



CAPITAL INVESTMENT STRATEGY

2024/25



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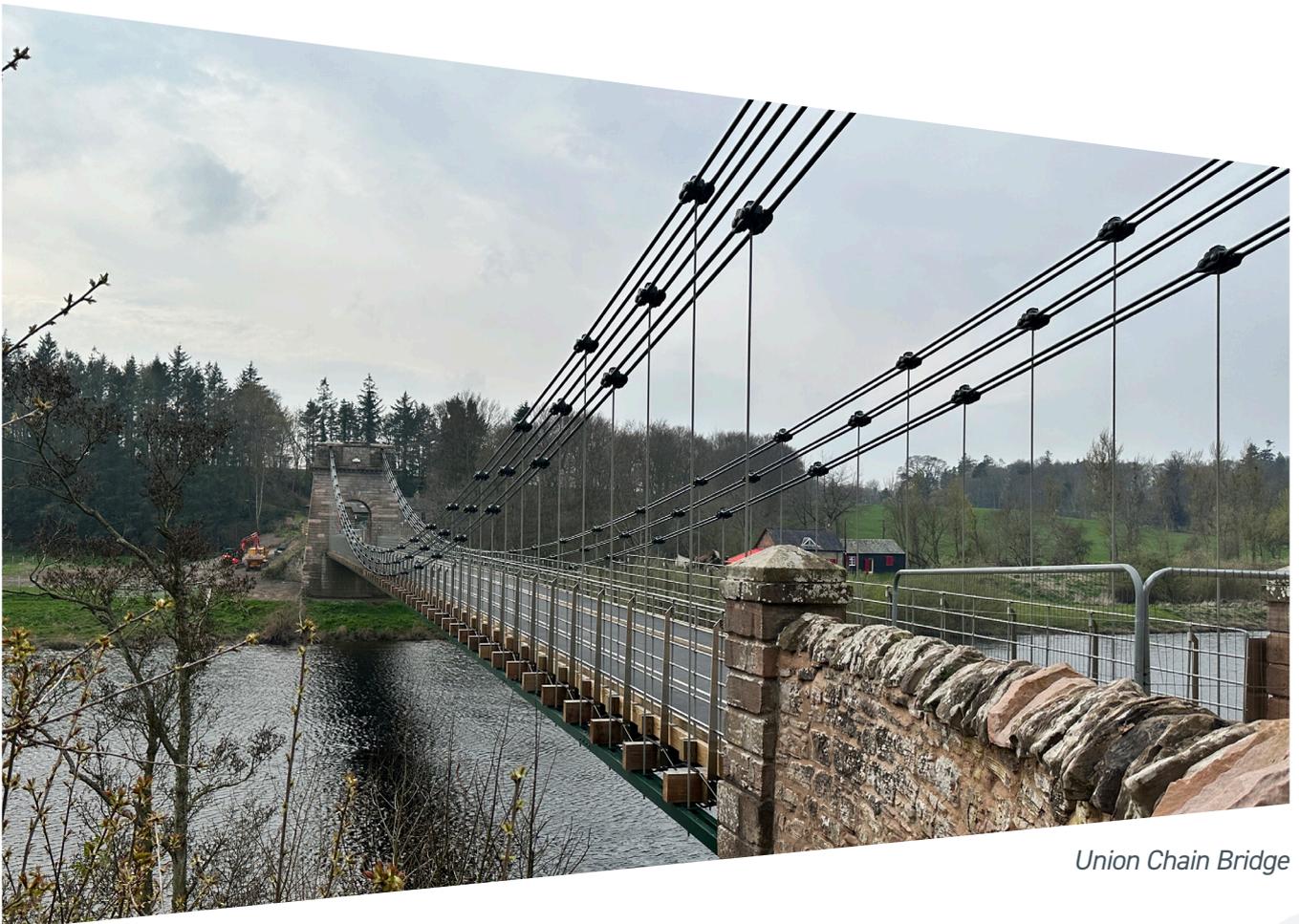
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Union Chain Bridge

FOREWORD

The Scottish Borders 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 116,020 strong population live in rural locations and a further 30% live in settlements of less than 500 people.

The geography of the Scottish Borders presents significant challenges in delivering public services, not least providing care services to our growing older population, the challenge of ensuring high quality reliable broadband connectivity in rural areas, transport connectivity between our towns and between the Scottish Borders and other areas of Scotland, and the need to give our children and young people the best possible start in life.

The economy of the Scottish 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 Scottish Borders economy is characterised by some of the lowest wages in Scotland.

The Scottish 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. Scottish Borders Council (the Council) is a living wage employer. We pay the living wage to all our employees, including over 50 modern apprentices, and encourage all our contractors and suppliers to also pay the Scottish living wage to all their staff. Unfortunately, the Scottish Borders has proportionally more people earning less than the living wage (22%) compared to Scotland (14%), the Council is working to improve this.

Our £454m ten-year 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. Integral to our capital programme will be taking proactive measures to tackle climate change to provide a clean green future for the region, encourage good health and wellbeing for our whole population, ensure a vibrant sustainable local economy, ensure we invest in assets to allow young people to realise their potential, empower our local communities, and work effectively with our partners to improve the lives of local people.

This Capital Investment Strategy sets out how we plan to deal with the most pressing of these challenges. At a practical level this means: investing in our roads and bridges network, ensuring our school children are equipped with the most modern technology possible, and investing in new schools, new early years facilities, and new care facilities such as extra care housing and two new dementia friendly care villages.

As we tackle the challenges that face the Scottish Borders we will ensure we work effectively with all our community planning partners including local housing associations, South of Scotland Enterprise (SOSE), the NHS and the third sector. In doing so we have huge opportunities to modernise the Council, realise the benefits of new technology through our strategic partnership with CGI and deliver the benefits of our two City Region Deals in the form of jobs and new infrastructure for our communities.

We want the Scottish Borders to remain a place where people choose to live, work, shop and play. Our ambition is to make the Council a fantastic place to work, an employer of choice, effective, efficient, trusted and valued by our communities, and leading a digital smart rural region with the best quality of life in Scotland. This strategy will play a key role in ensuring we play #ourpart in realising that vision.

Euan Jardine
Leader
Scottish Borders Council

David Robertson
Chief Executive
Scottish Borders Council





INTRODUCTION

This is the sixth Capital Investment Strategy prepared by the Council as required by the CIPFA Prudential Code. The strategy applies to financial year 2024/25 and subsequent financial years. It pulls together the investment implications of other more detailed policies, including the Council Plan, and provides the reader with a single point of reference with which to understand the Council's Capital Investment Plan, its funding arrangements and how individual projects will help with the delivery of the Council's strategic ambitions.

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.

COUNCIL PLAN

On 29 February 2024 the Council Plan from April 2024 will be presented at Council. This plan seeks to make the most of the opportunities we have and tackle the challenges faced by this unique area of Scotland. Founded on a strong relationship with local communities, it aims to translate the policies of the elected members of the Council into tangible actions that will improve the quality of life of our 116,020 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 Council Plan. The following six themes, which underpin the new Council Plan, 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 cost-of-living crisis, 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 and 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 and 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 Scottish Borders. The plan takes an approach to partnership

STRATEGIES WHICH FEED INTO CAPITAL INVESTMENT PLAN



PLACE

We are engaging 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. This strategy will provide a framework to underpin place based decision making around services and priorities for investment.

The implementation of stringent governance and control measures on capital projects, is allowing us to plan best value from Council budgets. In practice, this means officers prioritising the execution of initiatives which best meet the outcomes of the Council Plan and mitigate service delivery risk.

CLIMATE CHANGE

The Council has 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. A Climate Change Route Map has been developed setting out how the 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.

Officers are being held to account for the delivery of the Climate Change Route Map by a dedicated Sustainability Board. To support our commitments, we measure the carbon emissions both of the Council as an organisation, and of the Scottish Borders as a region. Key areas identified for carbon emissions reduction are how we heat our buildings and how we travel. New technologies and approaches are being considered to reduce the Council's carbon footprint when it comes to 'heat-and-fleet', including district heat networks, the feasibility of which is presently being looked at in Tweedbank with the support of grant funding.

Capital projects, in particular, are inherently high carbon emissions generators, with limited carbon neutral materials available for their construction. The carbon emissions impact of every project must therefore be a central consideration. In practice, we consider the impact on the environment of all our capital investments, and we are embedding climate considerations at all stages of our capital projects, from the pre-planning stage (including measuring the impact of investing in new assets rather than reusing or retrofitting), through to the disassembly and end-of-life of our assets. We also consider the impact of their continuous use.

ECONOMY

High levels of inflation along with disruption in the construction materials supply chain continues to impact the wider economy and consequently the Council. There has been a continued surge in demand coupled with constraints on supply, which has led to price increases, material shortages and long lead times.

To mitigate this, the Council's Finance and Procurement team have ensured that we have access to all the relevant government frameworks to help acquire the most competitive project pricing that is in the marketplace at any given time.





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, insulation upgrades, heating control enhancements and the provision of electric vehicle charging points for our own fleet and pool vehicles. 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. The Council 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 will focus on a hierarchy of measures that contribute to decarbonisation and reducing demand for energy. This will include building and systems improvement measures as well as the adoption of effective renewable energy sources and storage systems as well as more conventional measures that reduce the Council's reliance on carbon intensive fuels such as heating oil.

PLANT & VEHICLE

The Council continues to phase out new petrol and diesel vehicles in the sub 3.5 tonne category by 2025 and heavy vehicles by 2030.

Our fleet consists of **63** external hire vehicles and **434** owned vehicles. We also operate around **1,200** pieces of plant and equipment. We continue to focus on reducing the fleet size and to achieve operational and financial efficiencies while supporting service continuity and reducing our environmental impact.

The Council have ordered almost **£9m** over the last two years in new vehicles and plant, additionally it has leased in a further **136** vehicles, the impact of this will reduce our total cost of ownership, reduce our CO2 emissions, and reduce our need for spare vehicle capacity.

We have also increased our internal charging infrastructure from **103** in 2022 to **126** charging points for 2023.

There are currently **68** electric vehicles and **33** hybrid vehicles on the fleet this represents **37%** of the fleet in the sub 3.5t category.

Our Pool Car fleet consists of **26** full electric vehicles and **5** hybrid vehicles. Our internal hire fleet has expanded to **54** vehicles, the expansion of the internal hire fleet helps us to reduce the fleet size allowing departments to have vehicle availability only as required.



ALTERNATIVE FUEL TYPES

The Council is continuing with its commitment to reduce its carbon footprint in 2024/25 by minimising its use of vehicles where possible and investing in new fuel technologies while phasing out the use of fossil fuel vehicles. We are exploring viable options such as hydrogen, biofuel, and hybrid vehicles to diversify our fuel sources and reduce our emissions.

FLEET MANAGEMENT SOFTWARE AND COMPLIANCE ENHANCEMENT STRATEGIES

The Council is reviewing its current Fleet Management Software and plans to implement a new management system. This will help reduce maintenance costs and improve the maintenance compliance processes. Specifically, we will be able to improve the vehicle replacement process by using real-time data on total cost of ownership, based on actual and up-to-date running costs, and determine the optimal vehicle life on fleet. We will also monitor vehicle utilisation and reduce the number of vehicles held on fleet. Moreover, we will 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 procurement strategy over the coming years will be to replace vehicles earlier where possible, ideally at the end of the warranty period, to significantly reduce the operating costs and maximise the residual value. We will evaluate procurement options such as purchase, lease, contract hire or hire to provide the best value and flexibility to the Council.

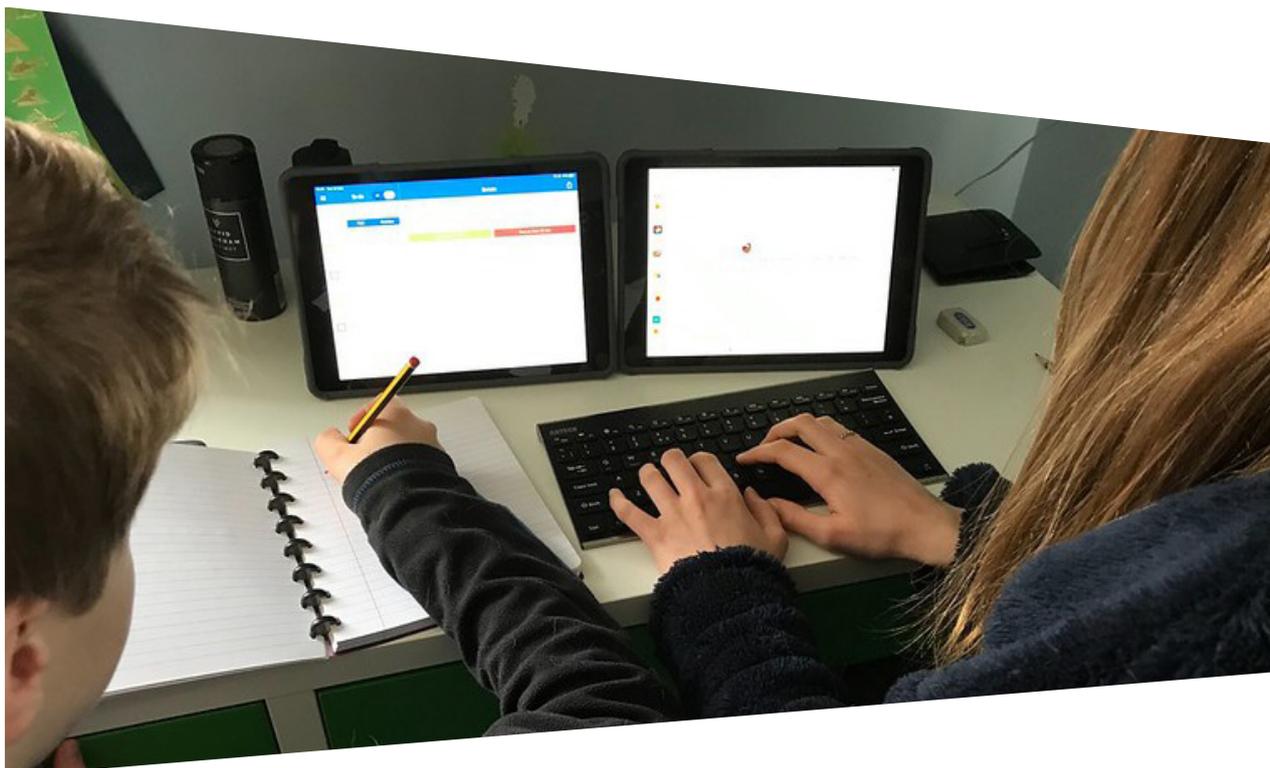




Fulfilling our Potential



Scottish Government's 'Learning Estate Strategy – Connecting People, Places and Learning' which replaces the previous 'Schools for the Future' programme introduces a 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, and to ensure that the new learning estate is fully digitally enabled.



LEARNING ESTATE

In recent years, the Council has invested heavily, in partnership with 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 2024 to reflect the national strategy, and will seek to set out a 15-year overview of the entire learning estate including planned investment and disinvestment to shape the learning provision over that period within available capital constraints and prudent operational limits.



Following discussions with Scottish Government, the Council were granted an extended timeframe to utilise its capital funding from Scottish Government for the delivering of 1140 hours within early learning and childcare and now have until 2025/26 to complete the required work.

Works are nearing completion at the early years facility in Newcastleton. Plans are progressing to use the funding to address potential issues with two facilities situated in 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 requirement to have increased provision for 2 year olds continues to require minor alterations at several locations.

The Council holds detailed condition and suitability information on all of its learning estate. A full audit of the school estate to determine a programme of condition related improvement works was undertaken in late 2023 and will help inform our future capital and revenue plans. As part of a review of the entire Council estate, an energy audit of the learning estate is also being carried out.

Previously, Eyemouth and Earlston Primary Schools were identified as the next priorities for investment with the intention that these buildings be replaced using currently committed Council capital resources. Following a public consultation, a detailed planning application in respect of Earlston was submitted and approved in 2022. Construction commenced in June 2023, with handover estimated to be in August 2024. The second phase involving demolition and landscaping are expected to be completed by April 2025. Work continues to identify the best option for Eyemouth and consultations will continue with the community.

Our 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 and we recognise the importance of maintaining a fit-for-purpose primary school estate. However, with reducing revenue and capital resources, the Council wishes to ensure that we consider the suitability, occupancy and condition of our school buildings to ensure maximum educational benefits are realised. A key component of the emerging Learning Estate Strategy will examine the scope to create a more future-proofed estate.

The completion of the Jedburgh Grammar Campus saw the Council replace five of its nine 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 high schools is significant, current inflationary pressures and the abnormal inflation being experienced in the construction industry are proving to be 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.

A planning application in respect of Peebles High School was submitted and approved in 2022 with Financial Close being achieved in October 2023. The enabling works associated with the 3G pitch and games hall extension have been completed in 2023. The construction of the new build part of the project commenced in October 2023 with an estimated school handover date of September 2025. The old school is expected to be demolished and the external landscaping completed by June 2026.

A planning application was also submitted and approved in 2022 for Galashiels Academy, with Financial Close being achieved in June 2023. The construction of the new build part of the project commenced in July 2023 with an estimated school handover date of October 2025. The old school is expected to be demolished and the external landscaping completed by May 2026.

Early design work is underway for Hawick High School and a planning application will follow in due course. Main construction is expected to start in 2025/26 with completion anticipated in 2028.

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 Scottish Government. This funding will help to maintain the condition of new buildings over the longer term, provided a set of criteria is achieved. The Council bid successfully for revenue funding support for the new secondary schools in Galashiels and Peebles in 2020.

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. Where possible 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



Cycling World Championship



BUSINESS ENVIRONMENT

The Council has worked hard in recent years to encourage investment in the Scottish Borders economy. The opening of the Borders Railway in 2015 provided a major investment in the infrastructure of the region opening up the central Scottish Borders with a journey time to central Edinburgh of only 55 minutes. Scottish Government and partners invested a further £10m in the Borders Railway Blueprint to ensure the economic benefits of the Borders Railway were maximised. This included the creation of new business space at the Borders Innovation Park in Tweedbank, which is also funded by the Edinburgh and South East Scotland City Region Deal.

The Council is also a partner in the Borderland Inclusive Growth Deal, which is investing in the creation of the new business space in Coldstream and Hawick and in the creation of the Mountain Bike Innovation Centre in Innerleithen. Despite such investment, there are huge areas of the Scottish Borders economy that remain largely under developed compared to Scotland as a whole. The public sector, 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 Scottish Borders economy and is seeking to use its capital programme to unlock this potential through a range of inter-agency intervention, developments and collaborations.



Borders Innovation Park, Tweedbank © Ross Campbell



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 new housing, care, offices and light manufacturing uses. The first contract for the construction of the first phase of office development completed in December 2021 and was occupied in 2022. The next phase of infrastructure and business space development of the Borders Innovation Park commenced in 2023/24. Both follow on from an initial investment in road infrastructure to unlock sites for development.

The Care aspect of the development will be a Care Village which will comprise ten self-contained houses each able to house six residents to provide 24 hour care needs. The village will have on-site adjacent treatment space, retail/café and recreational facilities available for use by residents' families and the wider community. The vision incorporates community at the heart of the village, the ethos being a village within a village and not seen as a separate institution.

Aberlour, a well-respected provider of children's services, are scoping to develop the Scottish Borders first Residential and Housing Support Facility for Children and Young People on the site.

CITY DEAL

The Council is a partner in the Edinburgh and South East of Scotland City Region Deal, a multi-agency investment and development collaboration between 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 employment land at Tweedbank. The business case for this development, which will lever £30m of investment from Scottish Government, SOSE, the Council and the private sector, was approved by Council on the 31 January 2019.

The project aims to provide a range of high-quality office, and modern manufacturing space. This initial phase of development, comprising both public and private sector investment propositions will, be a catalyst to deliver the wider expansion of Tweedbank.

BORDERLANDS

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

£19m investment to help create the world's first Mountain Bike Innovation Centre integrated with a world-class Adventure Bike Park and Trail Lab in Innerleithen. This project is being delivered by SOSE. In addition, £1m will be spent upgrading the 7Stanes mountain biking network, which will be delivered by Forestry and Land Scotland.

£10m 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 by investing in a new 100-mile walking and cycling route extending from Moffat to Berwick-upon-Tweed via the heart of the Scottish Borders.

£7.25m of investment in a place making programme of investment to stimulate the repurposing and reinvention of four towns, Hawick, Galashiels, Jedburgh and Eyemouth, 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 **£2.5m** 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.

UK GOVERNMENT LEVELLING UP PARTNERSHIP (LUP) INVESTMENT

The Council has been selected as a Scottish Local Authority for a LUP investment with the UK Government. The financial package includes up to £20m capital funding (2025/26), as well as capacity payments of £90k split between 2024/25 and 2025/26 to support local authorities to allow them to dedicate additional resource to the process. The Council are working closely with the UK Government and more information on priorities and timeframes will be available from April 2024.



DIGITAL TRANSFORMATION

To be a successful smart rural region, improving the lives of the people who live and work in the Scottish Borders and transforming service delivery models through use of enhanced digital tools, modern IT digital platforms along with connectivity are a pre-requisite.

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. A significant investment of £34m by the Council in digital transformation has allowed us, in partnership with CGI, to undertake the following investment:

- Delivered significant improvement in the network bandwidth and Wi-Fi infrastructure in schools, laying the foundations for the transformation project "Inspire Learning";
- Investment in iPads for every child in the Borders P4 to S6. The project aim is to revolutionise the delivery of education both at home and in the class room enabling remote learning, encouraging collaboration between schools and equipping pupils with the IT skills required for the 21st Century workplace;
- A full refresh of the Council's IT hardware covering both the Corporate and Curricular networks;
- Migration of Enterprise Resource Planning system, which replaced outdated and disparate finance, payroll, HR and Procurement systems with one integrated IT solution, from on-premise to the Cloud;
- Investment in handheld digital devices and enterprise mobility software tools for Social Care and Social Work to provide access to real time information and recording for our workers. This has streamlined operations and improved response times to both support our front line workers but improve customer outcomes. Benefits have been realized through reduction in paperwork, travel and administration. In addition this has enhanced worker safety through use of protect digital tools;
- Investment in Digital Customer Access solutions which will transform the way the Council interacts with its stakeholders thoroughly simplifying the integration with back office systems, improvements in online information and forms, and enhanced self service capabilities; and
- Investment in transfer to cloud solution software to enhance remote access, reduce both energy consumption and carbon emissions.

Capital Investment in future years will focus on:

- Delivering enhanced connectivity across the region to support Internet of Things;
- Delivery of digital and innovation in our new school developments;
- Further investment in enterprise mobility tools and hand held devices across all frontline services to further deliver service change and improve staff and customer outcomes; and
- Further investment in cloud based software solutions.

Total Mobile was rolled out across Adult Social Care Homecare during March 2023, giving staff access to up-to-date information about their clients and the ability to update the system whilst on a client visit; travel time and mileage can be easily recorded whilst going from one client to the next and a lone worker safety solution provides reassurance and improves safety whilst working in the community.

Capital 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 the aforementioned £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 Scottish Borders the first Smart Rural Region in the UK.

CONNECTIVITY PHYSICAL INFRASTRUCTURE – ROAD AND RAIL

The condition of the infrastructure of the Scottish 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 ten-year Capital Investment Plan recognises the need to continue to invest in the road, pavements and bridges infrastructure of the region. Here, digital solutions are being leveraged by roads officers to support decision making and prioritisation, with the latest Scottish road maintenance condition survey data accessible on a web-based platform.

In addition, the Council recognises the need to promote investment in other forms of transport and the ten-year Capital Investment Plan provides significant funding in multi-use paths to link our communities including the expansion of safer walking and cycling infrastructure funded by specific grants. Officers engage with Transport Scotland, Sustrans, Heritage Lottery Funding and SOSE to derive grant funding which will help deliver active travel schemes. Investments, which 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 Scottish Borders for both residents and visitors.

Turning to rail, the Council remains committed to the extension of the Borders Railway through Hawick and on to Carlisle.



Hawick Flood Prevention Scheme



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 Investment 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 Scottish Government who have made available a £50m fund to allow further enhancements to urban areas in town centres and the Council will apply 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 via the Borders Railway. The Council also hopes to attract a new hotel chain to the town to encourage further visitors.



The Great Tapestry of Scotland, Galashiels



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 Motorsport Museum in Duns. The Jim Clark Motorsport Museum provides a fitting home for memorabilia and cars associated with the world champion racing driver. Several towns in the Scottish Borders, particularly Hawick, are suffering from declining industrial buildings in the form of old textile mills. The costs of re-purposing or renovating these buildings can be very significant which poses financial challenges.

The Council has 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 Scottish 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% (227 tonnes) of household residual waste produced in the Scottish Borders (50,610 tonnes) to landfill, which is the lowest in Scotland. It also ensured the Council met the requirements of Scottish Government's 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 2022, the Scottish Borders recycling rate increased to 57.3%, the second highest 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 115,472 TCO₂e in 2022.

During 2021, the Council awarded a new contract for the haulage and treatment of kerbside collected recycling i.e. paper, card, cans and plastics. The new contract has ensured all of the materials currently collected are maintained with no impact to households or businesses.

HOUSING SUPPLY

The Council as a stock transfer authority retains responsibility for strategic housing supply in the Scottish 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 grants and meeting the targets set out in the SHIP. The SHIP is now in its 15th iteration and since it was introduced in 2007 the Council and its partners have delivered 1,774 new affordable homes including social housing and homes for mid-market rent.

The SHIP 2024-29 illustrates how a variety of funding mechanisms can be drawn upon to ensure and maximise project delivery to meet the affordable housing targets and contribute to the outcomes set out in the Council's Local Housing Strategy 2023-2028 (LHS), as well as meeting the current Housing Supply Target of 353 homes per annum of which 141 should be additional affordable homes.

The Council will continue to contribute part of its Second Homes Council Tax for the provision of affordable housing including the provision of extra care housing, and also uses the Affordable Housing Policy Development Contributions to assist delivery of affordable housing.



Poynder Apartments, Kelso



PARKS AND OPEN SPACES

Parks and open spaces make a major contribution to biodiversity, public health and wellbeing including food growing and volunteering opportunities as well as providing safe high-quality spaces for active communities. The pandemic demonstrated the vital importance of access to the outdoors, especially local parks and open spaces, to community health and wellbeing. The Council is in its seventh year of significant capital investment into these critical services, following on 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. There are 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 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. 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.

The Skate Park in Peebles was completed in 2023/24. Following completion of upgrades to play parks across the region in 2023/24 in Gavinton, Newstead, Kelso and Selkirk as well as a larger play park delivered at St Boswells. We are continuing the delivery of play parks investment, engaging communities in the prioritisation and design of facilities.

Our programme for 2024/25 includes the installation of the new Skate/Pump Park in Jedburgh and Pump Track and Multi Use Games Area in Walkerburn. We are working with our contractor and with communities in the rollout of the £70k upgrades to existing smaller play parks as well as larger play park investment. Work will commence with the large play park at Sleepy Valley in Hawick in Spring/early Summer 2024, with play park upgrades being delivered thereafter in Woodstock Avenue, Galashiels and further communities across the region.

The Council continues to further our efforts to respond to the climate emergency and biodiversity crisis. Nature Restoration funding has been used to expand our capacity and management practices in support of nature. This is an approach we will continue to build on in 2024/25 subject to funding announcements.

We are partners in Pollinators along the Tweed, a project being delivered by Tweed Forum and Buglife. The project aims to identify and modify our maintenance approach to better support local pollinator networks, supported by capital funding to enable this transformation. This provides opportunities for volunteering, education and health and wellbeing to be promoted and enhanced in our communities.



Playpark, Duns

LIVE BORDERS

The Scottish Borders enjoys three 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 Motorsport 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 partner, 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 older people in June 2018 entitled “Integrated Strategic Plan for Older People’s Housing Care and Support.” This strategy, covering a ten-year period to 2028, recognises the need to invest significant resources through the Integrated Health and Social Care Partnership, which is overseen by the Health and Social Care Integration Joint Board (IJB), in order to cater for the needs of an increasingly older 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 six key locations across the Borders – three are now fully operational - Duns (THA), Galashiels (EHA), Kelso (EHA). Three remain to be completed, Hawick is in planning to be delivered on the Stirches site in partnership with EHA, Eyemouth and Peebles sites have still to be identified. The Council has agreed to make contributions from Second Homes Council Tax to support the future planned developments in Eyemouth, Hawick and Peebles.

Three of the **six** have been built and are fully operational.

Duns – Longfield Gardens opened March 2021 – **30 Flats**

Galashiels – Wilkie Gardens opened November 2021 – **39 Flats**

Kelso – old Kelso High school opened June 23 – **36 flats**



Todlaw, Duns



The Council is in planning to develop new care facilities in Hawick on the Stirches site and as part of the Lowood estate in Tweedbank. A range of options for these facilities incorporating innovative best practice with regards to care village design and dementia design. A full business proposal will be presented to the IJB and Council in 2024. As part of these schemes, the Council is working collaboratively with NHS Borders to explore the potential provision of visiting Health Services within these new developments.

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 Scottish Borders and to help keep them safe when they are working alone across the region. The rollout of the technology was completed within Social Care in March 2023 with the next stage of transformation being the Pathfinder within Adult Social Work which is due to complete in March 2024. 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 Scottish 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 we 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. 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, where appropriate and conducive to effective communication, to reduce the necessity of staff having to travel significant distances for reviewing and interviewing purposes. A key element of this will be the continued engagement to develop 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 continue to develop the Pathfinder Project to enhance the use of technology, to support our practitioners to work more flexibly with service users. We will further develop 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 with the global pandemic accelerating this during 2020 and 2021. We will continue to develop and strengthen this approach 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 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 has developed an estates strategy to provide a consistent framework for how we manage and maintain our estates and how we focus capital investment priorities. The strategy will also deliver better use of our estate and rationalise our property footprint in order to deliver operational efficiencies while investing capital in those buildings that remain.

In practice, officers not only survey the Council's assets for material condition, but also engage with users to ensure that community needs are met. To drive efficiencies in energy consumption across our estate, a Building Management System strategy is presently being developed.





OFFICE ACCOMMODATION

The Council has started to deliver on its previous commitment to move to agile working and to consolidate offices with a refurbishment programme that has focused on Council Headquarters, Hawick High Street and Galashiels Paton Street offices as these were the largest. Office accommodation in Hawick and Galashiels has been closed as a result of this transformation, with some of these already sold and others planned for disposal in the coming year. Further work is planned for the remaining office estate, but as part of a wider data-driven asset and energy reduction approach.

DEPOT RATIONALISATION

The Council currently operates from six depots located across the region as well as a number of stone depots and a quarry, some of which are no longer fully utilised. 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.



THE SCOTTISH BORDERS COUNCIL ESTATE

A programme of work is currently underway to prepare an Asset Management Plan of the whole estate which will include current information on the fabric, condition and the functional suitability of individual buildings. This will also include updated data on the energy performance of each asset. The collation of this data will allow the preparation of a 'dashboard' which will allow an objective overview of properties by category and location, allowing a focused and data driven approach to our investment strategy.

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 Treasury Management and Prudential Code revised in 2021. 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
- Ensure 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 Investment Plan and Treasury Management Strategy 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, gives 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 Council's capital expenditure plans;
- Capital Financing Requirement – measure of the Council's underlying borrowing need, including long term liabilities;
- Operational Boundary – expected maximum external debt during the course of the year; and
- Authorised Limit – 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 the Council these are Eyemouth, Earlston, Berwickshire, Kelso High Schools and Jedburgh Grammar 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 2024. 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 2024/25 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 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

[IJB Strategic Commissioning Plan](#)

[Council Plan](#)

[Treasury Management Strategy](#)

[Financial Plan](#)

[Climate Change Route Map](#)

[Local Development Plan](#)

[Asset Management Plan](#)

[Strategic Housing Improvement Plan \(SHIP\)](#)

[Estates Strategy](#)

[City Deal](#)

[Borderlands](#)

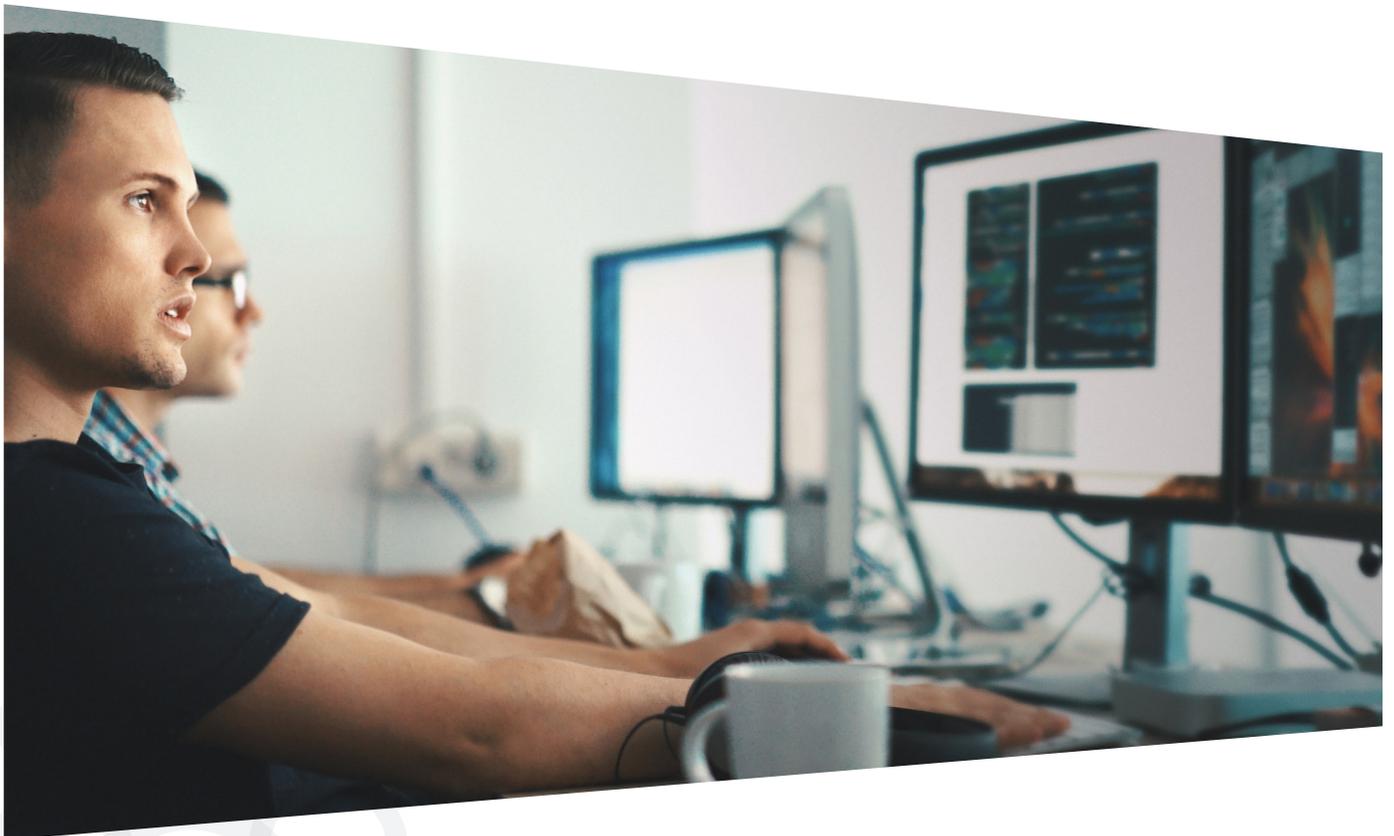
[Regional Transport Strategy](#)

LINKS TO THE CAPITAL INVESTMENT PLAN

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



Berwickshire High School





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