earlston and Kelso Community Councils). Their responses are detailed at appendix 4, along with the Council response they were supplied at the time.
- 3.8 There were no responses from 'critical friends' – please see appendix for full list.
- 3.9 310 letters were issued to local businesses, of those, 31 responded noting interests in becoming a comfort scheme and 3 responded declining any involvement. Where a business registered their interest, a further audit was undertaken in September of 2017, to ascertain the nature of facilities and opening hours on offer at each premise (see appendix 6 & 7 for details).

#### **4 COMMUNICATIONS**

- 4.1 Prior to implementation of charging, advance signage was installed at facilities, advising the public of the impending introduction of paid for entry systems along with a timescale for implementation of early summer.
- 4.2 The project team also created on line information which outlined the position and next steps along with a set of Frequently Asked Questions (FAQ's). The FAQs were expanded as the roll out went live and more enquiries were received about the new charging regime.

#### **5 PUBLIC RESPONSE TO TOILET CHARGING**

- 5.1 Following implementation, there were 162 customer enquiries relating to public conveniences for the period 1 June to 31 December 2017, and 28 formal complaints received about public conveniences during the same time period.
- 5.2 Seven complaints stated an unhappiness/anger about having to pay to access the facilities, the remainder were about the service received on paying for access and related to the cleanliness of facilities and/or operational issues with the coin collection units.
- 5.3 Of the customer enquiries logged, the feedback ranged from: cleanliness or condition of facilities and operational issues with door locking/payment units, lost property, opening hours for special events, provision for bus/taxi drivers, with only a small number of enquiries regarding charging.

- 5.4 As part of the roll out an option to pay by card was included in the Galashiels Transport Interchange. This allows people to use credit/debit cards to pay for access and includes a number of prepaid cards. These cards could be sold and or distributed to individuals/groups/business and used to gain access to the facilities by placing the card/passing the card through the reader.
- 5.5 Several customer enquiries have commented about the lack of coin change machines in proximity to units. The card payment option could be rolled out to more strategic sites should it be felt to be an affordable and flexible alternative which would also reduce the extent of cash handling required.
- 5.6 A table detailing the nature of each complaint is presented at appendix 8

## **6 RESPONSE FROM BUSINESS**

- 6.1 Letters were sent to 310 local businesses that had been identified as most likely to have toilets for customers in their establishments, inviting them to register their interest in the Comfort Schemes/Partnership approach. Responses were received from only 31 locations (10% of the total), noting their interest with a further 3 declining any future involvement. 89% of businesses therefore did not respond to the enquiry which is a disappointing outcome.
- 6.2 Appendix 6 details the business and their locality. The establishments that noted interest comprised a range of types: Hotel/bars (urban and rural), Cafes, Guest Houses, Places of worship, Sports facilities and Offices. Of these, several are situated in proximity to existing key facilities, such as those in Melrose, Lauder, Duns and Eyemouth.
- 6.3 Of those registering their interest, a further assessment of facilities was undertaken in September 2017, asking them to confirm the type of facilities they had available, including;
- Disabled access
  - Baby changing
  - Female / Male toilets
  - Hand Drying facilities
  - If whole body changing facilities are available (Changing Place)
  - Opening hours

Further analysis of the responses to the self-assessment is required including site visits to establish the feasibility of their inclusion in any future initiative (see 7.4).

- 6.4 Despite a positive response from some businesses, overall income has fallen significantly short of what was forecast and therefore there is currently insufficient budget available to fund the comfort schemes and partnerships. The options outlined in section 9 of this report suggest ways to address the current financial under performance of the service. Further consideration on the creation of Comfort Schemes/partnerships is required, in anticipation of a budget being identified to sustain and fund the schemes.

This consideration should include, where businesses have indicated a willingness to take part in the comfort schemes, the following:

- 6.4.1 Where the Council facilities are clearly generating a significant level of income it may not be appropriate to fund Comfort schemes/partnerships in that locality, as they in turn could impact on the income being generated for the Council directly.
- 6.4.2 Where no other Council facilities are provided, consideration to entering into agreements with those businesses should be given, but only if sufficient income is being generated to cover the increased costs of this additional provision or alternatively further savings through selected closures have been achieved.
- 6.4.3 Where the Council has facilities, which are free to access or are charged for access but significantly under-performing financially, then consideration should be given to entering into a third-party agreement with a business instead of sustaining the Council facility, or if appropriate entering into a partnership agreement over the future use of the Council facility.

## 7 OPTIONS

As a consequence of the shortfall in achieving the previously estimated income from the introduction of charging, a revised strategic approach for public conveniences is required. Options considered during the appraisal by officers, were as follows:

### 7.1 Option 1 – No change

Having taken the decision to install charging and demonstrated that this does not generate the anticipated level of income; it may be that any further change is not desired and so maintaining the status quo could be considered.

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• All toilets kept open</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Full Savings not achieved</li> <li>• Capital investment required to maintain facilities, imposing sustained budget pressure on service</li> </ul>

Given the general financial outlook it is not considered appropriate to pursue this option as it is not sustainable in the mid-long term and fails to address the need for change.

### 7.2 Option 2 – Increase Charging Rate

Increase current 30p charge across 27 facilities to 50p charge per visit.

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Potential for increased income (offset against reduction in usage)</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Reduced accessibility/affordability of facilities to customers</li> <li>• Increased cost avoidance</li> <li>• Full savings not achieved</li> </ul>

Any increased charge for access is likely to meet with criticism and may serve to drive down use and therefore negate any anticipated increase in income and payment avoidance may also increase.

### 7.3 **Option 3 –Expand Charging to All Facilities**

Roll out charging to all 41 facilities in the Scottish Borders.

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Potential for increased income (offset against reduction in usage/cost of collection in remote areas)</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Costs of capital investment and the payback period unfavourable.</li> <li>• The remote nature of some of the facilities makes payment avoidance highly likely and render any investment ineffective.</li> <li>• Full savings not achieved</li> </ul>

Given the installation/maintenance costs of charging units across the network, offset against usage levels and payment avoidance, this is not considered as the preferred option.

### 7.4 **Option 4 – Rationalise network**

Combined approach of selected closures (based on usage and location), seasonal/reduced opening hours and comfort schemes (subject to assessment as outlined in 6.4).

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Focus resources on facilities based on usage &amp; proximity to parks/transport/other facilities</li> <li>• Deliver savings</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Future years savings not realisable;</li> <li>• Reputational risk of selected closures</li> </ul>

Based on the diversity of the network and the unique challenges across each location, the sites have undergone an initial appraisal which identified 24 facilities for possible closure, focussing resources on comfort scheme/partnership support and retention of 17 key facilities – see Appendix 10 for details. However, any closures come with reputational risk and we will actively seek to avoid this wherever possible.

### 7.5 **Option 5 – Appoint a 3<sup>rd</sup> party to undertake the management of the network and delivery of public toilet facilities.**

Early soft market testing discussions have highlighted the scope to undertake a holistic appraisal of the network, seeking to ensure efficiencies are made whilst facilities are retained and closures avoided wherever possible. A specialist 3<sup>rd</sup> party would be commissioned to undertake a comprehensive appraisal of:

- Design – assessing the whole estate, identifying opportunities for enhancing efficiency and performance via building configuration/facilities design

- Operational delivery – cleaning, servicing, opening hours and cash collection
- Cash collection methods – optimal means of cash collection for charged toilets
- Equalities Impact – ensuring any impact of changes can be mitigated against.

The brief would include exploration of 3<sup>rd</sup> party management based on initial findings. Any agreement would need to address the issue of risk, service standards, quality and flexibility. Critical to the agreement would be a commitment to provide and maintain ALL of the Council facilities for a defined period, therefore ensuring that loss making facilities are subsidised where required by more profitable venues.

Any recommendations for 3<sup>rd</sup> party management would require a further report but would anticipate;

- Transfer of the properties to a third party (Council retains ownership)
- Agree to an annual fixed management fee (fixed costs for financial planning)
- Guaranteed retention of all facilities for a defined period
- Arrangements for third party provider taking over the service (provision, maintenance, staff TUPE)
- Income generation (Pain/Gain sharing mechanism)
- Reviewing the estate considering proposals to change/improve efficiency and generation of additional income. For example, where several cubicles exist to reduce the numbers of cubicles to improve efficiency and utilisation, provide bike wash facilities, implement new technologies, complimentary commercial ventures etc.
- Joint shared investment for improvements

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Enable a comprehensive specialist whole network appraisal</li> <li>• Realise potential of the estate: repurposing or reconfiguring unused/underused facilities.</li> <li>• Enhance provision to complementary commercial/tourism ventures (e.g. cycle tourism/community enterprise)</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> party involvement: added risk</li> <li>• 'Spend to save': initial budget required to commission appraisal/enter into 3<sup>rd</sup> party agreement.</li> </ul>

Based on the need for a holistic strategic appraisal to enable informed decision making, this option is recommended for taking forward.

## 8 IMPLICATIONS

### 8.1 Financial

The level of income generated from charging for access to public conveniences is lower than was projected within the original report. A financial assessment is included at appendix 9, for the year to date, including an amended forecast for the remainder of the year to arrive at an anticipated annual revenue amount which can be reasonably expected from charging.



- 8.1.1 This reduced income created a budget pressure in 2017/18 and will continue to do so unless either income levels are increased or further savings are identified. An additional £100k saving is also proposed from 2019/20. As was recognised in the report of 31st January 2017, if estimated income levels fail to meet required targets then the funding to create and sustain comfort schemes and partnerships is also at risk.
- 8.1.2 Given the current financial position, officers have been exploring alternatives as outlined above in 7.5, which potentially generate substantial savings by the adoption of a more commercial approach to this non-statutory service.

## 8.2 Risk and Mitigations

- (a) There is a risk to the revenue financial plan if the savings as projected remain undelivered. Mitigating actions for this are contained in section 9 of this report with the recommended option 5.
- (b) Further risk assessments and mitigating strategies will be developed following discussions with third party providers. These may include consideration being given to closure to public conveniences.

## 8.3 Equalities

- (a) An Equalities Impact Assessment has been carried out on the proposal and there are no impacts for any of the groups with protected characteristics.
- (b) In response to feedback about the limited payment options for people wishing to access facilities, more card payment units could be installed at selected units in main towns, perhaps where they serve as points of arrival/transport hubs.

## 8.4 Acting Sustainably

Option 5 maintains at its core the idea of sustaining public conveniences for the people who live, work and visit the Scottish Borders. A sustainable financial model is required to ensure a service is provided into the medium term.

## 8.5 Carbon Management

There are no carbon management impacts arising from this report

## 8.6 Rural Proofing

There is no rural proofing implication within this report.

## 8.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to the Councils Scheme of Administration required as a result of the proposals being outlined in this report.

## 9 CONSULTATIONS

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

### Approved by

**Service Director of Asset & Infrastructure**    **Signature** .....

### Author(s)

Name	Designation and Contact Number
Jason Hedley	Neighbourhood Operations Manager, 01835 824000 ext 8037

**Background Papers:** Scottish Borders Council, Thursday 30<sup>th</sup> January 2014;  
Item 13 - E&I Neighbourhood Ops Admin Report

**Previous Minute Reference:** None

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

Contact us at Jacqueline Whitelaw, Environment and Infrastructure, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 825413, Fax 01835 825071, email [e&ittranslationrequest@scotborders.gov.uk](mailto:e&ittranslationrequest@scotborders.gov.uk)

## Appendix 1- Letter to Community Councils

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**Jenni Craig**  
**Service Director Neighbourhood Services**

*Please ask for:* Jason Hedley  
*Our Ref:* Comfort Scheme  
*Your Ref:*  
*E-Mail:* [PLACEBusServices@scotborders.gov.uk](mailto:PLACEBusServices@scotborders.gov.uk)  
*Date:* 24<sup>th</sup> April 2017

Dear Sir/Madam

As you may be aware, Scottish Borders Council is currently carrying out a review of its public toilet provision across the area.

The first phase will see a charge of 30 pence per use introduced at 27 of the 41 public toilets in the Borders during early summer 2017.

The toilets in the Tweeddale area will be affected as follows:

### **Charging**

Innerleithen - Hall Street

Peebles - School Brae; Kingsmeadows; Eastgate Car Park

### **Free**

Broughton

West Linton

The decision to introduce charging was taken in January 2017 as the Council considers carefully how to deliver high quality services in communities in the future while faced with an ongoing financial challenge and reduced resources.

As part of the next phase of the review, we want to speak to local people about the creation of a network of community toilet facilities.

We are seeking to engage with community councils, local groups, businesses and others in the community who are interested in getting involved in either a comfort scheme or community partnership:

- A comfort scheme is where a hotel, pub, shop, village hall or public building offers its toilet facilities for the public to use at no cost - regardless of whether they are a

customer or not – with the facility receiving an annual payment from the Council for doing so.

Successful comfort schemes have operated in the Scottish Borders at Eyemouth for several years. Comfort schemes also operate successfully throughout Scotland in other local authority areas.

- A community partnership is where public toilets are transferred to a community group for it to provide. A successful community scheme has operated in Coldingham for several years as well as in other Scottish local authority areas.

We are keen to hear from any groups interested in entering such a scheme and ask they contact the Council via [www.scotborders.gov.uk/publictoilets](http://www.scotborders.gov.uk/publictoilets) or phone 0300 100 1800. The website also has more information on the comfort scheme and community partnerships, disabled access, the reasons behind the new charging scheme and a directory of all public toilets.

Following the engagement, an additional report will be presented to Councillors later this year on a longer term strategy for the provision of public toilets in the Borders. We will ensure community councils are fully informed about any further decisions made in their local area.

Yours faithfully



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**JENNI CRAIG**  
**SERVICE DIRECTOR NEIGHBOURHOOD SERVICES**

## Appendix 2 – Letter to Critical Friends

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**Jenni Craig**  
**Service Director Neighbourhood Services**

<b>Please ask for:</b>	Jason Hedley
<b>Our Ref:</b>	Comfort Scheme
<b>Your Ref:</b>	
<b>E-Mail:</b>	PLACEBus Services@scotborders.gov.uk
<b>Date:</b>	

Dear Sir/Madam

As you may be aware, Scottish Borders Council is currently carrying out a review of its public toilet provision across the area.

The first phase will see a charge of 30 pence per use introduced at 27 of the 41 public toilets in the Borders during early summer 2017.

A full list of toilets that will see charging introduced is available at [www.scotborders.gov.uk/publictoilets](http://www.scotborders.gov.uk/publictoilets).

The decision to introduce charging was taken by Councillors in January 2017 as SBC considers carefully how to deliver high quality services in communities in the future while faced with an ongoing financial challenge and reduced resources.

Despite this change, there are no immediate plans to introduce charging to facilities which are currently free to access for those part of the RADAR key scheme – which sees 24 hour independent access for people with disabilities to around 7,000 fully accessible toilets in the UK.

As part of the next phase, we want to speak to local people about the creation of a network of community toilet facilities.

We are seeking to engage with community councils, local groups, businesses and others in the community who are interested in getting involved in either a comfort scheme or community partnership:

- A comfort scheme is where a hotel, pub, shop, village hall or public building offers its toilet facilities for the public to use at no cost - regardless of whether they are a customer or not – with the facility receiving an annual payment from the Council for doing so.

Successful comfort schemes have operated in the Scottish Borders at Eyemouth for several years. Comfort schemes also operate successfully throughout Scotland in other local authority areas.

- A community partnership is where public toilets are transferred to a community group for it to provide. A successful community scheme has operated in Coldingham for several years as well as in other Scottish local authority areas.

We are keen to hear from any groups interested in discussing the scheme and ask they contact the Council via [www.scotborders.gov.uk/publictoilets](http://www.scotborders.gov.uk/publictoilets) or phone 0300 100 1800. The website also has more information on the comfort scheme and community partnerships, disabled access, the reasons behind the new charging scheme and a directory of all public toilets.

Following the engagement, an additional report will be presented to Councillors later this year on a longer term strategy for the provision of public toilets in the Borders. We will ensure local groups are fully informed about any further decisions made in their local area.

Yours faithfully



pp

**JENNI CRAIG**  
**SERVICE DIRECTOR NEIGHBOURHOOD SERVICES**

**Critical Friend consultees contacted:**

Borders Voluntary Care Voice
Borders Carers Centre
Melrose Parish Church
Stow St Mary of Wedale and Heriot Parish
Old Parish & St. Pauls and St. Johns Churches
Trinity and Caddonfoot
Holy Trinity Church (Episcopal)
St.Peter's Episcopal
Earlston Parish
Ashkirk and Selkirk Parish churches(linked)
Our Lady and St.Andrew
Parish of Innerleithen Walkerburn and Traquair
St. Andrew's Leckie (linked with Lyne and Manor churches)
Peebles Old Parish Church
Borders General Chaplaincy
Community Councils
Tweeddale Access Panel
Sensory Services Team
Scottish Borders Seniors Networking Forum
Borders Equality Forum
Edinburgh and Lothian Race Equality Council
Migrant Support Service
Interfaith Scotland
Thai Buddhist Dhammapadipa Temple
Dhammapadipa Temple
Jehovah Witnesses
Church of Jesus Christ of the Latter Day Saints
Planning & Economic Development
LGBT Youth Scotland (Borders)
Scottish Transgender Alliance
Scottish Borders Housing Association
Berwickshire Association for Voluntary Service
The Bridge
Scottish Borders Youth Voice
Tweeddale Youth (formerly Ishuze Youth Action)
Borders Chinese Cultural Association (BCCA) & Chinese Buddhism
Parents Councils
Children 1st
Scottish Borders Short Term Service Action For Children
Scottish Borders Children and Family Service Action For Children
Age Scotland
Pregnancy Assessment Unit
Scottish Borders Early Years Team
Penumbra Youth Project
Youth Borders
Berwickshire Housing Association
Eildon Housing Association
Citizen's Panel
ARC Scotland
Waverley Housing Association
New Horizons Borders
Borders Independent Advocacy Service
Thai Buddhism (Borders)
Innerleithen, Walkerburn & Traquair Parish Church
Scottish Borders Tenants Organisation

## Appendix 3 – Letter to Businesses

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**Jenni Craig**  
**Service Director Neighbourhood Services**

<b>Please ask for:</b>	Jason Hedley
<b>Our Ref:</b>	Comfort Scheme
<b>Your Ref:</b>	
<b>E-Mail:</b>	PlaceBusServices <a href="mailto:PlaceBusServices@scotborders.gov.uk">@scotborders.gov.uk</a>
<b>Date:</b>	

Dear Sir/Madam

As you may be aware, Scottish Borders Council is currently carrying out a review of its public toilet provision across the area.

The first phase will see a charge of 30 pence per use introduced at 27 of the 41 public toilets in the Borders during early summer 2017.

A full list of toilets that will see charging introduced is available at [www.scotborders.gov.uk/publictoilets](http://www.scotborders.gov.uk/publictoilets).

The decision to introduce charging was taken in January 2017 as the Council considers carefully how to deliver high quality services in communities in the future while faced with an ongoing financial challenge and reduced resources.

As part of the next phase of the review, we want to speak to local people about the possibility of the creation of a network of community toilet facilities.

In particular, we are keen to engage with businesses who may be interested in getting involved in a comfort scheme.

A comfort scheme is where a hotel, pub, shop, village hall or public building offers its toilet facilities for the public to use at no cost - regardless of whether they are a customer or not – with the facility receiving an annual payment from the Council for doing so.

Successful comfort schemes have operated in the Scottish Borders at Eyemouth for several years. Comfort schemes also operate successfully throughout Scotland in other local authority areas.

We are keen to hear from any businesses interested in entering such a scheme and ask they contact the Council via [www.scotborders.gov.uk/publictoilets](http://www.scotborders.gov.uk/publictoilets) or phone 0300 100 1800. The website also has more information on the comfort scheme and community



partnerships, disabled access, the reasons behind the new charging scheme and a directory of all public toilets.

Following the engagement, an additional report will be presented to Councillors later this year on a longer term strategy for the provision of public toilets in the Borders.

Yours faithfully



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**Jenni Craig**  
**Service Director Neighbourhood Services**

#### **Appendix 4 – Community Council Feedback**

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<b>Community Council</b>	<b>Feedback provided</b>	<b>Response</b>
Earlston	1.5.17 Querying extent of impact	
Kelso	14.5.17 Note concern regarding cleanliness and standards of facilities as they stand; queried coin/change availability; concerned at impact of charging on children/young families; queries opening hours of facilities	Issued 19.06.17 – noting cleanliness concerns, advising of payment methods available; inviting continued feedback as project is implemented
Lanton	30.5.17 Expressing concern at impact of charging on tourists/visitors to Jedburgh and on aging population; queries the financial profiling of savings versus costs of running Comfort scheme	
Newtown St Boswells	01.05.2017 Requesting electronic copy of the letter	Electronic copy of letter provided

#### **Appendix 5 – Critical Friends feedback**

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None given

## Appendix 6 – Businesses Feedback

Of the 310 establishments contacted, 3 responded declining any involvement. 31 responded to register their interest.

### Comfort Scheme Register of Interest

Establishments who have noted their interest in participating in a Scottish Borders 'Comfort Scheme' are listed below:

	<b>Establishment Name</b>	<b>Establishment type</b>	<b>Town</b>	<b>Area</b>
1.	Black Bull	Hotel/bar	Ayton	Berwickshire
2.	Laurel Bank Tea Room	Café	Broughton	Tweeddale
3.	First and Last Café	Café	Burnmouth	Berwickshire
4.	Caddonfoot Church	Place of worship	Caddonfoot	Tweeddale
5.	Allan Ramsay Hotel	Hotel/bar	Carlops	Tweeddale
6.	Clovenfords Hotel	Hotel/bar	Clovenfords	Eildon
7.	Anchor Inn	Hotel/bar	Coldingham	Berwickshire
8.	White Swan Hotel	Hotel/bar	Duns	Berwickshire
9.	Duns Golf Club	Sports	Duns	Berwickshire
10.	Waterloo Arms Hotel	Hotel/bar	Duns	Berwickshire
11.	White Swan	Hotel/bar	Duns	Berwickshire
12.	Barony Castle Hotel	Hotel/bar	Eddleston	Tweeddale
13.	Dolphinton Hotel	Hotel/bar	Eyemouth	Berwickshire
14.	Castletoun House	Guest House	Greenlaw	Berwickshire
15.	Waverley Housing	Office	Hawick	Teviot & Liddesdale
16.	Weensland Garage	Shop	Hawick	Teviot & Liddesdale
17.	Simply Scottish	Café	Jedburgh	Teviot & Liddesdale
18.	Capon Tree	Hotel/bar	Jedburgh	Teviot & Liddesdale
19.	Café U	Hotel/bar	Kelso	Cheviot
20.	Black Bull Hotel	Hotel/bar	Lauder	Eildon
21.	Golden Bannock	Hotel/bar	Lauder	Eildon
22.	Lauder Community & Leisure Centre	Sports	Lauder	Eildon
23.	The Plough Inn	Hotel/bar	Leitholm	Berwickshire
24.	The Plough Inn	Hotel/bar	Melrose	Eildon
25.	The Lodge at Carfraemill	Hotel/bar	Oxton	Eildon
26.	Cringletie House Hotel	Hotel/bar	Peebles	Tweeddale
27.	Peebles Baptist Church	Place of Worship	Peebles	Tweeddale
28.	Philipburn House	Hotel/bar	Selkirk	Eildon
29.	Shell Petrol Station	Shop	Selkirk	Eildon
30.	Cloudhouse Café	Café	Stow	Eildon
31.	Gordon Arms Hotel	Hotel/bar	West Linton	Tweeddale

## **Appendix 7 - Follow up letter to Businesses noting interest**

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**Martin Joyce**  
**Service Director Asset & Infrastructure Services**

**Please ask for:** *Jacqueline Whitelaw*  
**Our Ref:**  
**Your Ref:**  
**E-Mail:** *JWhitelaw@scotborders.gcsx.gov.uk*  
**Date:**

Dear

Thank you for expressing an interest in our proposal to operate Comfort Schemes in the Scottish Borders. As part of the next phase of the Review of Public Conveniences, we are currently developing proposals to take to Council in late 2017. It would help greatly to know more about your business, if you have not already done so, could you please complete our online questionnaire which is available at [https://www.scotborders.gov.uk/info/20013/environment/790/comfort\\_scheme](https://www.scotborders.gov.uk/info/20013/environment/790/comfort_scheme), paper copies are also available on request by emailing us at [PlaceBusService@scotborders.gov.uk](mailto:PlaceBusService@scotborders.gov.uk) or by telephoning the 0300 100 1800 number.

It is likely the operation of the Comfort Scheme will include –

- A Service Level Agreement with SBC
- The Comfort Scheme fee payable in arrears possibly quarterly or annually
- Business owners taking part in promotions which includes advertising participation on SBCs Webpage as well as our social media sites.
- Displaying Comfort Scheme sign in your premises window
- Provide SBC with feedback from customers as required
- Enable SBC to carry out periodic inspections

Following the presentation and outcome of the report, we will arrange to have further discussions with you.

Yours sincerely

Martin Joyce  
Scottish Borders Council

## Appendix 8 - Complaints

Date received	Town	Brief description of enquiry	Closure Date
28/04/2017		Cost of cash collection and the introduction of Comfort Schemes	09/05/2017
26/06/2017	Peebles	Toilets - School Brae, Peebles. Dirty, no toilet paper, smelly and generally not fit for purpose. Not providing a service we now charge 30p for	05/07/2017
30/06/2017	Tarbrax	Unhappy with the introduction of the charge	05/07/2017
30/06/2017	Hawick	Unhappy to change provided at TI, as Café in situ toilets should be free	06/07/2017
22/06/2017	Edinburgh	Locked in the toilets at School Brae, Toilets dirty, no soap and no change given	06/07/2017
05/07/2017	Falkirk	Cleanliness of the toilets in Eyemouth	06/07/2017
14/07/2017	Jedburgh	Cleanliness of the toilets in Jedburgh	17/07/2017
19/07/2017	Peebles	I was appalled at having to pay 30 p to use a previously free facility, the stench on entering was disgusting they had clearly not been cleaned or disinfected for some time Where is the money going and how can you justify this is not only are you driving people from the high street with shop closures you are driving tourists and locals from a previously thriving community to a ghost town	24/07/2017

24/07/2017	Peebles - School Brae	The toilets are absolutely black inside, disgusting The hand wash - you can't get any soap out of the device. The water is only on for a short time. The hand drier is not efficient. Unhappy at paying 30p for condition of the toilet	28/07/2017
26/07/2017	St Marys loch	Complainant put 30p in the toilets here. It took her money, but the toilet did not open.  Complainant advised that this is the third time this has happened here	28/07/2017
27/07/2017	Haugh , Hawick	I used the gents toilets this morning and I have to say they were not up to there usual standard. the floors had pools of soapy water everywhere it was like a swimming pool also the toilet bowls hadn't been cleaned nor the sinks and the mirrors were a disgrace. no soap either and it cost me 30p	03/08/2017
14/062017	Kelso	Customer was in Kelso and needed to use the public convenience.  He went to use the public toilets in Kelso Square and was unhappy to find these are now being charged for, he does not agree with the 30p charge.  He is also unhappy that there is a notice on the toilets to advise that no change is given, he does not feel this is right as this would mean the smallest coin a person can use would be 50p.  He advised that as he pays his community charge (council tax) we should not be able to charge for the use of public toilets, he will contact his local MP if he does not receive an acceptable response	19/06/2017
16/06/2017		Customer is angry about charges for public toilets in the Borders. She has irritable bowel syndrome and will have a problem fiddling around trying to find money or going to get change. She has to go in a hurry when she needs and has no chance of making it in time. This will result in a mess and will be embarrassing. Many people have irritable bowel and will suffer the same problem. People will use gardens or public places round about instead - as they do in Duns. There is only 1 toilet in Coldstream. People don't carry change these days, they just use cards. There is no thought put into this. People are getting older and mobility is slower and there should be facilities to accommodate them for free. Please contact	19/06/2017
18/06/2017	Earlston	I understand that a charge of 30p will be required to go to these toilets. If that is the case can I suggest that they are at least have toilet roll and be a bit fresher. This was at 445 on a Sunday afternoon.	22/06/2017

07/07/2017	Coldingham Bay	Customer called to make a complaint about the increased toilet charge of 30p for using the toilets mainly at Coldingham Beach. Customer feels families with young kids are not going to feed this machine all day and the grass area/woodland beside these toilets are going to be used as toilet facilities and she thinks this is ridiculous.	07/07/2017
09/07/2017	Jedburgh	We visited Jedburgh today, Sunday, 9th July. We parked in the main car park in Jedburgh, next to the Tourist information offices . My wife needed to visit the toilet, which are usually very acceptable. She called around 0855 and returned to the car, I need 30 p to access the toilet. I had no change, apart from a 50 p piece. Off she went, no change was given ! She came back to the car and was furious. There are six cubicles in the ladies, there was no paper in any of the cubicles! There was no hand towels which could have saved the day. We returned, after cycling around the four Abby's. We got back around 1500 and the lady in the next car to us was loudly complaining about the lack of paper! I await your comments.	17/07/2017
06/10/2017	Eyemouth	Customer is complaining about the public toilets in Eyemouth that are close to the Co-Op and the amusement arcade. He says that on a couple of occasions he has went to the toilet and the male ones have had a sign on the door advising they are closed. He says that he has medical issues and does need to use the toilet so is not happy this seems to be happening on a frequent basis. He also says the system for charging is not the best and the machines are not easy to use. He says it is not clear on how to lock the door and has sometimes found himself being stuck in the toilet and thinks the system needs to be made clearer as he says once he was in it says 'locked' in blue so he assumed this was locked however, when he went to leave he pressed it and the 'locked' went red and the door would not open.	12/10/2017

13/10/2017	Peebles	<p>Customer has contacted Customer Services by email to complain about the toilet facilities in Peebles.His email reads:To whom it may concern... Have been a regular visitor to Peebles for over 60 years... Peebles being the hometown of my late mother...I was somewhat saddened to hear that financial constraint has meant that the toilet facilities at Kingsmeadow car park now require payment.... Be that as it may, I was then horrified when on Monday 9th October I came to use said toilets... To say my need to use the facilities in a hurry would be an understatement...I then tried to gain access to the toilets... Each of the four toilets were tried.. each of the four, rejected the offered and correct coinage... Not one of the four worked.... My sister and niece tried also, but to no avail... So at 3-30 pm, and in desperate need, the search was now on to locate a toilet that worked....Is this the best that Peebles can now offer... What a come down... If money is short, why could not a charge for parking in the car park have been made, rather than hit the poorer of society with a charge for the essential and necessary toilet facilities..which are prone to malfunction, as was the case on October 9th... How many other days will this occur....I leave this matter with you... Except to say for the first time in over 60 years Peebles has let me down...Kind regards .....Ps.... It could have been that the persons requiring to use these facilities were elderly and infirm... What then for them?.</p> <p>Customer has contacted Customer Services by email to complain about the toilet facilities in Peebles. His email reads: To whom it may concern...</p> <p>Have been a regular visitor to Peebles for over 60 years... Peebles being the hometown of my late mother...</p> <p>I was somewhat saddened to hear that financial constraint has meant that the toilet facilities at Kingsmeadow car park now require payment.... Be that as it may, I was then horrified when on Monday 9th October I came to use said toilets... To say my need to use the facilities in a hurry would be an understatement... I then tried to gain access to the toilets... Each of the four toilets were tried.. each of the four, rejected the offered and correct coinage... Not one of the four worked.... My sister and niece tried also, but to no avail... So at 3-30 pm, and in desperate need,the search was now on to locate a toilet that worked.... Is this the best that Peebles can now offer... What a come down... If money is short, why could not a charge for parking in the car park have been made, rather than hit the poorer of society with a charge for the essential and necessary toilet facilities. Which are prone to malfunction, as was the case on October 9th... How many other days will this occur.... I leave this matter with you... Except to say for the first time in over 60 years Peebles has let me down...</p> <p>Kind regards ....</p> <p>Ps.... It could have been that the persons requiring to use these facilities were elderly and infirm... What then for them?.</p>	16/10/2017
16/10/2017	Kelso	<p>Toilets in Market Close Kelso and toilets in Snedden Park Kelso. There are two public toilets in Kelso. On Saturday 14th October I was unable to access either of them because the pay machines were faulty. The first in Market Close was jammed with coins and would not accept money, the second on Snedden Park took my money but didn't work and the door didn't open, on looking more closest this machine also had coins stuck in it. I am not against the principle of charging for the use of</p>	



		toilets but it is very important that the pay machines are in working order.	
17/10/2017	Jedburgh	I was very disappointed to recently discover the introduction of a 30p charge for the use of the public toilets at the Jedburgh car park. We often travel along the A68 and there are few opportunities for services. Having a young family it is essential to make regular stops for toilet breaks etc. In the future, due to the new charge, I am less likely to stop in Jedburgh which is a shame. 30p is a ridiculous charge as well - trying to find the spare change for it is frustratingly tricky given the digital age we live in. Please re consider this charge and reinstate the free use of public toilets in Jedburgh.	16/10/2017
27/09/2017	Peebles	Customer has contacted Customer Services by email to complain about the toilet facilities in Peebles not working.  His email reads : " Today (27/09/17, 14:45pm)) I wanted to use the public toilet facilities at the Eastgate car park, Peebles. I put 30 pence in the entry machine, the message read door open. Expecting to gain entry to the toilet, I turned the handle but the door would not open!! What is the point of providing toilet facilities, charging for those facilities and then have the service in question unavailable? I look forward to receiving your comments. "  I will log a seperate enquiry to get these toilets paid some attention .	29/09/2017
18/09/2017	Peebles	Mrs X was a visitor to the town and had to visit the above toilets she left a note with the Tourist Information Service in Peebles on the Saturday she visited as the Contact Centre wasn't open. She wanted to complain about how unhappy and disgusted she was with the condition of the toilets and felt as if the council were not providing an adequate service especially that they were now charging 30p to enter these disgusting toilets. She stated that the rest of the town was a delight but felt very let down by the conditon of these toilets	26/09/2017
02/09/2017	Hawick	I wish to complain about the way the public toilets in Hawick, Haugh have been designed in terms of the turnstills. There is no room to get a pram in. Obviously someone hasn't thought about the layout. I paid 30p to get in the other day but couldn't get the pram through.	08/09/2017

06/09/2017	Galashiels	The change machine doesn't allow you to open the door even after you put the correct change in. The change machine also doesn't register 20 pence pieces. This machine may as well not exist and the toilet buildings be taken down as it's a waste of money to pay a cleaner £8.33 an hour to clean public toilets the public cannot access	06/09/2017
12/09/2017	Peebles	Kingsmeadows Public Toilets in Peebles Today I had to use these facilities and paid my 30p to do so. On opening the door the smell of urine that met me was absolutely disgusting, it smelt like it hadn't been cleaned for months. On looking around the whole room including the hand washing facility and toilet was filthy and smelly. I thought that now the public were paying to use SBC's facilities that standards would have improved, it's disappointing to see they haven't. I had cause to visit these toilets before charges began and things were just the same. I think it is a bad idea to leave the four public toilets for use by both sexes. Could they not be split into 2 ladies and 2 gentlemen?	11/09/2017
25/10/2017	Peebles	Customer was a visitor to Peebles and was disgusted at the state of the toilets in School Brae. She advised that they were filthy, there was no soap and the automated hand dryer wasn't working properly - it seemed to be working in reverse. She stated that charging 30p to use such dirty facilities was terrible and didn't leave a good impression of the town with visitors.	25/10/2017
28/11/2017	Innerleithen	Went to use public toilets Innerleithen on 25th November, paid my 30 p and was stunned to see the floor was covered in water and empty plastic bottles and other debris was rammed down the toilet bowl up to the brim, toilet unflushed from previous users.	
04/12/2017	Kelso	went into Kelso today 4th Dec. with my wife to do some Xmas shopping, I made sure I had 30p so that I could access the public toilet, I always have to do this as I have Ulcerative colitis , Diabetes and have had radiotherapy for Prostate cancer, which means I always have to have access to a toilet. When I went to the toilet and put the first coin in I could not get any more in as the lock was jammed. Of course this would not happen if the toilets were free as they used to be. It would seem that as from now I will have to shop in Berwick where they have a more civilised arrangement. The upshot was we had to abandon our shopping and go home, a shame I cannot shop in my home town!	

Appendix 9 – Financial assessment

<b>Toilet Location</b>	<b>Town</b>	<b>Actual Income 2017/18 (41 weeks)</b>	<b>Budgeted Income 2017/18 (41 wks)</b>	<b>Variance</b>	<b>Projected Income Full Year</b>	<b>Budgeted Income (Full year)</b>	<b>Variance</b>
11 Horsemarket	Kelso	6,919	5,535	1,384	8,775	7,020	1,755
Abbey Street	Melrose	4,114	5,535	-1,421	5,218	7,020	-1,802
Bank Street	Galashiels	1,258	6,412	-5,154	1,596	8,132	-6,536
Briary Baulk	Duns	1,055	1,384	-329	1,338	1,755	-417
Buccleuch Park	Hawick	627	3,118	-2,491	795	3,955	-3,160
Coldingham Sands	Coldingham	1,258	3,994	-2,736	1,595	5,066	-3,471
Common Haugh	Hawick	2,099	5,535	-3,436	2,662	7,020	-4,358
Court House Place	Coldstream	2,570	15,765	-13,195	3,260	19,995	-16,735
East Station	Peebles	2,297	5,535	-3,238	2,914	7,020	-4,106
Hall Street	Innerleithen	2,168	5,563	-3,395	2,750	7,055	-4,305
Harbour Road	Eyemouth	2,233	3,561	-1,328	2,832	4,516	-1,684
High Street	Eyemouth	2,473	17,740	-15,267	3,136	22,499	-19,363
High Street	Galashiels	3,858	18,515	-14,657	4,893	23,482	-18,589
Howegate	Hawick	320	3,994	-3,674	405	5,066	-4,661
Kingsmeadows Road	Peebles	3,701	10,157	-6,456	4,694	12,882	-8,188
Langholm Street	Newcastleton	602	2,860	-2,258	763	3,627	-2,864
Lothian Park	Jedburgh	4,604	29,041	-24,437	5,839	36,832	-30,993
Market Place	Earlston	1,374	5,074	-3,700	1,743	6,435	-4,692
Market Place	Selkirk	2,082	7,841	-5,759	2,640	9,945	-7,305
School Brae	Peebles	2,960	9,087	-6,127	3,754	11,525	-7,771
Shedden Park Lodge	Kelso	334	2,426	-2,092	424	3,077	-2,653
St. Marys Loch	Selkirk	1,139	15,009	-13,870	1,445	19,036	-17,591
The Avenue	Lauder	1,406	4,345	-2,939	1,783	5,511	-3,728
The Green	St Boswells	829	5,535	-4,706	1,051	7,020	-5,969
The Harbour	St Abbs	1,162	9,861	-8,699	1,473	12,507	-11,034
Tourist Information Centre	Jedburgh	7,807	7,952	-145	9,902	10,085	-183
Transport Interchange	Galashiels	8,966	0	8,966	11,372	0	11,372
		<b>70,215</b>	<b>211,373</b>	<b>-141,159</b>	<b>89,053</b>	<b>268,083</b>	<b>-179,030</b>

## Appendix 10 – Network Appraisal

As part of the ongoing monitoring and review of the public toilet network, officers have been appraising each facility assessing usage data from counters, income, and wider context based on 3 criteria:

- Usage/income
- Running costs
- Location: proximity to Public park/Public transport network/other facilities – this takes into account a range of logistical and community factors.

Based on this, the following 24 facilities were identified as possible options for closure, and provision be made available via alternative means. Closure is only recommended where the relative demand is low and/or scope for alternative provision (via comfort scheme/partnership arrangement) is high;

Town/ Locality	Location	Summary
Broughton	King George V Playing Fields	<ul style="list-style-type: none"> <li>• Currently free.</li> <li>• Usage in lowest 34% across network.</li> <li>• Not near a major public transport link</li> <li>• Near play park</li> <li>• Alternative facilities for comfort scheme potential nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Burnmouth	Harbour	<ul style="list-style-type: none"> <li>• Currently a portaloo (free).</li> <li>• Usage data not available.</li> <li>• Not near a major public transport link or destination play park</li> <li>• Alternative facilities for comfort scheme potential nearby</li> <li>• <b>Option:</b> <i>remove and support local provision via comfort scheme</i></li> </ul>
Chirnside	Crosshill	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Not near a major public transport link or destination play park</li> <li>• Possible comfort scheme opportunities available</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Cockburns-path	Main street	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Usage in lowest 10% across network</li> <li>• Relative running costs amongst top 25% most expensive</li> <li>• Not near a major public transport link</li> <li>• Near local play park</li> <li>• <b>Option:</b> <i>close</i></li> </ul>

Denholm	Dene Road	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Lowest usage of all within network</li> <li>• Relative running costs 2<sup>nd</sup> most expensive across network</li> <li>• Not near a key public transport link or major public park</li> <li>• Possible comfort scheme opportunities available nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Duns	Briery Baulk	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Usage in lowest 25% across network</li> <li>• Not near a major public transport link or major play park</li> <li>• Possible comfort scheme opportunities available nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Galashiels	Bank Street Gardens	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Not near a major public transport link</li> <li>• Near main civic space</li> <li>• Possible comfort scheme opportunities available nearby, including library/24hr supermarket/cafes/etc</li> <li>• <b>Option:</b> <i>close</i></li> </ul>
Greenlaw	The Square	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Second lowest usage of all within network</li> <li>• Not near a key public transport link or major public park</li> <li>• Possible comfort scheme opportunities available nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Hawick	Volunteer Park	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Not near a major public transport link</li> <li>• Near a major public park (with other facilities nearby at Wilton Lodge Park)</li> <li>• Possible comfort scheme opportunities available nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Hawick	Howegate	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Not near a major public transport link or public park</li> <li>• Possible comfort scheme opportunities available nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Jedburgh	Lothian Park	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Relatively well used (top 25%)</li> </ul>

		<ul style="list-style-type: none"> <li>• Near a major public transport link</li> <li>• On 3<sup>rd</sup> party land??</li> <li>• Possible comfort scheme opportunities available nearby and public toilets available centrally at the TIC</li> <li>• <b>Option:</b> <i>close and centralise public provision at the TIC and via comfort scheme</i></li> </ul>
Kelso	Croft Park	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Relatively low usage</li> <li>• Not near a major public transport link</li> <li>• Near a local play park</li> <li>• No comfort scheme facilities in close proximity</li> <li>• <b>Option:</b> <i>close/offer to local sports clubs for partnership arrangement</i></li> </ul>
Lauder	The Avenue	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Near a public transport link</li> <li>• Several comfort scheme opportunities available nearby (already noted interest)</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme/explore community partnering</i></li> </ul>
Melrose	Greenyards	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Owned by 3<sup>rd</sup> party</li> <li>• Not near a major public transport link</li> <li>• Near a destination play park</li> <li>• Several comfort scheme opportunities available nearby</li> <li>• <b>Option:</b> <i>hand back facility to 3<sup>rd</sup> party.</i></li> </ul>
Morebattle	Main Street	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Relatively low usage (lowest 20% across network)</li> <li>• Not near a major public transport link or public park</li> <li>• No comfort scheme opportunities available nearby, but community centre could provide access to facilities under a partnership arrangement</li> <li>• <b>Option:</b> <i>close and support local provision via partnership arrangement</i></li> </ul>
Newcastleton	Langholm Street	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Not near a public transport link or public park</li> <li>• Several comfort scheme opportunities available nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme/explore community partnering</i></li> </ul>
Newtown St Boswells	Main Street	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Relatively low usage (lowest 25% across network)</li> <li>• Not near a major public transport link or public park</li> <li>• No comfort scheme opportunities in close proximity, but near Council HQ</li> <li>• <b>Option:</b> <i>close and explore provision via Council facilities</i></li> </ul>
Peebles	School Brae	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Not near a public transport link</li> </ul>

		<ul style="list-style-type: none"> <li>• Near a public park/recreation area</li> <li>• Several comfort scheme opportunities available nearby, as well as 2 other public toilets</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Selkirk	Scotts Place	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Relatively low usage (lowest 20% across network)</li> <li>• Not near a major public transport link or public park</li> <li>• No comfort scheme opportunities in close proximity</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
St Abbs	Harbour	<ul style="list-style-type: none"> <li>• Currently charged (30p)</li> <li>• Well used relative to network</li> <li>• Near a public transport link</li> <li>• Comfort scheme and potential community partnering opportunities nearby</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme/community partnering</i></li> </ul>
Stow	Galashiels road	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Relatively low usage (lowest 30% across network)</li> <li>• Not near a major public transport link</li> <li>• Near a public park</li> <li>• Potential comfort scheme opportunities in close proximity (already noted interest)</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
West Linton	Main Street	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Relatively low usage (lowest 12% across network)</li> <li>• Not near a major public transport link</li> <li>• Near a public park</li> <li>• Potential comfort scheme opportunities nearby (already noted interest)</li> <li>• <b>Option:</b> <i>close and support local provision via comfort scheme</i></li> </ul>
Yarrow Valley	St Marys Loch	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Not near a major public transport link or public park</li> <li>• Adjacent café currently utilising facilities</li> <li>• <b>Option:</b> <i>support provision via comfort scheme to local cafe</i></li> </ul>
Yetholm	High Street	<ul style="list-style-type: none"> <li>• Currently free</li> <li>• Relatively low usage (lowest 12% across network)</li> <li>• Not near a major public transport link or a public park</li> <li>• Possible comfort scheme opportunities nearby</li> <li>• <b>Option:</b> <i>close and explore local provision via comfort scheme</i></li> </ul>

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## **INTEGRATED STRATEGIC PLAN FOR OLDER PEOPLE'S HOUSING, CARE & SUPPORT 2018-2028**

**Report by Service Director Regulatory Services**

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### **SCOTTISH BORDERS COUNCIL**

**28 JUNE 2018**

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

- 1.1 The purpose of this report is to seek Council approval of the Integrated Strategic Plan for Older People's Housing, Care and Support 2018-2028 for implementation. This 10 year strategy was developed in response to a strategic action in the Council's Local Housing Strategy (LHS) 2017-2022 which was approved by Members in September 2017 and subsequently submitted to the Scottish Government.**
- 1.2 The Housing (Scotland) Act 2001 places a statutory requirement on local authorities to develop a Local Housing Strategy, supported by an assessment of housing need and demand for a five year period. The projected growth in our older population was identified as a main issue throughout the development of the Council's LHS, and Indigo House was commissioned in January 2017 to support Officers in developing a response to this demographic change.
- 1.3 The attached strategy and action plan covers the period from 2018-2028 and is predicated on an approximately £130m investment through a combination of investing in housing, technology and service delivery capacity. It builds on the commitments already made by partners and proposes new build activity, supplementing the existing mix of private and public residential provision across Scottish Borders. It also involves the remodelling, refurbishment and adaptation of existing housing, a strengthened approach to telecare and the implementation of proposed service reforms to ensure that the breadth of independent living benefits can be grasped across all Borders localities.

#### **2 RECOMMENDATIONS**

- 2.1 **It is recommended that Council:**
  - (a) Approve the implementation of the Integrated Strategic Plan for Older People's Housing, Care and Support and;**
  - (b) Note that Officers will bring back proposals relating to those actions identified as potentially having resource implications as part of future revenue and capital budget processes and;**

- (c) Refer the report to the Integration Joint Board for its information.**

### **3 BACKGROUND**

- 3.1 The Housing (Scotland) Act 2001 places a statutory requirement on local authorities to develop a Local Housing Strategy, supported by an assessment of housing need and demand for a five year period. The LHS sets out the joint and strategic approach of the local authority and its partners to delivering high quality housing and housing related services across all tenures, to meet identified need in its area. The Council's Local Housing Strategy (LHS) 2017-2022 was approved by Members in September 2017 and subsequently submitted to the Scottish Government.
- 3.2 During the development of the Council's Local Housing Strategy 2017-2022 the projected growth in the number of older people was highlighted as a main issue. In response to this, work commenced to commission work to undertake the development of an Integrated Strategic Plan for Older People's Housing, Care and Support Needs which was identified as a strategic priority. Governance arrangements were established to oversee this work which was commissioned in January 2017.
- 3.3 A Steering Group and Working Group were established to ensure the development of an Integrated Strategic Plan for meeting the Housing, Care & Support needs of Older People would not only be joined up but forward looking, outcome focused with a clear plan setting out actions for delivery. Senior Managers from CMT and IJB as well Housing and Registered Social Landlords were represented on the Steering Group. The Working Group consisted of Senior Officers from Housing, Health and Social Care and Registered Social Landlords.
- 3.4 Indigo House was commissioned and started work in January 2017. The consultant was asked to work with a range of services and partners including Housing, Social Work, Public Health, Assets and Infrastructure and local Registered Social Landlords. This built on the extra care needs assessment work carried out by Anna Evans Consultancy in 2015 which resulted in the development of the Extra Care Housing Delivery Framework and is an integral part of this strategy going forward.

### **4 STRATEGY DEVELOPMENT**

- 4.1 Development of the strategy was supported through a number of meetings with both the Steering Group and Working Group including presentations and discussion with the Executive Management Team. A wide programme of engagement activity has been undertaken to collect a range of views and statistical information to enable these to systematically inform the development of the strategy.
- 4.2 Throughout the strategy development process the consultants also drew on their own knowledge of emerging best practice and policy in the Housing, Health and Social Care sectors, and compared this against Scottish Borders policy and practice. Optimising opportunities for investment in older people's housing and ensuring an appropriate balance of housing provision across all housing tenures and a range of housing sizes and types, including extra care, sheltered, mainstream housing and care homes, was a key determinant in the strategy development, including the provision of specialist housing with care and support. Such housing is intended to be suitable for people with greater health and care needs, as well as the

provision of low level support and preventative services.

- 4.3 A structured option appraisal and financial modelling approach was carried out by the Steering Group, facilitated by the Consultants. This work concluded that a blended solution, with particular emphasis on extra care and independent living elements, was the best way forward to meet the growing older peoples' requirements.
- 4.4 The attached strategy and action plan covers the period from 2018-2028 and the housing element extends beyond the Scottish Government's current commitments set out in the Affordable Housing Supply Programme.
- It is underpinned by the principle of inclusive growth; ensuring communities can shape and benefit from the proposed investment.
  - It is predicated on a combination of investing in housing, technology and service delivery capacity.
  - It builds on the commitments already made by partners. It proposes new build activity, supplementing the existing mix of private and public residential provision across Scottish Borders.
  - It also involves the remodelling, refurbishment and adaptation of existing housing, a strengthened approach to telecare, and the implementation of proposed service reforms to ensure that the breadth of independent living benefits can be grasped across all Borders localities.
- 4.5 The work undertaken by Indigo House will form the cornerstone of the approach going forward. It is a transformational strategy that will enable a shift in the balance of care settings over time, seeking to promote Extra Care Housing and Homecare and thereby to moderate demand for the most expensive (residential) care settings.
- 4.6 Older People's Housing, Support and Care have clear dependencies with other activity. Radical improvement in Prevention and Early Intervention, Technology and Patient Pathways/Delayed Discharge are core elements of any Older People's Strategy. The development and implementation of the Older People's Housing, Support and Care Strategy must be recognised as sitting within a wider transformation programme for Older People's services with progress predicated on delivering the non-housing elements of an Older People's Strategy.
- 4.7 The strategy also seeks to dovetail with existing Council strategies, in particular progressing the development of Extra Care Housing developments in Galashiels, Duns, Hawick, Eyemouth, Kelso and Peebles. In addition it also links with the Council's Dementia Strategy where the Council recognises the need for more provision, and where the Council has already approved £4.8m in the capital programme as a contribution towards costs of a new facility.
- 4.8 Scottish Government officials have a shared interest in the development of this strategy, given the potential implications for the future development of Strategic Housing Investment Plan (SHIP) projects over the next 10 years, and the levels of funding being sought by the Council to deliver on its strategic housing priorities. Officers have mooted possibilities of building properties to better meet the needs of older people in the Borders and this may shift focus from the delivery of mainstream family housing over the next decade. That said, a balance would need to be struck and would absolutely rely on continued Scottish Government investment in the

housing agenda, the Council's ability to gap fund the shortfall and RSLs' capacity to continue to access private borrow at the levels required.

- 4.9 The Council hosted an event on Friday 1 June under the auspices of 'Rethinking Housing for Older People' which brought together nearly 100 people from across the Housing, Health and Social Care and Policy sectors. Delegates also included Third Sector, voluntary sector, private developers and small single focussed charity organisations. The event benefitted from having nine expert speakers from across Scotland. The event was attended by representatives from a range of sectors who contributed to the conversations on how we can work collaboratively to deliver on our ambitions over the next 10 years for Older People's Housing, Care and Support.

## **5 Next Steps**

- 5.1 Governance arrangements need to be put in place to provide leadership, strategic oversight, performance and financial management in order to support the delivery of this transformational programme. This will ensure that there is appropriate direction and management for what will be a very complex programme of ambitious projects.
- 5.2 Underpinned by an investment value of approximately £130m, the strategy outlines a very clear strategic action plan and this will need to be developed further to include a full implementation, monitoring and evaluation framework.

## **6 IMPLICATIONS**

### **6.1 Financial**

- (a) It is anticipated that future ECH developments will be funded using the same range of funding sources employed to deliver Dovecote Court, i.e. Affordable Housing Investment Programme (AHIP) grant from Scottish Government, private sector borrowing by the RSLs and anticipated contributions from the Council from Second Home/Council Tax budget, Affordable Housing Policy Developer Contributions, and may involve potential transfer of former Housing Revenue Account land in accordance with Scottish Government Guidance.
- (b) The amounts and proportions of the different elements of funding will be informed by individual site-specific feasibility studies and normal probable cost exercises as projects progress through the design and statutory application/consent process. Where potential gap funding is required, e.g. to fund non-AHIP eligible elements, these will be subject to individual reports seeking approval by the Executive Committee to grant fund using Second Homes/Council Tax funding in accordance with Scottish Government Guidance and established Council practice.
- (c) Scottish Government are aware of the Council's strategic intention to expand the availability of extra care housing through increasing the supply of affordable housing which has been set out in the Council's agreed current SHIP 2018-23. Scottish Government has indicated in principle willingness to financially assist ECH projects. However it is recognised that these will be high unit cost projects, as can be demonstrated by the experience from the delivery of the Dovecote

Court development in Peebles, which is currently the only operational ECH development within Scottish Borders. Such grant is framed within unit benchmark grant levels as set out in Guidance. However this Guidance does provide some latitude for increasing benchmark unit grants and this is being explored in principle pending firmer probable costs being provided by both Eildon and Trust.

- (d) The delivery of the broader strategy has been costed by the Consultants and consideration will need to be given by both SBC and the IJB on how this is taken forward in the context of budget setting, priorities and the interdependencies of the various elements of the strategy
- (e) However, where there are specific actions considered as having a resource implication for the Council, Officers will bring back proposals to Council as they arise over the period of the strategy.

## 6.2 Risk and Mitigations

- (a) A risk register matrix needs to be developed as part of the new governance arrangements put in place.
- (b) A Strategic Environmental Impact Assessment Screening Report was undertaken for the development of the LHS 2017-2022 which determined a full Strategic Environmental Assessment would not be required as it is unlikely to have significant environmental effects. This assessment covers any developments within this strategy.
- (c) Any potential environmental effects from any specific proposals or plans which may relate to the strategy will be individually considered and addressed through the planning process and full Strategic Environmental Assessments.

## 6.3 Equalities

It is considered that there are no adverse equalities implications arising from the recommendations of this report.

## 6.4 Acting Sustainably

- (a) This strategy promotes sustainable development, inclusive growth and the ethos of place making. Priorities include making better use of existing stock and promoting energy efficiency.
- (b) It is considered that there are no adverse economic, social or environmental effects of the recommendations in this report.

## 6.5 Carbon Management

It is considered that there are no impacts on the Council's carbon emissions arising from the recommendations of this report.

## 6.6 Rural Proofing

- (a) Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders outwith the towns of Hawick, Galashiels, Peebles, Selkirk, Eyemouth, Jedburgh and Kelso.

- (b) The LHS has been rural proofed and it is anticipated there will be no adverse impact on the rural area from the proposals contained in this report. There is likely to be a wide range of positive outcomes for rural communities, including improvements in health, fuel poverty levels and availability of affordable housing in a variety of tenures.

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

There are no changes to be made to the Scheme of Administration or Scheme of Delegation as a result of this report.

**7 CONSULTATION**

- 7.1 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 any comments received have been incorporated into the final report.
- 7.2 Corporate Communications are being consulted, and any comments received will be incorporated into the final report. It is considered that this ambitious Integrated Strategic Plan for Older People’s Housing, Care and Support is likely to attract media interest and a press release will be issued following Council approval.

**Approved by**

**Brian Frater**  
**Service Director Regulatory Services**      **Signature .....**

**Author(s)**

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**Background Papers: Integrated Strategic Plan for Older People’s Housing, Care & Support; Integrated Strategic Plan for Older People’s Housing, Care & Support Executive Summary**

**Previous Minute Reference:**

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies. Contact us at Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 824000 ext 5431, email [jwhitelaw@scotborders.gov.uk](mailto:jwhitelaw@scotborders.gov.uk).

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# Integrated Strategic Plan for Older People's Housing, Care and Support

Executive Summary - 2018-2028





# 1. SCOTTISH BORDERS INTEGRATED STRATEGIC PLAN FOR OLDER PEOPLE'S HOUSING, CARE AND SUPPORT

Partners in the Scottish Borders (the Borders) have produced an integrated Strategic Plan setting out a vision for enabling older people to have greater choice of housing, support and care that meets their long-term needs. It is focused on enabling independent living but proposes an investment and service framework which tackles the logistical and market challenges experienced in the Scottish Borders. It proposes investment in housing for older people, technology-based services, and additional people capacity as a means of ensuring future needs can be met.

In many parts of the Borders and particularly in the rural and remote areas, the care market has been unable to respond to the current needs of our communities. Moving forward, we have one of the highest projected growth rates of older people aged over 75 in Scotland, and a change in demographics where in 20 years' time half of all households in the Scottish Borders will be aged over 65 years. This leads to a growth in projected demand for both services and housing; taking place against a backdrop of national and local policy objectives supporting an increase in more independent living where older people are supported to live in their own homes for as long as practical.

Working in partnership across the public, private and third sectors, our ambition is to:

- Enable investment in existing homes, and to invest significantly in technology (including telecare) to enable older people to continue living at home as their needs change
- Improve the availability of information and advice to enable older people to make the best housing choices to meet their future housing, care and support needs, including advice and assistance on moving home if this is the best option
- Increase the housing options of newly built houses in the private and social rented sectors so that people that want to move home have more choice
- Invest in extra care housing and other types of housing with on-site support so that people are living independently but have the safety and security of care and support nearby
- Use the planned investment in extra care housing to drive wider service change, including using the new extra care developments as hubs in a wider 'hub and spoke' approach to delivering home care services to people in their own homes across the Scottish Borders
- Invest in social infrastructure, looking to harness the strengths of our own communities in developing capacity in care and support for family member and friends.

Over the next 10 years the Scottish Borders Health and Social Care partners will invest close to £130m to enable:

- 400 extra care houses (including 60 in a new retirement campus)
- 300 new build houses suitable for older people for sale and in the rented sector
- Existing housing, refurbished or remodeled - 300 houses in the social rented sector
- Housing support on site to be offered to 300 more older households across housing sectors
- Over 8,000<sup>1</sup> adaptations and small repairs to enable people to stay in their own home
- A minimum of an additional 20 specialist dementia spaces to meet the need identified in the emerging Dementia Strategy
- Investment in telecare / telehealth for over 800<sup>2</sup> households.

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<sup>1</sup> Based on an extrapolation of current levels, plus unmet need, increased in line with projected need

The Plan covers the period from 2018-2028. This extends beyond the Scottish Government's current commitments captured in the Affordable Housing Supply Programme. The principles and headline commitments set out in this Plan endure irrespective, but we acknowledge that policy, practice and local context are dynamic and that refinements in tactics and delivery arrangements may be needed as we move forward.

Investment in social infrastructure is as important as investment in physical infrastructure. The Plan is underpinned by the principle of inclusive growth; ensuring communities can shape and benefit from the proposed investment. The Plan recommends that physical investment in housing can help facilitate and drive service reform in care and support for older people in the Scottish Borders. But physical investment alone will not meet the housing needs of older people; it must be supported by service reform across health, social care and housing support, and the development of capacity within our communities. Many of these discussions are already in motion. While some are at an early stage, this Plan will help shape their focus with scope for refinements in delivery arrangements as they progress.

## **Our vision for housing and services for older people in the Scottish Borders**

Scottish Borders partners agree that suitable housing has a crucial role to play in helping meet older people's health and wellbeing. As well as offering security and independence, housing provides the residential setting within which other elements of care and support services will be delivered. Getting this home setting right also provides a basis for changing how we design and deliver services, allowing partners to better meet need as demands increase in the future.

In developing a preferred way forward, partners looked at a number of alternative approaches, considering their relative advantages and disadvantages in terms of:

- Alignment with national and local strategic objectives for older people
- Whether the objectives help meet housing, care and support need and demand
- How acceptable, affordable and deliverable each approach would be for older people, and the range of other stakeholders involved (e.g. residents, commissioners and regulators).

Drawing on the strengths of different approaches, the proposed way forward is a combination of investing in housing, technology and service delivery capacity. It builds on the commitments already made by partners. It proposes new build activity, supplementing the existing mix of private and public residential provision across Scottish Borders. It also involves the remodelling, refurbishment and adaptation of existing housing, a strengthened approach to telecare, and the implementation of proposed service reforms to ensure that the breadth of independent living benefits can be grasped across all Borders localities. Scope for co-location of the new housing with other housing and non-housing developments and amenities will be explored as part of more detailed feasibility work.

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<sup>2</sup> Based on assessment of the number of projected Scottish Borders home care customers who would benefit from telecare using recognised industry criteria

## Institutional/residential homes

National and local policy objectives point to a managed shift away from care in residential settings to more independent living. However, some older people will continue to need residential care, and overall levels of demand are projected to increase. Our plan therefore proposes additional investment in specialist dementia care and continued commitment to residential care homes as part of a wider strategic approach.

There will be a targeted investment in the development of approximately 20 additional specialist dementia care spaces to meet projected needs. This will supplement existing dementia care provision in residential facilities and home settings across the Borders. A sum of £4.8m has already been set aside as a contribution to this proposed capacity in Scottish Borders Council's capital programme. Alternative options (including a stand-alone dementia care unit) will be explored further as part of the business case for the project being developed in 2018/19.

This investment complements the Scottish Borders Health & Social Care Partnership's 'discharge to assess' activities and re-ablement support, helping to bridge the gap between acute health services and independent living, to support hospital discharges and reduce re-admissions.

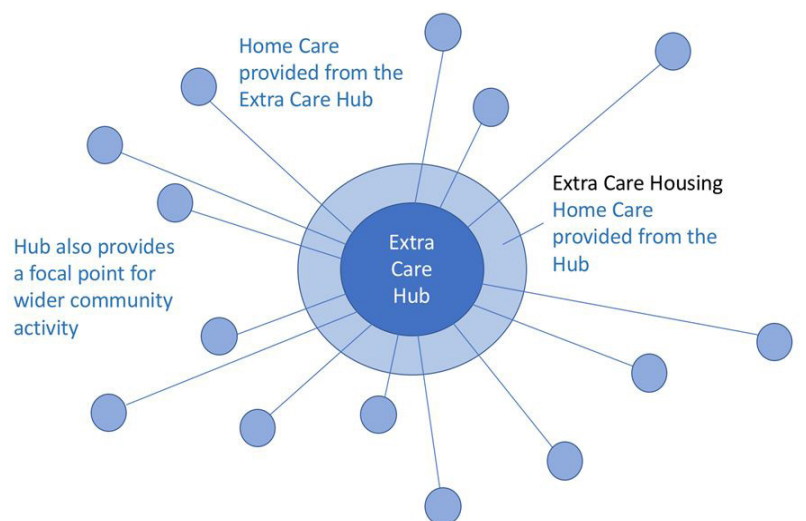
## Extra Care Housing

Extra care housing (ECH) is increasingly common through the UK, with developments ranging in scale from 20 to several hundred homes. While the larger developments offer economies of scale they are typically progressed in areas with larger population concentrations than in the Borders. Our proposals seek to capture some volume-based economies of scale (through a programme approach), but spread the developments themselves across Scottish Borders localities. The ECH element will therefore include one larger mixed tenure retirement campus development of approximately 60 units – likely in Eildon where projected demand is greatest - and up to 8-14 further smaller local ECH developments ranging from 30-45 units over the next ten years.

Six ECH developments (comprising 189 units) are already included in the current Strategic Housing Investment Plan (SHIP). These provide independent housing for older people with access to support and care on site, but also provide a basis for the introduction of a hub and spoke model to home care and better access to independent living in each of the five Borders localities. This supports wider service reform as part of an integrated asset and service-based response. Linked to projected demand, and assuming suitable sites, this will aim to address the projected need of around 420 ECH units across Scottish Borders.

- 120 in Eildon (including those in the proposed retirement campus)
- 90 in Berwickshire
- 90 in Cheviot
- 30 in Teviot
- 80 Tweeddale

### Extra Care supporting a wider 'hub and spoke' approach



The scale of individual developments will be influenced by site availability. As a result, the specific number of ECH developments will naturally be impacted by design and space constraints, with a smaller number of slightly larger developments (on the 30-45 unit spectrum) providing economies of scale, as well as reducing the need for complementary investment in the non-housing care hub element on each site.

In principle, the intention is for mixed tenure housing - for sale, shared equity, social rent and other type of affordable rent - on all ECH sites, beyond those already well into the development process. In practice, the tenure mix will be varied to reflect local circumstances, affordability and demand.

A generic schematic for a retirement campus is illustrated below. Further feasibility and design activity will be undertaken to scope proposals for the Scottish Borders equivalent, with full planning and consultation activities prior to any plans being finalised.

### Indicative retirement campus layout <sup>3</sup>

A blend of Housing Association Grant (HAG), Registered Social Landlord (RSL) borrowing and developer investment will be used to fund the housing element, with this recovered from sale or rent in line with a typical investment-led approach. The projected cashflow and financial plan is included in the full Plan.

While the retirement campus development is likely to be stand-alone, more bespoke smaller ECH developments may be either stand-alone or ideally linked to broader community or residential developments – for example integrated with or adjacent to schools, retail, entertainment or leisure developments. This helps to support vibrancy and community involvement, as well as enhancing the commercial viability of each development.

Supplementing the proposed development of specialist residential dementia space for those in greatest need, each development will be designed with a breadth of flexible older persons living in mind. Design will support independent living, with low to medium acuity, dementia and frailty requirements built-in to both the housing, care hub, shared outdoor /indoor space, and community-accessible amenity specifications.



<sup>3</sup>Based on the retirement village concept developed at Bournville near Birmingham

## Independent Living

The independent living element of the Plan sees a combination of new build housing, remodelling/re-development of existing housing, and greater support for people to live



independently in their own homes. This will be supported by investment in telecare and telehealth, adaptations, Care and Repair, and further integration and transformation of existing services.

Scottish Borders Council's Planning service will encourage private and RSL housing developers to build housing to a standard that is suitable for older people as needs change (Housing for Varying Needs, or an equivalent standard for the private sector). This is so that a greater proportion of new build provision is future proofed for the growing older household population, the majority of whom wish to continue living in owner occupation. This Plan assumes the development of at least 300 new build houses suitable for older people across housing sectors, over and above the proposed extra care housing. Some of the new housing supply will include on-site support whether supplied by the private or RSL sector. There is a commitment to a mixed tenure approach, with opportunities sought to lever in private sector investment to create both owner-occupier and private rented housing (in addition to social housing).

The demand for housing with on-site support across Scottish Borders could also be addressed through refurbished/re-categorised group housing. Currently 300 properties in the RSL sector originally built for older people are not fit for purpose and these need to be remodelled, or redesignated for different client groups.

While technology and adaptations can help to support the independent living objective, continued face to face service delivery will also be crucial.

A range of health, care and support services are already in place through the work of Scottish Borders Health & Social Care Partnership. Steps are being taken to join these services up and make them as effective and efficient as possible. The blend of targeted investment through this Plan aims to accelerate these proposals.



In particular, the Plan aims to support a more locality-based hub and spoke approach to the provision of care and support for older people. This will see the care hubs associated with each ECH development provide a focus for care and support service delivery to individuals both within the developments and those living independently in adjacent neighbourhoods. The ECH developments will also be a focal point within the communities in which they are developed (rather than solely a residential base), providing a basis for revisiting wider public service and amenity provision in each locality.

The housing-led proposals also complement a number of further service reforms already being progressed by partners in Scottish Borders. These include:

- **Preventative interventions** aiming to help keep people out of hospitals and other residential settings if possible/appropriate (such as joint health and care assessments, re-ablement support, falls prevention activities, up front advice, and more options for palliative care)
- An increased focus on **Care & Repair and adaptations** aimed at maximising the extent to which people can live independently in their own home rather than in a more institutional environment.



- Development of **information and advice services** on moving home. Where moving home is the best option for an older household, the fear of moving home can be a considerable barrier. Care and Repair is well placed to provide advice and practical assistance to help people move to a more suitable home across housing tenures.
- A breadth of innovative approaches to **family and community support** that aim to draw on wider family and community capacity as means of bolstering care and support for older people.
- An ongoing commitment to **financial inclusion and community development**, helping to ensure inclusion and community cohesion across Scottish Borders, with a particular focus on ensuring that older people are able to afford to live independently.
- Refining the approach to **Self-Directed Support** (SDS) allowing individuals greater choice in their care package as well as seeking to target resources around interventions that best meet the particular needs/circumstances of older people in their local context.
- Growing use of **assistive technologies** including investment in telecare/telehealth as an additional component of services to older people, and the move to a more data-supported/intelligence-based service model to improve efficiency and effectiveness.
- Reviewing the approach to **home care commissioning** in the context of the new extra care developments and the housing-based hub and spoke model.
- Developing **further health and care capacity** through refined links with education, learning and employability bodies.

This plan has been developed through a steering group involving all Scottish Borders Health and Social Care partners, and the Scottish Borders Housing Network. All parties are committed to working together to ensure the older people of the Borders live in well-designed housing of their choice with appropriate support. We consulted with the Locality Planning Groups to understand perspectives from residents and staff living and working in the local areas about the challenges and possible solutions to meet the housing, support and care needs of older people living in the Scottish Borders. Detailed implementation proposals are set out below.

## ACTION PLAN AND OUTCOMES

### Outcome 1: Older people have a greater choice of different housing options which meet their long-term housing, care and support needs

Action / outcome	Measure / Data source/ frequency	Baseline	Targets New supply	Timescale	Lead and Resource partner
<b>New build private homes</b> built to 'housing for varying needs' or equivalent standard to be agreed in the new Local Development Plan 2 to future proof housing for older people (Total Housing Supply Target for new private homes is 220 per annum)	Number of houses SBC; Annual	0 Completed in 2016/17	30% of the private HST	2018-2027	Private sector
<b>New social rented or mid-market rent homes</b> built to Housing for Varying Needs standard – all SG funded housing is built to HVN. At least 30 per annum for 10 years should be suitable for older people (size and type), with or without on-site support.	Number of homes SBC; Annual	83 social rent and MMR Completed in 2016/17	300 new build – 70% RSL, 30% other affordable housing including MMR and low-cost home ownership/ shared equity	2018-2027	Scottish Government HAG and RSL private borrowing
<b>New shared equity homes or housing for sale</b> , built to Housing for Varying Needs standard and targeted to older people - all SG funded housing is built to HVN.	Number of homes SBC and Scottish Government AHIP; Annual	0 Completed in 2016/17		2018-2027	Scottish Government HAG, and private equity
<b>Extra care homes</b> built including amenity and mixed tenure provision (numbers included above) using hub and spoke – At least one larger development built as Scottish Borders retirement village model.	Number of homes SBC and Scottish Government AHIP; Annual	Current supply 2017 171 ECH/HWC	Average 40 EHC per annum	2018-2027	Scottish Government HAG, RSL private borrowing, SBC and Scottish Borders HSCP
<b>Specialist dementia bed-spaces</b> to be developed as part of mixed needs, mixed tenure retirement model	Number of bedspaces SBC; Annual	Support provided in a breadth of residential and domestic settings	Total 20 new spaces	2018-2020	SBC and Scottish Borders HSCP
<b>Remodelled specialist housing</b> for older people in the RSL sector	Number of homes remodelled RSLs; Annual	Currently 300 units not fit for purpose	300 remodelled	2018-2027	RSLs
<b>Housing for older people with on-site support</b> (*excluding ECH provision)	Number of households with onsite support RSLs and private sector; Annual	Current supply 614*	300 additional support services	2018-2027	RSLs and private sector

## Outcome Table 1: Older people have a greater choice of different housing options which meet their long-term housing, care and support needs

### Key actions

- Engage with private developers to outline the housing demand / need for older people in Borders and target specific sites / types of provision for development. This could involve a joint venture model.
- Develop 5 Locality based Housing, Support and Care Action Plans covering 10 years to 2028 to drill down at locality level on the actions identified in this Strategic Plan.
- Agree a private sector housing standard suitable for older people for inclusion in Local Development Plan 2.
- Develop a blueprint standard for the Scottish Borders retirement village model to cater for mixed needs and mixed tenure including amenity housing, extra care housing, and dementia specialist needs.
- Develop a blueprint standard for the Scottish Borders 'hub and spoke' ECH and home care model using the ECH developments as the hub of home care delivery for a wider spoke of home care service delivery on a localities basis.
- Review the Strategic Housing Investment Plan to emphasise provision for new supply suitable for older people (size and type) in social rented sector, mid-market rent and low-cost home ownership mixed tenure developments.
- Review the housing provision in the RSL sector which is not fit for purpose and create redevelopment plans for remodelling, or change of use for other client groups.
- Identify opportunities in existing and new group/court style housing where on-site support may be in demand.
- Review approach to housing adaptations to ensure a holistic approach is taken to meeting longer term needs of older people - rather than smaller, incremental and multiple adaptations which may not represent best value for the client or the public purse.
- Scottish Borders Council / NHS Borders Corporate property strategic asset management rationalisation plan to be developed to maximise benefits for housing development for Older People

### Commitments required from local partners:

- Scottish Borders Council as lead on enabling new housing supply, and facilitate development of housing across tenure.
- Locality Groups to co-produce the Locality based Housing, Care and Support Plans.
- RSLs as key partners in new housing supply, in remodelling existing supply, and provision of on-site support services
- Private sector partners to act as potential joint venture partners.

**Outcome Table 2: People are supported to live independently in their own homes, and are able to look after their own health and well-being for longer, with easy access to local information and advice services on housing, support and care options**

Action / outcome	Measure / Data source/ frequency	Baseline	Targets for provision	Timescale	Lead and Resource partner
<b>What Matters Hubs</b> – community capacity building, advising older households on range of non-statutory services	Number of people attending Hubs; SBC; quarterly	What Matters Hubs - 114 assessments started Jan – March 2018	Primary Hub's in place in all 5 localities. Develop spoke model in rural areas including pop-up and mobile Hub's	Completed December 2018	Scottish Borders Council
<b>Locality Planning Groups</b> – partnership of services and residents to plan and review services	Number of people attending; SBC; quarterly	Total attendees 2017/18 On average 58 for each locality group	Total each year 120 for each locality	Meetings held monthly	Scottish Borders HSCP
<b>Review of social centres and days centres</b> – reviewing viability of 13 social centres and 7 day centre and consider different models including community capacity building approaches	Number of social centres/Day centres, attendance and alternatives; SBC; quarterly	Total 20 units	10 units	September 2020	Scottish Borders HSCP, SBCares & RVS
<b>Care and Repair services</b> reviewed and formalizing commitment and scope of service to enable investment in dementia services and preventative services, including moving home services.	Number of people by activity; SBC; quarterly	Contract review October 2018	Revised contract put in place	June 2019	Scottish Borders HSCP
<b>Adaptations</b> increased to meet demand with review of funding provided by Scottish Government to RSLs.	Number of adaptations by size/type; Number of service recipients by locality	752 each year including all major and minor adaptations	842 each year including all major and minor adaptations	Annual – increase over 10 years	Scottish Borders HSCP
<b>Recommissioning of home care services</b> looking at a range of models, locality-based / ECH hub and spoke strategy and focusing on outcomes.	Number of service providers and clients	Contract Review April 2019	Revised contract put in place	October 2019	Scottish Borders Council

Action / outcome	Measure / Data source/ frequency	Baseline	Targets for provision	Timescale	Lead and Resource partner
<b>Reablement service and hospital to home (H2H) service development</b>	Number of clients Scottish Borders HSCP; quarterly	H2H = Berwickshire – 60% hospital discharge, 35% prevention of admission Teviot – 44% hospital discharge, 11% prevention of admission	H2H to be started in Central locality on 1st July 2018	01 July 2018	Scottish Borders HSCP
<b>Telecare / telehealth development strategy and implementation</b>	Number of clients SBC; Quarterly	Community alarm No other telecare / telehealth	850 clients with telecare / telehealth	Annual – with increase over 10 years	Scottish Borders HSCP
<b>Falls prevention strategy reviewed</b>	Number of falls assessments; Scottish Borders HSCP; quarterly	Review October 2018	10% reduction in falls	Annually over 10 years	Scottish Borders HSCP
<b>Self-directed support tailor services to needs and resources</b>	Number of people SBC; quarterly	77.6% of users using self-directed support (1,667 people)	Perpetuate that level as a minimum as demand grows	Ongoing	Scottish Borders HSCP
<b>Financial inclusion and community development service developed with RSLs and CABs.</b>	Number of older people receiving support; level of support provided; quarterly	Arrangements currently in place via the Council, CAB, and RSLs	To respond in line with the agreed strategy commitments	Ongoing	Scottish Borders Councils
<b>Palliative care approach to be developed to be more systematic across all partners</b>	Number of people receiving support at home	112 in 17/18	Funding responsibilities and processes being reviewed	September 2018	Scottish Borders HSCP

### Key actions

- Develop and evaluate the role of community assets and trusted assessors approach to build capacity within social care sector through engagement with families, communities and wider partners including RSLs and Care and Repair
- Review and formalise commitments to Care & Repair to enable long term development of the service, enhancing the service to include a dementia service and increase capacity in prevention information and advice and falls prevention, including moving home service.
- Review the spend on adaptations to consider scope for consolidation between funding streams, and continue dialogue with Scottish Government over the adequacy of funding for the RSL sector tenants / future demand.
- Through the Home care recommissioning, align and ECH 'hub and spoke' model so that care is provided from the ECH hub to people in both the extra care houses and to those living independently in the wider community (the spokes).
- Ensure the reablement and hospital to home service development aligns with housing providers and care and repair services.
- Telecare/telehealth development and business case including change in care management approach, scaling of use of technology in homes, generation and use of data for business intelligence to support more informed service delivery and wider commitment to roll 4G telecoms out across the Borders.
- Review the falls prevention strategy, working widely across all partners in the Borders to ensure consistent approach and sharing of intelligence across key health, social care and housing staff.
- Review the palliative care approach, working widely across all partners in the Borders to ensure consistent approach to maximize opportunities for end of life at home.
- Continue with the provision of self directed support to maximise choice
- Financial inclusion and community development service

### Commitments required from local partners:

- Scottish Border HSCP to lead on development of community assets and trusted assessors
- Scottish Borders Council to review Care and Repair contract
- Scottish Borders Council to lead of Home Care commissioning aligning to ECH hub and spoke approach
- Scottish Borders HSCP to lead on development and funding of the telecare/telehealth strategy
- Scottish Borders HSCP to lead of falls prevention, palliative care reviews
- Scottish Borders HSCP to review strategy on self directed support to ensure commissioning meets Social Care Act requirements as a minimum
- Scottish Borders Council to develop financial inclusion service for older people



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# Integrated Strategic Plan for Older People's Housing, Care and Support

2018-2028





# CONTENTS

<b>FOREWORD</b>	5
1. SCOTTISH BORDERS INTEGRATED STRATEGIC PLAN FOR OLDER PEOPLE'S HOUSING,CARE AND SUPPORT	6
2. THE STRATEGIC AND MARKET CONTEXT	8
3. THE CHALLENGE - HOUSING, CARE AND SUPPORT NEEDS OF OLDER PEOPLE IN THE SCOTTISH BORDERS	16
4. OUR VISION FOR HOUSING AND SERVICE DELIVERY FOR OLDER PEOPLE IN THE SCOTTISH BORDERS	24
5. USING HOUSING INVESTMENT TO DRIVE WIDER SERVICE CHANGE	30
6. IMPLEMENTATION, MONITORING AND EVALUATION	34
7. ACTION PLAN AND OUTCOMES	35
<b>APPENDICES</b>	40
<b>GLOSSARY</b>	46

LIST OF TABLES, FIGURES AND APPENDICES	PAGE NO.
FIGURE 1: MAP OF SCOTTISH BORDERS	8
FIGURE 2: THE HOUSING, CARE AND SUPPORT SERVICE LANDSCAPE	14
FIGURE 3: THE CARE SETTINGS AND SERVICES SPECTRUM	15
FIGURE 4: MAP OF LOCALITIES	16
FIGURE 5: INCREASE IN OLDER HOUSEHOLDS IN THE SCOTTISH BORDERS 2012-2037	19
FIGURE 6: DATA ZONES WITH CONCENTRATIONS OF OLDER OUTRIGHT OWNERS WITH HIGHER INCOMES, IN HIGHER PRICE AREAS	20
FIGURE 7: INDICATIVE RETIREMENT CAMPUS LAYOUT	26
TABLE 1: LOCALITY PROFILES	17
TABLE 2: HOME CARE BY HOURS PER WEEK, SCOTLAND AND SCOTTISH BORDERS	21
TABLE 3: FINANCIAL PLAN	28
APPENDIX 1: THE SCOTTISH BORDERS WIDER STRATEGIC PLANNING FRAMEWORK	40
APPENDIX 2: ENVIRONMENTAL AND EQUALITY IMPACT ASSESSMENT	41
APPENDIX 3: OPTION APPRAISAL CRITERIA	42
APPENDIX 4: STRATEGIC OPTIONS	43
APPENDIX 5 – FINANCIAL PLAN	44

# FOREWORD



I am pleased to present the Scottish Borders Integrated Strategic Plan for Older People's Housing, Care and Support (2018-28). This new and exciting Plan sets out a fresh and ambitious vision where older people will have greater choice in terms of where and how they live, and the services they can access.

The Council and its partners from across the public, private and third sectors are committed to developing further housing and residential care suitable for older people. This will be accompanied by greater investment in new technologies and new approaches to service delivery aimed at ensuring people receive the care and support they need in their own homes. This fully integrated approach will support our older people to live long, healthy and independent lives by modernising, and capitalising on, opportunities and possibilities for future housing, care and support needs.

Together, these developments will complement the ongoing service and funding commitments of the Scottish Borders Health and Social Care Partnership and other key players to ensuring the best quality of life for older people.

The Plan will see additional investment in specialist dementia care and continued commitment to care homes as key elements of a wider approach. It also includes the provision of a focused assessment and re-ablement service in a community setting to support people being discharged from hospital.

Residential care is not always suitable or an appropriate choice. Additional housing for older people will be key. Our Plan sees the development of 400 new extra care houses across the Borders - where care is provided on site - including the exploration of potential for a dedicated retirement campus in a suitable location. On top of this, 300 new build houses suitable for older people - for sale and rent - are also planned; with a further 300 existing social houses being refurbished or remodelled with older people's needs in mind.

Most people want to remain in their own homes for as long as possible. We will invest in supporting that aim through additional spend on adaptations, advice and information for older people and their families, and revisions to our home care and support service arrangements. Technology will also be introduced to support face to face service delivery, helping to ensure time spent with those needing care is used as effectively as possible.

On behalf of Scottish Borders Council and our partners it gives me great pleasure to present this Plan. It sets out a comprehensive commitment to meeting the needs of older people, providing re-assurance that their wellbeing will be a central part of our partner's focus moving forward.

**Councillor Mark Rowley**

Executive Member for Business and Economic Development

# 1. SCOTTISH BORDERS INTEGRATED STRATEGIC PLAN FOR OLDER PEOPLE'S HOUSING, CARE AND SUPPORT

Partners in the Scottish Borders (the Borders) have produced an integrated Strategic Plan setting out a vision for enabling older people to have greater choice of housing, support and care that meets their long-term needs. It is focused on enabling independent living but proposes an investment and service framework which tackles the logistical and market challenges experienced in the Scottish Borders. It proposes investment in housing for older people, technology-based services, and additional people capacity as a means of ensuring future needs can be met.

In many parts of the Borders and particularly in the rural and remote areas, the care market has been unable to respond to the current needs of our communities. Moving forward, we have one of the highest projected growth rates of older people aged over 75 in Scotland, and a change in demographics where in 20 years' time half of all households in the Scottish Borders will be aged over 65 years. This leads to a growth in projected demand for both services and housing; taking place against a backdrop of national and local policy objectives supporting an increase in more independent living where older people are supported to live in their own homes for as long as practical.

Working in partnership across the public, private and third sectors, our ambition is to:

- Enable investment in existing homes, and to invest significantly in technology (including telecare) to enable older people to continue living at home as their needs change
- Improve the availability of information and advice to enable older people to make best housing choices to meet their future housing, care and support needs, including advice and assistance on moving home if this is the best option
- Increase the housing options of newly built houses in the private and rented sectors so that people that want to move home have more choice
- Invest in extra care housing and other types of housing with on-site support so that people are living independently but have the safety and security of care and support nearby
- Use the planned investment in extra care housing to drive wider service change, including using the new extra care developments as hubs in a wider 'hub and spoke' approach to delivering home care services to people in their own homes across Scottish Borders
- Invest in social infrastructure, looking to harness the strengths of our own communities in developing capacity in care and support for family member and friends.

Over the next 10 years the Scottish Borders Health and Social Care partners will invest close to £130m to enable:

- 400 extra care houses (including 60 in a new retirement campus)
- 300 new build houses suitable for older people for sale and in the rented sector
- Existing housing, refurbished or remodeled - 300 houses in the social rented sector
- Housing support on site to be offered to 300 more older households across housing sectors
- Over 8,000<sup>1</sup> adaptations and small repairs to enable people to stay in their own home

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<sup>1</sup>Based on an extrapolation of current levels, plus unmet need, increased in line with projected need

- A minimum of an additional 20 specialist dementia spaces to meet the need identified in the emerging Dementia Strategy
- Investment in telecare / telehealth for over 800<sup>2</sup> households.

The Plan covers the period from 2018-2028. This extends beyond the Scottish Government's current commitments captured in the Affordable Housing Supply Programme. The principles and headline commitments set out in this Plan endure irrespective, but we acknowledge that policy, practice and local context are dynamic and that refinements in tactics and delivery arrangements may be needed as we move forward.

Investment in social infrastructure is as important as investment in physical infrastructure. The Plan is underpinned by the principle of inclusive growth; ensuring communities can shape and benefit from the proposed investment. The Plan recommends that physical investment in housing can help facilitate and drive service reform in care and support for older people in the Scottish Borders. But physical investment alone will not meet the housing needs of older people; it must be supported by service reform across health, social care and housing support, and the development of capacity within our communities. Many of these discussions are already in motion. While some are at an early stage, this Plan will help shape their focus with scope for refinements in delivery arrangements as they progress.

This plan has been developed through a steering group involving all Scottish Borders Health and Social Care partners, and the Scottish Borders Housing Network. We consulted with the Locality Planning Groups to understand perspectives from residents and staff living and working in the local areas about the challenges and possible solutions to meet the housing, support and care needs of older people living in the Scottish Borders. The plan sets out:

- The strategic and market context
- The challenge
- Our vision for housing and service delivery for older people in the Scottish Borders
- Using housing investment to drive wider service change
- Action plan and commitments
- Governance, monitoring and evaluation

The plan has been informed by extensive data analysis and consultation (set out in the Older People's Integrated Housing, Care and Support Plan Data Report, 2017) and a strategic options appraisal (set out in the Option Appraisal Report, 2018).

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<sup>2</sup>Based on assessment of the number of projected Scottish Borders home care customers who would benefit from telecare using recognised industry criteria

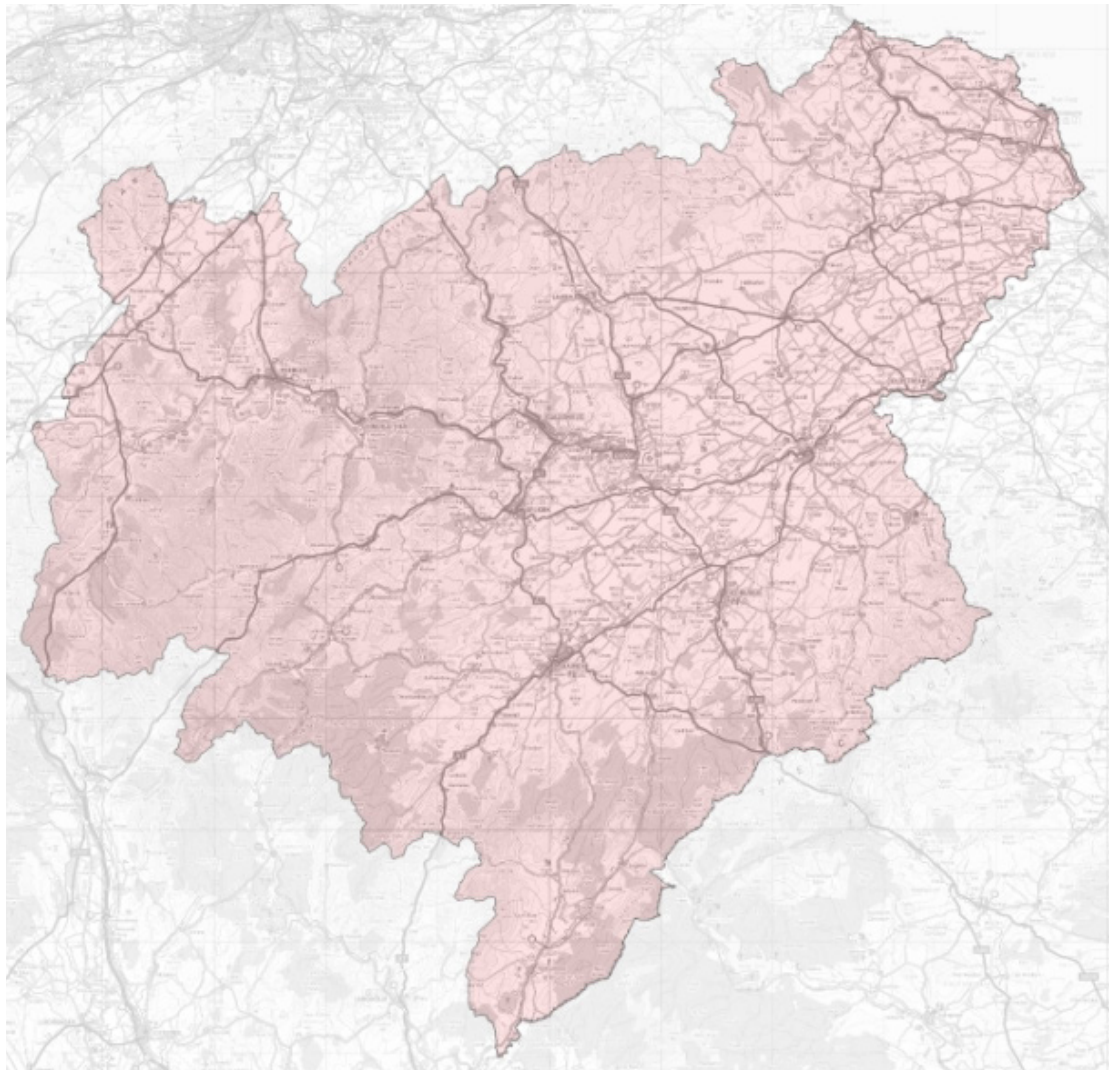
## 2. THE STRATEGIC AND MARKET CONTEXT

This Plan sets out a vision for the provision of housing, care and support that meets the projected levels of need of older people throughout Scottish Borders. It aims to provide a viable and sustainable basis for supporting older people now and in the longer term. As such it links into wider national policy commitments around support for older people, as well as commitments made by a breadth of local partners to ensure the specific needs of Borders communities are met. The inter-relationships between key commitments are captured in this chapter.

### The Scottish Borders

The Scottish Borders is located in the South East of Scotland, with Edinburgh and the Lothians to the North, Northumberland to the south and Dumfries and Galloway to the west. It covers a large, rural area of 1,827 square miles, where 30% of the population live in settlements of 500 people, or in isolated hamlets. The largest towns are Hawick and Galashiels, with other key towns including Jedburgh, Kelso and Selkirk.

Figure 1: Map of Scottish Borders





## The national policy context

The Scottish Government has set out 16 'National Outcomes for Scotland'. This includes a specific outcome where

Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it.

The Scottish Government has also set out nine Health and Wellbeing Outcomes:

- **Outcome 1:** People are able to look after and improve their own health and wellbeing and live in good health for longer
- **Outcome 2:** People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community
- **Outcome 3:** People who use health and social care services have positive experiences of those services, and have their dignity respected
- **Outcome 4:** Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services
- **Outcome 5:** Health and social care services contribute to reducing health inequalities
- **Outcome 6:** People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being
- **Outcome 7:** People using health and social care services are safe from harm
- **Outcome 8:** People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide
- **Outcome 9:** Resources are used effectively and efficiently in the provision of health and social care services

## The local policy context

Partners in the Scottish Borders have developed a range of strategies, plans and service delivery arrangements to deliver on these national outcomes. These have been developed through consultation with community groups, including the Locality Planning Groups, reflecting the expectations of the Community Empowerment (Scotland) Act 2015.

The **Scottish Borders Community Plan 2017** sets out how partners will work together Borders-wide to address four key themes. The key outcomes from the Community Plan relevant for this Integrated Housing, Care and Support Plan are:

## Our people

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

## Our Place

- More people able to afford to heat their homes
- More people living independently in affordable and sustainable homes.

## Community Plan Themes

**Our Economy,  
Skills & Learning**

**Our Health,  
Care & Wellbeing**

**Our Quality of Life**

**Our Place**

## Connected Borders 2017-2022

The vision of Scottish Borders Council's Administration sets out the key principles that will guide our work and articulates the type of communities we want to create. In particular this new Strategic Plan supports, and is underpinned by, principles:

1. CONNECTED COMMUNITIES
4. COMMUNITIES OF WELLBEING
5. COMMUNITIES OF CARING
6. COMMUNITIES THAT ARE EMPOWERED



A range of complementary strategies have informed the Community Plan (see appendix 1). Two key strategies for this Plan are the 'Scottish Borders Health & Social Care Partnership's Strategic Plan 2016-19' and the 'Scottish Borders Local Housing Strategy 2017-22'.

The **Health & Social Care Partnership's Strategic Plan 2016-2019** (HSCP) sets out a number of reasons why changes are needed in the way health and social care services are delivered. These include:

1. Increasing demand for services – with a growing ageing population, more people need our health and social care services and will continue to do so.
2. Increasing pressure on limited resources – the rise in demand puts pressure on our limited resources and this is happening at a time of constraint on public sector funding and rising costs of health and social care services.
3. Improving services and outcomes – service users expect – and partners want to provide – a better experience and better results.

Partners are committed to make better use of the people and resources they have by working more effectively together. The aim of the Partnership is to shift the balance of care towards prevention and early intervention to ensure that individuals have better health and well-being.

Services will be redesigned around the needs of the individual, to:



- Ensure that individual's journey through their care and treatment is as integrated and streamlined as possible
- Enable them to remain independent for as long as possible
- Support them to recover after illness and at times of crisis

The HSCP objectives are set out below. These are key components in this integrated Plan.

#### Scottish Borders Health & Social Care Partnership's Integration Strategic Plan 2016-19: Key Objectives

- We will make services more accessible and develop our communities
- We will improve prevention and early intervention
- We will reduce avoidable admissions to hospital
- We will provide care close to home
- We will deliver services within an integrated care model
- We will seek to enable people to have more choice and control
- We will further optimise efficiency and effectiveness
- We will seek to reduce health inequalities
- We want to improve support for Carers to keep them healthy and able to continue in their caring role

The Strategic Plan is currently under review and an updated plan will be published later in 2018

The implementation of the Health & Social Care Partnership Strategic Plan will be supported by supplementary plans related to specific themes (Dementia, Mental Health, and this Housing Plan), and Locality Plans that reflect differing patterns of need across the Borders. The partners have developed a Transformational Plan to redesign Council and NHS services.

The **Scottish Borders Local Housing Strategy 2017-2022** vision is that “every person in the Scottish Borders lives in a home that meets their needs”. The four key LHS priorities will be crucial to the successful implementation of this Integrated Plan for Older People:

1. The supply of housing meets the needs of our communities
2. More people live in good quality, energy efficient homes
3. Less people are affected by homelessness
4. More people are supported to live independently in their own homes.



The national and local outcomes and the LHS priorities have been factored into the identification and appraisal of the potential housing, support and care options for older people in the Borders.

## Community views

Views from community members were sought on the Community Plan. The second highest neighbourhood priority identified by community feedback was “providing high quality care for older people”.

Five Locality-based Outcome Plans are being prepared to set out specific plans for each of the Borders localities, which have been developed working through the Locality Planning Groups. Views were sought through the Locality Planning Groups for development of this Older People’s Housing, Care and Support Plan. Views confirmed the need for quality housing and care for older people, and access to a greater range of options across the ownership, social and private rented sectors. People want to be able to continue living in their own homes as long as possible, but people also want more options that are in-between living fully independent lives in their own homes and moving into care homes. Community members noted that there are very few options between living in your own home and care homes, and especially for people who want an ownership option.



## Wider market and funding considerations

In the Scottish Borders, challenges associated with rurality and population concentration are key factors in planning and delivering services. Borders residents also have strong community and locational preferences, and together these factors impact on development, logistics, available labour and economies of scale. Attracting and maintaining a care workforce across the UK is challenging, but these challenges are particularly acute in rural and remote areas and is experienced in the Scottish Borders.

New housing developments that provide a mix of housing for sale and rent are being given increasing emphasis throughout the UK. This is partly about creating diverse communities, but also acknowledges that an element of owner occupation provides access to private investment to help generate new developments and amenities. For older people, private sector new build can provide opportunities to move to a more suitable home for their longer-term needs.

This approach in mixed tenure has helped to stimulate a wave of investment in new types of clustered independent living for older people, from bespoke extra care housing developments through to retirement villages. Shared equity models and equity release schemes have become more prevalent as developers and landlords seek different ways of generating demand. The Scottish Government has recently amended its rules for its shared equity scheme to encourage older people to access the scheme, and Scottish Futures Trust is exploring different models for older owners to access more suitable housing

In the care and support market, supported independent living is a recurring theme, with a growing emphasis on self-directed support and assistive technologies, including telecare and telehealth to enable people to live at home independently for longer, and to use the care workforce resources in a more targeted way. Providers are often shunning the development of more traditional residential care accommodation in favour of retirement housing and extra care.

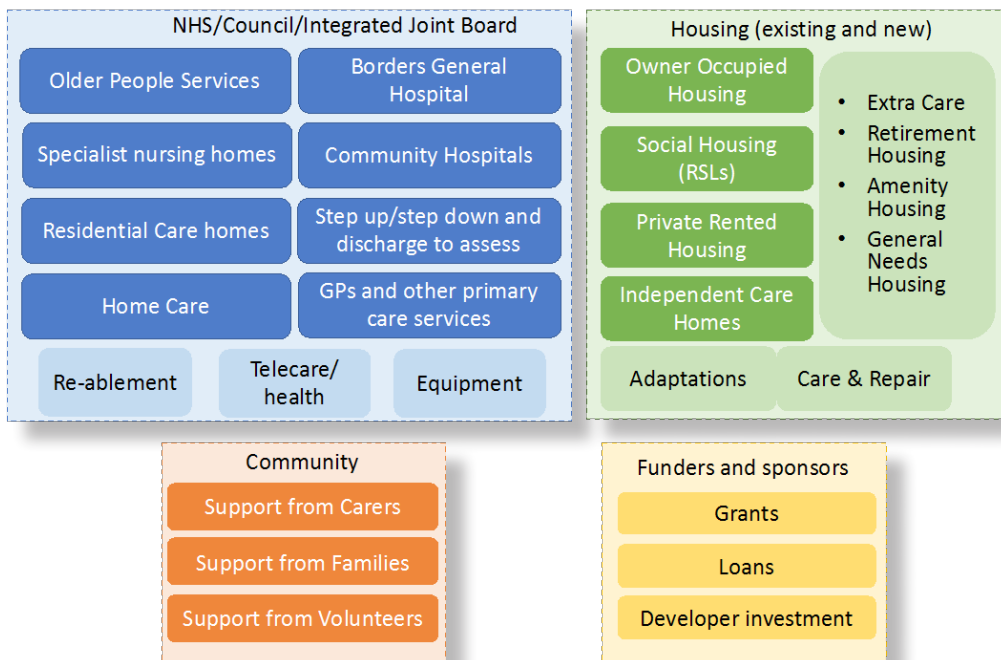


## The local service delivery landscape

This Plan proposes additional investment in assets and real service transformation, but successful implementation will build on the established local partnerships with crucial roles for housing and service providers across the public, private and third sectors.

The majority of public service spend on older people’s services in Borders is channelled through the Scottish Borders Health and Social Care Partnership. In 2016/17, revenue spend dedicated to Older People’s Services in the Scottish Borders was close to £21m; around 13% of the £164m total spend<sup>3</sup>. Investment also comes through housing development, and investment in existing homes for older people. This ranges from adapted existing homes, more specialist housing, through to specialist residential homes for those people with higher levels of need. Figure 2 illustrates the breadth of current players and their contributions to older people’s housing, care and support.

Figure 2: The housing, care and support service landscape



The housing, care and support service landscape includes:

- Public bodies – the NHS and Scottish Borders Council through the joint work of the Health & Social Care Partnership. It is supported by other public services e.g. Police and Fire & Rescue Services
- Housing providers – the Council does not own and manage mainstream housing, and so the key partners in social housing are registered social landlords (RSLs). Across all housing sectors housing developers, private landlords and residential care providers deliver a breadth of homes and services to older people across the Borders
- Funders and sponsors – providing grants, loans or developer investment to supplement capital and revenue spend from public agencies to support new build or redevelopment projects or pump-prime service transformation
- Individual home owners and the community – including owners investing in their own homes, the support of carers, families and wider volunteers to support older people to live independent and fulfilling lives for as long as possible.

<sup>3</sup> Scottish Borders Health & Social Care Partnership Annual Performance Report 2016/17

Together, they help to deliver access to:

- Clinical/acute services and more than 320 hospital bed spaces at Borders General Hospital near Melrose
- Community hospitals at Coldstream, Duns, Hawick, Jedburgh, Kelso and Peebles
- A network of mental health and learning disability inpatient, community and day facilities
- Fifteen health centres in towns across the Borders
- Primary healthcare services are provided by over twenty GP Practices and a network of dentists, pharmacists and ophthalmic opticians
- A dedicated re-ablement centre at Waverley
- A 'discharge to assess' centre at Craw Wood
- Specialist dementia nursing care space at Queens House
- The purpose-built specialist Margaret Kerr Unit for palliative care
- 19 residential care/nursing homes providing 700 places
- Around 1200 older people receiving home care in their own homes
- More than 170 extra care housing/housing with care spaces
- Over 400 sheltered and 52 very sheltered houses, with over 2,000 different types of specialist social rented housing targeted for older people
- More than 750 adaptations and 4,200 handyperson jobs for older people completed by the Borders Care & Repair Services in 2016/17
- In excess of 11,000 items of medical equipment in 2016/17.

Together, these activities come together in a range of settings and services for older people across the Borders (see figure 3). Ensuring these are accessible, fit for purpose and aligned is central to the Plan's intent.

Figure 3: Older people's settings and services spectrum



### 3. THE CHALLENGE - HOUSING, SUPPORT AND CARE NEEDS OF OLDER PEOPLE IN THE SCOTTISH BORDERS

The Scottish Borders Health and Social Care Partnership plans and delivers services through five localities – Berwickshire, Cheviot, Eildon, Teviot and Tweeddale.

Figure 4: Map of Localities





These are diverse areas - the largest is Eildon with 16,687 households and includes the key towns of Galashiels, Melrose and Selkirk, and the smallest is Teviot with 8,946 with the largest town of Hawick. Berwickshire is the most eastern locality including towns of Duns and Eyemouth. Tweeddale is a key commuter area to Edinburgh from Peebles, and Cheviot includes Kelso and Jedburgh.

Older residents in the Borders say that affordability and choice across all housing sectors and related care and support services based in their own communities are important. On average, older households in the Borders have similar income profiles to the rest of Scotland, but house prices are on average 7% higher than the Scottish average. But there is considerable diversity of housing markets and household incomes across the different communities. Tweeddale and Cheviot tend to have the highest older household incomes, highest house prices and highest levels of equity held by older households. This compares to Teviot which tends to have lower older household incomes, and lower house prices which coincides with higher proportion of income deprived households. Welfare Reform will have a continuing impact on the rental market where 50% of local households in the Borders struggle to afford the average market rent of around £500 per month, but where the local housing allowance is lower than the Scottish average. There are areas of housing market pressure and areas where prices and values impact on development viability for private and social housing.

**Table 1: Locality Profiles**

Locality	Main towns	Estimated households 2017	Estimated Households 65+	% of all households 65+	Rurality*	Average older household incomes 2015	Average house prices 2015	% population income deprived
Berwickshire	Duns Eyemouth	9,725	3,626	37%	45%	£19,823	£179,902	10.4%
Cheviot	Jedburgh Kelso	9,189	3,498	38%	34%	£19,828	£181,523	9.4%
Eildon	Galashiels Melrose Selkirk	16,687	5,131	30%	19%	£19,502	£163,337	9.8%
Teviot and Liddesdale	Hawick	8,946	3,099	35%	14%	£18,571	£126,281	14.3%
Tweeddale	Peebles	9,456	3,222	34%	27%	£20,434	£223,643	7.0%

Source: Older People Integrated Plan, Data report 2017, and Local Housing Strategy, 2017.

\*Rurality - % of population living in small settlements <500.

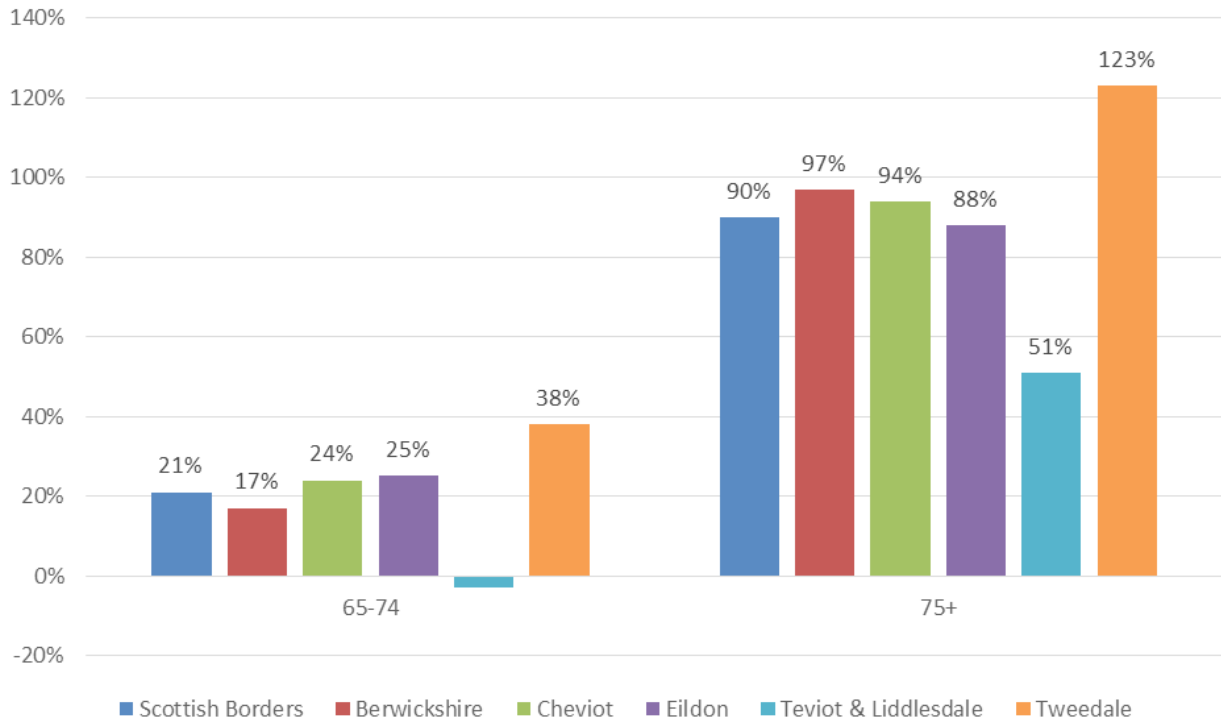
## Older people in the Scottish Borders

The Scottish Borders household population is growing slower compared to Scotland as a whole - 7% increase to 2037, compared to 17% for Scotland. But households over 75 years are growing at one of the highest rates across Scotland – Scottish Borders projects a 90% increase to 2037, compared to Scotland's 82%. All households over 65+years are predicted to increase by 54%, at the same rate as Scotland overall. Currently just over a third of the total household population in the Scottish Borders are aged over 65 years - in 20 years, nearly half of all households (46%) will be aged over 65 years.

The projected increases by age varies considerably by locality with Tweeddale showing the greatest increase of older people aged over 75 years, followed by Berwickshire – the two areas where the provision of Home Care is already under greatest pressure. Teviot is showing a small decrease in number of household 65-74 years, and the smallest proportional growth of households aged over 75 years.



Figure 5: Increase in older households in the Scottish Borders 2012-2037



A key challenge for the future will be the increased level of care of some older people due to dementia. The last SBC dementia strategy predicted an increase of 56% in dementia sufferers between 2006 and 2021. Scottish Borders HSCP is currently developing a new dementia strategy.

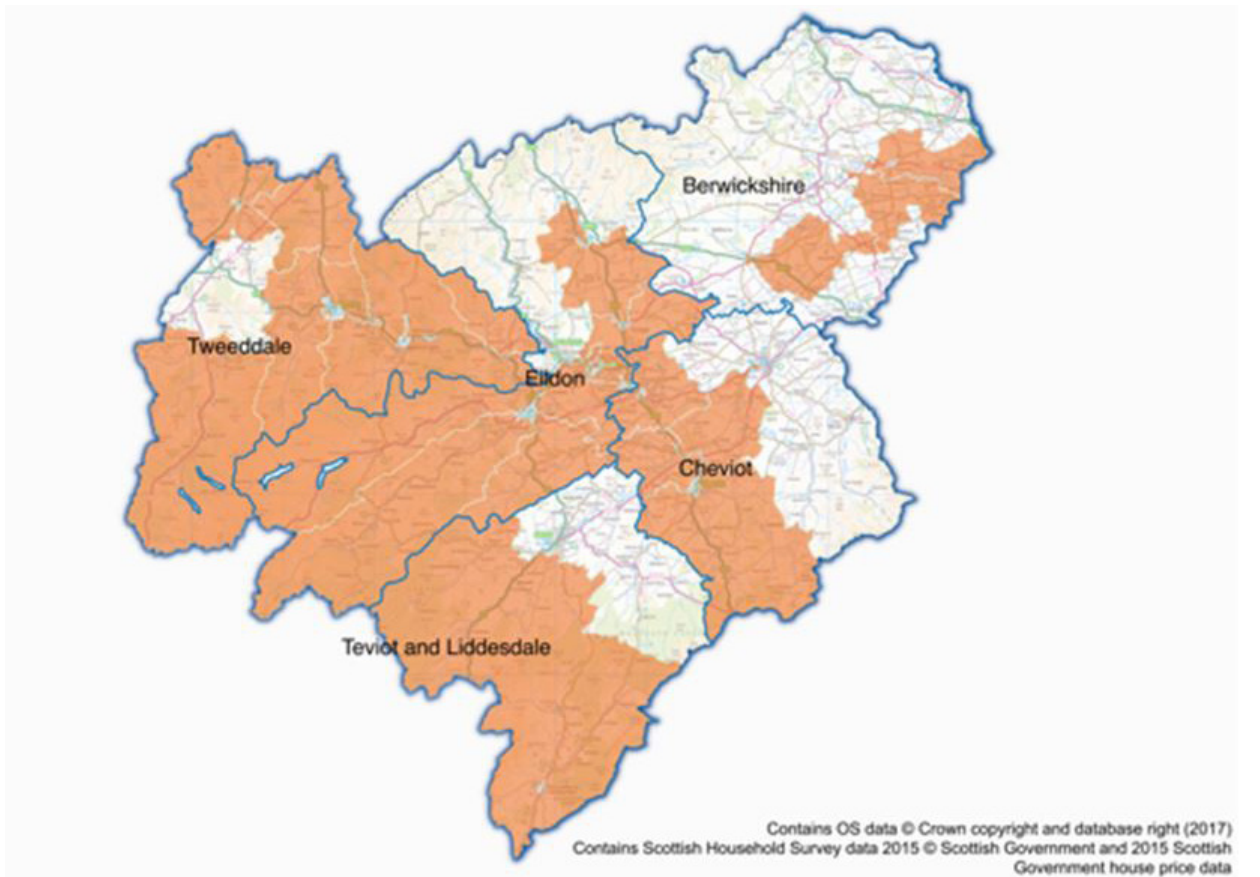
### Housing, care and support needs of older people in the Scottish Borders

Most older people (68%) in the Borders own their homes, and most of these people own their properties outright. The level of equity held by many of these households is considerable, but we also know that there are very few options in the private sector for older people wishing to move from their current home to a more suitable housing option to meet their longer-term needs.

Analysis<sup>4</sup> of higher than average concentrations of older outright owners with higher incomes shows us where households may have enough equity to afford market-based options. The map shows shaded orange areas where there are higher than average proportions of older outright owners with incomes of more than £20,000 a year and where the median house price is above £200,000. These are locations where older owners are likely to have high enough incomes to contribute to service charges and are also likely to have substantial levels of equity to contribute to alternative housing solutions. We can see that large swathes of Tweeddale and Eildon show potential for older households to seek equity-based solutions. By comparison Berwickshire shows less areas of potential.

<sup>4</sup> Scottish Household Survey small area estimates

Figure 6: Datazones with concentrations of older outright owners with higher incomes, in higher price areas



Scottish Borders Council new housing supply target over the next 12 years is 348 new homes each year, made up of 128 new affordable homes and 220 new private homes per annum. Comparing this against the current households living in the Borders this is only 2% new addition to the housing stock each year. While renewal and refreshment of the housing stock is important to meet a range of needs, this Plan must recognise that the majority of housing, care and support needs will be met in people's existing homes. While the housing annual supply target is 128 new affordable homes, Scottish Borders current Strategic Housing Investment Plan (2018-2023) sets out more ambitious plans for over 200 new affordable homes each year for the next four years.

A quarter of older people live in the social rented housing, and this is where the majority of specialist housing for older people is available. There are very few specialist housing developments targeted to older people in the private sector. There are around 2,200 properties built by housing associations for older people although around 300 of these properties are now considered unfit for purpose or are in low demand; for example they might include steps, have no lift, low demand bedsit/studio flats. Only 785 of the 2,200 properties are provided with on-site support, for example a warden. A three-year research project by Sheffield University DWELL has investigated how the design of houses and neighbourhoods can facilitate mobility and well-being for current and future generations of older people. A key feature of this work has been the participation of older residents in the design and evaluation process. This work suggests that a much higher proportion of older households need and want on-site support as they become frailer, compared to what is currently available in the Scottish Borders.

Seven per cent of older people in the Borders live in the private rented sector, more than is found in Scotland overall at 4% of older households. Residents in the Locality Groups told us that adaptations are sometimes more difficult to arrange for private renters compared to owners and social renters.

The majority of older people that need care and support receive this in their own homes, enabled through home care, adaptations and equipment. In April 2017, around 1,270 older people received home care, and there were 700 people living in care homes. Over the last 10 years, Scottish Borders Council and its partners have been trying to enable older people to continue living at home, rather than to move into care / nursing homes. This has not been achieved to the extent that was planned, and demand for care homes is still very high. Analysis of Home Care provision in Scotland and the Scottish Borders Table 2 below shows that a greater proportion of Home Care in the Borders is spent on lower needs (2 hours or less per week) compared to Scotland generally, while elsewhere in Scotland a much greater proportion of Home Care is spent on more complex cases (greater than 10 hours per week). This is a strong indicator of the need to provide more complex care and support in people’s own homes, but the ability to make that change is constrained by care workforce challenges and market capacity issues in the Scottish Borders.

**Table 2: Home Care by hours per week, Scotland and Scottish Borders**

No. of home care hours per week	Scotland	Scottish Borders
2 hours or less	13%	24%
2-4 hours	17%	20%
4-10 hours	33%	38%
greater than 10 hours	37%	18%

Source Scottish Government Social Care statistics November 2016

Telecare and telehealth is a rapidly developing sector where technology is used in people’s own homes to increase independence, enable people to continue living at home, and reduce reliance on care workforce for shorter, less complex visits. There is a community alarm service in the Borders, but much greater investment is required in telecare and telehealth services both in care planning, and in the technology equipment and infrastructure.

The Care and Repair service provides home adaptations, small repairs, handyperson service, falls assessments and information and advice to enable older and disabled people across all housing sectors to remain in their own homes. Research shows the benefits of Care and Repair services and adaptation services outweigh the costs (see box on page 20). The Care and Repair service in the Scottish Borders is an exemplar model that works in close partnership with the HSCP to provide all adaptations commissioned by health, social care and referrals made directly from households. This centre of excellence enables the same high standards in adaptations to be delivered across all the localities. There is increasing demand and unmet need for adaptations and Care and Repair preventative services across all housing sectors. For adaptations in the social rented sector, the housing associations contribute their own funding to supplement the funding shortfall provided by Scottish Government, but there is still unmet demand. In 2016/17 a total of 752 adaptations, handyperson and small repairs were provided against a projected need of 930<sup>5</sup> and a current waiting list of 164 households. There is also increasing demand for services for people with dementia, and Care and Repair is ideally placed to identify needs and provide services that enable people to stay put in their own homes.

<sup>5</sup> Local Housing Strategy projection of 5% of households over 65 years.

## **The cost and benefits of adaptations, Joint Improvement Team**

A 2012 study about adaptations found that:

- Adaptations generate savings and value for the government's health and social care budget, far in excess of the amount invested;
- Adaptations bring increased independence, confidence, health and autonomy for tenants;

A £2,800 adaptation leads to:

- A potential £7,500 saving through reduced need for publicly funded care home provision;
- A potential £1,100 saving through increased safety and reduced hospitalisation of tenants;
- A potential £1,700 saving through reduced need for social care provision;
- A potential £4,700 saving through reduced need for self-funded care home provision; and
- Substantial well-being benefits to tenants valued at £1,400;
- Each adaptation in these settings saves the Scottish health and social care system over £10,000;
- £1.4 million invested in adaptations across the three housing associations creates approximately £5.3 million in cost savings to the Scottish Government, and £3.1 million in social and economic value for tenants;
- A total return on investment of £5.50 to £6.00 for every £1 invested;
- It is essential to invest to save and increase the adaptations grant fund.

## **Small changes to homes can relieve pressure on the NHS and social care, UWE Bristol, 2017**

This study showed for falls prevention work for over 65s:

- Preventive work associated with falls on stairs would cost in the region of £290 million and provide a benefit to society of around £470 million
- This equates to 62p for every £1
- There is a payback period of less than eight months.

Looking forward, there is a projected 75% growth in different types of housing, care and support services required estimated over the next 10 years, above current supply. These needs vary between long term care and support, lower level home care, housing support on site and adaptations/small repairs.

- Long term care and support needs that can be met through extra care housing, intensive home care over 10 hours, or care home provision – projected growth from current 1,067 to 1,690 needs in 10 years – 58% growth
- Lower needs care and support – Home care under 10 hours – projected growth from current 1,076 to 1,364 in 10 years – 26% growth
- Housing with low level support on site – projected growth from current 614 to 1,764 in 10 years – 187% growth.
- Adaptations and small repairs – projected growth from current 752 each years, increasing to 1,120 adaptations/repairs over the next 10 years

Scottish Borders HSCP and the Integrated Joint Board are aware of the challenges in health and social care for older people and has instigated a Transformational Programme. This will redesign services for older people including discharge to assess, hospital at home, telehealth/telecare and What Matters Hubs (explained further in the section below).

### **20 years growth in older households**

2017 - One third of Scottish Borders household population is aged 65+

2037 – One half of Scottish Borders household population will be aged 65+

90% increase in older people 75+

54% increase in older people 65+

### **10-year need estimates**

Around 2,000 additional housing, support and care services required

75% growth in different types of housing or related care and support for older people

58% growth in long term care and support needs

26% growth in lower needs care and support needs

187% growth in housing with support on site needs

32% growth in adaptations needs

## 4. OUR VISION FOR HOUSING AND SERVICE DELIVERY FOR OLDER PEOPLE IN THE SCOTTISH BORDERS

Scottish Borders partners agree that suitable housing has a pivotal role to play in helping meet older people's health and wellbeing. As well as offering security and independence, housing provides the residential setting within which other elements of care and support services will be delivered. Getting the residential setting right also provides a basis for reforming services, allowing partners to better meet need as demands increase in the future.

### Identifying suitable options

In developing a preferred way forward, partners looked at a number of alternative options. For each option, the partners considered the evidence base, and assessed the relative advantages and disadvantages against an agreed set of criteria including:

- Alignment with national and local strategic objectives for older people
- Whether the objectives help meet housing, care and support need and demand
- How acceptable, affordable and deliverable each of the options are for older people, and the range of other stakeholders involved (e.g. residents, commissioners and regulators).

Options ranged from continuing with the current arrangements, through scaling up current activities to meet the projected levels of future need, to a more targeted investment-led approach (using investment in assets, services and technology to pump prime a long term sustainable solution). This third option saw asset-based investment helping to meet projected need in its own right, but also facilitating changes in the supporting service delivery arrangements. The option appraisal criteria and options are set out more fully in appendices 3 and 4.

### The preferred option

Drawing on the strengths of different approaches, the proposed way forward is a combination of investing in housing, technology and service delivery capacity. It builds on the commitments already made by partners. It proposes new build activity, supplementing the existing mix of private and public residential provision across Scottish Borders. It also involves the remodelling, refurbishment and adaptation of existing housing, a strengthened approach to telecare, and the implementation of proposed service reforms to ensure that the breadth of independent living benefits can be grasped across all Borders localities. Scope for co-location of the new housing with other housing and non-housing developments and amenities will be explored as part of more detailed feasibility work.

### Institutional /residential homes

National and local policy objectives point to a managed shift away from care in residential settings to more independent living. However, some older people will continue to need residential care, and overall levels of demand are projected to increase. Our plan therefore proposes additional investment in specialist dementia care and continued commitment to residential care homes as part of a wider strategic approach.

There will be a targeted investment in the development of approximately 20 additional specialist dementia care spaces to meet projected needs. This will supplement existing dementia care provision in residential facilities and home settings across the Borders. A sum of £4.8m has already been set aside as a contribution to this proposed capacity in Scottish Borders Council's capital programme. Alternative options (including a stand-alone dementia care unit) will be explored further as part of the business case for the project being developed in 2018/19.



This investment complements the Scottish Borders Health & Social Care Partnership’s ‘discharge to assess’ activities and re-ablement support, helping to bridge the gap between acute health services and independent living, to support hospital discharges and reduce re-admissions.

### Extra Care Housing

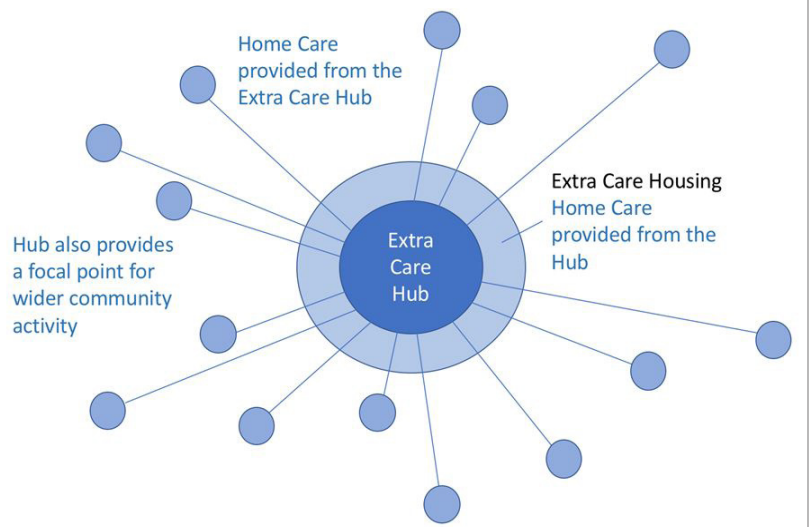
Extra care housing (ECH) is increasingly common through the UK, with developments ranging in scale from 20 to several hundred homes. While the larger developments offer economies of scale they are typically progressed in areas with larger population concentrations in the Borders. Our proposals seek to capture some volume-based economies of scale (through a programme approach), but spread the developments themselves across Scottish Borders localities. The ECH element will therefore include one larger mixed tenure retirement campus development of approximately 60 units – likely in Eildon where projected demand is greatest - and up to 8-14 further smaller local ECH developments ranging from 30-45 units over the next ten years.

Six ECH developments (comprising 189 units) are already included in the current Strategic Housing Investment Plan (SHIP). These provide independent housing for older people with access to support and care on site, but also provide a basis for the introduction of a hub and spoke model to home care and better access to independent living in each of the five Borders localities. This supports wider service reform as part of an integrated asset and service-based response. Linked to projected demand, and assuming suitable sites, this will aim to address the projected need of around 420 ECH units across Scottish Borders.

- 120 in Eildon (including those in the proposed retirement campus)
- 90 in Berwickshire
- 90 in Cheviot
- 30 in Teviot
- 80 Tweeddale

The scale of individual developments will be influenced by site availability. As a result, the specific number of ECH developments will naturally be impacted by design and space constraints, with a smaller number of slightly larger developments (on the 30-45 unit spectrum) providing economies of scale, as well as reducing the need for complementary investment in the non-housing care hub element on each site.

Extra Care supporting a wider ‘hub and spoke’ approach



In principle, the intention is for mixed tenure housing - for sale, shared equity, social rent and other type of affordable rent - on all ECH sites, beyond those already well into the development process. In practice, the tenure mix will be varied to reflect local circumstances, affordability and demand.

A generic schematic for a retirement campus is illustrated below. Further feasibility and design activity will be undertaken to scope proposals for the Scottish Borders equivalent, with full planning and consultation activities prior to any plans being finalised.

**Figure 7: Indicative retirement campus layout** <sup>6</sup>



A blend of Housing Association Grant (HAG), Registered Social Landlord (RSL) borrowing and developer investment will be used to fund the housing element, with this recovered from sale or rent in line with a typical investment-led approach. The projected cashflow and financial plan is included in the full Plan.

While the retirement campus development is likely to be stand-alone, more bespoke smaller ECH developments may be either stand-alone or ideally linked to broader community or residential developments – for example integrated with or adjacent to schools, retail, entertainment or leisure developments.

This helps to support vibrancy and community involvement, as well as enhancing the commercial viability of each development.

Supplementing the proposed development of specialist residential dementia space for those in greatest need, each development will be designed with a breadth of flexible older persons living in mind. Design will be support independent living, with low to medium acuity, dementia and frailty requirements built-in to both the housing, care hub, shared outdoor/indoor space, and community-accessible amenity specifications.

<sup>6</sup>Based on the retirement village concept developed at Bournville near Birmingham

## Independent Living

The independent living element of the Plan sees a combination of new build housing, remodelling/re-development of existing housing, and greater support for people to live independently in their own homes. This will be supported by investment in telecare and telehealth, adaptations, Care and Repair, and further integration and transformation of existing services.



Scottish Borders Council's Planning service will encourage private and RSL housing developers to build housing to a standard that is suitable for older people as needs change (Housing for Varying Needs, or an equivalent standard for the private sector). This is so that a greater proportion of new build provision is future proofed for the growing older household population, the majority of whom wish to continue living in owner occupation. This Plan assumes the development of at least 300 new build houses suitable for older people across housing sectors, over and above the proposed extra care housing. Some of the new housing supply will include on-site support whether supplied by the private or RSL sector. There is a commitment to a mixed tenure approach, with opportunities sought to lever in private sector investment to create both owner-occupier and private rented housing (in addition to social housing).

The demand for housing with on-site support across Scottish Borders could also be addressed through of refurbished/re-categorised group housing. Currently 300 properties in the RSL sector originally built for older people is not fit for purpose and these need to be remodelled, or redesignated for different client groups.

While technology and adaptations can help to support the independent living objective, continued face to face service delivery will also be crucial. We say more about this in section 5.

## Financial plan

We have set out in Appendix 5 an outline of the financial plan required to support delivery of the integrated older people housing, care and support strategic plan. A summary of the investments included are detailed in table 3 below.

**Table 3: Financial Plan**

Care units	Units Over 10 years	Units Over 10 years	Units Over 10 years
A 20 unit specialist dementia care unit	20	£4,800,000	£240,000
A 60 unit mixed tenure campus	60	£9,000,000	£150,000
Various local extra care housing developments (30-45 units each)	360	£54,000,000	£150,000
<b>New housing with care provision</b>	<b>440</b>	<b>£67,000,000</b>	<b>£152,272</b>
<b>Housing supply</b>			
New Build	300	£39,000,000	£130,000
Refurbishment/Remodelling	300	£16,500,000	£55,000
<b>New / remodelled housing provision</b>	<b>600</b>	<b>£55,500,000</b>	<b>£92,500</b>
	<b>1,040</b>	<b>£123,000,000</b>	<b>£118,269</b>
<b>Other investment to 2027</b>			
Adaptations, small repairs	8424	£8,634,600	£1,025
Telecare	851	£255,240	£300
<b>Total investment planned</b>		<b>£132,190</b>	

Table 3 details investment of £132m is planned across the Scottish Borders to support delivery of the integrated housing, care and support plan for older people. This includes a mix of care settings and housing tenures and will be funded by the Council, local RSLs, private developers and other strategic partners in the region as also shown in Appendix 5.

Scheduling of the planned investments has highlighted the following:

- The financial plan set out here to support the Integrated Housing, Care and Support Plan covers the 9 year period to 31st March 2027. Completion of the development programme is likely to take 1 further year to 31st March 2028 to complete (unless timescales are revisited);
- Further work is required to develop the service reform plan to sit in tandem with the 10-year investment plan so all partners across the Scottish Borders are focused on delivery of an integrated plan for older people covering both asset led investment and service delivery excellence to meet the care, housing and support needs of older people across the region.

It should be noted that the cash flows are stated at 2018 price levels, excluding inflation or any real price movement and the timing of any grant and other funding has been 100% aligned to the phasing of the costs. In practice there will be working capital requirements for each of the partners which are not reflected in the strategic plan, but will need to be assessed as each scheme/project reaches the appropriate stage.

Private provision of 30% of projected need has been assumed for new supply including the local ECH, mixed tenure approach and new housing supply. The 10 year plan is illustrative only and will require to be kept under review as projects are developed.

## Links to ongoing service commitments and service transformation

The housing-focused proposals place an emphasis on the new build or redevelopment work that will take place to help realise partners' ambitions for older people in the Borders.

New build or refurbished housing will account for only a small proportion of the overall housing stock in the Borders. The majority of older people will continue to live in their own homes, whether these are owned or rented. Moving forward, adaptations, equipment and assistive technologies will have an increasing role to play to allow this to happen. Older people will also continue to receive the same broad range of public services, increasingly integrated and improved through the work of the Scottish Borders HSCP. In excess of £21m per annum is currently dedicated to Older People Services across the Borders, supporting the broad landscape of provision set out earlier (section 2 above). In addition to continuing with the commissioning and direct delivery of a significant suite of general and older people's services, public bodies will also seek to provide opportunities for private and third sector provision of housing, amenities and services through their planning and commissioning activities.

## 5. USING HOUSING INVESTMENT TO DRIVE WIDER SERVICE CHANGE

The housing-led proposals aim to support a step-change in partners' ability to meet the growth in the projected housing, health and care needs of Older People moving forward. This will be important in making best use of finite resources in the future. Many of the building blocks of a more integrated approach have already been established through the work of the Health & Social Care Partnership. The blend of targeted investment through this Plan aims to accelerate these proposals. In particular, the Plan aims to support a more **locality-based hub and spoke approach** to the provision of care and support for older people. This will see the care hubs associated with each ECH development provide an impetus for revisiting the deployment of care and support resources to individuals both within the developments and those living independently in adjacent neighbourhoods. The ECH developments will also be a focal point within the communities in which they are developed (rather than solely a residential base), providing a basis for revisiting wider public service and amenity provision in each locality.

### Support for wider service transformation

The housing-led proposals also complement a number of further service reforms already being progressed by partners in the Borders as part of a structured transformation programme. Each of these key reforms will continue in parallel with the wider investment proposals. Moving forward, their refinements and extension will be underpinned by a business case approach (articulating the required investment, the intended benefits, and where these will be realised). Key reform elements are set out below.

### Preventative service interventions

Preventative interventions aim to help keep people out of hospitals and other residential settings if possible/ appropriate. They include:

- Integration – rolling out single shared health and social care assessments to shape the design and delivery of more joined-up person-centred care responses
- Re-ablement, discharge to assess and hospital at home – supporting people's journey back to more independent living – and reducing re-admissions wherever possible - through the provision of appropriate targeted support and care in a non-acute setting
- Fall prevention – 'designing-out' incidents through advice, design/building control standards, and appropriate adaptations to reduce demand for emergency and/or other more reactive services
- Palliative care – supporting people's end of life care needs in their own home through community nursing/hospice support backed up with equipment and adaptations appropriate to individual needs.



## Care & Repair, adaptations and prevention advice

Scottish Borders Care & Repair Services provide a further preventative intervention. This includes a handyman's service and adaptations (both preventative and to support continued independent living). The service also includes providing preventative advice to home owners and tenants on small repairs, falls prevention, technology, referrals and self-help (including accessing private investment where there is no grant eligibility). Together, these aim to maximise the extent to which people can live independently in their own home rather than in a more institutional environment.

In addition to this meeting older people's preferences, evidence points to the potential cost/benefit of adaptations and other preventative interventions as being significant. This assumes that adaptations are fit for purpose and provide support for continued independent living. Moving forward, partners will formalise expectations of the service, pool available budgets to improve economies of scale, and invest further to facilitate the realisation of additional benefits. They will also explore a case to further extend adaptations and advice to include new dementia-oriented interventions. There is also scope for development of information and advice services on moving home. Where moving home is the best option for an older household, the fear of moving home can be a considerable barrier. Care and Repair is well placed to provide advice and practical assistance to help people move to a more suitable home across housing tenures.



## Family and community support

A breadth of innovative approaches are being explored in the Borders that aim to draw on wider family and community support as means of bolstering local capacity to deliver care and support. The approaches here align with partners' ambitions to build on community assets – in their widest sense – to complement the direct contributions of statutory agencies. They apply most readily in the context of Self Directed Support (SDS), where older people have a choice in how best to spend the resources required to address their assessed need.

Where capacity to deliver is a challenge due to local workforce capability/availability, a range of activities will seek to lever contributions from the wider family, local third sector organisations, and surplus local capacity in the community to top up (or potentially replace) commissioned services from SBCares or other providers. Supplemented with appropriate training and accreditation, this supports local economic diversity as well as a potentially more cost-effective means of accessing the required capacity. It may have a particular resonance in perpetuating independent living in the delivery of support and care outside group settings. Moving forward, the success of the approaches will be reviewed, and where the business cases stack up, additional investment will be set aside to support formalisation of the processes in suitable localities.

## **Financial inclusion and community development**

Partners' ongoing commitment to financial inclusion and community development are also important. The Council has a longstanding commitment to ensuring inclusion and community cohesion across the Borders, including ensuring that older people are able to afford to live independently. It works proactively with older people's groups around entitlements and addressing issues such as fuel poverty. This is progressed as part of a wider commitment to community wellbeing, delivered through a number of important relationships with statutory partners, RSLs and CAB. The Council will embed a new set of arrangements linked to both preventative and responsive interventions

## **Self-directed support**

Self-Directed Support (SDS) embeds the principles of engagement and entitlement in the design and delivery of an appropriate care response. It focuses on allowing individuals greater choice in their care package as well as seeking to target resources around interventions that best meet the particularly needs/circumstances of older people in their local context. Moving forward, partners will assess the impact and effectiveness of SDS to date, refining arrangements with a view to the extension of the model. This is particularly important in the context of the other service reforms, with choice providing space for innovation in each of the other strands.

## **Technology**

Assistive technologies will play an increasingly important role in the future. Partners will invest in telecare/telehealth as an additional component of services to older people, and the move to a more data-supported/intelligence-based service model to improve efficiency and effectiveness.

Telecare/telehealth will provide additional security, assisting monitoring, improving commissioner information collection/ management, and informing the delivery of the most effective and efficient response. While a community alarm system is in place in the Borders, limited progress has been made in developing and rolling out a more systematic telecare approach, whereby sensors provide data that managers can use to deploy resources effectively and efficiently to support care provision. This will be addressed as a priority.

In moving forward, a base telecare platform will be introduced to appropriate service users (those whose conditions would benefit from the service) across Scottish Borders, with appropriate monitoring arrangements put in place. This should support social interaction as well as the telecare response.

An appropriate response pathway and responder service will also be scoped. This will seek to build on the community asset/social capital concepts (around family, community and third sector involvement) currently being piloted in the Borders. In the medium term, the telecare platform will provide a stepping stone to telehealth roll-out thereafter as part of a structured implementation plan.



Research by the Kings Fund suggests that telecare would potentially free up 2 hours per week for each intense home care customer receiving telecare, and 30 mins per week for each 4-10 hour customer. Based on current rates in the Scottish Borders, this would generate potential ongoing revenue saving of approximately £320k per annum to the home care budget. As demand rises, the savings will rise. This could either be recovered as a cashable efficiency, or be translated into further service interventions for customers.

Data informed/intelligence-based services will be a related development. The additional data provided by telecare and telehealth will allow partners to respond in a more informed manner to each individual customer. Collectively, the gathered data will provide invaluable business intelligence to allow partners to optimise the logistical deployment of resources across Scottish Borders. It will also support ever-improving performance management to help inform how best to intervene, commission and deploy resources based on experience.

### **Revised home care commissioning**

The Council is currently developing its commissioning strategy for home care. This seeks to maximise value for money in commissioning and aims to attract more providers into the Scottish Borders market. It is looking at a range of models to increase home care supply, and it is agreed that the housing based hub and spoke model and the future commissioning strategy of home care services should align geographically (e.g. with home care services could use the 'hub' as a base for home care delivery in adjacent neighbourhoods).

### **Developing further health and care capacity**

Refined links with education, learning and employability bodies will be a key strand of the approach. Partners will build on progress to date to develop more proactive links into further education and training for Social Care and Community Nursing. They will continue to promote these as sustainable and attractive career options. Partners will also consider support from employability agencies (including the Council and Job Centre Plus) to look at how gaps in local capacity might be closed through innovative approaches to labour market development and greater incentivise to take up roles in Care and Support.

Analysis undertaken in the development of the Older Persons Strategic Plan pointed to both improvements and efficiencies arising from service reform proposals. These efficiencies – primarily arising from the ability to look after people appropriately in less expensive environments – provide a basis to both extend and further improve services. These include:

- Better outcomes through the discharge to assess model, as well as a reduction in delayed discharge and reduced likelihood of returns to hospital in the short term
- Increased ability to remain in an independent living environment for longer as a result of the Care & Repair services and associated adaptations
- Improved outcomes and reduced costs associated with the introduction of assistive technologies (such as telecare)
- Reduced costs and an increase in resilience associated with a change in the service commissioning balance
- Enhanced logistics and better resource scheduling through the adoption of a locality-based hub and spoke mode
- Potential to layer these benefits through a coherent approach to service reform implementation.

## 6. IMPLEMENTATION, MONITORING AND EVALUATION

This Plan has been developed through a steering group involving a range of key health, care and housing partners in the Scottish Borders.

The proposals set out in the Plan are ambitious and success will depend on commitment from all partners. Specific actions (with targets, timescales and lead responsibilities) and desired outcomes are set out in the following section.

The action plan and commitments have been agreed by Scottish Borders Council, the Scottish Borders Health and Social Care Partnership, and by the Scottish Borders Housing Network.

Governance, monitoring and evaluation of the Plan will be led by Scottish Borders Council Corporate Management Team, with regular reports on achievement against the agreed action and targets also scrutinised by the Integrated Joint Board.

## 7. ACTION PLAN AND OUTCOMES

### Outcome 1: Older people have a greater choice of different housing options which meet their long-term housing, care and support needs

Action / outcome	Measure / Data source/ frequency	Baseline	Targets New supply	Timescale	Lead and Resource partner
<b>New build private homes</b> built to 'housing for varying needs' or equivalent standard to be agreed in the new Local Development Plan 2 to future proof housing for older people (Total Housing Supply Target for new private homes is 220 per annum)	Number of houses SBC; Annual	0 Completed in 2016/17	30% of the private HST	2018-2027	Private sector
<b>New social rented or mid-market rent homes</b> built to Housing for Varying Needs standard – all SG funded housing is built to HVN. At least 30 per annum for 10 years should be suitable for older people (size and type), with or without on-site support.	Number of homes SBC; Annual	83 social rent and MMR Completed in 2016/17	300 new build – 70% RSL, 30% other affordable housing including MMR and low-cost home ownership/ shared equity	2018-2027	Scottish Government HAG and RSL private borrowing
<b>New shared equity homes or housing for sale</b> , built to Housing for Varying Needs standard and targeted to older people - all SG funded housing is built to HVN.	Number of homes SBC and Scottish Government AHIP; Annual	0 Completed in 2016/17		2018-2027	Scottish Government HAG, and private equity
<b>Extra care homes</b> built including amenity and mixed tenure provision (numbers included above) using hub and spoke – At least one larger development built as Scottish Borders retirement village model.	Number of homes SBC and Scottish Government AHIP; Annual	Current supply 2017 171 ECH/HWC	Average 40 EHC per annum	2018-2027	Scottish Government HAG, RSL private borrowing, SBC and Scottish Borders HSCP
<b>Specialist dementia bed-spaces</b> to be developed as part of mixed needs, mixed tenure retirement model	Number of bedspaces SBC; Annual	Support provided in a breadth of residential and domestic settings	Total 20 new spaces	2018-2020	SBC and Scottish Borders HSCP
<b>Remodelled specialist housing</b> for older people in the RSL sector	Number of homes remodelled RSLs; Annual	Currently 300 units not fit for purpose	300 remodelled	2018-2027	RSLs
<b>Housing for older people with on-site support</b> (*excluding ECH provision)	Number of households with onsite support RSLs and private sector; Annual	Current supply 614*	300 additional support services	2018-2027	RSLs and private sector

## Outcome 1: Older people have a greater choice of different housing options which meet their long-term housing, care and support needs

### Key actions

- Engage with private developers to outline the housing demand / need for older people in Borders and target specific sites / types of provision for development. This could involve a joint venture model.
- Develop 5 Locality based Housing, Support and Care Action Plans covering 10 years to 2028 to drill down at locality level on the actions identified in this Strategic Plan.
- Agree a private sector housing standard suitable for older people for inclusion in Local Development Plan 2.
- Develop a blueprint standard for the Scottish Borders retirement village model to cater for mixed needs and mixed tenure including amenity housing, extra care housing, and dementia specialist needs.
- Develop a blueprint standard for the Scottish Borders 'hub and spoke' ECH and home care model using the ECH developments as the hub of home care delivery for a wider spoke of home care service delivery on a localities basis.
- Review the Strategic Housing Investment Plan to emphasise provision for new supply suitable for older people (size and type) in social rented sector, mid-market rent and low-cost home ownership mixed tenure developments.
- Review the housing provision in the RSL sector which is not fit for purpose and create redevelopment plans for remodelling, or change of use for other client groups.
- Identify opportunities in existing and new group/court style housing where on-site support may be in demand.
- Review approach to housing adaptations to ensure a holistic approach is taken to meeting longer term needs of older people - rather than smaller, incremental and multiple adaptations which may not represent best value for the client or the public purse.
- Scottish Borders Council / NHS Borders Corporate property strategic asset management rationalisation plan to be developed to maximise benefits for housing development for Older People

### Commitments required from local partners:

- Scottish Borders Council as lead on enabling new housing supply, and facilitate development of housing across tenure.
- Locality Groups to co-produce the Locality based Housing, Care and Support Plans.
- RSLs as key partners in new housing supply, in remodelling existing supply, and provision of on-site support services
- Private sector partners to act as potential joint venture partners.

**Outcome Table 2: People are supported to live independently in their own homes, and are able to look after their own health and well-being for longer, with easy access to local information and advice services on housing, support and care options**

Action / outcome	Measure / Data source/ frequency	Baseline	Targets for provision	Timescale	Lead and Resource partner
<b>What Matters Hubs</b> – community capacity building, advising older households on range of non-statutory services	Number of people attending Hubs; SBC; quarterly	What Matters Hubs - 114 assessments started Jan – March 2018	Primary Hub's in place in all 5 localities. Develop spoke model in rural areas including pop-up and mobile Hub's	Completed December 2018	Scottish Borders Council
<b>Locality Planning Groups</b> – partnership of services and residents to plan and review services	Number of people attending; SBC; quarterly	Total attendees 2017/18 On average 58 for each locality group	Total each year 120 for each locality	Meetings held monthly	Scottish Borders HSCP
<b>Review of social centres and days centres</b> – reviewing viability of 13 social centres and 7 day centre and consider different models including community capacity building approaches	Number of social centres/Day centres, attendance and alternatives; SBC; quarterly	Total 20 units	10 units	September 2020	Scottish Borders HSCP, SBCares & RVS
<b>Care and Repair services</b> reviewed and formalizing commitment and scope of service to enable investment in dementia services and preventative services, including moving home services.	Number of people by activity; SBC; quarterly	Contract review October 2018	Revised contract put in place	June 2019	Scottish Borders HSCP
<b>Adaptations</b> increased to meet demand with review of funding provided by Scottish Government to RSLs.	Number of adaptations by size/type; Number of service recipients by locality	752 each year including all major and minor adaptations	842 each year including all major and minor adaptations	Annual – increase over 10 years	Scottish Borders HSCP
<b>Recommissioning of home care services</b> looking at a range of models, locality-based / ECH hub and spoke strategy and focusing on outcomes.	Number of service providers and clients	Contract Review April 2019	Revised contract put in place	October 2019	Scottish Borders Council

Action / Outcome	Measure / Data source/ frequency	Baseline	Targets for provision	Timescale	Lead and Resource partner
<b>Reablement service and hospital to home (H2H) service development</b>	Number of clients Scottish Borders HSCP; quarterly	H2H = Berwickshire – 60% hospital discharge, 35% prevention of admission Teviot – 44% hospital discharge, 11% prevention of admission	H2H to be started in Central locality on 1st July 2018	01 July 2018	Scottish Borders HSCP
<b>Telecare / telehealth development strategy and implementation</b>	Number of clients SBC; Quarterly	Community alarm No other telecare / telehealth	850 clients with telecare / telehealth	Annual – with increase over 10 years	Scottish Borders HSCP
<b>Falls prevention strategy reviewed</b>	Number of falls assessments; Scottish Borders HSCP; quarterly	Review October 2018	10% reduction in falls	Annually over 10 years	Scottish Borders HSCP
<b>Self-directed support tailor services to needs and resources</b>	Number of people SBC; quarterly	77.6% of users using self-directed support (1,667 people)	Perpetuate that level as a minimum as demand grows	Ongoing	Scottish Borders HSCP
<b>Financial inclusion and community development service developed with RSLs and CABs.</b>	Number of older people receiving support; level of support provided; quarterly	Arrangements currently in place via the Council, CAB, and RSLs	To respond in line with the agreed strategy commitments	Ongoing	Scottish Borders Councils
<b>Palliative care approach to be developed to be more systematic across all partners</b>	Number of people receiving support at home	112 in 17/18	Funding responsibilities and processes being reviewed	September 2018	Scottish Borders HSCP

**Key actions**

- Develop and evaluate the role of community assets and trusted assessors approach to build capacity within social care sector through engagement with families, communities and wider partners including RSLs and Care and Repair
- Review and formalise commitments to Care & Repair to enable long term development of the service, enhancing the service to include a dementia service and increase capacity in prevention information and advice and falls prevention, including moving home service.
- Review the spend on adaptations to consider scope for consolidation between funding streams, and continue dialogue with Scottish Government over the adequacy of funding for the RSL sector tenants / future demand.
- Through the Home care recommissioning, align and ECH 'hub and spoke' model so that care is provided from the ECH hub to people in both the extra care houses and to those living independently in the wider community (the spokes).
- Ensure the reablement and hospital to home service development aligns with housing providers and care and repair services.
- Telecare/telehealth development and business case including change in care management approach, scaling of use of technology in homes, generation and use of data for business intelligence to support more informed service delivery and wider commitment to roll 4G telecoms out across the Borders.
- Review the falls prevention strategy, working widely across all partners in the Borders to ensure consistent approach and sharing of intelligence across key health, social care and housing staff.
- Review the palliative care approach, working widely across all partners in the Borders to ensure consistent approach to maximize opportunities for end of life at home.
- Continue with the provision of self directed support to maximise choice
- Financial inclusion and community development service

**Commitments required from local partners:**

- Scottish Border HSCP to lead on development of community assets and trusted assessors
- Scottish Borders Council to review Care and Repair contract
- Scottish Borders Council to lead of Home Care commissioning aligning to ECH hub and spoke approach
- Scottish Borders HSCP to lead on development and funding of the telecare/telehealth strategy
- Scottish Borders HSCP to lead of falls prevention, palliative care reviews
- Scottish Borders HSCP to review strategy on self directed support to ensure commissioning meets Social Care Act requirements as a minimum
- Scottish Borders Council to develop financial inclusion service for older people

## APPENDICES

### Appendix 1: The Scottish Borders wider strategic planning framework

<ul style="list-style-type: none"><li>• Scottish Borders Economic Strategy</li><li>• Edinburgh and South East Scotland City Region Deal</li><li>• Proposed South of Scotland Enterprise Agency</li><li>• Borderlands Initiative</li><li>• Scottish Borders Reducing Inequalities Strategic Plan</li><li>• Scottish Borders Public Health Report</li><li>• Scottish Borders Health &amp; Social Care Partnership Strategic Plan</li></ul>	<ul style="list-style-type: none"><li>• Local Fire &amp; Rescue Plan for the Scottish Borders</li><li>• Scottish Borders Local Police Plan</li><li>• Community Justice Outcomes Improvement Plan</li><li>• Integrated Children &amp; Young People's Plan</li><li>• Local Housing Strategy</li><li>• Scottish Borders Local Development Plan</li><li>• Scottish Borders Council Corporate Plan</li><li>• Regional Transport Strategy</li></ul>
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## Appendix 2: Environmental and Equality Considerations

To support the delivery of these outcomes, strategies and activities, partners in the Borders are committed to:

- Reducing inequalities - closing the gap between the least and most disadvantaged in our communities
- Inclusion - bringing all groups of people together to ensure that everyone, as feasibly as possible, is involved (including our duties under the Equality Act (2010) (see below)
- Listening to, engaging with and building capacity within our communities - embedding the practice of 'co-production'
- Prevention and early intervention - understanding and addressing the cause of an issue or need (rather than continuing to deal with the consequences)
- Sustainability - supporting the objectives and targets of the Climate Change Duty (see below)
- Assessing impact - those lead partners identified for key actions will impact assess their actions against environmental, equality and/or health impact assessments as appropriate
- Continuing to reform public services

In terms of equality, partners in the Scottish Borders embrace the commitments required under the Equality Act 2010 which brings the general duty to nine equality strands of age, disability, race, sexual orientation, gender reassignment, religion and belief, pregnancy and maternity, marriage and civil partnership. We view the Scottish Borders as a place where:

- Everyone matters
- Everyone should have equal opportunities
- Everyone should be treated with dignity and respect

Partners endeavour to ensure that all services meet the needs of everyone who lives, works or visits the Scottish Borders and we will continue to work with our communities to ensure we can achieve this.

In terms of climate change, the Climate Change (Scotland) Act 2009 places duties on public bodies to deliver their services in a way which supports the objectives and targets of the Act. These duties relate to both internal activities, such as energy saving within buildings, and their work with partners to deliver joint services. The Act set a target of a 42% reduction in carbon emissions by 2020, an 80% reduction in emissions by 2050, and that 100% of gross electricity consumption should come from renewables by 2020. The duties on the face of the Act require that a public body must, in exercising its functions, act:

- In the way best calculated to contribute to the delivery of the targets set in or under Part 1 of the Act. This refers to emissions reduction targets, known as climate change mitigation.
- In the way best calculated to help deliver any programme laid before the Scottish Parliament under section 53. This section refers programmes for adaptation to climate change, i.e. preparing for the effects of a changing climate.
- In a way that it considers is most sustainable.

### Appendix 3: Option Appraisal Criteria

Impact	Fits with the <b>9 national health and wellbeing outcomes</b> in particular - People are able to live independently and at home or in a homely setting in their community
	<b>Fits with the 9 local Integrated Joint Board strategic objectives:</b> in particular – improve prevention and early intervention; reduce avoidable admissions to hospital; provide care close to home; choice and control; optimising efficiency and effectiveness (see notes for full list)
	Fits with <b>Local Housing Strategy objectives:</b> in particular – the supply of housing meets the needs of communities, more people are supported to live independently in their own homes.
Affordability	The option is <b>affordable for older residents</b> - owners / tenants
	The option <b>optimises value for money</b> for commissioners / partners
	The option maximises opportunity to <b>lever in external investment</b>
Deliverability	<b>Partners will be supportive</b> of this chosen option
	The option is suitable in terms <b>of local market conditions</b> i.e. investor interest/ customer demand and affordability
	There is <b>capability and capacity in the market</b> to deliver the change
Acceptability	It meets <b>older people’s expectations</b> in the Scottish Borders
	This option will be <b>acceptable for commissioners and their key stakeholders</b>
	Meets <b>Regulator/Care Inspectorate expectations</b>

## Appendix 4: Strategic Options

- 1) **Continue as is** (baseline comparator) - the status quo/baseline comparator option that focused on perpetuation of the existing asset base, continuation of the current service models (incorporating ongoing operational refinements), and continued use of currently deployed technologies, **at current volumes**
- 2) **Scaled-up approach** - incremental increases in spend on assets, services and technology to address increasing demographic and customer-driven demand for housing, support and care, projected as per the **needs assessment**. Essentially this involved increasing levels of asset provision to meet projected needs, but assumed that this was a volume based intervention in each category of asset and/or service, with no underlying change in the blend or emphasis
- 3) **Targeted investment-led approach** – using investment in assets, services and technology to pump prime a long term sustainable solution, where the asset-based investment helped to meet projected need in its own right, but also facilitated changes in the supporting service delivery arrangements that also impacted positively on both strategic objectives and affordability.

**Institutional-emphasis** – focusing most of the investment on **additional residential accommodation**. This comprises the development of further residential care homes (including specialist dementia care), investment in a Borders-wide base telecare platform, additional spend on adaptations, plus some investment on refurbishing existing residential care assets to upgrade and/or perpetuate their longevity. Service reform would continue in the context of the asset and technology proposals relevant to this option.

**Extra-care emphasis** – focusing most of the investment on **extra care** (supported independent living around a care hub). This comprises the development of one new large mixed tenure extra care development at an appropriate location, plus a number of other smaller extra care developments elsewhere in the Borders. The number would be scaled up to reflect demand and available investment. It also assumes investment in the telecare platform, adaptations and refurbishment in (a). Service reform would continue in the context of the asset and technology proposals relevant to this option.

**Independent living emphasis** – focusing most of the investment in supported **independent living in new, refurbished or adapted general needs or more sheltered housing (either with support on site or ambulatory equivalent)**. This comprises the development of additional housing suitable for older people, including support, but without the adjacent care hub element associated with extra care. Care would be provided through a home care model. It also assumes investment in the telecare platform, adaptations and refurbishment in (a). Service reform would continue in the context of the asset and technology proposals relevant to this option. Addressing the 300 amenity housing units already identified as not fit for purpose also features in this option.

## Appendix 5 – Financial Plan

Summary of Investment Activity to Support Delivery of the Strategic Plan													
	STRATEGY PERIOD										Completion		
	1	2	3	4	5	6	7	8	9	10	11	All Yrs	
<b>Summary</b>	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total	
<b><u>New Build Programme</u></b>													
Dementia Unit	£0	£0	£3,200,000	£1,600,000	£0	£0	£0	£0	£0	£0	£0	£4,800,000	
Retirement Campus	£0	£0	£0	£0	£3,000,000	£3,000,000	£3,000,000	£0	£0	£0	£0	£9,000,000	
Extra Care Housing - Local	£4,250,000	£7,750,000	£3,600,000	£4,700,000	£5,200,000	£1,500,000	£0	£3,300,000	£9,150,000	£9,325,000	£5,225,000	£54,000,000	
<b><u>Housing Supply</u></b>													
New Build Programme	£0	£7,800,000	£7,800,000	£7,800,000	£7,800,000	£7,800,000	£0	£0	£0	£0	£0	£39,000,000	
Refurbishment and/or remodelling	£0	£1,650,000	£3,300,000	£3,300,000	£3,300,000	£3,300,000	£1,650,000	£0	£0	£0	£0	£16,500,000	
Aids & adaptations	£770,800	£817,950	£865,100	£912,250	£959,400	£1,006,550	£1,053,700	£1,100,850	£1,148,000	£0	£0	£8,634,600	
<b><u>Service Reform</u></b>													
Telecare	£51,048	£51,048	£51,048	£51,048	£51,048	£0	£0	£0	£0	£0	£0	£255,240	
<b>Capital Expenditure/Investment</b>	<b>£5,071,848</b>	<b>£18,068,998</b>	<b>£18,816,148</b>	<b>£18,363,298</b>	<b>£20,310,448</b>	<b>£16,606,550</b>	<b>£5,703,700</b>	<b>£4,400,850</b>	<b>£10,298,000</b>	<b>£9,325,000</b>	<b>£5,225,000</b>	<b>£132,189,840</b>	
<b><u>Funded by:</u></b>													
Scottish Borders Council	£944,444	£1,722,222	£4,000,000	£2,644,444	£1,435,555	£613,333	£280,000	£733,333	£2,033,333	£2,072,222	£1,161,111	£17,639,999	
Affordable Housing Grant	£1,520,556	£6,642,778	£5,452,037	£5,848,148	£7,229,815	£5,896,667	£1,490,000	£1,175,556	£3,271,111	£3,339,259	£1,874,074	£43,740,001	
RSL Private Finance	£793,333	£4,686,667	£5,258,889	£5,465,556	£6,195,556	£5,500,000	£1,980,000	£613,333	£1,706,667	£1,742,222	£977,778	£34,920,000	
Private Provision	£991,667	£4,148,333	£3,189,074	£3,441,852	£4,439,074	£3,590,000	£900,000	£777,778	£2,138,889	£2,171,296	£1,212,037	£27,000,000	
SBC/RSL/Adaptations/Tech	£821,848	£868,998	£916,148	£963,298	£1,010,448	£1,006,550	£1,053,700	£1,100,850	£1,148,000	£0	£0	£8,889,840	
Other (please specify)												£0	
	<b>£5,071,848</b>	<b>£18,068,998</b>	<b>£18,816,148</b>	<b>£18,363,298</b>	<b>£20,310,448</b>	<b>£16,606,550</b>	<b>£5,703,700</b>	<b>£4,400,850</b>	<b>£10,298,000</b>	<b>£9,325,000</b>	<b>£5,225,000</b>	<b>£132,189,840</b>	
<b>Net</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	
<b>As above but expressed in £Ms</b>													
	STRATEGY PERIOD										Completion	Completion	
	1	2	3	4	5	6	7	8	9	10	11	All Yrs	
<b>Summary Financial Plan £Ms</b>	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	27/29	Total	
<b><u>New Build Programme</u></b>													
Dementia Unit	£0	£0	£3,200	£1,600	£0	£0	£0	£0	£0	£0	£0	£4,800	
Retirement Campus	£0	£0	£0	£0	£3,000	£3,000	£3,000	£0	£0	£0	£0	£9,000	
Extra Care Housing - Local	£4,250	£7,750	£3,600	£4,700	£5,200	£1,500	£0	£3,300	£9,150	£9,325	£5,225	£54,000	
<b><u>Housing Supply</u></b>													
New Build Programme	£0	£7,800	£7,800	£7,800	£7,800	£7,800	£0	£0	£0	£0	£0	£39,000	
Refurbishment and/or remodelling	£0	£1,650	£3,300	£3,300	£3,300	£3,300	£1,650	£0	£0	£0	£0	£16,500	
Aids & adaptations	£771	£818	£865	£912	£959	£1,007	£1,054	£1,101	£1,148	£0	£0	£8,635	
<b><u>Service Reform</u></b>													
Telecare	£51	£51	£51	£51	£51	£0	£0	£0	£0	£0	£0	£255	
<b>Capital Expenditure/Investment</b>	<b>£5,071</b>	<b>£18,069</b>	<b>£18,816</b>	<b>£18,363</b>	<b>£20,310</b>	<b>£16,607</b>	<b>£5,704</b>	<b>£4,401</b>	<b>£10,298</b>	<b>£9,325</b>	<b>£5,225</b>	<b>£132,190</b>	
<b><u>Funded by:</u></b>													
Scottish Borders Council	£944	£1,722	£4,000	£2,644	£1,436	£613	£280	£733	£2,033	£2,072	£1,161	£17,640	
Affordable Housing Grant	£1,521	£6,643	£5,452	£5,848	£7,230	£5,897	£1,490	£1,176	£3,271	£3,339	£1,874	£43,740	
RSL Private Finance	£992	£4,687	£5,259	£5,466	£6,196	£5,500	£1,980	£613	£1,707	£1,742	£978	£34,920	
Private Provision	£822	£4,148	£3,189	£3,442	£4,439	£3,590	£900	£778	£2,139	£2,171	£1,212	£27,000	
SBC/RSL/Adaptations/Tech	£822	£869	£916	£963	£1,010	£1,007	£1,054	£1,101	£1,148	£0	£0	£8,890	
Other (please specify)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
	<b>£5,100</b>	<b>£18,069</b>	<b>£18,816</b>	<b>£18,363</b>	<b>£20,310</b>	<b>£16,607</b>	<b>£5,704</b>	<b>£4,401</b>	<b>£10,298</b>	<b>£9,325</b>	<b>£5,225</b>	<b>£132,190</b>	
<b>Net Capital Expenditure</b>	<b>-£29</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	
<b>Revenue Spend</b>	<b>£33,917</b>	<b>£35,263</b>	<b>£36,610</b>	<b>£37,956</b>	<b>£39,302</b>	<b>£40,649</b>	<b>£41,995</b>	<b>£43,341</b>	<b>£44,688</b>	<b>£44,688</b>	<b>£44,688</b>	<b>£398,410</b>	

## Notes to the Financial Plan

Assumptions
<p>Note 1: The projections assume £12m contribution from SBC in respect of the 12 ECH sites which is, £1m on average.</p>
<p>Note 2: The cashflow remains stated at 2018 price levels, excluding inflation or any real price movement. Inflationary pressures should be kept under review and incorporated on a scheme by scheme basis as the plan progresses.</p>
<p>Note 3: Strategy is for 9 years, but based on timescales provided it is currently estimated that it will take 1 year longer to complete the development programme.</p>
<p>Note 4: The Annual Cost of the Dementia Unit has been costed at £30 per hour (see demand + rev consequences tab), cost of £1.1m per annum.</p>
<p>Note 5: Private provision of 30% of project need has been assumed for new housing supply including the local ECH, mixed tenure approach)</p>
<p>Note 6: No timing of any grant and other funding has been 100% aligned to the phasing of the costs, in practice there will be working capital requirements for each of the partners which are not reflected in the strategic plan.</p>
<p>Note 7: The average refurbishment cost has been reduced to £45k per unit, remodelling costs remain at £65k per unit, providing a £55k weighted average overall.</p>
<p>Note 8: Adaptations: The unit cost for adaptations has been calculated based on current capital and revenue funded small and major adaptations funded by Social Work and Housing budgets. In 2016/17 there was a total of 752 adaptations provided (small and large) at a total cost of £770k producing a unit cost of £1,025. Within this the average cost of major repairs is £3,914, minor adaptations/repairs £200. Projections assume meeting the current shortfall (waiting list demand) and projecting forward at that rate plus demographic growth.</p>
<p>Note 9: Telecare assumptions are based on a unit cost of £300 per unit, with supply starting at 500 and rising to 851 households within 5 years</p>

## GLOSSARY

Extra Care housing	Housing primarily for older people where occupants have specific tenure rights to occupy self-contained dwellings and where they have agreements that cover the provision of care, support, domestic, social, community or other services. Typically includes a dedicated on-site care team. Often includes other on-site amenities.
Housing with Care	Regularly used interchangeably with the term extra care housing. In the Scottish Borders context Housing with Care is used where Registered Social Landlords have adapted sheltered or other group housing into housing provided with support and care on site. Extra Care Housing is purpose built, often with a wider range of services (as above).
Housing with support	Housing with support/Supported housing is any housing scheme where housing, support and sometimes care services are provided as an integrated package.
Housing support	Housing support services help people to live as independently as possible in the community, in a wide range of supported housing. The largest group of people who receive housing support is older people living in sheltered housing, but a wide range of people with particular needs can receive housing support.
Care Homes	A care home is a residential setting where a number of older people live, usually in single rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only - help with washing, dressing and giving medication, not nursing care.
Amenity housing	Amenity housing is rented accommodation provided by housing associations and local councils that is designated and particularly suitable for occupation by older people.
Older people housing	Various forms of purpose-built housing for older people that include sheltered housing and extra care housing, but exclude more institutional forms such as residential care and nursing care units.
Sheltered housing	Sheltered housing (also termed by some providers as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors.
Retirement housing	See 'sheltered housing'
Specialist nursing care	Care homes with nursing (as nursing homes are now called) are similar to care homes. Both types of home provide accommodation, supervision from staff 24 hours a day, meals and help with personal care needs, but nursing homes also have registered nurses on duty at all times.
Care and repair	The Borders care and repair service is provided for older and disabled people who would benefit from improvements to their home. The service is available to home owners over 60 years of age, private tenants over 60 years of age and disabled owners or private tenants of any age. The service is currently operated by Eildon Housing Association on behalf of Scottish Borders Council. Services aim to maximise the extent to which people can live independently in their own home rather than in a more institutional environment.
Local housing allowance	Local housing allowance is the financial limit which UK Government applies to help pay rent if they have a private landlord. If they rent from a council or housing association or have a shared ownership home, different rules are used to calculate housing benefit.
Registered social landlords (RSLs)	The vast majority of Registered Social Landlords in Scotland are also known as housing associations (known as Registered Providers in England). Housing associations are independent, not-for-profit organisations that provide homes for people in housing need. Many RSLs develop new housing and are grant funded by Scottish Government so that rents can be provided at sub market levels. They can also provide housing for mid-market rent and low cost home ownership.



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## **CITY REGION DEAL – OUTLINE BUSINESS CASE FOR CENTRAL BORDERS INNOVATION PARK**

**Report by Executive Director**  
**SCOTTISH BORDERS COUNCIL**

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**28 JUNE 2018**

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### **1 PURPOSE AND SUMMARY**

- 1.1 **This report updates Council on progress with the Outline Business Case for the Central Borders Innovation Park at Tweedbank, which is required to secure funding from the Edinburgh and South East Scotland City Region Deal.**
- 1.2 Within the City Region Deal programme a “core” of the Central Borders Innovation Park will be created, providing an opportunity to set the tone and standard of future development in the area. An Outline Business Case has been prepared as part of the decision making requirements of the Scottish Government. The programme of work described in the Outline Business Case will deliver commitments made within the Borders Railway Blueprint.
- 1.3 The Outline Business Case is part of a continuous set of approval milestones for the project. A Full Business Case for the first phase of the project will be developed later this year with a subsequent report to be brought to Council. Full Business Cases will also be required for further phases of the project.

### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Council:-**
  - (a) **Agrees to submit to the Scottish Government the Outline Business Case set out in Appendix 2 as the next stage of approval for Scottish Borders Council drawing down funding of £15 million for the Central Borders Innovation Park from the Edinburgh and South East Scotland City Region Deal;**
  - (b) **Agrees to the drawdown of Scottish Government funding on a variable basis over 15 years as the best value-for-money outcome to Scottish Borders Council; and**
  - (c) **Notes that the necessary full business cases will be prepared for each phase of the Central Borders Innovation Park project and will be presented to Council as appropriate.**

### 3 BACKGROUND

- 3.1 The opening of the Borders Railway in 2015 was a key step in boosting economic development in the Scottish Borders. A commitment in the Borders Railway Blueprint to a Central Borders Business Park—now the Central Borders Innovation Park — has been taken forward through a masterplanning exercise for Tweedbank. This was funded by the Blueprint at a cost of £325,000 and was completed in November 2017. Ultimately, the masterplan envisages the development of approximately 437 new homes and 71,545 m<sup>2</sup> of mixed use accommodation (hotel, office, retail, hospitality, and light manufacturing) in a mature woodland and parkland setting extending over a site area of 98.6 hectares.
- 3.2 The current, depressed state of the office and industrial property market in the Scottish Borders requires the level of public sector investment planned under this project. Such investment would supplement the £350 million spent on the Borders Railway. It would replace low value, obsolescent stock with high quality premises that will allow for a more competitive business location. Previous analysis suggests that there is demand for the space proposed. In 2013, for example, an “Economic and Market Assessment” for new business space at Tweedbank estimated demand for 450 m<sup>2</sup> to 1,750 m<sup>2</sup> of new space with between 180 and 350 new jobs created. Over the medium-to-long term (up to 15 years), the report suggested there could be demand for between 5,000 m<sup>2</sup> and 12,000 m<sup>2</sup> of new office floor space, potentially creating between 1,000 and 2,300 jobs. Ryden has now been asked to conduct an assessment of demand across the whole masterplan area.
- 3.3 Tweedbank Industrial Estate comprises 10.8 hectares, which is 13.2 per cent of the established employment land supply in the Central Borders. The masterplanning exercise concluded that the initial part of the development process at Tweedbank should result in new business premises occupying the land surrounding the railway station. This would help to define the character of the new development and also assist in building the critical mass around the railway station that is required to attract future investment into the area.
- 3.4 Within the City Region Deal programme a “core” of the Central Borders Innovation Park will be created, providing an opportunity to set the tone and standard of future development in line with the new Tweedbank Simplified Planning Zone.
- 3.5 The development plots will be constructed in three phases. The first phase will create 4,214 m<sup>2</sup> of new office space and 2,950 m<sup>2</sup> of new industrial space on the ex-Tapestry site, Eildon Mill, and part of the Quarry site by August 2019. The second phase will create a further 5,623 m<sup>2</sup> of new office space on the rest of the Quarry site by March 2022. A third phase will create 1,632 m<sup>2</sup> of office space and 400 m<sup>2</sup> of industrial space on land currently on the southern edge of Lowood Estate. The plots are shown in Appendix 1.

- 3.6 The Council has developed a detailed financial model for the costs in relation to the wider redevelopment of Tweedbank. The model shows the costs of development of the various tranches of the Tweedbank development, including Lowood, as these are currently understood along with and the associated economic benefits and a range of scenarios associated with funding. The outputs from this model inform the financial information included within the Business Case.

**TABLE 1: DEVELOPMENT PLOTS**

<b>Location of plot</b>	<b>Occupier of plot</b>
Ex-Tapestry site (Plot 1)	Scottish Enterprise business centre (Phase 1)
Eildon Mill (Plot 2)	Private sector (Phase 1)
Quarry site east (Plot 3)	Private sector (Phase 1)
Quarry site west (Plot 4)	Private sector (Phase 1); private sector (Phase 2)
Edge of Lowood Estate (Plot 5)	Private sector (Phase 3)

#### **4 UPDATE ON THE CITY REGION DEAL**

- 4.1 The Edinburgh and South East Scotland City Region Deal involves East Lothian, Midlothian, West Lothian, Fife, City of Edinburgh and Scottish Borders Councils, together with partners from universities and colleges, the private sector, the third sector, and relevant public sector agencies. The City Region Deal aims to make a step change in economic growth across the whole region through a wide-ranging programme of investment. The proposals have been shaped around the following interconnected themes, with projects prioritised according to strategic fit, impact, and deliverability:
- a) Innovation;
  - b) Skills;
  - c) Transport;
  - d) Housing; and
  - e) Culture.
- 4.2 The Central Borders Innovation Park is part of the Innovation hubs theme and sits alongside Fife Industrial Estates Regeneration Programme. Officers have been working with colleagues in Scottish Government and Scottish Futures Trust to refine the Outline Business Case to ensure it is "Deal-ready". Discussions are also taking place with the University of Edinburgh, which is leading on a data driven innovation project, to identify what wider benefits could apply to the Central Borders Innovation Park and the Scottish Borders more generally from the University's project.
- 4.3 The Scottish Government's Economic Strategy includes innovation and inclusive growth as key drivers. The Central Borders Innovation Park aims to encourage innovation through the development of high quality infrastructure that will enable businesses to grow. It also aims to contribute to inclusive growth by creating high-quality employment opportunities. These are two outcomes against which the overall project will be assessed.

- 4.4 The Outline Business Case (OBC) being submitted by Scottish Borders Council has been prepared in accordance with HM Treasury guidance and is based on the five-case model: Strategic; Economic; Commercial; Financial; and Management. The Outline Business Case is set out in Appendix 2. Members should note that the document set out in Appendix 2 mentions a number of Appendices that relate to the OBC itself. Appendix 3, the Outline Project Plan, is also attached to this report. However, Appendix 4 (Financial and Economic Model) and Appendix 5 (Sensitivity Analysis) have not been attached because of their complexity and the difficulty in printing and working with these documents on-screen. If any members would like to study these documents, officers can facilitate that.

## **5 KEY ELEMENTS OF THE OUTLINE BUSINESS CASE**

- 5.1 In the Economic Case section of the Outline Business Case, an options appraisal was carried out to determine the project outcome that would achieve the best value-for-money. Four options were assessed: "do nothing"; "do minimum"; "do something"; and "do everything". For affordability purposes in the context of the City Region Deal funding, the preferred option was "do minimum", but with the caveat that this option provides the basis for future development of the master plan area. The Economic Impact Analysis for this option shows that it would create 383 jobs and generate GVA of £353 million over 30 years. The project has a positive economic impact with every £1 spent providing a return of £16.
- 5.2 The Financial Case section determines whether what is proposed is affordable to Scottish Borders Council across the life of the project. The Edinburgh and South East Scotland City Region Deal Heads of Terms agreement provides £50 million for infrastructure in the Scottish Borders and Fife Council areas. The apportionment of this sum is £15 million for the Scottish Borders and £35 million for Fife. These sums will be drawn down over a 15-year period, as the detailed business cases are agreed.
- 5.3 Financial modelling was therefore conducted in the context of a grant payments mechanism to illustrate three scenarios in which the Scottish Government's funding of £15 million could be drawn down:
- a) A fixed annual grant of £1 million paid in arrears over a 15-year period.
  - b) A fixed annual grant of £1.5 million paid in arrears over a 10-year period.
  - c) A variable drawdown of grant that is paid annually in arrears over a 15-year period.
- 5.4 The scenario outlined in c) would offer the best value-for-money to Scottish Borders Council. The financial modelling estimated the amount of borrowing that would be required to cover outstanding deficits at the end of each financial year. Under this preferred scenario, the overall borrowing requirement would peak at £4.5 million in 2024 and would be repaid in 2028. After this time, the programme could generate a cumulative operating surplus of £11.2 million to the end of its life in 2048. The income generated by this surplus would be re-invested in line with the principles of the City Region Deal. For example, it could be used to fund future building in the masterplan area or be re-invested in the buildings being developed as part of this project.
- 5.5 It should be noted that in discussions between the City Region Deal

Programme Office and UK Government (Scottish Office and HM Treasury) regarding profiling, the latter have raised concerns about front-loading spending and also about flat profiling. Although the UK Government is not funding any element of this project, its officials will examine the Outline Business Case.

- 5.6 Officers have been liaising closely with their counterparts in Fife Council given that each local authority has a project within the City Region Deal's Innovation hubs theme. These discussions will continue, particularly around the exploration of opportunities to flex spend across both projects given that the key test for Government will be the overall spend profile of the programme at regional level and not those of individual projects.
- 5.7 The Procurement Strategy is outlined in the Commercial Case. There will be opportunities for local businesses to tender for supply chain contracts while prime contractors will have to abide by community benefits clauses. These will be used to ensure that the economic benefits of the project help to assist the long-term unemployed, young people looking for apprenticeship opportunities, and other local people who require work experience.
- 5.8 The Management Case shows that there are no State Aid implications from this project. Advice taken from the State Aid Unit at the Scottish Government states that servicing sites for the private sector does not constitute State Aid as long as Scottish Borders Council is operating on commercial terms. However, Council officers will continue to seek advice from the State Aid Unit to determine whether any individual business proposition is compliant with State Aid rules.
- 5.9 The Governance arrangements for the City Region Deal were the subject of an earlier report that was presented to Council on 31 May 2018.

## 6 FUNDING OF THE CENTRAL BORDERS INNOVATION PARK

- 6.1 At the present time, the Council does not have any funding beyond £5 million allocated to the project in its Capital Financial Programme. The balance of the funding for the project will come from a mix of public and private sector contributions:

**TABLE 2: PROJECT COSTS**

<b>Development</b>	<b>Estimated Cost</b>	<b>Funding source</b>
Ex-Tapestry site	£3 million	Scottish Enterprise; Blueprint
Eildon Mill	£2.4 million	Private sector; SBC and Blueprint (servicing)
Quarry – manufacturing space	£2.2 million	Private sector; SBC and Blueprint (servicing)
Quarry – offices	£16.3 million	SBC; Blueprint; City Region Deal
Edge of Lowood Estate	£3.9 million	City Region Deal
Infrastructure	£1.3 million	SBC; Blueprint
<b>Total</b>	<b>£29.1 million</b>	

- 6.2 The infrastructure costs are for building an access road to the new buildings on the Quarry site and also building a road to link through to the Lowood area.
- 6.3 As described in the Outline Business Case, £29.1M funding is anticipated as follows:
- SBC Capital - £5 million
  - Scottish Enterprise - £1.5 million
  - Borders Railway Blueprint - £3.5 million
  - City Deal - £15 million (phasing over 15 years subject to further negotiation with Scottish Government)
  - Private sector - £4.1 million

The total cost of the Innovation Park core is currently estimated at £29.1 million, which is matched by the funding anticipated.

## **7 PROJECT MANAGEMENT**

- 7.1 As noted above, governance arrangements at the programme level have yet to be finalised. It is important that suitable project management arrangements are in place now given that design work is now under way.
- 7.2 A Project Board for this project will be established along with a Project Manager (who is already in place). The Project Board will include an appropriate executive from Scottish Enterprise in view of their close involvement in delivering the Central Borders Innovation Park. The Project Board will review and monitor progress of the project and provide advice and guidance where necessary. The Project Manager is leading a team with the primary responsibility for managing the project's delivery.

## **8 IMPLICATIONS**

### **8.1 Financial**

- (a) The City Region Deal Heads of Terms agreement provides £50 million for infrastructure in the Scottish Borders and Fife Council areas. It is understood that the split of this sum is £35 million for Fife and £15 million for Scottish Borders. This is payable over a 15-year period. Discussions are ongoing with the Scottish Government regarding the profiling of the funding.
- (b) Given the requirement to draw down City Region Deal funding over a period of 15 years, the Council may have to borrow to finance spending during the project's three phases. Using the scenario of a flexible funding profile, the level of borrowing by the Council will peak at £4.5 million in 2024. These sums have been built into the financial model and are based on the rate at which the Council is currently able to borrow.
- (c) Initial outlays of capital investment will focus on the delivery of new office space (on the Quarry site) and enabling infrastructure. There will also be site servicing costs for the buildings that will be occupied by other private sector businesses.

- (d) The delivery of the project will take at least six years, although there is flexibility to lengthen these timescales regarding the development of phases 2 and 3. This will be determined by the mechanism through which it is agreed that City Region Deal funding can be drawn down and also by the anticipated demand for the planned space.

## 8.2 Risk and Mitigations

- (a) The key risk to the Council is that it is required to forward-fund much of project's costs. These have been estimated in the financial modelling and include an allowance for inflation. The Project Board and the project team will maintain a close overview and control of costs.
- (b) State Aid issues have already been discussed with the Scottish Government's State Aid Unit. Currently there are no issues, but the Council will maintain contact with the State Aid Unit to ensure that any potential State Aid implications are flagged up as soon as they arise.
- (c) There is a risk that there could be a lack of demand for the space to be delivered in phases 2 and 3. To this end, the Council has commissioned a report by Ryden to assess potential demand across the whole masterplan area.
- (d) It is anticipated that there will be a cumulative operating surplus of £11.2 million over the life of the project. The Scottish Government has expressed concerns that this surplus may be used for other Council activities. It is suggested that any surplus from the project should be re-invested in the Innovation Park and in any future phases within the master plan area.

## 8.3 Equalities

The City Region Deal has the concept of Inclusive Growth at its core. This requirement has been built into the Outline Business Case and will be measured as the project matures.

## 8.4 Acting Sustainably

A City Region Deal would provide a mechanism to help drive forward investment in sustainable place making. A cross-cutting approach to sustainable growth is a key element of the City Region Deal.

## 8.5 Carbon Management

Energy efficiency and limiting carbon emissions will be a key factor in the design of new buildings funded through the City Region Deal. This should have a positive impact on future carbon emissions.

## 8.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

## 8.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required to the Scheme of Administration or Scheme of Delegation.

## 9 CONSULTATION

9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and their comments incorporated in the report.

### Approved by

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

**Signature .....**

### Author(s)

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### Background Papers:

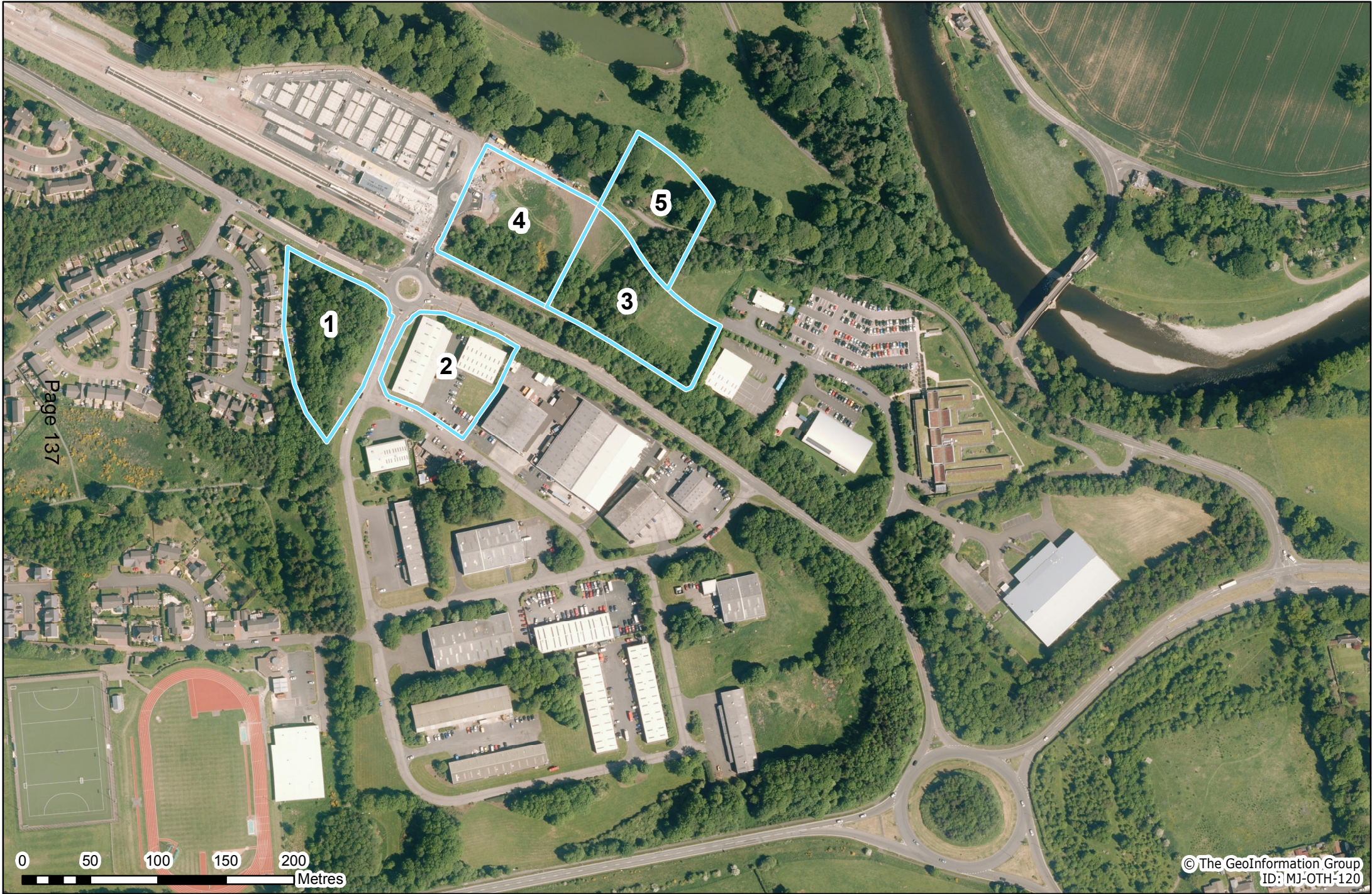
**Previous Minute References:** Scottish Borders Council, 2 November 2017.  
Scottish Borders Council, 31 May 2018.

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

Contact us at Bryan McGrath, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA Tel: 01835 826525, email [bmcgrath@scotborders.gov.uk](mailto:bmcgrath@scotborders.gov.uk)



# APPENDIX 1



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**Submission to Scottish Government**

**Edinburgh and South East Scotland City Region Deal**

**Central Borders Innovation Park**

**Outline Business Case**

**May 2018**

## Contents

<b>Introduction</b> .....	<b>p. 2</b>
<b>Executive Summary</b> .....	<b>p. 3</b>
<b>The Strategic Case</b> .....	<b>p. 7</b>
Strategic context.....	p. 7
Existing arrangements.....	p. 8.
Business strategy and aims.....	p. 9.
National Policy Objectives.....	p. 11.
Regional Policy Objectives.....	p.12.
Local Policy Objectives.....	p.12.
Strategic needs.....	p.15.
<b>The Economic Case</b> .....	<b>p. 17.</b>
Market failure.....	p. 17.
Critical success factors.....	p. 19.
The case for change.....	p. 20.
Summary of project costs.....	p. 21.
Options appraisal and preferred way forward.....	p. 22.
NPC/NPV findings.....	p. 23.
Preferred option.....	p. 23.
<b>The Commercial Case</b> .....	<b>p. 25.</b>
Procurement Strategy.....	p. 27.
Delivery options.....	p. 27.
SMART objectives.....	p. 27.
<b>The Financial Case</b> .....	<b>p. 30.</b>
Funding profile.....	p. 30.
Rental Income.....	p. 31.
Debt requirement.....	p. 31.
Debt drawdown and repayment profile.....	p. 33.
Sensitivity Analysis.....	p. 33.
<b>The Management Case</b> .....	<b>p. 35.</b>
Procurement strategy.....	p. 35.
State Aid.....	p.35.
Programme and project management.....	p. 35.
Project timelines.....	p. 37.
Post-project evaluation.....	p.37.
<b>Appendix 1: Inclusive Growth</b> .....	<b>p. 40.</b>
<b>Appendix 2: Innovation</b> .....	<b>p. 43.</b>
<b>Appendix 3: Outline Project Plan</b> .....	<b>p. 48.</b>
<b>Appendix 4: Financial and Economic Appraisals</b> .....	<b>p. 49.</b>
<b>Appendix 5: Sensitivity Analysis</b> .....	<b>p. 50.</b>

## Introduction

This Scottish Borders Council Draft Outline Business Case is seeking approval of £15 million of funding under the authority of the Edinburgh and South East Scotland City Region Deal Agreement signed by David Mundell, MP, and Keith Brown, MSP, on 20<sup>th</sup> July 2017.

Both the UK and Scottish Governments support the aspiration to create a Central Borders Innovation Park and have asked Scottish Borders Council to submit an Outline Business Case for the project. On approval of this Outline Business Case, further work will be done to prepare and present a Full Business Case for the project.

As with many other rural economies, the Scottish Borders has to overcome the problem of market failure caused by a combination of remote locations and poor infrastructure, a lack of supply of modern business premises and the increasing obsolescence of existing stock. Public sector intervention is needed to address this issue, which is crucial to ensuring that sustainable, inclusive economic growth can take place. **The coming of the Borders Railway has presented a once in a generation opportunity to enable the local economy to grow.**

A Central Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, would meet the urgent need for high-quality business space in the central Scottish Borders. It would stimulate business growth and associated job creation, enhancing the area's inward investment offer, particularly to high-value, innovative sectors, as well as meeting the needs of indigenous businesses thereby improving their competitiveness. It would also help to address inequalities in the area by providing access to better quality, higher paid jobs.

This Outline Business Case has been prepared in accordance with the business case development process outlined in HM Treasury Green Book guidance.

## Executive summary

1. The Outline Business Case for the Central Borders Innovation Park concludes that the project:
  - Complies with all key national, regional, and local strategic plans.
  - Will boost employment by creating 383 jobs excluding construction.
  - Is anticipated to increase GVA by £353 million excluding construction.
  - Will contribute to inclusive growth by creating high-quality employment opportunities.
  - Will encourage innovation through the development of high quality infrastructure that will enable businesses to grow.
  - Will encourage new employees into the area, bringing new skills and experience.
2. The capital cost of the project is expected to be £29,020,000. Of this cost, £27,750,000 will develop five plots in the vicinity of Tweedbank Railway Station. A further £1,270,000 will be spent on creating infrastructure to improve access to these plots. This will form the “core” of the Central Borders Innovation Park and will provide critical mass to allow further development as proposed in the master plan for Tweedbank that was delivered in November 2017.
3. The Central Borders Innovation Park phase one will open in August 2019, creating 4,214 m<sup>2</sup> of new office space and 2,950 m<sup>2</sup> of new industrial space. Further development is anticipated beyond this date with phase two being completed by March 2022. This further development will create another 5,623 m<sup>2</sup> of new office space. A third phase will create 1,632 m<sup>2</sup> of office space and 400 m<sup>2</sup> of industrial space on land currently on the southern edge of Lowood Estate.
4. **The project has a positive economic impact with every £1 spent providing a return of £16.**

### The Strategic Case

5. The opening of the Borders Railway in 2015 began to reverse the process of curtailed economic development in the Scottish Borders that had set in over the previous few decades. A commitment in the Borders Railway Blueprint to a Central Borders Business Park—now the Central Borders Innovation Park—has been taken forward through a 2017 master planning exercise for Tweedbank, which was funded by the Blueprint at a cost of £325,000. (Paragraphs 1.2 to 1.3.)
6. Scottish Borders Council has taken a strategic, proactive approach to securing the five plots that will start the development of the Central Borders Innovation Park. Four of these plots will facilitate the development of new buildings while the fourth will involve demolishing existing stock—Eildon Mill—and replacing it with modern business space. (Paragraphs 1.5 to 1.9.)

7. In line with the rationale behind the City Deal concept, the Central Borders Innovation Park is a project that would unlock potential. It would provide high quality business premises that would attract inward investment and stimulate inclusive economic growth. The masterplan includes detailed design studies of the land next to the railway and potential occupiers of the initial build-out phase have already been identified. The proposed buildings are being constructed in line with their requirements. (Paragraphs 1.10 and 1.12.)
8. The project is compatible with strategies for economic growth at the UK, Scottish, regional, and local levels. It is intended to foster inclusive growth through providing better access to higher paid jobs and to encourage innovation, through local and regional initiatives. This would further enable the Scottish Borders to attract businesses engaged in higher productivity sectors, aiming to address its position as the fourth lowest NUTS 3 region for productivity in Scotland. (Paragraphs 1.15 to 1.16, 1.18 to 1.20, and 1.23 to 1.24.)
9. Scottish Borders Council will work with Fife Council and the university sector to further the aims of the project in alignment with the wider objectives of the City Region Deal. (Paragraph 1.19.)
10. There are a number of Inclusive Growth challenges and barriers to innovation that can be addressed by the Central Borders Innovation Park. The provision of modern business space will help to create high value, more equitably distributed jobs in addition to giving businesses the opportunity to realise their growth potential. (Paragraphs 1.27 to 1.29.)
11. The current, depressed state of the office and industrial property market in the Scottish Borders requires the level of public sector investment planned under this project. Such investment would supplement the £350 million spent on the Borders Railway. It would replace low value, obsolescent stock with high quality premises that will allow for a more competitive business location. Previous analysis suggests that there is demand for the space proposed. (Paragraphs 1.38 to 1.39.)

#### The Economic Case

12. Constrained by the limitations of its rural location, market failure is a major issue for the Scottish Borders economy. Market analysis shows that the existing stock of office and industrial premises is not fit-for-purpose. In both cases, the stock is aged, increasingly obsolescent, and there is a lack of premises measuring more than 500 m<sup>2</sup> in area. This makes the Scottish Borders unattractive for potential inward investment. (Paragraphs 2.2 to 2.3 and 2.5 to 2.8.)
13. Analysis done in the context of the arrival of the Borders Railway has demonstrated that there would be demand for new business space in the short, medium, and long terms. Such provision will also provide an opportunity for Scottish Borders Council to raise revenue from the new buildings and by encouraging further private sector investment. This business case therefore makes a specific proposal for a “core” area of five plots,

which can provide a basis for further development of the innovation park in the future. (Paragraphs 2.10 to 2.14.)

14. There are four options presented in the economic case: “do nothing”; “do minimum”; “do something”; and “do everything”. For affordability purposes in the context of the City Region Deal funding, the preferred option is “do minimum”, but to provide the basis for future development. The Economic Impact Analysis for this option shows that it would create 383 jobs and generate GVA of £353 million over 30 years. (Paragraphs 2.17 to 2.19.)

#### The Commercial Case

15. While demand for modern business space throughout the Scottish Borders is strong, its supply is currently limited. Over the past five years, overall occupancy rates of properties let by Scottish Borders Council have been very consistent, fluctuating between 87 per cent and 93 per cent. During the same period, enquiries about these properties have also fluctuated, but were on the increase again in 2017. (Paragraphs 3.3 to 3.4.)
16. SMART objectives and potential risks have been identified for the project with a series of mitigating measures in place for the latter. (Paragraphs 3.10 and 3.12.)

#### The Financial Case

17. Given the uncertainty over the way in which the project will be funded, financial modelling has been conducted to show the financial consequences of receiving City Region Deal funding under three scenarios:
- **Scenario 1:** It is assumed that a fixed annual grant of £1 million from the Scottish Government will be paid in arrears over a 15-year period.
  - **Scenario 2:** It is assumed that a fixed annual grant of £1.5 million from the Scottish Government will be paid in arrears over a ten-year period.
  - **Scenario 3:** It is assumed that grant will be paid annually in arrears at variable levels of funding. (Paragraphs 4.5 to 4.6.)
18. The financial modelling suggests that the best outcome for Scottish Borders Council in terms of value for money is Scenario 3. Under this scenario, a cumulative operating surplus of £11.2 million in nominal terms would be created at the end of the 30-year life of the project. The surplus income would be re-invested in future phases of the Tweedbank masterplan. (Paragraphs 4.11 to 4.12.)

#### The Management Case

19. A procurement strategy in line with Scottish Borders Council’s procurement regulations will be adopted for the project with scope to ensure that community benefits are maximised to assist local groups of disadvantaged residents. State Aid issues have been identified and consultation has been taken. (Paragraphs 5.3 to 5.5.)



20. At the regional level, the Scottish Borders will be involved in governance issues. Operationally, a Project Group and a Project Manager will be put in place with internal and external stakeholders being kept informed of the project's progress. The Project Group will report to the City Region Deal's Executive Board. Scottish Borders Council has staff experienced in delivering multi-million pound projects. (Paragraphs 5.6 to 5.10.)
  
21. Processes will be put in place to ensure that thorough through-life project evaluation will take place to ensure that the objectives of the project are being met. (Paragraphs 5.13 to 5.14.)

## *The Strategic Case*

### **Strategic context**

- 1.1 The Heads of Terms of the Edinburgh and South East Scotland City Region Deal agreed in July 2017 included a commitment to deliver new industrial and business premises at Tweedbank in the Scottish Borders.<sup>1</sup> The proposed project will make a significant contribution to the achievement of the wider policy agenda and the Edinburgh and South East Scotland City Region Deal programme objectives by providing modern and fit-for-purpose employment space at Tweedbank.
- 1.2 The closure of the Waverley line in 1969 left a series of towns, including Tweedbank, further from the national rail network than any other towns of their size in the UK. This resulted in significant isolation, curtailing economic development in the Scottish Borders. This trend is now being reversed after the opening of the Borders Railway in 2015. The new railway line terminates at Tweedbank.
- 1.3 The rationale for the Central Borders Innovation Park originated in work done by the South of Scotland Alliance in 2013. Following this work, the Borders Railway Blueprint launched by the Scottish Government in late 2014 committed to providing a number of incentives to support growth in more productive business activity, including the flagship transformation of the Tweedbank Industrial Estate area into a 21<sup>st</sup> century business location, as part of its theme, “Great Locations for Working and Investing”.<sup>2</sup> Scottish Borders Council received match funding from the Borders Railway Blueprint enabling it to commission a master planning exercise for Tweedbank, which concluded in November 2017 and cost £325,000. The implementation of the first phase of the Masterplan is supported by a £3.5 million investment commitment from the Borders Railway Blueprint, matched by £1.5 million commitment from Scottish Enterprise and £5 million from Scottish Borders Council.
- 1.4 The Scottish Government’s National Planning Policy (NPF3) mentions the importance of the Borders Railway and the centrality of Galashiels, which with Tweedbank, is situated within the Rural Growth Area in the Central Borders. Tweedbank is also located within the Central Borders Strategic Growth Area as defined in the South East Scotland Plan (SESplan). The local authority has recently sanctioned a Tweedbank Simplified Planning Zone. The project will also complement any future extension of the railway to Hawick and beyond. Map 1 shows the location of Tweedbank within south-east Scotland.

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<sup>1</sup> *Edinburgh and South East Scotland City Region Deal: Heads of Terms*, August 2017, p. 3.

<sup>2</sup> Scottish Government: *Borders Railway Maximising the Impact: A Blueprint for the Future*, November 2014, p. 10.

**Map 1: Tweedbank****Existing arrangements**

- 1.5 Scottish Borders Council owns most of the area of the land that lies around Tweedbank Railway Station and has been able to take a strategic and proactive approach to securing the development sites that will enable the Central Borders Innovation Park project to begin.
- 1.6 One of the five plots earmarked for the project was previously identified as a site for the proposed Great Tapestry of Scotland building across from Tweedbank Station. This site will now be developed by Scottish Enterprise as a business centre, with a £3 million project investment commitment as part of the Borders Railway Blueprint (Site 1).
- 1.7 The second plot is Eildon Mill, a building that is now quite old and does not provide the type of energy efficient space that businesses now require. It will be demolished, with its present occupier being re-located elsewhere at Tweedbank. The site will be made ready for commercial re-development, and will be developed and occupied by an Account Managed expanding business (Site 2).

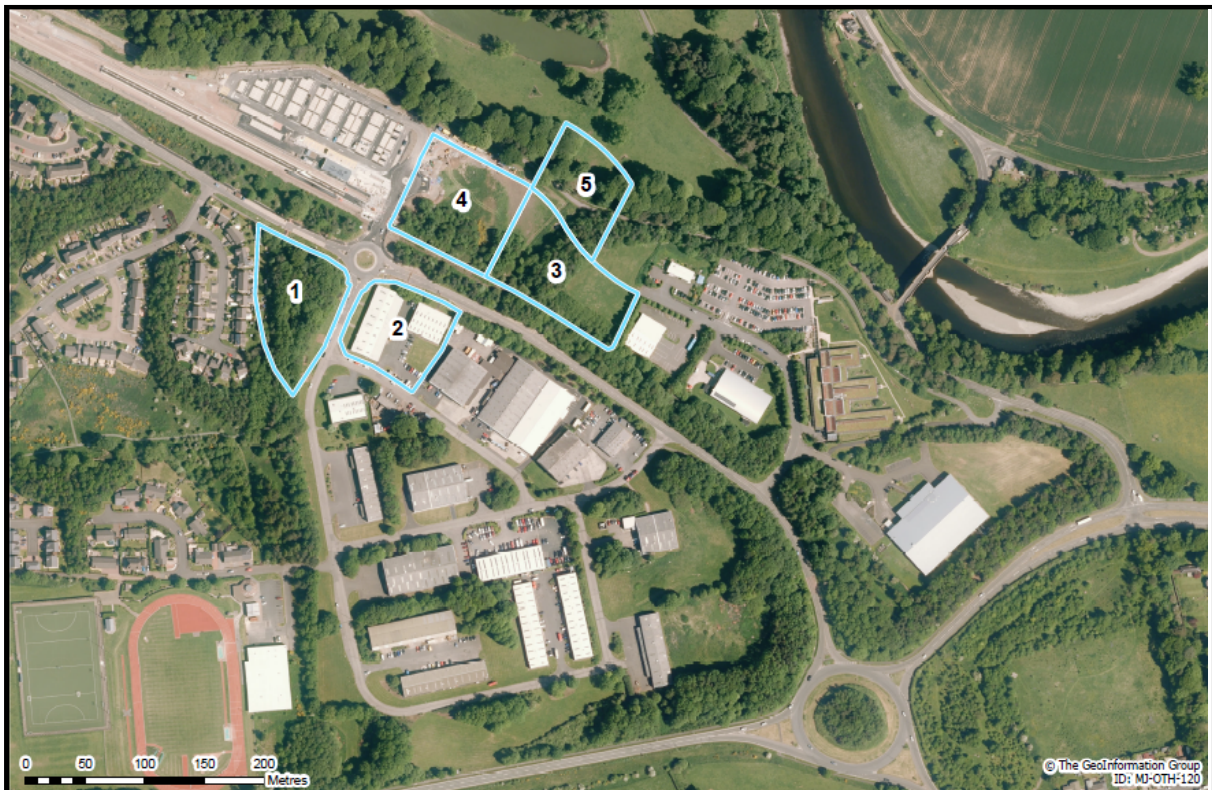
1.8 Two of the remaining plots are in a greenfield Quarry Site to the east of the station. The easternmost plot (Site 3) will be serviced and made ready for the private sector.

1.9 The westernmost of these (Site 4) will be used to develop new, speculative office space in two phases, and the first building is expected to be occupied immediately on completion. The servicing of sites 2 & 3, and the first building in site 4, are part of a £2 million investment from the Borders Railway Blueprint, matched by a £5 million from Scottish Borders Council. The commercial development of sites 2 & 3 also unlock significant private sector contributions.

1.10 Finally, there is a plot on the southern edge of Lowood Estate that will be used to develop a mix of speculative office and industrial space on newly zoned development land.

1.11 The development of these plots provides an opportunity to set the tone and standard of future development in line with the new Tweedbank Simplified Planning Zone. Figure 1 shows the location of the five plots that constitute the core of the Central Borders Innovation Park.

**Figure 1: Plots making up the Central Borders Innovation Park core**



KEY	
1.	Ex-Tapestry site
2.	Eildon Mill
3.	Quarry site (east)
4.	Quarry site (west)

## 5. Edge of Lowood Estate

### Business strategy and aims

1.12 Fundamentally, this project is about unlocking potential, which is in line with the general rationale for the programme of City Region Deals. The current business offer in the Scottish Borders is not economically viable owing to office and industrial property market failure in the area. The project will provide high quality business premises for inward investment and local, inclusive, growth, which will not occur if the necessary infrastructure is not available.

1.13 The current Tweedbank Industrial Estate comprises 10.8 hectares, which is 13.2 per cent of the established employment land supply in the Central Borders. The aforementioned master planning exercise concluded that the initial part of the development process at Tweedbank should result in new business premises occupying the land plots surrounding the railway station. This will begin to define the character of the new development and will assist in building the critical mass around the railway station that is required to attract future investment into the area.

1.14 The master plan includes a series of detailed design studies for the buildings which would be situated on the land next to the railhead. These include new sites for the private sector together with space for a business centre (Figure 2).

**Figure 2: Potential occupiers of the initial development plots (phases 1 and 2)**

Plot	Potential occupier	Current site owner	Innovation focus
Ex-Tapestry site	Business centre	Scottish Borders Council	n/a
Eildon Mill	Private sector	Scottish Borders Council	Innovation Active business
Quarry site	Private sector	Scottish Borders Council	Research and Development; Innovation Active business

1.15 The initial development plots will be constructed in two phases. The first phase will create 4,214 m<sup>2</sup> of new office space and 2,950 m<sup>2</sup> of new industrial space on the ex-Tapestry site, Eildon Mill, and part of the Quarry site by August 2019, funded by Scottish Enterprise, Scottish Borders Council and the Borders Railway Blueprint. The second phase will create a further 5,623 m<sup>2</sup> of new office space on the rest of the Quarry site by March 2022. The third phase will create 1,632 m<sup>2</sup> of office space and 400 m<sup>2</sup> of industrial space on land currently on the southern edge of Lowood Estate.

1.16 Ultimately, the master plan envisages the development of approximately 437 new homes and 71,545 m<sup>2</sup> of mixed use accommodation (hotel, office, retail, hospitality, and light

manufacturing) in a mature woodland and parkland setting extending over a site area of 98.6 hectares. This project delivers the first phase of development of the master plan, which will create a high quality place to live, work and invest at the current terminus of the Borders Railway.

### National Policy Objectives

1.17 The project is timely in that its aims dovetail with the UK Government's *Industrial Strategy* of November 2017. This strategy articulates five foundations to transform the UK economy and boost productivity and earning power: Ideas; People; Infrastructure; Business Environment; and Place (Figure 3).<sup>3</sup>

**Figure 3: The compatibility of the Central Borders Innovation Park with the UK's Industrial Strategy**

UK Industrial Strategy Five Foundations	Description	Compatibility with the objectives of the Central Borders Innovation Park
Ideas	The world's most innovative economy	Creation of business space to allow innovative businesses to flourish.
People	Good jobs and greater earning power for all	Improvement in access to better jobs for the local population.
Infrastructure	A major upgrade to the UK's infrastructure	Accessibility to the Tweedbank site will be further improved.
Business Environment	The best place to start and grow a business	Provision of space to aid start-up businesses
Place	Prosperous communities across the UK	Creation of economic activity that will foster inclusive growth.

1.18 The project is also aligned with the "4I" priorities in the Scottish Government's Economic Strategy as it will provide *investment* in local business; encourage *innovation* and *internationalisation*; and also contribute to *inclusive growth*.<sup>4</sup> Within the innovation strand of the strategy, this project would aim to foster a culture of innovation in the Scottish Borders through working with business, its regional partners, and the universities. Within the inclusive growth strand of the strategy, this project would look to promote Fair Work and address barriers to labour market entry for disadvantaged groups. The project is also aligned to the National Performance Framework in that it would make the Scottish Borders a more attractive place to do business and help to maximise economic potential through providing better employment opportunities for local people.

<sup>3</sup> HM Government: *Industrial Strategy: Building a Britain fit for the future*, November 2017, p. 10.

<sup>4</sup> Scottish Government: *Scotland's Economic Strategy*, 2015.

- 1.19 The project will support the objectives of *Scotland Can Do*<sup>5</sup> drawing on the research of the university sector to maximise the potential of innovative business processes. This work will particularly focus on the second phase of the project.
- 1.20 The project will help to ensure that the Scottish Borders becomes a more competitive location, which is able to meet the requirements of modern businesses and thereby attract new investment into Scotland as well as ensuring that indigenous businesses are able to expand and prosper. By providing serviced employment sites and modern business premises in a strategic location, this will enable businesses to improve their productivity.
- 1.21 The Central Borders Innovation Park will form part of a wider programme of proposed investment in business infrastructure activity under the City Region Deal and in this respect, the Council is in regular contact with Fife Council, which is working on its own proposals. Alongside Fife Council, Scottish Borders Council will work closely with the region's universities. The Council will also continue to work with other key stakeholders such as Scottish Enterprise, which will be a key partner in advising and supporting businesses regarding innovative practices as will Business Gateway. There are also plans to work with Scottish Enterprise to market the new space.

### **Regional Policy Objectives**

- 1.22 Scottish Borders Council's development of good relationships with its partners in the Edinburgh and South East Scotland City Region Deal is being complemented by its contribution to the development of a Borderlands Inclusive Growth Deal. This initiative, which also involves Dumfries and Galloway Council, Northumberland County Council, Cumbria County Council, and Carlisle City Council, includes a Business theme, which aims to encourage more innovation active businesses.
- 1.23 The on-going work to establish the South of Scotland Economic Partnership covering the local authority areas of Scottish Borders and Dumfries and Galloway is a key driver in regional policy. Again, this work will complement the objectives of the Edinburgh and South East Scotland City Region Deal, particularly regarding the policy imperatives of innovation and inclusive growth. As both the South of Scotland Economic Partnership and the Borderlands Deal are in their early stages of development, these relationships will evolve over time. In the meantime, steps will be taken to minimise areas of potential duplication.
- 1.24 The project will also support the regional strategic growth ambitions within SES Plan's *A Place to Do Business* theme, which identifies locations for investment and opportunities to support a low carbon economy. In relation to the latter, it is intended that the new premises will meet current building regulations and climate change legislation. Any plans to go beyond the limits imposed by these regulations and legislation would be developed in due course.

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<sup>5</sup> Scottish Government: *Scotland Can Do: Boosting Scotland's Innovation Performance. An Innovation Action Plan for Scotland*. January 2017.

## Local Policy Objectives

1.25 The *Scottish Borders Economic Strategy 2023* sets out a strategic approach to the development of a prosperous economy. Objectives directly relevant to this project are:

- “To ensure that new land and premises are developed to allow businesses to grow and relocate.”
- “To maximise the economic development potential of the Borders Railway.”

1.26 The strategy’s action plan includes a specific project to pursue land acquisition and phased refurbishment to create a Central Borders Innovation Park. The Scottish Borders Local Development Plan 2016 also notes the potential for development to meet strategic employment needs. The emphasis on an innovation park reflects other local authority aims including addressing being 20th out of 23 NUTS 3 areas for productivity (see Figure 3, Appendix 2).

1.27 The economic potential of the Borders Railway has been boosted by overall passenger usage exceeding initial expectations with 22 per cent more passengers than predicted. The number of passengers using Tweedbank Station is ten times the number predicted; at Galashiels, it is five times. The railway is helping to bring the attractiveness of living and working in the Scottish Borders to national attention. This project will help to put Tweedbank Station at the heart of a sustainable, thriving, vibrant community rather than being simply a “Park and Ride” facility for commuters and visitors.

1.28 Of the main inclusive growth challenges identified at the City Region Deal level, the following are especially relevant within the context of this project:

- Slow Growth;
- Skills inequality and polarisation;
- Gender and age inequalities; and
- Low income and low pay.

1.29 In terms of the percentage of working age population in employment, Scottish Borders (with a rate of 74.5 per cent) is “mid-table” when compared with other Scottish local authorities. However, on the other hand, workplace-based gross median weekly earnings in the Scottish Borders were the lowest of Scotland’s local authorities in 2016 at £453.40. These were £81.60 per week less on average than in Scotland as a whole.<sup>6</sup> This project has the potential to attract more productive sectors of the economy. It is intended that the City Deal investment will act as a catalyst for the whole Tweedbank master plan area and the wider central Borders by creating an environment conducive to higher growth businesses, which will have the effect of creating better paid employment opportunities.

1.30 It should also be noted that the area’s working-age population (16-64) is forecast to decrease by 15 per cent between now and 2039.<sup>7</sup> It is for this reason that the *Scottish*

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<sup>6</sup> Annual Survey of Hours and Earnings 2016.

<sup>7</sup> National Records of Scotland.



*Borders Economic Strategy 2023* recognises a need to make the area more attractive for younger workers:

“To make the Scottish Borders a more attractive place to live and work and arrest the out-migration of our young people, the area needs to offer alternative options to stay in the area; locate to the area; and/ or raise the value of employment on offer – this is a key challenge...”

- 1.31 Drawing on lessons from the Enterprise and Skills Review, the Scottish Borders recognises constraints on innovation activities, particularly a lack of skilled people. The proportion of those employed in high skilled occupations is currently 38 per cent, the lowest figure of the six local authorities involved in the City Region Deal.
- 1.32 This issue is compounded in that the area is at a clear disadvantage given that the higher productive sectors of the economy tend to be located in urban rather than rural areas. Cities are more likely to possess the assets that contribute to higher productivity: a highly skilled workforce; good connectivity; competition; investment in Research and Development; and clustering of knowledge and innovation. An aim of this project is to provide all of these elements with the additional lifestyle benefit of living in a rural area.
- 1.33 Building an innovation park has the potential to improve Research and Development levels by working with Higher and Further Education institutions, particularly through the City Region Deal data driven innovation programme (see Appendix 2). Businesses with persistently higher levels of Research and Development tend to have a productivity level that is 13 per cent higher than average.<sup>8</sup> The level of Research and Development expenditure by businesses in the Scottish Borders is low at £64 per head of population (2016 figures) compared to an average of £198 across Scotland.<sup>9</sup> Using the measure of business sites of registered enterprises by urban/rural classification, businesses based in accessible rural areas—such as Tweedbank—are least likely to be innovation active.<sup>10</sup> Increasing the number of innovative businesses would help to address the issue of slow growth, one of the inclusive growth challenges referred to above.
- 1.34 High-value job creation in the area depends on the provision of new, modern, flexible high quality business space (not only offices, but also modern industrial units for Class 4, 5 and 6 uses). The premises are being constructed in conjunction with the business requirements of the potential occupiers with regard to physical configuration and adaptability; functionality, including digital broadband capability; and efficiency in terms of cost-in-use, including energy performance, which will reduce carbon footprints.
- 1.35 If there are no new sites and no new offices/units, then the opportunity created by the Borders Railway to attract inward investment and encourage innovation will be lost and there will not be suitable property for local businesses to grow and expand into. Nor will

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<sup>8</sup> Department for Business, Energy & Industrial Strategy: *Main Report – Science and Innovation Audit, Edinburgh and South East Scotland City Region*, p. 21.

<sup>9</sup> Scottish Government.

<sup>10</sup> UK Innovation Survey 2015.

new entrepreneurs and start-ups have the ability to benefit from the clustering effect provided by an innovation park.

- 1.36 As the new innovation park would be built mostly on existing employment land, issues of displacement are likely to be limited. (Using guidance from Scottish Enterprise,<sup>11</sup> the economic modelling has made allowances of 25 per cent for displacement as well as for deadweight and leakage.) Part of the new space (the re-development of Eildon Mill) will replace currently under-used premises that are of low value and detrimental to business growth. It will therefore give its occupants the opportunity to increase turnover, create jobs, and deliver growth. It will also contribute environmentally through building on an existing brownfield site.

### Strategic needs

- 1.37 The fundamental issue driving the Central Borders Innovation Park at Tweedbank is that there is industrial property market failure in the central Borders, which requires investment by the public sector to provide serviced sites and also to lead the market by providing speculative office property. In its September 2016 report to Scottish Enterprise on a Central Borders Business Park, Ryden wrote that “in a competitive location there are almost no modern, purpose-built offices to offer to expanding or relocating companies, particularly the higher value sectors sought by economic development strategy which are most likely to require such premises”. By siting such space at the railhead, the local economy will be in a much better position to attract businesses in these sectors.
- 1.38 The Central Borders Innovation Park has come forward on the back of the Scottish Government’s £350 million investment in the Borders Railway. The Ryden report stated that “Scottish Borders’ supply of immediate prime sites for inward investment is very limited. The Railway is providing an opportunity to promote the location to mobile investors.”
- 1.39 This analysis is backed up by recent experience in Hawick, which has shown how hard it is to meet the needs of inward investors with the existing outdated, inflexible property portfolio that exists in the area. Currently there is only one high quality, modern office premises available in the Central Borders and there is very little modern manufacturing space built after 2000. The existing stock of employment property is becoming increasingly obsolescent in physical, functional and environmental terms, which is constraining business activity and economic growth in the area. More detail about the causes of market failure in the Scottish Borders will be provided in the next section, the Economic Case.
- 1.40 The Ryden report provides an analysis of the market need. The supply of commercial and industrial property in the Scottish Borders was significantly lower in 2014-16 than it was in the post-recession period of 2012-13. Anticipating an increase in the supply of

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<sup>11</sup> Scottish Enterprise: *Additionality and Economic Impact Assessment Guidance*, 2008.

quality business premises through the creation of a Central Borders Business Park, Ryden concluded that:

“There is good consensus among consultees around the target occupier market for Tweedbank. Smaller, innovative companies with growth potential from the existing catchment and potentially more footloose are expected to be attracted over time as the location is improved.”

- 1.41 What this analysis indicates is that there is scope for innovative businesses to move into the Central Borders Innovation Park to accelerate their growth. Meanwhile, businesses that are less developed—particularly start-ups—will have opportunities to move into lower value space that is vacated elsewhere, enabling them to develop in a way that will allow them to move into the innovation park in the future.

## *The Economic Case*

2.1 This chapter sets out the economic case for the project, taking account of updated project design, costs and forecasts. Its main focus is an economic analysis (i.e., a benefit-cost ratio based on the present value of benefits and costs).

### **Market failure**

2.2 As a rural economy with dispersed, relatively small centres of population, the Scottish Borders is constrained by poor infrastructure and remoteness compared to the more urbanised economies of the neighbouring central belt. Over time, the difficulties in creating a critical mass to stimulate the market has led to market failure resulting in a lack of supply of modern business premises and the increasing obsolescence of existing stock. This project aims to capitalise on the “game-changing” arrival of the Borders Railway to address this problem and put the commercial property market in the area onto a more sustainable footing.

2.3 Market failure has created a vacuum with the private sector unable to invest in essential infrastructure and develop modern business space because of the relative costs of development compared to rental and capital values. Scottish Borders Council sees the opportunity provided by the City Region Deal as being crucial in enabling a long-term investment in the delivery of modern premises in the Scottish Borders.

2.4 There are 27 industrial estates located in the Scottish Borders. Of these, 15 are owned or part-owned by Scottish Borders Council. The remainder are owned by a mixture of Scottish Enterprise, owner-occupiers, and private investors. The largest industrial estates are Tweedbank Industrial Estate (22,718 m<sup>2</sup>), Bankend Industrial Estate, Jedburgh (12,580 m<sup>2</sup>), and Pinnaclehill Industrial Estate, Kelso (12,143 m<sup>2</sup>).

2.5 According to analysis done by the Scottish Assessors' Association in 2015-16, industrial stock in the Central Borders consisted of 592 premises, which totalled 407,229 m<sup>2</sup> in area.<sup>12</sup> Of these, only 14 per cent were larger than 1,000 m<sup>2</sup> in area. The majority (71 per cent) were less than 500 m<sup>2</sup> in area (Figure 4).

**Figure 4: Industrial stock in the Central Borders, 2015-16**

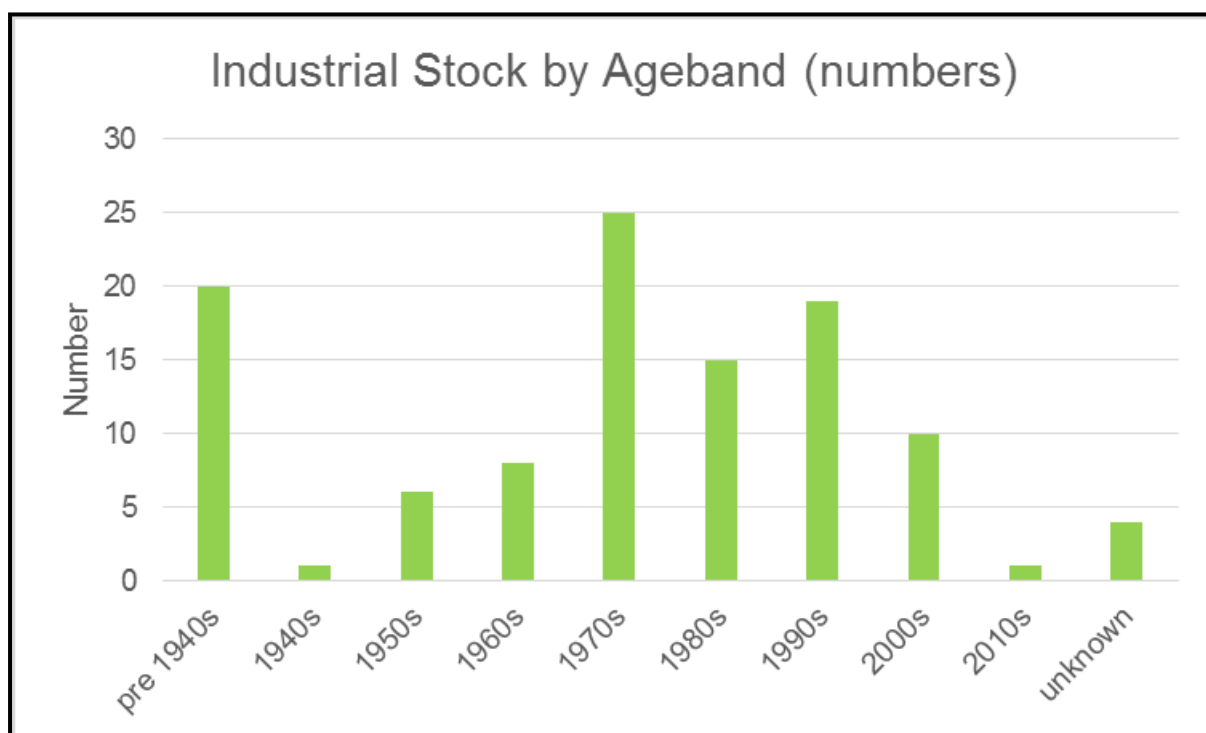
Size band (m <sup>2</sup> )	Number of properties	Area (m <sup>2</sup> )
0-99	120	7,416
100-199	124	17,621

<sup>12</sup> This analysis comprises properties classified as depot, factory, industrial unit, warehouse, workroom, workshop, bakery, brewery, laboratory, printing works, sorting office, and vehicle testing.

200-499	175	55,345
500-999	77	54,265
1,000-1,999	42	56,065
2,000-4,999	23	63,872
5,000-9,999	17	108,832
10,000+	3	43,813
Unknown	11	0
<b>Total</b>	<b>592</b>	<b>407,229</b>

2.6 Figure 5 illustrates the age bands of 109 industrial buildings in the Central Borders, which are taken from a smaller sub-set of industrial buildings monitored by CoStar. The majority of these buildings (69 per cent by number of units, 85 per cent by area, not shown) date from before the 1990s.

**Figure 5: Age bands of industrial stock in the Central Borders**



2.7 Given their age, few of these buildings will have been refurbished to standards introduced by the Scottish building regulations of 2002. Moreover, the April 2016 reduction in vacant property rates relief from 100 per cent to 10 per cent after six months means that an older industrial building of over 1,000 m<sup>2</sup> is liable to an annual rates bill of around £18,000.

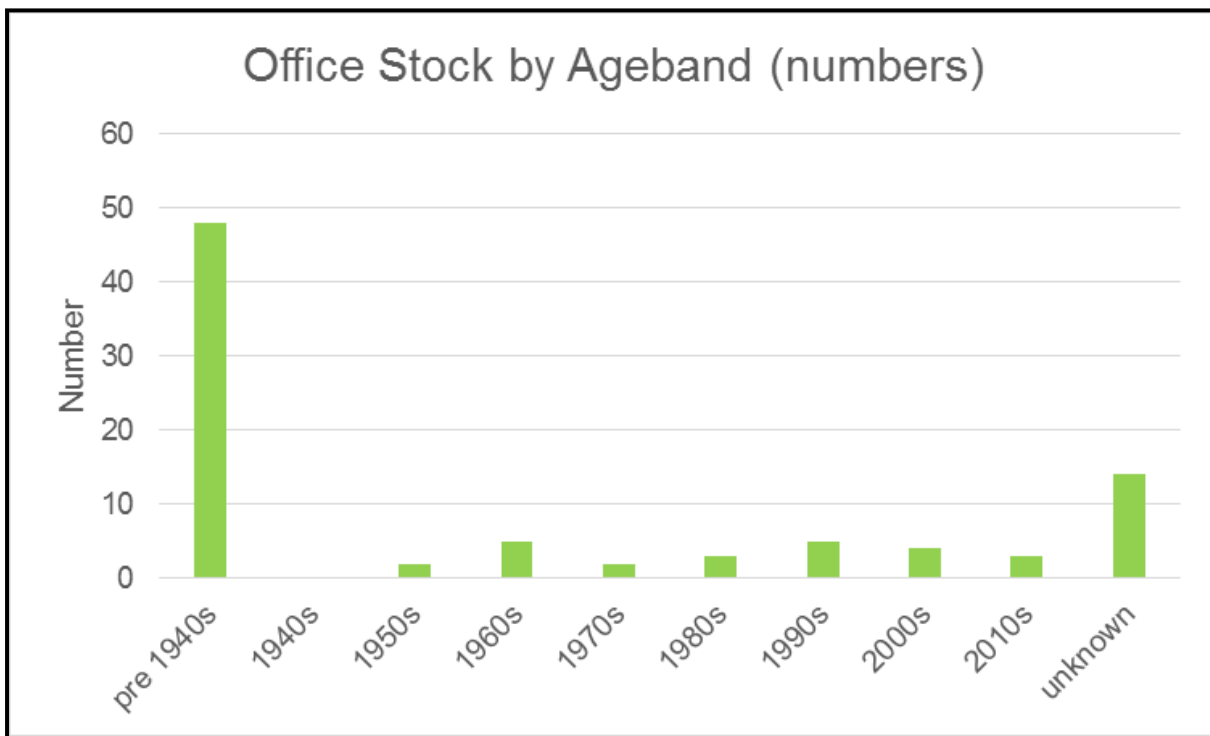
2.8 According to analysis done by the Scottish Assessors' Association in 2015-16, office stock in the Central Borders consisted of 597 premises, which totalled 65,247 m<sup>2</sup> in area. This is only 16 per cent in area of the amount of industrial stock available. Of these, only 2 per cent were larger than 1,000 m<sup>2</sup> in area. Over 90 per cent were less than 500 m<sup>2</sup> in area (Figure 6).

**Figure 6: Office stock in the Central Borders, 2015-16**

Size band (m <sup>2</sup> )	Number of properties	Area (m <sup>2</sup> )
0-99	398	17,039
100-199	84	11,898
200-499	61	17,588
500-999	7	5,434
1,000-1,999	7	9,070
2,000-4,999	2	4,218
5,000-9,999	0	0
10,000+	0	0
Unknown	38	0
<b>Total</b>	<b>597</b>	<b>65,247</b>

2.9 Figure 7 illustrates that the majority of office stock (56 per cent) dates from before the 1940s.

**Figure 7: Age bands of office stock in the Central Borders**



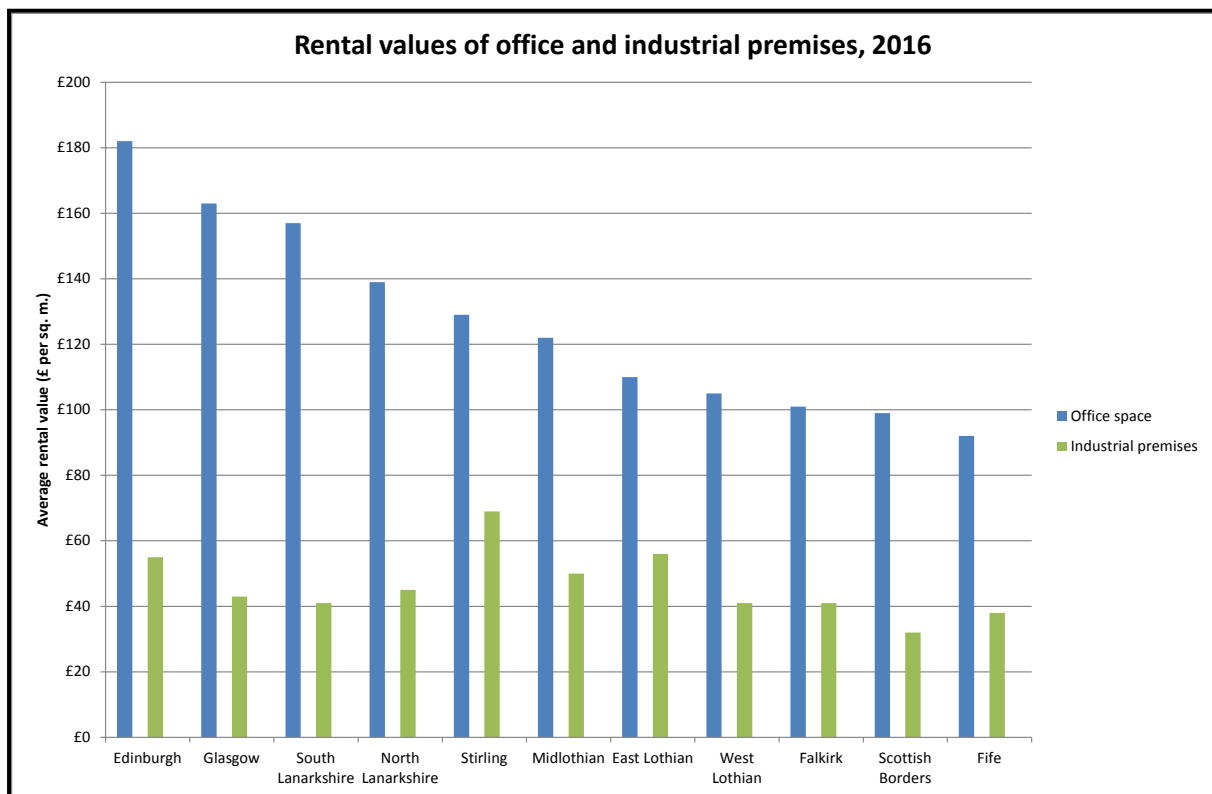
**Critical success factors**

2.10 In 2013, an “Economic and Market Assessment” for new business space at Tweedbank was undertaken on behalf of Scottish Borders Council and Scottish Enterprise. It showed that there are a range of positive economic benefits to be yielded from a new railway. These include access to employment, services, business relocations, population change, productivity, and perceptions of an area. The report’s economic analysis highlighted short-term demand for new commercial office space to

meet projected growth in the “professional and business services” in the central Borders over five years. This estimated demand for 450 m<sup>2</sup> to 1,750 m<sup>2</sup> of new space with between 180 and 350 new jobs created. Over the medium-to-long term (up to 15 years), the report suggested there could be demand for between 5,000 m<sup>2</sup> and 12,000 m<sup>2</sup> of new office floor space potentially creating between 1,000 and 2,300 jobs. Failure to provide this space would mean that the Scottish Borders would only realise the negative impact of providing a rail link to jobs outside the area.

2.11 Figure 8 shows that rental values (and therefore revenue) in the Scottish Borders are lower than those prevalent in the central belt. Industrial premises in the Scottish Borders cost, on average, £32 per square metre in 2016, which is the lowest rate among the 11 local authorities surveyed. Office space could be rented at £99 per square metre on average in the Scottish Borders. Only Fife was cheaper at £92. This relatively low cost is an additional short-term advantage for potential inward investors.

**Figure 8: Rental values of office and industrial premises, 2016**



**The case for change**

2.12 This project will assist in narrowing the gap between the Scottish Borders and more productive areas. It will help to encourage more innovation active businesses in the Scottish Borders to grow and operate more productively. It also has the potential to improve Research and Development levels through working with Higher and Further Education institutions, particularly through the City Region Deal data driven innovation programme. To this end, Scottish Borders Council has arranged to discuss these issues with the University of Edinburgh. Moreover, as part of the City Region Deal programme,

the Council has an opportunity to link into other initiatives that would have previously been inaccessible to it.

2.13 Investing in new office and industrial space will therefore create the conditions that can allow business innovation to occur more easily and allow innovative businesses to grow. Scottish Enterprise will be a key partner in advising and supporting businesses to this end as will Borders Business Gateway, which works closely with small and medium-sized enterprises that have been categorised as Early Stage Growth. Scottish Enterprise and Borders Business Gateway will also assist businesses to become innovation active.

2.14 Overall, the project will allow for a clear pathway to be created from the initial investment stage to “game-changing” impacts for the Scottish Borders (Figure 9).

**Figure 9: Pathway for innovation and economic growth**

Input →	Activity →	Output →	Outcome →	Impact
<p>City Deal funding for new office and industrial space.</p> <p>Planning with stakeholders to maximise benefits of innovation.</p>	<p>Building of new, modern premises allowing businesses to work more efficiently.</p>	<p>Improved productivity with a proportion of occupiers engaging in innovative processes.</p>	<p>Business growth through increased turnover and profits.</p> <p>“Ripple effect” encouraging private sector to invest in new business space.</p>	<p>Increased employment, including higher skilled jobs, uplift in GVA and productivity.</p>

### Summary of project costs

2.15 Figure 10 sets out a summary of the costs of the project together with the activities that require to be funded.

**Figure 10: Summary of the costs of the project**

Element of project	Description	m <sup>2</sup>	Cost
Ex-Tapestry site	Development	1,404	£3M
Eildon Mill	Development and servicing	1,310	£2.4M
Quarry – Industrial space	Development and servicing	2,450	£2.2M
Quarry – Speculative office	Development	7,623	£16.3M
Edge of Lowood Estate	Development	2,032	£3.9M
Infrastructure	Infrastructure	n/a	£1.3M
	<b>Total</b>	<b>14,819</b>	<b>£29.1M</b>

2.16 The projected costs are therefore allocated as follows:



- Development: £ 27.3 million.
- Infrastructure: £ 1.3 million.
- Servicing: £0.5 million.

### Options appraisal and preferred way forward

2.17 The economic impact assessment is based upon a specific land and property development proposal for the Central Borders Innovation Park based around a “core area” of five buildings, which if built will catalyse further development. The options appraisal for this project (Figure 11) examines four options that were considered for City Region Deal funding.

**Figure 11: Project options**

<b>Options</b>	<b>Description</b>	<b>Grounds for rejection</b>
Do nothing	Status quo with Tweedbank Industrial Estate continuing to decline	Would exacerbate the gap in economic performance between the Scottish Borders and Scotland as a whole, which is currently a differential of almost one-fifth.
Do minimum	Building the core of a new business innovation park in the Tweedbank area on Council-owned land next to the railway station and also newly acquired land on the southern edge of Lowood Estate	The favoured option, which is affordable given currently secured funding and the land is ready for development. This option is most likely to secure private sector investment.
Do something	Building a new business innovation park to include all the newly acquired business land in Lowood and also land on the existing industrial estate	This option does not offer value for money as the costs of creating all of the required infrastructure are too prohibitive at present and there are concerns about the short-to-medium term demand for the additional space in the proposal.
Do maximum	Build all business and residential infrastructure as outlined in the masterplan	Far too costly at this stage; the “do minimum” option provides traction for building out the rest of the masterplan when more funding is available and demand for the proposed development space is more apparent.

### NPC/NPV findings

2.18 The results of the economic modelling for the preferred option (“do minimum” above) are shown in Figure 12. More detail is provided in Appendix 5.

**Figure 12: Modelling inputs and outcomes**

Factor	Input	Source
Year of opening	2019-2024	Scottish Borders Council
Office floorspace	11,469 m <sup>2</sup>	Proctor and Matthews
Industrial floorspace	3,350 m <sup>2</sup>	Proctor and Matthews
Capital cost	£29,020,000	Turner & Townsend

#### *GVA Impact*

Economic Development inputs <sup>13</sup>	£
NPV of Total Net GVA	353,340,283
NPV of Construction GVA	65,972,224

#### *Job Impact*

Economic Development inputs	
Direct Net Jobs Impact GVA (Av. p.a.)	383
Gross Construction Jobs Impact	380 (cumulative by Year 6)

#### *Tax Impact*

Economic Development inputs	£
NPV of Direct Net Income Tax	15,017,661
NPV of Direct National Insurance	24,897,070
NPV of Direct Net Corporation Tax	8,963,020
NPV of Gross NDR Income	2,861,105

### Preferred option

2.19 The economic appraisal concludes that the Central Borders Innovation Park “do minimum” option would deliver a benefit to cost ratio of £16 for every £1 spent (Figure 13).

<sup>13</sup> The financial assessment NPV is based on Scottish Borders Council’s financing position solely (Scottish Borders Council-built buildings and rents) while the economic appraisal includes the full economic impact of the development (including privately funded and built buildings).

**Figure 13: Summary of project impact**

Indicator	
GVA: (Net Present Value of Direct GVA) : £383 million	Annual uplift of 1.08% in the local authority's GVA.
Jobs (Net Average Direct Job Impact (P.a)): 383	Equivalent reduction of 0.7 per centage point in local authority's unemployment rate.
Qualitative impacts	<ul style="list-style-type: none"> <li>• Creation of high quality employment site to replace current outdated offer.</li> <li>• Increase in inward investment.</li> <li>• New premises to stimulate economic growth.</li> </ul>
Cost per job	£81,917
GVA per £ spent	£16

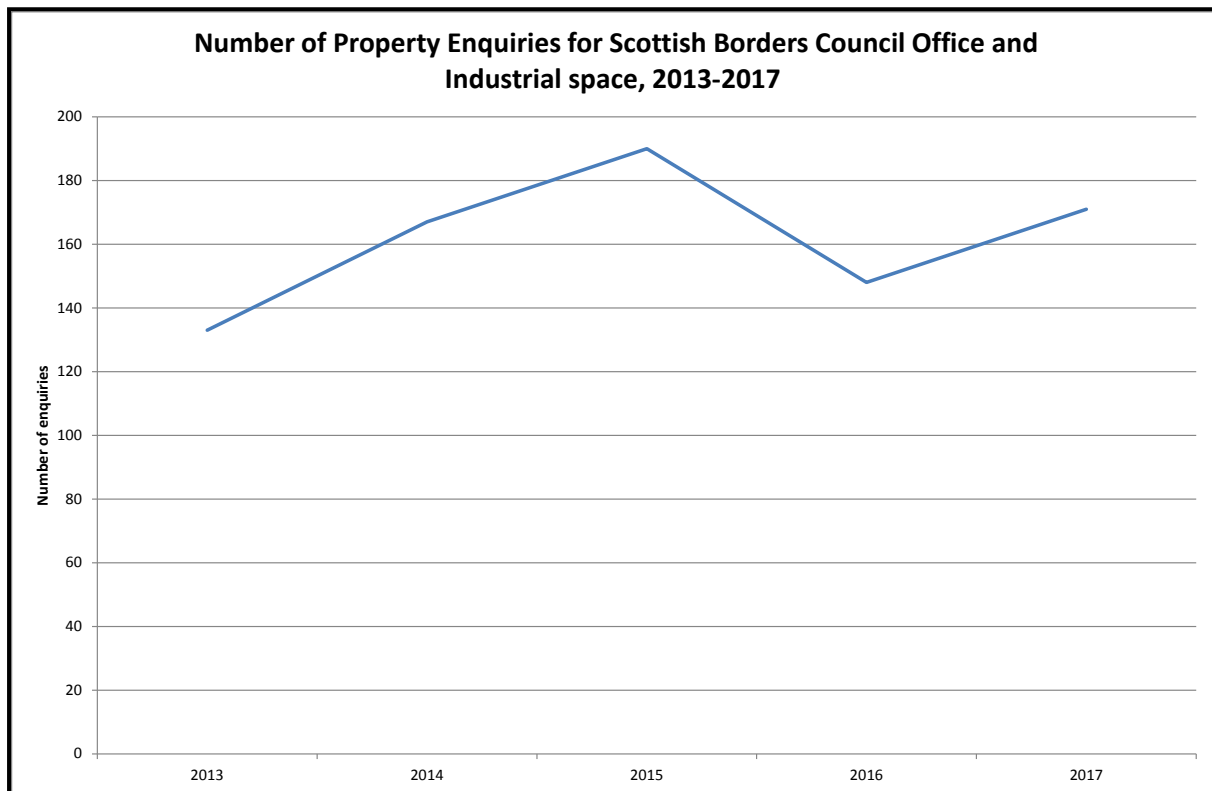
2.20 The City Region Deal investment would therefore have both a national and a regional impact by providing more business infrastructure in south east Scotland. It is anticipated that 383 jobs could be expected to be created as a result, including 102 in high value sectors. Such employment levels would have a direct and an indirect impact on the local economy through increased household income and demand for local services.

2.21 Moreover, investment of this scale would have major benefits for the supply chain across the region – both at the construction stage and through the procurement needs of the site's occupiers. Through working with its regional partners on the Supplier Development Programme, Scottish Borders Council will seek to improve the readiness of local and regional suppliers to benefit from these new procurement opportunities.

## The Commercial Case

3.1 Scottish Borders Council continues to obtain a good level of related employment land and business property enquiries, both from businesses operating in the Scottish Borders as well as businesses from outside the area. Demand for modern business space throughout the Scottish Borders is strong, particularly in respect of the type of accommodation this project will provide. Scottish Borders Council's business property team tracks market enquiries for its business property on a monthly basis. Figure 14 shows how these have varied over the past five years, increasing to a peak of 190 in 2015 before falling back in 2016 to 148 and rising again in 2017 to 171.

**Figure 14: Market enquiries for Scottish Borders Council owned office and industrial property, 2013-2017**



Source: *Scottish Borders Council*

3.2 Supply of quality business space in the Scottish Borders is currently limited. However, demand for business space in the area is high as evidenced from occupancy rates reported by the business property team within Scottish Borders Council. In the third quarter of 2017-18, 87.2 per cent of industrial and commercial units let by the Council were occupied across the area's five localities:

- Berwickshire: 75.4 per cent.

- Cheviot: 90.8 per cent.
- Eildon: 87.5 per cent.<sup>14</sup>
- Teviotdale & Liddesdale: 96.5 per cent.
- Tweeddale: 93.3 per cent.

3.3 There is a relatively low turnover of occupiers of these properties. Over the past five years, overall occupancy rates have been very consistent, fluctuating between 87 per cent and 93 per cent (Figure 15).

**Figure 15: Occupancy rates of property let by Scottish Borders Council, 2013-2018**



Source: Scottish Borders Council

3.4 An average occupancy rate of 75 per cent has been assumed with regard to the new office and industrial space being developed. As mentioned above, the average occupancy rate of premises rented by Scottish Borders Council is currently 87 per cent, which reflects constraints in supply of space as well as high demand. It has been assumed prudent to model an occupancy rate of 75 per cent for the purposes of this business case to allow for uncertainties in predicting economic circumstances over the life of the project.

<sup>14</sup> Tweedbank is located in this locality.

3.5 For the purposes of the Outline Business Case, it has been assumed that empty property rates relief of 10 per cent would be applied assuming 90 per cent of rates are charged. For reasons of prudence, no qualifying period has been factored into this aspect of the modelling.

### Procurement Strategy

3.6 The procurement strategy will include provision to develop the capacity of local suppliers to tender for contracts that will require an ability to deliver innovative building specifications and the use of low carbon technologies.

3.7 The procurement strategy will make extensive use of community benefit clauses so as to benefit the long-term unemployed, young people looking for apprenticeships, and other people requiring work experience opportunities. These clauses will help to unlock opportunities within relatively deprived communities and groups. As such, the project would assist in addressing the inclusive growth challenges referred to in the strategic case.

3.8 There are also plans to work with Scottish Enterprise in marketing the new space as one of the drivers behind the innovation park is to distinguish it from a conventional business park.

### Delivery vehicle

3.9 A delivery vehicle was considered for this project, but it has been decided that it will be delivered by Scottish Borders Council with Scottish Enterprise managing the delivery of its building. There is potential for joint ventures beyond the City Region Deal core area at a later date.

### SMART objectives

3.10 The proposed project will make a significant contribution to the achievement of the wider City Region Deal objectives though providing modern office and industrial space in the central Scottish Borders. The SMART objectives for the project are shown in Figure 16.

**Figure 16: SMART objectives**

SMART component	Objectives
Specific	<ol style="list-style-type: none"> <li>1. Spend up-front to install the necessary infrastructure at Tweedbank that will allow further investment to be leveraged in from the public and private sectors.</li> <li>2. Construct employment property to encourage existing and new businesses to set up and/or expand their operations in the area.</li> <li>3. Liaise with the Higher Education sector to determine the</li> </ol>

	<p>degree to which innovative concepts such as Data Driven Innovation and “Factories of the Future” can be applied.</p> <p>4. Environmentally, utilising existing land (Eildon Mill) and locating the innovation park close to the area’s highest concentration of population will reduce carbon footprints.</p>
<b>Measurable</b>	<ol style="list-style-type: none"> <li>1. Spend £29 million to achieve the Specific objectives as set out above.</li> <li>2. Of this total spend, £27.3 million to be spent on development, £0.8 million to be spent on infrastructure and £0.5 million to be spent on servicing.</li> <li>3. Add £353 million of Gross Value Added to the Scottish Borders economy.</li> <li>4. Create 383 jobs.</li> </ol>
<b>Attainable</b>	<ol style="list-style-type: none"> <li>1. The unlocking of City Deal funds, together with funding from Scottish Borders Council, the Borders Railway Blueprint, and Scottish Enterprise, provide sufficient finance to achieve the above objectives.</li> <li>2. Scottish Borders Council already owns elements of the land required to proceed with the project.</li> <li>3. The project area is within a Simplified Planning Zone.</li> <li>4. Scottish Borders Council is experienced in managing and developing employment land. It has staff with the skillsets to achieve the above objectives.</li> </ol>
<b>Relevant</b>	<ol style="list-style-type: none"> <li>1. Previous work by Ryden in addition to the Council’s own experience demonstrates that there is a level of market failure in the area that must be addressed by providing new office and industrial space.</li> <li>2. Scottish Borders Council together with other delivery partners has the resources required to deliver the above objectives.</li> </ol>
<b>Time-limited</b>	<ol style="list-style-type: none"> <li>1. The current City Region Deal project will include this Outline Business Case in spring 2018.</li> <li>2. Sign-off will enable Scottish Borders Council to begin working on a Full Business Case for the project being funded by City Region Deal.</li> <li>3. The project being funded by City Region Deal is scheduled to begin in 2018-19 and be completed by the end of 2021-22.</li> </ol>

3.11 The Council will stage funding drawdowns linked to development activity and revenue milestones so that it is not fully exposed to the financing costs assumed in the business case from day one.

3.12 Figure 17 summarises the risks from this project and details the mitigating measures that will be in place against each risk should it arise.

**Figure 17: Summary of project risks and mitigating measures**

Risk	Mitigation
Failure to raise funds from the public sector	Commitment of £15 million by Scottish Government in Heads of Terms. Scottish Borders Council has committed £5 million in its budget. Borders Railway Blueprint has committed £3.5 million. Scottish Enterprise has committed £1.5 million.
Increases in the costs of the project.	Financial costs with an allowance for inflation will be calculated going forward. Technical cost consultants will have input to the business case process.
Issues around site conditions and the demolition of existing buildings	Discussions are taking place with existing owners and tenants.
Lack of sufficient demand for employment land.	Baseline for demand has been established in previous work. Marketing is ongoing and will benefit from work being done as part of the Borders Railway Inward Investment programme.
Inadequate governance	Establishment of a Borders City Region Deal Programme Board together with the appointment of a Programme Manager will allow for robust programme and project management.
Tight timeline to deliver Phase 1	A project team is in place and working to the given deadline. Scottish Borders Council has front-loaded its contribution into 2018-19, but will also develop the Full Business Case during this period.
Lack of demand for office space to be delivered in Phases 2 and 3	Ryden assessment being undertaken to help determine demand for office space. Any relevant lessons from Phase 1 will be identified and used to inform the business case for Phases 2 and 3. If demand is weaker than anticipated, steps may be taken to slow the project down.
Inadequate monitoring processes	Programme Manager to be responsible for ensuring that robust monitoring is in place to measure the indicators outlined in this OBC, particularly around innovation and inclusive growth.
Re-allocation of surplus revenue to other budgetary priorities.	Steps to be taken to ensure that revenue is re-invested in the project throughout its life or re-invested into future work to build out other commercial developments in the master plan area.



## *The Financial Case*

- 4.1 The financial case will determine whether the proposed project is affordable to Scottish Borders Council. Affordability is assessed in the short, medium, and long term.
- 4.2 Land values in the Scottish Borders are relatively low. Evidence from other transport schemes, although not conclusive, suggests that the opening up of sites to development will generate a significant increase in relative and overall land values. The Central Borders Innovation Park can therefore contribute to this increase in value and help to catalyse the further development of the Tweedbank area as envisaged in the masterplanning.
- 4.3 The provision of high quality office and industrial space through the Central Borders Innovation Park will increase the scope for raising revenue from rented property. At present, there is a lack of such revenue given the low rental values in the region, which are a consequence of a relatively poor quality property offer rather than from any surplus of supply over demand.
- 4.4 Edinburgh and South East Scotland City Region Deal Heads of Terms agreement provides £50 million for infrastructure in the Scottish Borders and Fife Council areas. The apportionment of this sum is £15 million for the Scottish Borders and £35 million for Fife. These sums will be drawn down over a 15-year period. It should be noted that the Heads of Terms document is silent on the mechanism by which funding will be provided, either via grant as enabling funding, staged payments, as a post-construction grant claim or a payment by results mechanism.
- 4.5 Given this context, three scenarios have been modelled based on potential drawdown of funds from the Scottish Government:
- Scenario 1: It is assumed that a fixed annual grant of £1 million from the Scottish Government will be paid in arrears over a 15-year period.
  - Scenario 2: It is assumed that a fixed annual grant of £1.5 million from the Scottish Government will be paid in arrears over a ten-year period.
  - Scenario 3: It is assumed that a variable drawdown of grant will be paid annually in arrears over a 15-year period.
- 4.6 Scottish Borders Council would prefer that Scenario 3 is implemented as it offers the best value for money. More detailed financial analysis is shown in Appendix 4.

## **Funding Profile**

- 4.7 Under Scenario 3 above, the 15-year spend profile is £28.9 million (Figure 18), split on the basis of a 51 per cent contribution from the Scottish Government through the City Region Deal, i.e. £14.85 million, and a contribution of 49 per cent from Scottish Borders Council (£5 million), the Borders Railway Blueprint (£3.5 million), the private sector (£4.1 million), and Scottish Enterprise (£1.5 million). As modelled, the remaining £150,000 of project spend would be provided by the Scottish Government in 2033-34.

**Figure 18: Funding profile, 2018-19 to 2032-33 (£m)**

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
Scottish Borders Council	5.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scottish Government	0	1.75	3.5	3.5	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.3	0.3
Scottish Enterprise	0.75	0.75	0	0	0	0	0	0	0	0	0	0	0	0	0
Railway Blueprint	1.75	1.75	0	0	0	0	0	0	0	0	0	0	0	0	0
Private sector	2.0	2.0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>9.5</b>	<b>6.25</b>	<b>3.5</b>	<b>3.5</b>	<b>1.0</b>	<b>1.0</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>

### Rental income

4.8 The financial modelling informing this part of the business case is indicative at this stage, but has sufficient detail for the purposes of an Outline Business Case.

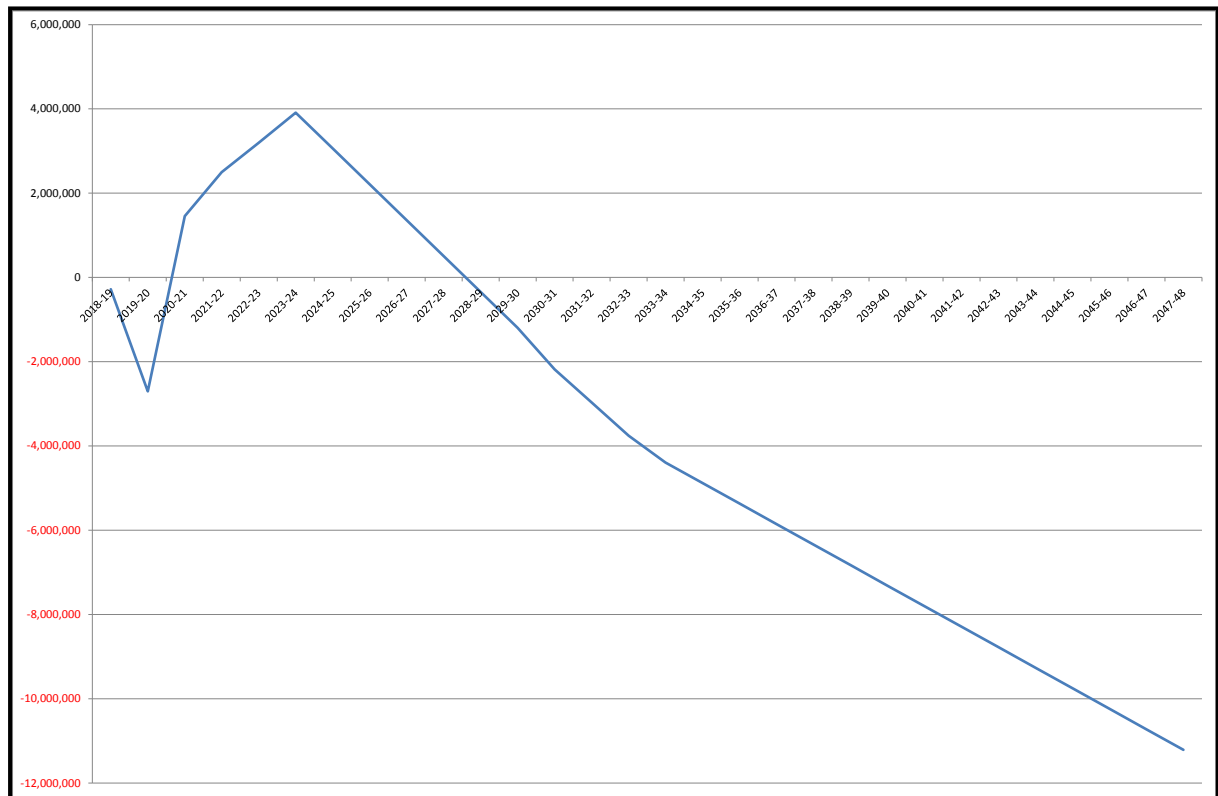
4.9 Projections for rental income are based on achieving a 75 per cent occupancy rate for the office and industrial space with rates based on the Scottish Borders averages for office and industrial space given in Figure 8 above inflated to 2017-18 prices. Although rental income will probably not be as uniformly consistent throughout the life of the project as suggested in the financial model, it is possible that vacancy rates will not be as high as 25 per cent given anticipated demand, certainly in the short-and-medium terms.

4.10 As alluded to in paragraph 3.5, it is assumed that empty property rates relief of 10 per cent would be applied assuming 90 per cent of rates are charged.

### Debt requirement

4.11 The financial modelling estimates the amount of borrowing that will be required to cover outstanding deficits at the end of each financial year. The overall borrowing requirement for the preferred scenario would peak at £4.5 million and would be repaid in 2028. Thereafter the programme generates a surplus to Year 30 (2047-48). The cumulative operating surplus created is projected at £11.2 million in nominal terms. The cumulative funding gap over the life of the project is illustrated in Figure 19.

Figure 19: Cumulative funding gap over 30 years



Source: Scottish Borders Council

4.12 At the present time, the local authority does not have any capital funding beyond its £5 million contribution and requires the City Region Deal contribution to make the project viable. As the programme moves into surplus, income will be re-invested in line with the principles of the programme. This could include using income to support the future build-out of the Tweedbank master plan area as well as re-investing income into the core innovation park. The income will not be re-allocated to other Council budgets.

4.13 The Council did not model a scenario where there could be no cumulative cost surplus or development debt at the end of the 30-year period. This was to ensure that the Council could mitigate the financial risk involved in the project as otherwise all of this risk would rest with it.

4.14 The capital spend on the development of the buildings will lead to opportunities for local SMEs to tender for contracts while prime contractors will have to meet the requirements of community benefit clauses that will be tailored to assist inclusive growth requirements.

4.15 Current Council revenue activities will resource work on employability initiatives, community benefits, and also innovative activity and business support through Business Gateway. It will also engage businesses to develop fair and progressive workplace

practices through highlighting the need to participate in national, regional, and local initiatives on Fair Work.

### Debt drawdown and repayment profile

4.16 Scottish Borders Council can currently borrow at a rate of between 2.75 per cent and 3 per cent. For reasons of prudence, a borrowing rate of 3 per cent has been used in the modelling. The Council will follow its financial regulations with regard to capital borrowing as the project proceeds. Compliance will be monitored through the Council's internal and external audit procedures.

4.17 There are risks that the cost of infrastructure projects which drive the potential rentals and capital receipts are significantly understated or that phases of the project deliver significant cost over-runs. This might increase the level of unsupported borrowing, increase debt costs or the payback period. Flexibility has therefore been built into the financial model so as to monitor the situation on an on-going basis.

### Sensitivity Analysis

4.18 Figure 20 sets out a summary of the impact of a range of scenarios for those modelled in the financial model. More detail on the sensitivity analysis is given in Appendix 5.

**Figure 20: Sensitivity Analysis**

Sensitivities (£M)	(NPV of surplus)	(Surplus)	Interest	Annual revenue grant	No. of annual revenue grant payments	Change in NPV
<b>Base Case – Annual grant in arrears</b>	(5.4)	(11.2)	0.6	(3.5) to (0.2)	15	
<b>Positive impact on Base Case</b>						
Occupancy increased from 75% to 85%	(7.1)	(14.2)	0.5	(3.5) to (0.2)	15	(1.6)
Business Accelerator – No empty rates costs	(6.0)	(12.3)	0.6	(3.5) to (0.2)	15	(0.6)
Construction costs - 10% decrease	(8.4)	(14.8)	0.1	(3.5) to (0.2)	15	(3.0)
Rental Income Price + 5%	(5.9)	(12.2)	0.6	(3.5) to (0.2)	15	(0.5)

Interest - 1% decrease	(5.4)	(11.2)	0.4	(3.5) to (0.2)	15	0
Other capital funding + 5% increase	(5.8)	(11.7)	0.5	(3.5) to (0.2)	15	(0.4)
<b>Negative impact on Base Case</b>						
Other capital funding - 5%	(5.0)	(10.8)	0.7	(3.5) to (0.2)	15	0.4
3-year delay in other capital funding	(4.9)	(11.2)	1.0	(3.5) to (0.2)	15	0.5
Rental Income Price - 5%	(4.9)	(10.3)	0.6	(3.5) to (0.2)	15	0.5
Interest + 2% increase	(5.4)	(11.2)	1.1	(3.5) to (0.2)	15	0
Construction costs + 10% increase	(2.4)	(7.6)	1.7	(3.5) to (0.2)	15	3.0
2-year delay in developments being available	(4.6)	(10.1)	0.8	(3.5) to (0.2)	15	0.8
Occupancy reduced from 75% to 65%	(3.8)	(8.2)	0.7	(3.5) to (0.2)	15	1.6

## *The Management Case*

- 5.1 It is important that suitable governance and programme management is put in place by Scottish Borders Council to deliver the overall implementation of the Central Borders Innovation Park. This internal programme management will dovetail into, and feed, the overall programme management processes that are being put in place at the regional level to manage the Edinburgh and South East Scotland City Region Deal.
- 5.2 This management case also identifies the procurement strategy for the project and outlines the key contractual arrangements and also the approach to be taken to risk mitigation.

### **Procurement Strategy**

- 5.3 With regard to the procurement of works and services, Scottish Borders Council's procurement regulations will be fully adhered to as will the provisions of relevant Scottish, UK, and EU legislation. Scottish Borders Council is experienced in delivering infrastructure works in the Scottish Borders. It is anticipated that Scottish Borders Council would be able to proceed with a procurement process for the required works and services as soon as the project is approved.

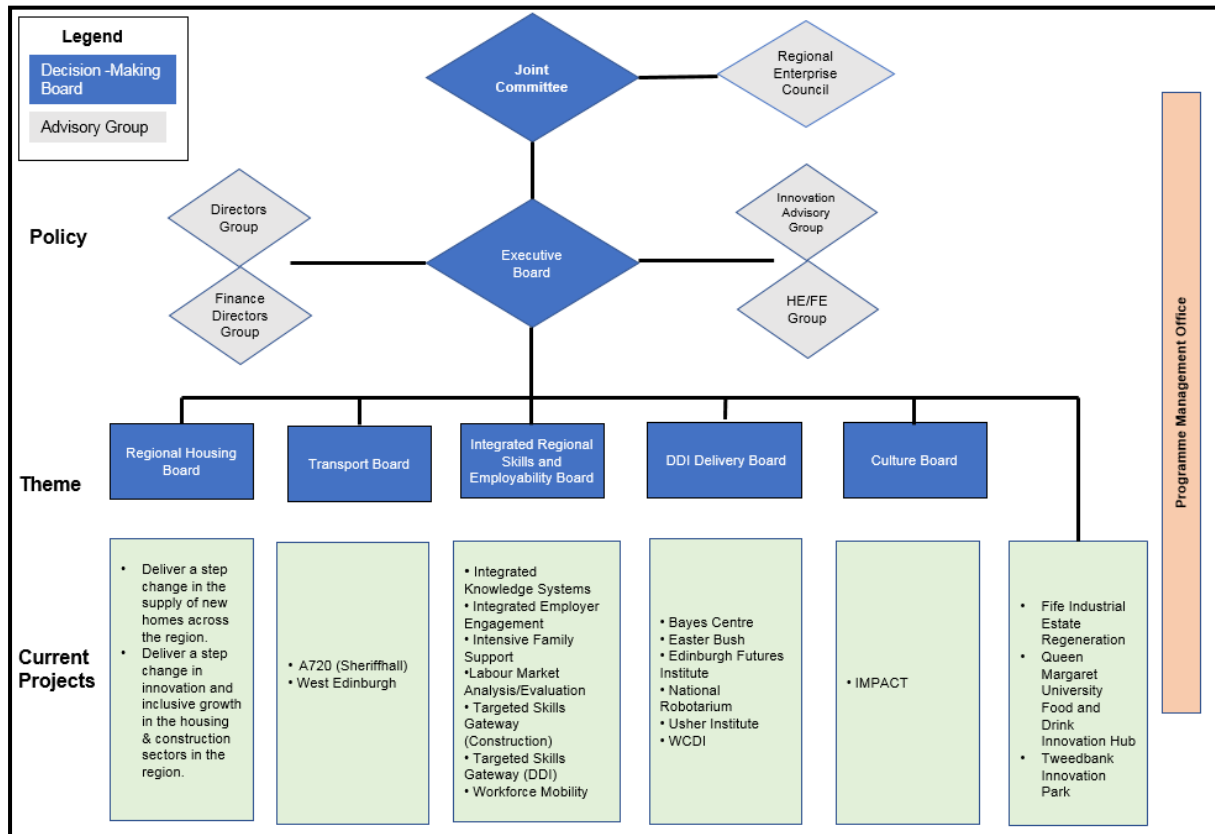
### **State Aid**

- 5.4 There are currently no potential State Aid implications arising from this project. Advice has been taken from the State Aid Unit at the Scottish Government. This advice states that servicing sites for the private sector does not constitute State Aid as long as Scottish Borders Council is operating on commercial terms. Given this, no direct subsidy is involved.
- 5.5 It is proposed that the Council continues to seek advice from the State Aid Unit to ascertain that any individual business proposition would be compliant with State Aid rules.

### **Programme and project management**

- 5.6 At the regional level, the project sits within the governance structure shown in Figure 21. These governance arrangements will enable decisions to be taken in an open and transparent way for the whole region.

Figure 21: City Region Deal Governance Structure



Source: Edinburgh and South East Scotland City Region Deal

5.7 Scottish Borders Council will be represented on the Joint Committee by its Leader; on the Executive Board by its Chief Executive; on the Directors’ Group by a senior officer; and on the Finance Directors’ Group by its Director of Finance. The Scottish Borders will also have representation on the Transport Board (by a council officer); on the Regional Enterprise Council (by a business person yet to be appointed); and on the Higher/Further Education Group (by Borders College).

5.8 An officer-level Project Group will be established and a Project Manager role will also be put in place. The Project Group will include an appropriate executive from Scottish Enterprise in view of their close involvement in delivering the Central Borders Innovation Park. Officers from Scottish Borders Council will also continue to work with Fife Council, Scottish Futures Trust, and the Scottish Government to develop the detail of the Programme and its constituent projects. The Project Manager will lead a team with the primary responsibility for managing the delivery of the project.

5.9 The purpose of the Project Group will be to review and monitor progress of the project and to provide advice and guidance where necessary. The Project Board will feed into the Executive Board within the regional governance structure (see Figure 21). The Executive Board will hold decision-making power for the project and reports into the Joint Committee. The Executive Board comprises the six regional local authority chief

executives, six regional local authority directors with a remit for the economy, a representative for the region's universities and colleges, and a Programme Management Office function.

5.10 This project will submit its funding claims to City of Edinburgh Council, which is the accountable body for the City Region Deal finances. Stewardship will be provided by a Programme Board and membership will include a Section 95 Officer to provide assurance of the overall programme's finances, and ensure that the financial requirements agreed with both the UK and Scottish Governments are met. The overall programme will also be aligned with the City of Edinburgh Council's financial regulations and, where appropriate, the regional partners'. Should the project present any risks to the overall programme, it will be held to account by City of Edinburgh Council.

5.11 Scottish Borders Council has experience of delivering large scale, multi-million pound capital projects. It has an in-house Major Projects team that has successfully delivered new schools, flood schemes, and other significant infrastructure projects in the recent past.

### Project timelines

5.12 Figure 22 shows that the project will take place in three phases with the first phase beginning in March 2018 and the third phase being completed in March 2024. More detail is provided in Appendix 3.

### Figure 22: Project phasing and timescales

Element of project	Start date	End date
Phase 1		
Ex-Tapestry site	March 2018	December 2019
Eildon Mill	March 2018	October 2019
Quarry site	March 2018	August 2019
Phase 2		
Remainder of Quarry site	April 2020	March 2022
Phase 3		
Edge of Lowood Estate	April 2022	March 2024

### Through-life project evaluation

5.13 Scottish Borders Council will work with Fife Council to explore opportunities to flex spend across the business property initiatives that both local authorities intend to progress within the Edinburgh and South East Scotland City Deal programme.

5.14 There will be through-life project evaluation to demonstrate that it is meeting its spending objectives. This evaluation will appraise how the project is meeting the following objectives:

- The occupation of at least 75 per cent of the new office and industrial space.



- Targeting of occupation types.
- The creation of high quality, high earning jobs.
- Accessibility to employment for disadvantaged groups.
- Uplift in the GVA of the Scottish Borders local authority area.
- Increasing the area's spending per head on Research and Development.
- Improving the area's place on the table of productive regions.
- Number of innovation active businesses.
- Increase in number of account managed and Business Gateway clients.
- Number of high value jobs.
- Proportion of procurement spend in the Scottish Borders.

5.15 These objectives will create impacts at the culmination of the project pathway (Figure 23).

**Figure 23: Project pathway for inclusive growth**

Input →	Activity →	Output →	Outcome →	Impact
City Deal funding for new office and industrial space.	Allocation of resources to help local SMEs bid for sub-contracts and unemployed people/under-represented groups to take part in employment programmes.	Local SMEs winning sub-contract tenders.  Job offers to underemployed and under-represented groups.	Creation of jobs among the unemployed and under-represented groups.	Increased employment, including higher skilled jobs, reduction in inequalities.

5.16 With regard to measuring the project's impact on inclusive growth, the Council is cognisant of advice from the Joseph Rowntree Foundation that "it is necessary to be precise about what inclusive growth is, to have measures appropriate to the context of the City Deal and to have achievable objectives."<sup>15</sup>

5.17 To this end, the Council's Sustainable Procurement Policy Group is putting in place a methodology to measure the impact of community benefits from its construction projects. This methodology will be used to assess the utility of community benefits on this project. There is also scope to explore opportunities for partnership working across the region to share methodologies and other learning from experience as projects mature.

<sup>15</sup> Joseph Rowntree Foundation: *Inclusive Growth and City Deals*, June 2017, p.13.

- 5.18 Scottish Borders Council will appoint an officer who will have responsibility for overseeing the evaluation of the project as it proceeds. They will report to a senior responsible owner and will liaise with the various services in the Council that are stakeholders in the project in addition to occupiers who will be required to assist in the evaluation process. This process will also enable responses to be made where targets are not being met, for example, a shortfall in vacancy rates, and allow for appropriate measures to be enacted to address such issues.
- 5.19 Scottish Borders Council is very aware of its responsibility for the communities in which proposed changes take place. It has already carried out a consultation exercise on the Tweedbank master plan in the local area. It will continue to consult with the local community and local businesses about the impact of the project.

## Appendix 1: Inclusive Growth

### National and Regional Drivers

In its Economic Strategy of 2015, the Scottish Government identified inclusive growth as one of its four priorities to achieve sustainable economic growth (the others being innovation, internationalisation, and investment). The rationale for advocating inclusive growth is based on five propositions:

- Inequality of income is growing.
- The inequality of household income is more unequal than the distribution of income, and wealth inequality is increasing at a faster rate than income inequality.
- This inequality of income is constraining economic growth, and making the economy less stable.
- Measures to address inequality can be growth-enhancing as well as inequality reducing.
- High levels of income inequality are not linked to high economic performance or high human welfare.<sup>16</sup>

Achieving inclusive growth is dependent on increased productivity resulting in higher wages among a labour force that has greater opportunities to access the workplace.

Changing technology—discussed in more detail in Appendix 2—is placing a premium on different skillsets, particularly those that are IT-based. The provision of better quality jobs therefore depends on better skills. The Heads of Terms of the Edinburgh and South East Scotland City Region Deal includes a commitment by the Scottish Government to invest up to £25 million over eight years in an integrated Regional Employability and Skills Programme:

“This will reduce skills shortages and gaps, and deliver incremental system-wide improvements to boost the flow of individuals from disadvantaged groups (e.g. young care leavers, workless, and those in low paid or insecure jobs) into the good career opportunities that will be generated through the city region deal investment.”

The City Region economy is diverse in scale with sectors ranging from agriculture and tourism through to life sciences and financial services. Edinburgh is at the region’s core and acts as a magnet for inward investment and commuters attracted by high value jobs. Wages, in the Scottish Borders, on the other hand, are low despite the area containing an above average of people with relatively high levels of qualifications.

Six main inclusive growth challenges have been identified at the City Region Deal level:

- Slow Growth.
- Regional disparity in job density.
- Housing, transport and connectivity.
- Skills inequality and polarisation.

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<sup>16</sup> As described in D. Wilson, “The Challenge of Inclusive Growth for the Scottish economy”, *Fraser of Allander Institute Economic Commentary*, March 2016.

- Gender and age inequalities.
- Low income and low pay.

### Local drivers

The location of the Central Borders Innovation Park is close to two datazones in Galashiels (Langlee – West and Langlee – Central), which are defined as being being in the 20 per cent most deprived areas of Scotland.<sup>17</sup> In 2014, the proportion of children in low income families in the datazones of Langlee – Central, Langlee – East, and Langlee – West was 42.9 per cent, 26.4 per cent, and 36.1 per cent respectively. These figures were well above the averages for Galashiels and District (18.6 per cent), the Scottish Borders (14 per cent), and Scotland (18.4 per cent). Clearly, the local area would benefit from an intervention that would encourage inclusive growth.

Of the six inclusive growth challenges identified at regional level (see above), the Scottish Borders is particularly affected by those relating to skills inequality and polarisation; gender and age inequalities; and low income and low pay as shown in Figure 1.

**Figure 1: Key Inclusive Growth facts and figures**

Challenge	Facts and figures
Skills inequality and polarisation	The proportion of the Scottish Borders workforce employed in non-high skilled occupations is currently 62 per cent, the lowest figure of the six local authorities involved in the City Region Deal.
Gender and age inequalities	In 2017, male earnings in the Scottish Borders were 142 per cent as a proportion of female earnings, the highest figure of the six local authorities.
Low income and low pay	Workplace-based gross median weekly earnings in the Scottish Borders were the lowest of Scotland's local authorities in 2016 at £453.40. These were £81.60 per week less on average than in Scotland as a whole.

Slow growth is also an issue that affects the Scottish Borders and the context for this is explained below in Appendix 2.

Inclusive growth has been incorporated into the policymaking process of Scottish Borders Council. The Scottish Borders Community Planning Partnership is refreshing its Economic Strategy 2023, which will include a renewed emphasis on achieving more inclusive growth. Moreover, the *Scottish Borders Skills Priorities 2017-2020, Developing the Workforce of the Future* is tailored to ensuring that the area's young people are equipped with the skills that are required to make them employable in the contemporary labour market. This is being done through developing better relationships between education and training to ensure that employers can provide more effective pathways for school leavers and other young people.

<sup>17</sup> Scottish Index of Multiple Deprivation 2016.

The Scottish Government's Inclusive Growth Assessment of 2016 concluded that the number one opportunity and constraint to inclusive growth was Digital and the adoption of new business methods. The objectives for the Central Borders Innovation Park include:

- Ensuring that businesses within the innovation park realise their digital potential, including the adoption of digital driven innovation.
- Increasing the number of innovation active businesses.
- Promoting improved productivity through regional working with Fife Council and the universities.

The project will assess its contribution to Inclusive Growth through adopting the Scottish Government's Inclusive Growth monitoring framework, which measures five high-level outcomes: Economic Performance and Productivity; Labour Market Access; Fair Work; People; and Place.

## Appendix 2: Innovation

There is a body of evidence to suggest that more innovation increases productivity in an economy. Businesses that invest in new products and processes tend to have a productivity level that is 20 per cent higher than average.<sup>18</sup> Other research shows that innovation accounted for up to 70 per cent of economic growth in the UK between 2000 and 2008, and 69 per cent of growth between 1960 and 2000.<sup>19</sup>

The transformation of industry through the advent of a fourth industrial revolution, which is seeing SMART automation supersede electronic automation, has potentially revolutionary implications for productivity. Also known as Industry 4.0, SMART automation represents:

“[A] paradigm shift... made possible by technological advances which constitute a reversal of conventional production process logic. Simply put, this means that industrial production machinery no longer simply ‘processes’ the product, but that the product communicates with the machinery to tell it exactly what to do.”<sup>20</sup>

SMART automation links into data-driven Innovation, which is creating new business models based on having better access to information and a better understanding of behaviour in the market place. The Made Smarter Review (2017) includes a number of recommendations to SMEs regarding digitisation.<sup>21</sup> The review concluded that this represents a once-in-a-generation opportunity to boost productivity, generate new jobs, increased wages and increased exports.

The Edinburgh and South East Scotland City Region Deal recognises that without increased innovation, the region will fail to compete with other regions in Scotland, the UK, and elsewhere. The City Region is home to world-leading data-driven innovation assets such as the University of Edinburgh’s School of Informatics and the Higgs Centre for Innovation. There is a commitment in the Heads of Terms to a regional Research, Development, and Innovation Programme, which includes investment in economic infrastructure:

“to ensure that businesses and communities across the region are fully able to engage in the data-driven innovation opportunities, **including industrial and business premises, to ensure maximum impact from the innovation investment.** Local partners and the private sector will invest significant additional funding to deliver key regional economic priorities including new industrial and business premises at Tweedbank... and across Fife.”

A university-led innovation support programme is, among other objectives, supporting research and the commercialisation of new products and services; and supporting the development of a new generation of entrepreneurs in key sectors.

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<sup>18</sup> Cited in Department for Business, Energy & Industrial Strategy: *Main Report – Science and Innovation Audit, Edinburgh and South East Scotland City Region*, p. 21.

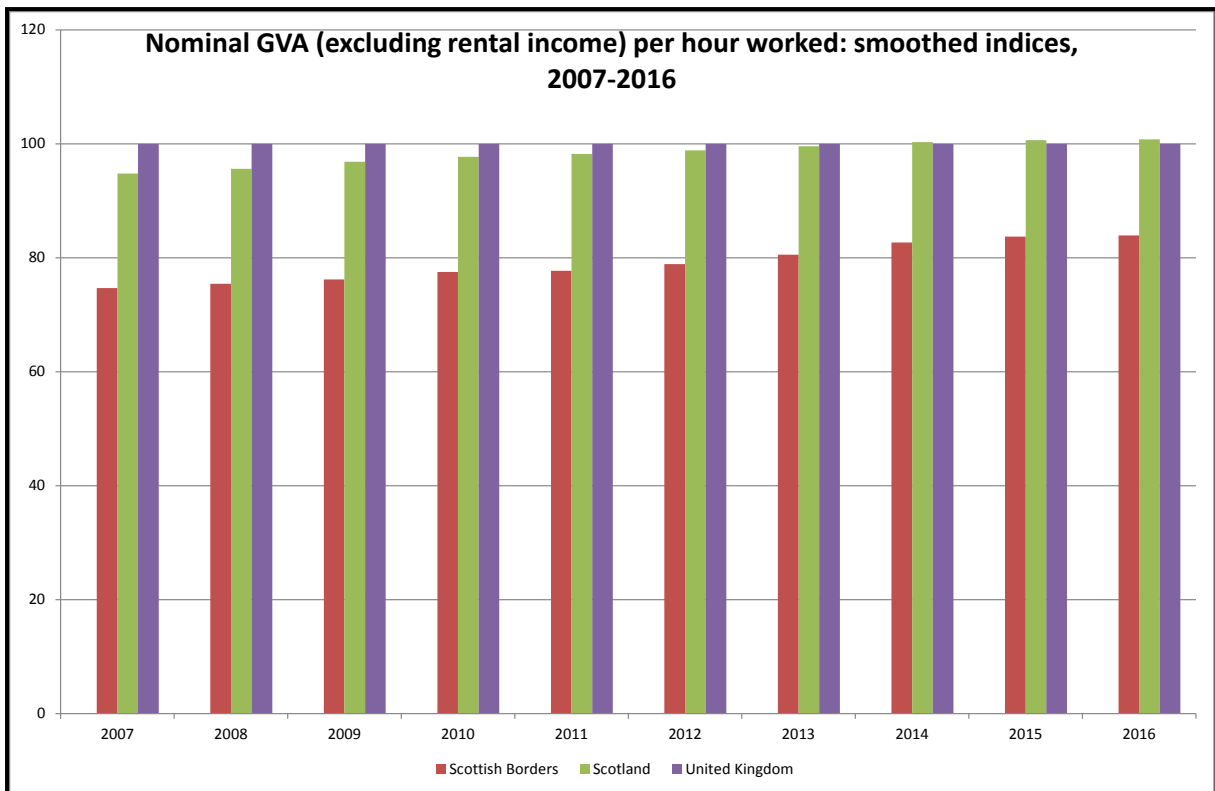
<sup>19</sup> Cited in BIGGAR Economics: *Edinburgh & South East Scotland City Region Deal: Summary of Innovation Case.*

<sup>20</sup> Cited in B. Sniderman, M. Mahto and M. J. Cottleer, “Industry 4.0 and manufacturing ecosystems: Exploring the world of commercial enterprises”, Deloitte Consulting LLP, pp. 4-5.

<sup>21</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655570/20171027\\_MadeSmarter\\_FINAL\\_DIGITAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655570/20171027_MadeSmarter_FINAL_DIGITAL.pdf)

Innovation is a key driver in the economic development strategies that are intended to improve the performance of the Scottish Borders economy—strategies that are dependent on creating the type of project that is the subject of this business case. Comparing the productivity of the economy in the Scottish Borders with those of Scotland and the UK over the period 2007 to 2016 using the measure of GVA per hour worked (figure 1), it can be seen that the gap with Scotland has closed from 20 percentage points to 17 percentage points while the gap with the UK has also closed—from 25 percentage points to 16 percentage points. Despite this relative improvement, productivity in the Scottish Borders is still almost one-fifth below the Scottish and UK averages.

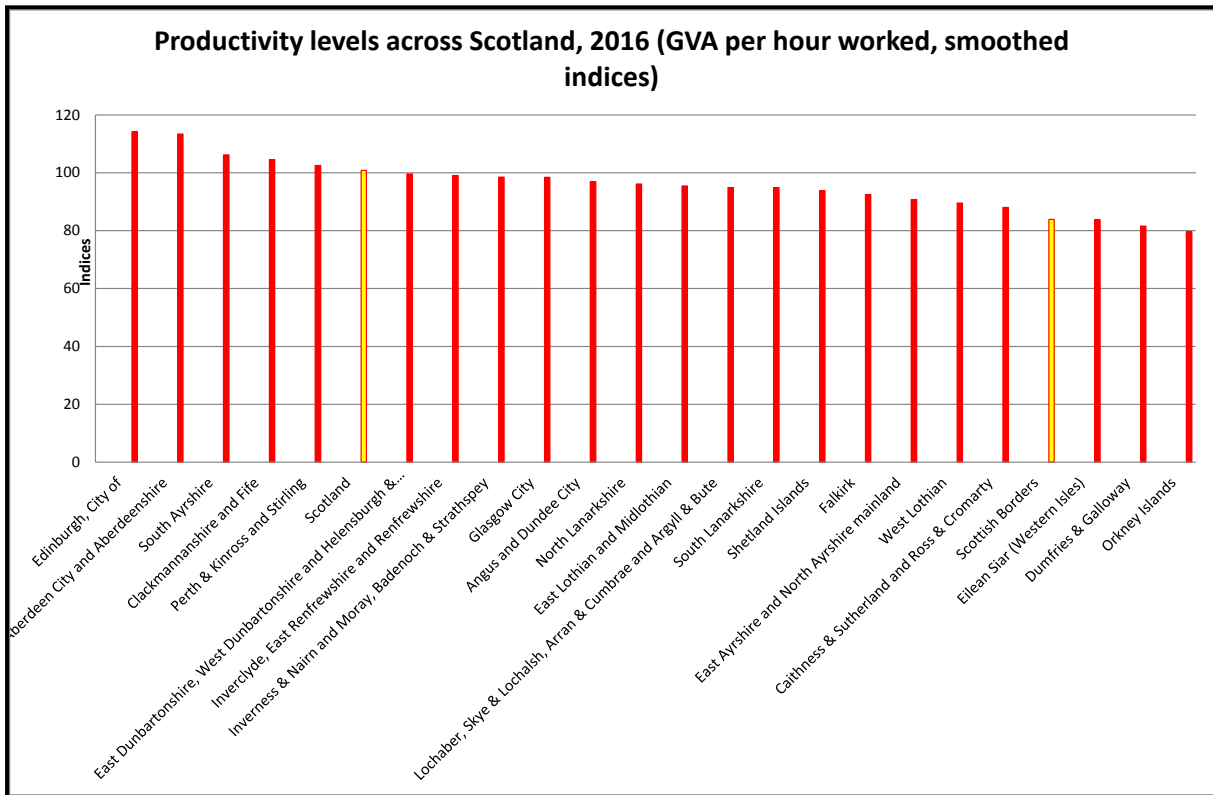
**Figure 1: Productivity in the Scottish Borders, Scottish, and UK economies, 2007-2016**



Source: Office for National Statistics

Within Scotland, there are discernible differences in productivity between regions. Using the NUTS 3 level of administrative geography, it can be seen from Figure 2 that the Scottish Borders is performing poorly relative to the rest of Scotland with only three areas having a lower level of productivity in 2016.

Figure 2: NUTS 3 productivity levels, 2016



Source: Office for National Statistics

Using the measure of business sites of registered enterprises by urban/rural classification, some 42 per cent of sites in the Scottish Borders in 2017 were located in accessible rural areas compared with some 20 per cent in remote rural areas.<sup>22</sup> The UK Innovation Survey of 2015 concluded that businesses based in remote rural areas are more likely to be innovation active than those in accessible rural areas which are least likely to be innovation active.<sup>23</sup>

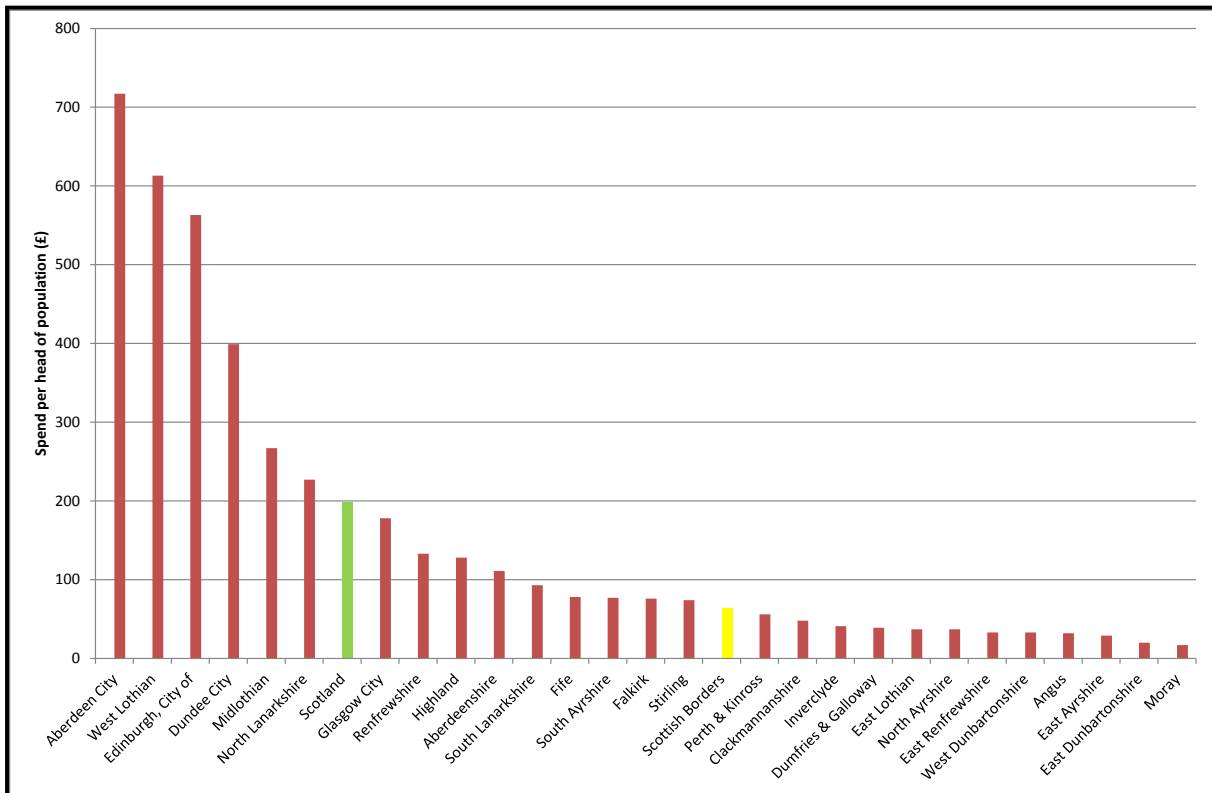
One way of measuring innovation is through Research and Development expenditure. Figure 3 shows expenditure on Research and Development within businesses in Scotland in 2016 taken as an average per head of population. It shows that the average for the Scottish Borders was £64, below the Scottish average of £198, and well below the best performing local authority, Aberdeen City, on £717.

<sup>22</sup> Scottish Government.

<sup>23</sup> UK Innovation Survey 2015.



Figure 3: Expenditure on Research and Development by businesses in Scotland, 2016



Source: Scottish Government

All of these statistical measures demonstrate that the Scottish Borders needs to adopt innovative business processes and practices if it is to close the gaps in productivity and wages with the rest of Scotland. Innovation has been factored into the Central Borders Innovation Park project in the following ways:

- A joint innovation programme is under discussion with the university partners within the City Region Deal to develop interventions to assist businesses in the city region to benefit from the rest of the City Deal Innovation Programme. Fife and Scottish Borders will initially pilot these prior to roll-out to the other partners.
- All incoming occupiers will be expected to undergo some form of innovation review and commit to the investigation of the data driven innovation opportunities to improve their productivity and competitiveness. Local interventions for SMEs will also be available through Business Gateway with one objective being to improve the area’s rate of high growth start-up businesses.
- Community benefits will be maximised as part of the procurement strategy to ensure that work experience and Modern Apprenticeships are made available to the unemployed, graduates, and school leavers. These will also be used to encourage the use of SMEs as part of the sub-contracting process.
- During 2018-19, Scottish Borders Council will map existing and potential connections with intermediaries such as the innovation hubs, catalysts, industry

knowledge organisations and national agencies. This will assess the potential for better connectivity in this regard with a particular emphasis on local businesses.

- Scottish Borders Council will learn from its experience of working on the innovation strands of the Borderlands Deal and the South of Scotland Economic Partnership to inform its approach.

## **Appendix 3: Outline Project Plan**

Submitted separately

## **Appendix 4: Financial and Economic Appraisals**

Submitted separately.

## **Appendix 5: Sensitivity Analysis**

Submitted separately

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Central Borders Innovation Park Outline Project Plan

	2018			2019				2020				2021				2022	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Speculative Office Development - Phase 1</b> 1 Procurement 2 Construction																	
<b>Eildon Mill Site Development</b> 1 Demolition andf preparation of site 2 Design and Procurement 3 Construction																	
<b>SE Development of former Tapestry site</b> 1 Design and Procurement 2 Construction																	
<b>Quarry Site East</b> 1 Design and Procurement 2 Construction																	
<b>Development of new access road to Quarry site</b> 1 Design and Procurement 2 Construction																	
<b>Speculative Office Development - Phase 2</b> 1 Design and Procurement 2 Construction																	
<b>Lowood Edge Devlopment</b> 1 Design and Procurement 2 Construction																	








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## **EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL**

**Report by Executive Director**  
**SCOTTISH BORDERS COUNCIL**

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**28 JUNE 2018**

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### **1 PURPOSE AND SUMMARY**

- 1.1 **This report updates Council on the progress of the Edinburgh and South East Scotland City Region Deal and seeks authority to approve the Deal documentation.**
- 1.2 The Edinburgh and South East Scotland City Region Deal represent over £1.3 billion of investment over the next 15 years. The Deal will deliver inclusive economic growth, building on the region's strengths and addressing issues and economic barriers currently constraining the region's potential.
- 1.3 Following the signing of the Heads of Terms for the City Region Deal in July 2017, regional partners, Scottish Government and UK Government have agreed a Deal document which describes the Deal in more detail and demonstrates how projects and programmes will be implemented and governed.
- 1.4 The Deal Document comprises four chapters: context and narrative on the Deal's ambitions to secure inclusive growth; a summary of the programmes and projects; a governance framework for implementation and monitoring the Deal, as agreed by Council on 31 May 2018; and a financial agreement, which demonstrates the City of Edinburgh Council's role as the financial accountable body to distribute funds from Government to relevant regional partners. Appendices 1, and 2 to this report contain the Deal documentation. Appendix 3 is the existing Heads of Terms of Agreement signed in July 2017.

### **2 RECOMMENDATIONS**

- 2.1 **I recommend that Scottish Borders Council:**
  - (a) **Approves the Deal documentation, as set out in Appendices 1, and 2, including the summary of projects and the governance framework for delivery, to allow the Deal to be signed by regional partners, Scottish Government and UK Government; and**
  - (b) **Agrees to the role of City of Edinburgh Council as the accountable body for the City Region Deal.**

### **3 BACKGROUND**

- 3.1 Since 2016, the city region's six local authorities (City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders, and West Lothian), together with the region's universities and colleges, have been working with the Scottish and UK Governments to develop a transformational and inclusive city region deal that will provide the jobs of the future and address key economic barriers and issues constraining the region's economic potential.
- 3.2 A Heads of Terms tripartite agreement between the UK Government, Scottish Government, and regional partners was signed on 19 July 2017 (attached at Appendix 3). This set out the commitment of both Governments to jointly invest up to £600m over the next 15 years across five key themes:
- Innovation;
  - Employability and Skills;
  - Transport;
  - Culture; and
  - Housing.
- 3.3 This investment was subject to:
- Approval of final business cases for all projects and programmes;
  - Development of a final city deal document and implementation plan;
  - Establishment of clear and robust governance arrangements; and
  - The consent of all constituent local authorities and partners.
- 3.4 Since July 2017, partners have been working with Government on developing businesses cases and the necessary deal documentation to commence the programme of investment. A governance framework and financial profile have been agreed with Government and the relevant documents are at Appendix 1 and 2.
- 3.5 Outline business cases for each project will be required to be approved by regional partners and Government, to allow money to flow subject to the approval process described in the governance framework. This is a 15-year programme and business cases will be brought forward as detailed in the project summaries. Some outline business cases are at an advanced stage and have been developed and shared with government on an iterative basis.
- 3.6 The outline business case for the Central Borders Innovation Park at Tweedbank is also being presented to Council at this meeting.
- 3.7 Subject to approvals by all partner authorities and university courts, the Deal Document can be signed between partners, Scottish Government Ministers and the UK Government.

## 4 SUMMARY OF THE DEAL AND KEY ELEMENTS

- 4.1 Appendix 1 to this report is the City Region Deal Document, which comprises three sections:
- Context and narrative on the Deal’s ambitions to secure inclusive growth;
  - A summary of the programmes and projects; and
  - A governance framework for implementation and monitoring, as approved by Council on 31 May 2018.
- 4.2 Appendices 2 sets out the financial agreement, respectively, outlining government and partner contributions over the 15-year programme, and the City of Edinburgh Council’s role as the financial accountable body.
- 4.3 A summary of the City Region Deal is shown below:

**TABLE 1: SUMMARY OF THE CITY REGION DEAL**

<b>Theme</b>	<b>Government contribution</b>	<b>Partner contribution</b>	<b>Total amount</b>
Innovation	£350m	£448m	£798m
Skills	£25m	£0	£25m
Transport	£140m	£16m	£156m
Culture	£20m	£25m	£45m
Housing	£65m	£248m	£313m
Total	£600m	£737m	£1,337m

- 4.3 The Council considered the governance arrangements for the City Region Deal on 31 May 2018. These arrangements have been designed to ensure that all decisions are taken in an open and transparent way for the whole region.

## 5 MEASURES OF SUCCESS

- 5.1 To assess how well the City Region Deal is aligning towards the overall vision and inclusive growth targets, the Project Management Office will produce an annual report on all city region deal activity. The template for the annual report will be agreed with Government, and shared with Government, and reported to all partner local authorities and the Regional Enterprise Council every year.

## 6 IMPLICATIONS

### 6.1 Financial

The approved 2018-19 five-year Capital Plan includes a budget provision of £5m for the Central Borders Innovation Park at Tweedbank. The rest of the funding for the project, which is anticipated to cost £29m, is described in the Outline Business Case, which is being considered by Council at the same time as this report.

## 6.2 Risk and mitigations

- (a) Each decision-making Board (as described in Appendix 1) will produce quarterly risk and performance monitoring reports. Where risks are identified, change recommendations will be made. An overall risk register and performance monitoring report will also be considered by the Executive Board and Joint Committee every quarter. The template for these reports will be agreed with Government, and the reports will be shared with Government and the Regional Enterprise Council every quarter. Any risks that are relevant to Scottish Borders Council will be raised with Council if and when identified.
- (b) Every five years, an independent evaluation of the City Region Deal will take place to capture progress and identify priorities for the next phase of delivery. Government will work in partnership with the Joint Committee to undertake the evaluation and support the implementation of agreed recommendations. This evaluation will be shared with partner local authorities when published.
- (c) The City of Edinburgh Council will act as the Accountable Body for the Deal, which will provide a link between the Scottish Government and all regional partners. This will be underpinned by a tri-partite agreement with the UK Government, Scottish Government, and the City of Edinburgh Council. All the City Region Deal grant monies will flow through the Scottish Government and then on to the City of Edinburgh Council over the lifetime of the Deal.

## 6.3 Equalities

- (a) Inclusive Growth is one of the Scottish Government's four priority areas in its Economic Strategy, and a key driver for the Deal is to promote equality through addressing inclusion across the region. All business cases for projects included in the programme have demonstrated, or will demonstrate, how they will reduce inequalities. In particular, the integrated regional skills programme will work to ensure that all residents throughout the city region have the ability to share in future success.
- (b) It is recognised that prosperity and success is not universal across the city region: 21% of children are living in poverty; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skills jobs. The Deal will address these issues, create new economic opportunities, and is expected to provide up to 21,000 new jobs.
- (c) Each project's outline business case must demonstrate the impact that it will have on inclusion. A Monitoring and Evaluation Framework is also being developed for the programme, which will incorporate clear indicators to align with the Scottish Government Inclusive Growth Framework, also under development.

- (d) Partners recognise the importance of ensuring that inclusive growth ambitions are embedded in their plans and aligned with the Scottish Government's Economic Strategy ambitions, responding to the particular challenges faced across the city region. A detailed analysis of the city region's economy, accredited by the Scottish Government, took place and identified six key inclusion challenges:
- Slow Growth;
  - Regional disparities in jobs density;
  - Housing, transport and connectivity;
  - Skills inequality and polarisation;
  - Gender and age inequalities; and
  - Low income and low pay.
- (e) An inclusive growth framework was developed to ensure that the City Region Deal projects can address these issues. Five thematic interventions to target these challenges will go some way towards ensuring that the benefits of the City Region Deal investment are shared as widely as possible:
- Accelerating inclusive growth;
  - Removing the physical barriers to growth;
  - A significant programme of construction;
  - Targeted skills interventions; and
  - Social benefit through innovation.

#### **6.4 Acting Sustainably**

A City Region Deal would provide a mechanism to help drive forward investment in sustainable place making. A holistic approach to sustainable growth is at the heart of the City Region Deal.

#### **6.5 Carbon Management**

No effect on carbon emissions are anticipated from the recommendations of this report.

#### **6.6 Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

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

No changes are required to the Scheme of Administration or Scheme of Delegation.

### **7 CONSULTATION**

- 7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and their comments incorporated in the report.
- 7.2 All projects in the City Region Deal have been consulted on, through the local and regional strategic planning processes.

- 7.3 The Regional Enterprise Council is described in the Governance Framework. When formed, it will comprise suitable links to the business sector, third sector and social enterprises.
- 7.4 Beyond this, further measures will be taken to actively ensure scrutiny, and effective consultation with the business community, third sector and general public. The Regional Enterprise Council and Joint Committee will develop these measures in partnership with Government. Options may include: an annual conference/seminar(s) tackling a key priority in the region; an annual online consultation with key stakeholders in the region/the general public; regular "roadshow" consultations on key upcoming projects across the region (linking in with the planning process).

**Approved by**

**Rob Dickson**  
Executive Director

**Signature .....**

**Author(s)**

Name	Designation and Contact Number
Bryan McGrath	Chief Officer Economic Development – Tel 01835 826525

**Background Papers:**

**Previous Minute Reference:** Scottish Borders Council, 31 May 2018.

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

Contact us at Corporate Management Support Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA Tel: 01835 825047.



# CITY REGION DEAL DOCUMENT

June 2018

## ACCELERATING GROWTH

EDINBURGH AND SOUTH EAST SCOTLAND  
CITY REGION DEAL





# Contents

<b>Foreword</b>	<b>3</b>
<b>1 Introduction</b>	<b>4</b>
• Context	4
• Our approach to ensuring inclusive growth	5
<b>2 Key Elements of the Deal</b>	<b>9</b>
• Research, Development and Innovation	9
• Integrated Regional Employability and Skills Programme	14
• Transport	19
• Culture	21
• Housing	22
<b>3 Governance Framework</b>	<b>24</b>
• Context	24
• Overarching principles	24
• Governance structure	25
• Standing orders, delegated authority and terms of reference	26
• Resourcing	26
• Decision-making/change process	27
• Accountability	28
<b>Annex A</b> Terms of Reference for Governance Bodies	<b>30</b>

# Foreword

The Edinburgh and South-East Scotland City Region Deal is a mechanism for accelerating economic and inclusive growth in the City Region.

The UK Government and Scottish Government are investing £600 million into the city region over the next 15 years. Alongside partners, comprising: the six member authorities - The City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils; the city region's universities and colleges; and the private and third sectors, £1.3 billion of investment will be delivered.

Building on the Heads of Terms, signed in July 2017, this document sets out a compelling vision that builds on the city region's unique strengths to deliver a number of transformational programmes and projects across Innovation, Skills, Transport, Culture and Housing themes. Together, these interventions will deliver a step-change in inclusive growth to benefit the city region, Scotland and the United Kingdom.

Our signing of this document reaffirms our joint commitment to achieve full implementation of the Edinburgh and South-East Scotland City Region Deal together over the next 15 years.

# 1 Introduction

## Context

- 1.1 The Edinburgh and South-East Scotland City Region (the city region) comprises six local authorities and has a population of approximately 1.4 million people<sup>1</sup>, more than a quarter of the Scottish population, and contributes approximately £36 billion per year to the Scottish and UK economies<sup>2</sup>.
- 1.2 But prosperity and success is not universal across the city region: 22.4% of children are living in poverty<sup>3</sup>; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skill jobs. The City Region Deal will address these issues; it will accelerate growth, create new economic opportunities, and meaningful new jobs that will help to reduce inequalities.
- 1.3 The City Region Deal partners (the partners) comprise: The City of Edinburgh Council; East Lothian Council; Fife Council; Midlothian Council; Scottish Borders Council; West Lothian Council; the city region's universities and colleges; and the city region's business and third sectors.
- 1.4 In July 2017, the partners signed a Heads of Terms agreement with the UK and Scottish Governments to deliver the deal. The Heads of Terms are available to download on the [Accelerating Growth website](#).
- 1.5 This ambitious city region deal, identifies new and more collaborative ways that partners will work with UK Government and Scottish Governments to deliver transformational change to the city regional economy. The Governments will jointly invest £600 million over the next 15 years and regional partners committed to adding in excess of £700 million, overall representing a deal worth £1.3bn. A summary of the Deal of shown in Table 1:

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<sup>1</sup> National Records for Scotland, 2017mid-year population estimates.

<sup>2</sup> ONS (2015)

<sup>3</sup> End Child Poverty, 2018

**Table 1: Edinburgh and South-East Scotland City Region Deal Financial Summary**

Theme	Government contribution (£m)	Partner contribution (£m)	Total amount (£m)
<b>Research, Development and Innovation</b>	£350	£441	£791
<b>Integrated Regional Employability and Skills Programme</b>	£25	N/A	£25
<b>Transport</b>	£140*	£16	£156
<b>Culture</b>	£20	£25	£45
<b>Housing</b>	£65	£248	£313
<b>Total</b>	£600*	£730	£1,330*

*\*Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland*

- 1.6 Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. To deliver cross-regional City Region Deal projects effectively in the short-term and to create future regional infrastructure in the long-term, partners are working to enhance existing and develop new regional collaboration for strategic coordination across transport, housing and economic development.

## Our Approach to Ensuring Inclusive Growth

### Background

- 1.7 In 2015 the Scottish Government set out its [Economic Strategy](#) for achieving increased sustainable economic growth. Its two mutually supportive objectives of boosting competitiveness and tackling inequalities are underpinned by four key strategic priorities to drive economic growth – Investment, Innovation, Internationalisation and Inclusive Growth.
- 1.8 The introduction of Inclusive Growth as a central component of the strategy set out the case for delivering an economic agenda that drives sustainable economic growth and productivity across all of Scotland’s regions, places and communities.
- 1.9 Partners recognise the importance of ensuring that Inclusive Growth ambitions are embedded in their plans for the city region, responding to the particular challenges faced across the city region’s geography.
- 1.10 Work has been ongoing to develop an analytical framework which provides an evidence base, enabling partners to identify the city region’s key Inclusive Growth challenges, and to propose an approach to help address these through City Region Deal activities.
- 1.11 This approach identifies a number of thematic interventions, and proposes a range of indicators to help track progress. It aligns with, and complements, the Inclusive Growth diagnostic under development by the Scottish Government.

## Inclusive Growth Challenges Specific to the City Region

### 1) Slow Growth

1.12 While the city region has been experiencing growth, with a number of thriving sectors, productivity levels have slowed in recent years and there remains a stark productivity gap when compared with benchmark city regions internationally. Furthermore, there are significant regional disparities in job and outputs growth, with forecasted growth concentrated in the Edinburgh city area.

### 2) Regional Disparities in Job Densities

1.13 Regional disparities are also evident in job densities, ranging from 0.55 in East Lothian to 1.02 in the City of Edinburgh.<sup>4</sup> Strong cross-region commuting patterns result, contributing to areas of congestion and significant levels of pollution in some locations.

### 3) Skills Inequality and Polarisation

1.14 Clusters of disadvantage exist across the city region, with related variations in skills levels, health outcomes and earnings. The availability of highly skilled jobs varies from 55% employed in managerial, professional and technical/scientific occupations in Edinburgh to 38% in the Scottish Borders.<sup>5</sup> There is also evidence of a growing shortage of higher level skills, most notably in the technology sphere. Future activity in Construction, Healthcare and Tourism risks being constrained by skills shortages that have the potential to blunt the city region's competitiveness in coming years.

1.15 The variation in skills affects income levels; these are skewed towards lower and higher wages, with relatively few individuals at middle income levels. 22% of the city region's children live in low income households, with wide local inequalities, (nine of the city region's multi-member wards have poverty rates over 30%, while 11 wards have rates of 15% or less).<sup>6</sup>

### 4) Gender and Age Inequalities

1.16 Gender and age inequalities are also prevalent. On average, men across the city region earn 14% more than women, and female participation and employment rates tend to be lower too.<sup>7</sup>

### 5) Housing, Transport and Connectivity Issues

1.17 While the city region has benefitted from a number of major transport improvements including the Queensferry Crossing, Borders Railway and tram and bus network improvements, infrastructure constraints remain. These connectivity issues are impacting upon the availability of land for housing

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<sup>4</sup> Annual Population Survey (2016)

<sup>5</sup> Labour Force Survey (Sep 2017)

<sup>6</sup> End Child Poverty (2017)

<sup>7</sup> Annual Survey of Hours and Earnings (2017)

and commercial expansion. Satisfaction levels with public transport also vary widely across the city region.

- 1.18 Average house prices in the city region are above the Scottish average, with high house price to earnings ratios in many locations. There has also been rapid growth in the cost of private rented accommodation. By 2037, a need for 140,000 new homes in the city region has been identified.

## **The Edinburgh and South-East Scotland City Region Deal Inclusive Growth Framework**

- 1.19 The city region partners have identified five key thematic interventions to target the challenges laid out above, interventions that will go some way towards ensuring that the benefits of the City Region Deal investment are shared as widely as possible.
- 1.20 A range of performance indicators will be agreed with both Governments to measure the impact of these interventions across the deal. These will be based on the advice of Scotland's Centre for Regional Economic Growth to ensure consistency with other Deals across Scotland and will align with the new National Performance Framework. The indicators will measure the delivery of inclusive growth through the Deal, including the impact on the equality of opportunity through consideration of protected characteristics to ensure the benefits are shared by everyone in Scotland's communities.

### **Theme 1: Accelerating inclusive growth**

- 1.21 The City Region Deal is focused on accelerating Inclusive Growth across the city region, driven by a significant programme of construction in the short term, and sustained over the medium and long term by ongoing investment across the city region. The Data Driven Innovation (DDI) programme of investment will be a key driver in helping to deliver a step-change in regional economic activity.

### **Theme 2: Removing the physical barriers to growth**

- 1.22 Interventions to unlock current physical barriers to growth, including housing and transport connectivity are a key component of the City Region Deal. A significant programme of house building will be targeted at increasing the supply of housing, integrating the latest technologies, and helping to reduce fuel poverty across the city region. By upgrading existing transport infrastructure, the aim is to reduce journey times across the city region, opening up more job opportunities for residents and augmenting the impact of recent major investments.

### **Theme 3: A significant programme of construction**

- 1.23 A significant programme of construction, funded by the City Region Deal is planned across the city region. Through an agreed approach to City Region Deal procurement, Community Benefit clauses will be used to target inclusive employment practices and other opportunities. A consistent approach will be taken to applying the principles laid out in the Scottish Government's Business Pledge. Benefits will be felt in the short, medium and long term.

#### Theme 4: Targeted employability and skills interventions

- 1.24 A programme of integrated and targeted employability and skills interventions will be directed at widening access, addressing skills shortages and gaps, and delivering improvements to boost the flow of individuals from disadvantaged groups into good career opportunities. Impacts will be felt over the short, medium and long term.

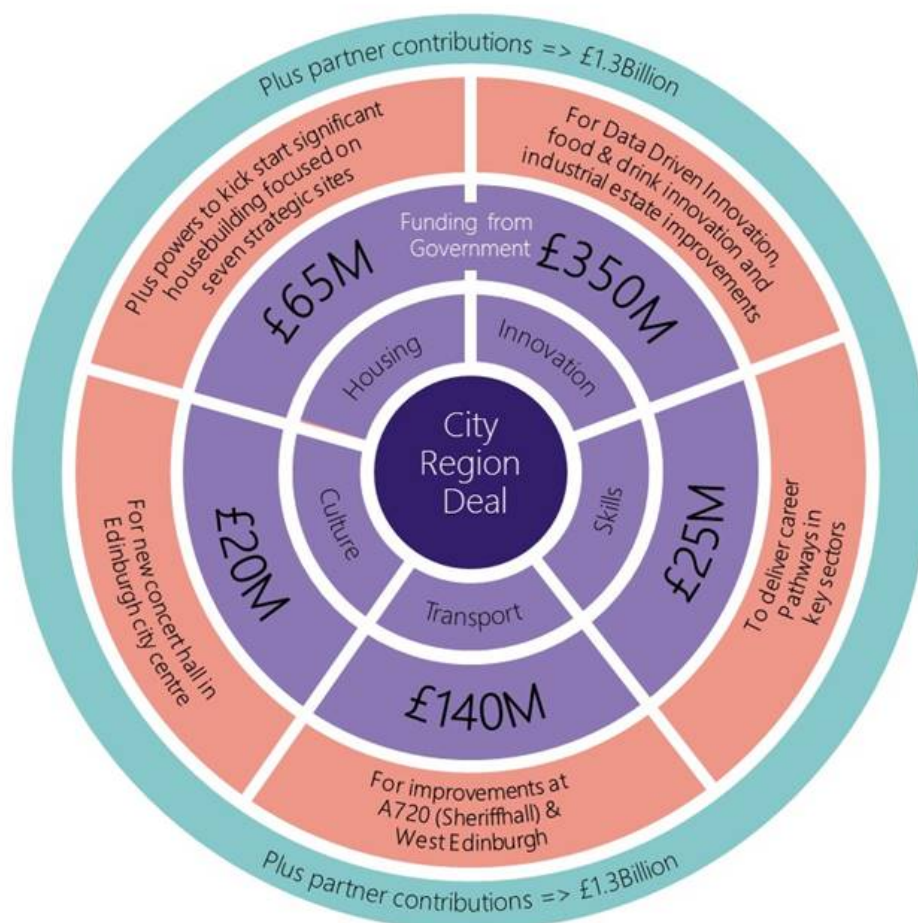
#### Theme 5: Social benefit through innovation

- 1.25 Recognising the potential presented by a significant investment in DDI, opportunities to drive out challenged-based social benefit across the city region, over the medium and long term, will be explored.

# 2 Key Elements of the Deal

2.1 The five themes of the Deal are summarised in Figure 1:

Figure 1: The Edinburgh and South Scotland City Region Deal



## Research, Development and Innovation

2.2 Over 15 years, the UK and Scottish Governments will commit £350m to support the development of a number of initiatives in the innovation theme.

### Five Data-Driven Innovation (DDI) Research, Development and Innovation (RD&I) sectoral hubs

2.3 The [Edinburgh and South East Scotland Science and Innovation Audit \(SIA\)](#) detailed how the ability to collect, store and analyse data from an array of diverse sources will become increasingly important in driving economic growth, social change and public services. By harnessing this challenge the aim of the Data-Driven Innovation (DDI) Programme is to establish the city region as the Data Capital of



Europe. To achieve this, the DDI Programme will enhance the data capability of the region across key industry sectors through five areas of activity:

- **Talent:** by meeting data skills demands through a range of new undergraduate, post graduate and professional development programmes;
- **Research:** through expanding the City Region's leading DDI research activities to meet industry and other sectors future data needs;
- **Adoption:** by increasing the practical use and adoption of DDI by the public, private and third sectors;
- **Data:** by providing the secure data storage, analytical capacity and data accessibility to underpin all DDI Programme activities; and,
- **Entrepreneurship:** by enabling entrepreneurs to develop new fast growth DDI-based businesses.

2.4 The DDI Programme will be delivered through a network of five DDI Innovation Hubs - Bayes Centre, National Robotarium, Edinburgh Futures Institute (EFI), Usher Institute, and Easter Bush. These hubs will draw upon the World Class Data Infrastructure (WCDI) project to provide the required underpinning data capability, computing and data storage infrastructure.

2.5 The UK Government and the Scottish Government have together committed, subject to business cases, an indicative amount of up to £270 million to support the development of the DDI Programme. This will be matched by up to £391 million capital investment from the universities and other sources.

### The Bayes Centre

2.6 The Bayes Centre, powered by the proposed investment in World Class Data Infrastructure (WCDI), provides the focal point for all the other DDI programme initiatives in the city region. The Bayes Centre will assemble up to 600 world-leading applied data science researchers, talented students and staff from organisations across the public, private and third sectors into one facility. It will do this by providing commercial collaboration space - and robotics "Living Lab" testing facilities - for use by industry, and by drawing together the University of Edinburgh Schools of Informatics, Mathematics, and Design together with the Alan Turing Institute, the Data Lab and the Edinburgh Parallel Computing Centre.

### The National Robotarium

2.7 The National Robotarium will provide state of the art facilities to co-locate researchers, R&D engineers, entrepreneurs and educators to deliver the UK's leading international centre for the generation of new smart robotics companies. The activities proposed build on the established partnership with University of Edinburgh through the Edinburgh Centre for Robotics. The National Robotarium, through its Living Laboratories and engagement mechanisms, will enable subject matter experts to understand the needs of major companies. It will bring together the capabilities of the Centre for Innovative Manufacturing of Laser based production processes, coupled with the researchers in robotics and autonomous systems, linking with the UK High Value Manufacturing Catapult's Manufacturing Technology Centre and Centre for Process Innovation, to engage directly with industry, for the benefit of the local and national economy.

- 2.8 The National Robotarium will be co-located on the Heriot-Watt University campus, having access to the resources of both Heriot-Watt and the University of Edinburgh. It will offer access to leading-edge applied research in autonomous systems, sensor technologies, and existing micro-assembly equipment.

### The Edinburgh Futures Institute

- 2.9 The Edinburgh Futures Institute (EFI) will be a global centre for multi-disciplinary, challenge-based DDI research, teaching and societal impact. The world is experiencing major changes including climate volatility, political discontent, economic upheaval and technological change. EFI will bring different ways of thinking about these and other global issues, and of devising new solutions. EFI will provide thought-leadership in cultural, ethical, managerial, political, social and technological DDI issues, and help to transform the application, governance and exploitation of data. It will do this by bringing together a range of academic disciplines, together with third party organisations, across financial services, cultural industries and the public sector that are dealing directly with these challenges.

### The Usher Institute

- 2.10 The overall objective of the Usher Institute is, through the application of data science, to develop innovative and financially sustainable models of health and social care that improve lives. The Usher Institute, located at Edinburgh BioQuarter, will become a world-leading hub where up to 600 health and social care researchers and scientists will collaborate with colleagues from public, private and third sectors organisations to deliver data-driven advances. The Usher Institute will drive health and social care innovation at scale by integrating the activities of: clinicians, life scientists and data scientists to identify new, co-produced insights in identified areas of challenge; and industry and public sector organisations to extract, apply and commercially exploit expert knowledge.
- 2.11 The Usher Institute will draw on Scotland's mature and world-leading health data assets, and well-established governance and data-sharing protocols developed in partnership with the National Health Service and the Scottish Government.

### Easter Bush

- 2.12 An efficient agricultural sector is critical to social well-being and, by 2050, global agricultural production will need to increase by 50% to feed a growing global population. By applying data technologies that enable farmers and related industries to improve food production, digital agriculture (Agritech) will be critical to increasing global food supply.
- 2.13 The project will seek to leverage existing world-class research institutes and commercialisation facilities in order that Easter Bush becomes a global location of Agritech excellence. It will do this through the deployment of a campus-wide network that will generate and collate, in real time, a multitude of local and global data, (e.g. animal genetics, food species genetics, soil condition, weather and market drivers). It will also work with commercial collaboration partners to use this information to realise the potential of having the right food species, and the right products, in the right field at the right time to maximise agricultural productivity. In addition, by improving on-site infrastructure and

local road network, commercial partners will be able to co-locate at scale to commercially exploit Agritech breakthroughs.

## Data Infrastructure and Analysis Technology

2.14 The World Class Data Infrastructure (WCDI) project will provide the enabling data infrastructure platform for the wider DDI Programme. The DDI Programme requires an extremely powerful, high capacity and flexible infrastructure, capable of responsive delivery of an expanding range of complex and bespoke data and analytical services. By leveraging prior investments in the Edinburgh Parallel Computing Centre (EPCC), and specifically its Advanced Computing Facility (ACF), WCDI represents a practical, flexible and cost-effective approach to the delivery of the diverse technological requirements of the DDI Programme.

## Food and Drink Innovation Campus

2.15 The Food & Drink Innovation Campus will be located at Craighall, by Musselburgh, East Lothian, on land next to the Queen Margaret University campus.

2.16 The Food & Drink Innovation project will deliver a flexible innovation space that will be directly adjacent to, and supported by Queen Margaret University – a university that is leading on international research in Dietetics, Nutrition and Biological Sciences. The innovation space will be set within a significant new wider business development space that will also be unlocked through the project.

2.17 This new state-of-the-art innovation facility for the food and drink sector in Scotland will drive company growth, supporting and developing existing and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow the Queen Margaret University, along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink. This will in turn support the diversification of the Food and Drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics of disease, biomarkers and bioinformatics. It will help close the existing innovation gap within the Food & Drink sector.

2.18 The proposal will be part of an integrated multi-agency regional employability and skills “escalator”, which will help people facing labour market exclusion into entry level employment; put in place in-work up-skilling incentives at scale; and support a pipeline of indigenous and global talent ensuring that the growing demand for high level graduate skills that the industry sector requires is met.

## A Programme of Investment in Economic Infrastructure

2.19 This programme, worth £74 million will ensure that businesses and communities across the city region are fully able to engage in the data-driven innovation opportunities, including industrial and business premises, to ensure maximum impact from the innovation investment. Working closely with the region’s universities, the local authorities and their local business forum/economy partnership will also develop new approaches to stimulating innovation activity. This will be achieved through a range of innovation activities with a focus on digital technologies and data and the circular, low carbon economy. The ambition is to have more innovation-active businesses in Fife and Scottish Borders, i.e.

businesses that are engaged in all forms of innovation. In the medium term, the ambition is to increase business investment in formal innovation such as research and development. This will deliver improved productivity and higher value jobs for the local authority areas and the city region. In the longer-term, businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies - to create new products, new supply chain arrangements, new business models, individually and through collaboration - thereby creating/safeguarding jobs and turnover. The aim is to create long term investment programme in Fife and Scottish Borders that can be replicated elsewhere in the city region through other economic development and investment projects.

### **Fife Industrial Estates Regeneration**

2.20 The programme will deliver a major investment programme in infrastructure and modern business premises to support economic development in Fife. Such investment will increase the supply of serviced employment land and new industrial, office and business space in Fife. Innovation is being defined as “doing things in new, hopefully better, ways” that ultimately leads to a transformational change in business performance and local economy mix and strength. In the longer-term, Fife businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies, to create new products, new supply chain arrangements, new business models, individually and through collaboration, thereby creating and safeguarding jobs and turnover. The aim is to create long term investment programme in Fife that can be replicated elsewhere in the city region through other economic development and investment projects.

### **Tweedbank Innovation Park**

2.21 **The Central Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, will deliver much-needed high quality business space to the Scottish Borders. Costing £25 million, the project will stimulate business growth and associated job creation, enhancing the area’s inward investment offer, particularly to high-value sectors, as well as assisting existing businesses to improve their competitiveness. It will also help to address inequalities in the area through providing access to better quality, higher paid jobs.**

# Integrated Regional Employability and Skills (IRES) Programme

- 2.22 Since the economic recession in 2008 the Scottish economy has been steadily improving. Average unemployment across the city region's is currently low, however this masks some important factors - there is still some evidence of persistent worklessness, unemployment, and poverty for some of our communities and vulnerable citizens.
- 2.23 Key inclusion challenges in the city region, outlined in Section 1, are evident: Slow growth; regional disparity in job density; skills inequality and polarisation; gender and age inequalities; low income and low pay; and housing, transport and connectivity.
- 2.24 The Integrated Regional Employability and Skills (IRES) Programme and its underpinning private, public, and third sector partnership is a key way in which partners intend to embed Inclusive Growth practices in the city regional labour market and evolving policy and practice to:
- increase the visibility and unlock access to good opportunities for all the city region's citizens;
  - open up new talent pools to business and stimulate increased recruitment from under-represented groups into the good jobs and careers being generated in the region;
  - evolve, streamline, and integrate employability and skills services to ensure citizens are equipped with the skills they need to succeed throughout their working life;
  - put in place complementary supports to help people mitigate any barriers they may have in achieving their potential and ensuring that these supports are part of an integrated person-centred approach;
  - develop the collective knowledge, organisational cultures, networks, policies and practices that are essential to accelerating progress to an inclusive, innovative and future-proofed regional economy; and
  - maximise the impact of employability and skills investments by public, private, and third sector partners and fully harness the potential of City Region Deal to stimulate a step change in performance.
- 2.25 The IRES model and programme has been developed by using the extensive expertise and knowledge of the city regional partners to create a development structure, programme and set of mutually supporting projects that not only add value to current services and interventions, but also creates the conditions to incrementally improve the inclusive growth impact of our collective investment in the city region's labour market.
- 2.26 The model is based on the "Plan-Do-Review-Revise" improvement cycle<sup>8</sup> with a focus on five Pillars that are judged as critical to creating a more inclusive and impactful regional employability and skills

services as part of a “whole person”, “whole system” and sustained impact approach to thinking about services.

- 2.27 The Scottish Government has committed to investing £25m to support the change activity supported through the IRES Programme. This will be augmented by partner resources, and be integrated with existing funding streams. The IRES Programme Business case provides more detail on the proposed change activities and the steps to success, but a synopsis is set out below:

## **Pillar 1: Regional Leadership and Improvement Capacity**

- 2.28 The barriers and obstacles that disadvantaged sections of society face in accessing and progressing in employment are complex and typically cut across disciplines and stakeholders.
- 2.29 This multiplicity of stakeholder involvement, although important for stimulating innovative solutions to our challenges, can also lead to service misalignment and an opaque service offer (for beneficiaries and service professionals alike) that creates barriers and inertia in the pipeline of support and an increased likelihood of poor outcomes for the most vulnerable in society.
- 2.30 Therefore, a critical part of making progress towards an inclusive labour market will be the creation of the right leadership and collaboration environment to stimulate whole system thinking and a shared commitment to improving the quality and quantity of collective outcomes.
- 2.31 The IRES Board and supporting development structure that is being put in place to support collaboration and the delivery of project activity is outlined in the City Region Deal Governance Framework (Section 3 of this document) and the IRES Programme Business Case.

## **Pillar 2: Understanding of Labour Market Need and Opportunity**

- 2.32 The collective visibility, understanding, and active response to regional labour market dynamics, service impact, and new innovative approaches is vital to the creation of a citizen-centred, demand-led and integrated approach.
- 2.33 Therefore, developing our collective capacity to understand and disseminate the opportunities and challenges for the city regional labour market along a greater understanding of inclusive growth impact of our interventions will be important for driving progress towards our long-term goals.
- 2.34 In this initial phase the partnership is focusing on two Projects:

## Integrated Knowledge Systems

2.35 This project will aim to better align and integrate partner performance management systems and digital services to enable the more effective pooling, analysis, and dissemination of performance information that will be critical to driving service improvement, increased responsiveness, and the creation of an integrated person-centred approach.

## Labour Market Analysis and Evaluation

2.36 This project will create a cross-partner virtual team to undertake research and evaluation support for the IRES programme. It will draw on existing partner expertise to provide insights on the success of our activities, expose obstacles or ineffective approaches, and identify best practice from elsewhere that could be adopted or tested as part of a culture of continuous improvement.

## Pillar 3: Building Strong Employer and Citizen Relationships

2.37 Businesses and citizens are the engine of the economy and the primary beneficiaries of our employability and skills system.

2.38 Therefore, strengthening our (bilateral) relationships with employers and citizens to; enhance our collective knowledge of opportunities and blockers to success, tackle misconceptions and promote culture change within stakeholders, and ensuring that we work with people not “do unto them” in the journey to success will be important for setting and adjusting our strategic and tactical direction.

2.39 In this initial phase the partnership is focusing on two Projects:

## Integrated Employer Engagement

2.40 This project work will clarify, co-ordinate and improve the employability and skills service offer to employers. The partners will establish a “No Wrong Door” approach that will create designated points of contact to manage individual employer relationships that will allow us to; tailor and route our combined service offer, pool and match the opportunities that are generated, reduce double handling, and so strengthen individual relationships. To complement this, the partners will also develop a regional approach to “Community Benefits from Procurement” to ensure that the significant expenditure of the partners fully exploits any opportunity to drive inclusive growth. This project stream will also work on developing our network of Recruitment and Skills Centres to act as a tangible interface between the partners and business particularly in geographic or sectoral high demand areas.

## Intensive Family Support Service

2.41 Developing a multi-agency family focused service that targets very small areas of intense need for a rolling series of inter-connected interventions that aim to counteract helplessness, dependency, and low aspirations. The service will offer a combination of intensive general and specialist supports tailored to help support individuals within families to progress towards their own goals, as well as

developing “whole family” activities that build a support network and improve the family dynamic and ability to provide effective support for each other.

## **Pillar 4: Targeted Skills Development**

- 2.42 Supporting all sections of society to acquire the knowledge and skills and secure the complementary supports they need (throughout their working lives) to develop and progress will be critical to maximising the talents of our citizens and unlocking the full potential of our economy.
- 2.43 Therefore, developing integrated and universally well-understood career pathways (i.e. academic, blended, and vocational) for our key industries, that are interlocked with other enabler services (e.g. Health, Care, and, Financial) will be important to allowing the talents of all our citizens to blossom.
- 2.44 In this initial phase the partnership is focusing on developing, testing, and mainstreaming integrated career pipelines for two industrial sectors critical to the regional economy and maximising the impact of wider City Region Deal investment in Innovation, Housing, Transport and Culture. These Projects are:

### **DEC (Design, Engineer, Construct) Targeted Skills Gateway**

- 2.45 The DEC Gateway will bring together industry, universities, colleges, schools and other partners to provide an integrated (visible) progression routes into Construction and Low Carbon careers encompassing basic/key skills in schools through to advanced postgraduate training and research role in business that help drive high value growth. It will create and deliver employability, skills attainment, upskilling and career progression and inclusion support activities to enhance productivity, competitiveness and support innovations currently gaining momentum in the sector. This will help address the skills shortages in the sector and open up new opportunities to non-traditional groups of people into the construction sector helping to increase the diversity of the sector.

### **DDI (Data Driven Innovation) Targeted Skills Gateway**

- 2.46 The DDI Gateway will bring together industry, universities, colleges, schools and other partners to provide integrated and visible progression routes into DDI careers encompassing basic/key skills in schools (Digital Citizens who interact with public and private digital services) through to advanced postgraduate training and research (Digital Business Leaders driving the development of global digital businesses) that help drive high value growth. It will also help develop the data science curriculum and CPD for employability and learning professionals along with integrating skills development and progression opportunities for individuals who can be locked out of the industry helping to address inclusion challenges within the industry.

## **Pillar 5: Active Opportunity Matching**

- 2.47 Given the inclusion challenge faced there must be a more active approach to supporting disadvantaged individuals' access and succeed in work or enterprise.



2.48 Therefore, it will be important that we make the best use of relationships, business start-up and career services, digital technologies, active travel and childcare services to ensure personal circumstances or geography is not a barrier to progression.

### Workforce Mobility

2.49 This project focuses on the blockers to the full mobility of the regional workforce beyond individual personal skills and capabilities. The initial area of weakness being examined is the role of travel in supporting vulnerable or disengaged members of our workforce to move into and sustain good learning or work opportunities, while also opening up new talent pools for employers. There are several transport subsidy schemes that young people, job seekers, and new (vulnerable) job entrant can access to help sustain work, but these schemes are not joined up and can have considerable restrictions in their use. Also in rural areas the level of demand may mean that travel options are limited. The project will therefore explore the potential of the National Entitlement Card to be the mechanism for a single concessionary travel offer, examine how the existing combined travel support offer can be used to maximise the positive impact on disadvantaged groups seeking work or learning, and finally how we can work with transport colleagues to identify opportunities to create active travel options to that widen the range of transport options for disadvantaged jobseekers and learners.

# Transport

- 2.50 The City Region Deal will deliver major investments to ensure that Scotland's capital and its region is served by world class transport infrastructure.
- 2.51 Partners will put in place a Regional Developer Contributions framework based on the work currently being led by SESplan (the strategic development planning authority for Edinburgh and South-East Scotland) and findings of the [Cross-Boundary Study](#), published in 2017. These interventions and commitments, taken with the additional transport investment to enable the innovation and housing projects, will help ensure the city region continues to grow and flourish.
- 2.52 The Scottish Government is committed to investing £140m on strategic transport improvements as part of the City Region deal. This specifically includes up to £120m to support improvements to the A720 City Bypass for the grade separation of Sheriffhall Roundabout and £20m investment to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal.
- 2.53 Partners will also contribute towards the improvements in West Edinburgh. The vision for West Edinburgh, as identified by Scottish Government's National Planning Policy (NFP3), can only be delivered through the investment in a strategic package of transportation improvements. These improvements include a core package of A8/A89 sustainable transportation measures that provide long term resilience and support strong connectivity between neighbouring authorities, and importantly enable the supply of the increased labour supply demands required, to deliver the full economic potential of West Edinburgh; current infrastructure constrains any such economic growth.
- 2.54 Transport Scotland will manage and deliver the upgrade of Sheriffhall Roundabout. The preferred option is a grade separated junction which separates local traffic from the strategic traffic on the A720 (city bypass) and when complete will allow the traffic on the bypass to flow freely, improving road safety and journey times for all road users, bringing improved economic benefits and inclusion across Edinburgh and South-East Scotland. It will improve accessibility for all modes of transport including walking and cycling. Transport Scotland will provide updates on progress to the Transport Appraisal Board, as well as the Executive Board and Joint Committee as and when appropriate.
- 2.55 An Edinburgh and South-East Scotland City Region Transport Appraisal Board (TAB), comprising the six local authorities representing the city region deal, SESTRAN and Transport Scotland will be formed to help shape transport policy, strategy and priorities across the city region. The TAB will take a specific role in representing the city region's interests through the reviews of the National Transport Strategy and the second Strategic Transport Projects Review. This group will also provide a channel for involvement in the development and delivery of the improvements to Sheriffhall Roundabout, building upon the already established stakeholder engagement being led by the design team in Transport Scotland, to ensure that benefits are maximised, particularly around community benefits and opportunities for skills development.
- 2.56 The TAB will report to the Transport Board which will work closely with the city regional Housing Board and with Government to influence and formalise any future regional partnership working which

may emanate from the moves to a Regional Economic Partnerships as well as regional land use planning, depending on the outcomes of parliaments current consideration of the Planning Bill.

## Culture

2.57 Scotland's capital city has a world-class cultural offer which is vital in attracting around four million visitors a year into the city core who inject £1.3 billion to the city region's economy.

### IMPACT

2.58 The Scottish Government and UK Government will provide up to £10 million each (up to a maximum of £20 million), and the City of Edinburgh Council will provide £5 million of capital funding to support the delivery of the new IMPACT Centre, a concert hall and performance venue, that will reinforce Edinburgh's position as a pre-eminent Festival City.

2.59 The IMPACT Centre will be immediately adjacent to a historic building on St Andrew Square in the heart of Edinburgh and will provide a new home for the Scottish Chamber Orchestra, the only Edinburgh-based National Performing Arts Company. It will house a 1,000-seat auditorium and studio facilities to enable rehearsal, recital and recording space, as well as enabling community outreach and education, conferences and multi-art-form use. The site will be enhanced by the provision of a restaurant, cafe and bar facilities.

2.60 The new world-class performing arts venue will deliver £35 million private sector investment and make a significant contribution to the ongoing success of Edinburgh's cultural offer.

# Housing

2.61 The Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland.

2.62 The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate.

2.63 Collaboratively regional partners and Government will work together on:

- **An expanded affordable housing programme** that builds on the committed additional £125 million between 2018/19-2020/21, with a commitment to maximise certainty over future public funding levels for the regional housing programme.
- Developing **risk-sharing guarantees** on a site-by-site basis to support local authority borrowing and share the financing risk of infrastructure delivery required across strategic sites, starting with Winchburgh in 2018, where West Lothian Council have agreed guarantees for up to £150m of infrastructure investment with the Scottish Government. These will be repaid by developer contributions as set out in a complementary tripartite agreement between West Lothian Council, Winchburgh Developments Limited and the Scottish Government.
- **Seven strategic sites** have been identified in SESplan as key areas of change and growth (Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh). Business cases will be developed within the 15-year period of the Deal, of which Winchburgh is likely to be the first. Taken together these sites will deliver over 41,000 new homes, create 7,800 jobs and contribute over £10 billion to the wider economy. The Scottish Government and city region commit to work together on each of these strategic housing sites recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period. To support this, the Scottish Government will commit at least £50 million. City Region partners will explore, with the Scottish Government, innovative solutions to stimulate creative ideas, fresh thinking and innovation in the provision of affordable housing. This collaboration will consider the evolving financial landscape with the Scottish Government's proposals to establish the Building Scotland Fund and Scottish National Investment Bank.
- **An increased supply of good quality low cost market rent housing** across the region. This is an essential requirement for meeting the housing needs of key workers and those on low to middle incomes who cannot access home ownership and are not a priority for social rent. The Scottish Government will provide a funding package comprised of a one-off £16.1 million capital grant and consent for the City of Edinburgh Council to on-lend up to £248 million to establish a new housing company with Scottish Futures Trust (SFT) to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels. The City of Edinburgh Council and SFT will continue to share learning and financial models with city region partners, to explore regional delivery models.

- City region partners will work jointly with both Governments to **maximise the potential contribution of public sector land and property** in the region to help unlock further new housing and wider public policy objectives.

Drawing on the approach taken with many other City Deals across the UK, the Edinburgh Partnership (Edinburgh's Community Planning Partnership) is in the process of establishing an Edinburgh Land Commission, chaired by the Council's Chief Executive.

Once working effectively at a city scale, regional partners will be invited to become members of a regional land commission.

- **More Jobs, training and apprenticeships as well as opportunities for regional construction related SMEs.** The city region housing partnership will align with the Integrated Regional Employability and Skills (IRES) Programme and specifically to the Housing and Construction Skills Gateway (DEC Gateway) to meet existing and future skills requirements in the construction and housebuilding sectors. This will deliver more jobs, training and apprenticeships, as well as opportunities for regional construction related SMEs.

Community benefits from regional housing investment will be maximised to ensure sustainable jobs and economic growth is created for local communities. Regional housing partners will support IRES colleagues to work towards developing a consistent all partner approach to community benefits.

- The **Edinburgh and South-East Scotland City Regional Housing Board** will provide robust governance and strategic oversight over the regional housing programme. The Regional Housing Board will make recommendations to the Joint Committee to ensure the effective delivery of the city region deal housing projects. The Regional Housing Board will work with Government to influence any future regional partnership working as this emerges through the enterprise and skills review, planning bill and following the future implementation of the new planning act.

# 3 Governance Framework

## Context

3.1 This document sets out effective and accountable governance arrangements for the Edinburgh and South-East of Scotland City Region. The Governance arrangements enable decisions to be taken in an open and transparent way in one place for the whole of the city region.

## Overarching Principles

### Driving Inclusive Growth for Edinburgh and South-East Scotland

3.2 The city region's partners recognise that delivering the twin ambitions of innovation and inclusive growth through the City Region Deal requires alignment between local, regional and national ambitions, policies and resources. The governance arrangements outlined in this document empower local authorities to:

- operate strategically with their partners to fully realise the economic potential of the city region;
- respond to issues critical to the economic health and wellbeing of the city region;
- unlock economic assets; and
- decide on the alignment of resources in projects and programmes with the greatest economic potential for the city region.

### Financial Diligence

3.3 Throughout all the strands of the City Region Deal, partners and the City of Edinburgh Council as the lead authority shall be bound by the key principles of personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient and effective use of all related resources. Risk management and assurance best practice shall be integral to this and respect the diverse nature of the City Region Deal programme.

### Partnership with Private and Third Sectors

3.4 The voices of the private and third sectors are integral to the city region's governance arrangements. The governance model combines the best of private sector commerciality and expertise with public sector capacity, transparency and accountability. The city region has strong private and third sectors that will underpin the city regional governance arrangements. Harnessing their understanding of regional strengths and opportunities is critical to the city region's success. The business and third sector voices will help to realise the partners' ambitions to develop a bespoke regional economic plan to create an environment for economic growth and to tackle barriers to efficiency and inclusive growth.

## Community Engagement

- 3.5 Throughout the process, engagement will take place with communities on projects and programmes. This will occur through the existing statutory and informal community engagement structures, such as community planning, planning consultations and local authority budget engagement processes.

## Working with Government/Agencies to Deliver a Strong Regional Partnership

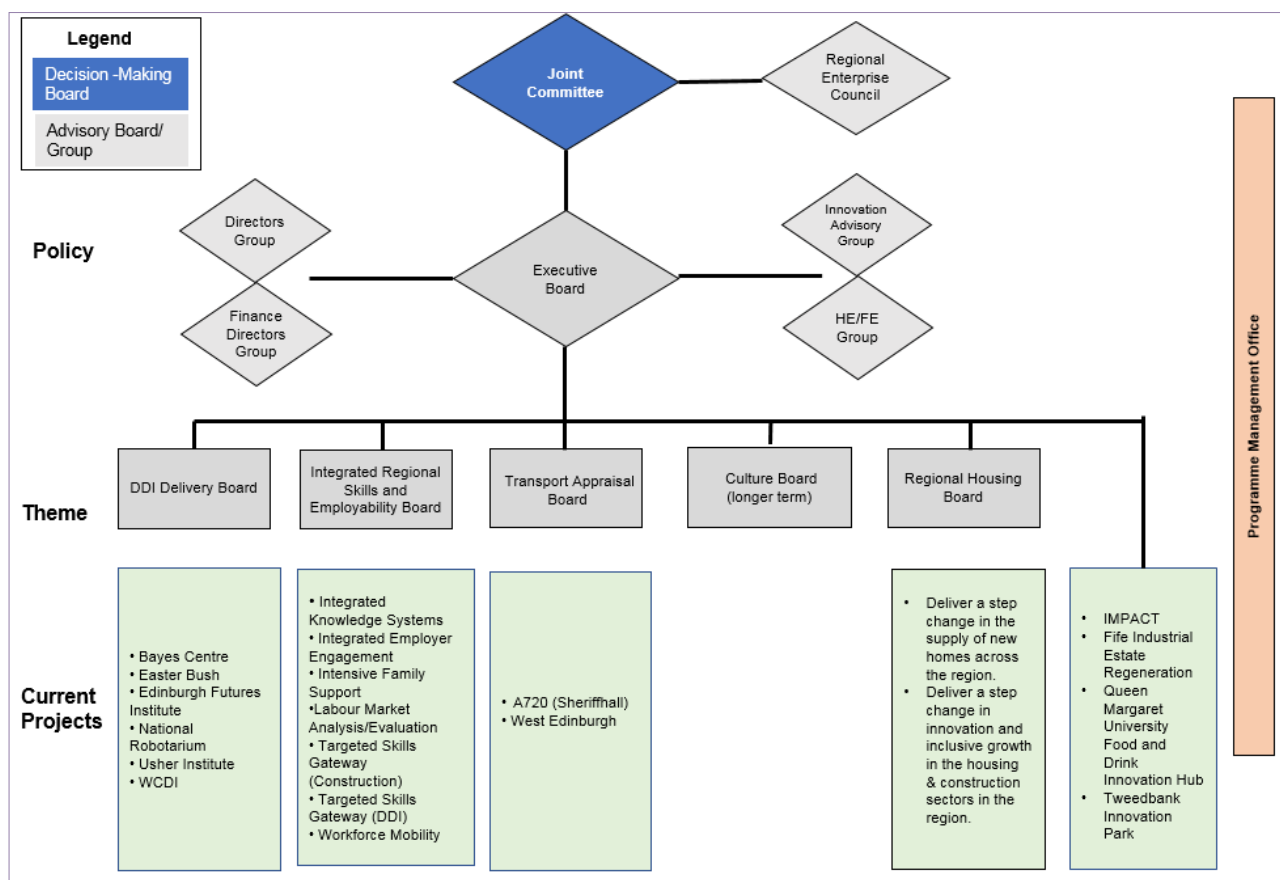
- 3.6 From the outset of the City Region Deal process, partners have taken a holistic approach to the development of the city region's economy, by focusing on investment in projects that support a step change in the performance of the city region, and that spread the benefits of growth more evenly within and across the communities in the city region. This collaboration builds on and helps to deliver the statutory regional governance in transport and land use.
- 3.7 Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. The first phase is underpinned by the activities set out in the City Region Deal. However, future phases will involve regional partners continuing to work together on exploring opportunities for transferring further powers, policy resources and levers while also strengthening the city region's governance and capacity to deliver and to meet the clear policy expectations set out in the Scottish Government's Enterprise and Skills Review. Regional partners agree that ensuring sufficient scale and quality of governance to manage financial and policy risks will be key to effective regional devolution. The governance arrangements will operate in a way that best delivers inclusive growth and accountability, underpinned by participation of the city region's key private, public and third sector interests.

## Governance Structure

- 3.8 A summary diagram of the City Region Deal governance structure is shown in Figure 1. It comprises the Joint Committee, Advisory Boards/Groups, Thematic Advisory Boards and Project Groups. The Advisory Groups will support the work of the Executive Board. The Thematic Advisory Boards will report to the Executive Board and make recommendations for decision by the Joint Committee. The Annex summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards. Terms of Reference for project groups sit within the Management Case of each Business Case. The structure will be reviewed to determine its continuing relevance by the Edinburgh Joint Committee on an annual basis as part of the Annual Report (see section 3.21).



Figure 2: Edinburgh and South-East Scotland City Region Deal Governance Structure



## Standing Orders, Delegated Authority and Terms of Reference

- 3.9 Standing Orders will be agreed by the Joint Committee and will include details on the nature and extent of delegated authority. The Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards are summarised in the Annex. They provide for appropriate government/agency engagement and representation. Each group will have the ability to co-opt additional members if required.
- 3.10 Project Groups and Delivery teams sit beneath the Thematic Advisory Boards. Each project team will have its own terms of reference, and a core of full time members of staff, supplemented by PMO resources where required. The Terms of Reference for Project Groups can be found within the Management Case of the business cases. Best practice project management processes will be adopted throughout.

## Resourcing

- 3.11 Each Advisory Board/Group, Thematic Advisory Board and Project Group will be responsible for its own administration. Initially, the PMO will be responsible for the administration of the Joint Committee, Regional Enterprise Council, Executive Board and Directors Groups. The PMO will be reviewed by the Executive Board quarterly as part of risk reporting, to ensure that it is suitably resourced to meet the demands of delivering the Deal for the forthcoming period.

## Decision-Making/Change Process

- 3.12 The city regional partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is being spent responsibly and is accounted for. All decisions will be publicly available.
- 3.13 It is recognised that the Joint Committee's powers and duties relate to activities set out in the City Region Deal. Each constituent partner's decision-making in relation to its own financial commitments are not subject to Joint Committee approval. The Joint Committee does however have a monitoring and assurance role with respect to City Region Deal funding to ensure that it is spent in line with the City Region Deal objectives.

### Consensus

- 3.14 Each Thematic Advisory Board will have its own respective arrangements for achieving consensus. The Joint Committee will be the ultimate decision-making body for all City Region Deal activity.

### Change

- 3.15 Major change decisions will be escalated from project level to thematic board level, or, when required, to the Executive Board for discussion. Recommendations will then be presented to the Joint Committee for decision. Examples of major changes may relate to cost, scope and time, for example:
- project/parts of project costs rise significantly (beyond acceptable tolerances as detailed through standing orders) since business case approval, and partners are unable to meet the funding gap;
  - there is project underspend, leaving an opportunity to enhance the scope or consider new projects;
  - project is no longer considered viable or value for money since business case approval; or
  - external factors trigger changes in the investment priorities for the city region.

### Role of Members/Accountability

- 3.16 Irrespective of their background or geography, it is the duty of all Board members to act in the best interests of the Edinburgh and South-East of Scotland City Region. All private and third sector members will be required to act in the best interests of the City Region Deal, foregoing any interest (if any) their own organisation may have in the City Region Deal and related projects.
- 3.17 All members are expected to comply with the code of conducts of their respective organisations and the values and aspirations of the city regional partnership.
- 3.18 Government representatives will attend in observer/advisory capacity and are not bound by the requirements of the Board's Members. Transport Scotland will sit on the Transport Advisory Board as a full member.

## The Business Case Journey

3.19 Projects will be identified and implemented through a four-stage journey as shown in the box:

### Stage 1 – Strategic Business Case

Once a need for change is identified, a conceptual business case is developed at thematic board level. This will be shared with Government, relevant agencies, the Regional Enterprise Council and relevant Advisory Boards/Groups. The Executive Board will be consulted, and the Joint Committee informed.

### Stage 2 – Outline Business Case

Should the project plan be approved by the thematic board, an outline business case will be prepared with input from Government, which the thematic board will recommend to the Executive Board for approval.

### Stage 3 – Full Business Case

Should the outline business case be considered viable, it will be expanded to a full business case for the thematic board and executive board to recommend to the Joint Committee for approval.

### Stage 4 – Implementation, Review and Evaluation

Should the full business case be approved by the Joint Committee, formal Government approval will be sought to allow City Region Deal funds to flow to the project for its implementation. The project will then be subject to review and evaluation as is the case in all projects.

## Accountability

### Accountable Body

- 3.20 The City of Edinburgh Council will act as the Accountable Body for City Region Deal finances. All grant funding from Government, will be channelled through the City of Edinburgh Council, with the exception of the Sheriffhall roundabout project.
- 3.21 Governance and accountability for the Winchburgh risk sharing guarantee will be in accordance with the tripartite agreement being progressed by the Scottish Government, West Lothian Council and the lead developer at Winchburgh.
- 3.22 As the Accountable Body, the City of Edinburgh Council will have the authority to hold others to account should projects present a risk to the overall programme. A grant offer letter signed between the Scottish Government and the Accountable Body will set out required terms and provisions to ensure funding is applied as expected. These terms and provisions will also be replicated in separate agreements between the Accountable Body and regional partners with any additional specific requirements necessary for the City of Edinburgh Council to fulfil its role as the Accountable Body, clearly set out. The broad terms of the deal are also set out in the Financial Agreement between the UK and Scottish Governments and the Accountable Body.

## Progress Reporting, Risk and Audit

- 3.23 To assess progress against the milestones set out in relevant business cases, each Thematic Advisory Board will produce a quarterly Risk and Performance Monitoring Report. Where risks are identified, change recommendations will be made. An overall Programme Risk Register and Performance Monitoring Report will also be considered by the Executive Board and Joint Committee every quarter. The template for these reports will be agreed with the Governments in advance. The reports will be presented to the Governments and the Regional Enterprise Council quarterly.
- 3.24 To assess how well the City Region Deal is aligning towards the overall vision and inclusive growth outcomes for the city region, the PMO will produce an Annual Report on all City Region Deal activity. The template for the Annual Report will be agreed with Government. The reports will be presented to the Governments and the Regional Enterprise Council annually.
- 3.25 Measures will be taken to ensure scrutiny, and effective consultation with the business community, third sector and general public. The Regional Enterprise Council and Joint Committee will develop these measures in partnership with Government. Options may include: an annual conference/seminar(s) tackling a key priority in the city region; an annual online consultation with key stakeholders in the city region and/or the general public; regular “roadshow” consultations on key upcoming projects across the city region (linking in with the planning process).
- 3.26 Every five years, an independent evaluation of the City Region Deal will be undertaken to capture progress and identify priorities for the next phase of delivery. The Governments will work with the Joint Committee to set the terms of the evaluation and consider its recommendations. Both Governments reserve the right to halt funding in the event that outcomes and targets are not being met.
- 3.27 Given the size of the investment and the significance of it to the overall Deal, Governments and partners agree to undertake an 18-month review checkpoint with respect to the DDI programme. The objectives and format for the review will be agreed by Governments and partners and set out within the overall DDI programme business case.

# Annex: Summaries of Terms of References

This section summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards within the governance structure. At project level, other groups exist, which may have their own Terms of Reference. These can be found within the Management Case of project business cases, and are not included in this paper.

## 1 Edinburgh and South-East Scotland City Region Joint Committee

### Membership

The Joint Committee will comprise:

- Leaders from the six local authorities
- University/college sector representative;
- Business sector representative;
- Third sector representative.
- Programme Management Office (observer/secretariat).

The Chair and Vice Chair will rotate annually.

### Purpose

The purpose of the Joint Committee will be:

- To oversee the implementation of the Edinburgh and South-East Scotland City Region Deal programme, and ensuring that it is aligned towards driving innovation and achieving its inclusive growth ambitions.
- To monitor the impact of the City Region Deal Programme.
- To build and support inclusive growth focusing on the needs of the city region and strengthening the partnership between public, private and third sectors;
- To improve business involvement from the city region in regional decision making;
- To collaborate and work in partnership to assist in delivering regional planning and transport policy linking the City Region Deal to SEStran and SESplan; and
- To work in partnership on other initiatives across the city region with the explicit support of individual constituent members.

## Meeting Schedule

The group will meet at least quarterly.

## Current Status and Implementation

The Joint Committee will be formed following the approval of Deal Documentation, including the Governance Framework in June 2018.

## 2 Advisory Boards/Groups

### Regional Enterprise Council

#### Purpose

The overarching purpose of the group is to provide the voice of the business and third sector to guide the implementation of the Deal. While the projects and financial arrangements have already been agreed in the Heads of Terms and City Region Deal Document, this group will support the other city region deal partners (local authorities, universities/colleges and government/public sector agencies), towards a shared ambition for achieving sustainable and inclusive economic growth for the city region. It will do this in the following ways:

- use its commercial knowledge and expertise to influence the Joint Committee and Executive Board in making spend and investment decisions that maximise benefits for the city region's economy and its people;
- engage with wider business and third sector networks across the city region to ensure that a wide range of views are captured; and
- champion the City Region Deal nationally and internationally to encourage further investment opportunities.

#### Principles

- The group will augment, and build on, existing business forums or similar structures without superseding them. It will be the recognised regional enterprise forum with a formal role within the City Region Deal.
- Members will be appointed to the group based on their expertise and knowledge of the city region and its commercial and third sector, rather than the organisations which they represent. Individuals will be required to act in the best interests of the City Region Deal community, foregoing any interest their own organisation (if any) may have in the City Region Deal and related projects.
- Members will be responsible for ensuring that views of existing business and third sector networks are captured, and that there is no duplication between the group's activity and these networks. These responsibilities will be mapped when the group is appointed.

#### Governance and Decision Making

The group will not have direct decision-making power, but will make recommendations to the Joint Committee, which will be the ultimate decision-making body for City Region Deal activity. The group may also advise Advisory Boards/Groups and Thematic Advisory Boards. To cater for this, the Chair and Vice Chair of the group will sit on the Joint Committee, and the IRES Board chair will also sit on the REC.

#### Membership

##### Size and Composition

The group will comprise approximately 12 individuals.

In determining membership of the group from applications received, the Joint Committee will seek to ensure an appropriate balance of membership, in terms of:

- **Geography:** each of the six local authorities in the city region will be represented by at least one business or third sector organisation with significant operations in their area.
- **Sector:** Organisations that operate in key industry areas that are relevant to the city region's economy will be represented.
- **Size:** Small, medium and large organisations will all be represented.
- **Gender, ethnicity and age** of business and third sector leaders.
- **Organisation type:** Individuals from the private and third sectors will be represented in accordance with the mix of enterprise types across the city region.

There will also be City Region Deal PMO, government/agency and higher/further education representation, to ensure links with the wider governance structure (see Figure 1). Support will be provided by the City Region Deal PMO.

The following structure is recommended, but the mix of members is subject to change depending on the nature of applications received:

Organisation	Board Members
Chair	1
Business representatives (4 SMEs and 2 large) <ul style="list-style-type: none"> <li>○ 1 Finance/Fintech</li> <li>○ 1 Creative Industries</li> <li>○ 1 Construction/Housing</li> <li>○ 1 Food/Drink</li> <li>○ 1 Manufacturing</li> <li>○ 1 Tourism</li> </ul>	6
Third Sector representatives: <ul style="list-style-type: none"> <li>○ 1 Social Enterprise</li> <li>○ 1 Voluntary Organisation</li> </ul>	2
Higher/further education representative	1
Integrated Regional Employability and Skills (IRES) Board Chair	1
Skills Development Scotland	1
Scottish Enterprise	1
Programme Management Office (Observer)	1

### Recruitment Process and Appointment of Chair

From summer 2018, the group will be recruited via an application process open to all businesses and third sector organisations from across the city region. The Joint Committee will approve the membership, chair and vice chair of the REC, which will be recommended through engagement with key industry bodies and regional employers. The chair and vice chair will be appointed from the business and third sectors, and these individuals will also sit on the Joint Committee.



It is important that the Chair is a high profile, credible and influential individual, who reflects the key components of the Deal and ambitions for the Edinburgh and South-East Scotland city region. It is recommended that the Chair be additional to the six business and two third sector representatives. The Vice-Chair should be drawn from the relevant business or third sector cohort dependent upon which field of enterprise the Chair is drawn from.

The first REC meeting is expected to take place in late 2018.

#### **Wider Business/Third Sector Engagement**

To ensure that views from across the city region's business and third sector community are captured, a wider grouping will also be developed. Members of existing business or third sector forums which operate across the city region will be invited to join the wider group. They will be encouraged to participate in consultations when required and will be kept up to date on the REC activity by email. Regular seminars on City Region Deal activity are also proposed.

#### **Meeting Schedule**

It is suggested that group will initially meet quarterly and the wider grouping meets bi-annually.

#### **Current Status and Implementation**

The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

# Edinburgh and South-East Scotland City Region Deal Executive Board

## Membership

The Executive Board comprises:

- Six regional local authority chief executives;
- a representative for the city region's universities and colleges;
- six regional local authority directors with a remit for the economy (observers)
- City Region Deal Programme Management Office function (observers).
- Government colleagues will be invited to attend meetings on a quarterly basis as observers.

The Chair and Vice Chair will rotate annually, and will be aligned to the Chair and Vice Chair of the Joint Committee by geography.

## Purpose

The Executive Board supports and make recommendations for the Joint Committee in the delivery of the City Region Deal Programme. It also oversees the activity of the PMO and Directors' Group and engages with the Scottish City Region Deal Delivery Board for performance monitoring as appropriate.

The purpose of the Executive Board is to:

- Support the Joint Committee in overseeing the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- Engage in dialogue with Government and respond to policy, proposals and opportunities to bid for funding in support of economic growth;
- Engage with investors, businesses and advisors to secure growth opportunities;
- Develop and consult on regional economic policy, programmes and interventions designed to maximise growth in the city region;
- Provide leadership in key themes and priorities to promote sustainable economic growth;
- Lead on communications and stakeholder engagement to raise the profile, image, reputation and influence of the city region at a regional, national and international levels.

## Meeting Schedule

The group will meet monthly.

## Current Status and Implementation

The Board is constituted and meets monthly.

## Edinburgh and South-East Scotland City Region Deal Directors' Group

### Membership

Membership comprises:

- Six regional local authority Directors with a remit for the economy;
- One representative for the city region's universities and colleges;
- Five thematic leads;
- The finance director of the Accountable Body (The City of Edinburgh Council) will have a standing invitation as an ex-officio member; and
- Programme Management Office function

### Purpose

The Directors' Group supports the Executive Board in the delivery of the City Region Deal Programme. It oversees cross-regional strategic activities outlined in the Heads of Terms, many of which are led by groups at programme level. Priority areas currently include: the city regional Housing Programme; the Integrated Regional Employability and Skills (IRES) programme; cross-regional transport projects; and the revision of existing cross-regional governance structures across Transport, Planning, Housing and Economic Development to align with the City Region Deal. It also acts as a sounding board and provides feedback for activity that the PMO is undertaking.

The purpose of the Directors' Group is to:

- support the Executive Board in the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- capture and communicate business requirements for changes to, and development of economic policy and commission associated appropriate interventions;
- work collaboratively with all partners, including local authorities to address barriers to inclusive economic growth and drive efficiency;
- bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the City Region and secure sustainable and inclusive growth; and
- work to create an environment to support business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice, the private sector can inform and influence the shape and future direction of local, regional and national government policy.

The Chair and Vice Chair will rotate annually, and will be aligned with the Chair and the Vice Chair of the Joint Committee and Executive Board by geography.

## Meeting Schedule

The group meets monthly, usually in the alternate fortnight from the Executive Board.

## Current Status and Implementation

The group has been constituted and will evolve according to demands of the City Region Deal programme.

# Edinburgh and South-East Scotland City Region Deal Finance Directors' Group

## Membership

The group will comprise:

- Financial Directors of any organisations who are beneficiaries of City Region Deal funding; and
- Programme Management Office function.

It will be chaired by the Finance Director of the Accountable Body (The City of Edinburgh Council).

## Purpose

The group will:

- support the Executive Board and Joint Committee in overseeing the City Region Deal's finances;
- ensure that the City Region Deal monies are spent as set out in the agreed Financial Plan;
- ensure that financial risk, audit and assurance are carried out effectively throughout the process;
- ensure compliance with current financial regulations and accountancy best practice; and
- consider quarterly financial reports, and escalate any risks to the Executive Board.

## Meeting Schedule

The group will meet quarterly to align with funding flows from Government, and quarterly reporting.

## Current Status and Implementation

The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

# Edinburgh and South-East Scotland Innovation Advisory Group

## Membership

The Group will include representation from:

- Regional local authorities
- Regional HE / FE institutions
- Relevant government agencies – UK Research and Innovation and Scottish Enterprise
- Business community
- Third sector UK Government
- Scottish Government (observers)
- UK Government (observers)
- City Region Deal Programme Management Office function (observers)

## Purpose

To identify opportunities to deliver innovation across the City Region Deal programmes and projects, making linkages with other groups as appropriate and providing advice and recommendations to the Executive Board as appropriate. To look to maximise the exploitation of wider innovation opportunities aligned to the development of a regional economic strategy.

NB: The role of the Innovation Advisory Board would not extend to allocation of existing City Region Deal resources or oversight of City Region Deal funded projects.

The group's remit will be:

- To advise on regional innovation priorities and the further development of a regional innovation ecosystem
- To identify partnership working opportunities beyond the City Region Deal
- To seek alignment of national resources behind regional innovation priorities
- To co-ordinate innovation activity across the city region
- To engage on a regional, national and global level with businesses and agencies able to help to achieve ambitions of inclusive growth through innovation

## Meeting Schedule

To be confirmed.

## Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

## Edinburgh and South-East Scotland City Region Higher/Further Education Group

### Membership

One representative from the following regional universities and colleges attends (nominated by their respective principal):

- Borders College
- Edinburgh College
- Edinburgh Napier University
- Fife College
- Heriot Watt University
- Newbattle Abbey College
- Queen Margaret University
- University of Edinburgh
- West Lothian College
- Scotland's Rural College (SRUC)
- City Region Deal Programme Office function (observers)

Secretariat support is provided by the University of Edinburgh.

### Purpose

The group's purpose is to:

- provide a formal mechanism for the engagement of universities and colleges in Edinburgh and South-East Scotland in the governance arrangements of the City Region Deal;
- contribute to the development of the business cases and, following their approval, the delivery of commitments around innovation and skills in the City Region Deal; and
- pursue other areas of shared interest

### Meeting Schedule

The group meets quarterly.

### Current Status and Implementation

The group has been formally constituted and will evolve according to demands of the City Region Deal programme.

## 3 Thematic Advisory Boards

### Edinburgh and South-East Scotland Data-Driven Innovation (DDI) Delivery Board

#### Membership

Representatives on this group are likely to include:

- Senior Responsible Officer for DDI Programme
- DDI Programme Director
- Academic Director
- Entrepreneurial Director
- Representatives from University of Edinburgh Colleges
- Representative from Heriot-Watt University
- Industry representatives
- UK Government (observer)
- Scottish Government (observer)
- City Region Deal PMO (observer)

#### Purpose

The group's purpose will be to maintain oversight of the integrated DDI Programme, and its remit **will include:**

- Project prioritisation and resourcing
- Leading and maximising the collaboration with City Region Deal partners
- Development and curation of external partnerships with industry, public bodies and academia
- Reporting on DDI Activities to funders and key stakeholders

#### Meeting Schedule

The group will initially meet monthly. This will be reviewed as required.

#### Current Status and Implementation

The group is being constituted and will evolve according to demands of the City Region Deal programme.



## Edinburgh and South-East Scotland City Region Integrated Regional Employability and Skills (IRES) Board

### Membership

It is proposed that the IRES Board membership will consist of 18 individuals nominated by the organisations or groups listed below to support the delivery of the IRES Programme and other activity remitted to it.

This organisation (group) list may be adjusted at any time by the Executive Board and any changes to designated nominees must be made in writing to the chair, who will maintain a list of current board nominees.

Organisation or Stakeholder Group	Board Members
Chair of the Board (nominated by Executive Board)	1
One representative from each Local Authority Partner (also provides a link to the School Improvement Collaboratives)	6
Scottish Government, Fair Work Directorate	1
Scottish Funding Council	1
Department for Work and Pensions	1
Skills Development Scotland	1
NHS representative	1
Developing the Young Workforce (nominated by the 4 DYW Regional Boards)	1
Higher Education Universities (nominated by HE/FE Roundtable)	1
Further Education Colleges (nominated by HE/FE Roundtable)	1
Business Representation (nomination by Business Leadership Council)	1
Third Sector Representation (nominated by Third sector Interface Group)	1
Lay member (selected for their knowledge and expertise in this area)	1

The Board Chair will be nominated by the Executive Board and the Vice Chair will be drawn from the IRES board members. It is expected that each nominated member will have the ability (within the relevant legal, CRD or organisational governance obligations) to commit their organisation to collective decisions.

Each member of the IRES Board has equal status and the principle of “one member-one vote” (made in person at the meeting) will apply. Whilst the IRES Board will endeavour to work through issues and differing points of view to achieve a consensus on any recommendations, where this is not immediately possible, option exists to either continue discussion at a future Board meeting or escalate to the Executive Board to resolve before presenting to the joint committee for final approval.

To be quorate at least nine IRES Board members must be present at the meeting and members will declare any pecuniary or non-pecuniary interest they may have on the agenda items being considered.

The support and secretariat to the board will be provided by the PMO and will have officers in attendance, but only in an advisory and support (non-voting) capacity.

## Purpose

The IRES Board will provide recommendations to the Joint Committee on strategic and operational decisions relating to the City Region Deal IRES Programme.

It is proposed that responsibilities of the board will include:

## Collaboration

- Stimulating active collaborations across stakeholders in delivering regional ambitions (as set out in the Deal) and wider opportunities for improvement.
- Working with stakeholders to align and integrate activity across organisations with the aim of delivering better value for money and/or more inclusive outcomes.
- Making recommendations to the Joint Committee or Executive Board, as detailed in the Joint Committee Standing Orders, on matters relating to the evolution and delivery of the IRES programme.

## Evidence and Knowledge led

- Adopting and supporting the development of the City Regional Skills Investment Plan (RSIP) and other relevant plans as the solid foundation for the IRES programme.
- Instigating collaborative reports (or research) on Economic Performance and Productivity, Labour Market Access, Fair Work, People, and Place to support good decision making.
- Agreeing programme (project) assessment, monitoring and evaluation methodologies that ensure value for money and effectively capture; progress, impact and good practice.

## Additionality and Value for Money

- Developing and updating the delivery plan for the implementation of the IRES programme consistent with the RSIP and other relevant plans.
- Developing and refining a methodology and criteria for evaluating specific investment proposals submitted for consideration by IRES Board to ensure that the value for money and additionality of proposals are clearly articulated.
- Monitoring the outcomes being achieved by each component part of the programme and any associated income or expenditure.
- Exploiting opportunities to bring additional resources into the programme that boost the inclusive growth outcomes achieved and/or increase the value for money of activities.

## Accountability and Communications

- Reporting to the Joint Committee, Executive, Governments and other partners, as required, on the progress made, outcomes achieved, and expenditure committed
- Annually reviewing expenditure and outcomes to inform recommendations on continuing or future investments.

- Championing any policy learning or best practice identified by the partnership to encourage greater stakeholder buy-in and the wider application/mainstreaming of effective approaches.

The Board will be the recognised regional forum for collaboration on Employability and Skills matters within the City Region Area. It will augment and build upon existing structures without superseding them, unless by agreement with relevant partners or recognised groups, and its responsibilities can be amended at any time by the Joint Committee, Executive Board, or by IRES Board with agreement of the Executive Board or Joint Committee, as appropriate.

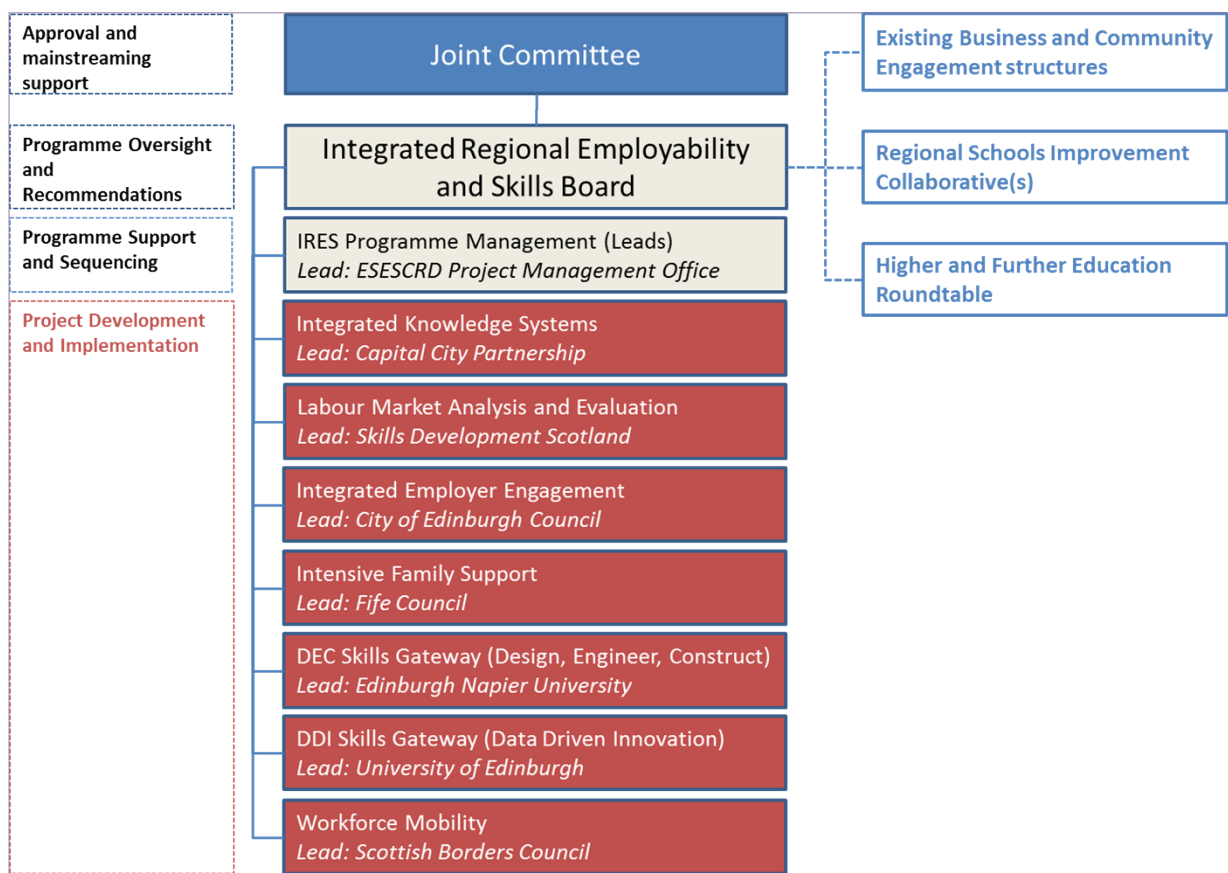
It can draw upon expert advisors, City Region Deal resources, or create working groups to take forward the IRES programme and the fulfilment of its responsibilities.

### IRES Working Groups

To support the board and aid programme development, the following multi-partner working group structure has been established.

It is anticipated this structure will evolve as required by the board and the needs of the programme, or to support the wider City Region Deal programme.

Group membership will be tailored to the work being undertaken, drawing from partners or external expertise as necessary.



## Meeting Schedule

It is anticipated that the board will meet on a regular basis in step with the wider schedule of City Region Deal governance meetings.

## Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

# Edinburgh and South-East Scotland Regional Transport Appraisal Board (TAB)

## Membership

The Transport Appraisal Group will comprise:

- SESTran
- Representatives from the six local authorities in the City Region Deal
- Transport Scotland
- City Region Deal PMO (observer)

## Purpose

To make recommendations to the Joint Committee on the approach towards delivering the transport elements of the City Region Deal Investment Programme through the consistent adoption of best practice from the Scottish Transport Appraisal Guidance and the Treasury Green Book, as appropriate. Although the Transport theme covers only two projects (A720 and West Edinburgh) the Board will also consider transport elements of other City Region Deal projects, particularly in the Housing and Innovation themes.

The TAB will build on existing best practice and consider the most relevant technical approaches including modelling tools.

The TAB will also:

- Consider the strategic rationale, demand/need, objectives, evidence, costings and delivery programme and mechanisms for projects, their relationship and phasing in the overall programme, including cumulative impact.
- Consider approaches to the use of the proposed city region data store to establish a shared evidence base.
- Establish the evidence base and options for future investment in the city region's strategic transport infrastructure programme.
- Consider access to funds and budgets,
- Provide input as a region into other projects as appropriate; such as, the National Transport Strategy and Strategic Transport Project Review 2.

## Meeting Schedule

**To be confirmed.**

## Current Status and Implementation

Discussions on the Terms of Reference for this group are ongoing between partners, Government and Transport Scotland, so are subject to change. The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

## IMPACT Scotland Board

### Membership

Membership will comprise representation from:

- The City of Edinburgh Council (Culture service)
- The City of Edinburgh Council (Property/construction expertise)
- City Region Deal PMO (officer and communications)
- IMPACT Scotland
- Scottish Chamber Orchestra
- Scottish Government
- UK Government
- Other City Region local authorities may nominate a representative if desired

### Purpose

- The group will initially monitor the progress of the IMPACT Scotland capital development and will ensure that the project is delivered according to the business following sign off of the City Region Deal.
- As the Scottish Culture Strategy is developed, the group's remit may evolve into a Board whose remit will be to expand to review the focus for collaboration across the city region.
- A sub-group will be formed to oversee the cultural planning for music throughout the city region to ensure that music provision is delivered to reach existing and new audiences across all musical genres.

### Meeting Schedule

The group will initially meet every ten weeks. This will be reviewed as the project requires.

### Current Status and Implementation

The group will be formed following Joint Committee ratification of the Governance Framework and the signing of the Deal.

# Edinburgh and South-East Scotland City Region Housing Board

## Membership

Representatives from the following organisations will be represented:

- The City of Edinburgh Council
- East Lothian Council
- Fife Council
- Midlothian Council
- Scottish Borders Council
- West Lothian Council
- Edinburgh Napier University
- University of Edinburgh
- Scottish Enterprise
- Construction Scotland Innovation Centre
- Scottish Government Housing (observer)
- City Region Deal PMO (observer)

## Purpose

The city regional Housing Board will provide robust governance and strategic oversight over the city regional housing programme, progress the statements outlined in the Heads of Terms Agreement and ensure the effective delivery of the City Region Deal projects.

At project level, the city regional Housing Partnership, made up of senior regional housing partners, will report to the Board manage and deliver the programme.

The city regional Housing Partnership aims to deliver the city regional housing programme and accelerate the delivery of affordable and low-cost market homes, enable the development of the seven major strategic housing sites, drive efficiencies across the public sector estate and increase housing land supply.

The Board will oversee and provide recommendations to the Joint Committee in relation to the delivery of the following key outcomes:

- Accelerated delivery of seven strategic housing sites with capacity for over 40,000 homes
- Housing infrastructure delivery and funding solutions
- Land to develop a robust affordable housing pipeline
- An affordable housing programme (with a commitment to maximise certainty over future public funding levels for the regional housing programme)
- A pipeline of mid-market rent and low cost market rent homes
- Accelerated delivery through innovation and supporting regional SME growth
- Jobs, learning and progression opportunities, meeting current and future industry skills requirements
- Support the development of a consistent all partner approach to community benefits

- Strengthened relationship between public, private, and third sector stakeholders

### Meeting Schedule

This group will meet bi-monthly.

### Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.



# Programme Management Office (PMO)

## Membership

The PMO currently comprises a full-time project manager, project officer and administrative support (being recruited), funded equally from the local authority partners. Support is also offered from the lead officers responsible for the skills, innovation and housing programmes.

## Remit

The PMO will be responsible for:

- Providing secretariat for Joint Committee, Executive group and Regional Enterprise Council, supporting members and building competence;
- Providing direction of programmes, projects and initiatives to ensure they meet the overarching vision, strategy and objectives of the City Region Deal, as defined and agreed by the Joint Committee and Executive Board; including delivery of the programme and deal level outputs and outcomes; the twin ambitions of innovation and Inclusive Growth;
- Taking a day-to-day lead of engaging with both governments providing a focal point for the Deal;
- Coordinating and delivering documents required by Government, including Green Book-compliant business cases.
- Managing the Communications subgroup, and overseeing the Deal's Communication's Strategy
- Reporting on risk, assurance and accountability across the Deal and auditing the delivery boards and groups' progress towards delivering projects as set out in business cases.

## Current Status and Implementation

The group is constituted and will evolve according to demands of the City Region Deal programme.

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# FINANCIAL AGREEMENT

July 2018

ACCELERATING  
**GROWTH**

EDINBURGH AND SOUTH EAST SCOTLAND  
CITY REGION DEAL

# Edinburgh and South-East Scotland City Region Deal Financial Agreement

## Financial Agreement

1. This Financial Agreement underpins the City Region Deal agreed for Edinburgh and South-East Scotland. It forms part of the overall deal documentation and should be read in context with all other corresponding deal information. The partners involved in the deal are the UK Government, the Scottish Government, and the City of Edinburgh Council as Accountable Body, which provides the link for all other regional partners involved in the deal. The other regional partners comprise: East Lothian Council, Fife Council, Midlothian Council, Scottish Borders Council, West Lothian Council, Heriot-Watt University, Queen Margaret University, and the University of Edinburgh.
2. The UK Government's financial contribution will be up to a maximum of £300 million and the Scottish Government's financial contribution will also be up to a maximum of £300 million – these figures were set out in the agreed Heads of Terms. The profile of payments over the fifteen-year timeline of the deal is set out in Table 1. Regional Partners will contribute up to a maximum of £730 million. This is an increase of £229 million from the original sum of £501 million set out in the agreed Heads of Terms. The profile of regional partner funding over the fifteen-year timeline of the deal is set out in Table 2. The detail and funding profile for each project can be referred to in the Edinburgh and South-East Scotland City Region Deal Financial Plan.
3. The delivery timeline of capital and revenue investment in the Edinburgh and South-East Scotland City Region Deal is over a fifteen-year period. The funding commitment from both the UK and Scottish Government's will be disbursed over the agreed funding profile set out in Table 1 and this also covers a fifteen-year period however, during the lifetime of the deal the lead authority with the agreement of both governments may review the profiling ensuring that it still meets the overarching commitments outlined in the deal of total investment by both governments of £600 million.
4. Government and Regional Partner funding will be used to deliver on project outcomes as detailed in each approved project specific Business Case. The success of each project will be measured by specific key milestones which are also set out in the project business cases. A summary of all projects can also be referred to in the Edinburgh and South-East Scotland City Regional Deal Implementation Plan.

## Managing the financial considerations of the City Region Deal

5. The Edinburgh and South-East Scotland City Region Deal Documentation sets out the comprehensive arrangements for managing the City Region Deal including; the purpose of the deal and an inclusive growth and governance framework, implementation plan setting out the range and detail of projects being undertaken, a financial plan setting out project delivery timelines and costs, and the commitment of funding from both the UK and Scottish Governments and Regional Partners. Disbursement of government grant monies will be the subject of a grant offer and acceptance procedure including an annual statement. The investment of the UK Government up to £300 million and the investment of the Scottish Government up to £300 million, will be the maximum available funding to support City Region Deal projects over the fifteen-year timeline and will not increase relative to the cost of inflation for the delivery of infrastructure projects.
6. The total UK and Scottish Government City Region Deal grant funding will be directed entirely through the Scottish Government. Grant payments will then be channelled through the City of Edinburgh Council, who will coordinate all financial aspects of the City Region Deal through its role as the Accountable Body. The only exception to this arrangement is the funding specifically allocated for the Sheriffhall Roundabout improvements which will be managed and delivered by Transport Scotland. However, the delivery and finances of the project will still require to be submitted to the Accountable Body and reported as part of the total City Region Deal.
7. The UK and Scottish Government funding will be paid to the City of Edinburgh Council quarterly in arrears - unless otherwise agreed with government, and will be supported by grant claims and evidence based expenditure collated from regional partners.
8. It is noted that the re-phasing of the grant profile has resulted in a mismatch in yearly grant income against expenditure. To recognise University partner upfront capital contributions, future expenditure claims can be supported by the cumulative expenditure on a project to the claim date, provided the total amount claimed and the phasing matches the agreed profile.
9. Transport Scotland will fund up to £120 million for the A720 City Bypass grade separation of Sheriffhall Roundabout. Transport Scotland will be solely responsible for delivering this project
10. Transport Scotland will also provide funding of at least £20 million to support public and active travel improvements to West Edinburgh. This project will be delivered as part of a collaboration between Transport Scotland, the City of Edinburgh Council, and West Lothian Council.

## Summary of agreements

11. There will be no accrual of central government grant.

## UK Government (HM Treasury)

12. The Scottish Government's Capital Departmental Expenditure Limit (the capital block grant) from the Treasury will be increased to reflect the UK Government funding allocations to the Edinburgh and South-East Scotland City Region Deal in the appropriate years. The annual amounts of UK Government grant are set out in Annex A.

## Scottish Government

13. Additional Capital Departmental Expenditure Limit (CDEL) budget allocated by the Scottish Government for the Edinburgh and South-East Scotland City Region Deal must be paid to the deal.

14. The additional CDEL budget allocations from the UK Government ringfenced for the Edinburgh and South-East Scotland City Region Deal must be paid to the deal by the Scottish Government as capital grant.

.....  
Head of Scotland and Wales branch, HM Treasury  
Signed on behalf of the UK Government

Date:

.....  
Director of Financial Strategy  
Signed on behalf of the Scottish Government

Date:

.....  
Chief Executive Officer  
Signed on behalf of the City of Edinburgh Council and Regional Partners

Date:

## Annex

**Table 1 – City Region Deal - Government Funding \***

Year	UK Government £000	Scottish Government £000	Total Grant £000
2018-19	35,000	7,738	42,738
2019-20	35,000	33,557	68,557
2020-21	35,000	31,714	66,714
2021-22	35,000	53,702	88,702
2022-23	35,000	16,287	51,287
2023-24	25,000	10,303	35,303
2024-25	25,000	11,432	36,432
2025-26	25,000	5,485	30,485
2026-27	25,000	4,554	29,554
2027-28	15,400	2,738	18,138
2028-29	9,600	739	10,339
2029-30	0	500	500
2030-31	0	500	500
2031-32	0	750	750
<b>Total</b>	<b>300,000</b>	<b>180,000</b>	<b>480,000</b>

*\*The £120m commitment to Sheriffhall is additional to the above figures.*

**Table 2 – City Region Deal – The City of Edinburgh Council and Regional Partner Funding**

Year	Regional Partners £000
2017-18	61,508
2018-19	99,264
2019-20	123,180
2020-21	160,451
2021-22	125,808
2022-23	71,390
2023-24	21,834
2024-25	22,973
2025-26	19,800
2026-27	22,453
2027-28	-6,349
2028-29	4,229
2029-30	499
2030-31	0
2031-32	3,071
<b>Total</b>	<b>730,111</b>

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# EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL Heads of Terms



Our signing of this document confirms our joint commitment to achieve full implementation of the Edinburgh and South East Scotland City Region Deal.

.....  
Keith Brown MSP  
Cabinet Secretary for Economy, Jobs and Fair  
Work  
Scottish Government

.....  
Damian Green MP  
First Secretary of State  
UK Government

.....  
Cllr Willie Innes  
  
Leader of East Lothian Council

.....  
Cllr Adam McVey  
  
Leader of The City of Edinburgh Council

.....  
Cllr David Alexander  
  
Co-Leader of Fife Council

.....  
Cllr David Ross  
  
Co-Leader of Fife Council

.....  
Cllr Derek Milligan  
  
Leader of Midlothian Council

.....  
Cllr Shona Haslam  
  
Leader of Scottish Borders Council

.....  
Cllr Kirsteen Sullivan  
  
Depute Leader of West Lothian Council

.....  
Prof Charlie Jeffery  
  
Convener, ESES FE&HE Consortium  
University of Edinburgh

.....  
Sir John Elvidge  
  
Convener, ESES Business Consortium

## EXECUTIVE SUMMARY

1. The Edinburgh and South East Scotland City Region comprises the six local authorities of City of Edinburgh, Fife, East Lothian, Midlothian, Scottish Borders and West Lothian. It is one of the most prosperous and productive UK regions and includes Scotland's iconic capital city, recognised worldwide for its culture, history and architecture.
2. The city region has a population of approximately 1.4 million people, more than a quarter of the Scottish population. Regional partners calculate that it contributes over £33 billion per year to the Scottish and UK economies.
3. A key driver for the investment in this deal is the opportunity to address inclusion across the region. Prosperity and success is not universal across the region: 21% of children are living in poverty; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skill jobs. The deal will address these issues, create new economic opportunities, and is expected to provide up to 21,000 new jobs. The region's new skills programme, alongside improved transport and housing provision, will ensure that businesses and communities across the region will benefit and will be given the chance to take advantage of these exciting new opportunities.
4. Since Spring 2016, the Scottish and UK Governments have been working with local partners to develop a transformational and inclusive city deal for the region that will:
  - Build on the region's strengths such as its high growth sectors that will provide the jobs of the future, its world class universities that are working with businesses on ground breaking R&D and innovation and Edinburgh's world class cultural offer.
  - Address key economic barriers with significant new investment in housing and transport.
  - Address issues which are constraining the region's economic potential and which match the strategic priorities for growth as outlined in the Scottish Government's Economic Strategy and the UK Government's emerging Industrial Strategy.
5. This heads of terms is a tripartite agreement between the Scottish Government, the UK Government and regional partners. **Both Governments are committed to jointly investing up to £600m over the next 15 years subject to:**
  - approval of final business cases for all projects and programmes;
  - development of a final city deal document and implementation plan;
  - establishment of clear and robust governance arrangements; and
  - the consent of all constituent local authorities and partners.
6. Regional partners have committed to contributing up to £501m to match fund the joint commitment from both governments. Overall this represents a deal worth over £1.1bn of investment.
7. This document represents a heads of terms agreement. Further detail on the implementation of specific commitments will follow in a finalised City Region Deal

document. This heads of terms document has been produced for the purposes of outlining the principles of the deal and does not form a legally binding contract.

## THE COMMITMENTS

### RESEARCH, DEVELOPMENT, AND INNOVATION PROGRAMME

8. Innovation is the lifeblood of the region's economy. The region is already home to world class research and development activity, much of which acts as an anchor for the development of new products and services through innovation in the private sector.
9. In Edinburgh city centre, approximately 2,400 people are employed in 570 technology led businesses, in close proximity to the University of Edinburgh. Growth has been impressive, with an increase of 58% and 48% in GVA and turnover respectively between 2010-14. Both Governments and local partners recognise the potential to further accelerate the development of key sectors (e.g. data science, robotics, financial services, fintech, agritech, creative and digital sectors) and to ensure the benefits of this growth are spread across the region.
10. As such the UK Government, Scottish Government and local partners have agreed a transformational Research, Development and Innovation programme (RD&I) for the region. This will drive further growth in the above sectors of the city region's economy and will support wider reform and improvement in public service provision.

#### Key commitments include

11. The UK Government and the Scottish Government will provide up to £350m of capital funding over a fifteen-year period to support the development of:
  - **Data storage and analysis technology that will allow large datasets to be brought together, in a secure environment, from public and private sector organisations.** This data analysis repository will allow the development of new products and services within key sectors. It will be based at the UK's National Supercomputer Centre at Easter Bush and will be connected to a region-wide Internet of Things (IoT) network.
  - **Five RD&I sectoral hubs** that will draw on the data repository and support RD&I activity in key sectors.
    - **The Bayes Centre for data**, a facility adjacent to the existing School of Informatics, which will provide shared working spaces for world-leading applied researchers, students, existing data science institutes and industry to drive data-driven Innovation.
    - **The Quatermile Old Royal Infirmary** will bring together researchers, businesses and key public sector organisations to drive RD&I in financial services, fintech, creative and media technology, tourism and public service provision

- **The Usher Institute** building within Edinburgh’s BioQuarter will house a centre for utilising data at scale to support data-driven health research, medical informatics and population health sciences.
- **The National Robotarium** will be co-located on the Heriot-Watt University campus. It will offer access to leading-edge applied research in autonomous systems, sensor technologies, existing micro-assembly equipment. The Robotarium will also have access to the resources of both Heriot-Watt University and the University of Edinburgh.
- Scaled-up incubation space for bioscience businesses and specialist facilities at **Easter Bush**, delivering alignment with the Roslin Institute’s research excellence in agritech and extensive industry partnerships.
- A **Food and Drink Innovation Campus located at Queen Margaret University** which will enhance and grow the nation’s food and drink sector. This will stimulate economic growth based on both national and international markets.
- **An Edinburgh and South East Scotland programme of investment in economic infrastructure** to ensure that businesses and communities across the region are fully able to engage in the data-driven innovation opportunities, **including industrial and business premises, to ensure maximum impact from the innovation investment.** Local partners and the private sector will invest significant additional funding to deliver key regional economic priorities including new industrial and business premises at Tweedbank, in the Scottish Borders, and across Fife.

12. Complementing the Government investment, the private sector and local partners will invest £52m of capital funding to support the development of the RD&I hubs and a further £201m over a 10-year period, to provide a university-led innovation support programme that will:

- support companies to undertake RD&I activities in the RD&I sectoral hubs;
- support research and commercialisation of new products and services;
- create and deliver new Higher Education courses; and
- support the development of a new generation of entrepreneurs – working in key sectors.

## EMPLOYABILITY AND SKILLS

13. The Scottish Government’s recent Enterprise and Skills Review identified opportunities to strengthen regional delivery to achieve better outcomes.

14. **Key commitments include:**

- The Scottish Government will support the regional partners to stimulate active collaboration to deliver better outcomes for all of the region and particularly those people facing significant disadvantages to securing and sustaining meaningful, high quality employment.

- The Scottish Government will invest up to £25m (over eight years) in the regional partnership to deliver an Integrated Regional Employability and Skills Programme. This will reduce skills shortages and gaps, and deliver incremental system-wide improvements to boost the flow of individuals from disadvantaged groups (e.g. young care leavers, workless, and those in low paid or insecure jobs) into the good career opportunities that will be generated through the city region deal investment. This will deliver better impact from existing public, private and third sector investments.

## **TRANSPORT**

15. This deal will deliver major investments to ensure that Scotland's capital and its region is served by world class transport infrastructure. The recently published SESplan cross-boundary study of the region has helped to show where transport investment will be most effectively targeted.
16. Partners will put in place a regional developer contributions framework which takes account of work being led by SESplan and the emerging findings of the jointly-produced cross-boundary study. These interventions and commitments, taken with the additional transport investment to enable the innovation and housing projects, will help ensure the region continues to grow and flourish.

### **17. Key commitments include:**

- The Scottish Government will invest up to £120m to support improvements to the A720 City Bypass for the grade separation of Sheriffhall Roundabout.
- The Scottish Government will provide £20m investment to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal, alongside investment from partners and the private sector.
- The Scottish Government commits to continuing to work collaboratively with the regional partners on identified regionally-led local transport investment priorities through the establishment of a Transport Appraisal Working group, with an agreed and mutually shared remit and proposed outcomes. Partners will have the opportunity to be involved in and influence the second Strategic Transport Projects Review.

## **CULTURE**

18. Scotland's capital city has a world-class cultural offer which is vital in attracting around four million visitors a year who inject £1.3 billion to the region's economy. The new concert hall unlocked through this city deal will deliver £40m private sector investment and make a significant contribution to the ongoing success of Edinburgh's cultural offer.

### **19. Key commitments include:**

- Both Governments will provide up to £10m each (a maximum of £20m) of capital funding to support the delivery of a new IMPACT concert hall that will reinforce Edinburgh's position as a pre-eminent Festival City.

## HOUSING

20. As part of this deal, a regional housing programme recognises the very significant housing pressures across the region and the need to provide suitable housing to support sustainable economic growth.
21. The regional partners have committed, supported by the Scottish Government to deliver a 10-year ambitious programme of new housing across the region, delivering certainty to SMEs and maximising the economic benefit from the construction process through a substantial increase in off-site construction methods. This will be supported by existing training programmes through the Construction Scotland Innovation Centre.
22. This joint approach between local partners and Scottish Government will support the delivery of significant numbers of new homes across the region. Key to this scale of delivery is the unlocking of seven strategic sites. These are Winchburgh, Blindwells, Edinburgh's Waterfront, Calderwood, Shawfair, Tweedbank and Dunfermline.
23. The Scottish Government will support this delivery with the following key commitments:
  - Build on the recently committed additional £125 million between 2018/19-2020/21 to support the regional partners' 10-year affordable housing programme, subject to successful progress on this initial phase. Work on the next phase of the programme and the associated funding profile beyond 2020/21 to achieve agreed outcomes will begin in 2018.
  - Guarantee on a risk-sharing basis alongside West Lothian Council, up to £150m of infrastructure investment that will unlock up to 5,000 new homes in Winchburgh, West Lothian.
  - Prioritise and work with local authorities on a site-by-site basis to support local authority borrowing and share the financing risk of infrastructure delivery required across these sites, learning from the Winchburgh approach.
  - Provide housing infrastructure funding of up to £50m, of predominantly private sector loans, to be spent on projects that will unlock housing in strategic development sites across the region and which will build upon the regional strengths in off-site construction creating new economic and export opportunities.
  - Provide a financing and funding package comprised of consent to on-lend up to £248m and an additional one-off £15m capital grant to enable the City of Edinburgh Council to establish a new regional housing company to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels.
24. Both Governments will also work with regional partners to maximise the potential contribution of public sector land and property in the region to help unlock further new housing.
25. These interventions will be linked to inclusive growth objectives through the creation of new jobs in deprived areas with investment linked to training opportunities.

## **GOVERNANCE AND ASSURANCE**

26. Strong and effective leadership and governance is paramount to both successful implementation and in providing assurance to governments, local authorities and wider regional partners. To date, the city region deal has been developed through joint working by the region's local authorities and two consortiums, one for the business community and one for Higher and Further Education establishments, led by the University of Edinburgh.

### **Key commitments include:**

27. Local partners will demonstrate the value for money case for each project and programme before funding is made available. As such, all commitments in this document are subject to the approval of final business cases from the relevant Government, or from both Governments in the case of jointly funded projects.

28. Partners will establish a new model of regional governance that will encompass the best practice approaches identified within the regional partnerships work stream of Phase 2 of the Enterprise and Skills Review. Following the recommendations of the Enterprise and Skills Review the model will focus on the needs of the area and will include an integral role for the private and third sectors. The new regional governance will include effective engagement with Scottish Enterprise, Skills Development Scotland and incorporate senior business and industry leadership. In respect of the Scottish Borders, the announcement of the South of Scotland Enterprise Agency will require Scottish Borders Council, all agencies and Government to take an approach that ensures an effective fit between the governance for the City Region Deal and the statutory nature of the new Agency.

29. The Scottish Government is developing an Inclusive Growth monitoring framework which will incorporate clear indicators to measure progress towards the five high-level inclusive growth outcomes (Economic Performance and Productivity, Labour Market Access, Fair Work, People, and Place) and will expect the City Region Deal evaluation and monitoring reports to align with this.

30. Local partners will work with both the UK Government and the Scottish Government to develop a final City Region Deal document, detailed implementation plan with monitoring and evaluation frameworks and associated business cases for all projects and/or programmes receiving funding from the UK and/or Scottish Governments.

31. Local partners will work with both the UK Government and Scottish Government to agree a communications strategy and an operating protocol. Both documents will set out how communications about the City Region Deal and its associated activities are taken forward, in a way that meet the needs of the regional partners as well as the UK and Scottish Governments.

**ENDS**





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## PROPOSALS FOR LOCALITIES BID FUND PILOT – ROUND 2

Report by Service Director Customer & Communities

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### SCOTTISH BORDERS COUNCIL

28 June 2018

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#### 1 PURPOSE AND SUMMARY

- 1.1 **This report sets out proposals for consideration in regards to the second round of the Localities Bid Fund pilot.**
- 1.2 The pilot model for the first round of participatory budgeting was agreed at Council on 28 September 2017, and set out the framework for the initial allocation of funding, with a carry forward of any underspend to 2018 being agreed.
- 1.3 This initial allocation of funding, to promote community participatory budgeting through a Localities Bid Fund, is part of a wider response to the Community Empowerment (Scotland) Act 2015.
- 1.4 It has already been agreed at Council that full evaluation will be conducted at the end of the pilot, but interim feedback from Area Partnerships, social media and Project Leads has been captured. A public survey was also undertaken at the end of the first round in order to assist the development of these proposals– 181 responses were returned and the results are summarised at **Appendix A**.
- 1.5 Draft proposals have also been discussed with Elected Members over the last few weeks and the outcome of these discussions are reflected in the proposal detailed at **Appendix B**. The main changes with regards to the voting process and criteria are as follows:
  - Pre-registration will be required
  - A mandatory cast of votes to encourage spread voting
  - Only Borders residents (16yrs plus) can vote
  - The removal of ballot papers and ballot boxes out in the community with paper voting only taking place at planned voting events.

- 1.6 It is proposed that each Area Partnership will have the discretion to decide whether the funding for each Area Locality Bid Fund is to be allocated in a particular way (e.g. urban/rural split); if any themes are being applied to a particular release of funding; if there is to be any cap on the amount of grant for any project and whether a cash contribution will be required. Officers will be able to provide guidance to Members at Area Partnership meetings on any potential consequences of any proposed allocations, caps, etc.
- 1.7 The total allocation to this initial pilot was £500k. £208k was put forward for the 1<sup>st</sup> round with £204k awarded to community projects by the public. It was agreed that the balance of £296k could be carried forward to 2018 to fund the 2<sup>nd</sup> round. The breakdown of the fund and the financial alignment to the draft proposal is detailed at **Appendix B**.

## **2 RECOMMENDATIONS**

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

#### **(a) Notes:**

- (i) the findings of the public survey as detailed at Appendix A;**
- (ii) the financial breakdown of the pilot Localities Bid Fund as detailed at Appendix B; and**
- (iii) the proposed timetable detailed at Appendix C**

#### **(b) Agrees:**

- (i) the proposals for Round 2 allocations and criteria as detailed at Appendix B; and**
- (ii) to amend the Scheme of Administration to include within the remit of Area Partnerships – “Decide whether the funding for each Area Locality Bid Fund is to be allocated in a particular way (e.g. urban/rural split); if any themes are being applied to a particular release of funding; if there is to be any cap on the amount of grant for any project and whether a cash contribution will be required.**

### 3 BACKGROUND

- 3.1 The pilot model for the first round of participatory budgeting was agreed at Council on 28 September 2017, and set out the framework for the initial allocation of funding, with a carry forward of any underspend to 2018 being agreed. This initial allocation of funding to promote community participatory budgeting through a Localities Bid Fund is part of a wider response to the Community Empowerment (Scotland) Act 2015.
- 3.2 Feedback from the first round of the Localities Bid Fund (summarised in Appendix A) has been incorporated into a proposal for the second round of funding and offers further opportunities to pilot other participatory budgeting options (see Section 4).
- 3.3 There has been significant learning from the first round of this pilot, and this has contributed to more specific criteria for the next round of funding and a pre-registration requirement for the voting process being proposed.
- 3.4 The total allocation to this initial pilot was £500k. £208k was put forward for the 1<sup>st</sup> round with £204k awarded to community projects by the public. It was agreed that the balance of £296k would be carried forward to the current financial year and would fund the 2<sup>nd</sup> pilot round.
- 3.5 A financial breakdown of the £500k pilot is detailed at Appendix B, which shows the proposed financial allocation for each area.

### 4 EVALUATION AND KEY FINDINGS

- 4.1 Feedback has been gathered through Area Partnerships, partners, communities, The Democratic Society, online tool provider D21, Elected Members and an online survey which has received 181 responses (detailed at Appendix B).
- 4.2 The key findings from the evaluation are:
  - **Communication** needs to be more effective regarding publicising the fund, the voting process and the amount of funding that can be applied for needs to be more clearly set out
  - **Social media, e-mail and local press** were considered to be the best forms of communication but messages need to be clearer
  - Respondents were generally satisfied with the application process, although the guidance needs to be improved upon and set out more clearly
  - There is a **strong desire** for a funding cap to be set
  - There is a **wish** to see a more even distribution of votes to avoid a few projects obtaining most of the funds
  - Significant feeling that well known groups in larger communities stand more chance of getting votes than those in smaller communities
  - Respondents were fairly satisfied with the overall voting process but were dissatisfied with the paper voting form

- Concerns were raised regarding the possibility of multiple voting and the voting system being abused

The proposal for the second round of funding attempts to address these key findings and to provide a more robust voting mechanism.

## **5 PROPOSAL FOR LOCALITIES BID FUND – ROUND 2 (Appendix B)**

5.1 The funding pot for each area will be as follows:

- Berwickshire - £48,374.30
- Cheviot - £50,568.20
- Eildon - £95,802.30
- Teviot & Liddesdale £40,080.30
- Tweeddale £61,416.20

5.2 It will be for each Area Partnership to determine if they would like a specific theme for their area. The projects must meet how they want to allocate the funding and the priorities and outcomes of the SBC Corporate Plan, the Community Planning Partnership (CPP) Community Plan, and must benefit communities.

5.3 There were single, significant awards of up to £35k made in the last round of the Localities Bid Fund, which took up all of the allocation in some areas. Concerns have been raised at Area Partnership, within the survey feedback and directly to the Communities and Partnership team as to how equitable this was. It will be for each Area Partnership to determine if they would like to introduce a cap for the second round, and if this cap would be for constituted, non-constituted or all groups. Officers will provide advice and guidance to Area Partnerships on this.

5.4 The feedback and learning from the first round of voting means that in order to provide a more robust voting process, pre-registration will be required. In order to achieve a spread of votes, it is proposed that there should be a mandatory cast of votes i.e. if you have 3 votes, you must use these or your vote is void.

5.5 In round 2 Area Partnerships will consider whether to seek a cash contribution. This demonstrates commitment and engagement to the project and is something that features in other participatory budgeting models in Scotland.

5.6 The proposal for the public vote is both an online voting tool and ballot papers only available at a voting event (one per locality). There will be no ballot boxes out in the community due to the challenges experienced of the distribution and collection of 79 ballot boxes. Ballot papers can also be sent out to individuals on request if they cannot attend a voting event.

5.7 Only those who are over 16yrs of age and live in the Borders will be able to vote in the second round. This will streamline the postcode validation process.

- 5.8 The pre-assessment check will comprise the Communities & Partnership Team ensuring that the application forms have been completed satisfactorily, meet the priorities and outcomes of the SBC Corporate Plan and the CPP Community Plan and are appropriate for the Localities Bid Fund, or if there are other, more appropriate funding streams. All applications will be presented to the Borders Assessment Panel with a recommendation for the Panel's consideration.
- 5.9 The Borders Assessment Panel will be chaired by the Executive Member for Neighbourhoods and Locality Services and include all Area Partnership Chairs and key SBC officers. Applications will be assessed by the Borders Assessment Panel against the following criteria:
- (i) Does the project meet the outcomes of the SBC Corporate Plan and/or the CPP Community Plan (including any locally agreed priority)
  - (ii) How will the project benefit the local community
  - (iii) How will the community be involved in delivering the project
  - (iv) Has sustainability been considered (if appropriate to the project)
  - (v) What will change in the community as a result of the project
  - (vi) Does the project disadvantage any parts of the community

The projects that do not meet the above criteria will not go forward to the public vote and appropriate feedback will be given by the Communities & Partnership's Team to applicants.

- 5.10 The same voting process from the first round (i.e. funding allocated to those projects with the most votes) will be used for those agreed projects going forward to a public vote, and funding will be awarded to the most successful bids and publicised on the SBC website, at Area Partnerships and through social media.

- 5.11 The Localities Bid Fund **will not** fund:

- Salary or staffing costs
- Upgrades to existing facilities or equipment
- Refurbishment of existing buildings or land
- Fund trips abroad or activities which only benefit individuals
- Feasibility studies or research

## **6 PROPOSED TIMETABLE**

- 6.1 A proposed timetable is included at Appendix C. This timetable is for guidance only, and in order to allow for application support if required, the final timetable for each of the five areas will be decided by the members of each Area Partnership.
- 6.2 It is proposed that the fund opens for applications from July 2018 through to the end of September 2018. Assessment will take place in October 2018, and voting will take place in November 2018 with successful applicants being notified before Christmas.

- 6.3 A second public survey will be conducted at the end of round 2, along with feedback collated during the process, and this will be used in conjunction with the monitoring and evaluation from LBF Round 1 to bring a full evaluation for Members consideration in late Spring 2019.

## **7 IMPLICATIONS**

### **7.1 Financial**

- (a) The funding allocation for the 2017 Localities Bid Fund Round 1 was £208,000. Funding being awarded for this round is £203,759 with £2,050 being rolled over for Berwickshire and £2,191 rolled over for Eildon. This leaves a balance of £296,241.30 to be allocated for Round 2 (Appendix B).
- (b) A further £250k has been allocated for participatory budgeting in the 2018/19 budget which may require to be carried forward to 2019/20 if unallocated by 31<sup>st</sup> March 2019.

### **7.2 Risk and Mitigations**

A risk management approach will be applied consistently and appropriately across the programme, based on existing grants & funding schemes and best practice. Decisions taken on the allocation of the Localities Bid Fund should not expose the Council to any unfunded ongoing future financial commitment.

### **7.3 Equalities**

- (a) An Equalities Impact Assessment has been carried out on this proposal and it is anticipated that there are no adverse equality implications.
- (b) It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.

### **7.4 Acting Sustainably**

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

### **7.5 Carbon Management**

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

### **7.6 Rural Proofing**

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

## 7.7 Changes to Scheme of Administration or Scheme of Delegation

The Scheme of Administration will require to be changed to include within the remit of Area Partnerships - Decide whether the funding for each Area Locality Bid Fund is to be allocated in a particular way (e.g. urban/rural split); if any themes are being applied to a particular release of funding; if there is to be any cap on the amount of grant for any project and whether a cash contribution will be required.

## 8 CONSULTATION

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

### Approved by

**Jenni Craig**

**Service Director Customer & Communities Signature .....**

### Author(s)

Name	Designation and Contact Number
Jenni Craig	Service Director, Customer and Communities
Shona Smith	Communities and Partnership Manager

**Background Papers:** Nil

**Previous Minute Reference:** Scottish Borders Council, 28 September 2017

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

Contact us at Scottish Borders Council, Council Headquarters, Newtown St Boswells TD6 0SA. Tel: 01835-824000, Email: [smsmith@scotborders.gov.uk](mailto:smsmith@scotborders.gov.uk)

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# Localities Bid Fund Round One

## Project Evaluation

The survey asked respondents for their views on aspects of the Localities Bid Fund (LBF) including publicity, the application process and the public voting process.

The survey was available on Scottish Borders Council's Consultation Hub from 21<sup>st</sup> March to the 11<sup>th</sup> April. Groups that had submitted applications to the LBF were sent an email link to the survey which was also made available to the wider public.

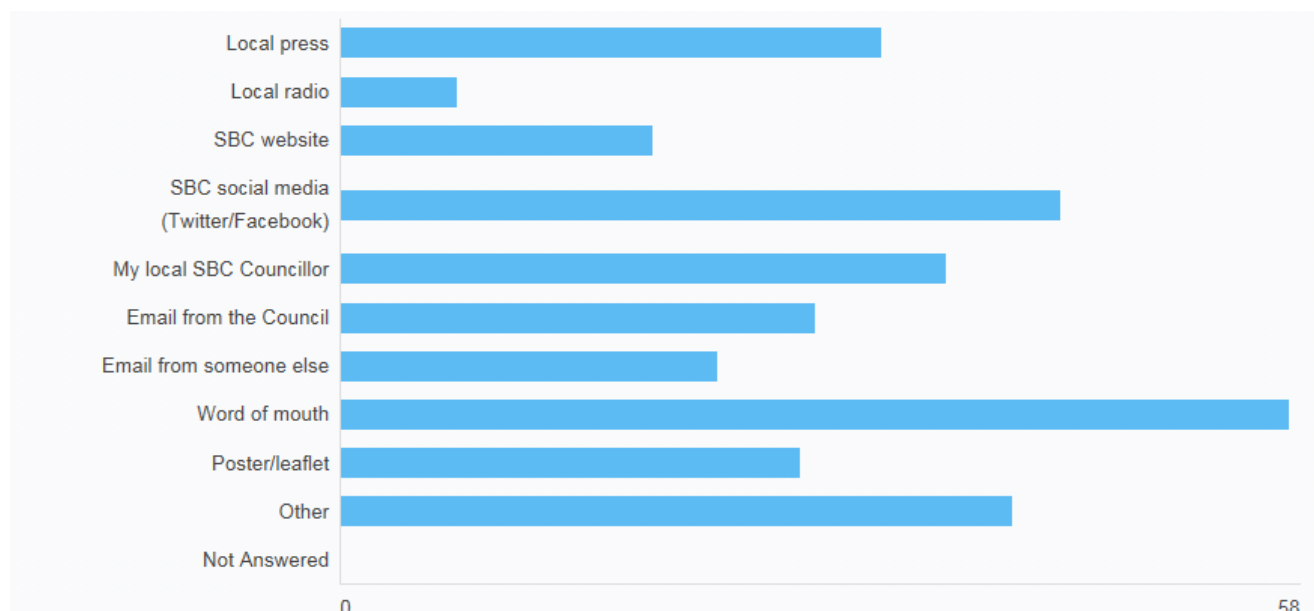
A total of 181 responses were received, of these 76 were from those who had submitted an application to the LBF while 105 were from those that hadn't.

Completion of the survey was anonymous to encourage honest responses.

## Results

### How did you hear about the Localities Bid Fund?

Respondents were asked to indicate all the ways in which they had heard about the fund. The most common way was via word of mouth (32%) followed by social media (24%) and other (23%). Other ways that people heard about the fund included, non-SBC social media, from groups applying for funding, community councils and the Third Sector.



Option	Total	Percent
Local press	33	18.23%
Local radio	7	3.87%
SBC website	19	10.50%
SBC social media (Twitter/Facebook)	44	24.31%
My local SBC Councillor	37	20.44%
Email from the Council	29	16.02%
Email from someone else	23	12.71%
Word of mouth	58	32.04%
Poster/leaflet	28	15.47%
Other	41	22.65%
Not Answered	0	0%

NB: percentages add to more than 100% as respondents were asked to indicate all ways in which they had heard about the fund.

**How would you like to hear about future rounds of the Localities Bids Fund?**

There were 153 responses to the question with social media (41%) followed by email (34%), including direct to the group/individual, being the preferred ways in which people would like to hear about future rounds of the fund.

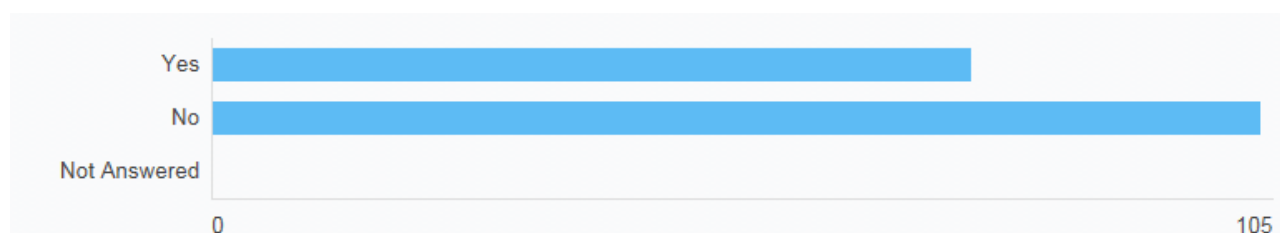
Ways in which people would like to hear the future	%
As previously	12%
Community newsletter	2%
Councillors	1%
E-mail	34%
Media/press	24%
Posters	7%
Social media	41%
Other	29%

NB: percentages add to more than 100% as respondents were asked to indicate all ways in which they would like to hear about future rounds of the fund.

Other ways indicated by respondents included Third Sector, community councils and leaflet/postcard through the door.

**Did you, or your group, submit an application to the Localities Bid Fund?**

Of the 181 responses 76 were completed by those who had submitted an application to the LBF while 105 were completed by those that hadn't.



Option	Total	Percent of All
Yes	76	41.99%
No	105	58.01%
Not Answered	0	0%

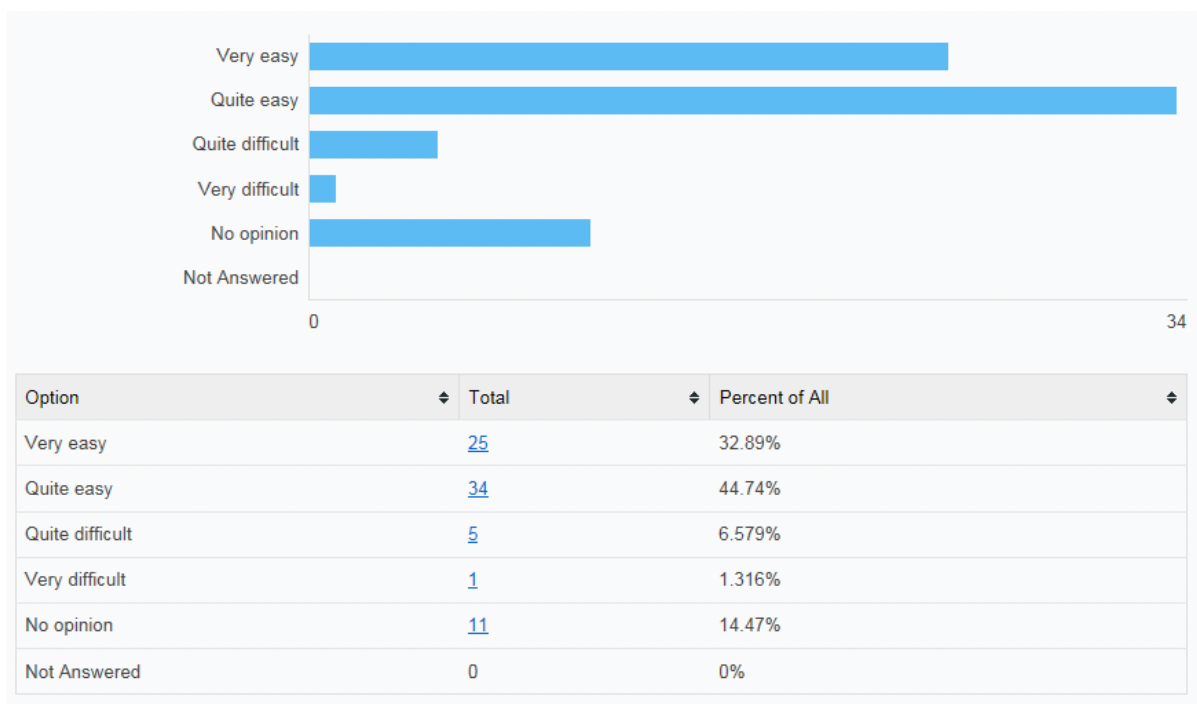
**How satisfied were you with the application process?**

Respondents that had submitted an application to the fund were generally satisfied with the application process with 76% of those who submitted an application satisfied with the availability of information about the fund and 62% satisfied with the overall application process. 26% were dissatisfied with the clarity of the guidelines and 25% dissatisfied with the overall application process.

	Very satisfied	Fairly satisfied	Fairly dissatisfied	Very dissatisfied	No opinion/not applicable
<b>Availability of information about the fund</b>	17%	59%	9%	3%	12%
<b>Clarity of the guidelines</b>	13%	49%	17%	9%	12%
<b>Clarity of the application form</b>	21%	50%	6.5%	6.5%	16%
<b>Overall application process</b>	15%	47%	17%	8%	13%
<b>Communication with SBC staff throughout the application process</b>	28%	38%	3%	4%	27%
<b>Helpfulness of SBC staff throughout the application process</b>	29%	37%	1%	3%	30%

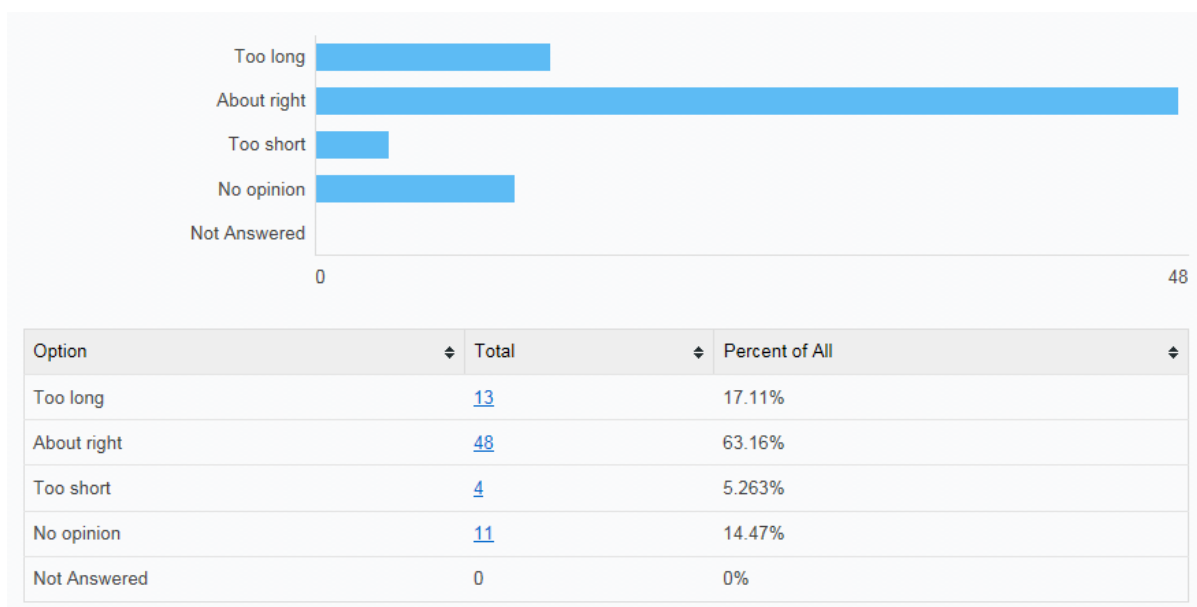
### How easy did you find it to complete the application form?

78% of applicants found the application form easy to complete while 8% found it difficult. 14% expressed no opinion.



### Did you think the application period (7 weeks) was suitable?

17% of applicants, who expressed an opinion, thought the application period was too long while 5% thought it was too short. 63% of applicants, who expressed an opinion, thought it was about right.



### Comments about the application process

Applicants were asked if they had any general comments to make about the application process. These were grouped into the following categories:

Comments by category	%
Allocation process	8%
Application form	11%
Communications	16%
Fairness	25%
Funding cap	16%
Positive comment	7%
Timescales	3%
Voting process	10%
Other	4%

NB: comments may fall in to more than one category

Most comments were made about the fairness of the process, a funding cap and communication about the project.

These included:

#### Fairness (25%)

- the desire for a funding cap
- the desire for a more even distribution of funds to avoid a few projects getting most of the money
- feeling that projects in larger communities stand more chance of getting voters than those from small villages

#### Communications (16%)

- publicity about the fund
- publicity about the voting process
- amount of funding that could be applied for

#### Funding cap (16%)

- suggestions that a funding cap of £5,000 be set

**If you didn't submit an application please tell us why**

105 respondents hadn't submitted an application. The reasons given for not doing so fell in to the following categories:

<b>Comments by category</b>	<b>%</b>
Capacity	3%
Clarity of criteria	5%
Communications	23%
Criteria (general)	3%
Fairness	8%
Individual	19%
No project in place	20%
Timescale/process time	10%
Voting abuse	1%
Other	6%

NB: Percentages may not add to 100 due to rounding. Comments may fall into more than category

23% of comments included communications as a reason for not submitting an application. These included lack of awareness about the fund in good time to submit an application or prior to the deadline for applications.

### How satisfied were you with the voting process?

All respondents were asked to rate their satisfaction with various aspects of the voting process. The highest satisfaction levels were received in relation to the length of time allowed for the public vote, while the lowest levels of satisfaction were with the paper voting form.

	<b>Very satisfied</b>	<b>Fairly satisfied</b>	<b>Fairly dissatisfied</b>	<b>Very dissatisfied</b>	<b>No opinion/not applicable</b>
<b>Voting guidance</b>	13%	48%	14.5%	14.5%	10%
<b>The different methods in which people could vote</b>	16.5%	42%	14%	16.5%	11%
<b>Online voting process</b>	24%	36%	11%	14.5%	14.5%
<b>Paper voting form</b>	8%	25%	11%	16%	40%
<b>Length of public voting period (4 weeks)</b>	29%	46%	5%	7%	13%
<b>Availability of voting forms</b>	13%	29%	12%	11%	35%
<b>Communication with staff during the voting process</b>	10%	25%	3%	7%	55%
<b>Helpfulness of staff during the voting process</b>	13%	23%	4%	4%	55%

NB: percentages may not add to 100 due to rounding

### Comments about the voting process

Respondents were asked if they had any general comments to make about the voting process. These were grouped into the following categories:

Comments by category	%
Availability of voting papers	4%
Campaigning	5%
Communications	14%
Ese of use	2%
Fairness	25%
Funding cap	5%
Positive comment	3%
Timescales	1%
Voting abuse	34%
Voting bullying	2%
Other	5%

NB: comments may fall in to more than one category

The category in which the largest number of votes fell was voting abuse (34%). Comments in this category largely commented on individuals voting multiple times (both online and paper votes).

Comments that fell in to the fairness category (25%) included:

- advantage well-known groups have over smaller, new ones
- weighting of applications needed
- groups in larger centres of population have a better chance of securing votes

Comments that fell into the communications category (14%) included:

- lack of awareness
- more publicity required
- clearer communications message



### Is there anything else you would like to tell us about the Localities Bid Fund?

Respondents were given the opportunity to make further comments, these were categorised as follows:

Comments by category	%
Administration	3%
Allocation of funds	12%
Communications	13%
Criteria	6%
Fairness	27%
Feedback	1%
Funding cap	13%
Negative comment (general)	2%
Positive comment (general)	9%
Voting abuse	8%
Other	6%

NB: Comments may fall in to more than one category

The largest percentage of comments 27% fell into the fairness category. These included comments on:

- funding cap is required to enable more groups to benefit
- voting process was being abused
- voting process favours larger communities

Comments made about communications (13%) included:

- name needs to be changed
- more information about the projects
- more/better publicity
- need to publicise fund much earlier

Comments that fell into the funding cap category (13%) included:

- funding cap of £5,000 should be introduced
- funding pot should be shared out more equally

Comments that were categorised as other (6%) included:

- coverage of projects by local media
- direct funding to support other services e.g. bus services
- other funds are available for community projects

### Is there anything that you think SBC should do differently next time?

Respondents were asked if there is anything that they think should be done differently in the next round of the Localities Bid Fund. Many of the comments had been raised in other sections of the survey and could be categorised as follows:

Comments by category	%
Allocation of funds	20%
Communications	18%
Fairness	29%
Feedback	1%
Negative comment (general)	2%
Positive comment (general)	1%
Voting process	20%
Other	8%

NB: Percentages may not add to 100 due to rounding. Comments may fall in to more than one category

As with the previous two questions the largest amount of comments fell in to the fairness category (29%) and included:

- funding should be awarded proportionately – not first past the post
- limit funding amount to each project to allow for wider dispersal
- ensure rural areas have access to funds
- spread the funding wider

20% comments were connection with both the allocation of funds and the voting process:

Allocation:

- share funding according to percentage of votes
- funds to be allocated to groups that support the vulnerable
- offer Borders wide option
- ring fence funds for rural applications

Voting process:

- use 'one person, one vote' system
- have an online vote only
- ballot boxes should be more widely available
- voting system should be weighted for smaller communities

8% of comments included statements that fell in to the 'other' category, these included:

- give the funding to community councils to distribute
- Electoral Registration Office should run it
- There should be an incentive to vote

Round 1 awards and Round 2 allocations for £500,000 pilot participatory budgeting (PB) fund

Area	Population*	£4.384 per head of population	Round 1	Round 2
			Funding awarded	Funding allocated
Berwickshire	20,827	£91,324.30	£42,950	<b>£48,374.30</b>
Cheviot	19,514	£85,568.20	£35,000	<b>£50,568.20</b>
Eildon	35,035	£153,611.30	£57,809	<b>£95,802.30</b>
Teviot & Liddesdale	17,806	£78,080.30	£38,000	<b>£40,080.30</b>
Tweeddale	20,848	£91,416.20	£30,000	<b>£61,416.20</b>
<b>Total</b>	<b>114,030</b>	<b>£500,000</b>	<b>£203,759</b>	<b>£296,241.30</b>

\*uses 2015 NRS population data

Round 2 Proposal

<i>Projects must support the priorities and outcomes of the SBC Corporate Plan or the CPP Community Plan and benefit communities</i>	
<b>Application Criteria</b>	
Allocation*	<b>*Allocation to be agreed within Area Partnerships (eg.rural/urban)</b>
Theme*	<b>*Theme to be agreed within Area Partnerships if required</b>
Funding caps*	<b>*To be agreed within Area Partnership</b>
Cash contribution*	<b>Level of any cash contribution to be agreed within Area Partnerships</b>
Project type	<b>New projects only</b>
<b>Voting</b>	
Pre-registration	<b>Pre-registration</b>
Mandatory cast of votes	<b>Mandatory cast of votes required to encourage the spread voting</b>
Borders residents only	<b>Border residents only (validated by address and postcode)</b>
16yrs and over	<b>16yrs +</b>
Voting	<b>Online voting and event</b>

**\*To be agreed within each Area Partnership**

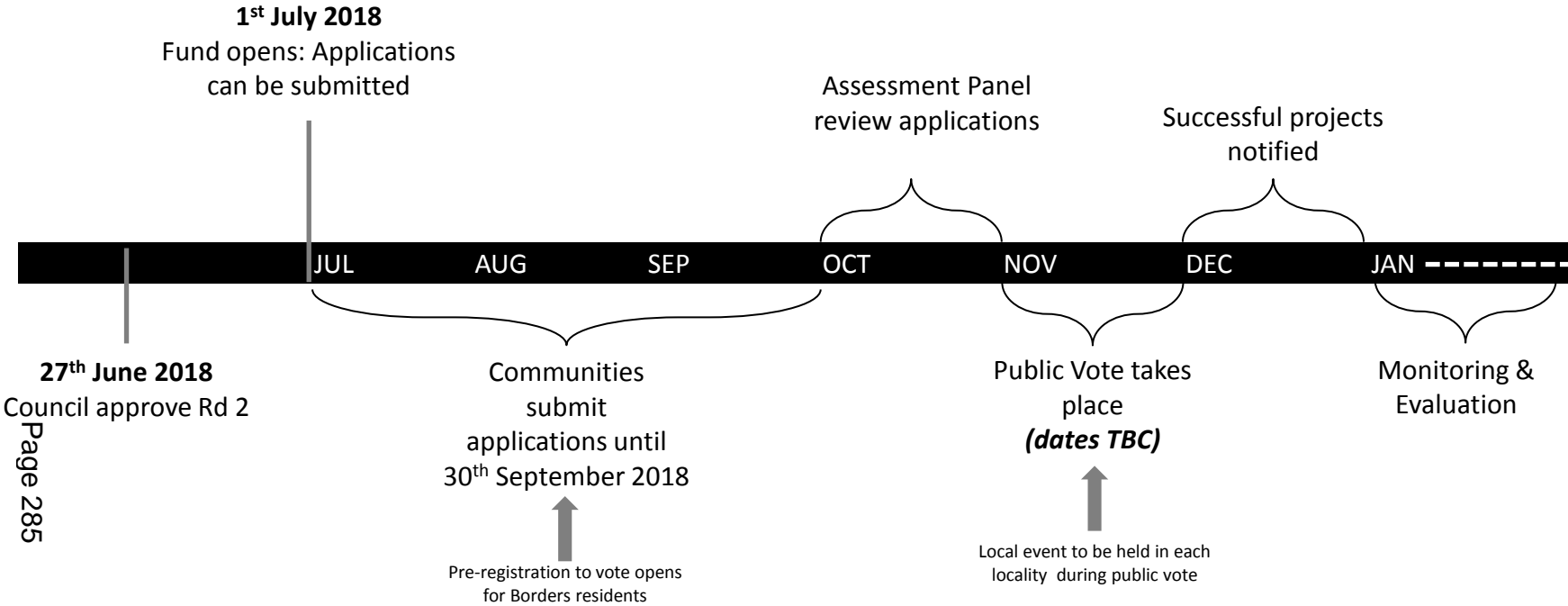
What the Localities Bid Fund will not support:

- Staffing or salary costs
- Upgrades to existing facilities or equipment
- Refurbishment of existing buildings or land
- Fund trips abroad or activities which only benefit individuals
- Feasibility studies or research

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# Localities Bid Fund: Round 2 - Draft Timescales

Summer/Autumn 2018



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