

CAPITAL INVESTMENT STRATEGY

2022-2023



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FOREWORD

The Scottish Borders region covers over 1,800 square miles. The region, which is noted for the quality of its natural environment, is largely rural in nature and possesses a unique history. The area, which has a widely dispersed settlement pattern, is the fourth most sparsely populated region in mainland Scotland. Almost half of our 115,270 strong population live in rural areas and a further 30% live in settlements of less than 500 people.

The geography of the Borders presents significant challenges in delivering public services, not least providing care services to our increasingly elderly population, the challenge of improving broadband connectivity in rural areas, transport infrastructure, and the need to give our children and young people the best possible start in life. The economy of the Borders remains heavily dominated by the traditional industries of textiles, farming, forestry and fishing in our coastal communities. These traditional sectors are often associated with low wages and the Borders economy is characterised by some of the lowest wages in Scotland.

The Borders is also an area which faces significant inequality. Many of our communities contain significant pockets of deprivation where low incomes and fuel poverty persist. The Council is a living wage employer and encourages all our contractors and suppliers to also pay the Scottish living wage to all their employees. The £500m capital programme, and the many contracts we will procure to deliver this strategy, are intended to make a significant difference to the quality of life and living standards of individuals, families and communities across the Region

This capital strategy sets out how we plan to deal with the most pressing of these challenges: investing in our roads and bridges network, ensuring our school children are equipped with the most modern technology possible and investing in new schools and care facilities by replacing life expired buildings with modern, environmentally sustainable fit for purpose facilities. In making important investment decisions that will help to grow our region and our economy, we also recognise the need to address the challenges posed by climate change.

It is our responsibility to do our utmost to invest in measures that will reduce our carbon emissions impact and contribute to an inclusive net zero carbon economy that protects our communities both now and in the future from the damaging effects of climate change, including flooding.

Mark Rowley
Leader
Scottish Borders Council

Netta Meadows
Chief Executive
Scottish Borders Council



INTRODUCTION

This is the fourth Capital Investment Strategy (CIS) prepared by Scottish Borders Council (SBC) as required by the CIPFA Prudential Code. The strategy applies to financial year 2022/23 and subsequent financial years. It pulls together the investment implications of other more detailed policies, including the Council's refreshed Corporate Plan, and provides the reader with a single point of reference with which to understand the Council's Capital Investment Programme and its funding arrangements and how individual projects will help with the delivery of the Council's Strategic Objectives.

The Capital Investment Strategy has evolved since its first iteration in 2019/20 to reflect user feedback, changing local circumstances, changes to funding arrangements for capital projects and local political priorities.

CORPORATE PLAN

On 23 February 2022 Council will approve a refreshed Council Plan. This plan which will be updated following the election of the New Council in May 2022 seeks to make the most of the opportunities we have, tackle the challenges faced by this unique area of Scotland, translate the policies of the elected members of Scottish Borders Council into tangible actions that will improve the quality of life of our 115,270 citizens and ensure the Council is in the best position possible to respond to national policies and other statutory requirements.

The Council's aims are set out in the refreshed Council Plan. These six themes have been used to structure the Capital Investment Strategy demonstrating how our investment priorities will align with their delivery.

Clean, green future – we tackle climate change and we value, protect and enhance our local environment and nature, so that the Scottish Borders can be enjoyed by future generations.

Fulfilling our potential - From child to adult, everyone in the Scottish Borders has access to high quality education and the opportunities they need to fulfil their potential.

Strong inclusive economy, transport and infrastructure – built upon strong and effective physical and digital connections and infrastructure, the benefits of a productive and sustainable economy are widely shared, enabling us to fulfil our potential in the Scottish Borders and attract others to live, work and visit.

Empowered, vibrant communities – the Scottish Borders has thriving, inclusive communities where people support each other and take responsibility for their local area.

Good health and wellbeing – the people of the Scottish Borders have the opportunities and are supported to take control of their health and wellbeing, enjoying a high quality of life.

Working together improving lives – working together, an effective and efficient Council delivers for its communities and the Scottish Borders.

The Council Plan also recognises that the Council cannot achieve everything it wants to alone, particularly not set against a background of the ongoing COVID pandemic, the impacts of climate change and moving towards Net Zero, resource constraints and rising public expectations. The Council has recognised that its ambitions can only be delivered effectively through collaboration and this requires a range of effective partnership arrangements to be maintained with our community planning partners, families, individuals, business and community groups and where these relationships do not currently exist they need to be developed.

We have therefore agreed to adopt four working principles which will guide everything we do.

People Focused – working collaboratively with colleagues & partners, everything we do is for the benefit of our communities.

Agile – we take advantage of new opportunities to deliver good value for money and we maximise the use of all digital opportunities.

Inclusive & Fair – we ensure everyone has the best opportunities & always seek to act fairly.

Sustainable – we are passionate about the prospects of future generations, we demonstrate this in our decisions and delivery and ensure we live within our means

The Council Plan recognises that everyone has a role to play in improving the quality of life, prosperity and sustainability of the Borders. The plan takes an approach to partnership working that asks everyone to play #yourpart to keep the Borders thriving.

STRATEGIES WHICH FEED INTO CAPITAL INVESTMENT PLAN





PLACE

In December 2020 Council agreed the need to examine new service delivery models as set out in the Fit for 2024 strategy that improve the Council's carbon footprint, make better use of technology and deliver financial savings. It is our intention to engage with communities to develop a place based strategy that considers ways to make things easier and more effective for citizens and realise best use of our resources. The strategy will provide a framework to underpin place based decision making around services and priorities for investment.

CLIMATE CHANGE

In September 2020, Scottish Borders Council declared a Climate Emergency reflecting its commitment to action on the issue. The declaration has a vital role to play in building public awareness that we are in a climate emergency situation which places unprecedented demands on all individuals, communities and businesses, as well as public bodies. In June 2021 the Climate Change Route Map was developed setting out how Scottish Borders Council will actively limit and reduce our net zero greenhouse gas emissions by 2045 in a way that is positive for the people and the economy of the Scottish Borders and builds on the strengths and assets of the region.

The impact upon the environment needs to be a key component of the brief and a strategic driver underpinning Council capital projects and service delivery. Reducing the Council's carbon footprint is a major objective to minimise CO2 emissions. This will mean consideration about the nature of capital investment we make including aspects such as enhancing existing assets; access and transport; material selection; lifecycle and maintenance; energy consumption; digital solutions and enhancing ecology and biodiversity.

GLOBAL PANDEMIC

The global coronavirus pandemic has dramatically changed the way we live our lives. The response to the pandemic has created opportunities to operate differently, for example through the use of Microsoft Teams and has been the catalyst for new ways of working in our schools through our award winning Inspire Learning programme. We look to build on this approach through our capital activity to improve service delivery and public access.



Clean Green Future Investment



GREEN ENERGY AND CLIMATE CHANGE

The Council has an ongoing Energy Efficiency Programme which has delivered carbon, cost and energy savings through a number of projects over that last two years including solar PV installations, boiler replacement, LED lighting upgrades (19,000 units), insulation upgrades, heating control enhancements and biomass boilers. The programme has also partnered with Live Borders to replace inefficient end of life plant delivering significant energy savings and improving the building environment for their customers. The Council accesses a variety of funding to deliver this investment including PWLB funding and SALIX funding. SBC is also leading a major scheme to reduce domestic consumption of energy and reduce fuel poverty in homes across the Region facilitated by Changeworks.

Future project plans include bulk solar PV procurement, battery storage systems, further upgrades of the Live Borders estate and projects to reduce the Council's reliance on carbon intensive fuels such as heating oil.

PLANT & VEHICLE

The Council currently operates a fleet of 395 vehicles down from 450 on the previous year which includes, HGV's, vans, pickups and cars, the Council also operates 1268 pieces of plant and equipment from small leaf blowers to large loaders and road maintenance equipment. The plant and vehicle fund charges departments interest and depreciation on their vehicles, this is then credited into the replacement fund to ensure that the fleet and plant can be replaced when they are no longer economical to operate. A fleet review is underway as part of the Council's Fit for 2024 programme which will seek to reduce the fleet size by tailoring the fleet to service needs, reduce our environmental impact and realise operational and financial efficiencies.

POOL AND ELECTRIC VEHICLES

The Council operates a leased pool car fleet of 41 vehicles along with 15 owned Fleet Hire vehicles, they are located at HQ Newtown and at a variety of other locations around the Borders. The leased vehicles are provided under a contract agreement and are predominantly small hybrid petrol driven cars. The Council is now in the process of procuring electric vehicles to replace these leased cars and is further developing its infrastructure to support these new vehicles. Currently there are 41 full electric vehicles on the fleet, some of these vehicles have been subsidised by grant funding, the Council will continue to seek new grant funding opportunities as we transition the fleet towards Net Zero.



ALTERNATIVE FUEL TYPES

The Council is continuing with its commitment to reduce its carbon footprint in 2022 by reducing its use of vehicles where possible and investing in new fuel technologies whilst phasing out the use of fossil fuel vehicles.

FLEET MANAGEMENT SOFTWARE AND COMPLIANCE ENHANCEMENT STRATEGIES

This year the Council is reviewing its current Fleet Management Software with an aim to reduce maintenance costs and improve the maintenance compliance processes. Specifically we are looking to improve the vehicle replacement process by using real time data on total cost of ownership allowing for vehicle life on fleet extension or retraction based on actual and up to date running costs. Monitor vehicle utilisation facilitating the reduction of vehicle's held on fleet and to improve vehicle management by introducing an app based pre-use inspection system that will interface with the workshop repair module, reducing vehicle down time and the risk of operating defective vehicles.



PROCUREMENT STRATEGY

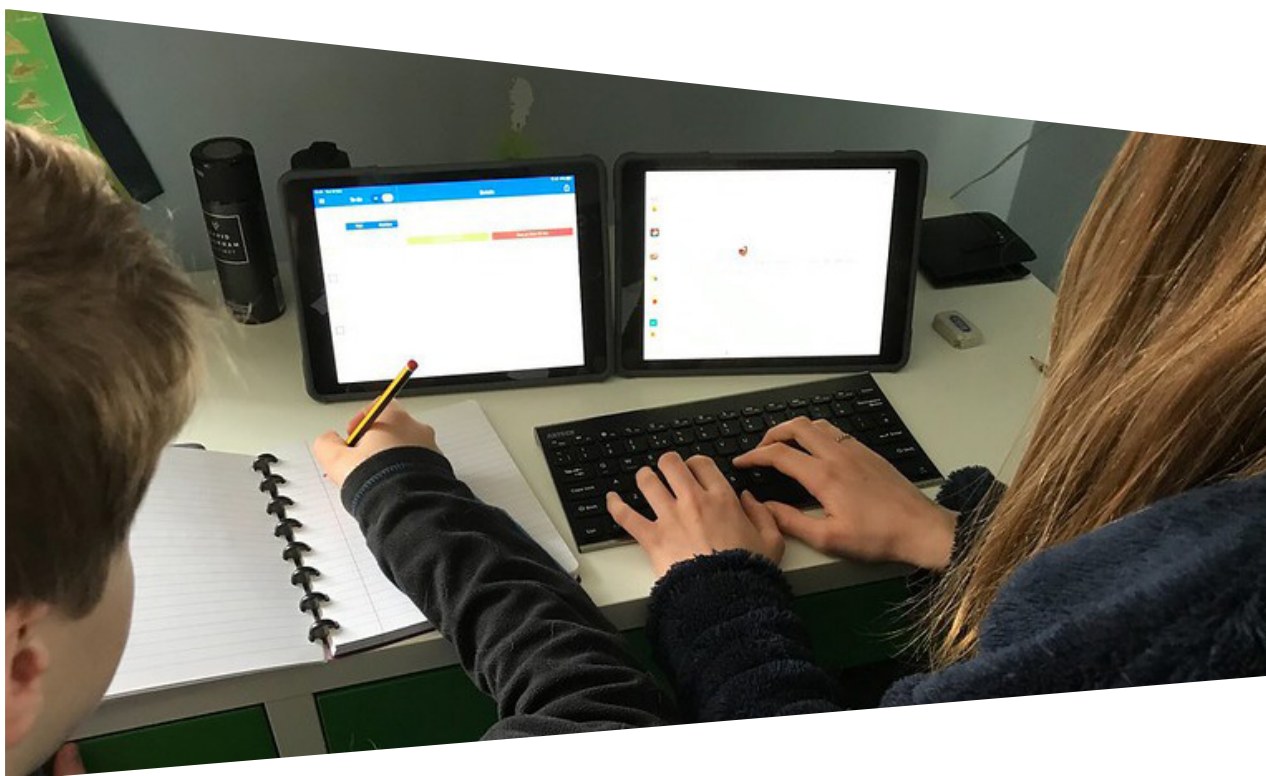
The strategy of procurement over the coming years will be to replace vehicles earlier where possible, ideally at the end of the warranty period, this should significantly reduce the operating costs at a point where residual value is still high. Procurement options including purchase and lease options will be evaluated to provide both the best value and flexibility to the Council.



Fulfilling our Potential



In September 2019, Scottish Government launched a new 'Learning Estate Strategy – Connecting People, Places and Learning' which replaces the previous 'Schools for the Future' programme. The CIS has been updated to reflect the significant changes, which this new strategy will introduce, not least of all the different funding mechanism which essentially requires the Council to forward fund all investment on a capital basis and then receive partial revenue support to maintain the buildings in a good condition over a minimum period of 25 years. In addition there will be other key outcomes which are required to be delivered, such as Low Carbon initiatives and sustainability, or to ensure that the new learning estate is fully digitally enabled.



LEARNING ESTATE

The Council has in recent years invested heavily in partnership with the Scottish Government and Scottish Futures Trust in the replacement of several life expired schools, prioritising those schools which have the most pressing need for investment assessed by their condition, capacity and suitability – this information is captured as part of the annual Core Facts Summary which is updated and submitted to Scottish Government.

The Council's own Learning Estate Strategy is expected to be published in 2022 to reflect the national strategy, and will seek to set out a 15-year overview of the entire estate including planned investment and disinvestment to shape the learning provision over that period within available capital constraints and prudent operational limits.



The Council has most recently opened a new 3-18 intergenerational community campus in Jedburgh, which replaced the Grammar School along with Howdenburn and Parkside Primary Schools which were also no longer fit for purpose.

The Council's capital funding from the Scottish Government for the delivering of 1140 hours within early learning and childcare was due to be utilised by 31st March 2022; however, due to delays arising as a result of the Covid-19 pandemic, an extended timeframe was granted for an additional year. It is anticipated that, due to a number of councils being faced with similar delivery issues, the timeframe could be further extended and, following ongoing discussion with Scottish Government, a case for flexibility in the use of the funding will be submitted in the near future. In addition to previously noted projects, such as St Ronans and Priorsford, there are plans in the early stages to use the funding to replace 8 Portakabin units, which are nearing the end of their useable timeframe and could impact available early years places if deemed not fit for purpose.

The Council holds detailed condition and suitability information on all of its existing schools and learning estate and has identified the next priorities for investment in the estate as being Eyemouth and Earlston Primary Schools. It is intended that these buildings are replaced using currently committed Council capital resources, with a detailed planning application expected to be submitted during 2022, following a public consultation, with works planned for completion in 2025.

The Council also recognises the importance of maintaining a fit-for-purpose primary school estate. With shrinking revenue and capital resources, the Council wishes to ensure that we do not continue to maintain too many school buildings that are significantly under capacity, in poor condition or are deemed to have low suitability in respect of curricular activities. A key component of the emerging Learning Estate Strategy will examine the potential to rationalise the primary estate. This may result in closing other under occupied buildings that are of poor suitability and amalgamating schools where there are feasible alternatives. The ambition is to better support delivery of the curriculum, maximise the quality and breadth of education on offer and contribute towards providing a supportive environment which can contribute to raising attainment levels and improving outcomes for our school children.

The completion of the Jedburgh Campus saw the Council having replaced 5 of its 9 secondary schools with modern facilities since 2007 using a variety of design, build and finance contract structures. More recently, the Council considered a report in November 2018 which set out the condition, likely costs and priorities for investment in its remaining secondary school estate at Galashiels Academy, Peebles High School, Hawick High School, and Selkirk High School.

The cost of investing in the four remaining schools is significant. The logistics are also very challenging, for example the need to address potential flooding issues in Hawick, ensuring these significant public assets have the lowest possible carbon footprint and delivering replacement school buildings whilst minimising disruption to learning during construction activity. Given these challenges, Galashiels Academy was prioritised for the first phase of investment.

Following the major fire at Peebles High School in November 2019, the Council revised its capital plans, to not only replace what was lost, but maximise the opportunities to enhance facilities on the site through a complete new build of the High School.

The funding model for the national Learning Estate Investment Programme is based upon up front local authority borrowing for the capital cost of construction. Revenue funding to help meet the running costs of these community assets over a 25 year period is available from the Scottish Government. This funding will help to maintain the condition of new buildings over the longer term, provided a set of criteria is achieved.

This new strategy requires full consideration of innovative service delivery, shared services where possible, low carbon & energy efficiency, and digital connectivity. In addition, they should, wherever possible, accommodate a wide range of community sporting, leisure, health and community support and advice based services. In December 2020, Scottish Government announced that the Council's bid for revenue funding support for the new secondary schools in Galashiels and Peebles had been successful. Where possible these new buildings will be future proofed to allow future rationalisation and improvement of the wider estate where this provides best value.





Strong Inclusive Economy, Transport and Infrastructure



BUSINESS ENVIRONMENT

The Council has worked hard in recent years to encourage investment in the Borders economy. The opening of the Borders Railway in 2015 provided a major investment in the infrastructure of the region opening up the central borders with a journey time to central Edinburgh of only 55 minutes. The success of the railway is evident through the continued growth in passenger numbers which have now exceeded 4m journeys since it opened in 2015 and the early need for expansion of the park and ride facility at Tweedbank. Despite such investment there are huge areas of the Borders economy that remain largely under developed compared to Scotland as a whole. The public sector, tertiary industries such as forestry and farming and fishing in Berwickshire are all major employers.

While unemployment is low, the region still suffers from some of the lowest wages in Scotland, with high levels of fuel poverty and deprivation in some of our communities. The Council is keen to unlock latent growth potential in the Borders economy and is seeking to use its capital programme to unlock this potential through a range of inter-agency intervention, developments and collaborations.





TWEEDBANK EXPANSION

In 2018, the Council purchased the Lowood estate located adjacent to the existing village of Tweedbank at the terminus of the Borders railway. The master planning for this site is complete and 120 acres of developable land now provides the ability to plan and develop a mixed use development including housing, care, offices and light industrial uses. The first contract for the construction of the first phase of office development completed in December 2021 and will be occupied in Spring 2022. Both follow on from an initial investment in road infrastructure to unlock sites for development.

The care aspect of this development will be a 60 bedded Care Village which is based on a model known as the Hogeweyk model seen in the Netherlands, moving away from institutionalised care and creating a “neighbourhood that is part of broader society” This concept care model supports unique needs, lifestyles and personal preferences for living, care and well-being for people living mainly with severe dementia and frailty. It will include housing, retail and business which is central to the ethos of the village being at the heart of thriving residential area.

Tweedbank will also support two further developments with two third sector partners. Aberlour a well-respected provider for children’s services who will create the Borders first Residential and Housing Support Facility for children and Young People with Learning Disability who previously would have required to live outside of the Borders and Cornerstone who have been working for a number of years with our Learning Disability service for adults and will develop a purpose built residential provision with placement for 8- 10 adults.

CITY DEAL

The Council is an active participant in the Edinburgh and South East of Scotland City Region Deal, a multi-agency investment and development collaboration between the Scottish and UK Governments, the University Sector and the 5 local authorities in the region. Through the City Deal the Council anticipates £15m in grant funding will be provided to help develop land already in Council ownership between the rail head and the Lowood Estate. The business case for this development which will lever £30m of investment from Scottish Government, Scottish Enterprise, the Council and the private sector was approved by Council on the 31 January 2019.

The project will provide a range of high quality office, tourism and modern industrial space. This initial phase of development, comprising both public and private sector investment propositions will, it is planned, kick start the wider development of the former Lowood Estate at Tweedbank.

BORDERLANDS

The Council is one of five local authorities signed up to the Borderlands Inclusive Growth Deal. The individual project business cases will lever investment from the Scottish and UK Governments into the Scottish Borders in a number of key areas over the next 10 years.

£19m investment to help create the world's first Mountain Bike Innovation Centre (MTBIC) integrated with a world-class Adventure Bike Park (ADVBP) and Trail Lab in Innerleithen. In addition, £1m will be spent upgrading the 7Stanes mountain biking network.

£10m of investment in the Destination Tweed project to deliver transformational economic benefit; protect, restore and invest in highly designated heritage assets; and realise the ambitions of communities along a 100-mile linear route extending from Moffat to Berwick-upon-Tweed via the heart of the Scottish Borders.

£7.25m of investment in a place programme of investment to stimulate the repurposing and reinvention of towns and town centres across the area to create places that are economically vibrant, resilient to change and that attract a working age population.

£3m improving business infrastructure by funding the construction of new business units in Coldstream and the acquisition of land for business use in Hawick.

£2.5m for developing a Natural Capital Innovation Zone area to enable businesses and land managers to trial environmentally friendly pilots, advance sector strategies and measures to capture and analyse real time information to maximise product yields, minimise pollution, promote carbon capture and flood management. In addition, the project will benefit from £2.5 million of revenue funding.

£7m for developing a South of Scotland Skills and Learning Network focused on emerging growth sectors such as transport and energy storage, sustainable construction, advanced manufacturing, renewable technologies, agri-tech and data science.

There are also Digital and Energy projects that will see the Scottish Borders benefit from investment of £9.45m and £3.6m, respectively.



CONNECTIVITY – BROADBAND

To be successful modern IT connectivity delivered through superfast broadband is a pre-requisite. The Council has already invested £8.4m of capital resources in partnership with the Scottish Government, to enhance Broad band connectivity across the region as part of the R100 project.

In 2016/17 the Council signed a major strategic partnership with CGI for the provision of IT services and this contract was extended in 2020 until 2040. The contract is designed to support the Council in the delivery of services and to transform both the Council's IT infrastructure and wider Council services. This transformation includes a full refresh of the Council's IT hardware and covers both the Corporate and Curricular networks. The partnership with CGI has already seen the delivery of the Enterprise Resource Planning (ERP) system which replaced outdated and disparate finance, payroll, HR and Procurement systems with one integrated IT solution. The Council is planning a major strategic investment in its Digital Customer Access solution which will transform the way the Council interacts with its stakeholders.

The strategic partnership with CGI has also delivered significant improvement in the Wi-Fi infrastructure in schools, laying the foundations for the transformation project "Inspire Learning" which has provided all SBC teachers and every pupil in P4 to S6 with an individual iPad. The project aims to revolutionise the delivery of education both at home and in the classroom enabling remote learning, encouraging collaboration between schools and equipping pupils with the IT skills required for the 21st Century workplace.

This investment has been crucial to the continuation of learning and teaching during the COVID-19 pandemic. The Council continues to work with our strategic IT partner CGI on an ambitious £34m IT investment programme. This programme of work will deliver the digital strategy with a focus on digitally enabling the frontline workforce, enabling data driven decision making and process automation and making the Borders the first Smart Rural Region in the UK.

CONNECTIVITY PHYSICAL INFRASTRUCTURE – ROAD AND RAIL

The condition of the infrastructure of the Borders is essential to keep the region moving, connected to the rest of Scotland and the UK and provides a major support to the local economy. The 10-year capital plan recognises the need to continue to invest in the road, pavements and bridges infrastructure of the region. The 10-year plan provides investment in a number of specific initiatives including road safety improvements at Dirtpot Corner on the main Peebles to Galashiels trunk road that is now complete and the upgrade of the Union Chain Bridge, in partnership with Northumberland Council securing the future of this Grade A listed structure which passed its 200 year anniversary in 2020.

In addition, the Council recognises the need to promote investment in other forms of transport and the 10 year capital plan provides significant funding in multi-use paths to link our communities including the Innerleithen to Walkerburn route and the expansion of safer walking and cycling infrastructure funded by specific grant. Turning to Rail the Council remains committed both to the extension of the Borders Railway through Hawick and on to Carlisle and the opening of Reston Station on the East Coast mainline of which specific funding of £2.34m is provided.

As part of the Hawick Flood Protection Scheme £12.6m grant funding has been awarded by Sustrans in respect of active travel schemes associated with the project. This investment along with other similar initiatives will provide vital links to communities, encourage more people to walk and cycle by creating dedicated traffic-free routes and enhance key locations across the Borders for both residents and visitors.





Empowered, Vibrant Communities



Many of our services already work closely with communities, but under the **Community Empowerment (Scotland) Act 2015**, communities have the opportunity to become more involved in the way we provide all services. To encourage our communities to achieve their full potential the Council's capital strategy includes specific investment targeted in the following priority areas:

TOWN CENTRES AND TOURISM

The Council has an excellent track record of investing in the physical fabric of its town centres and has previously made significant improvements to the town centres and streetscape of Melrose, Kelso, Selkirk and Jedburgh and is now planning similar developments in Hawick and Eyemouth. These works help enhance the physical fabric of our towns making them more attractive places to shop and visit. The benefit of this approach which has been adopted for many years has now been recognised by the Scottish Government who have made available a £50m fund to allow further enhancements to urban areas in town centres and the Council fully intends to access this funding as it becomes available.

The Council has made a major investment in the centre of Galashiels with the opening of the Great Tapestry of Scotland in August 2021. This project removed a vacant shop unit and reused the handsome Victorian post office in the centre of the town which has lain vacant for many years. This visitor attraction complements the works already delivered in the form of the Transport Interchange and Channel Street which forms a new gateway to the town from the Borders Railway Station. The Council also hopes to attract a new hotel chain to the town to encourage further visitors.





The Great Tapestry of Scotland builds on other significant investment to encourage tourism such as the recent investment in the expansion of the Jim Clark Museum in Duns. The Jim Clark Museum provides a fitting home for memorabilia and cars associated with the world champion racing driver. Several towns in the Borders, particularly Hawick, are suffering from declining industrial buildings in the form of old textile mills. The costs of removing and renovating these buildings, many of which are beyond resource, is very significant.

The Council has recently attracted £3.6m of grant funding from Scottish Government which will assist in the demolition and redevelopment of several such problem buildings in Hawick and the provision of modern industrial space e.g. Armstrong's building and modern industrial space at Galalaw.

WASTE MANAGEMENT

The evolving Waste Management strategy required the closure of the Easter Langlee landfill site by 2021. This required a solution by which residual waste is transported out with the Borders to be dealt with by other facilities. The Council has procured contracts to deal with residual waste and has also constructed a Waste Transfer Station at Easter Langlee which became operational in July 2019 negating the need to maintain disposal to our landfill site which has since been capped and restored. As a result of this work the Council has sent less than 1% (136 tonnes) of household residual waste produced in the Borders (50,716 tonnes) to landfill, which is the lowest in Scotland. It also ensured the Council met the requirements of the Scottish Governments Landfill ban ahead of its original 2021 deadline.

The new residual waste management contract with Levenseat and other waste management arrangements saw Scottish Borders secure the biggest increase in recycling rates of any area of Scotland in 2019. In 2020 Scottish Borders passed another milestone reaching a recycling rate of 52.8%, which is the first time we have recycled over 50%. The significant improvement means that the Scottish Borders is well above the national average of 42% and has the highest performance of any rural authority in Scotland. In addition, the Council's waste services saw their carbon impact decrease from 134,118 metric tonnes of Carbon Dioxide equivalent (TCO₂e) in 2018 to 119,080 TCO₂e in 2020. This 15,000 TCO₂e difference is the equivalent to the greenhouse gas emissions emitted from driving 37 million miles in an average car.

During 2021 the Council awarded a new contract for the haulage and treatment of kerbside collected recycling i.e. Paper, Card, Cans & Plastics. The new contract has ensured all of the materials currently collected are maintained with no impact to households or businesses. It also ensures arrangements are in place until such time that the impacts of the Scottish Governments Deposit Return Scheme and the UK Governments Extended Producer Responsibility Scheme are fully understood.

HOUSING SUPPLY

The Council as a stock transfer authority retains responsibility for strategic housing supply in the Borders. The Council actively works with Scottish Government and Registered Social Landlords to deliver the objectives set out in the annual Strategic Housing Investment Plan (SHIP). The Council and its partners have an excellent track record of attracting affordable housing grant and meeting the targets set out in the SHIP. The SHIP is now in its 13th iteration and since it was introduced in 2007 the Council and its partners have delivered 1,377 new affordable homes including social housing and homes for mid-market rent.

The SHIP target moving forward is for the Council and its partners to provide 128 additional affordable homes per year. At its December 2022 Meeting, Council agreed to dispose of the 54 properties owned by Bridge Home LLP to Eildon HA and has previously successfully delivered 49 properties constructed under the first national Housing Trust initiative via Tweedside LLP, these houses have now transferred in perpetuity to Eildon Housing Association. The Council continues to use its Second Homes Council Tax for the provision of affordable housing including the provision of extra care housing referred to above. The Council also uses Affordable Housing Policy Developer Contributions to assist delivery of affordable housing.





PARKS AND OPEN SPACES

Parks and open spaces make a major contribution to Biodiversity, public health and wellbeing including food growing and volunteering opportunities and provide safe high quality spaces for active communities. The pandemic has demonstrated the vital importance of access to the outdoors, within local parks and open spaces, to community health and wellbeing. The Council is in its fourth year of significant capital investment into these critical services, following from the huge success of the Heritage Lottery Funded restoration of Wilton Lodge Park in Hawick, which maintains its status as our only *Green Flag* park in the Scottish Borders.

Further to this, the Council through its funding has helped unlock community ambitions in these areas by supporting our communities with their own funding bids to secure inward capital investment into even more facilities with great examples of this joined up approach at Kelso Shedden Park, Coldstream Home Park, Peebles Victoria Park and once again Wilton Lodge park through the recent creation of a community pump track on the site of the former tennis courts, all of which were either funded and delivered by the Council or part funded and delivered by the community themselves, with Council assistance.

Inclusive access for play and learning is at the core of this investment and the best example of this is at Harestanes Visitor centre, where children can access high quality and unique inclusive play opportunities in a beautiful surrounding supported by access to other facilities such as the visitors centre and all of its amenities

Our programme moves to Duns Park in 22/23 and also includes plans for a new play park at Allerley Well Park in Jedburgh, a new skate park in Peebles and a skate incorporating a pump track in Jedburgh

Responding to the climate change and biodiversity agenda, funding to further enable this ambition for change has been bid for and partially secured, this will see the Council lead the way in modernising its green space management and helping balance the demands of communities with the requirements to further the aims of Biodiversity and climate change adaptation. We have a programme linked to Destination Tweed, *Pollinators along the Tweed* which involves working in partnership with Tweed Forum and BugLife, and which will help identify and modify our maintenance approach supported by capital funding to enable this transformation, along with appropriate revenue support thereafter. This provides opportunities for volunteering, education and health and wellbeing to be promoted and enhanced in our communities.

LIVE BORDERS

The Borders enjoys 3 Leisure Trusts and the Council provides a capital grant to each on an annual basis to ensure they can enhance and maintain the facilities they operate. The Council also transferred its cultural facilities to Live Borders in 2016 and continues to provide support to allow investment in libraries, museums and community halls across the region.



The new Jim Clark museum in Duns has proved to be a huge success with visitors and the Council aims to build on this success by working with our partners Live Borders in developing other tourist attractions in the area.





Good Health and Wellbeing



The Council approved a major strategy for the Housing and Care of Elderly people in June 2018 entitled “Integrated Strategic Plan for Older People’s Housing Care and Support.” This strategy, covering a 10-year period to 2028, recognises the need to invest significant resources through the Integrated Health and Social Care Partnership in order to cater for the needs of an increasingly elderly population. The strategy proposed a range of development including Extra Care Housing, to be delivered in partnership with both Trust Housing Association (THA) and Eildon Housing Association (EHA) in 6 key locations across the Borders – Duns, Galashiels, Kelso (under construction by EHA), Eyemouth (THA), Hawick (EHA) and Peebles where unfortunately no site has as yet been identified.

One of the Extra Care facilities is currently being progressed through the refurbishment of the former Kelso High School building which is a grade B listed property which the Council recently sold to Eildon Housing Association as part of a joint venture between the Registered Social Landlord (RSL) and a private developer. In Eyemouth, plans are being developed for Extra Care Housing, delivered by Trust Housing Association which could link to a range of other services and community facilities. Berwickshire Housing Association is also a key partner in the provision of other affordable housing for the site. The Council has agreed to make contributions from Second Homes Council Tax to support the future planned developments in Kelso, Eyemouth, Hawick and Peebles.





The IJB is also exploring the possibility of developing new care facilities in Hawick and as part of the Lowood estate in Tweedbank. Current exploratory work will examine a range of options for this facility incorporating innovative best practice from the Netherlands and Scotland. Formative plans include both a 24 bed Dementia Care Unit and an 8 bedded unit catering for young people in conjunction with Aberlour and Scottish Borders Housing Association (SBHA) as development partners. As part of these schemes, the Council is working collaboratively with NHS Borders to explore the potential provision of Health Centres within these new developments.

The Council is also working closely with NHS Borders to ensure that plans of mutual strategic interest which improve on Health and Wellbeing outcomes are explored. This includes the provision of a new Health Centre, which better meets the needs of the Earlston Community which is integrated into the plans for the new Earlston Primary School Campus.

Investment has also been made in digital tools to empower our teams to access, use and update information and data while working anywhere in the Borders and to help keep them safe when they are working alone across the region. The rollout of this technology has started in social care and further investment is planned to extend the technologies across other front-line services over coming months and years. Using new dynamic routing and scheduling tools and mobile handsets to securely deliver and record information on our service users' needs and wellbeing, our home care service will be able to deliver more care visits, improve the quality of care recording and use the data required in real time to ultimately improve the outcomes for the people we provide care for across the Borders.

Further investment is being made to introduce digital devices for residents in our care homes which will provide a personalised device and apps to enhance access to information and entertainment services for example to support dementia care, aid the capture and recall of memories or encourage physical activity. We will also be introducing new digital systems across our care homes to transform the way plan and monitor the delivery of care and medication for our residents.

The provision of additional care facilities is a major element of the IJB strategy which is to keep people living safely in their own homes and out of institutional care for as long as this remains in their best interests and the Council invests in a range of aids and adaptation to both public and private housing stock to assist with this objective.

SOCIAL WORK

The Social Work team will continue developing the use of video conferencing to reduce the necessity of staff having to travel significant distances for reviewing and interviewing purposes. This will include linking with video conferencing facilities for Justice Social Workers conducting interviews on service users who are in custodial settings out-with the authority area. A key element of this will be the adoption of agile working practices across a reduced Council estate which will allow individual services to quickly respond to changing service needs.

In addition, and in line with the Council's vision to enhance the use of technology, we will be further exploring the use of modern technology to enhance our social work practitioners to work more flexibly with service users. We will explore the use of mobile devices for the completion of case recording and the completion of assessments.





Working Together to Improve Lives



DIGITAL CUSTOMER ACCESS

As an organisation we are committed to delivering as many services as possible online. The global pandemic has accelerated this during 2020 and we will continue to develop and strengthen this as it will have the dual advantages of providing better, more responsive customer services with each customer able to contact the Council and receive feedback regarding their enquiry online through their unique customer account. The move to delivering services online will mean investment in new technology delivered as part of our Digital Customer Access (DCA) project with our IT provider CGI. Cost savings are planned through reduced customer handling times and reduced transaction costs. Where required, face to face contact will be maintained to support vulnerable people.

STRATEGIC ASSET MANAGEMENT

The Council operates and maintains a significant and diverse property portfolio. The Council is developing an estates strategy to provide a consistent framework for how we manage and maintain our estates and how we focus capital investment priorities. This will build on the management model that seeks to make better use of our estate, rationalising our property footprint in order to deliver operational efficiencies while investing capital in those buildings that remain.





OFFICE ACCOMMODATION

A major part of our strategy is based on proposals to reduce the Council's office footprint by a minimum of 20% over the next few years and consolidating into a reduced number of sites, raising an estimated £0.75m in capital receipts and saving over £75k per annum. This will require investment in the remaining buildings, particularly investment in transformational and agile working practices, modern flexible office furniture and IT equipment in conjunction with essential fabric repairs and upgrades.

DEPOT RATIONALISATION

The Council currently operates from 6 depots located across the region as well as a number of stone depots and a quarry, some of which are no longer fully utilised. As part of the Council's Fit for 2024 programme and the associated review of Council services, the depot estate will be assessed to prioritise much needed investment in essential facilities to support staff and service delivery but also to disinvest and deliver financial efficiencies.



EMERGENCY AND UNPLANNED SCHEMES

The Council recognises that the capital programme must contain a small element of contingency to deal with unforeseen circumstances and therefore maintains a small emergency and unplanned budget of £0.175m per annum for this purpose.

TREASURY MANAGEMENT STRATEGY

The Treasury Management Strategy is a framework, which ensures the Council operates within prudent, affordable limits of compliance with the CIPFA Code (2017). The Strategy aims to:

- Ensure the Council has sufficient and appropriate facilities available to meet its short and long term borrowing requirement and funding needs;
- Secure new funding at the lowest cost; and
- Ensures that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on funds consistent with those risks.

The strategy includes prudential indicators required by the CIPFA Prudential Code and CIPFA Code of Practice for Treasury Management in the Public Sector. The Capital and Treasury Strategies are aligned to ensure an integrated approach between capital expenditure plans and treasury management strategy.

PRUDENTIAL CODE

The CIPFA Prudential Code introduced in April 2004 gave Councils freedom to invest in capital projects within the limitation of legislative controls, provided their programmes can be shown to be affordable, prudent and sustainable. The key mandatory indicators are:

- Capital Expenditure Limits – summary of the Councils capital expenditure plans;
- Capital Financing Requirement – measure of the Councils underlying borrowing need, including long term liabilities;
- Operational Boundary – expected maximum external debt during the course of the year; and
- Authorised Boundary – maximum limit beyond which borrowing is prohibited.

The Prudential indicators include the Capital Expenditure and the other Long Term Liabilities of the Council. This includes contractual long-term liabilities incurred from PPP and PFI contracts. For Scottish Borders Council these are Eyemouth, Earlston, Berwickshire, Kelso High Schools and Jedburgh Campus.

Due to the introduction of a new accounting regulation, namely, International Financial Reporting Standard (IFRS 16) – Leasing, the way in which we account for Leases will change from 1 April 2022. Previous leases that were held off Balance Sheet and therefore not included as a fixed asset of the Council are now required to be included. This is likely to have an effect on the Prudential Indicators for 2022/23 and the full impact is currently being assessed through a data gathering exercise.

GOVERNANCE

The Council's ten year Capital Investment Plan will continue to be updated on an annual basis and approved by Council. This ensures a long term approach to financial planning to identify challenges and opportunities facing the Council.

The Capital Investment Strategy will be fully updated every ten years, but will be reviewed and refreshed on an annual basis to ensure its continued alignment with the Council's priorities.

All capital projects will continue to be monitored, and changes approved four times a year by the Executive Committee. Full details of the Governance and approval process for Capital can be found in the Financial Regulations.

SKILLS AND TRAINING

Relevant professional staff will maintain up to date knowledge of capital and treasury issues by attendance at appropriate technical seminars (i.e. CIPFA Training).

The Council's corporate procurement strategy sets out the process for all levels of projects and all projects over £50k are progressed in conjunction with procurement specialists through a full tender process.

All elected members will be offered capital, revenue and treasury management training as part of their induction, with refresher training offered every two years.



LINKS

Corporate Plan

Treasury Strategy

Financial Plan

Local Development Plan

Asset Management Plan

Strategic Housing Improvement Plan (SHIP)

Learning Estate Strategy

City Deal

Borderlands Initiative

Regional Transport Strategy

LINKS TO THE CAPITAL PLAN

The detailed funding arrangements of the strategy noted above is set out in the Council published Capital Investment Plan. The borrowing implications of the capital plan are fully detailed in the Council's Treasury Strategy which is approved alongside the capital budget by full Council each year.

You can get this document on audio CD, in large print, and various other formats by contacting us at the address below. In addition, contact the address below for information on language translations, additional copies, or to arrange for an officer to meet with you to explain any areas of the publication that you would like clarified.

CHIEF EXECUTIVE'S

Council Headquarters | Newtown St Boswells | MELROSE | TD6 0SA

tel: 01835 824000

email: yourpart@scotborders.gov.uk

