

SCOTTISH BORDERS COUNCIL

MINUTES of Meeting of the SCOTTISH COUNCIL held in Council Chamber, Council Headquarters, Newtown St. Boswells on Wednesday, 26th February, 2020 at 10.00 am

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

Apologies:- Councillors K. Drum

In Attendance:- Chief Executive, Executive Director, Executive Director (Finance & Regulatory), Service Director Assets & Infrastructure, Chief Social Work and Public Protection Officer, Service Director Customer and Communities, Service Director HR & Communications, Joint Director of Public Health, Chief Officer Health & Social Care Integration and Clerk to the Council

1. **BUDGET COMMUNICATION STRATEGY 2020/21**

There had been circulated copies of a report by the Executive Director Finance and Regulatory on the steps taken to engage with stakeholders as part of a consultation exercise on the budget. The report highlighted the budget Communication Strategy used and provided feedback gathered from the Scottish Borders Budget Challenge. This feedback had been considered as part of the 2020-2021 Financial Planning process. As part of the agreed budget consultation exercise on the Council's updated Financial Plan, the SB Budget Challenge was made available from 30 September 2019 to 31 January 2020 to members of the public on the Council website. Members of the public were reminded that the Council had limited resources and that going forward was unable to continue to provide services in the same way. The public could then use the online simulator tool to advise the Council what the priorities were in each local area so that the Council could use the information to inform which services communities wanted to protect. As at the 31 January 2020, 953 members of the public completed the Simulator and gave their views on prioritisation of local community based services. The number of people taking part in the Budget Challenge had increased significantly compared to those participating in previous years. A summary of the public feedback from the Scottish Borders Budget Challenge was detailed per locality and for the Scottish Borders as a whole in Appendix 1 to the report. Members were delighted that public participation in the Budget Challenge had increased and thanked Officers. Members noted that potholes and recycling were high on the priority list.

DECISION

NOTED:-

- (a) **the budget Communication Strategy used;**
- (b) **the feedback from the Scottish Borders Budget Challenge detailed in Appendix 1 to the report.**

2. **FINANCIAL STRATEGY AND RESOURCES 2020/21 - 2024/25**

- 2.1 There had been circulated copies of a report by the Executive Director Finance & Regulatory Services on the estimated revenue and capital resources available for financial year 2020/21 following publication of the local government finance settlement (LGFS) on 6 February 2020. The report recommended the financial strategy to be

followed by the Council the following year and identified the financial constraints and major risks to be addressed. The report also outlined the process supporting the construction of the draft revenue and capital Financial Plans for 2020/21 as well as draft plans for future years. The Corporate Management Team had worked with political groups to support Members in setting a corporate revenue and capital budget, meeting identified pressures facing the Council. These pressures had arisen from a variety of factors and the principle pressures identified were due to the anticipated continuing constraints on external revenue and capital funding from central government, the impact of national pay negotiations, the increasing pressures from demographics, particularly the increasing numbers of very elderly people requiring care services, as well as general inflation. The budget development process had been conducted to ensure that the financial plans of the Council were aligned with its business and people planning objectives and the level of resources available. The report highlighted that total revenue resources of £295.757m were available to Elected Members assuming the Council accepted the 2020/21 settlement offer from Scottish Government including the ability to vary Council Tax by up to 4.84% in 2020/21. The impact of other potential variations in the Council Tax was shown in the tables contained in paragraphs 7.2 and 9.1 of the report. The benefits, in terms of financial stability and effective change management, derived from adopting a longer term corporate approach to the revenue and capital planning process and were widely accepted. Financial year 2020/21 represented the third year of the revenue 5 year financial plan for the Council agreed in February 2018. It was anticipated Members would continue to adopt a longer-term approach to financial planning and consequently the estimated resources available over the following four financial years were also shown. These estimates would continue to be updated annually as the detail of the financial settlement from Scottish Government became known. There was a commitment by Scottish Government to provide a three-year settlement from 2020/21; this had not materialised, but it was hoped that from 2021/22 a three year settlement would be provided assisting long term financial planning.

- 2.2 The Council had approved a revised approach to organisational change under the banner of 'Fit for 2024' when the budget was set for 2019/20 in February 2019. This approach was reshaping the transformation programme ensuring individual projects were more cross-cutting and focused on joined up business process review. The Fit for 2024 programme had been a strong driver in developing financial plan proposals for the 5-year period of the plan. In line with previous Audit Scotland recommendations scenario planning had once again been used to model a range of scenarios with regard to Scottish Government grant, Council Tax increases and estimated future inflation. This analysis was included at Appendix 2 to the report. Approval was also sought for the financial strategy for the Council covering the period 2020/21 – 2024/25. The strategy provided the overall framework for the financial management of the Council and covered the revenue budget, capital investment plan, the Council's treasury management arrangements and the recommended policy on reserves. The approach to the development of the 2020/21 budget had been aligned with the financial planning process in the NHS reflecting the increasing maturity of the Integration Joint Board (IJB) and the requirement to deliver shifts in the balance of care across the partnership from acute to community settings. The financial plan was highly dependent on the delivery of savings and a risk based approach had once again been used to set the level of recommended balances to be held in contingency. In terms of borrowing, the proposed Plan included a total borrowing over the 10-year period of £202m borrowing an increase of £108.4m from the previous plan. It was estimated based on assumptions around cash flow and interest rates that this was deliverable within the estimated revenue resources, although there was a risk however if interest rates rose above the assumed levels that additional charges may be incurred. Regular monitoring would be undertaken to ensure that borrowing levels were sustainable and affordable. The Executive Director Finance & Regulatory Services answered Members' questions and explained that 80% of Council funding came from Scottish Government which included funding for the core and new initiatives; the pattern over the last few years had been less funding on the core and more on new initiatives which were ring fenced.

DECISION

AGREED to:-

- (a) **note the estimated revenue resources for 2020/21 to 2024/25;**
 - (b) **note the estimated capital resources for 2020/21 to 2029/30 and the requirement to adhere to the prudential code for capital borrowing;**
 - (c) **note the flexibility provided through the LGFS process to allow Council Tax to be increased by up to 4.84% in 2020/21, and this flexibility was factored in to the total resources made available to Councils;**
 - (d) **approve the financial strategy set out in section 4.4 (a) to (h) of the report having considered the risk register highlighted in appendix 1 to the report;**
 - (e) **proceed to consider the proposed Financial Plans submitted by political groups for 2020/21; and**
 - (f) **approve the Council Taxes to be paid in 2020/21 in respect of all chargeable dwellings.**
3. **CAPITAL INVESTMENT STRATEGY 2020/21 - 2030/31**
There had been circulated copies of a report by the Executive Director Finance and Regulatory presenting Scottish Borders Council's updated Capital Investment Strategy (CIS) supporting the 2020/21 financial planning process. The report explained that the requirements of the Prudential Code were updated in December 2017 including the recommendation that Councils published a Capital Investment Strategy to support their Capital Plan. Scottish Borders Council first produced this document for 2019/20 and had updated and developed the second strategy to support the strategic investment priorities of the Council through the Capital Plan. The Capital Investment Strategy was designed to highlight the capital investment priorities and explained how these priorities would assist with the delivery of the Council's Strategic Corporate Plan 2018 -2023. As such, the CIS was structured to reflect the themes of the Corporate Plan. The document should be read in conjunction with the Council's 10 year capital investment plan 2020 – 2030 and the Treasury Strategy which provided detail of the Council's Prudential Indicators and set out how the Capital Investment plans (CIP) of the Council would be financed. The Capital Investment Strategy had been compiled through input from all relevant Council Services including service input, the Property and Asset team and Finance. In response to a question about the Learning Estate Strategy, the Chief Executive advised that it should be available within the next 2 months.

DECISION

AGREED to approve the Capital Investment Strategy as part of the suite of 2020/21 budget papers.

4. **TREASURY MANAGEMENT STRATEGY 2020/21**
There had been circulated copies of a report by the Executive Director, Finance and Regulatory, seeking approval of the Treasury Management Strategy for 2020/21. The Treasury Management Strategy was the framework which ensured that the Council operated within prudent, affordable financial limits in compliance with the CIPFA Code. The Strategy for 2020/21 was appended to the report and reflected the impact of the Administration's Financial Plans for 2020/21 onwards on the prudential and treasury indicators for the Council. Councillor Bell, as Chairman of the Audit & Scrutiny Committee, advised that the Strategy had been considered by that Committee on 10 February 2020. The report included detailed projected external borrowing for the next five financial years and then at five year intervals up to 2049/50, together with the Operational Boundary and Authorised Limit.

DECISION

AGREED to:-

- (a) approve the Treasury Management Strategy 2020/21 as set out in Appendix 1 to the report;**
- (b) note that the draft Treasury Management Strategy had been considered by the Audit & Scrutiny Committee on 10 February 2020;**
- (c) review its capital expenditure plans going forward to ensure they remained realistic, affordable and sustainable; and**
- (d) instruct officers to ensure that the revenue consequences of all capital projects be fully considered as part of the revenue financial planning process and be reflected in annual budgets.**

5. FINANCIAL PLAN INTEGRATED IMPACT ASSESSMENT (IIA)

There had been circulated copies of a report by the Service Director HR & Communications providing assurance that any potential equality impacts of the proposals brought forward within the Council's Financial Plan from 2020/21 had been identified and would be managed accordingly. The report explained that the Council had a legal obligation in terms of the Equality Act 2010, when exercising functions, to have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act;**
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

Carrying out and considering the findings of an Equality Impact Assessment (EIA) as part of the decision making process was the method of ensuring "due regard" was paid to the effect of the relevant policy or practice on the Council's obligations under the Public Sector Equality. Initial Integrated Impact Assessments on the 2020/21 Financial Plan proposals had been undertaken as an integral part of the revenue and capital budget planning processes in order to fully inform decisions proposed by officers and approved by Members. Some of the proposals had been carried forward from previous years and so had already been subject to an impact assessment. Where that was the case they had not been re-assessed at this stage, although may be as detailed proposals developed. While some of the assessed proposals indicated no impact, it was recommended that any potential impact continue to be monitored, given the nature of the proposals. These 117 proposals may potentially impact in a positive or negative way on one or more of the Protected Characteristics or Socio-Economic Factors and any potential negative impact would require ongoing management through their implementation stage, in terms of mitigating and alleviating these impacts. Any positive impacts identified at this stage should be maximised during the planning and implementation stage of the proposals.

DECISION

AGREED:-

- (a) to note the summary outcomes of the 68 Initial Equality Impact assessments undertaken in respect of the 2019/20 Financial Plan proposals, as detailed in Appendix I to the report; and**

- (b) that officers undertake further and ongoing Impact Assessment work, as necessary, in respect of these proposals with specific reference to the equality or socio-economic groups on whom there may be possible impact:
- (i) that where there was an identified relevance to the Council's statutory duty and there was a possible positive impact on one or more equality characteristic or socio-economic group, actions to maximise this impact would be identified and implemented as part of the project planning and delivery of each proposal or project; and
 - (ii) that where there was an identified relevance to the Council's statutory duty and where there was a possible negative impact on one or more equality characteristic or socio-economic group, actions to mitigate and alleviate this impact would be identified and implemented as part of the project planning and delivery of each proposal or project.

6. DRAFT 5 YEAR REVENUE AND 10 YEAR CAPITAL FINANCIAL PLANS

There had been detailed on the agenda Motions by both the Administration and the Opposition Groups and supporting papers had been circulated relating to each.

6.1 MOTION BY COUNCILLOR HASLAM

Councillor Haslam, seconded by Councillor Aitchison, moved the Motion as detailed on the agenda, thus:

"The Conservative/Independent Alliance Administration recommend that Scottish Borders Council:

- (i) approves a council tax increase of 4.84% for financial year 2020/21 commencing 1 April 2020, with a band D equivalent of £1,253.91, as set out in table 1 below:

Table 1

Council Tax band	Proportion of Band D Council Tax	Annual charge applicable from 1 st April 2020
A	6/9	£835.94
B	7/9	£975.26
C	8/9	£1,114.59
D	9/9	£1,253.91
E	12/9	£1,647.50
F	15/9	£2,037.60
G	18/9	£2,455.57
H	22/9	£3,072.08

- (ii) approves the Administration's 5 year revenue plan 2020/21 – 2025/26 and 10 year capital investment plan 2020/21 – 2030/31 set out in documents 9(a) and 9(b) on the agenda; and in doing so,
- (iii) notes the following:

The publication of the Local Government Settlement on the 6th February 2020 confirmed a reduction in the core revenue support grant from central Government to Scottish Borders Council of £1.8m (0.9%) and a reduction in Capital Grant of £4.2m (25.5%) in 2020/21, compared to the 2019/20 Settlement issued by Scottish Government in December 2018.

These reductions have been compounded by lack of clarity with regard to the new funding model for School replacement which has changed significantly from the previous model on which we based our plans a year ago. These issues have left

the Council Administration with no credible alternative other than to increase the Council Tax by 4.84%, as allowed by the Local Government Settlement, in 2020/21. This increase replaces resources lost through Scottish Government cuts elsewhere in the Settlement. The council tax increase will provide the ability to invest in new schools and care facilities that are desperately needed in our communities at a time when capital grant from the Scottish Government has been cut.

The income raised by the Council tax increase will provide up-front capital finance to transform Peebles High School, and deliver Community Campuses to replace Galashiels Academy and Hawick High School much earlier than would otherwise have been possible and in line with previously agreed timescales.

The income raised will also help the Council to invest in 2 new 60 bed Care Homes in Hawick and the Central Borders to better meet the needs of a growing elderly population in the Borders.

While these facilities are in the planning and development phase, the increased Council Tax will fund investment in improving the condition of the road network with a further £2.2m invested on top of the additional £2.3m announced in last year's budget. This funding is to fund extra road resurfacing and pothole repairs in our communities in response to the priority feedback provided by 953 responses to the consultation on the 2020/21 budget.

Taken together the increases in the Council Tax approved by this Administration will deliver £4.3m of extra investment in improving the condition of the road network. With this additional resource, the total investment in the road network proposed by this budget will total £40.4m in revenue the next five years and £84.6m in capital over the next ten years.

In addition, we will transform 3 of our High Schools and provide 120 new care beds for our most vulnerable elderly population. These developments will occur in Hawick and the Central Borders.

A particular welcome feature of this year's budget process has been the significant increase in the level of engagement of Borders citizens. We have listened to the 953 responses from our public budget consultation. The priority of our residents was very clearly roads, protecting our winter services, reducing fly tipping and dog fouling. This budget reflects those priorities and continues our ambitious programme of investment in outdoor community spaces."

6.2 **MOTION BY COUNCILLOR BELL**

With reference to paragraph 9 of the Minute of 30 January 2020, and in terms of Standing Order 26, Councillor Bell, seconded by Councillor Robson, moved the motion as detailed on the agenda in the following terms:-

"Under the terms of Standing Order 26 Council agrees to revisit - as part of the Opposition Budget motion - its decision at the meeting of 30th January 2020 in respect of agenda Item 12 (CCTV Provision in the Scottish Borders).

This Motion is seconded by Councillor Robson and signed by Councillors A. Anderson, H. Anderson, J. Brown, K. Chapman, K. Drum, H. Laing, C. Ramage and E. Thornton-Nicol.

The Opposition Parties on Scottish Borders Council – the Scottish National Party and the Liberal Democratic Party recommend that Council:

- (i) approves the Opposition Parties' alternative 5 year revenue plan 2020/21 - 2025/26 and alternative 10 year capital investment plan 2020/21 – 2030/31 set out in documents 9(b) and 9(c) on the agenda; and in doing so
- (ii) approves a council tax increase of 4.84% for financial year 2020/21 commencing 1 April 2020, with a band D equivalent of £1,253.91, as set out in the Table 1 below:

Table 1

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F	15/9	£2,037.60
G	18/9	£2,455.57
H	22/9	£3,072.08

- (iii) notes the following principles and proposals:

1. The Opposition Parties have prepared an alternative 5 year revenue plan of £1.51bn for the Scottish Borders and a 10 year capital plan of £464m;

- This budget builds on opportunities and improves the lives of Borderers whatever their age by Investing in our Future. It focuses on delivering quality services, opportunities for all in a thriving economy, empowering communities and enabling people to live independently and achieve their goals.
- This budget rebuilds educational capacity, protects teacher ratios, library services, school mental health services and frontline Council services; whilst also recognising that we must modernise service delivery and make efficiencies.
- The Opposition budget specifically proposes :-
 - £24.7m investment over ten years into new or refurbished Primary schools
 - To expand the program of High School provision through renewing or replacing secondary schools in Galashiels, Peebles and Hawick by 2027 at a cost of £128.2m
 - £18.5 investment in two new nursing homes
 - Investing a further £5.9m capital and £4.5m revenue in 2020/21 into Early Learning & Childcare
 - To continue investment to a total of £55.2m in flood studies and Flood & Coastal protection over the capital period
 - To reinstate Librarians in all High Schools
 - To commit funding for a Climate Change Champion and to invest revenue in environmental and bio-diversity projects
 - To revisit the Council decision of January this year and renew public sector CCTV in priority towns

2. The Opposition Parties propose to finance the associated Revenue and Capital costs through rescheduling Community Fund investment, through discontinuing the second Council-funded CAT team when its contract comes up for renewal and through changes to the Council Tax across all Bands.

- (iv) agrees that Scottish Borders Council mainstreams funding – initially £1m - from September 2020 into Borders Decides. This will devolve decisions about road maintenance, traffic management and the environment to local level. Prioritisation of spend will be decided by the community through participative budgeting, and based on officer recommendations.

6.3 Councillors spoke in support of their respective Motions. Councillor Haslam, seconded by Councillor Turnbull, moved that the vote be taken by “roll call”. Councillor Bell, seconded by Councillor Moffat, moved as an amendment against a “roll call” vote.

VOTE

On a show of hands -

For the roll call vote - 28

Against the roll call vote – 5

DECISION

DECIDED that the vote on the 2 Motions would be taken by roll call.

ROLL CALL VOTE

MOTION

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

AMENDMENT

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

ABSTENTION

Councillor C Penman

There being 21 votes for Councillor Haslam’s Motion and 11 votes for Councillor Bell’s Motion and 1 abstention, Councillor Haslam’s Motion was accordingly carried.

DECISION

DECIDED to approve the Motion as detailed in paragraph 6.1 above including the Administration’s Budget as contained in Appendix I to this Minute in the Minute Book.

7. FEES AND CHARGES 2020/21

There had been circulated copies of a schedule of proposed 2020/21 fees and charges. The fees and charges were based on the approved 2019/20 charges plus an inflationary increase of at least 3% unless there was a business reason not to do so, such as charges being set nationally or if the increase would have a negative effect on usage.

DECISION

AGREED to approve the fees and charges schedule with effect from 1 April 2020, as detailed in Appendix II to this Minute in the Minute Book.

8. CAPITAL PROGRAMME 2020/21 BLOCK ALLOCATIONS

There had been circulated copies of a report by the Executive Director, Finance and Regulatory, seeking approval for the proposed individual projects and programmes within the various block allocations in the 2020/21 Capital Financial Plan. Appendices A – V attached to the report contained proposals for various projects to be allocated resources from the various block allocations within the 2020/21 Capital Financial Plan as shown in the table below.

App	CAPITAL INVESTMENT PROPOSALS	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total Allocation
	Flood & Coastal Protection				
A	Flood Studies	600	350	350	1,300
B	General Flood Protection Block	292	160	160	612
	Land and Property Infrastructure				
C	Asset Rationalisation & Demolition	1,865	2,750	1,382	5,997
D	Cemetery Land Acquisition & Development	0	859	420	1,279
E	Building Upgrades	847	584	624	2,055
F	Cleaning Equipment Replacement Block	46	50	50	146
G	Commercial Property Upgrades	66	40	40	146
H	Contaminated Land Block	18	93	93	204
I	Energy Efficiency Works	3,418	1,045	1,045	5,508
J	Health and Safety Works	682	585	585	1,852
K	Outdoor Community Spaces	1,344	640	828	2,812
	Road & Transport Infrastructure				
L	Accident Investigation Prevention Schemes Block	40	40	40	120
M	Cycling Walking & Safer Streets	189	211	221	621
N	Lighting Asset Management Plan	160	160	160	480
O	Roads & Bridges -inc. RAMP, Winter Damage & Slopes	7,660	7,660	11,615	26,935
	Corporate				
P	ICT - Outwith CGI Scope	80	80	80	240
	Learning Estate				
Q	Learning Estate Block	2,718	1,800	1,800	6,318
	Sports Infrastructure				
R	Culture & Sports Trusts - Plant & Services	409	290	290	989
	Culture & Heritage				
S	Public Halls Upgrades	225	99	0	324
	Economic Regeneration				
T	Borders Town Centre Regeneration Block	100	100	100	300
U	Hawick Regeneration	1,596	489	0	2,085
	Social Care Infrastructure				

V	Care Inspectorate Requirements & Upgrades	54	55	57	166
	Total	22,409	18,140	19,940	60,489

It was noted that not all projects had been fully identified at this point. As and when this information became available further reports would be brought to the Executive Committee for consideration.

DECISION

AGREED to approve the block allocations as shown above and the breakdowns as detailed in Appendices A-V to the report.

MEMBER

Councillor Brown left the meeting.

ADJOURNMENT

The Convener adjourned the meeting at 1.05 pm and reconvened at 1.15 pm.

9. **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 III to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 8 and 9 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

10. **HAWICK FLOOD PREVENTION SCHEME**

There had been circulated copies of a report by the Service Director Assets and Infrastructure requesting authority to proceed with the award of the Hawick Flood Protection Scheme's Main Works Construction Contract, and thereby the commencement of the final delivery of the Scheme. The recommendations contained in the report were approved.

11. **UNION CHAIN BRIDGE - MAIN WORKS PROCUREMENT UPDATE**

There had been circulated copies of a report by the Service Director Assets and Infrastructure which provided an update on the Stage 2 National Lottery Heritage Fund application, the procurement of the Main Works Contractor and a recommended way forward for funding the project. The recommendations contained in the report were approved.

The meeting concluded at 1.35 pm