

# **SCOTTISH BORDERS COUNCIL**

MINUTE of MEETING of the SCOTTISH BORDERS COUNCIL held via Microsoft Teams on 19 March 2021 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, C. Cochrane, G. Edgar, J. A. Fullarton, J. Greenwell, C. Hamilton, S. Hamilton, S. Haslam, E. Jardine, H. Laing, J. Linehan, S. Marshall, W. McAteer, T. Miers, D. Moffat, S. Mountford, D. Paterson, C. Ramage, N. Richards, E. Robson, M. Rowley, H. Scott, S. Scott, E. Small, R. Tatler, E. Thornton-Nicol, G. Turnbull, T. Weatherston

In Attendance:- Executive Director (Corporate Improvement & Economy), Executive Director (Finance and Regulatory), Service Director Assets & Infrastructure, Service Director Customer & Communities, Service Director HR & Communications, Service Director Young People, Engagement & Inclusion, Chief Operating Officer Adult Social Work & Social Care, Clerk to the Council.

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## **1. CONVENER'S REMARKS**

The Convener welcomed Councillor Linehan to her first Council meeting following her election at the recent By-Election in the Leaderdale and Melrose Ward.

## **2. FINANCIAL STRATEGY & RESOURCES 2021/22 - 2025/26**

There had been circulated copies of a report by the Executive Director, Finance and Regulatory providing details of the estimated revenue and capital resources available for financial year 2021/22 following publication of the Local Government Finance Settlement (LGFS) on the 1st February 2021 and the subsequent approval of the Local Government Finance Order approved by Parliament on the 10<sup>th</sup> March 2021. The report recommended the financial strategy to be followed by the Council next financial year, identified the financial constraints and major risks to be addressed and outlined the process supporting the construction of the draft revenue and capital Financial Plans for 2021/22 as well as draft plans for future years. The Corporate Management Team had supported Members to set a corporate revenue and capital budget, meeting identified pressures facing the Council. These pressures had arisen from a variety of factors but were principally due to the anticipated continuing constraints on external revenue and capital funding from central government, the uncertainty around national pay negotiations, the increasing pressures from demographics, particularly the increasing numbers of older 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 explained that total revenue resources of £314.657m were available to Elected Members assuming the Council accepted the 2021/22 settlement offer from Scottish Government. The Council agreed on the 25<sup>th</sup> February 2021 to freeze Council Tax at the 2020/21 rates and accept funding of £1.955m provided by Scottish Government for this purpose, this funding being broadly comparable to a 3% increase. The benefits, in terms of financial stability and effective change management, derived from adopting a longer term corporate approach to the revenue and capital planning process were widely accepted. Financial year 2021/22 represented the fourth year of the revenue 5 year financial plan for the Council first 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. The Council 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 and this analysis is included in Appendix 2 to the report. The report also sought approval of the financial strategy for the Council covering the period 2021/22 – 2025/26. 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 2021/22 budget had been prepared against a background of significant financial uncertainty caused by the COVID-19 pandemic. The impact of COVID-19 on wider society had been profound and this in turn had significant implications for the Council's finances and its service delivery model. It was anticipated that these impacts would continue to be felt for some time to come, even once lockdown restrictions were raised. The Council's financial strategy had been adapted accordingly using the best information available at this time. A risk based approach had once again been used to set the level of recommended balances to be held in contingency recognising the uncertainty caused by the Pandemic. In response to question on the likely allocation of further funding, the Executive Director advised that Scottish Borders Council normally received around 2.2% but this could vary depending on the type of funding.

#### **DECISION**

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

- (a) note the estimated revenue resources for 2021/22 to 2025/26;**
- (b) note the estimated capital resources for 2021/22 to 2030/31 and the requirement to adhere to the prudential code for capital borrowing;**
- (c) approve the financial strategy set out in in the report, including the recommendation to maintain unallocated reserves at £6.315m for 2021/22, having considered the risk register highlighted in Appendix 1 to the report;**
- (d) proceed to consider the proposed Financial Plan for 2021/22; and**
- (e) note that a freeze on Council Tax at current levels was approved by Council on 25<sup>th</sup> February 2021.**

#### **3. CAPITAL INVESTMENT STRATEGY 2021/22**

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 2021/22 financial planning process. The requirements of the Prudential Code were updated in December 2017 including the recommendation that Councils publish a Capital Investment Strategy to support their Capital Plan. This strategy therefore supported the strategic investment priorities of Scottish Borders Council through the Capital Plan. The Capital Investment Strategy was designed to highlight the capital investment priorities and explain 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 this Corporate Plan. The document was to be read in conjunction with the Council's 10 year capital investment plan 2021 – 2031 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.

#### **DECISION**

**AGREED to approves the Capital Investment Strategy as contained in the appendix to the report.**

#### **4. TREASURY MANAGEMENT STRATEGY 2021/22**

There had been circulated copies of a report by the Executive Director, Finance and Regulatory seeking approval of the Treasury Management Strategy 2021/22. The Treasury Management Strategy was the framework which ensured that the Council operated within prudent, affordable limits in compliance with the CIPFA Code. The Strategy for 2021/22 was contained in Appendix 1 to the report and reflected the impact of the Administration's Financial Plans for 2021/22 onwards on the prudential and treasury indicators for the Council. Figures for the calculation of the Operational Boundary and the Authorised Limit for external debt in 2024/25 and 25/26 had been revised following the identification of inconsistencies by the Chair of the Audit Committee following publication of the Council Agenda and an additional paper detailing where the changes had been made had also been circulated for the information of Members. Members discussed the long term implications of borrowing, the cost of that borrowing and the need for a cautious approach.

## **DECISION**

### **AGREED to:-**

- (a) approve the Treasury Management Strategy 2021/22 as set out in Appendix 1 to the report;**
- (b) note that the draft Treasury Management Strategy was considered by Audit & Scrutiny Committee on 8 March 2021, where it noted the narrowing of the gap between Capital Financing Requirements and Authorised Limit for External Debt and recommended Council give full consideration to this;**
- (c) reviews capital expenditure plans going forward to ensure they remained realistic, affordable and sustainable; and**
- (d) ensure that the revenue consequences of all capital projects were fully reviewed in all investment decisions.**

## **5. DRAFT 5 YEAR REVENUE AND 10 YEAR CAPITAL FINANCIAL PLANS.**

- 5.1** Councillor Rowley, seconded by Councillor Haslam, moved approval of the following Motion which had been circulated with the agenda:-

"The Covid 19 pandemic has impacted on all areas of Borders life. This is a budget which aims to ensure the Council plays its part in the long road to recovery, and in doing so helps our communities, and people, by protecting our environment, making best of use of new technology and providing the best possible stimulus to our local economy.

This is a budget which addresses many of the challenges we face. It seeks to Build Back a Better Borders as we recover from the pandemic, helping our towns, protecting jobs, expanding early years childcare, protecting our most vulnerable people and investing in infrastructure that will enhance our communities, protect our environment and reduce our carbon foot print.

In doing so we aim to work closely with our community planning partners and continue the joint working that has taken place during the last year to improve the well-being and quality of life of all Borderers.

We do this however against a backdrop of continued restrictions in local government finance. COSLA called this year for a fair funding settlement for local government, we did not receive this.

The 2021/22 Local Government Settlement from the Scottish Government offered the Borders little in the way of additional core revenue and capital support at a time when the Council has significant additional Covid costs to manage, alongside falls in income due to the impacts of Covid-19.

Despite this the Conservative and Independent Administration has committed to deploying significant resources to delivering vital major infrastructure in communities across the Borders, including extra care homes for our older people, supporting our social landlords to deliver more warm, sustainable homes in our communities and significant investment in educational and community campuses in Galashiels, Hawick and Tweeddale.

With little flexibility in this year's Local Government Settlement our priority focus is on empowering and investing in our communities across the whole of the Borders.

Building Back a Better Borders will deliver a £500,000 fund to revitalise communities, it will support them in restarting events, assist community groups to recharge activities post-Covid 19, and help our communities to recover and thrive. This is additional to significant other community funding and support for community groups.

We recognise our community groups and volunteer organisations are vitally important to where we live, but are often over-stretched and under-resourced so we are investing in support workers in each locality. They will help groups create their plans, help secure the best funding sources and effectively deliver their projects.

Towns and villages of all scales are central to Borders life and sustain surrounding rural areas. With a focus initially on smaller, often forgotten settlements, we'll invest in a rolling programme of Place Planning, working with communities and businesses across the Borders to identify what every settlement needs and then working to draw in regeneration funding from a growing array of external sources.

We are ready to draw in £93m of capital investment from the Borderlands Inclusive Growth Deal, more from the Edinburgh and South East Scotland City Region Deal and the Borders Railway Blueprint, but we need to do more. This support will help maximise funding coming into the area, reinvigorate communities and regenerate settlements from regeneration funds, with our partners at South of Scotland Enterprise and emerging opportunities including the UK Government programme of Levelling Up Funds.

Support for Food Growing and Cultivating our Communities Growing will encourage more food growing in communities across the region and work with our community planning partners to involve them too. We hope this will help support the council's developing anti-poverty action plan. They will also support the fantastic work that dozens of community, civic amenity and floral groups do to enhance our towns and villages making them better places to live or visit.

Younger people tell us sustainability needs to be at the heart of all we do. Our exceptional natural environment is a defining character of Borders life, one of the great reasons to live or visit here and our rich natural capital resources are likely to be central to future growth and regeneration. Building on the Council's adoption of the UN Sustainable Development Goals and mainstreaming of Sustainable Development we'll invest in a post that delivers those plans. recognising we are in a new era and more sustainable ways of working will need to come initial funding will come from reducing the significant mileage costs associated with travelling to meetings.

We live in a dispersed rural region where road travel is a daily necessity. Roads impact on our lives daily and consultation has told us they absolutely must remain a high priority for investment now, and in future years too.

We recognise however that a long hard winter and the inevitable restrictions of Covid-19 over a whole year have impacted on our roads network's condition. We are therefore investing an additional £1,112,000 this year, growing by £510,000 to £1,612,000 in 2022/23. The additional funding will not go into a general pot but into a clear list of priority upgrades across the Borders defined by road condition and local concerns. Residents will see what they get for their extra commitment.

In total our budget will invest an additional £118.7m in roads bridges and pavements over the course of this plan.

With such an extensive network of smaller rural roads the budget is never enough, but alongside this significant additional funding sits a commitment to do things better, to trial potential new technologies, and transition to a greater proportion of our road work being a long term improvement not a short-term fix.

Our plant and vehicle fund will see us run ever-fewer dirty diesels through our communities with a £6,000,000 investment to transition to cleaner, more sustainable e-vehicles across much of our fleet.

Our communities and places matter whatever their scale or remoteness so whilst Hawick is benefitting from a huge investment in flood protection we recognise its smaller neighbour, Newcastleton needs support too. Its residents have endured a series of devastating flooding events, so there is a commitment to fund swift community engagement which will then inform feasibility studies into the best options for flood protection alongside significant flood investments.

Empowering our people of all ages, regenerating our settlements (of every size) and enabling every one of our communities to recover and thrive is at the heart of our budget. We are investing for the future in the most important places to us; our people, our places and our communities. We have already agreed to freeze the Council tax and I now urge you to support the Administration's Budget proposals for revenue and capital set out in our financial plan for 2021/22."

- 5.2 The Convener advised that 6 amendments to the budget had been tabled and outlined the procedure for the debate and any subsequent votes.
- 5.3 Councillor Rowley spoke in support of his motion and highlighted the main points within the Administration's budget which was designed to focus on communities. Councillor Bell spoke on behalf of the Scottish National Party and Liberal Democrats and advised that rather than submit an alternative budget he and his fellow Councillors would be submitting a series of amendments to address issues they had with the Administration's proposals.
- 5.4 The following amendments were submitted:-
  - (a) Councillor Bell moved an amendment to the wording in "Detail" on the Budget line "Local Place Plans" (p.138 of the agenda pack), so it now read –  
"Develop Local Place Plans, in collaboration with our local communities, for settlements across the Scottish Borders as part of a rolling programme. As an initial commitment to a significant and important area of work, we commit to resourcing new community planning staff to work alongside our planning officers, community groups, community councils and residents with a focus on improving community capacity to engage in the process.  
This will help us deliver Place Plans for communities across the Scottish Borders that will then support community groups and maximise our communities' opportunity to draw in financial support from funding sources including SBC, Scottish Government Regeneration funds, South of Scotland Enterprise, UK Government Levelling Up Fund and any emerging sources to deliver their projects."

This amendment was accepted.
- (b) Councillor H. Anderson, seconded by Councillor Thornton Nicol moved an amendment to:-
  - (i) Insert a new budget line under Budget Pressures in the Customer and Communities section with the title "Financial Inclusion Team"; a 2021/22 amount

- of £90,000; and text “3 new FTE Financial Inclusion Officers to work with existing Financial Inclusion Officer to combat poverty and maximise benefit uptake; [p.152 of the agenda pack]
- (ii) Remove £90,000 from the line Build Back a Better Borders in 2021/22 in the Corporate Section; [p.138 of the agenda pack]
  - (iii) Remove £90,000 from the line Covid-19 response and recovery (also in the Corporate Section) for 2022/23 and beyond. [p.138 of the agenda pack]
- (c) Councillor Chapman, seconded by Councillor A. Anderson, moved an amendment to-
- (i) Insert a new budget line under Budget Pressures in the Customer and Communities section with the title “Additional CAB Funding”; a 2021/22 amount of £15,000; and text “Reinstate and increase budget to address increased welfare pressures and combat poverty; [p.152 of the agenda pack]
  - (ii) Remove £15,000 from the line Build Back a Better Borders in 2021/22 in the Corporate Section; [p.138 of the agenda pack]
- (d) Councillor Robson, seconded by Councillor H. Anderson, moved an amendment to:-
- (i) Insert a new budget line under Budget Pressures in the Health and Social Care section with the title “Foster, Kinship and Through Care Respite Care Provision”; a 2021/22 amount of £25,000 [p.145 of the agenda pack]
  - (ii) This will be funded from the carry forward of £27,000 into 2021/22 as underspend against Revenue Support Grant, as agreed by the Executive Committee on 16 March 2021, the residual balance of £2,000 to remain as a carry forward.”
- Councillor Robson agreed to withdraw this amendment following an undertaking that officers would provide a report on how the Council could enhance the existing arrangements in respect of respite care and short breaks for children in kinship and foster care.
- (e) Councillor Laing, seconded by Councillor Ramage, moved an amendment to:-
- (i) Insert a new budget line under Budget Pressures in the Assets & Infrastructure section with the title “Improving Biodiversity”; a 2021/22 amount of £40,000; and text “New 1 FTE Biodiversity Officer recruited on a one year project basis to work with communities to improve biodiversity and Green Flag accreditation in our public spaces”; [p.141 of the agenda pack]
  - (ii) Remove £40,000 from the line Build Back a Better Borders in 2021/22 in the Corporate section. Consideration will be given in the 2022/23 budget round as to whether it is efficacious to continue this project.” [p.138 of the agenda pack]
- (f) Councillor Robson, seconded by Councillor Brown, moved an amendment to:-
- (i) Insert a new budget line under Budget Pressures in the Assets & Infrastructure section with the title “Extending Public Toilet Provision”; a 2021/22 amount of £80,000; and text “Supporting extension of collaborative pilots to ensure appropriate public toilet provision is retained to support tourism and economic recovery”; [p.141 of the agenda pack]
  - (ii) This will be funded from the carry forward of £229,000 into 2021/22 for Economic Development agreed by the Executive Committee on 16 March 2021, the residual balance of £149,000 to remain with Economic Development.”

5.5 Members spoke in support and against the budget proposals and the amendments detailed above. Following that discussion votes were taken on the amendments detailed above as follows:-

#### VOTES

*Amendment (b) – Moved by Councillor H. Anderson, seconded by Councillor Thornton*

*Nicol:-*

<i>Budget</i>	-	22
<i>Amendment</i>	-	11
<i>Abstention</i>	-	1

*The amendment accordingly fell.*

*Amendment (c) – Moved by Councillor Chapman, seconded by Councillor A. Anderson –*

<i>Budget</i>	-	21
<i>Amendment</i>	-	12
<i>Abstention</i>	-	1

*The amendment accordingly fell*

*Amendment (e) – Moved by Councillor Laing, seconded by Councillor Ramage –*

<i>Budget</i>	-	22
<i>Amendment</i>	-	11
<i>Abstention</i>	-	1

*The amendment accordingly fell*

*Amendment (f) = Moved by Councillor Robson, seconded by Councillor Brown-*

<i>Budget</i>	-	23
<i>Amendment</i>	-	11

*The amendment accordingly fell*

## **DECISION**

### **DECIDED:-**

- (a) to approve the Motion as detailed in paragraph 5.1 above including the Administration’s Budget as contained in Appendix I to this Minute in the Minute Book;**
- (b) that officers provide a report on how the Council could enhance the existing arrangements in respect of respite care and short breaks for children in kinship and foster care; and**
- (c) to approve the fees and charges schedule with effect from 1 April 2021, as detailed in Appendix II to this Minute in the Minute Book.**

## **ADJOURNMENT**

The meeting was adjourned at 1.45pm for lunch and reconvened at 2.15 p.m.

## **MEMBER**

Councillor Marshall did not rejoin the meeting.

## **6. FINANCIAL PLAN INTEGRATED IMPACT ASSESSMENT (IIA)**

There had been circulated copies of a report by the Service Director HR and Communications providing assurance that any potential equality impacts of the proposals contained within the Council’s Financial Plan from 2021/22 had been identified and would be managed accordingly. The report explained that had a legal obligation under 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.

This was known as the Public Sector Equality Duty. 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 Duty. The Council also had an obligation under the Fairer Scotland Duty to consider how socio- economic inequalities could be reduced through strategic decisions that were made. The Council accordingly subjected prospective policies and practices to assessment through an Integrated Impact Assessment (IIA). This addressed potential impacts, both positive and negative, on the Council’s duties under the Equalities and Fairer Scotland legislation. Initial Integrated Impact Assessments on the 2021/22 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 might be as the detailed proposals developed. While some of the assessed proposals indicate no impact, it was recommended that any potential impact continued to be monitored, given the nature of the proposals. The 83 proposals might 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 42 Initial Integrated Impact Assessments undertaken in respect of the 2021/22 Financial Plan proposals as detailed in Appendix 1 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 a 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 groups, actions to maximise this impact should be identified and implemented as part of the project planning and delivery of each proposal or project; and**
  - (ii) that where there is 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 should be identified and implemented as part of the project planning and delivery of each proposal or project.**

**7. PARTICIPATORY BUDGETING**

With reference to paragraph 9 of the Minute of 27 August 2020, there had been circulated copies of a report by the Service Director Customer and Communities providing an update on the Council’s Participatory Budgeting (PB) process, including the national position, and

outlining the next steps in delivering a mainstreaming approach. The report explained that on 29 October 2017, the Convention of Scottish Local Authorities (CoSLA) announced that Council Leaders had agreed that at least 1% of local government budgets would be subject to Participatory Budgeting (PB) by the end of this financial year (2020/21) with the aim of giving communities more influence over decisions on how funding is spent in their local area. Nationally, whilst some work on PB continued during 2020, the majority of local PB activity (planning or delivery) stopped whilst in response to the pandemic. As a result CoSLA and Scottish Government had recognised the exceptional circumstance brought about by the pandemic, and the impact this had had on councils ability to meet the 1% Framework Agreement by the end of March 2021. CoSLA Leaders had renewed their support to meet the target of 1% and the Framework Agreement was currently being revised. In the meantime it was proposed that officers, working alongside colleagues in CoSLA, develop the Council's mainstreaming approach to Participatory Budgeting as detailed within the report. Members welcomed the report and asked that this work be carried out as quickly as possible. Councillor H. Anderson suggested that the proposals did not go far enough and moved the following amendment, seconded by Councillor Bell:-

“to delete recommendation 2.1b) and replace with –

- (b) Agrees that Scottish Borders Council mainstreams participatory budgeting in order to give people a direct say in how their money is spent locally. Decisions on the priorities for council expenditure on road maintenance, and the environment will be decided directly by members of the public on the basis of officer recommendations, through a participative voting method. The pilot scheme will run from September 2021 through to March 2022 and the pilot budget will be £500k. A further report on this will be brought back to Council in the Summer.”

Members discussed the report and commented on the need for a fair and inclusive outcome for communities. Councillor Tatler, seconded by Councillor Haslam, moved approval of the recommendations in the report.

#### Vote

*Motion by Councillor Tatler* - 21 votes

*Amendment by Councillor H Anderson* - 11 votes

*Abstention* - 1

*The Motion was accordingly carried.*

#### **DECISION**

##### **DECIDED to:-**

- (a) **note the current status of the approach to delivering a mainstream approach to Participatory Budgeting; and**
- (b) **receive a further report from the Service Director Customer & Communities on the programme and timescales for meeting the 1% target.**

*The meeting concluded at 3.05 p.m.*