

Supplementary Agenda



Meeting of West Dunbartonshire Council

Date: Wednesday, 28 November 2018

Time: 14:00

Venue: Civic Space,
Council Offices, 16 Church Street, Dumbarton

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Dear Member

ITEMS TO FOLLOW

I refer to the agenda for the above meeting which was issued on 15 November and now enclose copies of Items 7, 9, 10 and 11 which were not available for issue at that time.

Yours faithfully

JOYCE WHITE

Chief Executive

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WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead for Regeneration

Council: 28 November 2018

Subject: Glasgow City Region City Deal - Exxon Site Refreshed Outline Business Case

1. Purpose

- 1.1** To seek approval to submit the Outline Business Case (Refreshed) for the Exxon site project to the Glasgow City Region Cabinet on 1 February 2019 for their approval.

2. Recommendations

- 2.1** It is recommended that Council:

- i) approve the Outline Business Case (Refreshed);
- ii) agrees that the refreshed Outline Business Case is presented to the Glasgow City Region Chief Executive Group and subsequently to Cabinet for approval on 1 February 2019;
- iii) approve the increased financial commitment from £3.906m to £4.767m, by updating the Council's capital plan, as the Council's 14% contribution to the project cost, subject to approval of the refreshed Outline Business Case by the Glasgow City Region Cabinet;
- iv) agrees that should additional City Region funding not be made available the Council will fund the additional £6.153m capital spend noting the expected future receipt of around £1.6m would reduce this to a net additional cost of around £4.553m;
- v) notes the existing approved budget allocation of £2.948m from the City Deal Infrastructure fund still allows the Council to progress to Final Business Case; and
- vi) agrees that Council officers can commence negotiations with surrounding landowners regarding the transfer of their land ownership to the Council to enable the wider development.

3. Background

- 3.1** The Glasgow City Region City Deal Infrastructure programme equates to £1.13bn of investment for over 20 projects over a ten year period. These projects are progressing and have reached various stages from Strategic, Outline and Full Business cases stages of approval.

- 3.2** The Outline Business Case (OBC) for the Exxon site project was approved at Council on 22 February 2017 and at the City Region Cabinet on 11 April 2017. A refreshed Outline Business Case is attached at Appendix 1 and the development and request for approval of the Final Business Case will be no later than November 2020. The refreshed business case will deliver £308.6m of additional GVA up until 2044. The impact on job creation will be 610 net construction jobs and 615 net operational jobs, all in line with City Deal expectations.
- 3.3** The Exxon City Deal project for WDC has approved funding of £27.897m over the next five years as part of the approved OBC. The refreshed OBC is seeking funding over the next 6 years of £34.050m, an increase of £6.153m. As per the Assurance Framework of the Glasgow City Region Infrastructure City Deal, if the funds are available they will contribute 86% of the budget requested and Councils are expected to make a 14% contribution.
- 3.4** A key reason for presenting a refreshed OBC to Council is to satisfy a request from the UK and Scottish Governments to the Programme Management Office that all projects fully satisfy HM Treasury Green Book compliance for Business Case appraisals.
- 3.5** Additionally the detailed studies and assessments that have been carried out over the last two years have allowed us to better understand the complexity of the site and the likely costs. These studies have included; flood alleviation, site drainage, road access and egress arrangements, the eastern railway overbridge, the western railway underbridge, and the quay walls, together with a market assessment on the value of the site once the project has been developed out.

4. Main Issues

- 4.1** Exxon Mobil have been progressing their planning application to carry out their remediation works with the regulators. However, it has taken longer than was ever envisaged for Exxon Mobil to gain approval for their remediation approach. Delays have occurred due to the late inclusion of additional studies and changes in approach. It is anticipated that the application will be approved by spring 2019. Discussions with Planning, Environmental Health, SEPA, and SNH are ongoing.
- 4.2** The remediation works for Exxon Mobil is estimated to take up to 24 months to complete. This will mean that if Council approves a commercial deal with Exxon Mobil and progresses the project, their remediation and the Council's City Deal project works may occur in parallel. Every effort will be made to programme the works to minimise potential operational conflicts during the works on site.

- 4.3** The delay in Exxon Mobil securing planning permission for their remediation works has resulted in the target date, previously set to get Final Business Case approved in December 2019, to a new date of November 2020. In addition the delay has affected the ability of Council officers to produce an Environmental Impact Assessment (EIA). The EIA can only be completed once Exxon Mobil's remediation strategy has been approved. The EIA will come to a future Council for consideration in conjunction with a commercial negotiated position for the transfer of land from Exxon Mobil.
- 4.4** The Council has been in discussions with Exxon Mobil representatives over recent months in relation to the land transfer agreement. These discussions are progressing and a further meeting is scheduled for 7 December 2018.
- 4.5** As stated officers understanding of the project has progressed with a number of key studies related to flooding, site drainage, road access and egress configuration, the eastern railway overbridge and the western railway underbridge, the quay walls and a market assessment on the value of the site for development have been carried out. In considering these the following are worth noting:
- In the original OBC the eastern overbridge was costed at £2.167m. On reflection the optimism bias has increased from 25% to 40% due to the complexity of the task and with annual inflation rate of 2.5% pa this element of the project has increased to £2.518m.
 - The flooding mitigation works and the required site drainage solution for the site following discussions with SEPA have in part determined a raised development platform solution is required. A commercial land valuation report identifying such a raised platform as an important consideration in securing development on the site. The raised platform solution will cost, with optimism bias of 20% and inflation of 2.5% pa, approximately £8.46m. This involves bringing a large volume of inert material onto the site to create the desired platforms.
 - The development of the road access junctions and spine road through the site as well as other engineering developed solutions has created more certainty on some cost elements and therefore the optimism bias has reduced to 15% as detailed in the refreshed OBC.
 - The overall optimism bias value for the project is £5.31m.
 - As stated, the overall updated project budget total is £34.050m as contained within the refreshed OBC, this is a £6.153m increase from the original budget of £27.897m.
- 4.6** Within the City Deal Infrastructure Fund it is known that some other Council's projects will not be delivered in full and there is an opportunity for the Council to position itself favourably in relation to accessing these funds. The City Deal PMO is currently looking at the process to be adopted that

would allow virement of City Deal Infrastructure Funds between the eight local authorities. Once the process is known, it will be the intention of Council officers to make every effort to secure 86% of the additional £6.153m requirement from this source.

- 4.7** A land valuation has been updated to determine the likely financial receipts expected to the Council for the sale of the development platforms for commercial/industrial uses on the site once our infrastructure works have been completed. The estimated land value equates to an approximate return to the Council of £1.6m by the estimated date of 2025.
- 4.8** As previously stated, 86% of the revised overall project cost of £34.050m, if approved and made available, would be met by the City Region City Deal Infrastructure fund equating to £29.283m. The 14% balance of £4.767m requires to be funded by the Council.
- 4.9** The Council will be required to fund the full additional total £6.153m of funding being requested should officers be unsuccessful in securing any underspend in the City Region Infrastructure fund. The figure of £6.153m will be reduced eventually by the sales of the developed platform, where the developed site value is forecast to be £1.6m. Therefore the expected net potential additional sum for the Council to fund will be in the region of £4.553m.

5. People Implications

- 5.1** There are a number of senior officers involved in the City Deal initiative across services of the Council and as part of the project board.

6. Financial Implications

- 6.1** It is anticipated that the expenditure for 2018/19 will be £0.238m. As at 30 October 2018 the total project Capital expenditure was £1.477m.
- 6.2** The original OBC approved budget expenditure for the City Deal Exxon project totals £2.948m to get us to FBC and this is sufficient funding to achieve that.
- 6.3** The overall updated project budget total is £34.050m, this is a £6.153m increase from the original budget of £27.897m.
- 6.4** Under the agreed funding regime with the UK and Scottish Governments 86% of these costs will be grant funded, with 14% to be funded by the Council. Should this refreshed OBC be approved by both Council and the Glasgow City Region Cabinet then any spend will continue to be at risk for the Council should the project not proceed past the next stage of business case.

- 6.5** The refreshed OBC requires a total increased budget of £6.153m which could be at risk to the Council should the City Region Infrastructure fund not approve the refreshed OBC or not have available funds to meet our requirements. The Council commitment for the 14% of the city deal funding of £34.050m equates to £4.767m. This is an increase in commitment from the 14% on £27.897m which equated to £3.906m, an increased commitment of £0.861m for the project overall.
- 6.6** At present it is assumed that the request to the City Region for the additional funding share for the 86% of the increase in cost will be funded and if Council agrees this updated OBC then the capital plan will be updated to reflect this. Should the City Deal 86% share not be agreed, or not agreed in full, then if the Council agreed this OBC then the Council would require to find up to the full additional cost of £6.153m, which would require to be added to the updated capital plan. The anticipated income from the sale of the developed sites would also be added to the capital plan as a future capital receipt.

7. Risk Analysis

- 7.1** There is a risk that the City Region infrastructure fund cannot provide 86% of the additional £6.153m capital requested through our refreshed OBC and the increased budget would need to be provided for by with the Council, though this would be offset by expected site sales of around £1.6m.
- 7.2** There are a number of project risks associated with the development at the Exxon site contained in the risk register of the refreshed Outline Business Case.
- 7.3** There are five equally important top rated risks among many other considered risks in the risk register contained within the OBC, these are as follows:
- i) There is a risk that the Commercial discussions Exxon Mobil do not deliver an acceptable deal for the Council. This is being mitigated by officers continued negotiations with Exxon Mobil to secure favourable terms.
 - ii) The risk that the remediation works of Exxon Mobil on the site is delayed. This will be mitigated by phasing our works and potentially our project working in parallel with Exxon Mobil's.
 - iii) Regulatory approval for the overbridge and underpass across the main railway line including line possession from Network Rail are delayed. The mitigation is that we continue to work closely with Network Rail and that they are engaged in delivery of these structures and work closely with planning.

- iv) There is a risk that sale of land required to build the infrastructure to access the site cannot be agreed with 3rd Party Landowners. To mitigate this risk we need to determine land titles for the parcels of land required and enter into early discussions with landowners to agree a sale, prior to considering alternative mechanism to secure the land.
- v) There is a risk that there is insufficient market demand to deliver the desired levels of economic activity and GVA forecast. This will be mitigated by ensuring a fully market ready site is delivered through the project and early and continuous commercial marketing of opportunities will be undertaken including liaison with key bodies including Scottish Development International and Scottish Enterprise.

8. Equalities Impact Assessment

- 8.1** An updated Equalities Impact Assessment screening is contained within the appendices of the refreshed Outline Business Case.

9. Consultation

- 9.1** Consultation with key stakeholders is progressing as we continue to work towards the Full Business Case. This includes the Community Councils, the regulatory bodies, SEPA, Environmental Health, Planning and Marine Scotland and Scottish National Heritage. Transport organisations including Transport Scotland and Network Rail. All the 3rd party landowners surrounding the site have been initially engaged with and will be re-engaged as per recommendation (vi) above.

10. Strategic Assessment

- 10.1** At its meeting on 25 October 2017, the Council agreed that one of its main strategic priorities for 2017 - 2022 is:

- A Strong local economy and improved employment opportunities

- 10.2** The proposals within this report are specifically designed to deliver on this priority.

Jim McAloon
Strategic Lead, Regeneration
Date: 16 November 2018

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Appendices: Appendix 1- Outline Business Case (Refreshed)

Background Report: Nil

Background Papers: Glasgow City Region City Deal – Council updates on the following dates: 28 November 2018, 29 August 2018, 27 June 2018, 31 May 2018, 5 March 2018, 20 December 2017, 25 October 2017, 30 August 2017, 28 June 2017, 26 April 2017, 22 February 2017, 21 December 2016, 26 October 2016, 31 August 2016, 29 June 2016, 27 April 2016, 24 February 2016, 16 December 2015, 25 August 2015.

Wards Affected: All

Exxon Site Development Project

Outline Business Case

November 2018

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Appendix C	Lomondgate Monitoring Report
Appendix D	Environmental Baseline Summary
Appendix E	Risk Register
Appendix F	Benefits Realisation Profile

Appendix G	Additionality and GVA Per Head
Appendix H	Development Plot & Option Timelines
Appendix I	Sourcing Strategy
Appendix J	Equalities Impact Assessment

Business Case Approval Criteria

The City Deal PMO's Business Case Appraisal Criteria states that 'Business Cases will be appraised in relation to the extent to which all requirements have been fully achieved. This OBC has been structured to specifically address the appraisal criteria as set out in the Assurance Framework and the additional programme economic case questions taken from the latest Programme Business Case. The Table below provides the paragraph references where each of the business case requirements is addressed in this document.

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
1. Strategic case	1.1. Strategic Need	1.1.1.Has the problem, and the need that will be met by the project, been clearly described, quantified (where relevant) and evidenced? Does this first section in the S/O/F BC give enough information and evidence to establish the strategic need for intervention?	P.12 Section 2.2
		<i>Comment:</i>	
		1.1.2.Does the upfront section in the S/O/F BC identify the total project costs – specifically showing total CD/ MA costs (86/14%) and how much of this is needed to develop the project to the next O/F BC stage?	P.9
		<i>Comment:</i>	Para 1.1.2
		1.1.3.Is there a clear description of the market failure(s), including how the project will address the root cause rather than the symptoms of the MF?	P.14
		<i>Comment:</i>	Para 2.2.11
		1.1.4.Has the rationale for the intervention/for new investment by the public sector been clearly articulated?	P.14
		<i>Comment:</i>	Para 2.2.6 – 2.2.10
		1.1.5.Based on strategic need, has the case for why the project is <u>needed now</u> been provided?	P.16
		<i>Comment:</i>	Para 2.2.18 – 2.2.26
		1.1.6.Has the consequence of not delivering the project i.e. policy off/ counterfactual case been explained?	P.19
		<i>Comment:</i>	Para 2.3.8 – 2.3.15
	1.2. Strategic and Policy Context For The Project and Contribution to the City Deal	1.2.1.How has the fit with UK, Scottish, Regional and Local policy been demonstrated? Does this describe how the project contributes to the policy aims rather than simply list the policy objectives? Are all relevant policy/ strategy docs covered relating to the identified needs (S1.1) and the project interventions (S1.5)	P.23 Section 2.4
		<i>Comment:</i>	
		1.2.2.How has the fit with the strategic objectives of the City Deal Programme been demonstrated e.g. will the project support the development of key growth centers, strategic employment sites, creation or maintenance of economically important routes? Does this describe how the project contributes to CD Programme aims?	P.39 Para 2.4.22 – 2.4.25
		<i>Comment:</i>	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
	1.3. Project Objectives	1.3.1.Has a clear description of the project and its objectives been provided?	P.39/40
		<i>Comment:</i>	Section 2.5
		1.3.2.Have SMART objectives been provided (Specific, Measurable, Assignable, Realistic, Time-related)? Are these clearly presented in tabular form for each objective?	P.42
		<i>Comment:</i>	Table 2.12
	1.4. Existing Arrangements	1.4.1.Have existing arrangements including those which currently deliver comparable outputs been outlined? Does this relate to the objectives listed at Section 1.3.2?	P.17
		<i>Comment:</i>	Section 2.3
	1.5. Project Summary	1.5.1.Has a clear description of what the project will deliver been provided? Does this include description of what City Deal funding will be spent on and what is expected of others?	P.43/P.48
		<i>Comment:</i>	Section 2.6
			Para 2.6.7
			Para 2.6.22
		1.5.2.Has a clear explanation of how the project differs to any current interventions/existing arrangements (as defined at Q1.4.1) been provided?	Section 2.3
		<i>Comment:</i>	
		1.5.3.Has a clear description of how the project will be implemented including what the money will be spent on, been provided?	P.43
		<i>Comment:</i>	Para 2.6.7
		1.5.4.Has a clear case been made for how the project addresses all the areas of need as described at S1.1.1?	P.48
		<i>Comment:</i>	Para 2.6.24-2.6.27

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
			Figure 2.26
		1.5.5.Has a clear description of what constitutes success been provided? Does this include Critical Success Factors against which options can be appraised?	P.52
		<i>Comment:</i>	Para 2.6.41 – 2.6.44
		1.5.6.Has any evidence demonstrating the success from similar projects been provided (including monitoring and evaluation evidence, lessons learned or pilots) and how have these lessons been incorporated into the project? If not, why not?	P.50
		<i>Comment:</i>	Para 2.6.28
	1.6. Dependencies and Constraints	1.6.1.Have all relevant internal factors on which the successful delivery of this project are dependent been identified? How will they be managed?	P.52/P.53
		<i>Comment:</i>	Section 2.7
		1.6.2.Have all relevant external factors on which the successful delivery of this project are dependent been identified? How will they be managed?	P.52/P.53
		<i>Comment:</i>	Section 2.7
		1.6.3.Have all relevant factors that place demands on the project (constraints) been identified? How will they be managed?	P.52/P.53
		<i>Comment:</i>	Section 2.7
	1.7. Stakeholders	1.7.1.Have the main stakeholder groups and their contribution or interest in the project been identified?	P.54/P.56
		<i>Comment:</i>	Section 2.8
		1.7.2.Is there a description of whether the project will create benefits/ dis-benefits for stakeholders, and how?	P.57
		<i>Comment:</i>	Table 2.15
		1.7.3.Have conflicts between stakeholder groups and their demands been identified? How will they be managed?	P.54/P.56
		<i>Comment:</i>	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
			Section 2.8
	1.8. Risk	1.8.1.Is there robust analysis of the potential risks that might arise? How were the risks identified and appraised?	P.60
		<i>Comment:</i>	Section 2.9
		1.8.2.Has a detailed risk management plan been developed for all elements of risk – is it robust and up-to-date? Has it been developed in line with the Assurance Framework and is a copy appended?	P.60
		<i>Comment:</i>	Section 2.9 Appendix E
		1.8.3.Have relevant <u>internal risks</u> been identified in risk register? Are the key internal risks summarised in the S/O/F BC?	Appendix E
		<i>Comment:</i>	
		1.8.4.Have relevant <u>external risks</u> been identified in risk register? Are the key external risks summarised in the S/O/F BC?	Appendix E
		<i>Comment:</i>	
		1.8.5.Have all risks been included, appraised and scored on the project risk register with appropriate mitigating actions? Financial/ economic/ legal/ reputational/ planning/ etc	Appendix E
		<i>Comment:</i>	
		1.8.6.Does the project create any new risks, or increase risks, for the City Deal Programme? If so, have these been identified, fully appraised with mitigating actions, and incorporated into the Risk Register?	P.60
		<i>Comment:</i>	Para 2.9.5
2. Economic Case	2.1. List of options	2.1.1.Is there a reasonable range of options covering what/ when/ who/ how/ where? Has there been any change since S/O BC? Is there a long-list and clear rationale for selection to a short-list for detailed appraisal?	P.67/P.68
		<i>Comment:</i>	Section 3.5
		2.1.2.How were the short-listed options selected and appraised? Who was involved, what was the process?	Section 3.4/Section 3.8
		<i>Comment:</i>	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
		2.1.3. Did options definition include analysis of potential alternatives around scope, procurement, service delivery, implementation and funding?	Section 3.7
		<i>Comment:</i>	
		2.1.4. Have the alternative options been costed – capital and revenue for direct public costs, and capital for direct follow-on investment?	TBC
		[Note: for projects that are claiming benefits (S2.3) arising from follow-on investments, the cost attributed to these activities must be provided] <i>Comment:</i>	Short list – Para 4.1.5
	2.2. Additionality	2.2.1. Have deadweight, displacement, leakage and substitution effects been identified at the Member Authority, City Region and Scotland levels for each of the short-listed options? Have the assumptions for the values used been presented – are these realistic?	P.77 Table 3.15
		<i>Comment:</i>	Appendix G
		2.2.2. Does the analysis of additionality present a robust case on the need for public sector intervention? Has consideration been given to the amount of activity/ outcomes that would happen without the project – does this link with Section 1.1.5?	Section 4
		<i>Comment:</i>	
	2.3. Benefits	2.3.1. Have gross and net benefits for each of the short-listed options been identified and quantified at the Member Authority, City Region and Scotland level? What dis-benefits will arise, and can these been mitigated? [Note: Gross benefits are defined as those arising from both direct City Deal and direct follow-on investments – see 2.3.8. Net benefits are the out-turn of these direct benefits, taking account of the additionality assessment at 2.2]	Section 4
		<i>Comment:</i>	
		2.3.2. Have the wider qualitative benefits and dis-benefits arising from each option been listed and clearly described? Does this include all relevant items?	Section 4.4
		<i>Comment:</i>	
		2.3.3. How have qualitative benefits been assessed e.g. using a weighting and scoring approach?	
		<i>Comment:</i>	
		2.3.4. Has the timescale for the realisation of benefits/ dis-benefits been provided?	Section 4.3
		<i>Comment:</i>	
		2.3.5. Does the text clearly describe the assumptions used in calculating benefits/ dis-benefits?	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
		<i>Comment:</i>	Appendix G/ Appendix H
		2.3.6.Are there any distributional/ equity factors for benefits that will impact on selection of the preferred option? Are these critical in the decision on preferred option?	Section 4.4
		<i>Comment:</i>	
		2.3.7.Have clear measurement, monitoring and evaluation plans been identified to track the delivery of each stated benefit? Is this taken forward to Section 5.7?	Appendix F
		<i>Comment:</i>	
		2.3.8.Is there clarity on which benefits will be generated as a direct result of City Deal project investment, and those that are generated as a direct result of subsequent action by others e.g. follow-on private or public sector investment?	Section 4.3
		<i>Comment:</i>	
	2.4. Cost/Benefit Analysis	2.4.1.Are all costs (specifically capital and revenue costs) and benefits quantified ¹ and if not has this been justified? Are these presented as gross and net costs/ benefits over the time period that they will arise and also as discounted totals?	P.75 Section 4.1
		<i>Comment:</i>	
		2.4.2.Is there a robust and consistent approach to appraising Cost-Benefit outcome – using net results with NPV calculated correctly (including discounting at 3.5%) – for each option?	P.83/ P.84
		<i>Comment:</i>	Section 4.2
		2.4.3.Has Value for Money (VfM) been appropriately presented using (as a minimum) the following ratios: - NPV of: net economic benefits divided by the total economic costs (public and private) - NPV of: net economic benefits divided by the total public costs – capital and revenue Note: for some projects it will be appropriate to present VfM for public and private costs as two results – including and excluding commercial development costs e.g. business space and residential construction should be included but if no allowance is taken of the income generated from them, they will skew the results.	P.84 Table 3.36
		<i>Comment:</i>	

¹ Including: correct discount rate; figures in real terms/constant prices at base year, sunk costs excluded; opportunity costs of already-owned assets included; residual values included; double counting avoided; transfer costs / benefits excluded; uses only economic resource costs (payment good/service); Financing items/sources excluded; second round effects included (e.g. only genuine job creation); Tax/subsidy treatment must be non-distorting between options.

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
	2.5. Options appraisal	2.5.1. Have all potential options been compared using a SWOT (or STAG, or other robust approach) analysis? Is this consistent for each option, and robust?	Section 3.5
		<i>Comment:</i>	Section 3.8
		2.5.2. Does the analysis include clear scoring of options – quantifiable/ qualitative benefits, contribution to objectives, CSFs, key risks, impacts, etc? Does this include valuation of the net benefits and costs associated with each option?	P.72 Section 3.8
		<i>Comment:</i>	
		2.5.3. How has ruling out of options been justified – is this clear and robust?	P.72
		<i>Comment:</i>	Section 3.8
	2.6. Preferred option	2.6.1. Has evidence been provided demonstrating that the preferred option achieves all project objectives?	P.72
		<i>Comment:</i>	Section 3.8
		2.6.2. What evidence has been provided demonstrating that the preferred option provides the best Value for Money? If not, do un-quantified and/ or distributional benefits (as presented at Section 2.3.2 and 2.3.6) justify the higher cost and/ or lower benefits?	Section 4.2 Section 4.3
		<i>Comment:</i>	
	2.7. Sensitivity and risk profile	2.7.1. Has appropriate sensitivity analysis been completed, including worst case scenario? Is there a clear rationale for the upper/ lower range used for sensitivity, or if arbitrary values have been used is this justified?	Table 3.8
		<i>Comment:</i>	
		2.7.2. Has the MA given appropriate consideration to the need for switching values analysis where projects carry high risk of not achieving stated benefits (i.e. assumptions behind the economic appraisal are not robust or carry high level of risk), high optimism bias rate needed for cost, and/ or where the Benefit to Cost Ratio (BCR) is close to 1:1? [Note: Switching Values relates to increase in PV of costs / decrease in PV of benefits to produce a BCR of below 1]	Table 3.7
		<i>Comment:</i>	
		2.7.3. Linked to results at Section 1.6 and 1.8, have all economic risks, constraints and dependencies been identified, managed and allocated in the risk register, and are the key economic risks listed in S/O/F BC, with mitigating actions?	Appendix E

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
		Comment:	
		2.7.4.Is there a clear description of, and allowance taken for, optimism bias (for costs and benefits) and has it been aligned with the overall risk of the project? How have optimism bias factors been calculated, and has this changed since S/O BC as more detail on the project is known? Is further change expected at O/F BC?	Section 4.1 Table 3.2
		Comment:	
		2.7.5.Are all relevant wider positive and negative impacts presented and assessed e.g. sustainability, competition, regulatory impact?	Section 4.4
		Comment:	
		2.7.6.On completion of sensitivity analysis, is there final confirmation that the preferred option remains preferred, and all relevant risks and sensitivities are understood and clearly articulated?	Section 4.3
		Comment:	
		Note: the preferred option, as presented in the summary of the economic case should be taken forward into the rest of S/O/F BC – Commercial/ Financial/ Management Cases – with results tested rigorously and compared against the counterfactual where appropriate.	
3. Commercial Case	3.1. Commercial Aspects	3.1.1.How does the preferred option address the needs of all parties and project partners – the Member Authority, the City Deal, other direct funders, and wider project partners (including those that are expected to deliver activity or outcomes as a result of City Deal investment)?	Section 5.2
		Comment:	
		3.1.2.Have funding options been outlined and fully considered for the preferred option? Have appropriate alternative funding sources been explored and included/ discounted, if not why not?	Para 5.3.8
		Comment:	
		3.1.3.If appropriate, have alternative arrangements been identified where any required follow-on private/ public sector funding does not occur at the required time? Is there a description of the extent to which the project benefits/ outcomes (as described at Section 2.3.8) are dependent on this private sector investment?	Para 5.3.4 Appendix E
		Comment:	
		3.1.4.What is the commercial demand for the outputs generated by the project e.g. if CD investment is for infrastructure that will release/ improve land for development, what is the evidence of demand for this land? [Note: for most CD projects the demand is likely to come from the follow-on investment rather than from the direct CD funded activities – should be aligned with the impacts that are considered at Q2.3.1 and Q2.3.8]	Para 2.6.38 Para 2.2.23 Para 2.2.24

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
			Para 2.2.27
		<i>Comment:</i>	
		3.1.5. Where payments are to be made to external parties (including consultants/ contractors/ developers), what are the planned payment processes, and are they clearly described?	Para 5.3.9
		<i>Comment:</i>	
	3.2. Procurement Strategy	3.2.1. What is the procurement strategy, has it been clearly articulated in the S/O/F BC and is the procurement process in line with relevant regulations? Does this section clearly describe what will be procured, by who, when, and how?	Section 5.4 Appendix I
		<i>Comment:</i>	
		3.2.2. What is the justification for the proposed procurement approach?	Para 5.4.8
		<i>Comment:</i>	
		3.2.3. Has the body (or bodies) which will manage and deliver the project been clearly identified? If this is not the member authority, how will the MA retain control of contract finance, quality, timescales, etc?	Section 5.2
		<i>Comment:</i>	
		3.2.4. What is the evidence demonstrating that the delivery body, and the key staff within that body, have the relevant skills and capacity for project procurement?	Para 5.4.7
		<i>Comment:</i>	
		3.2.5. What evidence has been provided demonstrating that the delivery body is the most effective body to deliver the project?	Para 5.4.8
		<i>Comment:</i>	
		3.2.6. Relevant to the level of investment being made, how robust are the proposed contracting arrangements?	Appendix I
		<i>Comment:</i>	
		3.2.7. If the project involves grant to a third party, how will the MA ensure that the project delivers outcomes on time, at scale, to quality, etc?	n/a
		<i>Comment:</i>	
		3.2.8. Have clear contractual key milestones and delivery dates been provided?	Para 5.4.12
		<i>Comment:</i>	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
		3.2.9. Linked to the results at Section 1.8, have all <u>commercial risks</u> been identified, managed and allocated in the risk register, and are all the key commercial risks listed here, with mitigating actions?	Section 5.5
		<i>Comment:</i>	Appendix E
4. Financial Case	4.1. Financial appraisal	4.1.1. Is there a clear description of project costs (split by individual element, including work to complete the project to O/F BC) and project funders – phased over the delivery timescale? Does this clearly identify the direct City Deal costs (split 86% / 14%), other direct public sector costs and direct follow-on investment needed to achieve the benefits presented at Q2.3?	Section 6.1 Section 6.2
		<i>Comment:</i>	
		4.1.2. Will all project benefits be achieved with the project costs listed at Section 4.1.1, or is there a need for additional follow-on investment at a later date to deliver the benefits (e.g. property development)?	Para 5.3.4
		<i>Comment:</i>	
		4.1.3. Has evidence been provided demonstrating that full budget funding has been secured and budgeted for by all parties – the Member Authority, other direct project funders, other follow-on investment? Does this clearly show the 86% / 14% split in direct costs?	Para 6.2.2 Para 6.2.1
		<i>Comment:</i>	
		4.1.4. Have appropriate benefit and monitoring evaluation costs been described and quantified, covering the full City Deal period to 2035?	
		<i>Comment:</i>	
		4.1.5. Have the impacts on Member Authority income/expenditure a/c and on balance sheet been provided if applicable? Does this specifically include ongoing revenue costs to MA or other public sector organisation?	Section 6.5
		<i>Comment:</i>	
		4.1.6. How have potential cost over runs been considered and provided for? Have these been appropriately tested in the Sensitivity Appraisal, and included in the Risk Register?	Section 6.6
		<i>Comment:</i>	
		4.1.7. How will VAT will be treated? Is there a description in S/O/F BC of applicable VAT risks, and if so are they included in the Risk Register?	Section 6.6
		<i>Comment:</i>	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
		4.1.8. Have any guarantees been provided, or financial agreements made? Does this cover direct project funding or follow-on investment? Are these guarantees from the Member Authority to third party, or vice-versa? How substantial are these agreements, and to what extent is the project's success dependent on these guarantees?	Section 6.7
		<i>Comment:</i>	
		4.1.9. Linked to results at Section 1.8, have all relevant financial risks been identified, managed and allocated in the risk register, and are the key financial risks presented here, with clear mitigating actions?	
		<i>Comment:</i>	
5. The Management Case	5.1. Project roles	5.1.1. Have project roles and responsibilities been clearly stated? Is it clearly demonstrated that the team members have appropriate skills and experience to manage, deliver and oversee the project?	Para 8.1.7
		<i>Comment:</i>	
	5.2. Project governance Structures	5.2.1. Have project roles and responsibilities been clearly stated in relation to approval processes within the Member Authority? Linked to financial and procurement topics, does the analysis include relevant consideration of governance upwards (to PMO and Governments) and also downward below MA to project delivery?	Section 8.2
		<i>Comment:</i>	
		5.2.2. Have robust project management arrangements been clearly stated in relation to the operational delivery and future management of the completed project within the Member Authority?	Table 8.1
		<i>Comment:</i>	
		5.2.3. If the project involves creation of a new asset, is there a description of how governance be transferred to operational use?	Para 6.4.3
		<i>Comment:</i>	Para 6.5.1
		5.2.4. Who will manage the delivery and monitoring/ evaluation of project benefits (including community benefits)?	
		<i>Comment:</i>	
	5.3. Community Benefits	5.3.1. Have community benefits through procurement been identified? How will they be procured and delivered, and over what timescale? How will benefits be monitored over the long-term? Who will be responsible for achieving target benefits?	Table 8.1
		<i>Comment:</i>	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
	5.4. Other Legal matters	5.4.1. Have other legal matters been clearly considered as appropriate, including: <ul style="list-style-type: none"> • State Aid – does this include impact on third parties at the Programme level? • Compulsory Purchase Orders (CPOs) • LA powers / Government powers STAG / TAUS / Planning / Crown • Land Ownership • Environmental Impacts • Equality Impacts as per the Equality Act 2010 	Section 8.4
		<i>Comment:</i>	
	5.5. Project schedule	5.5.1. Has a detailed project schedule been provided, showing key dates for start/ completion of each task and covering all project elements?	Section 8.5
		<i>Comment:</i>	
		5.5.2. Are there clear delivery dates and detailed milestones for the overall project, and any sub-elements?	Para 5.4.12
		<i>Comment:</i>	
	5.6. Sustainability case	5.6.1. Does the sustainability case assess whether proposals are sustainable and do they contribute to the wider sustainability agenda?	Section 7
		<i>Comment:</i>	
		5.6.2. Does the S/O/F BC present robust consideration of sustainability from perspectives of – environmental, financial, economic, social factors?	Section 7
		<i>Comment:</i>	
		5.6.3. Is there a project- or site-specific Environmental Impact Appraisal – is it recent and robust? If no EIA (or it is dated) what is the justification?	Appendix D
		<i>Comment:</i>	
	5.7. Project Monitoring	5.7.1. How will the project be monitored and evaluated? What are the project monitoring arrangements and have they been clearly set out in the S/O/F BC (who, when, how and costs)?	Section 8.6
		<i>Comment:</i>	
		5.7.2. Is the M&E Plan in line with the Assurance Framework, is it fully costed, and is it appended?	Section 8.6.4
		<i>Comment:</i>	

Business case Section	Sub-Section	Business case requirements – appraisal questions	Location of Information within the Business Case (page/paragraph number)
		5.7.3.Do proposals for monitoring covering the full period of benefits realisation, or to Programme completion in 2035?	
		<i>Comment:</i>	
		5.7.4.Who is responsible for project monitoring and evaluation after the physical project works are complete? Is the cost of future M&E presented, and is it robust?	
		<i>Comment:</i>	

Business Case Appraisal Criteria Sign-off:

(Signature)

(Date)

(Position) Richard Cairns, West Dunbartonshire Council
Strategic Director, Regeneration Environment and Growth, Project Sponsor

Executive Summary

Introduction

This document provides an updated Outline Business Case for West Dunbartonshire Council's project under the terms of the Glasgow City Region – City Deal. The project involves the provision of access and supporting infrastructure for the redevelopment of the former oil terminal at Bowling - the Exxon site development project. In due course, it is the Council's intention to rename the project to better reflect the geographical location and intended future use of the site.

This updated Outline Business Case is based on the OBC document approved in March 2017 but adapted to reflect adjustments to the project scope resulting from further technical work completed in the interim. With more accurate information on flood risk and site drainage now available, a site-wide requirement for development platforms to provide developer-ready sites has been identified thus enabling economic activity earlier than anticipated in the approved OBC. The estimated project cost is now £34.050m in 2021. The case to support infrastructure investment to realise the development potential of the Exxon site at Bowling remains compelling.

While ownership of the site presently remains with Exxon, it is the Council's intention to acquire it as soon as possible. Heads of Terms have been agreed between the Council and Exxon and discussions about the terms of the acquisition are ongoing.

The site is crucial to West Dunbartonshire's future economic development and will make a significant contribution to economic growth across the City Region. The Council aims to capture, in its development, higher value economic activities, building on its strategic accessibility, riverside location and unique environmental assets.



West Dunbartonshire faces several economic challenges, including relatively low levels of employment, relatively fewer businesses and lower than average earnings. There are high levels of public sector dependency for employment as well as significant out-commuting to the wider Glasgow city region. Despite a relatively well-educated labour force, there is a shortage of higher value employment opportunities in West Dunbartonshire. The shortage of work opportunities locally is a significant barrier to the area's economic growth. There is a clear need to stimulate greater economic activity in West Dunbartonshire to sustainably increase levels of employment, income and Gross Value Added (GVA) and to build economic resilience. The Glasgow City Region – City Deal Infrastructure Fund provides the opportunity to address these issues and create opportunities for the future, both in West Dunbartonshire and across the City Region.

Project Contribution to City Deal Economic Case

The project directly contributes to the economic outcomes set out in the City Deal Infrastructure Fund. At a Glasgow City Region level, the project will enable the following benefits:

Employment Land Development

- 40,582m² employment floorspace
- up to 19.10 hectares of employment land, including development platforms

Private Sector Investment

- £38.10m of additional private sector investment²

² Non-discounted – see Table 4.11 in the OBC

Employment Support

- 615 net additional operational jobs by 2044
- 610 net additional construction jobs by 2044

Additional GVA

- £308.6m net additional GVA by 2044 as shown in Table 4.23 in the OBC

Strategic Need for the Project

West Dunbartonshire performs below average when considering key macro-economic indicators for the Glasgow City Region City Deal area and Scotland. There is a lack of jobs in West Dunbartonshire with job density only at 0.61 per head (compared with the City Region average of 0.77 and the Scottish average of 0.80) and a high dependence on the public sector. The area has a smaller business base (0.035 per head of working age population in 2014) than the Glasgow City Region City Deal area (0.037) and Scotland (0.052).

Overall skill levels of West Dunbartonshire residents are marginally below sub-regional and national comparators, but a relatively skilled workforce is still available in the area. However, the population of West Dunbartonshire is both falling and ageing.

Addressing these issues through the creation of additional employment land opportunities will have a significant impact across West Dunbartonshire and the wider City Region area.

The Exxon site is of the scale required to meet project objectives and is in single ownership, albeit that other land is required for access. The site would be the largest concentration of potential employment land in West Dunbartonshire. Should access and other constraints be addressed, a high quality, well located site would be available within the next 7-10 years. The site has the potential to offer a broad range of development and employment opportunities in the medium to long term. City Deal funding offers the opportunity to address the site constraints in a comprehensive manner.

Current Position

The 61.71-hectare site is owned by Exxon and formerly accommodated Exxon's Bowling Oil Terminal until its decommissioning, which began in 1997. Given flood risks and known ground conditions on the site, the maximum developable area, including roads and development plots, is 19.10 hectares with the remaining areas retained as greenspace. Remediation of contaminated land by the current owners and provision of suitable enabling infrastructure would allow the economic development potential of the site to be unlocked.

Options

An appraisal of long list options consisted of three parts: options for the location of a sizeable economic investment site, options for the use of the site (economic activity) and options for access to the site (infrastructure requirements).

A high-level site option appraisal has been prepared based on the project objectives and the required contribution to GVA for the entire City Deal. The aim is to achieve a step change in the volume and value of economic activity in West Dunbartonshire through a combined focus on those sectors presently performing well and other growth sectors. The project seeks to develop the momentum generated by areas such as Lomondgate, the Vale of Leven Industrial Estate, and potentially Carless for the period beyond 2024.

Project options of suitable scale in West Dunbartonshire are limited to Lomondgate, Vale of Leven Industrial Estate and the Exxon site. Each of the options has a supportive planning designation. At this stage, a high-level option appraisal has been undertaken, based on: site area; long term capacity to

meet the needs of West Dunbartonshire's economy; capacity to generate additional GVA; and availability.

From the high-level options appraisal, the Exxon site was identified as best placed to meet project objectives through investment in the necessary access and supporting infrastructure.

From there, a series of long list options was developed in line with HM Treasury Green Book Guidance. These options were critically evaluated and quantitatively assessed against the outlined Critical Success Factors to determine a short list of options for further economic analysis.

Project Scope

The project will entail delivery of road access and the supporting infrastructure required to enable development of the site.

One of the fundamental infrastructure requirements is the construction of road network accesses at the eastern and western extents of the site linked by a spine road through the site which will enable it to be accessed for development.

The site requires substantial investment in site preparation prior to development taking place including decontamination works (which will be completed by the current owners prior to transfer to WDC), creation of new roads infrastructure, flood, environmental and drainage mitigation., and creation of development platforms.

The project consists of:

- 1.95km of new spine road with associated drainage and lighting infrastructure;
- 1.32km of upgraded existing public road (A814);
- a new junction on the A82 at Dumbuck with closure of the existing junction;
- a remodelled junction on the A82 at Dunglass;
- an enhanced routing of 475m of the National Cycle Network Route 7 in the vicinity of the site;
- a new underpass of the Glasgow – Dumbarton Railway at the western access to the site;
- a remodelled railway overbridge at the eastern access to the site;
- flood mitigation works;
- environmental mitigation works (but not remediation);
- site drainage works; and
- establishment of platforms for development across the site.

Key milestone dates are anticipated as follows.

Action	Programme Date
Completion of site remediation	Autumn 2021
Complete FBC and update commercial and financial cases	November 2020
Commencement of works	February 2021
Completion of infrastructure works	July 2024
Project Monitoring and Evaluation	December 2024 – March 2044

Forecast Cost and Contingency

The estimated project cost is £34.050m in 2021. This includes allowances for construction cost inflation, optimism bias and contingency which provides mitigation against programme risks.

It is anticipated that the Council's share of the investment will be £4.767m in 2021 representing 14%, with the remainder being funded by grant from the UK and Scottish Governments through the City Deal.

Proposed Team and Project Management Arrangements

An experienced multi-disciplinary management team has been formed within West Dunbartonshire Council to deliver the project. External consultancy support has been and will be appointed where necessary. A City Deal Project Board meets on a four-weekly basis to oversee project delivery.

1 Introduction

1.1 West Dunbartonshire City Deal Project

- 1.1.1 This document sets out the Outline Business Case (OBC) for West Dunbartonshire Council's (WDC) project under the terms of the Glasgow City Region City Deal. The project involves the redevelopment of the former oil terminal at Bowling - the Exxon site development project. In due course, it is the Council's intention to rename the project to better reflect the geographical location and intended future use of the site.
- 1.1.2 The OBC is for £34.050m of infrastructure capital funding in 2021 to support the development potential of the site at Bowling with £29.283m of funding (86%) sought from the City Region Deal Infrastructure Fund and the remaining £4.767m (14%) being funded by WDC. While ownership of the site presently remains with Exxon, it is the Council's intention to acquire it as soon as possible. Heads of Terms have been agreed between the Council and Exxon and discussions about the terms of the acquisition are ongoing.
- 1.1.3 The site is the location of the former Bowling Oil Terminal located between Dumbarton and Clydebank and is shown in the aerial photograph in Figure 1.1 below. It is currently disused having been levelled in 1997. It is currently still in the ownership of Exxon but, through the proposals set out in this document to release it as a major new development site, it is intended that it will transfer in ownership to West Dunbartonshire Council.

Figure 1.1 Exxon Site Aerial View



- 1.1.4 There is a clear need to stimulate greater economic activity in West Dunbartonshire as there is a high degree of dependency on the public sector in the local economy and on out-commuting to the wider Glasgow city region. There is also a shortage of employment in higher value positions in West Dunbartonshire despite the presence of a reasonably well educated labour market. A lack of job opportunities is currently a significant barrier to economic growth in the area. Addressing these issues through the creation of additional employment land opportunities will have a significant impact across West Dunbartonshire and the wider City Region area.

- 1.1.5 As existing sites are built out to their capacity, the Exxon site has been identified as crucial to the economic development needs of West Dunbartonshire in the medium to longer term as a requirement for additional strategic development locations is anticipated. The site provides the ideal opportunity to facilitate this additional development as it is in a highly accessible location adjacent to the A82 Trunk Road and within proximity to the Erskine Bridge which provides access to the M8, Glasgow Airport and the wider strategic road network.
- 1.1.6 The project entails the delivery of roads access and supporting infrastructure required to enable the development of this strategically important site including, crucially, new road accesses at the eastern and western extents along with a spine road which will link the two accesses and open the site for development.
- 1.1.7 The site does face some significant constraints and challenges which affect its ability to be brought back into effective economic use. The ongoing programme of remediation works across the site will be completed by the current owners prior to transfer to the Council. The transfer itself will be dependent on a mutually acceptable end-state being agreed and delivered.
- 1.1.8 There are several environmental designations in existence adjacent to the site including a Site of Special Scientific Interest (SSSI), a Special Protection Area (SPA) and a Ramsar Site (wetlands of international importance) which all have implications for the extent of the developable land as well as requiring mitigation measures to ensure environmental impacts are minimised.
- 1.1.9 The site is also constrained by its current transport links and new accesses are required. The site is bounded by the River Clyde, the Glasgow to Dunbartonshire and Argyll railway line, National Cycle Route 7 and the A82 Trunk Road. It consequently has potential to have excellent transport links.
- 1.1.10 The funding sought through the Glasgow City Region City Deal is required to deliver the transport, environmental and infrastructure works required to ready the site for development.

1.2 Business Case

- 1.2.1 This document represents the **Outline Business Case (OBC)** for the project. The Glasgow City Region City Deal Assurance Framework³ defines the purpose of the OBC as part of a cycle during which the maturity and level of analysis of a project is developed, and its readiness for delivery and implementation advanced. The purposes of the OBC are described by the guidance as:
- identify the spending option which optimises value for money (VFM);
 - preparing the scheme for procurement; and
 - put in place the necessary funding and management arrangements for the successful delivery of the scheme.

³ Glasgow and Clyde Valley City Deal, The Glasgow and Clyde Valley Cabinet, Assurance Framework, 10 March 2015.

- 1.2.2 The Business Case has been compiled to meet the requirements of the Glasgow City Region City Deal Assurance Framework and seeks to ensure the proposed project meets the key criteria including:

- providing a framework for informed decision making in planning and management of the project, the City Deal Programme and subsequent benefits realisation;
- providing a clear and concise record of the status of the project and decisions made to date, and
- providing a consistent approach of reporting across the City Deal Programme, which is especially important considering the Independent Panel which will appraise the economic impact of the investments at the city region level.

- 1.2.3 The Assurance Framework sets out the key requirements of the Business Case. This document has been structured to ensure transparency of the processes applied and an auditable account of the proposals. This document has been split into the following sections which track requirements as set out within the Assurance Framework:

- **Strategic Case** - To document why the project is required, what the project is, how it fits in with the City Deal Infrastructure Fund Programme and the wider local and national policy context and how it is intended to be implemented.
- **Economic Case - Options Appraisal** - To demonstrate how the preferred solution has been chosen and that all potential options were identified and compared, resulting in a preferred option that achieves all objectives and delivers best value for money.
- **Economic Case – Appraisal of Preferred Option** - To identify the economic impact of the project.
- **Commercial Case** - To document the involvement of other parties and identify any challenges or risks this may present.
- **Financial Case** - To identify the forecast capital and revenue expenditure and income over the period of the project.
- **Sustainability Case** - To assess whether the proposals are themselves sustainable and how they contribute to the wider sustainability agenda.
- **Management Case** - To identify the team that will deliver the project, the proposed procurement process and the project schedule.

2 Strategic Case

2.1 Introduction

- 2.1.1 The Strategic Case for the project was set out in the Strategic Business Case (SBC) approved by the City Deal Cabinet in August 2015.
- 2.1.2 In this OBC, the strategic need for the project, its key features and how it fits with the City Deal are updated and confirmed.

2.2 Strategic Need

KEY POINTS

- West Dunbartonshire's economic performance is below average for many macro-economic performance indicators for the Glasgow City Region City Deal area and Scotland.
- There is a lack of jobs in West Dunbartonshire with job density only at 0.61 per head and a high dependence on the public sector. The Glasgow City Region City Deal has 0.77 jobs per head and Scotland 0.80.
- Employment land in West Dunbartonshire is constrained, with only 9.6 years' projected supply available (including Exxon).
- Demand from expanding businesses in the area that cannot be accommodated without Exxon.
- The diversion route in the event of a closure of the A82 between the A82/A814 Dunglass Junction and the A82/A814 Dumbuck junction is via neighbouring adjacent local authorities and is some 29 miles or thereby.

The 'problem and the need'

- 2.2.1 This section provides a summary of the socio-economic baseline conditions within West Dunbartonshire and sets the context within which the longer-term impact of the proposed development will be measured. The baseline also delivers a current and prospective overview of the area, identifying constraints and barriers to growth as well as opportunities for development. These represent the foundation for assessing the need that will be met by the proposed development.
- 2.2.2 To ensure a thorough understanding of the socio-economic context in West Dunbartonshire, the baseline position is considered against the Glasgow City Region City Deal area and the national picture which are used to benchmark the local performance. Information is provided on the following socio-economic indicators:
- Gross Value Added (GVA);
 - Employment performance and key sectors;
 - Business demography;
 - Demography;
 - Earnings;
 - Occupations and skills;
 - Unemployment;
 - Deprivation.

- 2.2.3 The results of the socio-economic analysis are summarised in the form of a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the West Dunbartonshire economy and presented in Table 2.1 below.

Table 2.1 SWOT Analysis of West Dunbartonshire Economy

Socio – economic STRENGTHS	Socio – economic WEAKNESSES
<p>Location – the area has good links to the motorway network, Glasgow airport and to the city of Glasgow; it also benefits from its proximity to Loch Lomond and Trossachs National Park.</p> <p>Environment – the area has some of the most outstanding countryside in lowland Scotland, with around 40% of land classified as open countryside.</p>	<p>Population – the area’s population has been declining since 1987 as opposed to Scotland’s population which has risen over this period.</p> <p>Life expectancy – life expectancy at birth is lower than the Scottish average.</p> <p>Skills - on average, skills levels of residents are lower than sub-regional and national comparators.</p> <p>Economic performance – West Dunbartonshire continues to suffer from high levels of deprivation, high levels of unemployment and a smaller business base than the Glasgow City Region City Deal area and Scotland.</p> <p>Out-commuting - there is a net outflow of residents to jobs elsewhere.</p>
Socio – economic OPPORTUNITIES	Socio – economic THREATS
<p>Regeneration initiatives – Clydebank Riverside, Dumbarton Waterfront, Strathleven and Alexandria are all examples of urban renewal where new homes, jobs and services can be created for the benefit of all.</p>	<p>Population ageing – the age group that is projected to increase the most in size in West Dunbartonshire is the 75+ age group while the population aged under 16 is projected to decline over the next 20 years.</p> <p>Population projections – the population of West Dunbartonshire is projected to fall.</p>

Baseline Assessment

- 2.2.4 The socio-economic assessment of West Dunbartonshire paints a picture of an area suffering from persistent economic and structural challenges that characterise those areas formerly dependent on heavy industry. The performance of the area prior to the recession was below the Scottish average. A full baseline assessment can be found in Appendix A. In summary, the area is not showing very strong signs of recovery and is facing several challenges in terms of:

- **Macro-Economic performance:** the GVA growth rate is below the Glasgow City Region City Deal and Scotland averages and labour productivity is also lower than the national average;
- **Employment performance:** current employment in West Dunbartonshire is dominated by the service sector, and specifically, by public services and retail and catering; job density is

at 0.61 meaning that there is less than one job for every resident aged 16-64, a lower value than the regional and national comparators;

- **Business demography:** the area has a smaller business base than the Glasgow City Region City Deal area and Scotland;
- **Labour market:** on average, skill levels of residents are lower than regional and national comparators and there are higher levels of unemployment than nationally; and
- **Population:** the population of West Dunbartonshire is not only decreasing but is also ageing.

2.2.5 These problems can be addressed through development of the Exxon site as set out below.

Rationale for Intervention

2.2.6 Addressing the fundamental challenges of the West Dunbartonshire economy requires strong future employment opportunities. These require appropriate sites and within the next 7-10 years currently available sites are expected to be fully occupied. A new strategic site is required.

2.2.7 The Exxon site is allocated for industrial/business opportunities in the proposed Local Development Plan (LDP). The strategy for the site includes *“the re-development of the Esso Bowling site primarily to increase the business and industry opportunities within West Dunbartonshire”*.

2.2.8 The West Dunbartonshire Council Adopted Local Plan identifies the site as a Specialised Economic Development location and provides a reasoned justification:

“The Glasgow and the Clyde Valley Joint Structure Plan 2000 designated the former ESSO Bowling Terminal as a Potential High Amenity Single User site. This was on the basis of the guidance in NPPG 2. However, this has now been superseded by SPP 2 which indicates that the existing supply of proven safeguarded sites should be able to meet future requirements. The Structure Plan 2006, in cognisance of SPP2, deletes all Potential Single User sites including Bowling. The site is therefore considered suitable for multiple economic development uses. However, it is recognised that the remediation and access costs of developing the site for business uses will require other mixed uses to facilitate development of the site. The site is within a Core Economic Development Area (CEDA). The site has not been placed in the Marketable Industrial Land Supply but areas within the terminal site may be added to the supply as proposals for the site to be redeveloped are brought forward.”

2.2.9 As demonstrated in Section 2.3 below, the rationale for the intervention is also justified through the Strategic planning context as set out in Scottish Planning Policy and National Planning Framework 3 which support the regeneration and development of the site.

2.2.10 Additionally, in the event of a closure of the A82 between the A82/A814 Dunglass Junction and the A82/A814 Dumbuck junction is via neighbouring adjacent local authorities and is some 29 miles or thereby. This has a knock-on effect for residents, visitors and businesses that rely on the arterial route. The proposed intervention provides a suitable route to the south of the A82 that negates the need for a lengthy diversion, creating wider benefits to those working, living or visiting the West Highlands or the wider City Region.

2.2.11 Furthermore, the site also offers strategic advantages through its deep-water frontage, providing the opportunity for supporting supply chain businesses in the marine construction industry that is present within West Dunbartonshire.

Market Failure

- 2.2.12 HM Treasury Green Book⁴ guidance requires the investment rationale underpinning public sector interventions to clearly demonstrate any apparent market failure or provide evidence of where government distributional objectives are not being met.
- 2.2.13 Market failure is described as a situation whereby the allocation of goods and services is not efficient. The Green Book describes market failure as a situation “where the market mechanism alone cannot achieve economic efficiency”⁵.
- 2.2.14 The infrastructure interventions proposed for the Exxon site, i.e. new access routes and infrastructure, show characteristics of pure public goods, namely:
- **Non-excludability:** the benefits derived from the proposed infrastructure interventions will not be confined solely to those funding them. Although the benefits to private sector developers will be captured in part by increased property and site values, it is likely the more significant benefits from the comprehensive regeneration initiated by the intervention will be enjoyed more broadly across the area and beyond; and
 - **Non-rival consumption:** the marginal cost of an extra person using the proposed road infrastructure will be zero, i.e. its use by one person or group does not restrict its use by other users⁶.
- 2.2.15 Non-excludability and non-rival consumption jointly create a disincentive for the private sector to cover the full cost of the Exxon site infrastructure needs due to the potential free-rider problem, i.e. non-payers enjoying the benefits of the proposed interventions without bearing any financial costs. Therefore, public sector intervention is required to bridge the funding gap to develop public goods.
- 2.2.16 The market failure associated with public goods in the context of current transport provision to the site, underpins the socio-economic rationale for the project. The key market failure associated with the area surrounding the project, falls into three main themes:
- **Physical limitations:** whilst the public sector has identified the potential for development in this area, it is anticipated that comprehensive development will not take place until the infrastructure challenges identified are addressed⁷. Poor site access hampers business perceptions of the area and acts as a barrier to further growth. Public sector intervention de-risks the site and enhances the site’s development viability. In turn, the anticipated follow-on investment, indicated by discussions with potential site occupiers, will generate additional employment opportunities for local people. Additional road infrastructure to the south of the A82 will support residents and businesses in the local area and wider Scotland in the event of a closure of the A82. This type of infrastructure is unlikely to be funded by those users due to non-excludability and non-rival consumption jointly creating a disincentive for the private sector to cover the full cost.
 - **Operational limitations:** if left to the private sector, it is likely that development of the area, if any, would be fragmented and piecemeal as better opportunities are presented elsewhere. Without public investment in a comprehensive development platforming approach to address flood and drainage requirements, development would be limited to a small proportion of the site or would not happen at all. The infrastructure interventions proposed, and the intended use of the site, pave the way for West Dunbartonshire’s

⁴ HM Treasury Green Book Guidance, 2018

⁵ HMT, *The Green Book Appraisal and Evaluation in Central Government*, 2018. p.13

⁶ This assumes the proposed infrastructure will not have limiting capacity constraints.

⁷ Land contamination issues are present, but will be resolved after the land purchase is agreed.

economy to diversify its portfolio of companies, increasing the area's skills base and protecting the local economy from macroeconomic risks.

- **Geographical limitations:** the river location has been neglected for many years, due to the required remediation and access constraints but offers significant opportunities for creation of attractive employment land on the banks of the River Clyde.

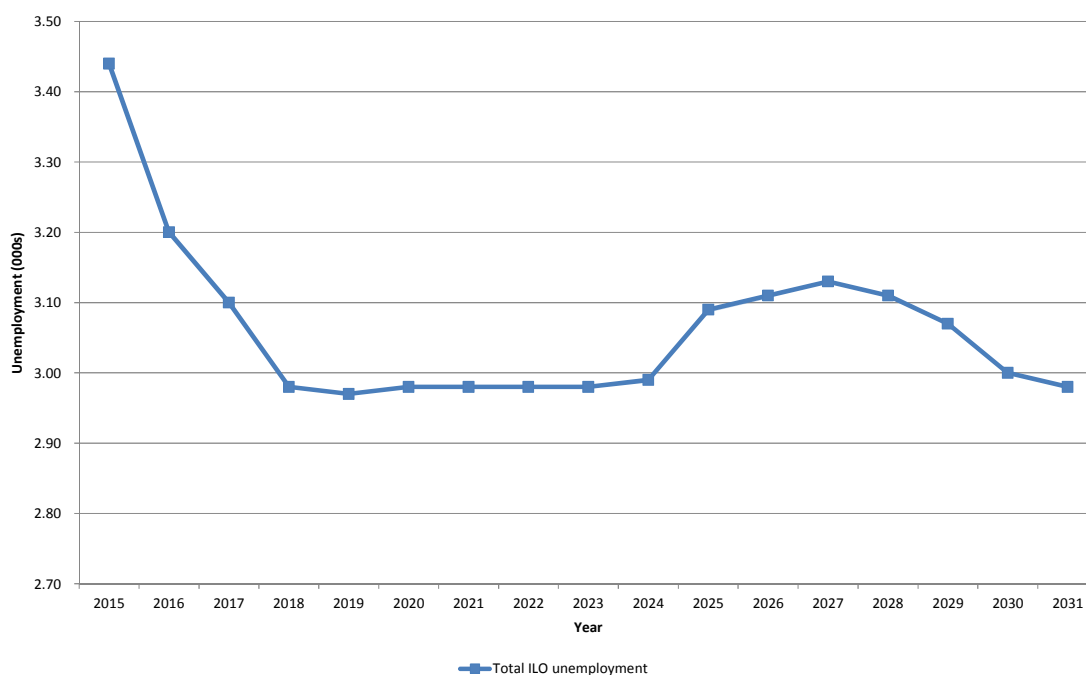
- 2.2.17 Without the enabling infrastructure, the Exxon site cannot be brought to the market as the private sector will not fund the scale of enabling infrastructure required. Public sector investment will enable the socio-economic challenges facing the area to be addressed by removing the market failures which presently constrain development. The creation of a bespoke access route through the site from the A82 will support further diversification of the area's employment base, particularly through opportunities presented to the storage, distribution and advanced manufacturing industries.
- 2.2.18 WDC is well placed to oversee this project but requires external funding support to deliver the most efficient infrastructure solution for the area and fully exploit the opportunities presented by the additional employment land. The level of funding required to complete the infrastructure and release the much-needed employment land for the area would not be able to be fully met by WDC in a timescale that would make a discernible difference to the area. Further detail on the exploration of alternative sources of funding is contained within the Economic and Financial cases.
- 2.2.19 Investment in the infrastructure would not otherwise happen without City Deal investment to deliver economic regeneration of a significantly large enough scale, or as currently planned. By improving the quality of the proposed infrastructure, the intention is to increase the area's capacity for further socio-economic prosperity. As demonstrated in subsequent sections of this OBC, the City Deal investment programme provides the economic potential to support 29,000 additional jobs and £2.2 billion of GVA growth per annum. The project will thus contribute towards the achievement of City Deal employment and GVA outcomes and priorities, by unlocking socio-economic opportunity through high quality transport investment that would otherwise not happen.
- 2.2.20 The financial costs associated with the project have been analysed in line with the investment required and available to the public sector. This has been carried out in line with the strategic rationale, economic need and potential for the area, including: unlocking additional economic value from leveraged City Deal investment; unlocking investment earlier than would otherwise be achieved (i.e. the difference between the full intervention and the counterfactual (base) case and 'Do Minimum' scenario; and delivering sound value for money for the public purse that is realistic, sufficient in scale and strategically relevant.

Why the Project is Needed Now

- 2.2.21 The proposed West Dunbartonshire Local Development Plan highlights an increasing requirement for additional employment land over the Plan period and beyond, based on take up rates over the previous 10 years.
- 2.2.22 Project options of suitable scale in West Dunbartonshire are limited to Lomondgate, Vale of Leven Industrial Estate and the Exxon site. Each of the options has a supportive planning designation.
- 2.2.23 Lomondgate has successfully developed the BBC's presence at its Dumbarton studios, while also safeguarding and securing the headquarter presence of Aggreko in West Dunbartonshire. In 2016, Chivas announced a £40m expansion of its activities. Development of the remaining components is anticipated in the next 3-5 years. If the sites are available, West Dunbartonshire has shown it can attract jobs. While the momentum generated by its development will increase demand for floorspace in West Dunbartonshire, other large-scale opportunities will also be required to realise the required step change in economic activity.

- 2.2.24 The Vale of Leven Industrial Estate is home to major international companies such as Chivas and Diamond Power and is in several ownerships. Comprehensive development opportunities are limited by the pattern of available plots and the existing buildings. Access to the A82 is indirect (via Lomondgate Interchange). Despite formation of an industrial Business Improvement District in 2014, the estate needs to address long term promotional challenges. The capacity for additional development of the scale required by the project is limited.
- 2.2.25 A Strategic Vision for Lomondgate and Vale of Leven Industrial Estate (VoLIE) has been established which sets out an agenda that will realise the full build out and regeneration of these sites by 2020. This vision aspires to see these areas capitalise on their proximity to Loch Lomond and Trossachs National Park and become established as Scotland's national park for business which will accommodate over 3,000 jobs and contribute at least £750m to GVA. This will make significant progress towards cutting West Dunbartonshire's historic jobs deficit, reducing unemployment and enabling more residents to secure good quality jobs.
- 2.2.26 However, analysis of Experian labour market data shows that there is still expected to be a sizeable number of unemployed people in the labour market in West Dunbartonshire post 2020 with approximately 3,000 people per annum forecast to be unemployed as shown in Figure 2.1.

Figure 2.1 Forecast Unemployment of Working Population in West Dunbartonshire



2.2.27 Given that the Lomondgate and VoLIE sites are expected to be built out by 2020 it is apparent that additional employment opportunities will need to be generated if West Dunbartonshire is to retain attractive local employment opportunities for local people, helping to improve the employment density of the local as well as the wider City Region area.

2.2.28 As such, by the time the Exxon site is being brought to market there is likely to be capacity within the labour market for further employment opportunities which will not be being met from alternative sources due to capacity constraints.

"Since the adoption of the West Dunbartonshire Local Plan in March 2010 a number of opportunity sites for industrial and business use have been developed, notably at Lomondgate and the Clydebank Business Park. This has left around 35 hectares of land which is classed as marketable and is designated for industrial or business uses in the Local Plan. This amounts to approximately 13 years supply. Previous Structure Plan targets sought to maintain a minimum 10-year supply of land. To achieve this in West Dunbartonshire over the Local Development Plan period would require additional land being identified and designated as marketable. This could include: existing development sites, including Key Regeneration Sites such as Queens Quay and Esso Bowling, being in part designated for industrial and business uses. Maintaining a generous and varied supply of land for industry and business which is both well located and readily available can help West Dunbartonshire attract new businesses and jobs to the area."

Local Development Plan Main Issues Report

2.2.29 Queens Quay is progressing successfully and has and will continue to provide employment opportunities in the area as key pieces of planned enabling infrastructure come forward. However, based on: site area; long term capacity to meet the needs of West Dunbartonshire's economy; capacity to generate additional GVA; and availability, the Exxon site is required to meet the expected future need.

2.2.30 On this basis, public sector investment is required to bring the site to a marketable condition to cater for anticipated demand as the area's employment land supply becomes tighter and to respond to the ongoing labour market conditions expected in West Dunbartonshire i.e. the sizable unemployment of the working population c.3,000 per annum.

2.2.31 In summary, the strategic need and rationale for investing in the Exxon project now is:

- there is a constrained employment land supply identified in WDC, with clear demand from the private sector to be in the area i.e. VoLIE and Lomondgate nearing capacity and Queens Quay underway;
- Exxon presents an attractive waterfront and remediated area of employment land;
- projected unemployment of 3,000 people per annum in the area; and
- City Deal money has become available that will allow WDC to progress the site with all the necessary infrastructure.

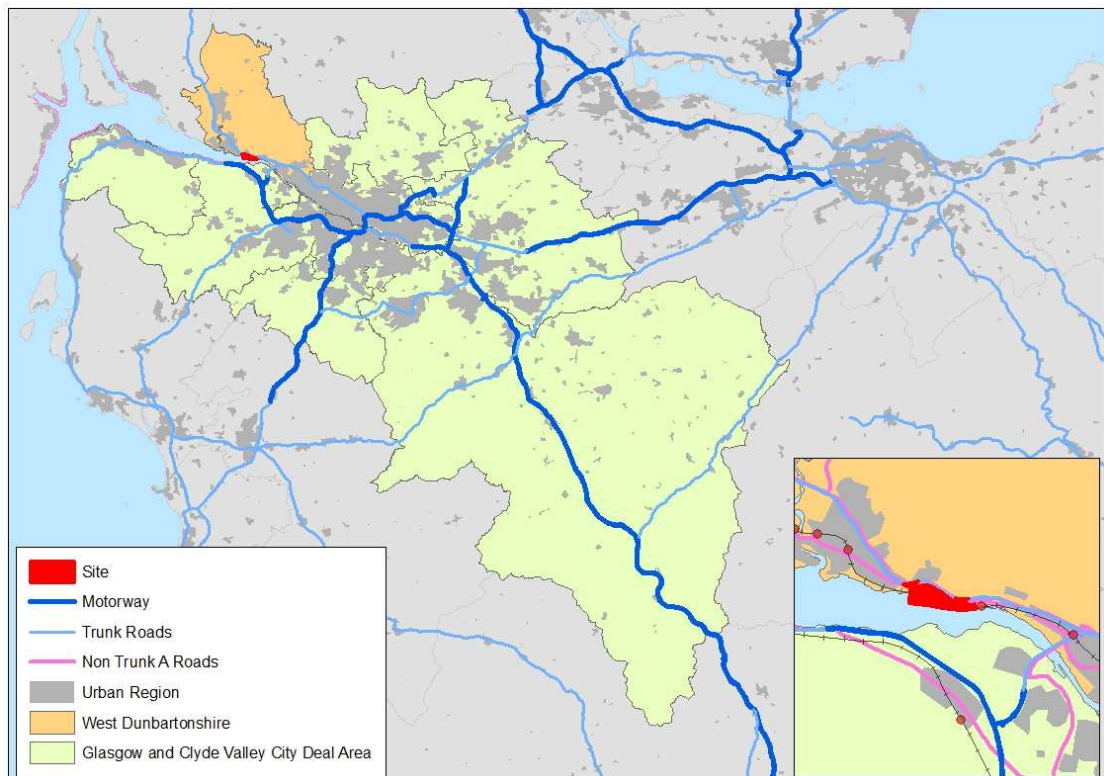
2.3 Existing Arrangements

KEY POINTS

- The site is the former home of the decommissioned Bowling Oil Terminal and covers an area of 61.71 hectares.
- The site is currently disused and only generates economic activity from the decontamination works ongoing periodically as all fully commercial activity has ceased.
- Remediation of contaminated land and provision of suitable enabling infrastructure would allow the economic development potential of the site to be unlocked.
- Road closures on this section of the A82 mean a diversion of some 29 miles.

- 2.3.1 Figure 2.2 shows the location of the site on the north bank of the River Clyde, between the towns of Dumbarton and Clydebank. The site is around 16 km / 10 miles from Glasgow City Centre. It is in a strategic position on the transport network being adjacent to the A82 Trunk Road within proximity to the Erskine Bridge which provides links to the M8 and wider strategic road network. It is situated in an ideal location at the gateway to the Vale of Leven and Loch Lomond as well as onwards to Argyll and the Highlands whilst also being within proximity to the Glasgow city region. It consequently offers several competitive advantages.

Figure 2.2 Site Location in Context



- 2.3.2 The wider site area (including mudflats and river) extends to 61.71 hectares of which the land element comprises 39.45 hectares. It has been owned and operated by Exxon for over 80 years. The site is disused and was demolished to ground level in 1997. Since closure, the entire Bowling site has become surplus to Exxon's operational requirements and a disposal strategy is being progressed.
- 2.3.3 Currently the site makes virtually no contribution to economic activity in the area (only from periodic remediation works) as all fully commercial activity has ceased. In its current condition, it cannot be brought back into effective use and requires investment in remediation and suitable infrastructure to unlock its potential as a major centre of economic activity, generator of jobs and contributor to GVA at a local and regional level. Without the requisite investment in infrastructure it is difficult to see how the site could ever become developable again.
- 2.3.4 Regarding outputs elsewhere, Lomondgate and Vale of Leven Industrial Estate are near capacity, with a combined 5-year average vacancy rate at 1.7%. Despite clear market interest in the area, construction of employment sites has been limited, with only 13,559 sq. ft being constructed in the last 10 years at the main parks, displaying a clear constrain in supply⁸.

⁸ 9.6 years of identified supply, including Exxon.

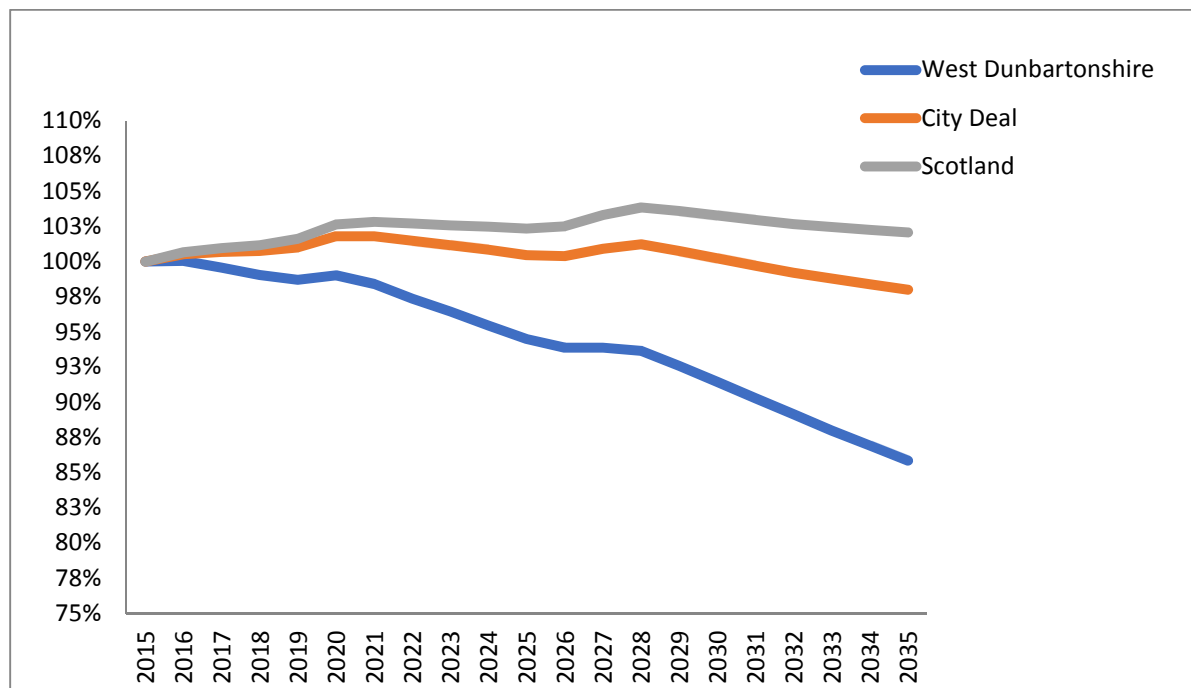
- 2.3.5 In April 2018, Aggreko announced a £33m investment, supported by Scottish Enterprise, in its research and development capabilities at Lomondgate, creating up to 23 new jobs⁹. Additional activity is also expected to come forward from 2019, with the development of the proposed Scottish Marine Technology Park at Old Kilpatrick, both in short term construction and operation of the 47-acre Carless site.
- 2.3.6 Road closures on this section of the A82 would continue to cause onerous diversions for residents, visitors and businesses that rely on this arterial route. The construction of the spine road and supporting junction works will help to mitigate this diversion, improving the reliability of the A82, giving confidence to the road users from across the City Region and West Highlands.

What Would Happen Without the Project? (The Counterfactual)

- 2.3.7 The site currently makes limited contribution to economic activity in the area (only periodic decontamination works) as all commercial activity has ceased. It cannot be brought back into effective use without investment in enabling infrastructure.
- 2.3.8 Under the counterfactual scenario the site will continue as disused brownfield land and, as demonstrated above, the latent demand for land that is anticipated to occur in West Dunbartonshire post 2020 will not be able to be satisfied by this site. The City Deal intervention not only supports better access to fuller development capacity of the area but brings development forward earlier to support the overall City Deal programme timeline (up to 2035).
- 2.3.9 It has been demonstrated that the market failure present will continue to prevent market interest in the site and with no other large sites in West Dunbartonshire being able to satisfy the demand for expanding or inward investing businesses, the economic performance of the area will continue to decline.
- 2.3.10 The counterfactual situation will most likely lead to a widening of the jobs deficit that exists in West Dunbartonshire with an associated pressure on neighbouring areas as residents either commute to them to take up the employment opportunities that they offer, or residents move away from West Dunbartonshire to more prosperous economic areas. With working age population already forecast to fall, as shown in Figure 2.3, this could compound a negative trend in West Dunbartonshire.
- 2.3.11 The development of the Exxon site into a valuable economic asset will help to create additional job opportunities in West Dunbartonshire. Through the provision of attractive, high value employment opportunities in the local area, it is anticipated that West Dunbartonshire will be able to retain and attract a working age population, helping to stem the forecasted decline.

⁹ <https://news.gov.scot/news/future-of-energy-generation>

Figure 2.3 Forecast Change in Population of Working Age



2.3.12 The forecast in terms of GVA presented in Figures 2.4, 2.5 and 2.6 shows that although GVA in West Dunbartonshire is expected to increase from 2015 to 2031, this increase will be lower than the regional and national rates. Exploring further and looking at the changes in the structural composition of the economy in West Dunbartonshire we expect that the public sector and retail sector will continue to expand while manufacturing and construction are likely to contract. In addition, the annual average growth rate in productivity (expressed as GVA per total FTE jobs) is estimated to be significantly higher than the average rate for Scotland and the Glasgow City Region City Deal area for agriculture and significantly lower for finance and insurance.

Figure 2.4 Forecast Change in GVA

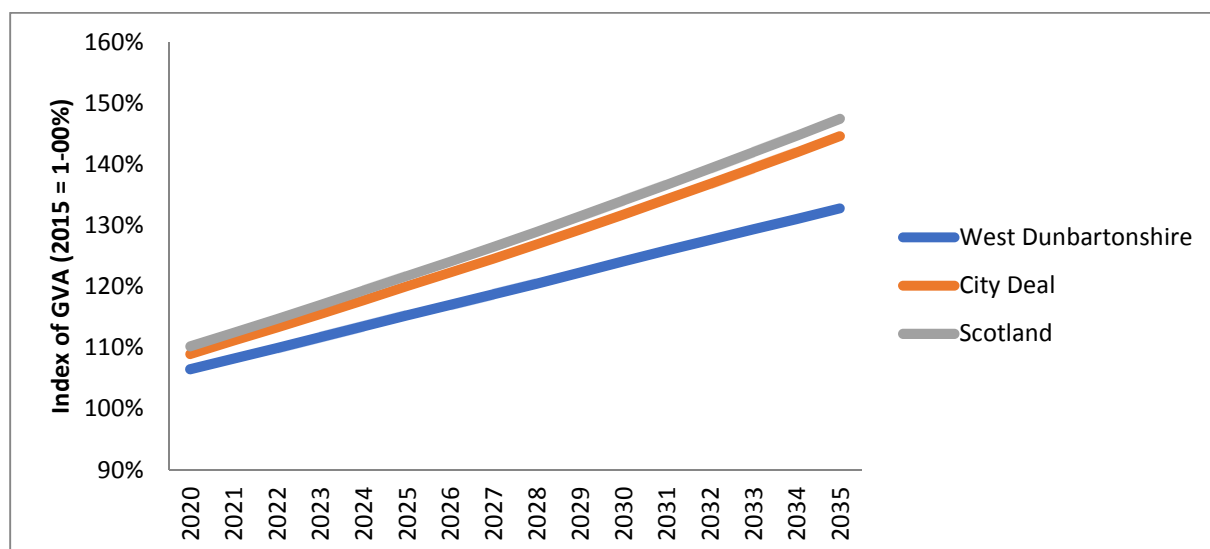
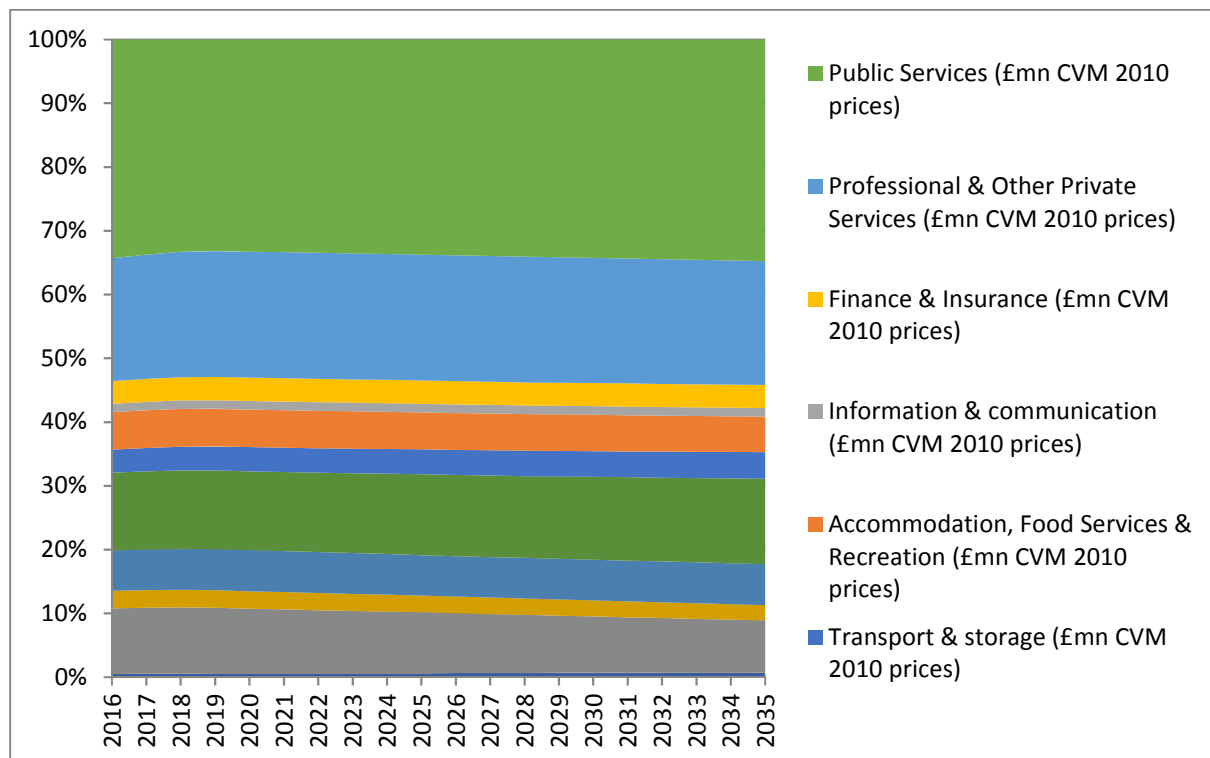


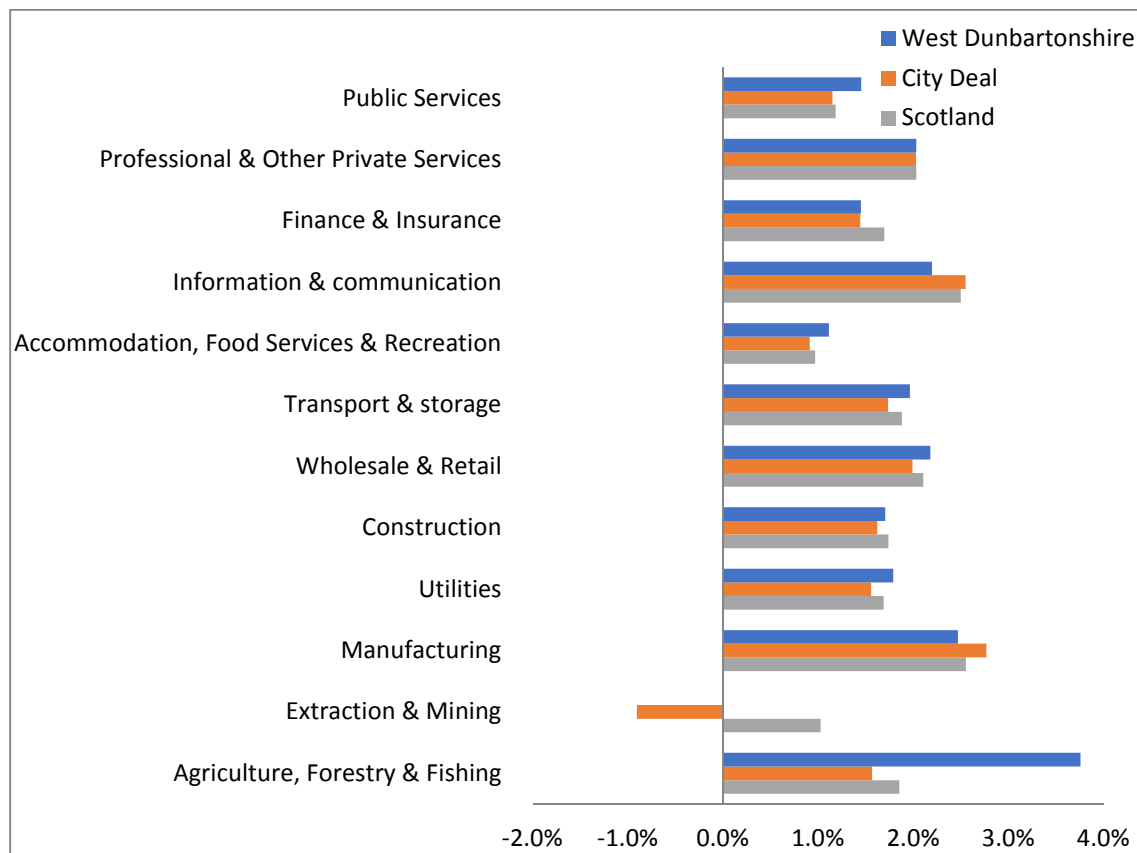
Figure 2.5 Forecast Change in Chained Volume Measure (CVM) by Industry in West Dunbartonshire



2.3.13 Chained Volume Measures are defined as a series of economic data from successive years. They are measured in real terms by calculating the production volume for each year in the prices of the preceding year and then 'chain linking' the data together to obtain a time-series of production figures. From this approach, the effects of price changes have, at least in theory, been removed. In other words, from the raw GDP or GNP data, which reflect changes in both production volume and prices, a series is obtained which reflects only production volume.

2.3.14 Figure 2.5 shows that without the project a very stable range of industry will result. The project is required to affect a change in the local economy's employment mix, helping to diversify an area that is heavily reliant on Public-sector employment. The additional space, made up of mostly storage and distribution, manufacturing and office, is expected to help create a range of opportunities for the forecasted number of unemployed in the local area.

Figure 2.6 Average Annual Growth Rate of Sectoral Productivity 2015 - 2035



- 2.3.15 It can be seen from Figures 2.4, 2.5 and 2.6 that the counterfactual scenario will have an adverse impact on the economy of West Dunbartonshire and that there are significantly more benefits to be realised by enabling the site to be brought into a developable state.
- 2.3.16 Private sector investment to the extent required to provide the necessary access, flood risk mitigation and associated infrastructure is unlikely to be forthcoming, especially as the site cannot be used for housing – a restriction of the Title.
- 2.3.17 In the absence of City Deal funding the investment required to ensure the site is brought back to economic use would be very difficult to find. Previous attempts have been made to interest the market in the site without success.
- 2.3.18 The Council received tentative enquiries some years ago from a tree logging company seeking a site for a Sawmill. However, site conditions, including access and scale of the site for this single use made this unviable for the business. Other enquiries related to waterfront uses and access to the Clyde were also received; however again site conditions, access through the site and overall conditions that would be required in any land transfer were barriers in progressing such enquiries.

2.4 Strategic and Policy Context for the Project

KEY POINTS

- The project is justified through the Strategic planning context set out in Scottish Planning Policy and National Planning Framework 3 which support the regeneration and development of the site.
- Increasing the access to a range of opportunities through the development of a mixed site.
- Delivery of transport benefits to the wider area through the creation of a supporting spine road to the A82.
- The proposed Local Development Plan (LDP) identifies a need for further allocations of industrial land to maintain a 10-year supply. Take up rates have increased in the last three years reducing the supply of available employment land from 13.2 years to 9.6 years.
- The proposed LDP identifies the site as one of West Dunbartonshire's 'changing places' to increase the business and industry opportunities within the Council area.
- The West Dunbartonshire Council Adopted Local Plan identified the site as a Specialised Economic Development area.

- 2.4.1 This section of the Business Case explains how the project aligns with the vision, objectives and policies of relevant national, regional and local policy documents and with the City Deal.

Strategic fit with National Policy

Scottish Government Strategic Objectives and Outcomes

- 2.4.2 The Government has five objectives that underpin its core purpose - to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. Objectives are set as follows:

- **Wealthier and Fairer** - Enabling businesses and people to increase their wealth and more people to share fairly in that wealth.
- **Healthier** - Helping people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.
- **Safer and Stronger** - Helping communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.
- **Smarter** - Expanding opportunities to succeed from nurture through to lifelong learning ensuring higher and more widely shared achievements.
- **Greener** - Improving Scotland's natural and built environment and the sustainable use and enjoyment of it.

- 2.4.3 In addition to the five National Objectives, the Scottish Government has set Sixteen National Outcomes which help to articulate more fully the Government's Purpose. They allow priorities to be clearly understood and provide a clear structure for delivery.

- 2.4.4 Of the 16 National Outcomes, the proposed Exxon site development contributes to 6 as follows:

- **We live in a Scotland that is the most attractive place for doing business in Europe** – The proposed development will help diversify the local and regional business base and

provide robust and reliable physical infrastructure that helps businesses grow and compete internationally. In addition, the site will enable an attractive waterfront development that is well connected to strategic assets such as Glasgow Airport.

- **We realise our full economic potential with more and better employment opportunities for our people** – The proposed development can provide high quality employment opportunities and make a positive contribution to increasing the prosperity and wealth of West Dunbartonshire. The site will allow West Dunbartonshire to make efficient use of available space, helping the area and the wider City Region to realise its full economic potential.
 - **We are better educated, more skilled and more successful, renowned for our research and innovation** – The proposed development will help reduce economic inactivity and provide the type of accommodation that may be attractive to companies offering high quality learning and development opportunities to encourage skills development.
 - **We have tackled the significant inequalities in Scottish society** – The proposed development can contribute to improving access to the labour market for the poorest and most disadvantaged and tackle the significant inequalities in the area.
 - **We live in well-designed, sustainable places where we are able to access the amenities and services we need** – The proposed development will represent an environmentally, socially and economically sustainable place providing easy access to a range of workplaces and services for people in the area and attracting and retaining the skills and talent required to achieve sustainable economic growth. The infrastructure interventions will support residents and businesses that rely on this important network between the West Highlands and the City Region.
 - **We value and enjoy our built and natural environment and protect it and enhance it for future generations** – The proposed development will have significant positive land-use impacts on the local community, and on the natural and built environment.
- 2.4.5 Scotland's Economic Strategy was published by Scottish Government on 3rd March 2015. It sets out an overarching framework for a more competitive and fairer Scotland and forms the strategic plan for existing and all future Scottish Government policy. The Strategy is based on two key pillars: increasing competitiveness and tackling inequality. Delivering the required infrastructure to enable the development of the Exxon site, will directly contribute to *'realising Scotland's full economic potential with more and better employment opportunities for our people'*.
- 2.4.6 Table 2.2 below provides a summary of how the proposed development fits with the main national policy and/or strategy documents.

Table 2.2 Project fit with National Policies and Strategies

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
Scotland's Economic Strategy	Published by Scottish Government on 3 rd March 2015. Sets out an overarching framework for a more competitive and fairer Scotland and forms the strategic plan for existing and all future Scottish Government policy.	<p>The Strategy is based on two key pillars: increasing competitiveness and tackling inequality and there are four broad priority areas where actions will be targeted:</p> <ul style="list-style-type: none"> ■ Investment: invest in people, infrastructure and assets in a sustainable way; ■ Innovation: foster a culture of innovation and research and development; ■ Inclusive growth: promote inclusive growth and create opportunity through a fair and inclusive labour market and regional cohesion; and ■ Internationalisation: enable Scotland to take advantage of international opportunities to boost trade and investment, influence and networks. <p>Development of the Exxon site directly works towards achieving investment in infrastructure and assets and indirectly supports innovation, inclusive growth and internationalisation through the investment in people, achieved by the follow-on investment and future occupiers.</p>
Scottish Enterprise Business Plan 2014 - 2017	Published by Scottish Enterprise in April 2014. Sets out the priorities and areas of focus of Scottish Enterprise and what they will deliver during 2014 – 17.	<p>The Business Plan builds on the growth opportunities identified in Scotland's Economic Strategy and focuses on the following sectors in Scotland:</p> <ul style="list-style-type: none"> ■ Energy – Oil and gas; ■ Energy – Renewable and low carbon technologies; ■ Food and drink; ■ Life sciences; ■ Tourism; ■ Creative industries;

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
		<ul style="list-style-type: none"> Financial and business services; and Technology and engineering (including aerospace, defence and marine). <p>In addition, there are several sectors that make an important contribution to Scotland's economy and where specific opportunities for further growth exist. These include:</p> <ul style="list-style-type: none"> Forest and timber technologies; Construction; Textiles; and Chemical sciences. <p>Once enabled for development, the Exxon site can support a wide range of businesses in key sectors, particularly in the support of the marine industry which is prominent in West Dunbartonshire. Furthermore, the development will support short term employment in the construction industry.</p>
Scottish Planning Policy	Published by Scottish Government on 23 rd June 2014. Non-statutory document that sets out the purpose of planning and the principles underpinning the planning system.	<p>The SPP supports the Scottish Government's commitment to increasing sustainable economic growth and sustainable development. The planning outcomes included in the SPP are shared with the NPF 3 (see NPF 3 vision statement above).</p> <p>The ones believed to be relevant are presented below together with the supporting planning principles:</p> <p>a. a successful, sustainable place:</p> <ul style="list-style-type: none"> support business and employment; <p>b. a natural, resilient place:</p> <ul style="list-style-type: none"> maximise the benefits of green infrastructure; manage flood risk and drainage;

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
		<p>c. a connected place:</p> <ul style="list-style-type: none"> promote sustainable transport and active travel. <p>The Exxon site, once fully developed, will support the SPP through the through the creation of employment opportunities by future occupiers. Green infrastructure will be embodied in the development and the management of flood risk and drainage has been a key factor in the design of the site.</p>
National Planning Framework 3	Published by Scottish Government on 23 rd June 2014. Statutory document that provides a framework for the spatial development of Scotland as a whole and sets out the Government's development priorities for the next 20 to 30 years.	<p>The vision of this long-term spatial strategy is to build a Scotland which is:</p> <ul style="list-style-type: none"> a successful, sustainable place; a low carbon place; a natural, resilient place; and a connected place. <p>The Strategy is supportive of regeneration of the Glasgow City Region to address nationally significant and longstanding issues of disadvantage. As part of delivering the regeneration plan, the NPF identifies Central Scotland Green Network including West Dunbartonshire as a National Development. The aim in the area is to improve quality of place, address environmental inequalities and enhance health and well-being. The re-use of vacant land is identified as a priority. The development of the Exxon site will help to achieve the vision of the spatial strategy through the re-use of vacant land, supporting employment in the area and through enhancing the connectivity in the area.</p>
A Manufacturing Future for Scotland	Published by Scottish Government 15 th February 2016	<p>Action Plan to work with industry to:</p> <ul style="list-style-type: none"> Deliver concrete initiatives to boost productivity including leadership, employee engagement and skills, energy efficiency and the adoption of circular economy approaches across the manufacturing sector. Stimulate innovation and investment in Scottish manufacturing sectors to better compete globally.

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
		Manufacturing jobs in Scotland are typically high-skilled and well-paid. Sector specific support can therefore support regional growth, address employment and wage imbalances and establish high value supply chain linkages. WDC, in conjunction with managing the infrastructure works, will continue to market the site to high value sectors.
UK Industrial Strategy: Building a Britain fit for the Future	Published by the British Government 27 th November 2017.	<p>The vision of this industrial strategy is to create an economy that boosts productivity and earning power throughout the UK, to create an economy that boosts productivity and earning power throughout the UK. It identifies the 5 foundations of productivity as:</p> <p>Ideas - encouraging an increase in investment in Research & Development to 2.4% of GDP by 2027, increasing fiscal incentives for R&D and investing £725m in Industrial Strategy Challenge funds to support industrial innovation;</p> <p>People - developing world-class technical education standards and facilities, investing in STEM subjects, and establishing a National Retraining Scheme;</p> <p>Infrastructure - increasing National Productivity Infrastructure funding to £31bn, supporting housing, transport and digital infrastructure; supporting higher capacity digital and utilities infrastructure;</p> <p>Business environment - establishing Sector Deals between Government & industry to boost productivity. Investment in high potential business will also be strengthened; and</p> <p>Place - agreeing local Industrial Strategies harnessing local strengths and opportunities. Improved connections to and between cities are also supported.</p> <p>The Exxon site is consistent with the ambitions of the national Industrial Strategy in that it will tackle barriers to growth and assist productivity gains by increasing the supply of employment land in West Dunbartonshire.</p>

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
		The project will create high quality jobs assisting the redress of inequalities at the local authority and City Region level.
Enterprise & Skills Review	Announced by the Scottish Government in May 2016. Now in implementation phase, the review is being overseen by the Enterprise and Skills Strategic Board.	<p>The Enterprise & Skills Review (ESR) was prepared in part to guide the development of regional approaches to economic development while pursuing Scotland's Economic Strategy. It recognises the significance of improved regional performance in driving national growth. The ESR accordingly promotes locally driven responses tailored to local and regional needs. It promotes programmes which can deliver measurable success against five high level Inclusive Growth outcomes:</p> <p>Economic Performance & Productivity – resilient, sustainable and inclusive economic growth;</p> <p>Labour Market Access – Improved access to labour markets and jobs, inequality of opportunity to access work is addressed;</p> <p>Fair Work - Fulfilling, secure and well-paid jobs, where employees' contributions are encouraged, respected and valued;</p> <p>People - Economic benefits and opportunities are spread more widely across Scotland's population, with lower poverty levels, and more equal income and wealth distribution; and</p> <p>Place - More economic opportunities across Scotland's cities, towns regions and rural areas ensure sustainable growth.</p> <p>The baseline assessment shows West Dunbartonshire performs poorly against several related indicators. The economic case demonstrates how the project will contribute to reducing key inclusive growth differentials, including the anticipated number of jobs that the intervention will support, along with the wider benefits that the project will deliver. It tackles economic performance and productivity by opening up currently derelict land to employment uses generating high value jobs which contribute to the above inclusive growth outcomes.</p>

Strategic fit with Regional Policy

- 2.4.7 Table 2.3 below provides a summary of how the Council's project fits with the main regional policy and/or strategy documents.
- 2.4.8 Specifically, the infrastructure delivery will support preparation of plots targeting advanced manufacturing, storage and distribution investment, directly contributing to achieving the objectives of supporting economic recovery via new strategic freight hubs and investment locations across the City Region.

Table 2.3 Project fit with Regional Policies and Strategies

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
Approved Glasgow and Clyde Valley Strategic Development Plan (SDP)	Approved with modifications by Scottish Ministers on 29 th May 2012 and published by Clydeplan on 13 th July 2012. Statutory document that sets out a Spatial Vision and related Spatial Development Strategy to 2035.	<p>Establishes a spatial vision which supports:</p> <ul style="list-style-type: none"> ■ economic recovery and employment growth; ■ regeneration and renewal focus through the recycling of vacant and derelict land; and ■ green infrastructure. <p>Priorities include:</p> <ul style="list-style-type: none"> ■ sustainable development locations at Clyde Waterfront; ■ Green Network opportunities at Dumbarton East/Old Kilpatrick, Clydebank and Whitecreek; <p>The Exxon project will specifically target the recycling and regeneration of vacant and derelict land, bringing underutilised employment land back into economic use.</p>
Clydeplan Strategic Development Plan	The second Strategic Development Plan was approved by Scottish Ministers in July 2017.	The Exxon site is identified as a strategic project in terms of the Infrastructure Fund and Clydeplan supports local authorities in the development of the City Deal Programme and related projects.
Glasgow and Clyde Valley Strategic Development Plan – Main Issues Report (MIR)	Published in January 2015 by Clydeplan and subject to consultation until 27 th March, 2015. Highlights the key changes which influenced the SDP.	<p>The MIR identified 7 main issues:</p> <ul style="list-style-type: none"> ■ supporting economic recovery – new strategic freight hubs and economic investment locations were proposed; ■ supporting positive environmental action – spatial priorities were reviewed and new Strategic Delivery Areas (SDA) were proposed for the green network (Dumbarton, Bowling and Clydebank – existing SDAs but separated); and

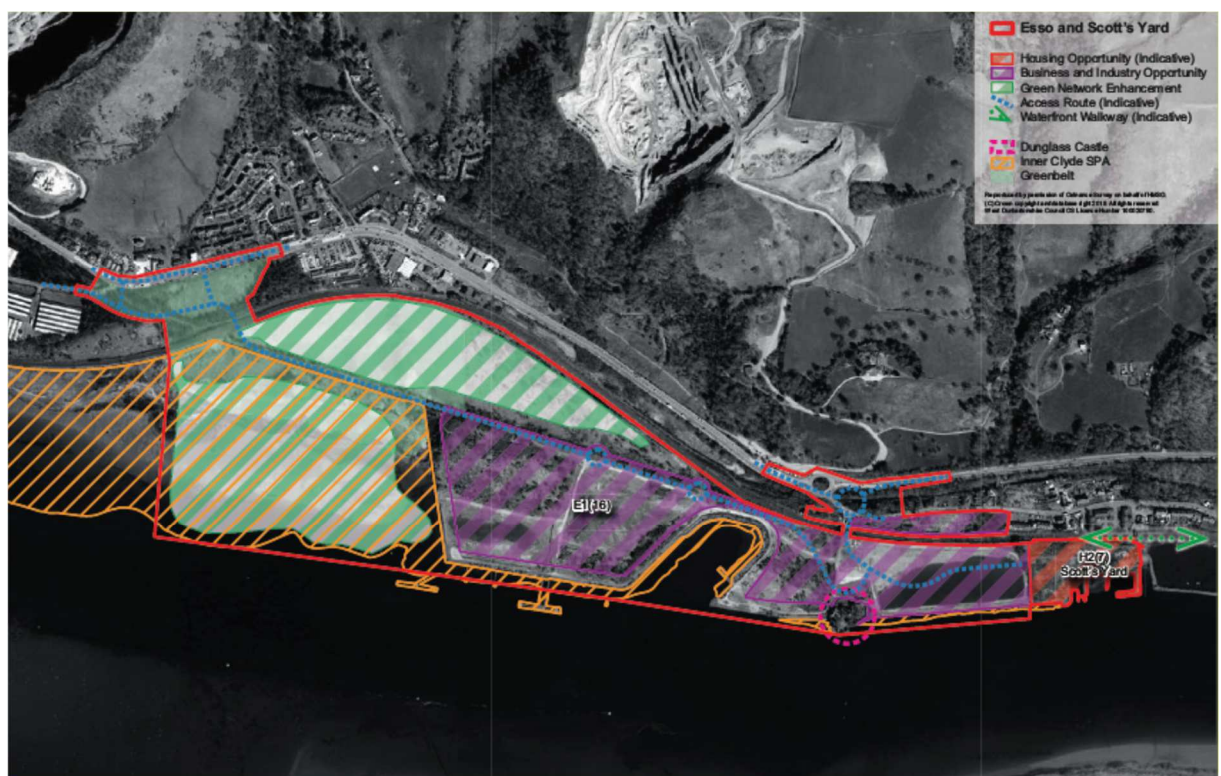
Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
		<ul style="list-style-type: none"> placemaking at the City Region scale – an approach to encourage the right development is delivered in the right place and focus on positive placemaking. <p>The Exxon project will support the development of new strategic freight hubs, through its positioning in-between the City Region and the West Highlands.</p>
Glasgow City Region Economic Strategy 2017-2035 - Glasgow City Region Economic Action Plan	Published in February 2017 by the Glasgow City Region Cabinet.	<p>This Action Plan outlines how the eight participating local authorities will deliver the economic strategy. The plan builds on City Deal projects outlining the vision of the participating local authorities over an eighteen-year period. Its core aim is sustained and inclusive growth.</p> <p>The Exxon site will support the ambitions of the Action Plan to improve employment access to residents of the GCR.</p>

Strategic fit with Local Policy

West Dunbartonshire Local Development Plan: Proposed Plan (September 2018)

- 2.4.9 The Proposed Plan was approved by WDC's Planning Committee on 19 September 2018 for comments and representations.
- 2.4.10 The Plan sets out the Council's strategy, policies and proposals for the use of land within the Council area (except for that part of the authority within the Loch Lomond and the Trossachs National Park) for the period up to 2020 and beyond. The Plan's aim is to create places for people, spaces for investment and destinations to enjoy.
- 2.4.11 The proposed LDP sets out a Spatial Strategy for West Dunbartonshire influenced by the area's location within the Glasgow and Clyde Valley area, its geography and history. This Spatial Strategy is supported by Delivering Our Places: the key areas for regeneration and development within the area's existing communities. The Exxon site at Bowling is identified as a key regeneration area and the proposed LDP sets out the policy framework for development proposals on the site.

Figure 2.7 Extract from Proposed LDP Showing Development Proposals



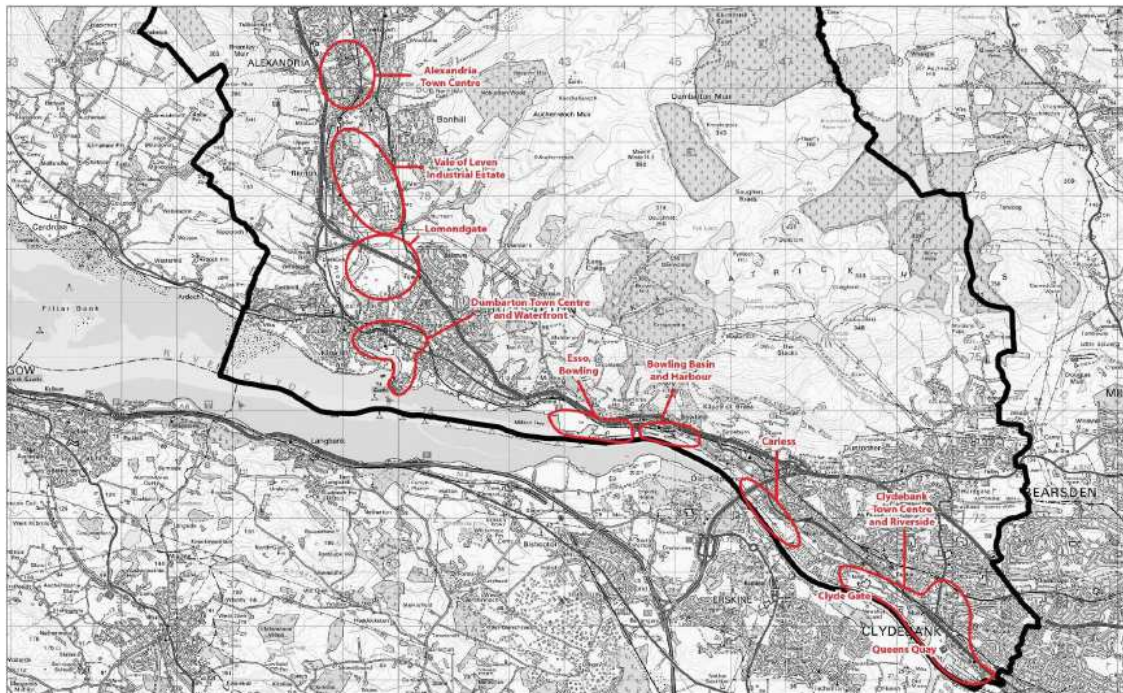
- 2.4.12 The site is allocated as a business and industry opportunity. The Development Strategy for the site is:
- redevelopment of the Esso Bowling site primarily to increase the business and industrial opportunities within West Dunbartonshire;
 - to use the development of the sites to enhance the Green Network;
 - the provision of a link road which offers access to development and a secondary access for the A82; and

- to protect the qualifying interests and qualities of the Special Protection Area and SSSI.
- 2.4.13 The site is identified as being of a scale that could offer significant investment and employment in West Dunbartonshire. The plan supports the following uses on the site:
- Class 4, 5 and 6 Business and Industrial;
 - Leisure;
 - Tourism;
 - Maritime related uses in relation to Dunglass Bay and other appropriate uses that require deep water channel access; and
 - Restoration of Dunglass Castle for leisure and tourism.
- 2.4.14 To the west and south of the site are mudflats and saltmarshes which are designated as a Site of Special Scientific Interest (SSSI), a Special Protection Area (SPA) and a Ramsar Site (wetlands of international importance) because of their ecological importance.
- 2.4.15 On the site, there are the B-listed Dunglass Castle and the Henry Bell Obelisk Memorial which could be restored and developed for leisure and tourism uses.

Infrastructure Investment Plan (February 2012)

- 2.4.16 As part of West Dunbartonshire Council's Economic Development Strategy, an Infrastructure Investment Plan was prepared in February 2012. It aims to "*assist the Council and the private sector in delivering sites within a challenging economic climate*". The Plan identifies key regeneration sites in West Dunbartonshire, considers potential funding sources and can be used to support any funding bids.
- 2.4.17 Figure 2.8 shows the key regeneration sites identified in the Plan:
- Alexandria Town Centre;
 - Lomondgate and the Vale of Leven Industrial Estate;
 - Dumbarton Town Centre and Waterfront;
 - Esso, Bowling, Bowling Basin and Bowling Harbour;
 - Carless; and
 - Clydebank Town Centre and Riverside (including Queens Quay and Clyde Gate).

Figure 2.8 Extract from WDC Infrastructure Investment Plan Showing Key Regeneration Sites



- 2.4.18 Table 2.4 provides a summary of how the project fits with other local policy and/or strategy documents.
- 2.4.19 Delivering the required infrastructure to enable the Exxon site to be developed will contribute directly towards WDC's Infrastructure Investment Plan, assisting the Council and the private sector to deliver sites to accommodate the area's economic growth. The infrastructure associated with the Exxon site de-risks investment by potential occupiers and private sector developers and improves site viability.

Table 2.4 Project fit with Local Policies and Strategies

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
West Dunbartonshire Local Development Plan, Proposed Plan	The Proposed Plan was approved by WDC's Planning Committee on 19 September 2018 for comments and representations.	The Exxon site at Bowling is identified as a key regeneration area and the proposed LDP sets out the policy framework for development proposals on the site. Development on the site must have regard to flood risk and to impact on the adjacent Special Protection Area and Site of Special Scientific Interest.
Adopted West Dunbartonshire Local Plan	Adopted by West Dunbartonshire Council in March 2010. Provides land use planning framework for 2010-2015.	<p>Policy LE 4 identifies the Bowling Terminal site as a Specialised Economic Development Site. It is within a Core Economic Development Area and considered to suitable for "<i>multiple economic development uses</i>". The plan supports the following uses on the site:</p> <ul style="list-style-type: none"> ■ uses which extend its permanent employment potential; ■ mixed uses including residential, that would facilitate employment development; ■ developments which makes use of the harbour and freight rail line; and ■ retail uses ancillary to other mixed uses on the site. <p>All development proposals must be aware of the Listed status of Dunglass Castle.</p> <p>Site proposals must also satisfy the requirements of Policy E2A regarding the Inner Clyde SSSI and Special Protection Area adjacent. Policy E2A (International Nature Conservation Sites (Natura 2000)) states "<i>Development likely to have a significant effect on a Natura 2000 site will be subject to an appropriate assessment</i>".</p>
West Dunbartonshire Economic Development Strategy 2015 - 2020	Published by West Dunbartonshire Council in 2016. Provides a vision for economic development to 2020.	<p>Vision: <i>'A prosperous, inclusive and growing West Dunbartonshire economy'</i></p>

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
		<p>The vision for West Dunbartonshire is focused on increasing prosperity and economic growth while ensuring that this growth is distributed as equitably as possible throughout the area.</p> <p>The key strategic priorities behind the Economic Development Strategy are:</p> <ul style="list-style-type: none"> ■ Stimulating economic investment and growing the business base; ■ Improving the skills of our people and supporting them into work; ■ Creating an inclusive and prosperous place here people choose to live work and invest; ■ Building stronger partnerships and innovative approaches to delivery. <p>The Strategy identifies several projects and initiatives to maximise West Dunbartonshire's competitiveness as an investment location. The Strategy specifically states the importance of ensuring sufficient <i>'resources are allocated to develop the Exxon City Deal project.'</i></p>
West Dunbartonshire Strategic Plan 2012-17	Published by West Dunbartonshire Council in 2012. Sets a vision for 2017 and priorities for achieving this.	<p>The Council's Strategic Plan 2012 – 2017 contains the strategic priorities which provide the focus for the Council for the next five years. All the priorities are relevant to the Economic Development Strategy, however the two priorities most directly related to the Strategy are:</p> <ul style="list-style-type: none"> ■ Improve economic growth and employability; ■ Improve local housing and environmentally sustainable infrastructure. <p>The Strategic Plan also defines the Council Vision:</p> <ul style="list-style-type: none"> ■ A prosperous West Dunbartonshire recognised as a dynamic area within a successful Scotland.

Policy/Strategy Document	Status and Purpose of Document	Relevance for Proposed Project
West Dunbartonshire Single Outcome Agreement (SOA) 2014 - 2017	Agreed by Community Planning West Dunbartonshire in February 2014. Sets out the strategic vision for the area and the key local outcomes that are crucial to delivering the vision.	<p>The SOA focuses on four priority areas: employability & economic growth, children & families, older people and safe, strong & involved communities.</p> <p>The Proposed Development can help deliver the first priority through regeneration, investment in key infrastructure and enabling business formation and growth.</p>

Strategic fit with and contribution to the Glasgow City Region City Deal

- 2.4.20 The Glasgow City Region City Deal is an agreement between the UK Government, the Scottish Government and eight local authorities across the Glasgow City Region. It was signed on 20th August 2014. The local authorities have developed a set of proposals which are intended to deliver:
- an Infrastructure Fund of £1.13 billion to improve the transport network across the Glasgow City Region and develop and regenerate key sites;
 - growth in the life science sector;
 - support to enable small and medium enterprises to grow and develop;
 - programmes to tackle unemployment targeted at young and vulnerable residents;
 - new ways of increasing the income of people on low wages.
- 2.4.21 The programme comprises eighteen local authority projects and two strategic projects. West Dunbartonshire Council has one project identified as part of the Infrastructure Fund portfolio.
- 2.4.22 The project was selected by West Dunbartonshire Council due to its ability to directly contribute to the economic objectives of the City Deal as shown in Table 2.5. It will provide the road and supporting infrastructure improvements required to renew investor and developer confidence in the long term sustainable development of a former, and long term unused, industrial site.

Table 2.5 City Region Deal Objectives and Exxon Site Contribution

City Deal Objectives	Exxon Contribution
Support an overall increase in the economy of around 29,000 jobs.	The anticipated follow on investment into the Exxon site will help to support up to 615 jobs across the City Region.
Work with 19,000 unemployed residents and support over 5,500 back into sustained work.	The Exxon site will support a range of employment opportunities, including 610 short term construction jobs.
Lever in an estimated £3.3 billion of private sector investment.	It is anticipated that the Exxon site will stimulate up to £38m in private sector investment.
Deliver £2.2 billion in additional Gross Value Added (GVA) per annum (a 4% uplift) across the city region.	It is estimated that delivery of the Exxon site will stimulate up to £308.6m of GVA by 2044.

2.4.23 The enabled development of the Exxon site will achieve the objectives of the Glasgow City Region Deal through:

- Unlocking additional employment land, providing expansion space for existing and inward investing high value enterprises in West Dunbartonshire and across the City Region.
- Creating the opportunity for a diversified employment base, helping to secure employment opportunities for local and regional residents.
- Improving the transport infrastructure of the area, reinforcing the strategic positioning of West Dunbartonshire as a gateway to the North West of Scotland from the rest of the City Region.

2.5 Project Objectives

KEY POINTS

- The project objectives are focussed on increasing economic activity in West Dunbartonshire and creating a major growth opportunity in a unique location to drive growth across the Glasgow City Region. The project will provide more local employment opportunities and facilitate sustainable economic development through local living and working.

2.5.1 The project seeks to address long-standing issues facing West Dunbartonshire's economy whilst developing the potential of its stronger marine manufacturing and related sectors, as well as strategically developing the opportunities for supply chain development through storage and distribution. City Deal funding will enable suitable site access, flood mitigation and associated infrastructure to be provided to enable development platforms to be created. A high quality, large scale site will then be available to provide significant and transformational support to the continuing efforts of West Dunbartonshire Council and its partners to meet the following objectives.

- **Objective 1:** Increase the range of commercial and industrial activity in the area;

- *to increase the volume of higher value-added economic activity;*
- *to increase resilience to market fluctuations; and*
- *to ensure availability of high quality business and industrial land to accommodate long term growth.*

2.5.2 This will be demonstrated through: increased GVA, and the proportion of GVA generated in high growth sectors; a broader business base, with increased reliance on a broad base of private sector activity; and reductions in the scale of change in key GVA and employment indicators. Continued monitoring of the employment land supply will identify emerging availability constraints.

Key Baseline Data Against Which to Measure the Impact of the Project

GVA per capita: £ 17,960 (West Dunbartonshire – 2016)

Employment in Public Admin, Education and Health: 40.3% (2018)

- **Objective 2:** Raise levels of economic activity, providing a platform for significant employment and job opportunities for those with differing levels of qualifications and skills.

- 2.5.3 While the project will increase economic activity rates across West Dunbartonshire and the wider Glasgow City Region, its effects can be particularly pronounced in disadvantaged areas. Levels of economic activity, employment and unemployment will be monitored to demonstrate progress. The project will affect the occupational profile of West Dunbartonshire employees, with a higher proportion involved in skilled and professional activity.

Key Baseline Data Against Which to Measure the Impact of the Project

Employment in Professional Occupations: West Dunbartonshire Residents – 17% (2018)

Employment Rate: 76.4% economically active

Average Earnings: West Dunbartonshire £512 gross weekly pay (2018)

- **Objective 3:** Create additional and sustainable employment opportunities for West Dunbartonshire communities, increasing the proportion of people who live and work in the area.

- 2.5.4 Investment in infrastructure and subsequent commercial and industrial development of scale is intended to increase West Dunbartonshire's attraction as a place to live. It is anticipated that net employment increases will also be reflected in first stabilisation and then increasing population levels. Net out-commuting will reduce. The size of the working age population (particularly young families), volume and type of houses, and travel to work patterns will be monitored to establish project progress.
- 2.5.5 Economic activity will follow infrastructure and site enabling works and subsequent development, with substantial progress anticipated in years 12-25 of the Programme. Before this, a Community Benefits strategy would engage local people, providing opportunities for West Dunbartonshire residents combining employability and construction training, trades certification, apprenticeships and work experience throughout the construction programme. This will be evidenced through: the number of contractors engaging with the programme; increased construction employment locally; increased employment and reduced unemployment in areas targeted by the programme ensuring Community Benefit addressed through procurement of works packages.

Key Baseline Data Against Which to Measure the Impact of the Project

Travel to Work: West Dunbartonshire net daily outflow of over 7,000 commuters – 10,500 in-commuters and 17,700 out-commuters

Travel to Work: 46.9% of West Dunbartonshire residents live and work in the area.

- 2.5.6 Table 2.6 provides the project's objectives in detail. For this OBC, there has been emphasis on developing objectives that are SMART: Specific, Measurable, Attainable, Relevant and Time-bound.

Table 2.6 SMART Objectives

	SMART Objectives				
Objective	Specific	Measurable	Attainable	Relevant	Time-bounded
Diversify the range and value of commercial and industrial activity in the area.	Objective seeks to: increase the volume and value of economic activity in West Dunbartonshire, particularly in manufacturing, storage and distribution and related sectors - £308.6m additional GVA by 2044.	Measurable by assessing productivity (GVA per head) in key sectors; new business formation rates; private sector high value, high skilled jobs; commercial and industrial floorspace levels and occupancy rates.	Enabling the site for employment uses will provide the necessary large-scale employment site to allow West Dunbartonshire to build on its strengths, develop local supply chains and build resilience to market fluctuations.	Private sector investment and employment is required to help rebalance a local economy that relies on a disproportionately high level of public sector jobs.	Project programmed to be completed during 2024 enabling development platforms to be developed from then.
Raise levels of economic activity, providing a platform for significant employment and job opportunities for those with differing levels of qualifications and skills.	The Exxon site will provide for a mix of use classes and thus a diverse range of jobs, supporting the local economy. 615 additional jobs by 2044.	Measurable by monitoring the levels of economic activity; unemployment; Job Seekers Allowance Claimant Rates and employment structure.	The infrastructure delivered by the project will enable a major employment site. The employment generated will positively influence economic activity; employment levels and provide high skilled manufacturing jobs	West Dunbartonshire is characterised by low employment density; pockets of severe deprivation and a reliance on public sector jobs. The Exxon project can help support valuable jobs in the local area.	Project programmed to be completed during 2024 enabling development platforms to be developed from then.
Build sustainable West Dunbartonshire communities, increasing the proportion of people who live and work in the area.	High value skilled employment opportunities are required to retain young people and encourage the return of skilled educated former residents and in-migrants	Measurable by assessing the number and proportion of residents who live and work in West Dunbartonshire and reducing residents travel to work patterns.	Employment opportunities will provide jobs for skilled labour in a sustainable major employment site.	West Dunbartonshire is characterised by high levels of out-migration and projected population decline.	Project programmed to be completed during 2024 enabling development platforms to be developed from then.

2.6 Project Summary

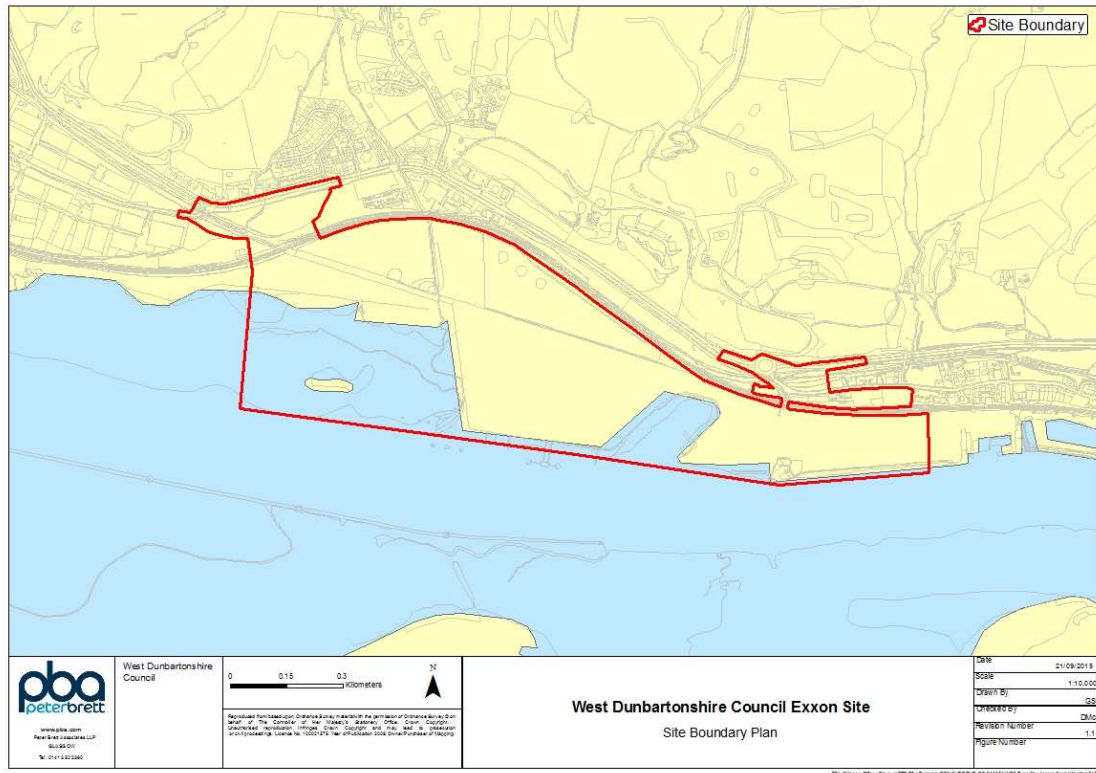
- 2.6.1 The project will entail delivery of road access and the supporting infrastructure required to enable development of the site.
- 2.6.2 Within the timeframe being considered, there are no equivalent opportunity sites in West Dunbartonshire for development of industrial / distribution / commercial space at the scale required. Other major Council regeneration initiatives have a major residential component. The Exxon site is uniquely non-residential.
- 2.6.3 One of the fundamental infrastructure requirements is the construction of road network accesses at the eastern and western extents of the site linked by a spine road through the site which will enable it to be opened up for development.
- 2.6.4 The project will deliver economic benefits to West Dunbartonshire by creating the conditions that will unlock the potential of the site for development.
- 2.6.5 To realise the delivery of the infrastructure a series of tasks must be undertaken to obtain the necessary consents for infrastructure and put in place a plan for implementation that minimises risks and ensures all key stakeholders are kept engaged and in agreement with the proposals at all stages of the project.

Project Deliverables

- 2.6.6 The site requires substantial investment in site preparation prior to development taking place including decontamination works (which will be completed by the current owners prior to transfer to WDC), creation of new roads infrastructure, flood, environmental and drainage mitigation.
- 2.6.7 Work will commence on the Exxon project once the site has been remediated to the required standard. Following this, the Exxon site will be acquired by WDC and infrastructure works will be commenced by appointed contractors through a variety of contracts.
- 2.6.8 City Deal money will be spent on:
- 1.95km of new spine road with associated drainage and lighting infrastructure;
 - 1.32km of upgraded existing public road (A814);
 - a new junction on the A82 at Dumbuck with closure of the existing junction;
 - a remodelled junction on the A82 at Dunglass;
 - an enhanced routing of 475m of the National Cycle Network Route 7 in the vicinity of the site;
 - a new underpass of the Glasgow – Dumbarton Railway at the western access to the site;
 - a remodelled railway overbridge at the eastern access to the site;
 - flood mitigation works;
 - environmental mitigation works (but not remediation);
 - site drainage works; and
 - establishment of platforms for development across the site.

2.6.9 The site boundary, including the areas where accesses will be formed, is shown in Figure 2.9.

Figure 2.9 Site Boundary



2.6.10 The wider site area (including mudflats and river) extends to 61.71 hectares of which the land element comprises 39.45 hectares. The total developable area within the site, including for all roads and development plots, extends to 19.10 hectares. This area excludes land currently designated as greenbelt at the western extent of the site (7.82 hectares) and it excludes land with the greatest level of flood risk and unsuitable ground conditions (11.35 hectares).

2.6.11 The site requires substantial investment in site preparation prior to development taking place. One of the fundamental infrastructure requirements is the construction of road network accesses at the eastern and western extents of the site linked by a spine road through the site which will enable it to be accessed for development.

2.6.12 Currently the development potential of the site is constrained by a sub-standard (private) access at its eastern extent and no access at its western extent. Initial work has been undertaken to identify the optimum solutions for access. Details of the work to date are provided in Chapter 3.

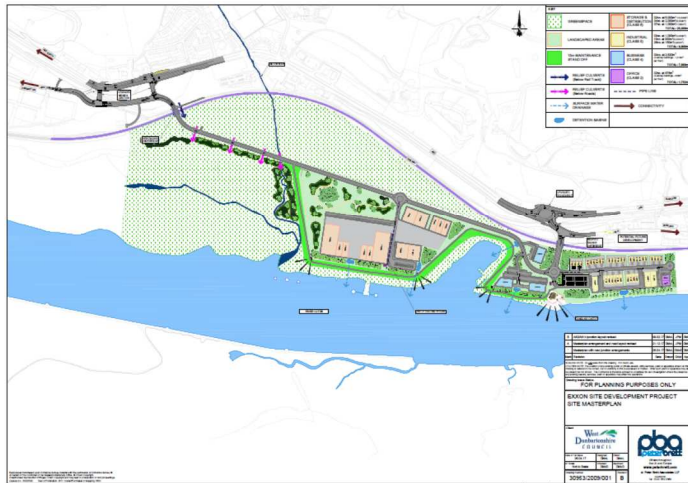
Masterplan

2.6.13 To take full account of the various access, ecological, environmental, landscape, topographical, physical and flood risk constraints affecting the site, a Masterplan has been prepared which accommodates all the constraints whilst maximising the land available for development.

2.6.14 The preparation of the Masterplan has been a critical task in the development of the proposals for the site to ensure the GVA requirements can be achieved through the physical development of the site. The Masterplan has been subject to stakeholder and public Pre-Application Consultation (PAC) as part of the Proposal of Application Notice (PAN) for the proposed Planning Permission in Principle (PPiP) application.

- 2.6.15 Figure 2.10 shows the Final Masterplan as amended following consultation and further design evolution of the access junctions.

Figure 2.10 Final Masterplan following Consultation



Submission of Planning Permission in Principle

- 2.6.16 In accordance with the Town and Country Planning (Scotland) Act 1997, the masterplanned development will require to obtain planning permission from West Dunbartonshire Council as the relevant local planning authority. This will be secured through the submission of an application for planning permission in principle (PPiP), expected to be lodged in mid-2019. Subject to the terms of any PPiP granted, applications for the approval of matters specified in conditions will require to be submitted and approved prior to development commencing on site.
- 2.6.17 Owing to the site area exceeding 2ha, the masterplanned development is classed as Major Development under the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009. In consequence, a statutory pre-application consultation period (12 weeks) has been completed and the PPiP application will be accompanied by a Design and Access Statement. The masterplanned development has also been determined through formal screening to constitute an EIA Development under the Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2011. EIA baseline surveys and reporting has been undertaken since 2015 and a statutory Environmental Statement to accompany the PPiP application is expected to be completed in early 2019.

Detailed Design

- 2.6.18 The principals of the Masterplan development submitted for Planning Permission in Principle will subsequently be advanced to detailed design. The design package will be intended to enable future delivery of 'development platforms' for end users in the form of individual plots of land available for development by investors or end users.
- 2.6.19 The infrastructure that will form the design package is expected to include:

- **Roads and associated transport infrastructure.** Development of a detailed design based upon preliminary work already undertaken to identify the preferred access options then refined through subsequent design processes.
- **Bridges.** There is the need for a new underpass under the live railway at the west of the site and a remodelled overbridge (current access) at the east of the site upgraded to adoptable standards.
- **Flood risk mitigation measures.** Development of flood risk mitigation measures (raised development platforms) on the site to protect the development.
- **SuDS compliant drainage.** A drainage strategy has been developed for the entire site rather than for the individual plots. This allows for the amalgamation of SuDS features such as drainage ponds etc and improves the overall efficiency of the drainage works.
- **Public utilities.** These will probably be located within the proposed roads infrastructure, but they need to be designed to ensure that sufficient capacity is built in to service the future needs of the site.

Detailed Planning Applications for Roads and Infrastructure

- 2.6.20 Detailed planning applications for roads and other infrastructure are again likely to have site size in excess of 2ha and will therefore be a 'major' development with the accompanying pre-application consultation and design and access statement requirements. The methodology will be similar to that of the Planning Permission in Principle package but at a greater level of detail.

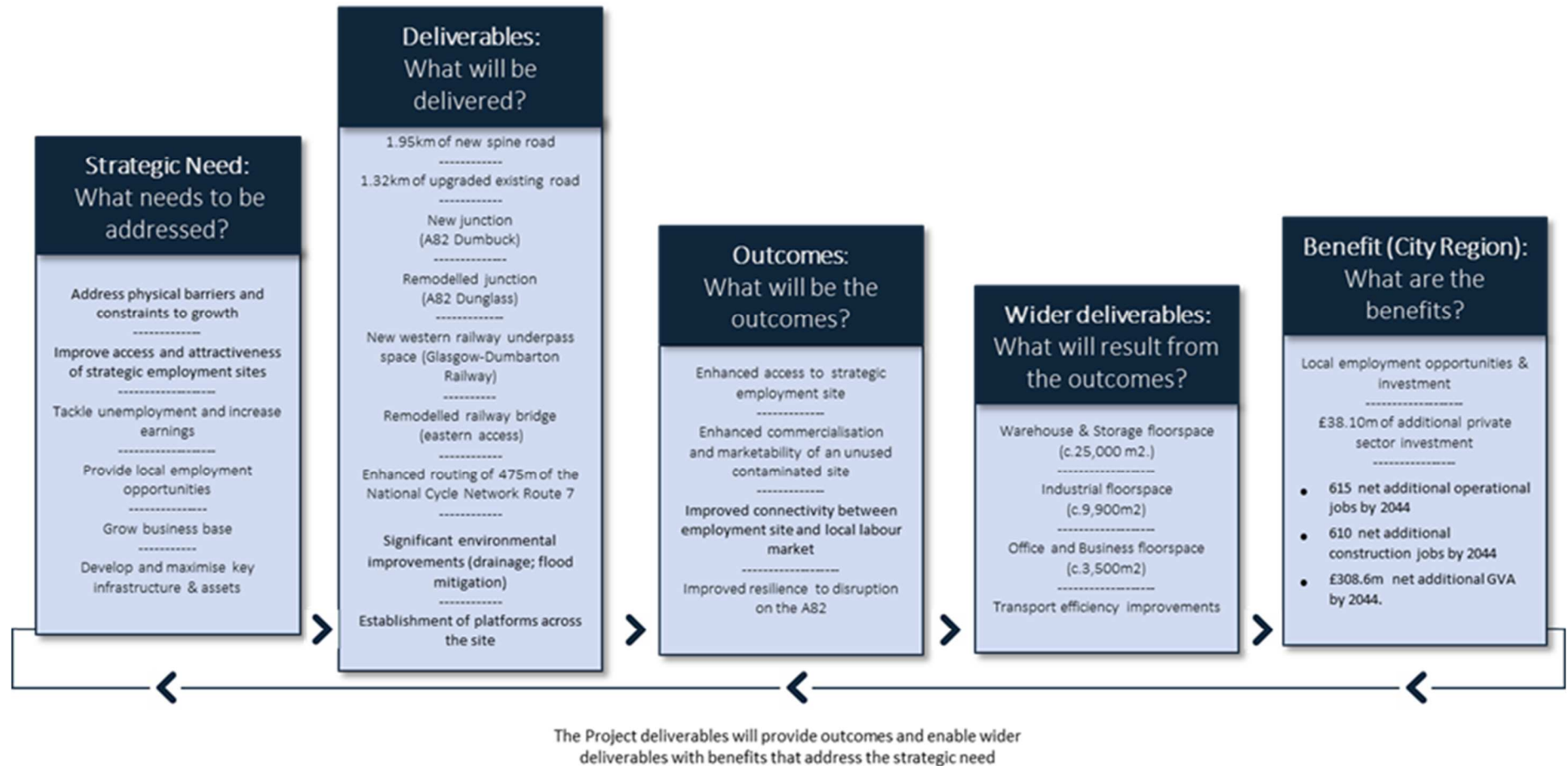
Follow on Investment

- 2.6.21 The Exxon site Masterplan indicates the anticipated follow on development from infrastructure investment. This development/investment is expected to come from the private sector, attracted by the improved access and reduced risk because of the intervention made by the public sector to mitigate market failure. These indirect deliverables are anticipated to include:
- New Class 6 storage and distribution space - 25,000m²
 - New Class 5 industrial space – 9,900m²
 - New Class 4 business space – 2,620m²
 - New Class 2 office space – 876m²
- 2.6.22 It is anticipated that private sector investment will be able to commence from 2024, estimating to deliver up to £38m of additional investment by 2044. This is driven by the strategic context set out above i.e. the need for employment land in West Dunbartonshire. Additionally, this is supported through ongoing discussions between WDC and potential site occupiers. The potential for securing pre-let development through these conversations, gives confidence to future site developers and can help to accelerate the build out of the site.

Delivering against Areas of Need

- 2.6.23 Section 2.2 identified the strategic need for the project and highlighted that there was a requirement to bring forward more land in West Dunbartonshire in the medium to longer term to meet the economic development needs of the area. It also described the competitive advantage that the site offers in comparison to other locations both within West Dunbartonshire and more widely, particularly in relation to its strategic location on the transport network and access to the Glasgow City Region labour market. The site also offers strategic advantages through its deep-water frontage and its position as both a gateway to Loch Lomond and the Glasgow conurbation.
- 2.6.24 The project will deliver against these needs by creating the conditions that will unlock the potential of the site for development. Primarily this entails the provision of the necessary infrastructure to enable development to take place.
- 2.6.25 However, to realise the delivery of the infrastructure elements of the project a series of related tasks must firstly be undertaken to obtain the necessary consents for infrastructure and put in place a plan for implementation that minimises risks and ensures all key stakeholders are kept engaged and in agreement with the proposals at all stages of the project.
- 2.6.26 The Logic Model in Figure 2.11 demonstrates the linkages between the Project's direct deliverables and the strategic need for the Project.

Figure 2.11 Relationship between Project's direct Deliverables and Strategic Need



Evidence of Delivering Successful Projects

- 2.6.27 West Dunbartonshire Council has the skills, resources, capacity and established capability to deliver the project. Over the last 5 to 10 years, the Council has designed and delivered projects similar in scope, scale and complexity. This demonstrates experience and competency in the design and delivery of infrastructure and road building schemes and engaging with key stakeholders during the project lifecycle. The Council has extensive experience of working with external consulting engineers and designers to facilitate the delivery of large scale infrastructure and public realm schemes. Appendix B provides a schedule of Council delivered infrastructure projects since 2006.
- 2.6.28 The Council's Regeneration Service has also sought and secured external funding and delivered several medium and large scale physical regeneration projects over the past 5 to 10 years. This demonstrates experience and competency in developing, delivering and monitoring physical regeneration projects, meeting the requirements of grant funders, adhering to grant conditions and partnership delivery.
- 2.6.29 An experienced multi-disciplinary team has been set up within West Dunbartonshire Council Regeneration Services to take forward the execution of this project. The Capital Projects Team will be responsible for the delivery of the project supported by external consultancy support where necessary. Qualifying experience of team members is as follows.

Richard Cairns, Project Sponsor

Richard has over 30 years' experience in the field of economic development, and has worked in both the public and private sectors in Scotland, across the UK and EU, and in Australia. He is currently the Strategic Director of Regeneration, Environment & Growth at West Dunbartonshire Council. He is responsible for over 1,600 staff and a budget of c £90m with responsibility for: Housing, Economic Development & Regeneration, Business Support, Roads, Transport; Waste Services and Greenspace. Regeneration, Environment & Growth teams within the Council are a major provider of front line services in West Dunbartonshire and comprises of a range of services that have a daily impact on the lives of every resident within the West Dunbartonshire area. He is leading on the £200m regeneration of Queen's Quay in Clydebank, the £28m City Deal project to regenerate the Exxon site at Bowling, the £19m development of the Council's new accommodation, and on its programme of investment in modern schools.

Jim McAloon, Senior Responsible Officer

Jim has overseen the successful delivery of the School Estates programme opening 2 new Secondary School, 2 Primary Schools and 1 ASN Secondary School in the last 5 years totalling £80m.

Jim is the Responsible Officer for the Council's investment of £15.62m in the Development of Queens Quay Clydebank which will create over 1000 homes, an 80 place Care Home, a Health Centre and Commercial and Retail opportunities over the next 5-10 years.

Jim is also the Responsible Officer for the delivery of a £15m District Heating System at Queens Quay. Using water-sourced heat pumps, this Network will be the biggest of its type in Scotland and will be operational in September 2019. He is also responsible as Lead officer for the Glasgow City Region City deal and project delivery at the Council city deal project at Exxon site, valued at £28m.

Victor Francisco-Suarez, Project Manager

Victor is responsible for delivery and project management of the multi-disciplinary major education portfolio of projects (Bellsmyre PS, Balloch Campus, OLSP Secondary School and Kilpatrick ASN) and other key capital regeneration projects (Exxon City Deal and District Heating Network at Queens Quay) with an overall value of £103m, from business case stages through to construction and commissioning.

Prior to joining WDC in 2015 Victor was responsible for delivery and project management of multi-disciplinary major railway projects (Borders Railway, Cambridge Science Park Station Interchange, Chesterton Freight Relocation) from concept through to construction with an overall value of circa £300m.

- 2.6.30 In line with WDC's Project Management Approach document a City Deal Project Board has been established and has been in operation for over 36 months. This Board provides senior management oversight for the project.
- 2.6.31 Evidence that demonstrates West Dunbartonshire Council's capabilities and capacity to deliver regeneration includes:
- **Clydebank:** Since 2002, WDC and Scottish Enterprise have worked in partnership, leading the regeneration of public spaces in Clydebank. The partnership has helped deliver major infrastructure which has enabled follow on investment in the local area. The need for a clear focus on project objectives, consideration of private sector requirements and an appreciation of the time required to deliver large scale infrastructure have informed the approach to developing the Exxon site.
- 2.6.32 Within the Glasgow City Region City Deal programme, where the project team have experience, lessons are being shared amongst the eight Member Authorities to ensure best practice and continuity of approach. Lessons learned include the following.
- **The Canal and North Gateway (CNG):** this project, with investment of £83.6m, aims to deliver site remediation, servicing, new bridges, roads access and public realm improvements in Sighthill, Port Dundas, Cowlands and Speirs Lock. The WDC team will learn lessons from the management and the procurement of individual project elements.
 - **Greenhill's Road, South Lanarkshire:** WDC will learn from a recent City Deal project coordinated by South Lanarkshire Council. The Greenhill's Road project was also concerned with road infrastructure enabling key development sites. Lessons learned including the management and procurement of the project have been carefully considered for the delivery of the Exxon project.
 - **Clyde Waterfront, Glasgow:** The key objectives for the Clyde Waterfront project include the unlocking of vacant and derelict sites for employment and housing; to stimulate growth in the Life Science and Higher Education sectors; and tackling unemployment in the area. WDC can learn from the development of remediated sites in the area and the integration of supporting economic initiatives.

Project Monitoring – Capability and WDC Experience

- 2.6.33 The Council will develop a monitoring and evaluation framework specifically for the City Deal project. The indicators, outcomes and targets of the City Deal investment will be monitored against established monitoring frameworks.

- 2.6.34 The Council has established mechanisms to monitor the performance of physical regeneration projects and is accustomed to preparing annual monitoring assessments to report progress against a range of economic development and environmental targets. The Council also routinely reviews the methodology for collecting such monitoring data to ensure optimum data quality and to help improve the reporting process.
- 2.6.35 Monitoring framework examples include business and employment profiling of the Vale of Leven Industrial Estate (2012) and the annual monitoring of the Lomondgate Project – see example in Appendix C. Comprehensive monitoring reports have been prepared for Lomondgate on an annual basis since 2009. The established methodology involves consultations with tenant businesses, housebuilders and the BBC Dumbarton Studio. The report shows incremental progress towards investment, employment, GVA, house completion and land and floorspace development targets. Construction impacts and Council tax revenue are also recorded. The monitoring report also includes an assessment of the status and scale of future development activity.
- 2.6.36 The project team has extensive experience in the monitoring and evaluation of projects. Further detail can be found in the management case.

Measuring Success

- 2.6.37 The SMART objectives defined in Table 2.6 above illustrate tangible success parameters that can be further examined as a measure of project performance. The project's performance would be measured as part of an annual monitoring review which would collect information on: construction employment, supply chain contracts; developer interest in commercial floorspace, floorspace created and permanent employment. Success will be measured through achieving the following:

Employment Land Development

- 40,582m² employment floorspace
- up to 19.10 hectares of employment land, including development platforms

Private Sector Investment

- £38.10m of additional private sector investment¹⁰

Employment Support

- 615 net additional operational jobs by 2044
- 610 net additional construction jobs by 2044

Additional GVA

- £310.4m net additional GVA by 2044

Critical Success Factors

- 2.6.38 Critical Success Factors (CSFs) are a small number of criteria used at the long-list stage to make strategic choices about options. They support an assessment of how well an option is likely to succeed across the 5 dimensions of a business case and deliver SMART objectives.

¹⁰ Non-discounted

2.6.39 The critical success factors are used to assess the Exxon project's ability to deliver against its objectives; the ability to deliver value for money (i.e. a BCR of 1), ability to secure funding (affordability) and deliverability of the project.

2.6.40 The following are considered crucial to the success of the project:

- **Strategic fit:** The project is required to deliver on the Project Objectives, and align with national, regional and local policy objectives. The Exxon project is focussed on increasing the constrained supply of employment land in West Dunbartonshire, contributing to the economic prosperity of the wider City Region.
- **Delivering Value for Money:** The relative costs have been considered against their ability to deliver value for public money. This analysis is aligned with the expenditure versus the ability to hit each of the Exxon Project objectives.
- **Affordability:** To advance the project through the necessary design and construction phases, funding must be secured. The Exxon project is dependent on 86% of project costs being funded through the Glasgow City Region Deal Infrastructure Fund.
- **Deliverability:** This OBC presents project governance structures which align with business case guidance. The Exxon project governance structure has been tailored to meet the specific demands of the proposed scheme and demonstrates that WDC has appropriate mechanisms in place to ensure that the project can be delivered.

2.6.41 Investment to address access and development constraints present at the Exxon site will remove market failures constraining the areas economic potential, enabling West Dunbartonshire to attract and retain new and existing businesses through establishment of a high quality the, resilient employment land supply for the next 15 years. The success of the development will be measured against completion of the planned outputs within expected development timeframes.

2.7 Dependencies and Constraints

KEY POINTS

- A large proportion of the potential dependencies and constraints are linked to environmental issues on the site and can be mitigated through appropriate management and application of suitable interventions as the project is taken forward to implementation.
- The project is highly dependent on market demand following the infrastructure interventions and the ability for the Exxon site to attract a wide range of businesses and raise economic activity.
- The project is dependent on and constrained by the budget required to develop the site.
- Additional dependencies and constraints relate to ecological issues, heritage, flooding, contamination and remediation, land ownership, transport network impacts and agreement to proposals with key stakeholders.

2.7.1 Throughout the development of the project a series of potential dependencies and constraints have been identified. Most are linked to environmental issues on the site and can be mitigated through appropriate management and application of suitable interventions as the project is taken forward to implementation.

Environmental Impact Assessment

- 2.7.2 An Environmental Impact Assessment (EIA) will be required for the development. The EIA Baseline for the proposed development has been prepared and will form the basis of the Environmental Statement (ES) to support the planning application. The ES is due to be completed in early 2019. A summary of the EIA Baseline can be found in Appendix D.

Summary of Dependencies and Constraints

- 2.7.3 Table 2.7 summarises the internal and external dependencies and constraints that will influence the successful delivery of the project.

Table 2.7 Dependencies and Constraints

Dependencies/ Constraints	Lead responsibility
Internal Factors¹¹	
Environmental – preparation and agreement of Flood Risk, Ecology, Landscape Mitigation Management Plans. Programming and implementation of agreed species and habitat mitigation measures (pre and post road construction) to protect and mitigate impacts. SNH license and monitoring requirements. Specialist ecological requirements pre, during and post construction.	WDC City Deal Programme Team
Programming – alignment of access road development and construction programme, particularly Network Rail requirements, with the wider development requirements.	WDC City Deal Programme Team / Network Rail.
Utilities - programming of service connection requirements.	WDC City Deal Programme Team / Utility Companies
Financing – site and tender costs must not exceed budget	WDC City Deal Programme Team.
External Factors¹²	
Land ownership and acquisition – In addition to acquiring the Exxon land ownership, there are 8 affected landowners including some known to be unwilling to make their land available if required. Acquisition terms to be agreed, purchases authorised and concluded.	WDC City Deal Programme Team.
Market Demand – Investment in enabling infrastructure aims to access the site and provide market-ready plots, de-risking the site and improving its development viability. This relies on a commercial and industrial property market willing to deliver the follow on private sector investment needed.	WDC City Deal Programme Team.
Stakeholder lead in time (particularly Network Rail) may not be compatible with construction phase.	WDC City Deal Programme Team.
Site Remediation – Exxon is required to remediate the site before the Council formally acquires it. This is dependent on planning approval of the proposed remediation.	SEPA/WDC and Exxon

¹¹ Internal factors relate to dependencies that arise when a change in another project or variable has a direct consequence on this project (e.g. availability of resources or sequencing of other projects)

¹² External factors include successful procurement of a contractor or private ownership of assets within the project footprint.

- 2.7.4 In summary, there are several dependencies on which the success of the project is reliant. Each of these has either been identified in the risk register and/or been considered in development of the Masterplan. Ongoing design work continues to fully consider these constraints and address them within the project budget.

2.8 Stakeholders

- 2.8.1 The delivery of the project will be dependent upon several key stakeholders agreeing to the proposals being taken forward. Network Rail agreement will be required to allow construction of a new underpass (west) and overbridge (east) road access to the site.
- 2.8.2 Agreement from Transport Scotland is required to enable junctions to be amended on the existing A82 Trunk Road.
- 2.8.3 Delivery will also be dependent upon engagement and sign off with a range of other stakeholders during the planning and design process.
- 2.8.4 Affected land owners will also have to be consulted.

Historic Consultation

- 2.8.5 Before the project began, the concept of such a project was included in a previous (2014) proposed Local Development Plan (LDP). Stakeholder feedback, in the form of responses to the 2014 proposed LDP land-use strategy, has been considered in developing the concept of the project and the proposals now contained in the 2018 proposed LDP.
- 2.8.6 Representations were made in relation to the site and can be summarised as follows.

- **Silverton and Overtoun Community Council:** Accept the argument for part of the land to be used for a road between Dumbuck Junction and the Dunglass Roundabout but otherwise consider the remainder of the site should be retained as green open space, with a nature reserve created.
- **Local Objectors to the Spatial Strategy for the Esso Bowling & Scott's Yard site include:**
 - **Green Belt** – object to the release of green belt land, particularly the extension of the site towards Dumbuck Junction.
 - **Land Ownership** – local landowner is unwilling to allow development on their land. Development would adversely affect the owner's use of their land.
 - **Biodiversity** – the area is a natural habitat and part of the green network. It should be left to nature as an area where wildlife is enhanced and protected.
 - **Flooding** – the area is at risk of flooding.
 - **Access Road** - there should be no new road.
 - **Land-use Development** – no residential, retail or any form of built development.
- **Clydeport Operations Ltd:** Support to the identification of the wider Esso Bowling site as a business and industry opportunity.
- **RSPB Scotland:** The area of green belt to the west of the development site is referred to in the Draft Habitat Regulations Appraisal as a compensation area for the loss of intertidal

habitat through climate change effects, highlighted as being virtually unique in West Dunbartonshire. This information should be transferred to the Proposed Plan.

- **Scottish Natural Heritage (SNH):** Support the mapping of proposed Green Network enhancements at this site's western end and the reasons given and note the site's southern waterfront presents a no less significant opportunity.
- **Clydebelt:** Support retaining the green belt to the west of the site, which links the tidal zone and River Clyde to the Kilpatrick Hills via the burn and offers the opportunity of wildlife enhancement. They would also like the cycleway to be enhanced and form part of a green corridor through any developed part of the site. Additionally, they note that the area to the east of the basin has potential for leisure / heritage use due to the Bell Monument, Dunglass Castle.

2.8.7 The Reporter made several conclusions in relation to these points which he summarised as:

"I conclude that the principle of the development of the site for the uses identified is appropriate, and that the inclusion of green belt within the site is also appropriate. The inclusion of green belt strengthens its importance in relation to the development of the site.

The principle of a new link road to serve the proposed new development and provide some relief for traffic on the A82 to the north of the site, is an important element of the development strategy for the site, and in the circumstances takes priority over any loss of existing pastureland.

I also conclude that the nature conservation interests, particularly in relation to the special protection area, have been sufficiently addressed at this stage. However, the green belt area in the western part of the site has the potential to provide compensation for loss of habitat following climate change, and this should be referred to within the strategy for the development of the site.

I further conclude that the principle of green network enhancement should be expanded within the site, and that although this is also a matter to be determined through the Masterplan process, an indicative area should be shown along the southern boundary of the site, linking the cycleway in the west to Bowling Station in the east. In addition, the potential for tourism and recreation use of Dunglass Castle should be referred to within the strategy. I also conclude that physical constraints can be satisfactorily addressed."

2.8.8 Subsequently, Reporter's modifications were agreed by the Council. These considerations have been instrumental in developing the proposals within the 2018 proposed LDP.

Project Consultation

2.8.9 Throughout the project development to date, stakeholder engagement has been a key consideration as it is recognised that the cooperation and buy-in of a series of key stakeholders will be essential to the successful delivery of the project. An ongoing programme of stakeholder engagement is planned throughout the detailed design and implementation of the project to ensure stakeholders remain informed and committed to assisting in its delivery.

2.8.10 Since publication of the SBC, consultation has continued between key stakeholders and the project team including pre-EIA screening stakeholder consultation and a series of topic specific meetings related to the EIA requirements. Engagement with Network Rail has been an important feature of the recent programme.

2.8.11 To date, the key outcomes of these meetings can be summarised as:

- **Transport Scotland (TS):** TS commended the approach taken thus far and had no significant issues with the proposals. TS is keen to ensure regular contact is maintained as the project is taken forward. TS has made minor comment on the Project's Basis of Design document and has accepted the principle of a reduction in the A82 speed limit to 50mph to accommodate the development junctions on the A82.
- **Network Rail (NR):** In August 2016, NR issued a Clearance Technical Certificate for the further development of the proposals for the western underpass. In addition, NR will also require a full structural bridge assessment of the overbridge which forms the current access at the eastern extent of the site. There is consequently potential for NR's requirements to delay the completion of the transport infrastructure works given the long lead-in time they require. NR has been provided with GRIP 3 studies for each of the proposed railway crossings.
- **Scottish Environmental Protection Agency (SEPA):** SEPA has approved a hydraulic modelling approach for the site, a watercourse survey programme and the proposed approach to Flood Risk Assessment incorporated in the EIA. SEPA has approved the Baseline Hydraulic Modelling Report and the proposals for flood risk mitigation.
- **Scottish Natural Heritage (SNH):** SNH has approved a wide range of ornithological and ecological surveys to inform the EIA Baseline which have now been completed.
- **Royal Society for Protection of Birds (RSPB):** has approved a wide range of ornithological and ecological surveys to inform the EIA Baseline which have now been completed.
- **West of Scotland Archaeological Service:** has approved a range of studies to inform the EIA Baseline which have now been completed.
- **Historic Scotland:** has provided information to support development of the EIA Baseline.
- **Scottish Water:** has provided information to inform the hydraulic modelling and is aware of and generally supportive of the project. Consultation on the Basis of Design in December 2016 has been helpful in understanding SW requirements.
- **Health & Safety Executive:** consulted and commented on the EIA Scoping – no major concerns.
- **Inverclyde Council:** consulted and commented on the EIA Scoping no major concerns.
- **Glasgow and Clyde Valley Green Network:** consulted and commented on the EIA Scoping no major concerns.

2.8.12 A record of the stakeholder engagement to date is provided in Table 2.8 below.

2.8.13 In addition, consultations with adjacent landowners begun in November 2016 and have continued as the design proposals for the project have been developed through 2017 and 2018.

Table 2.8 Stakeholder Engagement Summary

Stakeholder Group	Contribution	Benefit	Dis-benefit	Expectation/ Demand	Engagement to date
Local Authorities					
West Dunbartonshire Council	Project Sponsor	Remediate site and increased employment land supply.	Bearing the risk of delivering the project using public sector money.	West Dunbartonshire Council	Project Sponsor
Inverclyde Council	Consultee in respect of the Inner Clyde Estuary SPA	Remediated site on the banks of the Clyde		EIA and Planning Application Consultee	Consulted on EIA Scoping
City Deal Bodies					
The Cabinet	Project Coordination	Benefits of increased employment opportunities across the City Region, leading the economic development of central Scotland.		Interaction as required	Regularly informed of progress through ongoing meetings and reports
The Chief Executive's Group	Project Coordination			Interaction as required	Regularly informed of progress through ongoing meetings and reports
Project Management Office (PMO)	Project Coordination			Interaction as required	Regularly informed of progress through ongoing meetings and reports
Financial Strategy Support Group	Project Coordination			Interaction as required	WDC officer support
Legal Support Group	Project Coordination			Interaction as required	WDC officer support
Procurement Support Group	Project Coordination			Interaction as required	WDC officer support
Lead Officers Support Group	Project Coordination			Interaction as required	WDC officer support
Transport Support Group	Project Coordination			Interaction as required	WDC officer support

Stakeholder Group	Contribution	Benefit	Dis-benefit	Expectation/ Demand	Engagement to date
Economic Development Support Group	Project Coordination			Interaction as required	WDC officer support
Audit Support Group	Project Coordination			Interaction as required	WDC officer support
Private Sector					
Exxon	Site owner	Purchase of a derelict site and underutilised asset by the Council.	Upfront remediation costs.	Lead remediation of site and engage proactively on proposals for its future development	Ongoing and regular liaison between WDC and Exxon has taken place during the development of the project
Public Utilities Companies	Public services for site occupiers	Additional service requirements from site occupiers.	Relocation and extension of the current network.	Identify location of existing public utilities in vicinity and provide necessary extensions to service the occupiers of the site	Utility companies have all provided copies of existing asset records.
Third Party Land Owners	Land owner	Purchase of land presently underutilised.	Disturbance from the construction works.	Land required for site access	Introductory contact made in November 2016 and ongoing.
Other Public-Sector Bodies					
Scottish Environmental Protection Agency	Flooding risk	Remediated site, improving the environmental quality of the river and riverside.	Temporary impact from construction works.	Agreement and approval of approach to hydraulic modelling, flood risk assessment and the EIA	EIA consultation meetings and exchanges of documentation to gain approvals to approach
Scottish Natural Heritage	Wildlife protection	Removal of harmful chemicals from the site. Green space incorporated into the development.	Potential disruption of local wildlife.	Agreement and approval of approach to ecological studies and the EIA	EIA consultation meetings and exchanges of documentation to gain approvals to approach

Stakeholder Group	Contribution	Benefit	Dis-benefit	Expectation/ Demand	Engagement to date
RSPB	Wildlife protection			Agreement and approval of approach to ecological studies and the EIA	EIA consultation meetings and exchanges of documentation to gain approvals to approach
Historic Scotland	Listed buildings and ancient monuments protection		Disruption of the landscape adjacent to Dunglass Castle.	Agreement and approval of approach to archaeological studies and the EIA	EIA consultation meetings
West of Scotland Archaeological Service	Listed buildings and ancient monuments protection	Potential to unearth archaeological assets during construction.		Agreement of approach to archaeological studies and the EIA	EIA consultation meetings
Health & Safety Executive	Existing HSE Notification Zone			Agreement of approach to the EIA	EIA consultation meetings
Glasgow and Clyde Valley Green Network	Access and sustainable transport			Agreement of approach to the EIA	EIA consultation meetings
Transport Bodies					
Transport Scotland	Access to site and impacts on Trunk Road network	Additional road network to support the A82		Sign off on proposed approach to provide access to the site. Agree Basis of Design	Several consultation meetings and exchanges of documentation to gain approvals to approach
Network Rail	Access to site by crossing current live railway line		Additional infrastructure works and staff time to support the development.	Sign off on proposed approach to provide access to the site	Several consultation meetings and exchanges of documentation to gain approvals to approach
Community Groups, Users and Others					
		Strategy being developed but will include Colleges, Chamber of Commerce, Scottish Enterprise, Skills Development Scotland and local community organisations, etc.			

- 2.8.14 Stakeholder conflicts will be managed appropriately as they arise, however, early stakeholder conversations have allowed stakeholder expectations and requirements to be effectively managed and resolved.

2.9 Risk

- 2.9.1 A series of potential risks that could affect the successful implementation of the project have been identified and are set out in detail in the Risk Register attached as Appendix E. The risks were identified and appraised in a series of sessions with the project team (see Management Case) and PBA staff. These risks can mainly be classified as relating to the following categories:

- Physical / assets
- Political
- Professional
- Financial
- Regulatory / legal
- Environmental
- Contractual

- 2.9.2 The risks identified in the register have appropriate mitigating actions against each of them.

- 2.9.3 Infrastructure delivery is dependent on several factors relating to the identified dependencies and constraints. After mitigation measures and control actions have been considered, the top 6 risks to successful implementation of the project are:

- Delay to site remediation of contaminated land (PA1) (External);
- Regulatory approval for the bridge and the underpass by Network Rail (PR3) (External);
- Statutory approvals for development cannot be gained or are delayed (RL1) (Internal/External);
- Programme slippage incurs additional project costs (F2) (Internal);
- Detailed design increases costs or delays the project (PR2) (Internal); and
- Different contractors require to be on site at the same time to ensure the programme is maintained (C4) (Internal/External).

- 2.9.4 Assuming these risks are mitigated, infrastructure interventions are anticipated to be delivered by 2024.

- 2.9.5 Following successful delivery of the infrastructure, market demand remains a risk to the project's success (E2). Delivery of fully market ready sites and early and continuous commercial marketing of opportunities are vital to ensuring this risk is mitigated. This will include liaison with key bodies such as Scottish Development International and Scottish Enterprise.

Risk to City Deal Programme

- 2.9.6 If the Exxon project is not delivered, or there is a slip to the programme of delivery, then there will be a reduction in the anticipated economic value generated by the investment programme (E3). WDC has identified the risks to project delivery in the risk register and under the project dependencies and constraints. The Council will work closely with the PMO to ensure that expectations are managed in line with realistic project deliverables – further detail can be found in the Management Case.

2.10 Risk Allocation and Transfer

- 2.10.1 West Dunbartonshire Council has taken ownership of the majority of the identified risks as defined in the Risk Register. However, in some instances the ownership of risks is also shared with key stakeholders.
- 2.10.2 The Project Manager will take responsibility for overall risk management and mitigation throughout the project delivery process. However, some risks are affected by external influences and where this is the case the Council only has partial control over them.
- 2.10.3 Table 2.9 provides an outline of the currently identified risk categories and ownership.

Table 2.9 Risk Transfer

Risk Identified	Risk Transfer	
	Kept within Member Authority	Transfer to External Party
Design and build	WDC – Road & Infrastructure, Flood risk management (Raymond Walsh); WDC – Legal (Alan Douglas)	
Commissioning	WDC – Legal (Alan Douglas)	
Operation	WDC – Project Management (Victor Francisco Suarez)	
Demand	WDC – Economic Impact (Michael McGuinness)	
Residual value	WDC – Economic Impact (Michael McGuinness)	
Technology	WDC – Project Management (Victor Francisco Suarez)	
Regulation	WDC – Legal (Alan Douglas)	
Contractor default	WDC – Legal (Alan Douglas)	
Political	WDC – Project Management (Victor Francisco Suarez)	
Internal business	WDC – Project Management (Victor Francisco Suarez)	
Delay to remediation of contaminated land		Exxon
Delay to programme due to number of Governance levels - Board, Council, PMO, City Deal Cabinet	WDC – Project Management (Victor Francisco Suarez)	
Agreement on technical approach with key stakeholders (e.g. Transport Scotland, Network Rail, public utilities, SEPA, etc.) creates timescale delays	WDC – Project Management (Victor Francisco Suarez)	Stakeholders
Detailed design / site investigations reveal conditions that will significantly increase costs or affect project delivery	WDC – Site Evaluation & Asset Management (Michael McGuinness) WDC – Project Management (Victor Francisco Suarez)	
Alternative sites are deemed more attractive for development reducing the	WDC – Economic Impact (Michael McGuinness)	

Risk Identified	Risk Transfer	
	Kept within Member Authority	Transfer to External Party
attractiveness of former Exxon site		
Site fails to deliver the desired levels of economic activity and GVA forecast	WDC – Economic Impact (Michael McGuinness)	
City Deal does not achieve target GVA levels throughout Glasgow City Region with associated financial impact		City Deal Cabinet
Insufficient funding due to complexity of site	WDC – Project Management (Victor Francisco Suarez)	
Necessary statutory approvals for development cannot be gained or are delayed	WDC – Legal (Alan Douglas) WDC – Planning (Pamela Clifford)	
Excessive liabilities associated with contaminated land	WDC – Legal (Alan Douglas)	
Delay to or unacceptable terms for transfer of ownership of site from Exxon to West Dunbartonshire Council	WDC – Legal (Alan Douglas) WDC - Jim McAloon (Strategic Lead)	
Third party parcels of land required for development cannot be acquired on acceptable terms	WDC – Legal (Alan Douglas) WDC – Asset Management (Michelle Lynn)	

2.10.4 The Risk Register will be kept under continuous review during the project development, detailed design and implementation. During this period, some risks may be dealt with and closed off from the Risk Register, new risks may be identified or ownership of risks may be reallocated. The Risk Register will consequently be a live document and risk ownership could consequently change. However, it is anticipated that risks would remain allocated within a small group of bodies which would include:

- **West Dunbartonshire Council**
- **Land Owners**
- **Infrastructure providers** – Transport Scotland, Network Rail, Utilities companies
- **Environmental Agencies** – SEPA, Historic Scotland, Scottish Natural Heritage

3 Economic Case - Options Appraisal

3.1 Introduction

3.1.1 Achieving additional and transformational change in West Dunbartonshire's economy requires:

- identification of large scale sites which provide an opportunity for their comprehensive development and scope for expansion;
- identification of the key sectors required to achieve it and their likely needs; and
- establishment of the infrastructure requirements associated with different options.

3.1.2 An assessment based on the objectives identified in Section 2.5, has considered the best way to provide the required step change in the volume and value of economic activity in West Dunbartonshire. This has considered possible locations for the size of investment required and consideration of those sectors which will best contribute to the objectives, particularly those presently performing well or other growth sectors.

3.1.3 The project options were developed with WDC officers and PBA staff as advisors through understating the project objectives identified in Section 2.5. The Options were then appraised through a scoring process against a set of Critical Success Factors to determine a short list for further economic analysis as outlined in detail below.

3.1.4 The project aims to meet the expansion requirements of successful local enterprises while also attracting inward investment linked to its accessibility (to the strategic road network, Glasgow Airport, and potentially as a gateway to the West Highlands), reasonably well-educated resident workforce, riverside location and high value environmental characteristics.

3.1.5 It also seeks to develop the momentum generated by areas such as Lomondgate and the Vale of Leven Industrial Estate. Comparison of project objectives against the evidence of a reducing supply of industrial and business land indicates the need for additional opportunities of scale to reposition the area in the long term.

3.1.6 The assessment has therefore consisted of three parts:

- options for the location of a sizeable economic investment site;
- options for the use of the site (economic activity); and
- options for access to the site (infrastructure requirements).

3.1.7 A long list of options was drawn up for analysis, considering each option available to WDC. These options were then quantitatively and qualitatively assessed in line with HM Treasury Green Book Guidance, analysing each option against their ability to meet the Critical Success Factors (CSFs) outlined in the Strategic Case.

3.1.8 The sifted options i.e. the short list were then subjected to more detailed economic analysis.

3.2 Options for the Location of a Sizeable Economic Investment Site

3.2.1 Initial option development focussed on where sizeable economic development could be accommodated. In 2011, West Dunbartonshire Council's Industrial Monitoring identified an emerging shortfall in the availability of employment land across the Council area. In the interim, this has been further exacerbated by continued development at Lomondgate and Clydebank

Business Park. Forward 10-year demand has increased from 2.7 ha to 3.7 ha per annum¹³. By 2014, West Dunbartonshire's marketable supply was 35.7 ha, equivalent to 9.7 years take up. Continued take up at prevailing levels would absorb much of the area's available employment land supply within the next ten years. This is a quantitative assessment. As the more marketable and attractive sites in the existing supply are taken up, residual sites may be less well positioned to absorb demand. While there are sufficient sites to meet short to medium term demand, there is a clear requirement to ensure the long-term availability of serviced and accessible sites to enable West Dunbartonshire's sustainable economic growth.

- 3.2.2 The scale of additional availability needed to service continued sustainable growth beyond 2024 is estimated between five and ten years' current demand i.e. between 19ha -37 ha. While infill opportunities will continue to absorb some of this, the potential to effectively deliver large scale site opportunities to accommodate a range of employment uses is clear.
- 3.2.3 Various development areas were considered in the initial assessment for inclusion in the Glasgow City Region City Deal programme, as follows:
- strategic disposal sites: a package of sites of between 0.6 ha – 4.77 ha identified mainly for residential use;
 - Lomondgate/Vale of Leven Industrial Estate: package of 6 sites totalling 23.6 ha. The remainder of Lomondgate extends to some 9.7ha and is being marketed for a range of employment uses;
 - Queens Quay: the 40ha former John Browns shipyard is now targeting a combination of residential, health, retail and other town centre uses;
 - Bowling Basin: mainly residential opportunities focused on the western terminus of the Forth & Clyde Canal;
 - Dumbarton Waterfront: a town centre quarter promoting new residential and town centre leisure opportunities; and
 - the former Bowling Oil Terminal site owned by Exxon.
- 3.2.4 Project options with the capacity to deliver significant industrial and business development in West Dunbartonshire are limited to Lomondgate, Vale of Leven Industrial Estate and the Exxon site. Each of the options has a supportive planning designation. At this stage, a high-level option appraisal has been undertaken, based on: site area; long term capacity to meet the needs of West Dunbartonshire's economy; capacity to generate additional GVA; and long-term availability.
- 3.2.5 Lomondgate has successfully developed the BBC's presence at its Dumbarton studios, while also safeguarding and securing the headquarter presence of Aggreko in West Dunbartonshire¹⁴. Development of the remaining component is anticipated in the next 3-5 years. While the momentum generated by its development will increase demand for floorspace in West Dunbartonshire, other large-scale opportunities will be required to realise and continue the required step change in economic activity.
- 3.2.6 The Vale of Leven Industrial Estate is home to major international companies such as Chivas and Diamond Power and is in several ownerships. Further development is anticipated in the short to medium term to accommodate the levels of demand already being witnessed locally, for example Chivas recently started the construction of their £50million expansion at Kilmalid, Dumbarton. The formation of an industrial Business Improvement District in 2014 has helped to

¹³ Based on the average of the previous 5 years

¹⁴ <https://www.dailyrecord.co.uk/news/local-news/huge-33million-ploughed-dumbarton-based-12332403>

address some of the promotional challenges faced by the area, encouraging location, again in the medium to short term. Comprehensive development opportunities are limited by the pattern of available plots and the existing buildings. Access to the A82 is indirect (via Lomondgate Interchange). The capacity for additional development of the scale required by the project is limited.

- 3.2.7 The Exxon site is in single ownership albeit that other land is required for access. The 61-hectare site is subject to a range of environmental designations as well as flood risk and other constraints. These reduce the developable area, including for all roads and development plots, to some 19.10 hectares which would be the largest concentration of potential employment land in West Dunbartonshire. Should the constraints be addressed, a high quality, well located development site would be available in the short to medium term. The site is of the scale required to meet project objectives, with the potential to offer a broad range of development and employment opportunities in the medium to long term. City Deal funding offers the opportunity to address the site constraints in a comprehensive manner, while also enabling future requirements for industrial and business land to be addressed.
- 3.2.8 From the high-level options appraisal, the Exxon site is best placed to meet the project objectives.

3.3 Options for the Sectors of Opportunity

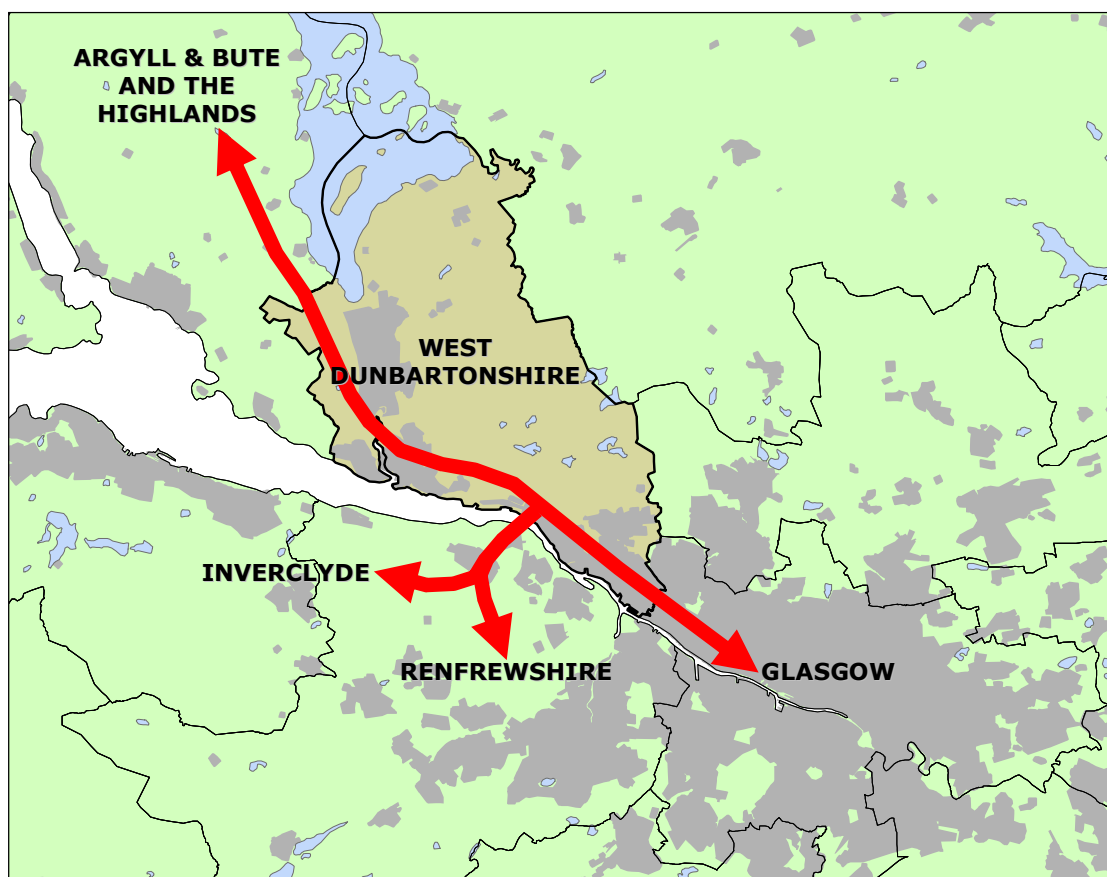
- 3.3.1 West Dunbartonshire's economic and sector profile highlights established strengths in engineering (distilling, power generation etc.), weaknesses in traditional office-based sectors and a high level of dependence on public administration, health and education.
- 3.3.2 The major employment sectors in West Dunbartonshire include 'public administration, education and health', 'wholesale and retail' and 'financial and other business services', which account for approximately 74% of total employment within the area, higher than both the Glasgow City Region City Deal and Scotland averages of 67% and 65% respectively. There is a need to diversify the economy away from these sectors and to attract more private sector investment to reduce dependence on the public sector for employment.
- 3.3.3 This suggests that an offer which can combine opportunity for higher value and advanced sectors, with more broadly-based production and support opportunities may be best placed to achieve the related objectives of increased GVA at Council and Glasgow City Region level together with increased employment and economic activity. Furthermore, when combined with employment support initiatives available in West Dunbartonshire, the development will help to prevent the anticipated decline in unemployment in the local economy.
- 3.3.4 This indicates a focus on the following sectors, some of which have already established in the area and for which there is potential for additional growth, and others which West Dunbartonshire's locational characteristics may be attractive to should appropriate development opportunities be available:

- Food and drink (storage & distribution): developing advanced processes to enable West Dunbartonshire to maintain a role in the vanguard of sector development;
- Advanced manufacturing, storage and logistics: related to existing clusters of activity and expansion related to energy sector, defence and other requirements; and
- Office and professional services activity: developing from accessibility to Glasgow Airport and the strategic road network, the potential to develop a differentiated market proposition based on the area's high environmental values (land and river) and the momentum generated by development in West Dunbartonshire's Town Centres and elsewhere.

3.4 Options for Site Access

- 3.4.1 The A82 Trunk Road is the main arterial link through West Dunbartonshire linking to Glasgow in the east as well as Loch Lomond and beyond in the north. It also provides access to the Erskine Bridge which connects West Dunbartonshire with areas on the south bank of the River Clyde via the M8 and strategic road network. The Exxon site is strategically located adjacent to the A82.
- 3.4.2 West Dunbartonshire is consequently situated at a strategic location on the transport network acting as a gateway to Argyll & Bute and the Highlands from the Glasgow conurbation. In addition, it is positioned at a key bridging point across the River Clyde providing links to Renfrewshire and Inverclyde.
- 3.4.3 Figure 3.1 illustrates West Dunbartonshire's strategic position on the transport network and highlights its pivotal place in the region.

Figure 3.1 West Dunbartonshire's Strategic Location



- 3.4.4 Taking advantage of West Dunbartonshire's strategic position in the west of Scotland is fundamental in making an attractive place to live, work and visit by supporting a vibrant local economy. This makes it a perfect base location for people who want to take advantage of its proximity to a range of key attractions as West Dunbartonshire is ideally suited to those who want access to the services and opportunities available in the Glasgow conurbation whilst also living on the doorstep of one of Scotland's National Parks. In addition, there is easy access to locations south of the Erskine Bridge including Glasgow Airport. It is perfectly located for a range of attractions and facilities and there is consequently a need to ensure that sufficient connectivity is available to allow people to take advantage of these opportunities. The

construction of a spine road to the south of the A82 is therefore critical in supporting this and allowing for the development of the Exxon site.

- 3.4.5 Initial, high-level analysis identified a set of preferred options for providing access at the eastern and western ends of the site near Dunglass Roundabout and Dumbuck Junction respectively, together with a spine road to provide access to individual development plots.
- 3.4.6 Subsequent work examined initial Concept Design options for each access point and the spine road with the aim being to de-risk the project in terms of:
- any engineering 'show-stoppers';
 - Network Rail requirements; and
 - Transport Scotland requirements.
- 3.4.7 More recently, Feasibility Studies, undertaken to comply with Network Rail's Guide to Rail Investment Process (GRIP) Stage 2 and Stage 3 have been completed for each access point. These, together with the development of the Basis of Design for the project and constraints analysis based on a full topographical survey and initial 3D modelling of the site have informed Option Selection studies.
- 3.4.8 Network Rail has issued a Technical Clearance Certificate for the concept of an underpass at the western end of the site based on the GRIP Stage 2 study but further work on the exact location and design of the underpass is required.

Eastern Access Options

- 3.4.9 A shortlist of two main options emerged for providing access at the eastern end of the site. Both would utilise the existing bridge over the railway line. These are shown Figures 3.2 and 3.3.
- 3.4.10 Option A (Figure 3.2) would involve construction of an enlarged Dunglass Roundabout with a new arm providing access into the development.
- 3.4.11 Option B (Figure 3.3) would involve creation of a small roundabout to the southeast of the existing Dunglass Roundabout at the existing junction with the A814.

Western Access Options

- 3.4.12 A shortlist of two main options emerged for providing access at the western end of the site. Both are near the existing Dumbuck junction. These are shown in Figures 3.4 and 3.5.
- 3.4.13 Option C (Figure 3.4) would involve the closure of the existing Dumbuck junction and creation of a new signalised junction between the A814 and A82 to the east of it. The link road into the development would form a roundabout junction with the A814.
- 3.4.14 Option D (Figure 3.5) would involve construction of a roundabout at the location of the current Dumbuck Junction with a new arm for the link road providing access into the development.
- 3.4.15 All options would involve suitable mitigation measures to ensure continuity of the existing National Cycle Route 7 at both the eastern and western extents of the site.

DUNGLASS ROUNDABOUT

A67 GREAT WESTERN ROAD

DUNBLAIR ROAD A67

DEVELOPMENT ACCESS

Scale: 0m 10m 20m

Name:	
1. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH ALL OTHER RELEVANT DOCUMENTATION.	
2. DO NOT SCALE FROM THIS DRAWING; USE ONLY PRINTED DIMENSIONS.	
3. ALL DIMENSIONS ARE IN METRES UNLESS OTHERWISE STATED. ALL COORDINATES AND LEVELS ARE IN METRES UNLESS OTHERWISE STATED.	
4. THE CONTRACTOR SHALL CHECK ALL EXISTING DIMENSIONS AND LEVELS ON SITE AND REPORT ANY DISCREPANCIES TO THE ENGINEER.	
5. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH THE PROJECT HEALTH & SAFETY FILE FOR ANY DESIGN RELATED POTENTIAL RISKS.	
6. NAMED UP DRAWINGS ARE TO BE PROVIDED TO THE ENGINEER UPON COMPLETION OF THE PROJECT. IT IS THE RESPONSIBILITY OF THE CLIENT TO ACCOMMODATE WITH CONSTRUCTION DESIGN & MANAGEMENT (CDM) REGULATIONS 2015.	
Scale Reference:	
Date:	Drawn Date:
This drawing is to be used for construction purposes only. It is not to be used for other purposes without the written consent of the Engineer. The Engineer shall not be responsible for any errors or omissions in this drawing. The Contractor shall be responsible for checking all dimensions and levels on site and reporting any discrepancies to the Engineer. The Contractor shall be responsible for ensuring that the drawing is used in accordance with the Project Health & Safety File.	
Drawing Status:	
PRELIMINARY	
EKXON, BOWLING EASTERN ACCESS	
OPTION 1 - ROUNDABOUT IMPROVEMENT	

West Dunbartonshire COUNCIL

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0151 200 0000
www.peterbrett.co.uk

30953-5501-001

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Figure 3.4 Option C – Western Access

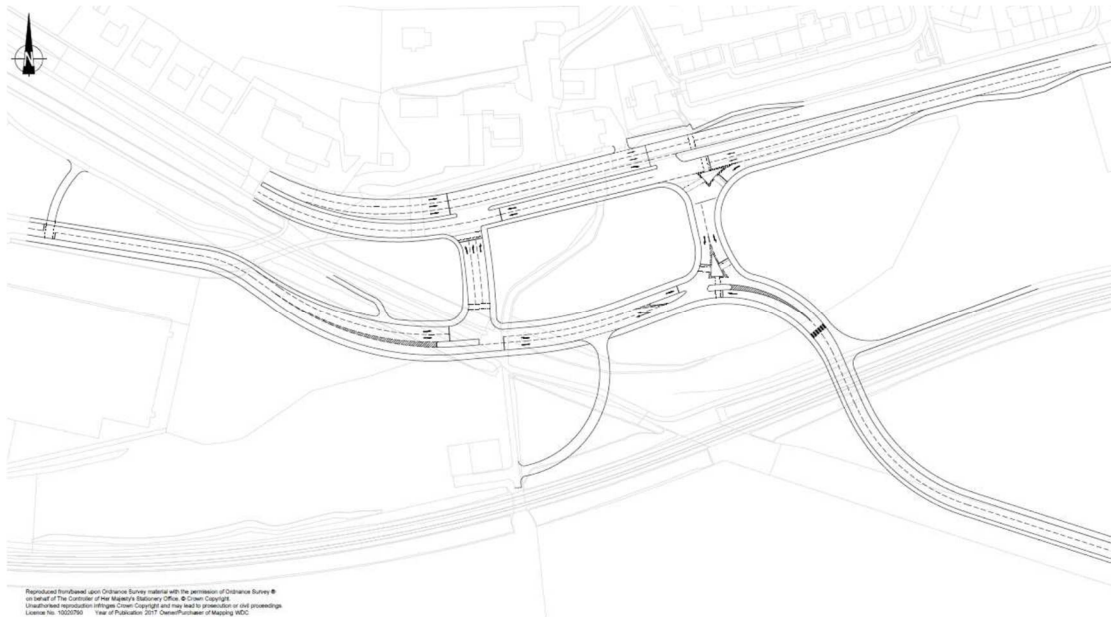
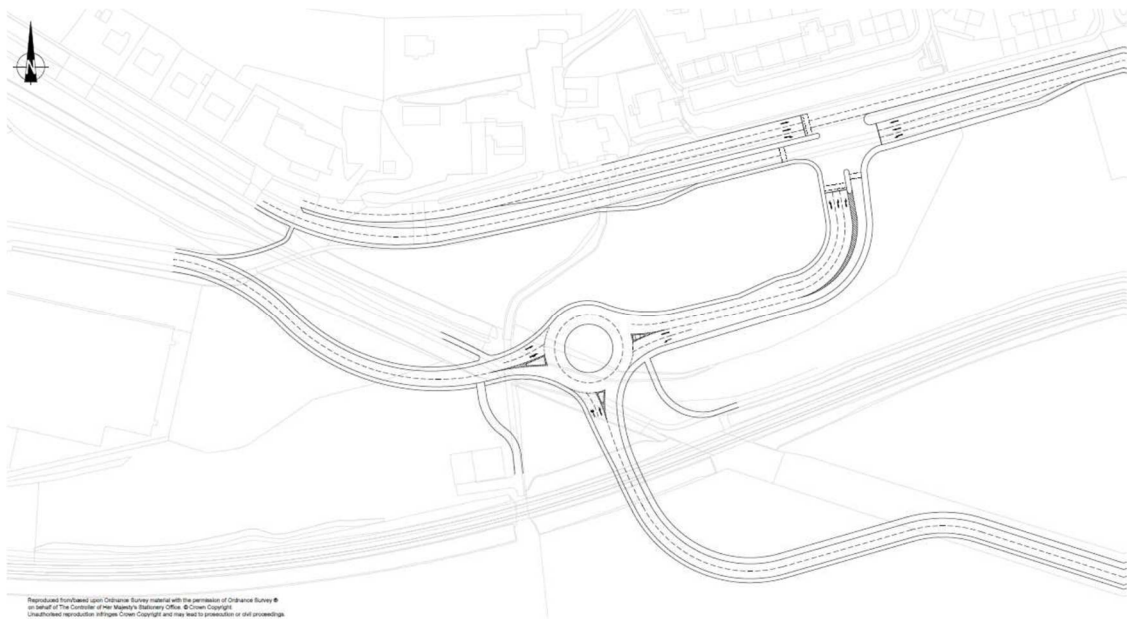


Figure 3.5 Option D – Western Access



- 3.4.16 Design evolution, consultation with Transport Scotland and affected land owners and feedback from the public consultation on the Masterplan has resulted in two preferred junction options being determined. These are shown in Figures 3.6 (east) and 3.7 (west) respectively.

Figure 3.6 Preferred Eastern Access

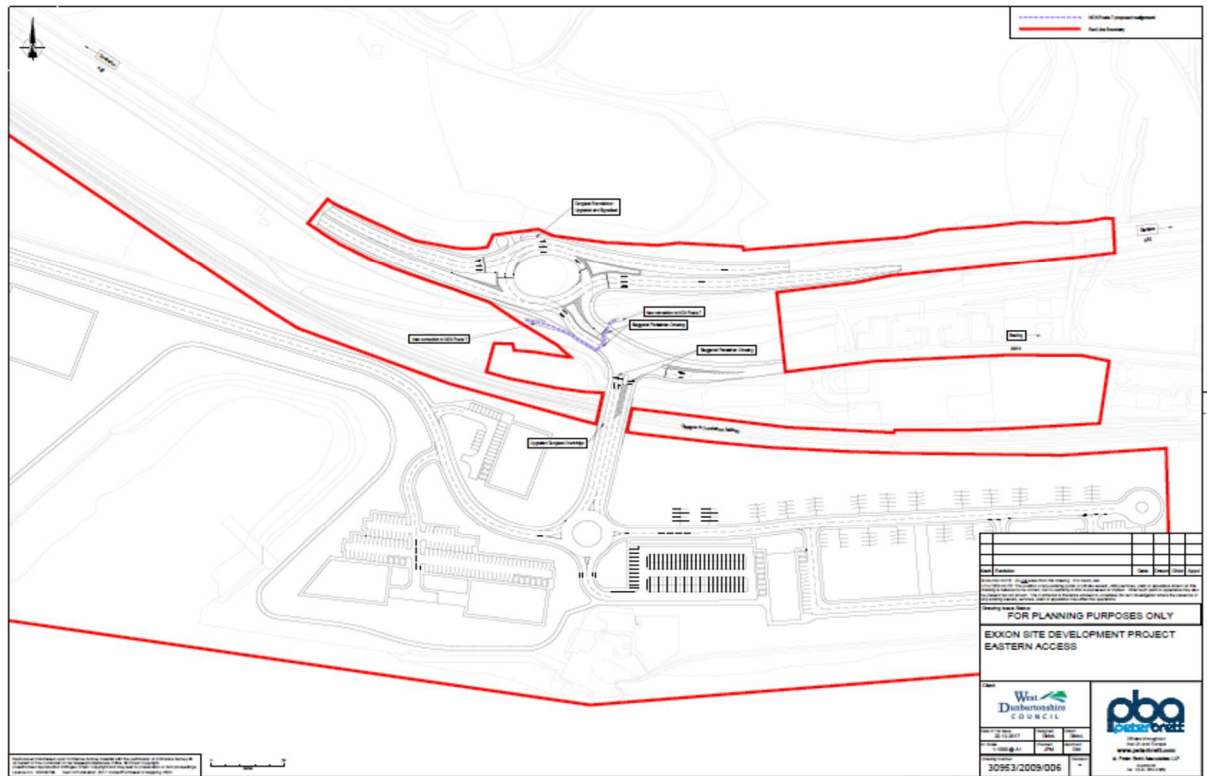
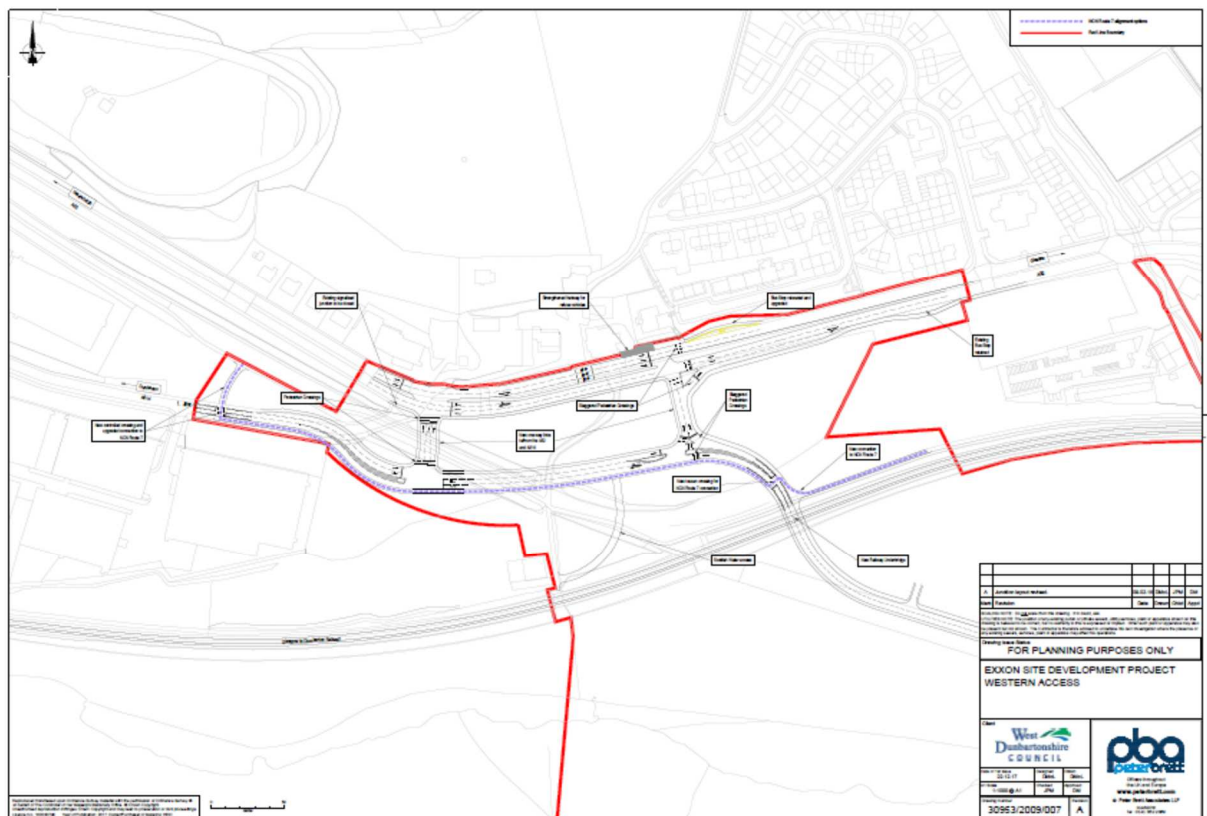


Figure 3.7 Preferred Western Access



3.5 Site Development Options - Long List

- 3.5.1 The long list of options consists of infrastructure interventions in line with the preferred designs outlined above in Figures 3.6 and 3.7. It is assumed that under each of the options described below, apart from the counterfactual, the site is remediated by Exxon and that development platforms would be provided to ensure any future development satisfies SEPA's requirement for flood risk and drainage.

Option 1 – Counterfactual

- 3.5.2 Under the counterfactual situation, it is anticipated that the Exxon site will not be developed within the 25-year analysis period. The site's infrastructure constraints are a disincentive for private sector investment in the site i.e. the market failure. As described in the Strategic Case, under the counterfactual scenario the site is likely to remain disused brownfield land. The anticipated demand for employment land in West Dunbartonshire post 2020 will not be able to be satisfied by this site and will not be satisfied elsewhere in the area, thus constraining the development and subsequently the employment opportunities in West Dunbartonshire. This will most likely lead to a widening of the jobs deficit in West Dunbartonshire with an associated pressure on neighbouring areas as residents either commute to take up the employment opportunities or residents move away from West Dunbartonshire to other areas.
- 3.5.3 Within the counterfactual, it is assumed that the former Carless site in Old Kilpatrick would be developed, including, potentially, a residential component. A planning application for a marine fabrication site is being prepared for the western part of the site c.18,800m². It is anticipated that the remainder of the site would be developed for complementary industrial uses (41,600 m²).

Option 2 – Do Minimum (Western Access Only)

- 3.5.4 This Option includes upgraded road infrastructure and construction of an underbridge to the west end of the Exxon site as shown in **Figure 3.7** above. Through design development, it was confirmed that an underbridge with a square alignment was the preferred arrangement for the bridge structure. However, it was established that the initial proposed location for the underbridge would be vulnerable to flooding from a 1:10 year event, requiring extensive flood defence walls to protect the road and the structure. At a meeting on 28 February 2017, SEPA advised they could not support Option D (Figure 3.5 above) as this arrangement required flood walls that would have an adverse impact on the operation of the existing floodplain.
- 3.5.5 Recognising that the location of the underbridge in Option D was sub-optimal, an alternative position for an underbridge was investigated. Option C as shown in Figure 3.4 above would not require flood defence walls as the existing ground levels at this location are above the 1 in 200-year plus climate change flood levels. This option, preferred in locational terms, was then further optimised to minimise third party land take and to maximise benefits to pedestrians, cyclists and third party access on the north of the A82.
- 3.5.6 This option, with only a western access on its own, doesn't allow for the diversion of traffic from the A82 in the event of a closure on the section north of the Exxon site. Furthermore, the development of plots indicated on the Masterplan for this option would be limited, as traffic assessments have shown the need for additional capacity to the site.
- 3.5.7 It is anticipated that this option would allow for some commercial floorspace to be delivered (Use Class 6) but would restrict the development of the eastern site until such time that the eastern junction road was upgraded. Development platforms are not included in this option.

Option 3 – Do Minimum (Eastern Access Only)

- 3.5.8 This Option includes upgraded road infrastructure and construction of a new overbridge to the east end of the Exxon site as shown in **Figure 3.6** above. It includes a new traffic signal controlled roundabout to replace the existing Dunglass Roundabout in addition to a replacement bridge deck that allows the weight capacity of the exiting bridge to be increased.
- 3.5.9 The option shown in Figure 3.6 evolved as Option A (Figure 3.2) was developed to address capacity constraints identified through traffic modelling of Option B (Figure 3.3). The traffic modelling demonstrated that without significant enhancements, Option B could not accommodate the development traffic flows without signalisation. Option A includes a signalised four-arm roundabout and an upgraded access into the Exxon site, including traffic signals and a widened road cross-section. Development platforms are not included in this option.
- 3.5.10 This option, with only an eastern access on its own, doesn't allow for the diversion of traffic from the A82 in the event of a closure on the section north of the Exxon site. Furthermore, the development of plots indicated on the Masterplan for this option would be limited, as traffic assessments have shown the need for additional capacity to the site.
- 3.5.11 It is anticipated that this option would allow for a higher value commercial floorspace delivery (as per the Masterplan) than Option 2 but would restrict the development of the western part of the site until such time that the western access junction was provided. Development platforms are not included in this option.

Option 4 – Full Intervention with Two Access Junctions and Spine Road

- 3.5.12 This Option consists of a combination of the preferred eastern and western access junctions shown in **Figures 3.6 and 3.7**. The combination of these options would allow for the full development of the Exxon site but with the infrastructure required to create development platforms and address flood risk and drainage requirements on the site needing to be met by future occupiers of the site. The infrastructure interventions allow for a continuous spine road to be constructed to the south of the A82, providing a relief road in the event of a closure on that section.
- 3.5.13 SEPA has expressed that they would require development areas on the site to be raised out of the flood plain before any development were to take place. The additional development costs of constructing raised platforms would reduce the viability of the site to commercial property developers and as such, could delay the full build out of the site by up to 10 years.

Option 5 – Full Intervention plus Development Platforms

- 3.5.14 Option 5 includes the infrastructure delivered under Option 4, plus additional site platforming that would enable the site to be ready for developers to construct commercial and industrial buildings. In doing so, the intervention mitigates the risk of site flooding, increases the viability of the site and is expected to stimulate development at an accelerated rate in comparison to that of Option 4.

3.6 Long List – Scope, Procurement, Delivery & Funding

3.6.1 Table 3.1 below considers the construction of the long list in line with each options scope (geography), solution, delivery (big bang approach or in stages) and funding routes.

Table 3.1 Option Delivery

Option	Scope	Solution	Delivery	Implementation	Funding
2 West	Opens up some development opportunities related to storage and distribution in the west of the site only.	Construction of western access as per Figure 3.7.	Led by WDC, supported by Network Rail. Private developers for Platforms.	Consultation and design of the scheme, followed by a 'big bang' approach, delivering the infrastructure. Phased delivery of each infrastructure element, working with Network Rail to deliver the underpass in conjunction with their infrastructure team.	City Deal/WDC
3 East	Opens up some development opportunities for manufacturing and office-based activity in the east of the site only.	Construction of eastern access as per Figure 3.6.	Led by WDC, supported by Network Rail. Private developers for Platforms.	Consultation and design of the scheme, followed by a 'big bang' approach, delivering the infrastructure. Phased delivery of each infrastructure element, working with Network Rail to deliver the underpass in conjunction with their infrastructure team.	City Deal/WDC
4 Full	Opens up the full site for development -	Construction of eastern access as per Figure 3.6 and	Led by WDC, supported by	Phased delivery of each infrastructure element,	City Deal/WDC

Option	Scope	Solution	Delivery	Implementation	Funding
	Full Access Infrastructure	western access as per Figure 3.7 together with linking spine road.	Network Rail. Private developers for Platforms.	working with Network Rail to deliver the underbridge in conjunction with their infrastructure team. Development platforms constructed by private developers.	
5 Full	Opens up the site and preparing it for development to allow for accelerated economic activity - Comprehensive Infrastructure and Site Platforming	Construction of eastern access as per Figure 3.6 and western access as per Figure 3.7 together with linking spine road plus construction of development platforms to enable accelerated site development, removing further barriers to the development.	Led by WDC, supported by Network Rail. Platform development led by WDC.	Phased delivery of each infrastructure element, working with Network Rail to deliver the underbridge in conjunction with their infrastructure team. Construction of development platforms led by WDC.	City Deal/WDC

3.7 Option Short Listing

- 3.7.1 Following a qualitative analysis of the long list above, each of the options was quantitatively assessed against each of the Critical Success Factors listed in the Strategic Case. The results are shown in Table 3.2 below.

CSF Scoring

Option 1 – Counterfactual

- 3.7.2 Option 1 is carried forward to the short list to represent the deadweight.

Option 2 –Do Minimum (Western Access Only)

- 3.7.3 Option 2 is discounted from further analysis because the cost of required infrastructure works is anticipated to exceed the scale of development expected to be achievable on the western part of the site. The reduced development viability of the site means that its value for money is

expected to be low and its inability to provide sufficient employment land means that the option is not short listed for further analysis.

Option 3 – Do Minimum (Eastern Access Only)

- 3.7.4 Option 3 is carried forward to the short list due to the higher value development enabled by the infrastructure intervention, as outlined in the Masterplan. Although development is likely to be limited by transport network capacity, the interventions proposed allow for a minimal development to be tested against the counterfactual and the full intervention.

Option 4 – Full Access Infrastructure

- 3.7.5 Option 4 is carried forward to the short list due to the scale of anticipated development it potentially stimulates, albeit at a slower rate than if development platforms were provided. The combination of each preferred access will open up the required employment land for WDC, making for a strong strategic fit. Site platforming in this option would be the responsibility of the private sector. Given the site constraints, it is likely that this would have the effect of significantly delaying development and occupation of the employment land.

Option 5 – Comprehensive Infrastructure and Site Platforming

- 3.7.6 Option 5 is carried forward to the short list because the full intervention is anticipated to stimulate an accelerated rate of development due to the removal of financial risks to developers.

Table 3.2 Option Scoring

CSF/Option	1	2	3	4	5
Strategic Fit	0	7	8	9	10
Deliverability	10	8	8	8	8
Affordability	10	8	8	8	7
Value for Money	0	6	7	8	9
Score	20	29	31	33	34
Rank	5	4	3	2	1

3.8 Resulting Short List

- 3.8.1 With Option 2 discounted as not being viable, the resulting short list of options is:

- Option 1 - Counterfactual
- Option 3 – Do Minimum (Eastern Focus)
- Option 4 - Full Access Infrastructure
- Option 5 - Comprehensive Infrastructure including Site Platforming

3.9 Benefits

- 3.9.1 The benefits generated by the project are summarised in the Benefits Realisation Profile attached as Appendix F. The benefits are expected to fall into the following categories:
- Infrastructure;
 - Transport;
 - Employment;
 - Environmental;
 - Business;
 - Financial.
- 3.9.2 In determining benefits, it is assumed that major infrastructure works will start on site early in 2021 with work completed in 2024 when plots will be available for development and occupation.
- 3.9.3 The site will then be developed over a 15-year period with related economic benefits delivered in tandem. Full benefit realisation for employment benefits, business benefits and financial benefits is therefore forecast over this period. This time period is believed to be realistic and consistent with other similar regeneration and development projects taken forward over recent decades including the redevelopment of Strathclyde Business Park, Clyde Gateway, the Glasgow Harbour regeneration project near Partick and the Lomondgate mixed use development on the north-western edge of Dumbarton.
- 3.9.4 The benefits are closely linked to the project objectives which put economic growth and activity at the fore. They also have a strong environmental and regeneration component to them which contributes to wider policy objectives at national, regional and local levels.
- 3.9.5 All the benefits can be measured through the project implementation process or through subsequent monitoring and evaluation of the project's economic impacts. Further information about how monitoring and evaluation will be undertaken is provided in Chapter 8.
- 3.9.6 Some potential negative effects have been recognised and these have also been defined in Appendix F. Primarily these relate to impacts on sensitive environmental sites and the potential displacement of economic activity from elsewhere in West Dunbartonshire or the Glasgow City Region. Project design and development is seeking to minimise or avoid these impacts wherever possible.

4 Economic Case – Short List Analysis

4.1 Introduction

- 4.1.1 This section provides an economic appraisal of the investment sought from this OBC. The economic impact of the project at a local authority, Glasgow City Region and national level is provided followed by a value for money assessment consistent with HM Treasury Green Book Guidance¹⁵. A sensitivity analysis examines the effect of changing key variables in the economic model.
- 4.1.2 The model has been prepared to assess the level of potential employment and GVA created by the project under each of the short-listed options over a period of 25 years. Where applicable, costs and benefits of the project have been discounted in line with best practice guidance at a rate of 3.5% a year to reflect the 25-year analysis period (2019 – 2044). The approach is consistent with the principles outlined in HM Treasury's Green Book¹⁶, and the Additionality & Economic Impact Assessment Guidance Note - Scottish Enterprise. The model has assessed:
- **Construction effects:** employment and GVA¹⁷ from the infrastructure construction phase of the project and the expected construction of follow on development sites;
 - **Operational effects:** employment and GVA from the operational phases of development plots facilitated or accelerated by the project.
- 4.1.3 The impacts are detailed at three spatial levels:
- West Dunbartonshire;
 - City Region and;
 - Scotland.
- 4.1.4 Costs and benefits (GVA) are rounded to the nearest £100,000, while employment is rounded to the nearest 5 jobs.

Cost

- 4.1.5 Table 4.1 below presents the non-discounted capital and revenue cost of delivering each option. Consideration of Optimism Bias (OB) levels (appropriate to the stage and knowledge of project information) is also included¹⁸. The current schedule showing the assessment of OB is contained in the Financial Case.

Table 4.1 2019 Non-Discounted Public Capital and Revenue Costs Inc OB (£m)

2019 Non-Discounted Capital and Revenue Inc. OB (£m)			
	Total	Capital	Revenue
Option 1	-	-	-
Option 3	10.5	10.3	0.2
Option 4	24.7	24.4	0.3
Option 5	32.8	32.5	0.3

¹⁵ HM Treasury Green Book Guidance 2018

¹⁶ The Green Book: Appraisal and Evaluation in Central Government, HM Treasury, 2018.

¹⁷ Gross Value Added (GVA) is a measure of the value of goods and services produced in an area.

¹⁸ Green Book Guidance – Mott McDonald analysis 2015

- 4.1.6 Table 4.2 below presents the costs of each option, discounted at the standard rate, 3.5%, over the 25-year analysis period.

Table 4.2 2019 Discounted Public-Sector Costs Inc OB (£m)

2019 Discounted Public-Sector Investment Inc. OB (£m)			
	Total	Capital	Revenue
Option 1	-	-	-
Option 3	9.6	9.5	0.1
Option 4	22.3	22.2	0.1
Option 5	29.7	29.6	0.1

Operating and Maintenance Costs

- 4.1.7 The Option 4 and 5 proposal includes 1.95km of new spine road and 1.32km of upgraded existing public road (A814). All operating and maintenance costs will be attributed directly to the ongoing management of the road network which will require to be accommodated by West Dunbartonshire Council. Capital and maintenance costs are contained within Chapter 6 – Financial Case.
- 4.1.8 To assess the impact of each intervention over a 25-year period, the total non-discounted capital and revenue expenditure of each intervention is divided by what it takes to support one construction worker for one year - known as the turnover per employee which is presented separately for infrastructure and development construction employees in Table 4.3 below.

Table 4.3 Turnover Per Construction Employee¹⁹

	Turnover per employee (2018)
Infrastructure Construction Phase	£72,256
Development Construction Phase	£153,013

Additionality Assumptions (Construction)

- 4.1.9 To comply with best practice, anticipated construction and operational effects have been adjusted for additionality factors. Appropriate economic appraisal guidance and understanding of the local area's socio-economic characteristics has been used to estimate values for leakage, displacement, and multipliers as noted below in Table 4.4. Operational Additionality tables can be found in Appendix G.
- Deadweight – the proportion of benefits that would have happened regardless of intervention. Note, Option 1 represents this counterfactual position.
 - Leakage - the proportion of employment opportunities accessed by people living outside the local area.
 - Displacement – the proportion of the project's benefits accounted for by a reduction in benefits elsewhere.
 - Multipliers – to estimate further economic activity associated with additional income and supplier purchases (i.e. indirect and induced expenditure).

¹⁹ Scottish Government Turnover and GVA Tables – Accessed 2018

Table 4.4 Additionality Assumptions (Construction)

Additionality Factor	West Dunbartonshire	City Region	Scotland
Leakage	40% (West Dunbartonshire has some 1,200 construction employees; therefore, it is assumed that just under half of construction workers will come from within the local authority area)	25% (More than one in three construction workers in Scotland are based in the Clyde Valley area suggesting that leakage of construction jobs outside Clyde Valley is likely to be limited)	10% (A proportion of construction jobs could be absorbed outside Scotland due to best value procurement or specialist skills requirements)
Displacement	10% (In light of the high level of construction labour available in West Dunbartonshire, the level of displacement is assumed to be low)	30% (The infrastructure work and development construction may involve construction workers forgoing other construction activities at a regional level)	45% (Due to the attraction of other opportunities, increased competition at Scotland level it is likely to involve construction workers forgoing other construction activities)
Multiplier	1.41 (60% of City Region multiplier)	1.68 (80% of national multiplier)	1.85 (Type II Scottish multiplier for the construction industry)

Gross Direct Infrastructure Construction Jobs

4.1.10 Gross infrastructure construction employment by option is shown in Table 4.5 below.

Table 4.5 Gross Infrastructure Construction Jobs

Gross Infrastructure Construction Jobs		
	Capital Expenditure Employment	Revenue Expenditure Employment (Per Annum) ²⁰
Option 1	-	-
Option 3	140	1
Option 4	340	2
Option 5	450	2

²⁰ Ongoing revenue expenditure is expected to support at least 1 employee throughout the appraisal period.

Net Direct Infrastructure Construction Employment

- 4.1.11 Net direct infrastructure employment supported by each intervention is calculated by applying the construction additionally factors noted above. The results are as shown in Table 4.6 below.

Table 4.6 Net Direct Infrastructure Construction Jobs

Net Direct Infrastructure Construction Jobs			
	West Dunbartonshire	City Region	Scotland
Option 1	-	-	-
Option 3	110	125	130
Option 4	255	295	310
Option 5	340	395	410

- 4.1.12 Intervention by way of Option 5, enables the support of up to 395 construction jobs in the City Region.

Total Infrastructure Construction GVA

- 4.1.13 GVA generated by the infrastructure construction employment is calculated by multiplying the net direct employment in Table 4.6 above, by the GVA per infrastructure construction worker in Table 4.7 below to give the total infrastructure construction GVA for each option shown in table 4.8 below.

Table 4.7 GVA per Infrastructure Construction Employee (2018)²¹

GVA per Infrastructure Construction Employee (2018)			
	West Dunbartonshire	City Region	Scotland
Infrastructure Construction (£)	82,050	73,788	74,924

- 4.1.14 The Gross Construction GVA from Infrastructure for each option is shown in Table 4.8.

Table 4.8 Gross Infrastructure Construction GVA (£m)

Gross Infrastructure Construction GVA (£m)			
	West Dunbartonshire	City Region	Scotland
Option 1	0.0	0.0	0.0
Option 3	9.0	9.4	9.9
Option 4	21.3	22.2	23.4
Option 5	28.3	29.5	31.1

- 4.1.15 Gross GVA is discounted at 3.5% over the 25-year analysis period to derive the net direct GVA generated by the supported infrastructure construction employment. The results are shown in Table 4.9.

²¹ Scottish Government Industry Tables.

Table 4.9 Net Direct Infrastructure Construction GVA (£m)

Net Direct Infrastructure Construction GVA (£m)			
	West Dunbartonshire	City Region	Scotland
Option 1	0.0	0.0	0.0
Option 3	8.3	8.6	9.1
Option 4	19.3	20.1	21.2
Option 5	25.7	26.7	28.2

- 4.1.16 It is anticipated that public sector intervention will stimulate up to £26.7m in net direct GVA for the City Region economy.

Development Construction

- 4.1.17 The infrastructure construction phase of the project can only deliver temporary outcomes. The lasting economic impacts from this project will stem from the development of mainly commercial/industrial sites enabled or accelerated by the project.
- 4.1.18 A schedule of plots facilitated by the project have been identified. A breakdown of the plots by anticipated use can be found in Table 4.10 below. This is presented as the Gross External Area (GEA) used to calculate development construction costs (private sector investment).
- 4.1.19 The GEA of each plot is multiplied by the average build cost for each use in West Dunbartonshire. This is derived from the Build Cost Information Service (BCIS), October 2018. Note that the plot sizes presented in Table 4.10 reflect the development of both the Exxon site and Carless as part of the counterfactual. The anticipated phasing of each plot development affected by each option can be found in Appendix H.

Table 4.10 Development Plots (GEA)

Development Plots (Area in m ²)					BCIS
	1	3	4	5	
Class 2 Financial and Professional Services	-	1,752	1,752	1,752	£2,496
Class 4 Business	-	3,930	3,930	3,930	£1,487
Class 5 General Industry	-	9,900	9,900	9,900	£707
Class 6 Distribution	60,400	60,400	82,800	85,400	£834
Class 9 Residential at Carless	10,400	10,400	10,400	10,400	£1,052
Total	70,800	86,382	108,782	111,382	

- 4.1.20 Note that the development levels anticipated under Options 4 and 5 are the same. However, in the absence of a comprehensive approach to platforming, private sector investment under Option 4 is expected to come at a lower rate as shown in Table 4.11 below.

Table 4.11 Total Private Sector Investment

Total Private Sector Investment (£m)		
	Discounted	Non -Discounted
Option 1	39.2	61.3
Option 3	48.2	78.5
Option 4	56.4	97.2
Option 5	66.4	99.4

- 4.1.21 The difference between Option 5 and the Counterfactual, Option 1 gives total private sector investment (non-discounted) of £38.1m.
- 4.1.22 The number of Gross Development Construction jobs shown in Table 4.12 is calculated by dividing the non-discounted private sector investment, by the average turnover per development construction employee (£153,013 from Table 4.3 above).

Table 4.12 Gross Development Construction Jobs

	Gross Jobs
Option 1	400
Option 3	515
Option 4	635
Option 5	650

- 4.1.23 Construction additionality factors are applied to the gross development construction employment to derive the net direct employment at each spatial area as shown in Table 4.13.

Table 4.13 Net Direct Construction Jobs

Net Direct Development Construction Jobs			
	West Dunbartonshire	City Region	Scotland
Option 1	305	355	365
Option 3	390	450	470
Option 4	480	560	580
Option 5	495	570	595

- 4.1.24 The subsequent investment enabled by the intervention is anticipated to support up to 570 net direct development construction jobs in the City Region.
- 4.1.25 The anticipated GVA generated by the net direct development construction jobs is presented in Table 4.14 below.

Table 4.14 Gross Development Construction GVA (£m)

Gross Development Construction GVA (£m)			
	West Dunbartonshire	City Region	Scotland
Option 1	17.7	24.3	25.8
Option 3	22.6	31.2	33.0
Option 4	28.0	38.6	40.9
Option 5	28.6	39.4	41.8

- 4.1.26 Gross GVA is discounted at 3.5% over the 25-year analysis period to derive the net direct GVA generated by the supported development construction employment as shown in Table 4.15 below.

Table 4.15 Net Direct Development Construction GVA (£m)

Net Direct Development Construction GVA (£m)			
	West Dunbartonshire	City Region	Scotland
Option 1	11.3	15.6	16.5
Option 3	13.9	19.1	20.3
Option 4	16.3	22.4	23.7
Option 5	19.1	26.3	27.9

- 4.1.27 It is anticipated that private sector investment following the full intervention will stimulate up to £26.3m in net direct GVA for the City Region economy.

Operational Impact Assessment

- 4.1.28 The long-term impact of each intervention is calculated from the operational aspects of each of the anticipated development plots.
- 4.1.29 To measure this impact, employment densities²² have been applied to enabled development floorspace to generate employment outputs.
- 4.1.30 Given the characteristics of the commercial plots, a coefficient has been applied to each use class for the conversion of plots from Gross External Area (GEA) to Net Internal Area (NIA)²³, details can be found in Appendix G. To accurately represent the gradual occupation of each site, an occupancy rate has been applied at 1-year lag to construction. A development timeline can be found in Appendix H.
- 4.1.31 A breakdown of the enabled development floorspace (NIA) can be found in Table 4.16 below along with the employment density assumptions for different uses. The gross operational jobs are then shown in Table 4.17 below.

²² Based on the HCA Employment Densities Guide: 3rd Edition, 2015.

²³ Based on the HCA Employment Densities Guide: 3rd Edition, 2015

Table 4.16 Development Plots (Net Internal Area)

Development Plots (NIA)					Employment Densities
	1	3	4	5	FTE/sqm
Class 2 Financial and Professional Services	-	1,415	1,415	1,415	15
Class 4 Business	-	3,173	3,173	3,173	12
Class 5 General Industry	-	8,465	8,465	8,465	50
Class 6 Distribution	51,642	51,642	70,794	73,017	77
Class 9 Residential at Carless	10,400	10,400	10,400	10,400	n/a
Total	62,042	75,095	94,247	96,470	

Table 4.17 Gross Operational Jobs

	Gross Jobs
Option 1	545
Option 3	1,000
Option 4	1,200
Option 5	1,245

4.1.32 Additionality factors are applied to the gross employment to reflect the leakage, displacement and industry multipliers used at each geography to calculate the net operational jobs shown in Table 4.18 below. These factors can be found in Appendix G. Note; the deadweight is Option 1, the Counterfactual.

Table 4.18 Net Direct Operational Jobs

Net Direct Operational Jobs			
	West Dunbartonshire	City Region	Scotland
Option 1	525	525	465
Option 3	895	905	805
Option 4	1,090	1,100	980
Option 5	1,130	1,140	1,015

4.1.33 Net direct operational employment is multiplied by the GVA per head factors found in Appendix G to derive the Gross Operational GVA shown in Table 4.19 below.

Table 4.19 Gross Operational GVA (£m)

Gross Operational GVA (£m)			
	West Dunbartonshire	City Region	Scotland
Option 1	348.2	307.0	322.1
Option 3	454.9	411.5	429.0
Option 4	492.7	446.8	465.6
Option 5	859.3	790.7	821.1

- 4.1.34 Gross GVA is discounted at 3.5% over the 25-year analysis period to derive the net direct GVA generated by the supported operational employment. The results are shown in Table 4.20.

Table 4.20 Net Direct Operational GVA (£m)

Net Direct Operational GVA (£m)			
	West Dunbartonshire	City Region	Scotland
Option 1	187.9	165.7	173.8
Option 3	237.3	214.0	223.2
Option 4	253.3	229.1	238.8
Option 5	474.2	436.9	453.6

- 4.1.35 It is anticipated that the operation of enabled development plots will generate up to £436.9m in net direct GVA for the City Region economy by 2044.

Total GVA Impact

- 4.1.36 Total (Gross and Net) GVA impact is calculated by adding the GVA derived from the infrastructure construction and the development construction, plus the operational GVA. The results are presented in Table 4.21 below.

Table 4.21 Total Gross Direct GVA (£m)

Total Gross Direct GVA			
	West Dunbartonshire	City Region	Scotland
Option 1	365.9	331.3	347.9
Option 3	486.5	452.1	471.9
Option 4	542.0	507.6	529.9
Option 5	916.2	859.6	894.0

- 4.1.37 The resulting total net direct discounted GVA is shown in Table 4.22 below.

Table 4.22 Total Net Direct Discounted GVA

Total Net Direct Discounted GVA			
	West Dunbartonshire	City Region	Scotland
Option 1	199.2	181.3	190.3
Option 3	259.5	241.7	252.6
Option 4	288.9	271.6	283.7
Option 5	519.0	489.9	509.7

- 4.1.38 Option 1, the counterfactual, is deducted from each option to determine the additional economic benefit stimulated by each intervention.²⁴

Table 4.23 Additional NPV GVA

Additional NPV GVA (£m)			
	West Dunbartonshire	City Region	Scotland
Option 3	60.3	60.4	62.3
Option 4	89.7	90.3	93.4
Option 5	319.8	308.6	319.4

- 4.1.39 It is anticipated that Option 5, full intervention, would stimulate up to **£308.6m in additional GVA for the City Region economy by 2044.**

4.2 Cost Benefit Analysis

- 4.2.1 The following section presents a cost benefit analysis of each option, determining each intervention's Value for Money (VfM). The first analysis shown in Table 4.24 below, cost per job, shows the net additional operational jobs²⁵ against each option cost.

Table 4.24 Cost Per Job (City Region)

Cost Per Job (City Region)			
	Cost (£m)	Additional Jobs	Cost Per Job (£)
Option 3	9.60	380	25,263
Option 4	22.30	575	38,783
Option 5	29.70	615	48,293

²⁴ Note, this effectively represents the deadweight.

²⁵ As per HCA guidance, construction jobs are not counted in this analysis due to their temporary and transient nature.

Value for Money – Benefit Cost Ratios

- 4.2.2 Value for money is determined by the Benefit Cost Ratio (BCR). Net additional GVA is divided by the cost of each intervention. A BCR of greater than one indicates good value for money e.g. a BCR of 2.0 means a £2 return in GVA for every £1 of money invested (Public or Public and Private). The results are provided in Table 4.25 below.

Table 4.25 Value for Money

City Region			
	Present Value Costs	Present Value GVA	BCR
Public Sector Only			
Option 1	-	181.3	-
		Present Value Net Additional GVA	
Option 3	9.6	60.4	6.3
Option 4	22.3	90.3	4.0
Option 5	29.7	308.6	10.4
Public and Private Sector			
Option 1	39.2	181.3	4.6
		Present Value Net Additional GVA	
Option 3	18.6	60.4	3.2
Option 4	39.5	90.3	2.3
Option 5	56.9	308.6	5.4

- 4.2.3 The results in Table 4.25 show that Option 5 is estimated to generate a Public Sector BCR of 10.4 and a Public and Private Sector BCR of 5.4, indicating a good return for the investment.
- 4.2.4 The results show that 5 is the preferred option.

Sensitivity Analysis

- 4.2.5 The preferred option has been subjected to a sensitivity analysis to test the robustness of the results against a rise in the cost of the project and unfavourable economic conditions, post intervention.
- 4.2.6 The first analysis, switching value, increases the cost of the project to a point that would generate a BCR of less than one, indicating poor value for money. The results are presented in Table 4.26 below.

Table 4.26 Switching Value Analysis

City Region			
	Present Value Costs	Present Value GVA	BCR
Public Sector Only			
Option 1	-	181.3	-
		Present Value Net Additional GVA	
Option 3	9.6	60.4	6.3
Option 4	22.3	90.3	4.0
Option 5	314.3	308.6	0.9
Public and Private Sector			
Option 1	39.2	181.3	4.6
		Present Value Net Additional GVA	
Option 3	18.6	60.4	3.2
Option 4	39.5	90.3	2.3
Option 5	380.7	308.6	0.8

- 4.2.7 The switching value analysis indicates that the cost of the preferred intervention would have to increase by 960% to derive a BCR of less than one. It should be noted that the preferred intervention at OBC stage includes Optimism Bias at the levels stated in the Financial Case, this will decrease as the project progresses.
- 4.2.8 Further sensitivity analysis presented in Table 4.27 below shows that the additional GVA would need to decrease by 90% to generate a BCR of less than 1.

Table 4.27 Sensitivity Testing

City Region			
	PV Costs	PV GVA	BCR
Public Sector Only			
Option 1	-	16.3	-
		PV Net Additional GVA	
Option 3	9.6	5.4	0.6
Option 4	22.3	8.1	0.4
Option 5	29.7	27.8	0.9
Public and Private Sector			
Option 1	39.2	16.3	0.4
		PV Net Additional GVA	
Option 3	18.6	5.4	0.3
Option 4	39.5	8.1	0.2
Option 5	56.9	27.8	0.5

4.3 Confirmation of the Preferred Option

- 4.3.1 The results presented above in Table 4.25 identified Option 5 as the preferred option. Following the sensitivity testing presented in Tables 4.26 and 4.27, the preferred option was confirmed as Option 5. A summary of all the results for Option 5 is presented in Table 4.28 below.

Table 4.28 Confirmation of the Preferred Option

Preferred Option Results – Option 5 Relative to Option 1						
	2019	2024	2029	2034	2039	2044
Cumulative discounted Public-Sector Investment (£m)	-	29.6	29.6	29.7	29.7	29.8
Infrastructure Construction						
Cumulative gross jobs	-	450	450	450	450	450
Cumulative net jobs	-	395	395	395	395	395
GVA (£m)	-	26.6	26.6	26.7	26.7	26.7
Development Construction						
Cumulative net direct private sector investment (£m) - Option 5	-	13.7	39.7	59.5	61.9	66.4
Cumulative net direct private sector investment (£m) - Option 1	-	5.4	19.9	33.2	35.3	39.2
Cumulative net additional private sector investment (£m)	-	8.30	19.80	26.30	26.60	27.20
Cumulative gross direct enabled jobs - Option 5	-	110	340	520	585	650
Cumulative gross direct enabled jobs - Option 1	-	40	170	285	345	400
Cumulative net additional gross enabled jobs	-	70	170	235	240	250
Cumulative net direct enabled jobs - Option 5	-	95	300	460	515	570

Preferred Option Results – Option 5 Relative to Option 1						
	2019	2024	2029	2034	2039	2044
Cumulative net direct enabled jobs - Option 1	-	35	150	255	305	355
Cumulative net additional net jobs	-	60	150	205	210	215
Cumulative net direct GVA (£m) - Option 5	-	5.4	15.8	22.0	24.6	26.3
Cumulative net direct GVA (£m) - Option 1	-	2.1	7.9	11.8	14.0	15.6
Cumulative net additional GVA (£m)	-	3.30	7.90	10.20	10.60	10.70
Development Operation						
Cumulative gross direct enabled jobs - Option 5	-	65	715	1,075	1,135	1,245
Cumulative gross direct enabled jobs - Option 1	-	55	165	400	445	545
Cumulative net additional gross enabled jobs	-	10	550	675	690	700
Cumulative net direct enabled jobs - Option 5	-	65	630	900	925	1,140
Cumulative net direct enabled jobs - Option 1	-	50	160	310	335	525
Cumulative net additional net jobs	-	15	470	590	590	615
Cumulative net direct GVA (£m) - Option 5	-	5.6	79.8	207.3	336.7	436.9
Cumulative net direct GVA (£m) - Option 1	-	4.5	24.9	67.3	119.7	165.7
Cumulative net additional GVA (£m)	-	1.1	54.9	140.0	217.0	271.2
Total net NPV GVA (£m) Option 5	-	37.6	122.2	256.0	388.0	489.9
Total net NPV GVA (£m) Option 1	-	6.6	32.8	79.1	133.7	181.3
Total net additional NPV GVA (£m)	-	31.0	89.4	176.9	254.3	308.6

4.4 Value for Money – Wider Impacts

- 4.4.1 Addressing market failure of the Exxon site will result in qualitative beneficial outcomes, which while not quantified, play an important role in capturing the full extent of the socio-economic impact of the options. Table 4.29 below summarises the anticipated qualitative benefits and the likely magnitude of scale under each option based on a RAG scoring system (i.e. red = no or minimal impact; amber = moderate impact; green = considerable impact).

Table 4.29 Qualitative Benefits

Qualitative Benefit	Description	Options
Land value uplift	Land value is expected to increase because of improved accessibility to the site. The waterfront area presently seen as neglected, stands to benefit most from environmental improvements carried out on the site. The improved road infrastructure is likely to have positive effects on the value of neighboring land.	Option 1
		Option 3
		Option 4
		Option 5
Improved connectivity	Development of new spine road to the south of the A82 will help to support traffic flows in the event of a closure along the section to the north of the Exxon site. This will have unquantified knock on benefits to businesses, residents and visitors using the route.	Option 1
		Option 3
		Option 4
		Option 5
Enhanced socio-economic mix (Distributional impacts)	Anticipated growth in employment opportunities through the development of the currently vacant/derelict site will help reduce unemployment across West Dunbartonshire and the wider City Region. Improved connectivity will promote access to employment opportunities. Development of new high quality modern facilities within the project area will help attract professional and other groups of workers who may otherwise have chosen to live elsewhere. Progress in doing so will be dependent on approach adopted by landowners and related planning policies.	Option 1
		Option 3
		Option 4
		Option 5
Enhanced quality of life	Improvements to the active travel routes through the site and delivery of green space in conjunction with the site is likely to result in an enhanced quality of life for both residents and future employees on the site.	Option 1
		Option 3
		Option 4
		Option 5

Value for Money - Transport Economic Efficiency (TEE) Impacts

- 4.4.2 As part of the OBC, it is important to demonstrate value for money for proposed investment in transport infrastructure. The project is a development project where the provision of suitable access arrangements is dependent on a wide range of physical constraints. The Concept Design work and the GRIP 2 Feasibility Studies and GRIP 3 Option Selection studies have ensured the optimum design solution. To date, TEE impacts have been summarised from examination of traffic modelling results alone.
- 4.4.3 In order to provide an appropriate level of information in the OBC, a summary of all assessments which led to the recommendations for the Concept Designs for each access has been provided below. A high level, qualitative discussion has been provided which documents key elements which should be considered within a TEE appraisal and illustrates where benefits and dis-benefits may be anticipated.

Transport Economic Efficiency (TEE)

- 4.4.4 Given the constraints on providing access to the development site, it is considered that a high level qualitative assessment of TEE impacts is sufficient for this stage. To date, consideration has been given to the potential impact of the Project on the following aspects:
- Journey Time Savings / Increases
 - Journey Time Reliability
 - Fuel / Tax
 - Farebox Revenue
 - Vehicle Operating Costs
 - Operating & Maintenance Costs
 - Grant & Subsidy Payments
 - Potential demand and usage.
- 4.4.5 The scope of these impacts is summarised below.

Journey Time Savings / Increases

- 4.4.6 The development of the site will result in additional traffic accessing the A82/A814 road network via junctions at the east and west ends of the site. The development of the junction arrangements has carefully considered the capacity at these junctions and the current Concept Design proposals have been developed based on providing at least no net detriment to traffic on the existing road network. Increased capacity and rationalised junctions are currently proposed. Transport Scotland has indicated its support for the junction and network improvements proposed.

Journey Time Reliability

- 4.4.7 The diversion route in the event of a closure of the A82 between the A82/A814 Dunglass Junction and the A82/A814 Dumbuck junction is via neighbouring adjacent local authorities and is some 29 miles or thereby. The provision of a convenient alternative route will eliminate the necessity for this diversionary route, secure journey time reliability for public transport and result in a commensurate reduction in associated costs and emissions.
- 4.4.8 The provision of an alternative route will significantly improve the “Blue Light” access to the Golden Jubilee and Queen Elizabeth hospitals as journey times to these facilities can be significantly increased if there are issues such as those noted above.

Fuel / Tax

- 4.4.9 At this stage, we do not anticipate the proposed intervention to encourage significant modal shift. As such, there will be no notable changes in fuel consumption from private vehicles and no associated loss of income to HM Treasury from tax on fuel sales.

Farebox Revenue

- 4.4.10 There are unlikely to be any significant changes to public transport provision because of the City Deal project itself. Impacts will therefore be negligible.

Vehicle Operating Costs

- 4.4.11 Changes in vehicle operating costs will be marginal because of the City Deal project although there may be impacts as a result of resulting development proposals.

Grant & Subsidy Payments

- 4.4.12 The project concerns construction of a new link road and does not include any ongoing grant or subsidy costs necessary to support public transport infrastructure. We have assumed that all capital expenditure will be provided by Glasgow City Region City Deal and West Dunbartonshire Council funding with no ongoing requirement for grant and subsidy payments.

Potential Demand and Usage

- 4.4.13 Although the site could physically accommodate greater levels of development, the Masterplanning of the site has restricted development to a quantum that will result in no more than 1000 peak hour trips to/from the development site. It is therefore expected that resulting development traffic flows can be accommodated on the road network with no net detriment.

5 Commercial Case

5.1 Introduction

- 5.1.1 This Chapter sets out the commercial case for delivery of the project. It documents the involvement of other parties and identifies the key challenges and risks.
- 5.1.2 No private sector funding is required to deliver the project.
- 5.1.3 Where the Council is required to acquire third party land, payment will be made from Council funds through direct transfer.

5.2 Delivery Specification

- 5.2.1 WDC is responsible for delivering the infrastructure detailed in the project description. The success of the project is dependent on the effective delivery of this infrastructure and the follow-on commercial elements (commercial and industrial buildings) that will subsequently drive the project benefits.
- 5.2.2 Close consultation and programme coordination with key public and private sector stakeholders will be carried out to ensure the project is delivered without conflict with other operations.
- 5.2.3 A Basis of Design document was developed for the project in November 2016. Its purpose is to define the Basis of Design for the Concept Design of the strategic infrastructure works required for the site and be the approved source of input data for the project team. It defines the criteria to be used for the design of each element of the works as follows:
 - roads;
 - bridges;
 - pedestrian and cyclist facilities;
 - flood mitigation;
 - surface water drainage;
 - environmental mitigation; and
 - utilities.
- 5.2.4 Key stakeholders with an interest in the infrastructure design, particularly Network Rail, Transport Scotland, Scottish Water and SEPA are being consulted in relation to their requirements. In the case of Network Rail this is related to the bridging of the railway line whilst Transport Scotland is concerned with the connections to the Trunk Road network. Scottish Water have interest in the site drainage and SEPA in the flood risk mitigation.
- 5.2.5 SEPA, SNH, RSPB and other stakeholders will continue to influence the development of the project and the environmental mitigation measures associated with the infrastructure.
- 5.2.6 Exxon's requirements related to the land transfer to WDC and remediation of the site are also material to the project's success.
- 5.2.7 Within the Council, the delivery specification is being determined in accordance with the requirements of the various departments involved in the project, including:
 - Roads / Infrastructure / Flood Risk
 - Planning
 - Environment
 - Land Ownership / Site Acquisition
 - Economic Impact
 - Legal

- Procurement

- 5.2.8 The Basis of Design and the wider output specification will continue to be developed with these partners as the proposals for delivery are developed in more detail following approval of this OBC.

Project Delivery - Direct Deliverables

- 5.2.9 The project will be delivered by West Dunbartonshire Council through its Capital Projects Team which will have overall project management responsibility for all elements of the project.
- 5.2.10 The infrastructure created or upgraded by the project will be adopted as public assets on completion, including the new spine road infrastructure with associated footways, cycleways, lighting, greenspace and plot access junctions and links to existing public roads infrastructure.
- 5.2.11 Construction of all project elements will be procured and managed by WDC. The works comprising this project will be separated into distinct works contracts, in recognition of the different specialisms and complexity requirements of each element.
- 5.2.12 It is anticipated that the works will be divided into several packages including those for roads, bridges, utilities, flood mitigation and drainage, greenspace and public realm.
- 5.2.13 The project is expected to be delivered in the period from 2021 to 2024 with plots available for development thereafter.

Project Delivery – Indirect Deliverables

- 5.2.14 The project will support the development of industrial and business land. City Deal Infrastructure Investment will enable the realisation of existing private sector development interest by addressing the market failure identified within Chapter 2 and will act as a catalyst for further private sector investment in commercial development. Furthermore, it is anticipated that the work will stimulate up to £38.1m in additional private sector development, creating up to 40,582sqm in new commercial floorspace.

5.3 Funding Options and Payment Arrangements

- 5.3.1 WDC's Treasury Management policies, practices and activities meet the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice and the Prudential Code for Capital Finance in Local Authorities. WDC's Treasury Management Strategy (TMS) is approved in line with this code.
- 5.3.2 This strategy incorporates an investment and borrowing strategy, including the option to use the Public Works Loan Board as a source of borrowing, and the setting of Prudential and Treasury Indicators over a ten-year period. In line with the requirements of the code, the Council produces a mid-year report in September/October which updates and revises the current year indicators if required. The Council's investment plans are managed within a sound financial environment.
- 5.3.3 The infrastructure is not dependent upon private sector funding sources for delivery as it is expected that the site can be brought to market using the funds provided through the Glasgow City Region City Deal including the identified contribution from the Council. Private sector investment will subsequently be expected to facilitate the development of the individual plots. This will be dependent upon market demand at the time of releasing the land. As set out in Chapter 2, it is anticipated that there will be a demand for additional developable land in West Dunbartonshire by the time the site is brought to market. Therefore, the private sector investment required to facilitate the build out of the site is expected to be forthcoming, however,

WDC will continue discussions with potential site developers and occupiers. Potential capital receipts from sale of plots have not been factored into the financing to date.

- 5.3.4 Partnership working, marketing and discussions with one or more large tenants which could help ‘anchor’ the development have taken place over the past couple of years, with a view to establishing investment in the site as soon as it is ready to be occupied.
- 5.3.5 Given the long timescales anticipated to realise the full build out of the site it is not expected to be a significant barrier to the successful development of the site if the private sector does not come forward immediately to develop the site.
- 5.3.6 The Council intends to make use of Prudential Borrowing to fund the initial investment in the project before City Deal grant funding is received and for the Council's overall share of the investment cost (14%).
- 5.3.7 Payments to external parties (i.e. contractors, etc.) will be made upon the satisfactory completion of tasks and upon the reaching of pre-agreed milestone points in the project. The exact payment points will be agreed between West Dunbartonshire Council and its appointed contractors in accordance with the terms and conditions agreed at appointment and the requirements of the Construction Act.

5.4 Procurement and Community Benefits Strategy

- 5.4.1 There is an over-arching Procurement Strategy jointly developed and agreed between West Dunbartonshire Council and the Glasgow City Region – City Deal local authorities. A five-year procurement plan has been developed reflecting the requirements of the Cabinet, Chief Executives Group, Lead Officers, and PMO.

Procurement Strategy

- 5.4.2 In addition to the over-arching programme procurement strategy, West Dunbartonshire Council has developed its own Sourcing Strategy for this project, consistent with the City Region Procurement Strategy. This has been prepared by the project team in conjunction with West Dunbartonshire Council's Corporate Procurement Unit (CPU).
- 5.4.3 The Sourcing Strategy addresses procurement of the core infrastructure requirements such as roads and bridges, utilities and flood mitigation as well as ancillary works and services. It sets out how the procurement strategy for the various contracts required to deliver this project is being devised, including proposed procurement method, contract objectives, contract strategy, procurement timeline, sustainability test and community benefits. It details the market analysis undertaken to date and proposed, the options under consideration and the proposed plan and methodology being considered through the next phase of project development. The Sourcing Strategy will be updated to reflect the outcomes of the next stage of project development which includes further market analysis and engagement.
- 5.4.4 A Lead Consultant contract was awarded in March 2015 and updated in October 2016. The latter was procured as a direct award via the South Lanarkshire Professional Services framework.
- 5.4.5 Other specialist contracts have been placed to support the development of this project. These are detailed in Section 2.1 of the Sourcing Strategy.
- 5.4.6 The Sourcing Strategy attached in Appendix I gives further detail of the planned procurement process for the Exxon site works. Currently the approach is envisaged as follows:
 - the best procurement route to the market for the main construction contract for the project will be identified and agreed within the contract strategy but will include as a minimum

consideration around Client design (utilising external specialist designers) and potentially a separate 'Construct Only' Works construction contract or contracts;

- the construction contract(s) are likely to be over the OJEU threshold in terms of the Public Contracts (Scotland) Regulations and will be required to be advertised in line with relevant rules and regulations.
- industry standard terms and conditions will be explored and agreed within the contract strategy, with suitable Client amendments to reflect appropriate risk positions,
- contracts will be evaluated based on the Most Economical Advantageous Tender;
- the award criteria are set out in the contract strategy;
- the minimum weighting attributed to community benefits and fair working practices will follow the City Region Procurement Strategy and the City Region Community Benefits Strategy; and
- the Project will be delivered and managed by West Dunbartonshire Council. A bespoke Contract Strategy will be developed for each bespoke contract element. All contract opportunities will be advertised via the Glasgow City Region City Deal Portal on the Public Contracts Scotland website.

Justification for the Proposed Approach

- 5.4.7 West Dunbartonshire Council has significant experience in major contract procurement and will utilise this knowledge and experience throughout this project. In view of this, it is considered that the Council is best placed to act as delivery agent for this project. In conjunction with the PM, the project will be procured by experienced WDC Officers:

WDC – Procurement - Jenna McCrum (Senior Procurement Officer)

Jenna has worked in the Central Procurement Unit (CPU) for over 8 years and is an experienced senior procurement officer who has been involved in delivering numerous high value, high risk construction based projects and is therefore ideally placed to deliver this project.

- 5.4.8 At this stage, it is the intention that the conditions of contract chosen are the NEC3 Engineering and Construction Contract, Option C (Target Contract with activity schedule). WDC has successfully used this and other options of the NEC suite in the past. These conditions offer a managed approach to the contract process and have allowed WDC to maintain control of both time and budget throughout the duration of the project.
- 5.4.9 Further information including details of the project elements and procurement appraisal process, including justification for the proposed approach, is set out in the Sourcing Strategy which will require completion of the contract strategy template contained at Appendix I.

Contracting Arrangements

- 5.4.10 Details of proposed contracting arrangements are set out in Section 3.7 of the Sourcing Strategy document.

Key Procurement Milestones and Delivery Dates

- 5.4.11 Key procurement milestones will be agreed as the project programme continues to evolve. Currently, construction works are programmed to begin in 2021. Procurement of the necessary support is therefore expected to commence in 2020.

5.4.12 Key procurement dates are as shown in Table 5.1 below.

Table 5.1 Procurement Milestones

Action	Programme Date
Completion of site remediation	Autumn 2021
Complete FBC and update commercial and financial cases	November 2020
Commencement of works	February 2021
Completion of infrastructure works	July 2024
Project Monitoring and Evaluation	December 2024 – March 2044

5.5 Commercial Risks

5.5.1 The following top 3 commercial risks have been identified and are described in further detail in the Risk Register in Appendix E:

- Regulatory approval for the overbridge or the underpass; provision of underpass design; and possessions for construction of the underpass are delayed by Network Rail (External) (PR3);
- Necessary statutory approvals for development cannot be gained or are delayed (Internal/External) (RL1); and
- Programme slippage incurs additional project costs (Internal) (F2).

5.5.2 The largest commercial risk to the project and the overarching risk to the project is the acquisition of the site by WDC. Discussions with Exxon have shown that there is a willingness to come to an appropriate deal and hand the site over to WDC in an appropriately remediated state.

6 Financial Case

6.1 Overall Project Approval

- 6.1.1 The project has an approval sum of £27.897m as ratified by Cabinet in August 2015. The current estimated project cost is £34.050m in 2021 reflecting increased construction cost estimates, increased projected levels of inflation and there is now an identified need to deliver development platforms as part of the project.
- 6.1.2 This total is inclusive of allowances for inflation, optimism bias and contingency which provide mitigation against programme risks.
- 6.1.3 Cost estimates have been updated during the preparation of this OBC. Preliminary cost estimates have been prepared for the construction works including consideration of external consultancy input, internal design and management input, enabling works and monitoring requirements. Initial land valuations have been undertaken.
- 6.1.4 Further design development and risk mitigation is intended to reduce optimism bias and confirm lower capital costs. Tender prices returned may exceed the pre-tender cost estimates, depending upon the availability and capacity of contractors to undertake the works. Each contract has financial risks which may impact upon the construction period and associated resource input requirements. The sourcing strategy sets out the process for managing these outcomes. If returned tender costs are higher than anticipated, then WDC would consider the possibility of retendering.
- 6.1.5 As tenders have not yet been invited and designs yet to be finalised together with associated construction phase risks, optimism bias has been retained within the project cost estimates at between 15% and 40% reflecting the different stages of design with different elements of the project.
- 6.1.6 The assumed project cost includes allowances for contingencies and construction cost inflation to 2021.

6.2 Project Funding

- 6.2.1 West Dunbartonshire Council secured committee approval for the Strategic Business Case on 24 June 2015 and this was subsequently approved by the City Region Cabinet on 18 August 2015. The Outline Business Case for the City Deal project was approved at Council on 22 February 2017 with a budget of £27.897m and the Council's 14% contribution commitment equating to £3.906m. This was subsequently approved by the City Region Cabinet on 11 April 2017.
- 6.2.2 This refreshed business case requesting City Deal funding of £34.050m and a 14% Council commitment of £4.767m is being presented to Council on 28 November 2018 and if approved to the Chief Executive Group of the Glasgow City Region for approval in December 2018.
- 6.2.3 The Council approved funding of £2.948m towards development of the Final Business Case estimated for the end of 2019.
- 6.2.4 Private sector contributions will take the form of developer contributions or land sales when the site is brought to market. No private sector investment is being levered just now to support the realisation of the site as an effective area of developable land.

6.3 Summary of Project Costs

- 6.3.1 The initial capital cost estimates for the project were established during negotiations to establish the Glasgow City Region City Deal in 2014. Since then, work has been completed to develop a Masterplan and an updated, extended, work programme. This greater understanding has enabled updated capital costs to be estimated, now at 2018 prices, for a construction year of 2021²⁶. These estimates are presented in Table 6.1 below.
- 6.3.2 The Council is committed to delivering the project within the available budget. This OBC presents a revised project budget of £34.050m (including Optimism Bias and Inflation at 2.5% per annum to 2021).

Table 6.1 Project Capital Costs

Item	Cost (£m 2018)	Optimism Bias (%)	Cost+ Optimism Bias (£m 2018)	Cost + Bias + Inflation (£m 2021)
Spine Road	4.113	15%	4.730	5.094
Dunglass Junction	1.081	15%	1.243	1.338
Dumbuck Junction	2.134	15%	2.454	2.643
Eastern Overbridge	1.670	40%	2.339	2.518
Western Underbridge	3.750	40%	5.250	5.654
NCN Route 7	0.044	15%	0.050	0.054
Flood Mitigation	6.613	20%	7.936	8.463
Site Drainage	2.255	15%	2.594	2.766
Public Realm Works	1.239	15%	1.424	1.519
Utilities Diversions	0.964	15%	1.109	1.183
3rd Party Land	0.300	15%	0.345	0.371
Professional Fees	1.398	0	1.398	1.506
Construction Preliminaries	0.874	0	0.874	0.941
Total	26.435		30.322	34.050

Notes: Cost inflation assumed at 2.5% per annum
Optimism Bias is consistent with the level of design detail available at this time

- 6.3.3 It is anticipated that the Council's share of the investment will be £4.767m in 2021 representing 14%, with the remainder being funded by grant from the UK and Scottish Governments. The Council has identified a provisional sum for undertaking Benefit and Monitoring Evaluation within the Professional Fees shown in Table 6.1 above.

²⁶ Inflation has been applied at 2.50%. Note, 2018 costs are used in the economic model.

6.3.4 A summary of the project finances is provided in Table 6.2.

Table 6.2 Project Finance Overview

Project Finance Overview		
	£m	Third Party incl in Approval
Section 1 - Overall Project Approval		
Approved Baseline Project Cost (Per City Deal Formal Approval)	27.897	0
Cabinet Virement Approvals	0	
Revised Approved Project Cost	27.897	0
Current Project Estimate including Development Platforms	34.050	0
Section 2 - Project Funding		
Council Funding	4.767	
Third Party Contributions (additional to section 1 above)	0	
Amount to be funded from City Deal Grant	29.283	
Total Funding	34.050	
Section 3 - Summary of Project Costs		
1.95km of new spine road with associated drainage and lighting infrastructure and 1.32km of upgraded existing public road	5.094	
A new junction on the A82 at Dumbuck with closure of the existing junction	2.643	
A remodelled junction on the A82 at Dunglass	1.338	
An enhanced routing of 475m of the National Cycle Network Route 7 in the vicinity of the site	0.054	
A new underpass of the Glasgow – Dumbarton Railway at the western access to the site, Network Rail Costs (no optimism bias), closure of existing underpass	5.654	
A remodelled railway overbridge at the eastern access to the site, Network Rail Costs (no optimism bias)	2.518	
Flood mitigation, drainage and creating development platforms	12.500	

Utilities, public realm, professional fees, planning fees, construction preliminaries, third part land costs	4.001	
Contingency	0.248	
Total	34.050	
Phasing of Project Expenditure		
Year		£m
1	2015/16	0.192
2	2016/17	0.310
3	2017/18	1.198
4	2018/19	1.000
5	2019/20	2.000
6	2020/21	8.000
7	2021/22	8.000
8	2022/23	8.941
9	2023/24	4.409
	Total	34.050
Project Expenditure on Non Council Assets		
		£m
Estimated Expenditure on Assets not Council Owned (third party land acquisition costs)		1.000
Section 4 - Ongoing Revenue Implications		
		£m
Full Year Revenue Implications		0.072
First Year Revenue implications		0.005
Revenue Funding Source	WDC General Fund budget	
Main Financial Dependencies		
<div><div></div><div>Capital Funding from the Glasgow City Region City Deal</div></div> <div><div></div><div>Achievement of milestones as defined by SG/UKG linked to funding of City Deal.</div></div>		

Main Financial Risks

- Slippage or delay in the programme incurring additional costs
- Insufficient funding due to complexity of site
- Insufficient availability of non-financial resources for project delivery
- Risk of milestones not being achieved e.g. GVA and therefore loss of grant funding.
- Risk that the project does not proceed as a City Deal project thereby any costs incurred fall fully on WDC.
- If after significant spend it becomes clear that the total cost is significantly underestimated and City Deal can't fund the addition, there is a risk to project completion with all or part of the cost falling to WDC with no deliverable site.

6.4 Expenditure on Assets Not Council Owned

- 6.4.1 The Council must acquire land from third parties and there may be associated costs.
- 6.4.2 The existing railway bridge at the eastern end of the site will remain in the Council's ownership and the Council will have full responsibility for its ongoing maintenance.
- 6.4.3 The proposed new underpass of the railway at the western end of the site will most likely transfer to the ownership of Network Rail but under a maintenance agreement with the Council. There will be expenditure required to enable both accesses to fulfil public accesses to the site.
- 6.4.4 Current Scottish Government guidance allows the Council to invest capital resources in assets that are not owned by the Council.

6.5 Ongoing Revenue Implications

- 6.5.1 The road infrastructure constructed as part of the project will be adopted by the appropriate roads authority, either Transport Scotland or West Dunbartonshire Council, as part of the public road network.
- 6.5.2 The site spine road and associated new sections of the carriageway will become part of the local road network. There will consequently be an ongoing requirement for their maintenance, the costs of which will be met as part of the local authority's continuous cycle of revenue expenditure.
- 6.5.3 The new junctions which will be formed on the A82 Trunk Road will become the maintenance responsibility of Transport Scotland as the roads authority for the strategic road network.
- 6.5.4 It is not expected that there will be a requirement for any maintenance work to be undertaken on the carriageway or footways until 12 months after construction although nominal costs for gritting have been included in the first year revenue costs in Table 6.2. The full year estimated revenue cost, approved in 2017, for the new and upgraded infrastructure is approximately £72,000 per annum and will be funded in perpetuity by the Council.
- 6.5.5 Assuming City Deal funds the 86% of the additional capital cost, the Council will be required to make a net investment of £4.767m in the project. Over a sixty year period it is estimated that this net investment will cost on average £0.248m per annum. Project spend will be incurred in

years 1 to 9 with grant funding being received over years 1 to 20 (with a funding holiday between years 6 and 8) resulting in a requirement to fund a cashflow borrowing requirement of £21.471m. It is anticipated that external borrowing will be used to finance this and it is estimated this will result in an additional average annual cost of £0.226m, commencing 2019/20 until 2034/35.

- 6.5.6 Should the City Deal not fund any of the 86% of the additional capital cost then the net investment is £9.970m. Over a sixty year period it is estimated that this net investment will cost on average £0.518m per annum. Assuming the same spend and grant profile as above the cashflow borrowing requirement would be £17.498m with an estimated additional average annual cost of £0.182m.

6.6 Main Financial Dependencies

- 6.6.1 The project is dependent upon the funding from the Glasgow City Region City Deal and from the Council.
- 6.6.2 Delivery of the project on budget will also be dependent on remediation works being completed by Exxon. Exxon is currently considering its approach to remediation of the areas of the site not previously remediated. All remediation will be undertaken at no cost to the Council. Heads of Terms agreed with Exxon include the principle that Exxon, their consultants and their contractors will provide Warranty to the Council in respect of the remediation works ensuring that the Council has no future liability.
- 6.6.3 Contingency sums of an appropriate level to the scale and complexity of the works will be calculated and applied for each contract to mitigate the risk of unforeseen on-site issues and delays due to, for example, inclement weather.
- 6.6.4 Application of appropriate optimism bias to the project costs has been applied within this Outline Business Case, until project tender prices and contingency sums have been confirmed.

6.7 Financial Risks

- 6.7.1 All the Financial Risks have been set out in detail in the Risk Register attached as Appendix E. The top 3 financial risk include:
- Programme slippage incurs additional costs (Internal) (F2)
 - Council Budget pressures impact upon resources available to progress project (Internal) (F7)
 - Commercial discussions do not result in a successful deal with Exxon (Internal) (F5)
- 6.7.2 Optimism bias is included in the current cost estimates, linked to the level of risk. Value engineering will continue through the design process to optimise the development and this will subsequently reduce the optimism bias.

7 Sustainability Case

7.1 Introduction

- 7.1.1 The sustainability case assesses the environmental viability of the project. It tests whether proposals are themselves sustainable and how they contribute to the wider sustainability agenda.
- 7.1.2 The sustainability case presented here uses material from the EIA Baseline which is complete and which will be used as the basis for the Environmental Statement which will accompany the future planning application for the project.
- 7.1.3 For avoidance of doubt, the proposals discussed here consider the development and use of the site post acquisition by the Council and once fully remediated by Exxon.

7.2 Environmental Risk Management

- 7.2.1 All Environmental Risks have been set out in detail in the Risk Register attached as Appendix E.
- 7.2.2 As the project develops, it is the Council's intention that an Environmental Management Plan (EMP) will be prepared. The EMP is likely to include the following information/mitigation measures:
- A broad plan of the phasing of the works on the site;
 - Baseline levels for noise, vibration and dust, and details of any monitoring protocols that may be necessary during construction works;
 - Any requirements for monitoring and record keeping;
 - Contact details during normal working hours and emergency details outside working hours;
 - The mechanism for the public to register complaints and the procedures for responding to complaints;
 - Details of construction operations highlighting any operations likely to result in disturbance and/or working hours outside the core working period, with an indication of the expected duration of key phases and dates;
 - The details of proposed routes for heavy goods vehicles travelling to and from the site;
 - Details of all works involving interference with a public road, including temporary carriageway/footpath closures, realignment and diversions;
 - Site measures/practices to address potential residential amenity issues; and
 - Mitigation measures to prevent the pollution of watercourses from surface water run-off.

7.3 Resilience

- 7.3.1 Measures to ensure the ongoing resilience of the site to climate change and other environmental impacts are being built into the development proposals. Flood prevention measures, a sustainable urban drainage strategy, environmental mitigation and green network proposals are

a fundamental component of the strategy for the site. These have been developed to accompany the future planning application for the site.

7.4 Greener Placemaking

- 7.4.1 The project will bring 19.10 hectares of brownfield, previously contaminated, land back into effective commercial use in the central and eastern areas of the site. Significant areas of enhanced greenspace and new, previously unattainable, public access for recreation will result from the proposals as indicated in the Masterplan. Full details of the access and green network enhancements will accompany the future planning application.

7.5 Active and Lower Carbon Travel

- 7.5.1 Measures to encourage the use of active and lower carbon transport modes will be built into the development planning process starting with the high-level proposals in the Masterplan and becoming increasingly detailed as land-use proposals for the site become formalised. Measures to encourage sustainable travel will be incorporated into the Transport Assessment.
- 7.5.2 Through enhanced greenspace on site and provision of new public access to areas which have never been publicly accessible, significant improvements to walking and cycling opportunities should result from the proposals.
- 7.5.3 The measures to facilitate sustainable travel will be defined as proposals for the site become clearer but are likely to include such things such as support for new or amended bus routes that serve the site, provision of cycle routes, cycle parking, car share schemes, pool cars, parking permits, interest free loans for season tickets or bicycle purchases as well as the provision of shower and changing facilities on site.

7.6 Biodiversity

- 7.6.1 The site is adjoined by the Inner Clyde SSSI, SPA and Ramsar sites. The site is located within the 300m buffer around the Special Protection Area.
- 7.6.2 A Phase 1 Habitat Survey and Preliminary Ecological Appraisal Report were prepared in July 2016. Detailed discussions with SNH, RSPB and the Council subsequently defined a comprehensive programme of baseline surveys to inform the environmental assessment and future Environmental Management Plan.
- 7.6.3 The Habitats Regulations Appraisal Record (HRAR) prepared by the Council as part of the 2014 LDP development process stated:
- *“Development of the site is likely to cause disturbance – both visual and acoustic – to redshank. This would apply to both the construction and operational phases of development”.*
 - Pollution is also considered to be an issue. It could have *“a direct impact upon the redshank through ingestion or fouling or, more likely, an indirect impact by modifying the habitat – either temporarily or permanently – including intertidal sediment quality”.*
 - Furthermore, *“it is highly likely that a study of redshank behaviour at this location over at least one overwintering season will be required”* to assess potential disturbance from both construction and operation of new development.
- 7.6.4 The HRAR notes in relation to the Bowling site that an Appropriate Assessment carried out at the beginning of 2012, determined that *“with appropriate avoidance and mitigation, remediation works to decontaminate part of the site (known as Eastfield) would not adversely affect the integrity of the Inner Clyde”.*

A range of mitigation measures were imposed as conditions on the planning permission including:

- *“the requirement that, from September to April inclusive, plant and machinery should not give rise to greater cumulative noise than the level calculated within the Appropriate Assessment Statement;*
- *works to reinforce the Clyde riverbank to be undertaken outwith September to April inclusive;*
- *the erection of visual screens along the seaward edge of the site and around the head of the Dunglass Basin;*
- *the retention, undamaged, of trees and gorse identified on the site;*
- *restrictions on the use of haulage vehicles and large/heavy plant on certain parts of the site from September to April inclusive;*
- *the implementation of pollution control in accordance with SEPA’s guidelines.”*

7.6.5 The HRAR further states that these mitigation measures are likely to be required in future development of the site. In addition, *“a permanent buffer between development and the western edge of the site where the intertidal habitat is more extensive is considered necessary”*.

7.6.6 As the current project moves forward, it is intended that a full account be taken of these issues and the ongoing survey programme to inform the environmental management plan for the project.

7.7 Economic

7.7.1 The Economic Case presented in Chapter 4, and the cost-benefit analysis, considers the long-term additional returns to the economy (net additional GVA) that will be generated from project, set against the total public-sector capital and revenue costs that will be incurred. This confirms that the intervention delivers a positive economic outcome, with benefits exceeding the costs.

7.8 Financial

7.8.1 The Financial Case presented in Chapter 6 sets out the funding required to deliver the infrastructure and ensure its maintenance going forward. WDC has considered alternative financial options but have shown that City Deal funding is the preferred and most efficient route.

7.9 Monitoring and Evaluation

7.9.1 The sustainability and environmental impacts of the project will be monitored as part of a wider programme of monitoring and evaluation described further in Chapter 8.

7.9.2 Environmental monitoring and evaluation of the project will be carried out in accordance with the approved methods, time periods, frequencies and threshold numbers to be defined in the future Environmental Management Plan.

7.10 Smart City Systems

7.10.1 Urban analytics and smart technologies could be used to enhance this project. Smart systems which could be incorporated into this development are:

- Intelligent transport systems (i.e. real-time public transport information, smart ticketing systems, park-and-ride facilities, real-time traffic information); and
- Smart energy networks (i.e. electric charging points).

7.10.2 These will be fully reviewed and developed as part of the Full Business Case.

8 Management Case

8.1 Project Roles

Management Procedures

- 8.1.1 The Assurance Framework sets out a standardised governance structure for the delivery of City Deal schemes. West Dunbartonshire Council has established internal governance arrangements for the management of its City Deal project.
- 8.1.2 A dedicated WDC City Deal Project Board (Table 8.1) has been established, with the authority to agree the Business Case prior to submission to the Council for approval prior to submission to the City Deal Programme Management Office. The Board has otherwise no decision-making powers but provides a mechanism for regular progress updates and dialogue on all infrastructure, employability and business and innovation strands of the City Deal programme between responsible officers and Elected Members. The City Deal Project Board reports to Council on a regular basis.
- 8.1.3 The Project Board meets monthly or they may convene as required to review progress and address problems. It discusses strategic issues relative to WDC's City Deal project, key matters arising across the City Deal programme and emerging from the Programme Management Office and City Deal Support Groups. It also monitors the City Deal Programme Risk Register.
- 8.1.4 The project delivery team has been selected to ensure that it has all the necessary skills and expertise required to deliver the project. In addition, the support of specialist development and infrastructure consultants Peter Brett Associates LLP (PBA) has been procured to help facilitate the successful and timely delivery of the project.

Project Responsibility

- 8.1.5 The Capital Investment Programme, managed by Craig Jardine, will co-ordinate the delivery of the project.
- 8.1.6 The key project roles have been allocated as follows:
- **Project Sponsor: Richard Cairns (West Dunbartonshire Council)**
 - **Senior Responsible Officer: Jim McAloon (West Dunbartonshire Council)**
 - **Project Manager: Victor Francisco-Suarez (West Dunbartonshire Council)**
- 8.1.7 The experience of the team is outlined as follows.

Richard Cairns, Project Sponsor

Richard has over 30 years' experience in the field of economic development, and has worked in both the public and private sectors in Scotland, across the UK and EU, and in Australia. He is currently the Strategic Director of Regeneration, Environment & Growth at West Dunbartonshire Council. He is responsible for over 1,600 staff and a budget of c £90m with responsibility for: Housing, Economic Development & Regeneration, Business Support, Roads, Transport, Waste Services and Greenspace. Regeneration, Environment & Growth teams within the Council are a major provider of front line services in West Dunbartonshire and comprises of a range of services that have a daily impact on the lives of every resident within the West Dunbartonshire area. He is leading on the £200m regeneration of Queen's Quay in Clydebank, the £28m City Deal project to regenerate the Exxon site at Bowling, the £19m development of the Council's new accommodation, and on its programme of investment in modern schools.

Jim McAloon, Senior Responsible Officer

Jim has overseen the successful delivery of the School Estates programme opening 2 new Secondary School, 2 Primary Schools and 1 ASN Secondary School in the last 5 years totalling £80m;

Jim is the Responsible Officer for the Council's investment of £15.62m in the Development of Queens Quay Clydebank which will create over 1000 homes, an 80 place Care Home, a Health Centre and Commercial and Retail opportunities over the next 5-10 years.

Jim is also the Responsible Officer for the delivery of a £15m District Heating System at Queens Quay. Using water-sourced heat pumps, this Network will be the biggest of its type in Scotland and will be operational in September 2019. He is also responsible as Lead officer for the Glasgow City Region City deal and project delivery at the Council city deal project at Exxon site, valued at £28m.

Victor Francisco-Suarez, Project Manager

Victor is responsible for delivery and project management of the multi-disciplinary major education portfolio of projects (Bellsmyre PS, Balloch Campus, OLSP Secondary School and Kilpatrick ASN) and other key capital regeneration projects (Exxon City Deal and District Heating Network at Queens Quay) with an overall value of £103m, from business case stages through to construction and commissioning.

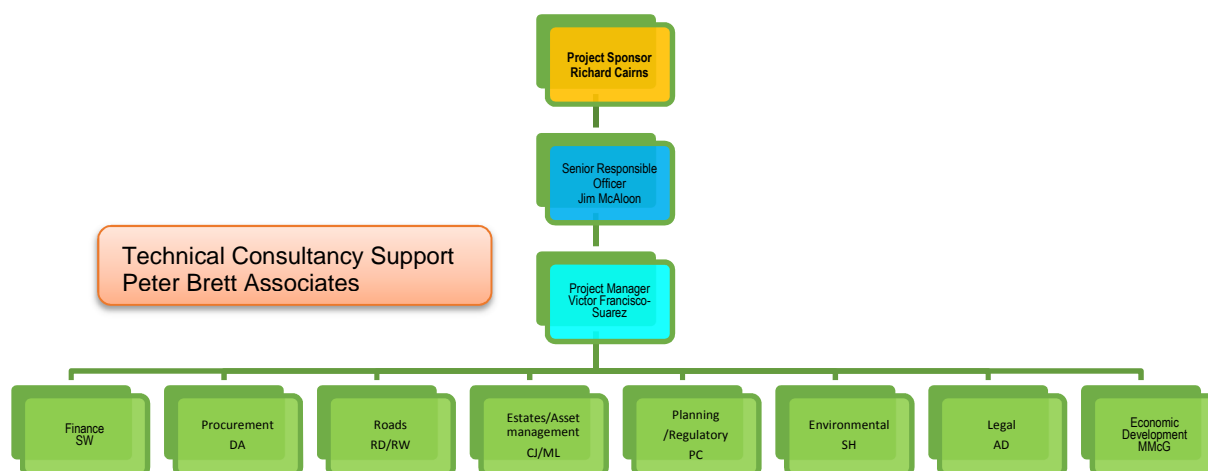
Prior to joining WDC in 2015 Victor was responsible for delivery and project management of multi-disciplinary major railway projects (Borders Railway, Cambridge Science Park Station Interchange, Chesterton Freight Relocation) from concept through to construction with an overall value of circa £300m.

- 8.1.8 The wider project team which they will oversee is outlined below.

8.2 Project Governance Structure

- 8.2.1 The project governance structure within the Council is shown in Figure 8.1. This highlights clear lines of responsibility and accountability for delivery of the various elements of the project.

Figure 8.1 Project Governance Structure



- 8.2.2 The Project Sponsor leads the Project Board and has overall authority for those matters delegated to officers to progress, with project monitoring and evaluation sitting with the PM.
- 8.2.3 For those matters not expressly delegated to officers, the Council and its committees provide guidance and oversight. Reports on progress on the City Deal overall, including the Exxon Site project, are heard by the Council. As matters progress, service committees, statutory committees (principally Planning Committee), Tendering Committee and the Audit and Performance Review Committee are likely to have increasing input into the guidance and oversight of the project.
- 8.2.4 The membership of the Project Board is as shown in Table 8.1.

Table 8.1 WDC Project Board

Board Member	Department	Project Role
Richard Cairns	Infrastructure and Regeneration	Project Sponsor
Jim McAloon	Regeneration Strategic Lead	Senior Responsible Officer
David Aitken	Procurement	Procurement Manager
Michelle Lynn	Asset Management	Assets Coordinator
Alan Douglas	Legal	Legal Manager
Sarah Hamill	Regulatory Services	Environmental Health
Michael McGuinness	Economic Development	Economic Development Manager
Stephen West	Transformation and Public Service Reform - Finance	Strategic Lead - Resources
Victor Francisco Suarez	Capital Investment Team	Project Manager
Raymond Walsh	Roads and Transportation	Roads and Transportation Manager
Craig Jardine	Capital Investment Team	Programme Manager
Pamela Clifford	Planning	Planning Manager
Avril Coutts	Infrastructure and Regeneration	Leadership Support Officer

- 8.2.5 In addition, Dougie McDonald, Project Lead and Director at Peter Brett Associates LLP (PBA) attends the Project Board by invitation. PBA was appointed following a competitive tendering process and they are directly managed by the Council's Project Manager. PBA's work is overseen by the Project Board. PBA provide a weekly progress report which is reviewed by the Project Manager and the Board. Instructions are agreed and issued to PBA by the Project Manager.

8.3 Risk Management

- 8.3.1 All risks that could affect the successful implementation of the project have been identified and are set out in detail in the Risk Register attached as Appendix E. This includes details of risk owners and mitigation measures.

Risk Management Procedure

- 8.3.2 The Council has adopted a City Deal Programme Risk Management Strategy which mirrors the wider City Deal Risk Management Strategy and complements the broad principles of WDC's Corporate Risk Management Strategy. The Council will adhere to the 'Escalating and Reporting Structure' as detailed in the Assurance Framework Part 3, Section 5.5. Roles and Responsibilities in relation to risk are outlined in the City Deal Risk Management Strategy. The project will be managed in a comprehensive manner consistent with the City Deal risk management requirements whilst also following internal risk management principles and procedures.
- 8.3.3 The West Dunbartonshire City Deal project risk register is not viewed in isolation, but is proactively managed and overseen by the Project Board where it is reviewed regularly.

Scored Assessment, Risk Likelihood, Probability and Mitigating Actions

- 8.3.4 The detailed project Risk Register has been developed to identify project risks which are scored on initial and residual risk probability and impact. Key controls and procedures, mitigating actions, the lead responsibility and the timescale for regular review for each identified risk have also been identified. Risk analysis, identification and estimation for the project have been undertaken in accordance with the methodology outlined within the City Deal Risk Management Strategy. Risk estimation has been calculated by assigning values to the probability and impact of a risk against the set guidance criteria provided. The top five risks for the project have also been identified.
- 8.3.5 Existing, escalating or new risks are recorded and monitored by the Project Board. A working issues log has been established for the project which is reviewed and updated regularly by the project manager. Monthly updates on project risks and issues are provided to the Programme Management Office through project status and issues log reporting.

Roles and Responsibilities

- 8.3.6 The project manager has overall responsibility for managing project risk, including keeping the project risk register and issues log up to date, regular reporting to the Project Board and to the Programme Management Office. The project manager will work closely with contract administrators during contract implementation periods to ensure that all risks and issues are identified, recorded and monitored; to identify and implement mitigation actions and to identify and record any programme and/or financial implications resulting from Early Warnings and Compensation Events.
- 8.3.7 If further management attention is required, reporting is undertaken to the relevant management team who are responsible for ensuring that appropriate action is taken on a timely basis by the appropriate responsible officers.
- 8.3.8 The Council's Corporate Management Team (CMT) has overall responsibility for risk management and for developing a comprehensive corporate risk management strategy.

8.4 Other Legal Matters for Consideration

State Aid

- 8.4.1 There are no issues anticipated in relation to state aid legislation.
- 8.4.2 The Council has assessed the State Aid risk of the Council receiving funding from the City Deal for the development of roads and other infrastructure to support delivery of the project. There are four key tests which need to be considered to establish whether a project contains State Aid. State Aid exists if all the following four criteria apply to the proposed funding:
- It is granted by the state or through state resources;
 - It favours certain undertakings or the production of certain goods;
 - It distorts or threatens to distort competition; and
 - It has the potential to affect trade within the EU.
- 8.4.3 The project will deliver the construction of new accesses, a new spine road and supporting infrastructure improving accessibility to the core and strategic road network and providing a direct link to the site. It will also open up land which is currently held privately, to the public.

- 8.4.4 The project is considered to have limited risk given that the spine road will be open to all and free of charge and when built will not favour any particular non-Council proprietor over any other party. The Council has confirmed that any third-party land required for the project will be acquired at market value. On this basis, the funding of the project is unlikely to be regarded as “selective” (i.e. it does not favour only certain undertakings) and on that basis, would not fall within the State Aid rules. There is sufficient evidence held by the Council that the roads and infrastructure will provide a wider benefit to the public at large in terms of providing a connection between publicly accessible areas and the Clyde Waterfront and enhanced green networks.
- 8.4.5 The project is therefore strategic enabling infrastructure which unlocks development and does not benefit a single developer or landowner.

Competition

- 8.4.6 There are no issues anticipated in relation to competition.

Land Ownership and Compulsory Purchase Orders

- 8.4.7 It has been identified that some parcels of land that will be required to provide access to the site are in the ownership of third parties. From representations received during consultation to date, it is understood that some of the potentially required land may not be able to be acquired voluntarily.
- 8.4.8 As such, it has been identified that there may be a requirement to apply Compulsory Purchase Order powers to acquire the necessary land to facilitate access to the development. The exact extent and requirement to apply these powers will not be known until the land-use and access proposals have been developed in more detail and the land ownership has been determined.
- 8.4.9 Should it be necessary to secure the land required to construct the accesses and link road from parties unwilling to sell, the Council is confident that it possesses sufficient powers and justification for their use and appropriate authority would be sought to promote a Compulsory Purchase Order pursuant to the Council’s powers under the Roads (Scotland) Act 1984.
- 8.4.10 Initial contact with possibly affected land owners commenced in November 2016 and is continuing as the extent of required land is confirmed, to try to secure voluntary transfer.

Third Party Arrangements

- 8.4.11 A Basic Asset Protection Agreement (BAPA) has been signed by the Council with Network Rail to cover the project’s design phase. This will be updated to cover the construction period and will be confirmed in the Full Business Case. No other service agreements are anticipated.

Legal Challenge

- 8.4.12 No legal challenge to the project is anticipated.

Local Authority Powers

- 8.4.13 West Dunbartonshire Council possesses all the necessary powers to deliver this project. In some instances, the cooperation of other agencies will be required to apply their powers in the delivery of the project. This is most likely to be the case for the construction of the railway underpass where Network Rail’s authority will be required and the formation of the new A82 junctions where Transport Scotland’s authority will be required.
- 8.4.14 The Council will use its powers, including under the Local Government (Scotland) Act 1973 or the Roads (Scotland) Act 1984, as appropriate to deliver the project.

Planning Permission

- 8.4.15 There are no legal obstacles to the development of the site anticipated because of planning policy. The site is defined as a Specialised Economic Development location in the adopted Local Plan and allocated for industrial/business opportunities in the proposed Local Development Plan (LDP). An application for Planning Permission in Principle will be submitted in 2019.

Equality Impacts

- 8.4.16 An Equality Impact Assessment has been undertaken by the Council and is presented in Appendix J.

Environmental Impacts

- 8.4.17 The environmental impacts of the project are being assessed as part of the project development and planning processes. The Council will observe all obligations under relevant environmental legislation and all appropriate measures including the requisite legal agreements, licenses and mitigation plans will be undertaken to ensure compliance with all relevant environmental legislation and planning requirements.

Transport Impacts

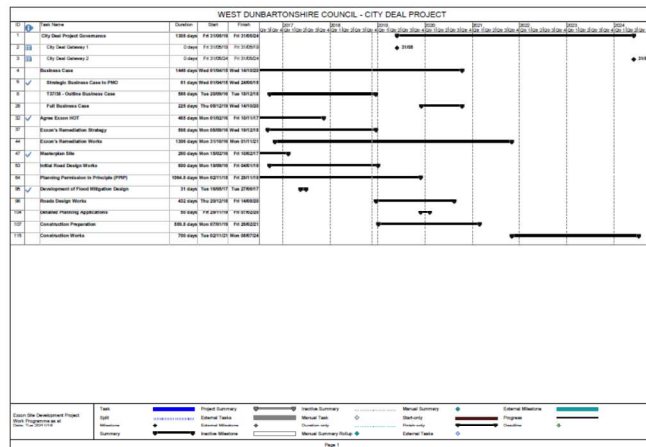
- 8.4.18 As the site is a new land-use development, its transport impacts and access requirements have been, and will continue to be, assessed and appraised as any other development would be in accordance with Transport Scotland's Transport Assessment Guidance.
- 8.4.19 The individual transport and access requirements of each development within the site itself will be assessed and proposals put forward to ensure appropriate sustainable access through the Transport Assessment process.

8.5 Project Schedule

- 8.5.1 The current project Work Programme is shown in Figure 8.2 below.
- 8.5.2 Once land acquisition and remediation timescales are confirmed with Exxon, a full project delivery plan will be prepared and submitted with the Full Business Case.

Outline Business Case for Exxon Site Development Project West Dunbartonshire Council – Glasgow City Region City Deal

Figure 8.2 Project Work Programme



- 8.5.3 The programme will continue to evolve during the project. A key aspect of programme development will relate to phasing of works. It is anticipated that phased development of the site from east to west is feasible. Current key milestones are presented in Table 5.1 above.

8.6 Project Monitoring and Evaluation

- 8.6.1 West Dunbartonshire Council is fully aware of the need to demonstrate Best Value and progress towards economic impacts to adhere to the City Deal Assurance Framework. The Council has developed a City Deal monitoring and evaluation framework to ensure compliance with PMO requirements for performance management and has made allowance for its cost within the project budget. Monthly progress reporting on project development and delivery is provided to the Programme Management Office via project status reports and MA programme reports. Benefit realisation updates will also be provided on a quarterly basis to adhere with the requirements of City Deal, using the methodology set out in the Benefit Tracking Template provided within the Assurance Framework.
- 8.6.2 A project monitoring and evaluation strategy has been developed, with the objectives and expected benefits to be tracked through a Benefits Realisation Plan. WDC will monitor the project through its internal management and governance processes and will deliver an interim and final evaluation report of the project following construction completion in and line with the Gateway Review processes/dates in the years 2019, 2024 and 2029.
- 8.6.3 In line with the tracking of benefits, scheme monitoring, and evaluation will be undertaken in line with the PMO's Benefits Realisation Strategy. This entails that once the FBC has been approved by Cabinet, WDC will agree the Benefits Realisation Plan with the PMO based on the project outputs reported in this FBC. The Council will be responsible for providing the PMO with project output data as will be agreed in the project benefits realisation plan. The collation of project outputs will be carried out by the PMO. WDC will commence monitoring of project outputs during the design and construction of the project, including monitoring of both contractual and voluntary community benefits. The PMO will work closely with the Commission and National Panel to ensure that the project output data collected is compatible with the requirements of programme wide economic evaluation.

Strategic Assessment Framework (SAF)

- 8.6.4 At Glasgow City Region City Deal level, an assessment is required of the cumulative land-use and transport impacts of the Programme of Infrastructure projects. This will be undertaken using a Strategic Assessment Framework (SAF) managed by the PMO and operating with several themes. The Council is committed to supporting this process and providing timely inputs.

Progress Reporting

- 8.6.5 In accordance with the Glasgow City Region City Deal requirements the Council will submit 4-weekly project reports to the PMO by email including a Project Status Report and Project Plan.
- 8.6.6 In addition, quarterly project reports will be submitted to the PMO by the Council. This will include a Benefits Realisation Report, Project Risk Register, Project Issues Register and Inter-Dependency Register.
- 8.6.7 Each benefit outlined in Appendix F will be monitored on a bi-monthly basis using the methodology set out in its Benefit Tracking Template which will emerge as the Business Case is developed. The Council will be developing a suite of internal KPIs as part of its Project Controls with an early warning system for escalation.
- 8.6.8 The Council also undertakes to share best practice with other authorities and maintain a Lessons Learned Log during the project lifecycle to ensure that the experience from this project

can be applied to future projects. In accordance with the requirements of the PMO the Log will include:

- aspects of the project and processes which went well;
- aspects and processes which could have been improved;
- details of abnormal or unexpected events or issues; and
- recommendations on how similar projects could be improved in future.

8.6.9 Furthermore, the Council commits to preparing a Lessons Learned Report at the end of the project or at the conclusion of a major phase of the project. This will cover the following areas:

- management and quality processes;
- a description of abnormal events causing deviations from plans;
- assessment of technical methods and tools used;
- recommendations for future enhancement or modification of project management method;
- useful measurements on how much effort was required to create the various projects; and
- notes on effective and ineffective quality reviews and other tests.

8.6.10 At a project specific level, monitoring will take place of the environmental impacts of the project to determine the extent to which the sensitive environmental receptors in and around the site are impacted by the development. The methodology for undertaking this will be developed drawing upon the advice of technical experts in this field as the project progresses through detailed design.

8.6.11 Similarly, the economic impacts of the project will be measured to determine the extent to which the forecasted targets are being delivered. This will form part of the benefit monitoring described previously and will apply best practice techniques in forecasting economic impacts to ensure an accurate representation of the project performance is calculated.

Community Benefits

8.6.12 The scale of work involved in developing the site will generate a range of opportunities for training, work experience, apprenticeship and full time work opportunities as well as potential for progression between them. Clarity at an early stage and consideration of recruitment mechanisms to engage the long-term or young unemployed to take up the opportunities will be critical in attracting recruits to the project. Offering clear guidance to contractors as to what their contract bid may contain, as well as any support they may expect in delivery e.g. co-ordination of recruitment under the community benefit programme, pre-employability programmes ahead of site work to meet contract schedules, etc. will be provided. This will encourage delivery to targets set in the Benefits Realisation Plan and, in showing that the practical concerns of contractors have been considered in advance, encourage high quality contractors to the opportunity.

8.6.13 A City Deal Community Benefits Strategy has been approved by the Glasgow City Region Cabinet and all West Dunbartonshire Council City Deal procurement processes will comply with this and seek to maximise community benefits. Monitoring of community benefit outcomes will

be undertaken as part of specific contract management processes and reported to the PMO as part of the contract reporting obligations.

- 8.6.14 Community benefits can include a wide range of social, environmental and economic initiatives which are secured as part of a public-sector procurement exercise. Often the most tangible benefits are those secured through targeted employment and support for small and medium enterprises.
- 8.6.15 Section 3.6 of the Sourcing Strategy document outlines the types of community benefit that can be achieved because of the bespoke procurement processes and examples of areas which will form the basis of the Community Benefit quality assessment question of the bespoke tender assessments.
- 8.6.16 Community Benefit outcomes for the project will be linked to West Dunbartonshire Council's strategic objectives and include:
- Improving economic growth and employability;
 - Improving environmentally sustainable infrastructure.
- 8.6.17 The Glasgow City Region Strategy and Council policies have been used, proportionately, to target community benefits in the procurement of external supporting resources.
- 8.6.18 All relevant Consultant appointments include contractual obligations to provide relevant community benefits. The community benefits already committed under the contracts already procured have been reported to the PMO and attributable to this project include the work placements, school visits, SME and 3rd Sector mentoring, careers events and structured training.

8.6.19 Table 8.2 below sets out the anticipated minimum community benefits from delivery of the project.

Table 8.2 Anticipated Minimum Community Benefits

Community Benefit	Number
New Entrant – no relevant experience (TRE02)	2
New Entrant – Graduate (TRE03)	2
New Entrant – Apprenticeship (TRE04)	1
Completed Apprenticeship (TRE05)	1
Work Experience Placement (16+ Years of Age) (TST01)	3
Work Experience Placement (14 - 16 years of age) (TST02)	2
School Mentoring or Enterprise Programme (TST06)	4
S/NVQ (or equivalent) for Graduates (VTQ03)	1
Vocational Certification (VTQ05)	1
Supply chain briefing with SMEs including Micro-Businesses (SCD01)	2
Business Mentoring for an SME (SCD02)	1

8.7 Use of Specialist Advisors

8.7.1 A Lead Consultant contract was awarded in March 2015 and updated in October 2016.

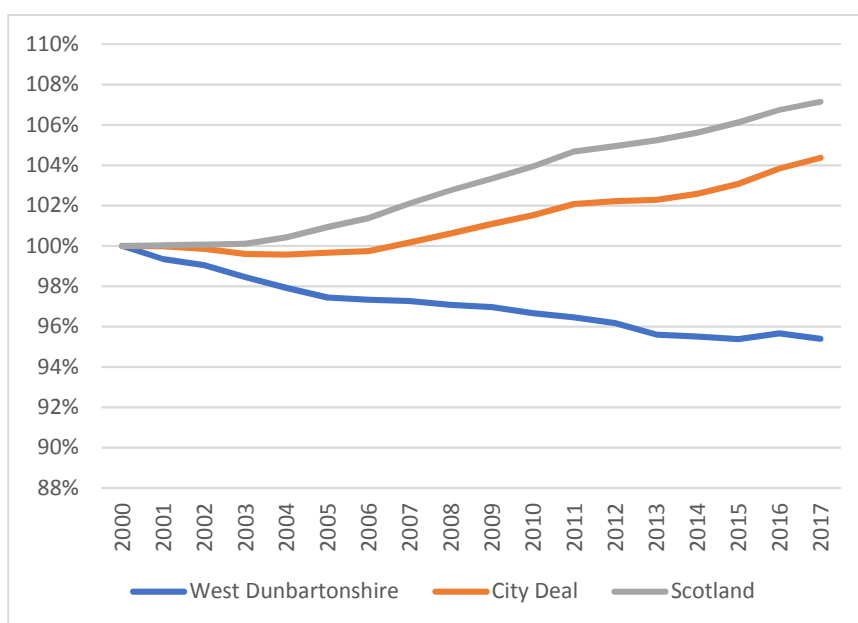
8.7.2 Other specialist survey contracts have been placed to support the development of the project.

Appendix A Socio-Economic Baseline

A.1 Demographics

- A.1.1 West Dunbartonshire's population is estimated to be around 85,500 according to 2017 mid-year figures. This is approximately 5% of the overall population within the Glasgow City Region. In contrast to both the City Region and national trends, West Dunbartonshire's population has been decreasing since 1987. An index of population growth is shown in **Figure A** below.

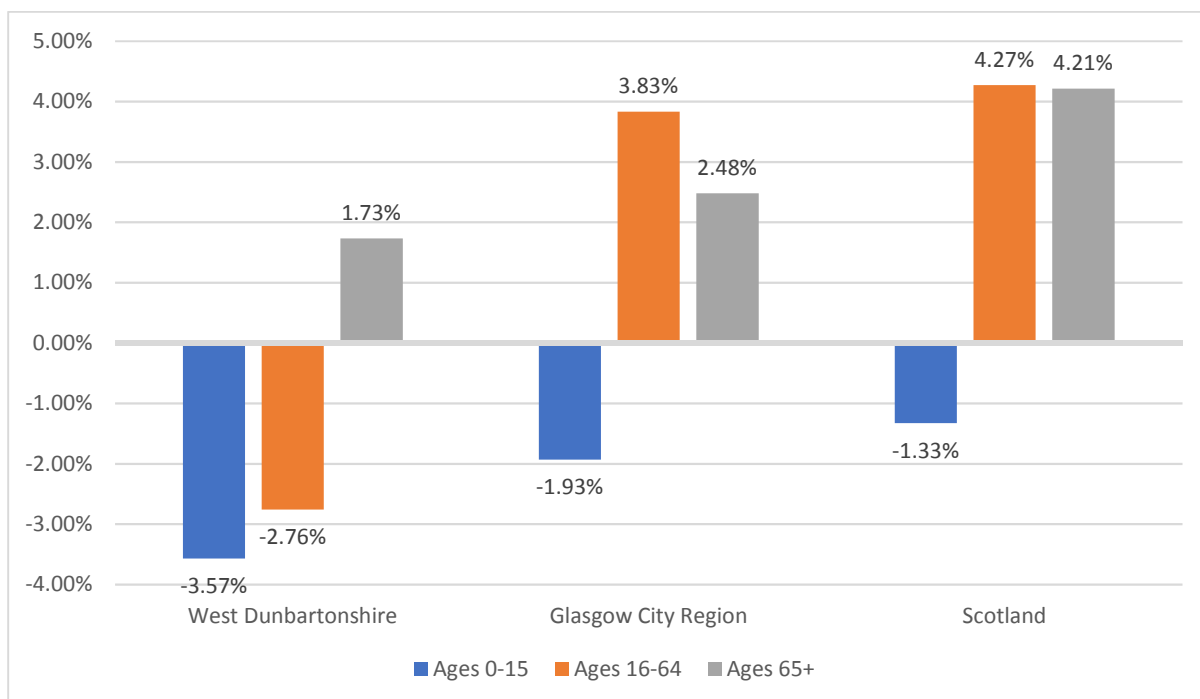
Figure A.1: Index of Population Growth



- A.1.2 Furthermore, there has been a substantial demographic shift within the population structure of West Dunbartonshire. The 0-15 age group has declined by 17.5% since 2000, significantly above the decline of 9.72% for the Glasgow City Region and 6.84% for Scotland. Additionally, the working age population (16-64) has also decreased in West Dunbartonshire by about 4.3% from 2000-2017.
- A.1.3 This contrasts with both the Glasgow City Region and national trends, where the 16-64 age group has increased by 5.9% and 6.6% respectively over the same period. Finally, the 65+ age group has increased by roughly 11% in West Dunbartonshire, and this is below the City Deal Region and national figures of 16.3% and 26.6% respectively²⁷. **Figure A.2** shows age disaggregates of demographic changes in the three aforementioned areas.

²⁷ Mid-Year Population Estimates

Figure A.2: Changing Age Structure



Source: NRS, Mid-year population estimates 2018.

- A.1.4 These trends indicate that West Dunbartonshire is struggling to attract or retain the key demographic groups which contribute to the economic vitality of the area, the result of which means that the full potential of the region is not able to be realised under present conditions.

A.2 Macroeconomic Performance

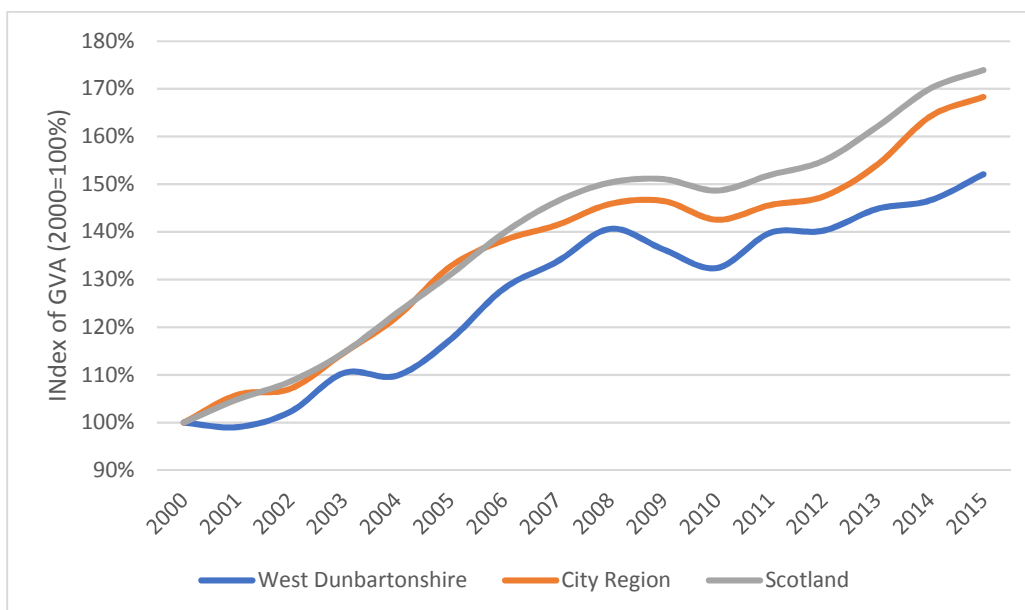
Gross Value Added

- A.2.1 Gross Value Added (GVA) is a key measure of wealth creation within an economy and represents the value of goods and services, less the cost of the inputs to produce them. In 2015, the economy of West Dunbartonshire was worth around £1.6bn, or less than 1.3% of the whole Scotland economy and approximately 3.9% of the Glasgow City Region²⁸ economy²⁹. The West Dunbartonshire economy has grown on average by 3.2% per year since 2000. An index of GVA growth is shown in **Figure A.3** below.

²⁸ The Glasgow City Region City includes the eight local authorities East Dunbartonshire, West Dunbartonshire, Glasgow City, Inverclyde, East Renfrewshire, Renfrewshire, North Lanarkshire and South Lanarkshire.

²⁹ Regional GVA(I) by local authority in the UK, ONS.

Figure A.3: Index of GVA growth

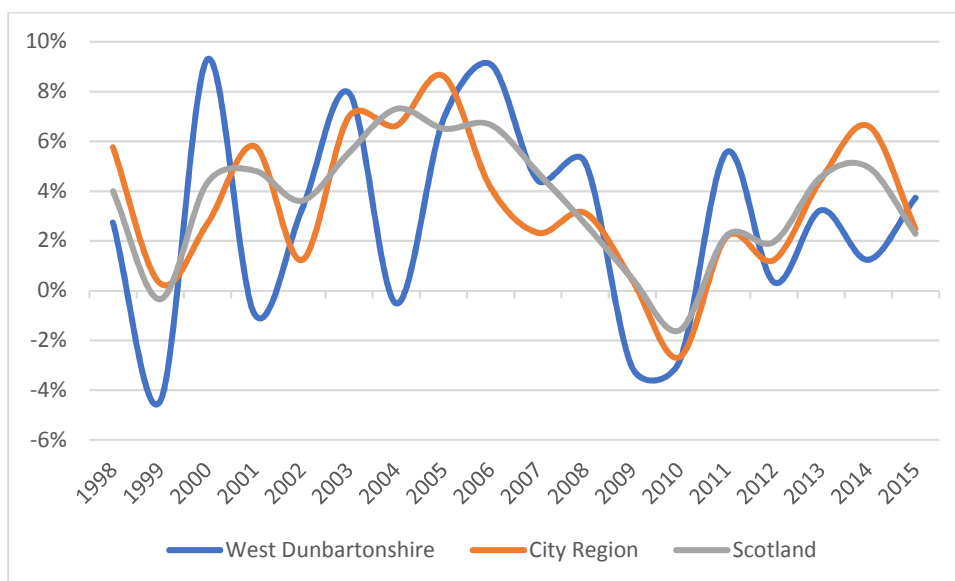


Source: Regional GVA(I) by local authority in the UK, ONS.

A.2.2 Figure A.4 below shows the volatility of the annual growth rate. The average growth per year declined from 5% to 2% after 2007 and the West Dunbartonshire area experienced a weaker growth compared to both the Glasgow City Region and national averages. A breakdown of GVA growth is given in

A.2.3 Table A.1.

Figure A.4: GVA Per Annum Growth Rate (1997-2015)



Source: Regional GVA(I) by local authority in the UK, ONS.

Table A.1: GVA Growth

Area	GVA £billion		Average growth per year		
	2000	2015	2000 - 2015	2000 – 2007	2007 - 2015
West Dunbartonshire	1.0	1.6	3.2%	5.0%	2.0%
Glasgow City Region	24.7	41.5	3.5%	5.2%	2.2%
Scotland	73.2	127.3	3.8%	5.5%	2.5%

Source: Regional GVA(I) by local authority in the UK, ONS.

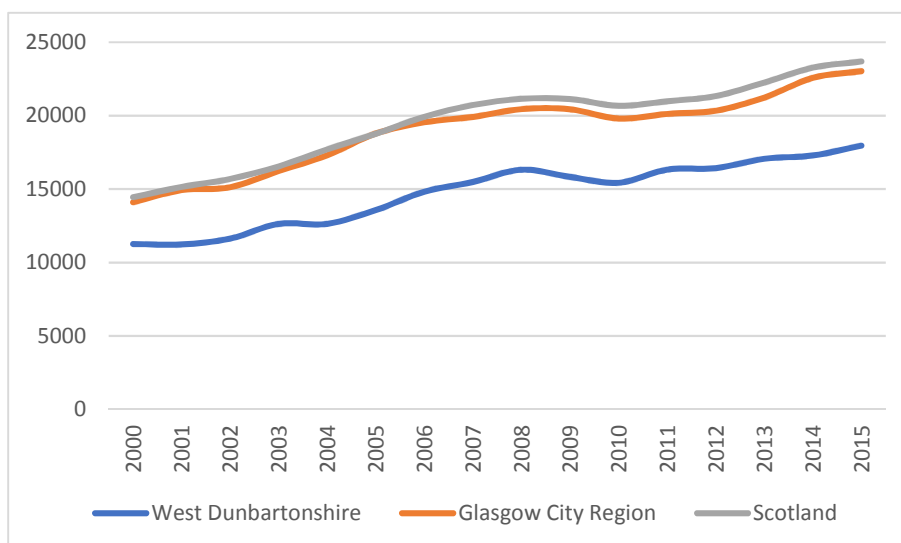
- A.2.4 GVA per head of population is a way of viewing the relative performance of the local economy within the national picture. It is a measure of how much output is being produced per person living within the economy irrespective of whether those individuals are working or not; it is therefore a reflection of the wealth of an area rather than the productivity of its workers.
- A.2.5 As shown in **Table A.2** and **Figure A.5** below, in 2016, GVA per head in West Dunbartonshire stood at £17,960, below the Glasgow City Region and national averages of £23,025 and £23,685 respectively. Between 2000 and 2015 GVA per head growth in the West Dunbartonshire was below the national and regional average. Analysis of the data also shows that after the recession GVA per head recovery has been less resilient than the national average.

Table A.2: GVA per capita

Area	GVA per head (£k)		Average growth per year		
	2000	2016	2000 - 2016	2000 – 2007	2007 - 2016
■ West Dunbartonshire	11.3	17.96	3.2%	4.8%	1.4%
■ Glasgow City Region	14.1	23.03	3.4%	4.8%	1.8%
■ Scotland	14.5	23.69	3.4%	4.9%	1.7%

Source: Regional GVA(I) by local authority in the UK, ONS.

Figure A.5: Change in GVA per Head of Population



Source: Regional GVA(I) by local authority in the UK, ONS.

Sectoral Overview

A.2.6 **Table A.3** below shows the change in sector contribution to total GVA in West Dunbartonshire over the period 2008 to 2016. Manufacturing remains the largest GVA contributor to the area's economy, accounting for 43% of the total generated. This compares to just 32% across the City Region.

Table A.3: GVA generated by sector, West Dunbartonshire

Sector	2008		2016		Change 2008-16
	Total GVA (£m)	Proportion of total	Total GVA (£m)	Proportion of total	
Accommodation and food service activities	20	2.4%	37	4.0%	1.6%
Administrative and support service activities	85	10.4%	55	6.0%	-4.4%
Arts, entertainment and recreation	24	2.9%	15	2.0%	-0.9%
Construction	68	8.3%	52	6.0%	-2.3%
Education, human health and social work activities	16	2.0%	16	2.0%	0.0%
Information and communication	13	1.6%	22	3.0%	1.4%
Manufacturing	261	32.0%	365	43.0%	11.0%
Other service activities	31	3.7%	13	1.0%	-2.7%
Primary Industries	5	0.6%	13	2.0%	1.4%
Professional, Scientific and Technical Activities	38	4.7%	67	8.0%	3.3%
Transport and storage	121	14.9%	77	9.0%	-5.9%

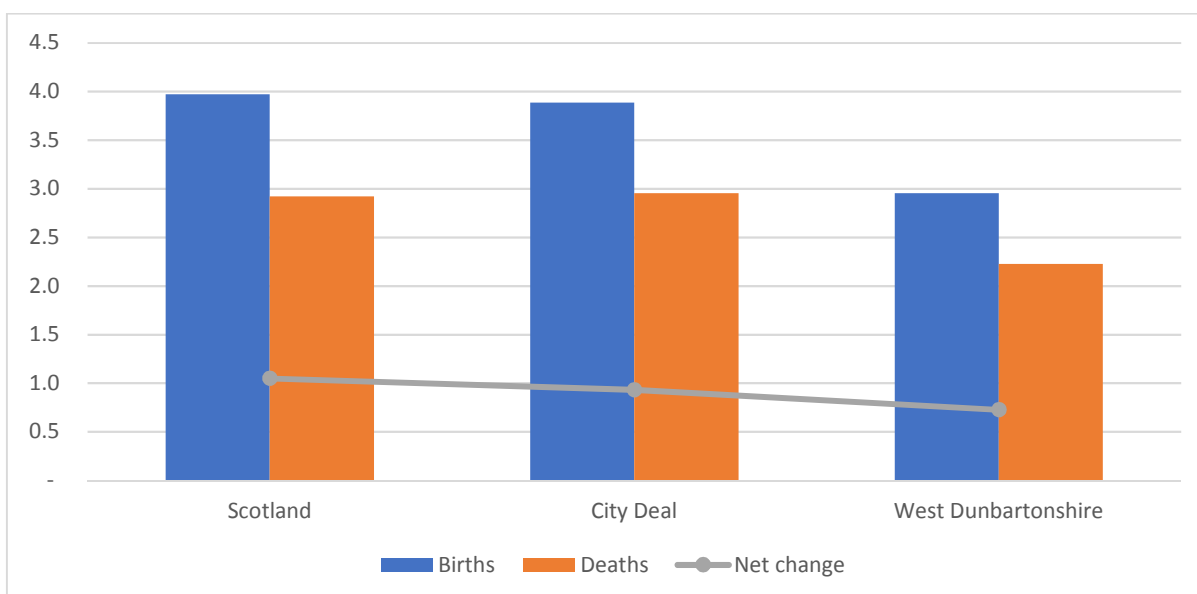
Sector	2008		2016		Change 2008-16
	Total GVA (£m)	Proportion of total	Total GVA (£m)	Proportion of total	
Wholesale, retail and repairs	134	16.4%	111	13%	-3.4%
Overall	815	-	842	-	-

Source: Annual Business Survey

Business Demography

- A.2.7 In 2016, there were around 2,025 active companies in West Dunbartonshire³⁰. The number of active businesses increased by around 18% between 2010 and 2016; slightly higher than the increase in the City Region (17%) and Scotland (15%). In 2016, there was a net gain of 0.73 businesses (per 1,000 population) in the area compared to 0.93 and 1.05 (per 1,000 population) for the Glasgow City Region and Scotland as shown in **Figure A.6** below.

Figure A.6: Enterprise Births, Deaths and Net Change per 1000 Population



Source: ONS Business Demography, 2016

A.3 Labour Market Trends

Economic Activity

- A.3.1 Economic activity describes those of working age who are either employed or unemployed but seeking work. West Dunbartonshire residents are less economically active (74.6%) than the national average (77.8%) but more than those of the Glasgow City Region (75.4%)³¹. This trend is mirrored in employment rates, shown in **Table A.4** below.

Table A.4: Economic Activity, June 2018

	Economic Activity	Employment
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³⁰ ONS Business Demography, 2016

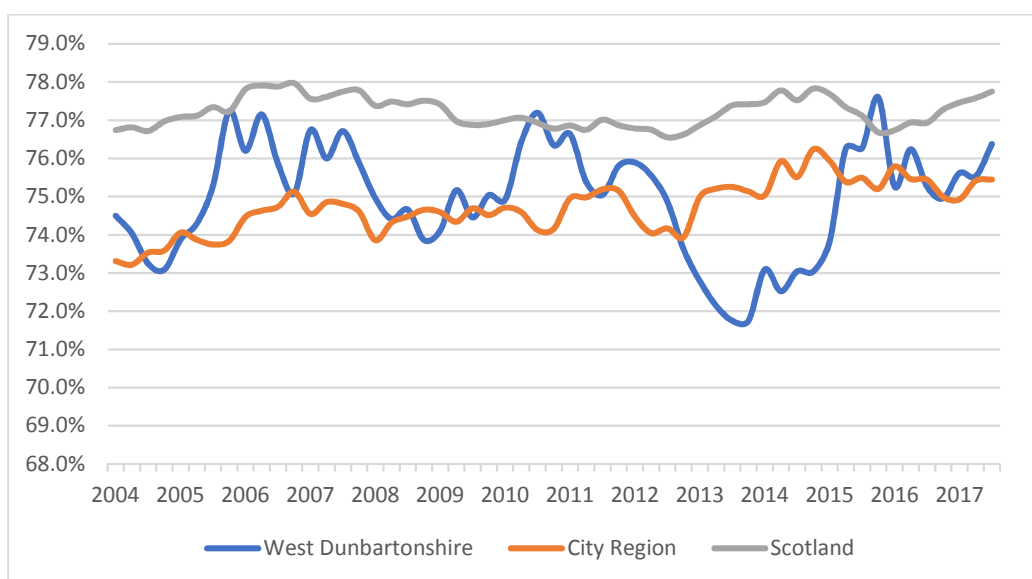
³¹ Annual Population Survey

West Dunbartonshire	76.4%	72.5%
City Region	75.4%	71.9%
Scotland	77.8%	74.5%

Source: Annual Population Survey

- A.3.2 The economic activity rate in West Dunbartonshire has varied with a greater frequency and magnitude than both the City Region and national rates. Following 2012, the economic activity rate in West Dunbartonshire dipped significantly, before briefly rising to above the national average. This can be seen in **Figure A.7** below.

Figure A.7: Economic Activity, 2004-2018



Source: Annual Population Survey

- A.3.3 The total number of employee jobs (i.e. excluding self-employed, government supported trainees and HM Forces) in West Dunbartonshire was around 31,000 in 2017. Following the beginning of the recession (2009), West Dunbartonshire experienced a decline of approximately 1,700 jobs or 5.4%. As shown in **Table A.45** above this decrease is significantly higher than the decline experienced in the Glasgow City Region (1%).

Table A.5: Total Employee Jobs

Total Employee Jobs	2017 Count (000s)	Change 2009-2017		Trend
		Absolute (000s)	%	
West Dunbartonshire	31	-0.1	- 3.40%	Decreasing
Glasgow City Region	874	+ 3.9	4.70%	Increasing
Scotland	2,589	+182	1.10%	Increasing

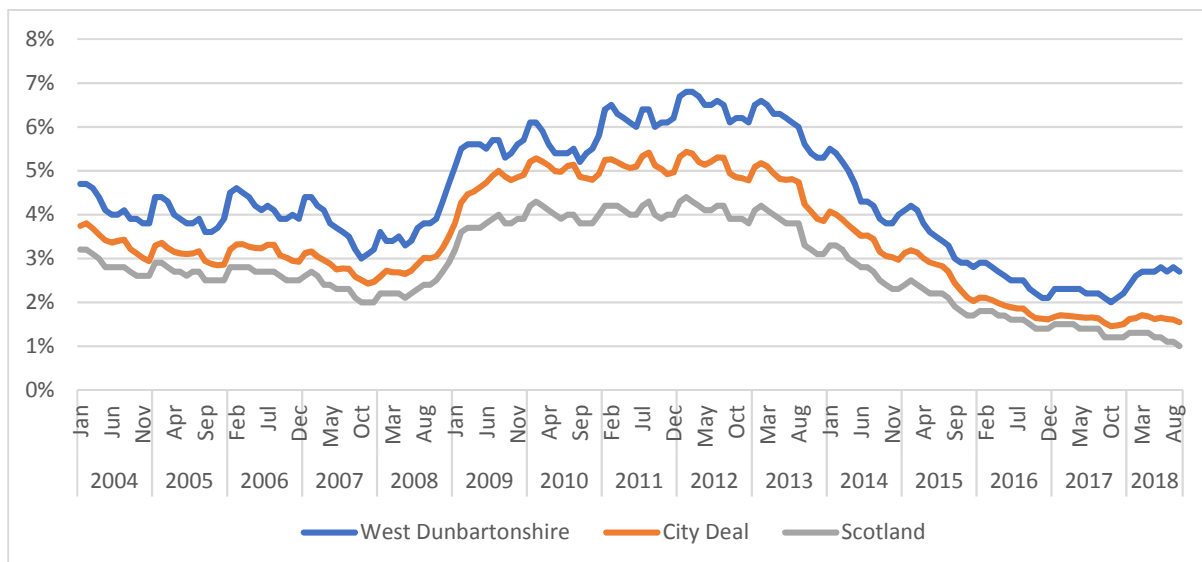
Source: Business Register and Employment Survey

Unemployment

- A.3.4 **Figure A.8** shows the proportion of the working age population claiming Job Seekers Allowance (JSA). The change in the proportion claiming benefits in West Dunbartonshire is broadly similar

to the regional and national situation. Currently, the claimant rate for West Dunbartonshire is at 2.7% and is higher than both the Glasgow City Region and Scotland averages of 1.5% and 1.0% respectively³².

Figure A.8: Job Seekers Allowance Claimant Rate



Source: Annual Population Survey

Employment Profile

A.3.5 **Table A.6** below shows employment by sector across West Dunbartonshire, the Glasgow City Region, and Scotland. Employment in West Dunbartonshire is broadly reflective of the wider economic landscape, i.e. most people are employed in the public sector (public administration, education and health), wholesale, retail and trade, and financial and business services (finance & insurance, property, business administration and support, and professional, scientific and technical positions).

Table A.6: Employment by Sector, 2018

Sector	West Dunbartonshire	Glasgow City Region	Scotland
Agriculture, Forestry and Fishing	0.65%	0.82%	3.17%
Mining, Quarrying and Utilities	0.97%	1.70%	2.63%
Manufacturing	7.26%	6.93%	7.15%
Construction	4.03%	6.54%	5.68%
Wholesale and Retail, including Motor Trades	15.16%	15.64%	14.10%
Transport Storage	2.90%	4.65%	4.25%
Accommodation and Food Services	8.06%	6.26%	7.61%
Information and Communication	1.61%	2.54%	2.67%

³² Annual Population Survey, 2018.

Sector	West Dunbartonshire	Glasgow City Region	Scotland
Financial and other Business Services	14.52%	19.45%	19.04%
Public Admin, Education and Health	40.32%	31.28%	29.20%
Other Services	4.84%	5.04%	4.60%

Source: Annual Population Survey

A.3.6 An occupational profile of West Dunbartonshire, the Glasgow City Region, and Scotland is shown in

A.3.7 **Table A.7** below. West Dunbartonshire exhibits a lower proportion of “Highly Skilled” occupations (37%) than the Glasgow City Region (43%) and Scotland as a whole (42%). Employment is more heavily concentrated in “Semi-Skilled” occupations than these regions.

Table A.7: Occupational Profile, 2018

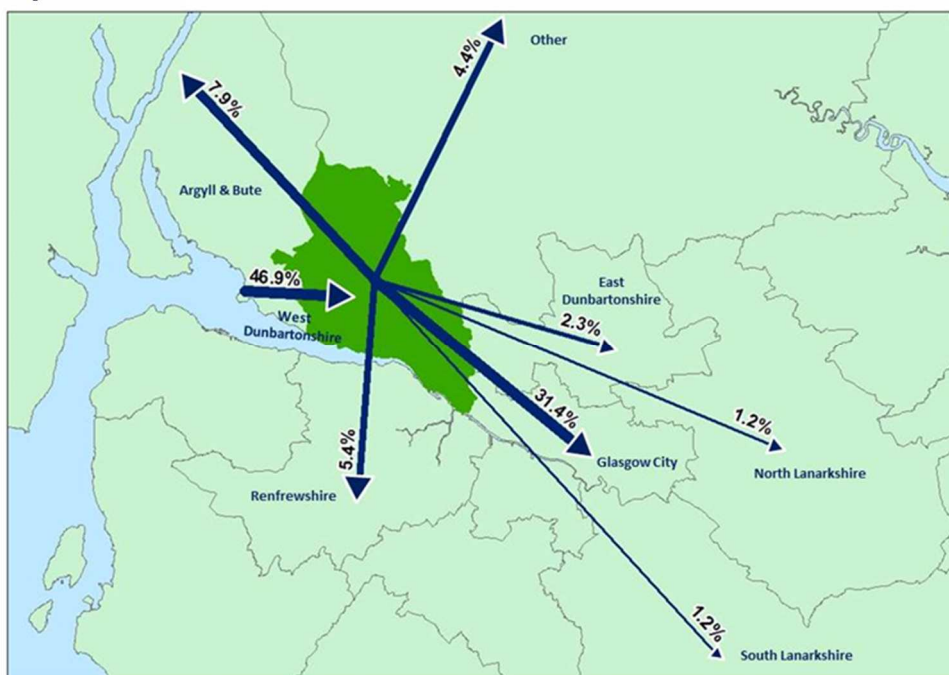
Occupation	West Dunbartonshire	City Region	Scotland
Managers, directors and senior officials	7%	8%	8%
Professional occupations	17%	20%	21%
Associate professional and technical occupations	13%	15%	13%
Highly Skilled	37%	43%	42%
Administrative and secretarial occupations	13%	11%	10%
Skilled trades occupations	12%	10%	11%
Caring, leisure and other service occupations	12%	10%	10%
Semi-Skilled	37%	30%	31%
Sales and customer service occupations	6%	9%	8%
Process, plant and machine operatives	6%	7%	7%
Elementary occupations	12%	10%	11%
Unskilled	24%	26%	26%

Source: Annual Population Survey

- A.3.8 Travel-to-work patterns provide an indicator of local employment opportunities. West Dunbartonshire experienced a net daily outflow of over 7,000 people (10,567 in-commuters and 17,724 out-commuters) to neighbouring areas in 2011 (see **Figure A.9** below)³³ This indicates a lack of suitable employment opportunities in the Council area.

³³ Travel-to-work data is only published with the Census.

Figure A.9: Commuter Outflows from West Dunbartonshire



Data source: Census, 2011.

- A.3.9 Employment in Growth Sectors as defined by the Scottish Government has increased 14% since 2009³⁴. While this is a faster rate of growth than the Scottish average (4%), West Dunbartonshire have a smaller proportion of the labour force employed in Growth Sectors (18%) than Scotland as a whole (27%).

Education and Skills

- A.3.10 **Table A.8** below shows the level of qualification of working age residents of West Dunbartonshire, the Glasgow City Region, and Scotland. Although reasonably well educated, on average, the residents of West Dunbartonshire are less qualified than the residents in the City Region and nationally. The proportion of people with no qualifications in the area (11.6%) is slightly higher than that in the Glasgow City Region area (9.94%) and significantly higher than that in Scotland (8.70%).

Table A.8: Qualifications held by working age population

	West Dunbartonshire	Glasgow City Region	Scotland
NVQ4+	32.90%	43.28%	43.90%
NVQ3	20%	16.47%	16%
NVQ2	18%	16.14%	16%
NVQ1	9%	8.32%	9%

³⁴ Business Register and Employment Survey 2018.

A detailed breakdown of the SIC 2007 Classifications used to define each of these sectors can be found at: <https://www.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors/MethodologyNote>

	West Dunbartonshire	Glasgow City Region	Scotland
Other Qualifications	8.10%	5.79%	6.44%
No Qualifications	11.60%	9.94%	8.70%

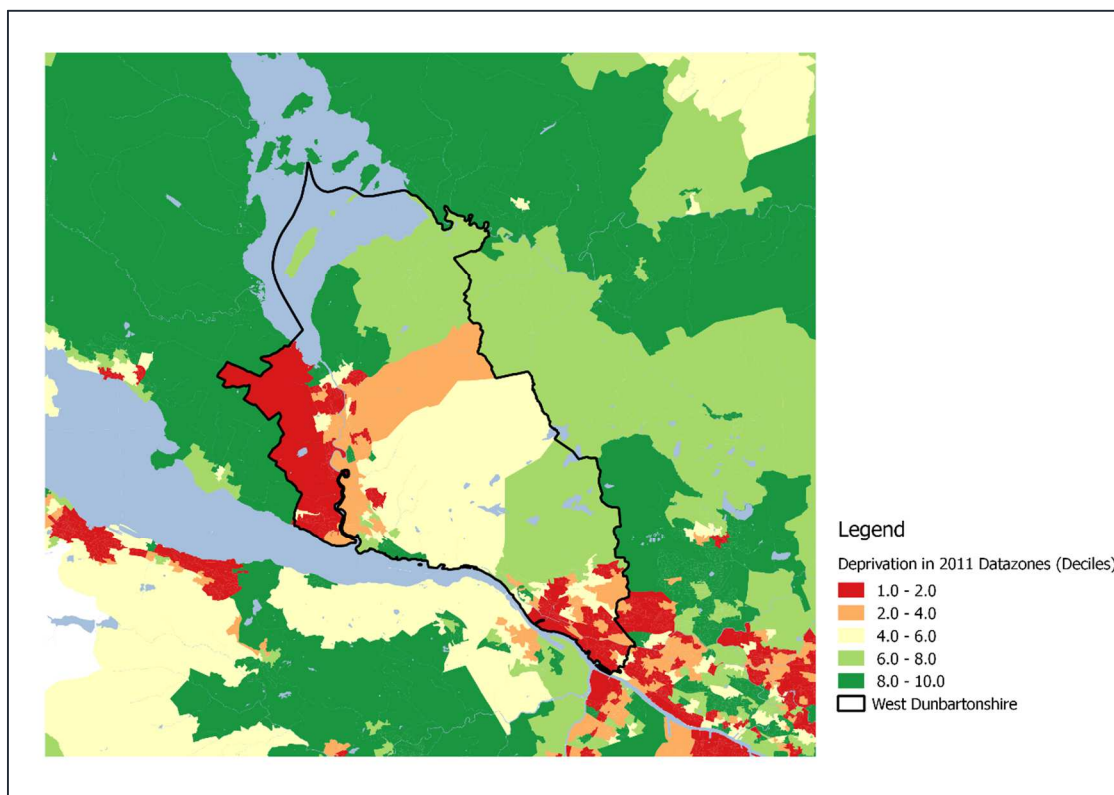
Source: Annual Population Survey

A.3.11 More details on levels of education and skills within West Dunbartonshire can be gained by examining the SIMD Education Domain. This domain measures the performance of SOAs in terms of:

- School pupil absences;
- Pupil performance on SQA at stage 4;
- Working age people with no qualifications;
- 17-21 year olds enrolling into higher education; and
- People aged 16-19 not in education, employment or training.

A.3.12 Figure A.10 below shows the geographic distribution of educational deprivation within West Dunbartonshire. Areas of darker shading represent areas which suffer from more severe education deprivation. This is primarily concentrated in urban areas.

Figure A.10: SIMD Education Domain



Source: SIMD, 2016

A.4 Income

Earnings

- A.4.1 Median gross weekly pay of full-time employees in West Dunbartonshire in 2018 were £512³⁵. This is the lowest of all local authorities which comprise the Glasgow City Region and is lower than the Scottish median of £563. A detailed breakdown of median and mean earnings is shown in **Table A.9** below.

Table A.9: Gross weekly pay of full-time employees (£), 2018

	Median	Mean
East Dunbartonshire	685	838
East Renfrewshire	744	915
Glasgow City	549	642
Inverclyde	566	633
North Lanarkshire	549	605
South Lanarkshire	575	660
Renfrewshire	587	655
West Dunbartonshire	519	591
Scotland	563	658

Source: Annual Survey of Hours and Earnings, 2018.

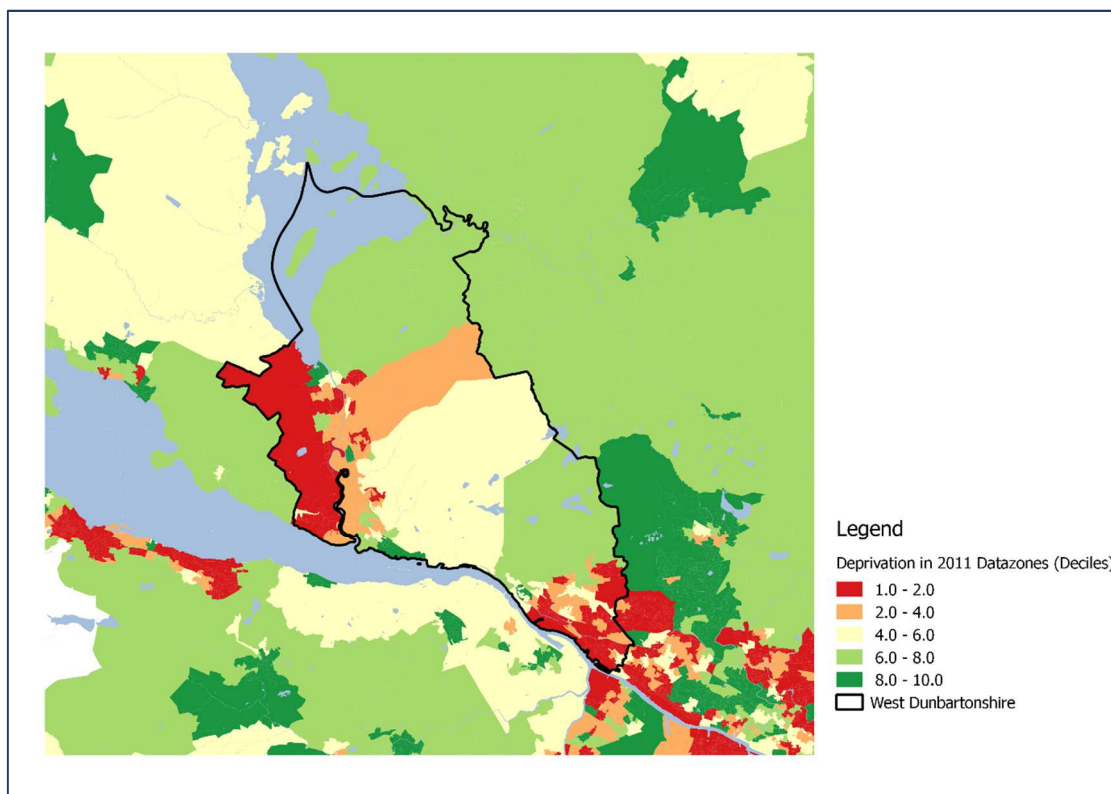
Deprivation

- A.4.2 The latest available statistics indicate that in June 2018 approximately 2,200 individuals were unemployed in West Dunbartonshire. This is equivalent to an unemployment rate of 5.1%, higher than both the City Region (4.6%) and Scotland (4.2%)³⁶.
- A.4.3 The 2016 Scottish Index of Multiple Deprivation (SIMD) provides the most recent assessment of deprivation at district and super output area (SOA) across Scotland. The index is compiled using seven deprivation 'domains' including income, employment, health, education, skills and training, access to housing and services and geographic access and crime.
- A.4.4 **Figure A.11** below shows that although the overall levels of deprivation in West Dunbartonshire are relatively low, there are a few SOAs within the 10% worst performing areas nationally. More specifically, 20 SOAs in the area that represent approximately 16.5% of the total and cover a population of 13,720 people. These are located mainly to the south of the area around Clydebank, Dalmuir and to the north and north-west near Balloch and Dumbarton.

³⁵ Annual Survey of Hours and Earnings, 2018.

³⁶ Annual Population Survey

Figure A.11: Scottish Index of Multiple Deprivation (2016)



Source: SIMD, 2016.

Appendix B WDC Previous Project Experience

Project Title and Description	Value	Delivery lead and year
<p>West Dunbartonshire Schools – PPP Project</p> <p>Delivery of WDC Schools PPP Project in partnership with private sector partner.</p> <p>The in-house team project managed the project of the delivery of 3 new secondary schools and 1 new primary and early education centre. This project was delivered on time and on budget.</p>	£110.00million	<p>WDC Capital Projects Team.</p> <p>2006 - 2010</p>
<p>Bonhill & Goldenhill Primary Schools Project</p> <p>Delivery of 2 new primary schools through a traditional procurement route.</p> <p>The in-house team project managed the project of this amalgamated primary school contract using a consultant design team.</p>	£13.00million	<p>WDC Capital Projects Team.</p> <p>2008 - 2011</p>
<p>Dumbarton Academy Schools Project</p> <p>Delivery of a new Dumbarton Academy through a Design and Build Contract.</p> <p>The in-house team project managed the project consisting of this replacement secondary school contract using a consultant design team.</p>	£17.00million	<p>WDC Capital Projects Team.</p> <p>2010 – 2013</p>
<p>Bellsmyre Schools Campus, Dumbarton</p> <p>Delivery of a new co-located primary and early years' campus through a Design and Build Contract in partnership with Hub West Scotland.</p> <p>The in-house team project managed the project of this co-located primary school contract using a consultant design team.</p>	£10.65million	<p>WDC Capital Projects Team.</p> <p>2013 - 2016</p>
<p>Vale of Leven Workshops, Alexandria</p> <p>Delivery of a new commercial workshop development in Vale of Leven Industrial Estate, Alexandria. This project was 50% funded by Scottish Government.</p> <p>The in-house team project managed this development in partnership with Hub WEST Scotland.</p>	£1.95million	<p>WDC Capital Projects Team.</p> <p>2013 - 2015</p>
<p>Kilpatrick ASN Secondary School</p> <p>Delivery of a new Additional Support Needs Secondary School and Early Years campus through a Design and Build Contract in partnership with Hub West Scotland.</p>	£10.49million	<p>WDC Capital Projects Team.</p> <p>2013 - 2016</p>

Project Title and Description	Value	Delivery lead and year
The in-house team project managed the project of this ASN school contract using a consultant design team.		
<p>Roads Improvement Project, Dumbarton</p> <p>In partnership with the Regional Transport Authority, SPT and WDC's Regeneration Team successfully delivered this road improvement scheme.</p> <p>This scheme comprised of the construction of additional lanes on an existing A class dual carriageway, construction of a 4 lane junction and extensive re-alignment of an existing 5 arm roundabout.</p>	£1.78million	WDC Roads Service. 2013 – 2015
<p>New O.L.S.P High School</p> <p>Delivery of a new Secondary School and campus through a Design, Build, Finance and Maintain Contract in partnership with Hub West Scotland and Scottish Future Trust.</p> <p>The in-house team project managed the project of this school contract using a consultant design team.</p>	£25.9million	WDC Capital Projects Team. 2013 - 2017
<p>New Balloch Schools Campus</p> <p>Delivery of a new co-located primary and early years' campus through a Design and Build Contract in partnership with Hub West Scotland.</p> <p>The in-house team project managed the project of this co-located primary school contract using a consultant design team.</p>	£16.8million	WDC Capital Projects Team. 2015 - 2018
<p>Office Rationalisation Programme</p> <p>Rationalisation of office space by 53% to provide modern and fit for purpose working environments to support enhance service delivery and achieve revenue savings.</p> <p>The in-house team project managed the programme using a consultant design teams in partnership with Hub West Scotland</p>	£22.4million	WDC Capital Projects Team. 2014 - 2018
<p>New Clydebank Leisure Centre</p> <p>Delivery of a new leisure centre in Clydebank through a Design and Build Contract in partnership with Hub West Scotland.</p> <p>The in-house team project managed the programme using a consultant design teams in partnership with Hub West Scotland</p>	£23.81million	WDC Capital Projects Team. 2014 - 2016
Dumbarton Care Home	£13.37million	WDC Capital Projects Team.

Project Title and Description	Value	Delivery lead and year
<p>Delivery of a new Care Home through a Design and Build Contract in partnership with Hub West Scotland.</p> <p>The in-house team project managed the programme using a consultant design teams in partnership with Hub West Scotland</p>		2014 - 2016
<p>Other Project Currently Under Development</p> <p>The Capital Projects Team is also leading on several other projects, many on site and others at the development stage. They are as follows: Clydebank Care Home (£14.1m) Depot Rationalisation Programme (£10m)</p>	£24.1million	<p>WDC Capital Projects Team.</p> <p>2016 - 2021</p>

Appendix C Lomondgate Monitoring Report

LOMONDGATE: SUSTAINABLE REGENERATION AND DEVELOPMENT IN DUMBARTON



**Regeneration case study prepared by yellow book ltd
for Strathleven Regeneration CIC**



July 2016

Summary

This case study documents a remarkable regeneration success story.

It describes how a regeneration and development partnership between Strathleven Regeneration – a Community Interest Company – and Walker Group – a private sector developer – has delivered new homes and jobs in Dumbarton and the Vale of Leven, close to some of Scotland's most deprived communities. It shows how an effective and determined long-term partnership has been able to achieve results despite the effects of the financial crash and a global recession. Lomondgate has defied conventional market wisdom and shown that it is possible to succeed in the most challenging circumstances – and with only minimal financial support from the public sector.

The case study records the history of the Lomondgate partnership since the announcement in 1998 of the closure of the J&B whisky bottling plant in Dumbarton.

It describes the 2004 development agreement between Strathleven Regeneration Company and Walker Group which has been the foundation for the achievements documented in this report. The report sets out the chronology of the development and regeneration process, the key milestones, and the outputs and impacts achieved.

The principal objective of the case study is to identify good practice and transferable learning from the Lomondgate experience. Lomondgate is a rich source of ideas, inspiration and learning for policymakers and economic development and regeneration practitioners, and for all communities facing the challenge of structural change. We have highlighted 8 key lessons from Lomondgate, covering themes including leadership, vision, partnership, commercial acumen and skills.



The case study

The purpose of this case study is to record good practice and identify transferable learning from the Lomondgate project. It is aimed primarily at policymakers and regeneration practitioners, and is intended to raise awareness of a unique project and a distinctive approach. The Lomondgate story is particularly relevant at a time when public resources are at a premium and traditional supply-side approaches to regeneration appear increasingly unsustainable.

The case study builds on independent studies commissioned by Strathleven Regeneration, board papers and reports as well as a series of in-depth interviews with the Lomondgate partners. It draws out 8 key lessons from the Lomondgate story, which is a paradigm for a new kind of regeneration practice – entrepreneurial, market-led and, to a large degree, private sector-funded.



How it all began

In 1998 Diageo announced the closure of its J&B whisky bottling plant at Dumbarton with the loss of 470 jobs. This was a major economic shock for a community already experiencing high levels of unemployment, but also a symbolically significant event in a town long associated with the whisky industry.

The immediate response to the announcement was the formation of a Task Force, chaired by John McFall MP. West Dunbartonshire Council, Scottish Enterprise, Diageo, the trade unions, Clydebank College and the Employment Service were all represented on the Task Force which focused on the immediate challenge of finding new jobs for the J&B workforce. By the time the J&B plant closed in April 2000 all but 80 of the employees had found work or opted for early retirement.

The Task Force was a response to the immediate effects of the J&B closure, but the partners were determined to go further. Strathleven Regeneration Company (SRC)

was formed in 2000, a special purpose vehicle with a brief to facilitate the physical and economic regeneration of the redundant factory and surrounding land. SRC was set up as a non-profit distributing company limited by guarantee. The original members included John McFall MP (Chair), Jackie Baillie MSP, West Dunbartonshire Council (WDC) and Scottish Enterprise (SE). Diageo committed a dowry of £500,000 and 22 acres of land; WDC contributed £180,000 of seedcorn funding and transferred 34 acres of land; SE committed £340,000 of seedcorn funding.

A report by MacdonaldEDA (2004) reviewed the partnership response to the J&B closure in these early years, with a detailed timeline of events from the creation of the Task Force to the signing of the development agreement. It includes an account of the 1999 community engagement event which helped to shape *Lifting the Rock*, an action plan for Dumbarton and the Vale of Leven, which was in turn a major influence on SRC's first vision statement.



The Development Agreement

The support offered by the key partners was conditional on SRC entering into a joint venture with a private sector developer. The search for a partner proved to be a lengthy and complex process but, in 2004, SRC and Walker Group (Scotland) Ltd signed a formal development agreement. Walker Group acquired the former J&B plant and land south of the A82 from Diageo, part of which was leased to the BBC in 2002. The development agreement pooled the land owned by Walker Group with land north of the A82 which had been transferred to SRC. Under the terms of the agreement, Walker Group undertook to provide advance infrastructure, including a new roundabout on the A82. The area covered by the development agreement extended to 106 acres, and a “long stop” date of 31 December 2018 was agreed, by which time the whole site was expected to be under development.

The development agreement reflects the commercial imperatives of both parties. There is no public sector capital funding available but, crucially, the agreement is based on overarching economic regeneration objectives which reflect the aspirations of the community and local stakeholders. The agreement embodied the vision statement previously adopted by SRC

which highlighted the potential of the project to contribute to sustainable regeneration and economic development, helping Dumbarton to compete for residents, jobs, investment and visitors. The key elements of the project would be modern business space, services for visitors and tourists, and new housing. The partners’ key targets over the course of the development agreement were to replace the 470 jobs lost at J&B, and to attract £60m of private investment.

The early years of the agreement focused on pre-development activity: preparing a masterplan and securing planning and other statutory consents. The masterplan – originally framed around 6 “development packages” – received planning consent in 2005. In 2006, SRC appointed its first chief executive; the company had previously depended on in-kind support from WDC and SE, supplemented by consultancy services. The Lomondgate brand was launched in October 2007 and at about the same time Walker Group let the main infrastructure contract. These works – the A82 Lomondgate Roundabout, a secondary roundabout, drainage and other services – cost in excess of £7.5m but they were essential to open up access to development sites on both sides of the A82 and increase the visibility of the site.



These key milestones were reached just as the global financial crisis was unfolding and the global economy began to slide into what proved to be a long recession. The impact on the property market was profound and long-lasting, especially in less-favoured locations.

As the severity of the recession became clear, property markets began to falter. Lomondgate could not be insulated from these events and there was an inevitable negative impact. Development progressed more slowly than planned and anticipated financial returns were delayed. The effects are still being felt today: the commercial development account is still in deficit and anticipated capital receipts to Strathleven

Regeneration from housing land sales did not materialise. The situation is improving but, especially in the early years of the agreement, the commitment and resolve of the partners were severely tested.

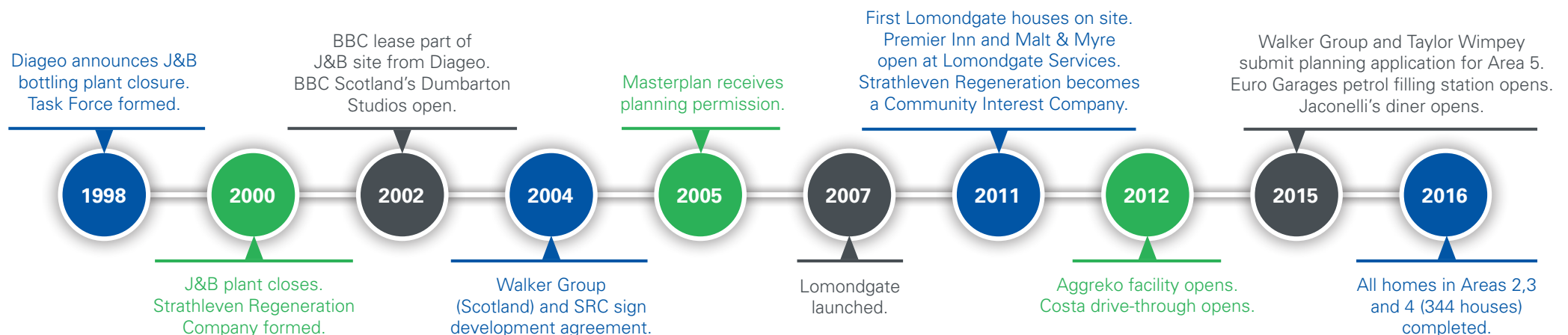
Faced with these challenges, it would have been easy to give up on the project or dilute aspirations, but that has never been seen as an option. Walker Group and SRC have kept the faith and the partnership has matured and deepened. Walker Group delivered the promised infrastructure investment, while SRC – with a new chief executive in post – began to develop a value-added role, building links with the Council, local businesses and development agencies.

Project milestones

BBC Scotland's Dumbarton studios opened in 2002, and the facility is now described as "one of the busiest studios in the UK". Getting new development on the ground was a slow process: the development agreement, the masterplan and planning consents took several years to achieve, and then the recession hit. But in recent years the momentum has increased significantly. The Premier Inn hotel and the Malt & Myre pub restaurant opened at Lomondgate Services in 2011, followed by Scotland's first drive-through Costa in 2012. The Euro Garages petrol filling station and Jaconelli's diner followed in 2015. Work on building the first Lomondgate houses began in 2011 and

all the current consents have been built out. A key event and a genuine game-changer was the opening of the new Aggreko manufacturing facility in 2012.

In 2011, SRC became a Community Interest Company (CIC), describing itself as "a partnership of local business and political leaders with regeneration and economic development organisations". This was an important decision that positioned the business as a (highly entrepreneurial) social enterprise and differentiated it from public sector regeneration vehicles like the Urban Regeneration Companies (URCs).





Residential development



Land acquired by Walker Group south of the A82 was earmarked for residential development (Areas 2, 3 and 4 – 39 acres). Planning permission was granted for a total of 344 houses, all of which have been completed by Persimmon Homes, Walker Group and Taylor Wimpey respectively. This has been a remarkable achievement in a period when housing completions in Scotland were running at only about half the pre-recession level. Sales have been strong, confirming Walker Group's judgement that West Dunbartonshire had been under-supplied with quality family housing for a number of years. Between 2011 and 2015 Lomondgate accounted for half of all housing completions in West Dunbartonshire.

A 2014 survey showed that Lomondgate was helping to retain local residents by improving housing choice in West Dunbartonshire. More than three-quarters of the households in Lomondgate had previously lived elsewhere in the Council area, and might otherwise have been obliged to leave the area to meet their housing needs.

Reflecting the popularity of new homes at Lomondgate, the adjoining Area 5 was allocated for residential development in the proposed West Dunbartonshire Local Development Plan. Taylor Wimpey and Walker Group have submitted a planning application for 58 homes and environmental improvements on this site.

BBC Scotland

In 2002, BBC Scotland leased part of the J&B site from Diageo for use as studios for River City and other BBC and independent productions. This was a very significant early win, attracting a prestigious anchor occupier to the site and helping to pave the way for the development agreement. Dumbarton Studios offers a total of 70,000 ft² space in

3 studios with a full-size back lot. On-site facilities include costume and make-up, edit suites, catering and workshops. There are currently around 300 full-time equivalent (FTE) employees on the site, which has established a presence for the world-renowned BBC brand in West Dunbartonshire.



Lomondgate Services

Lomondgate's strategic position at the gateway to Loch Lomond and the National Park made it a prime location for destination services serving day visitors and tourists as well as the local market. The Lomondgate masterplan earmarked a site next to the new roundabout, and the partners have successfully delivered almost all the key elements of the package:

- a 60-bedroom Premier Inn hotel, together with a pub/family restaurant (the Malt & Myre) opened in 2011: it has been so successful that the operators have sought and gained planning consent for a 54-bedroom extension
- Scotland's first drive-through Costa coffee shop opened in 2012
- a petrol filling station was an essential part of the mix but changes in the sector suggested that it would be hard to attract an operator: following a sustained marketing campaign led by the Lomondgate partnership, Euro Garages opened for business in 2015
- Jaconelli's fish diner opened in 2015
- this leaves one parcel of land (Site F) available for a tourism/visitor facility.



Aggreko

When Aggreko, a leading international business with a base in Dumbarton, announced that it was intending to expand and relocate its manufacturing operation, there was a real risk that hundreds of skilled jobs would be lost, especially when other local sites proved unsuitable. The Lomondgate partners reacted swiftly, revising the masterplan to create a development site on land to the north of the proposed business park, most of it beyond the area covered by the development agreement. SRC forged close links with the company and

Lomondgate subsequently secured a £22m investment in a state-of-the-art, 192,000 ft² manufacturing facility which opened in 2012.

This important investment created and/or saved 339 gross jobs, including contractors, but it was also symbolically significant: a world-class business building a clean, modern factory in a high-quality landscape setting told a powerful story of regeneration and renewal in Dumbarton and the Vale of Leven, helping to create confidence in the market place and to raise the morale of the community.



A82 strategic site



By effectively extending Lomondgate to the north to create a site for Aggreko, the partners preserved the strategic site on the north side of the A82. This site, which extends to around 20 acres, was originally envisaged as an office-based business park but that is no longer a viable option. Market intelligence suggests that there is a realistic prospect of attracting a large or single user, ideally a high-profile investment

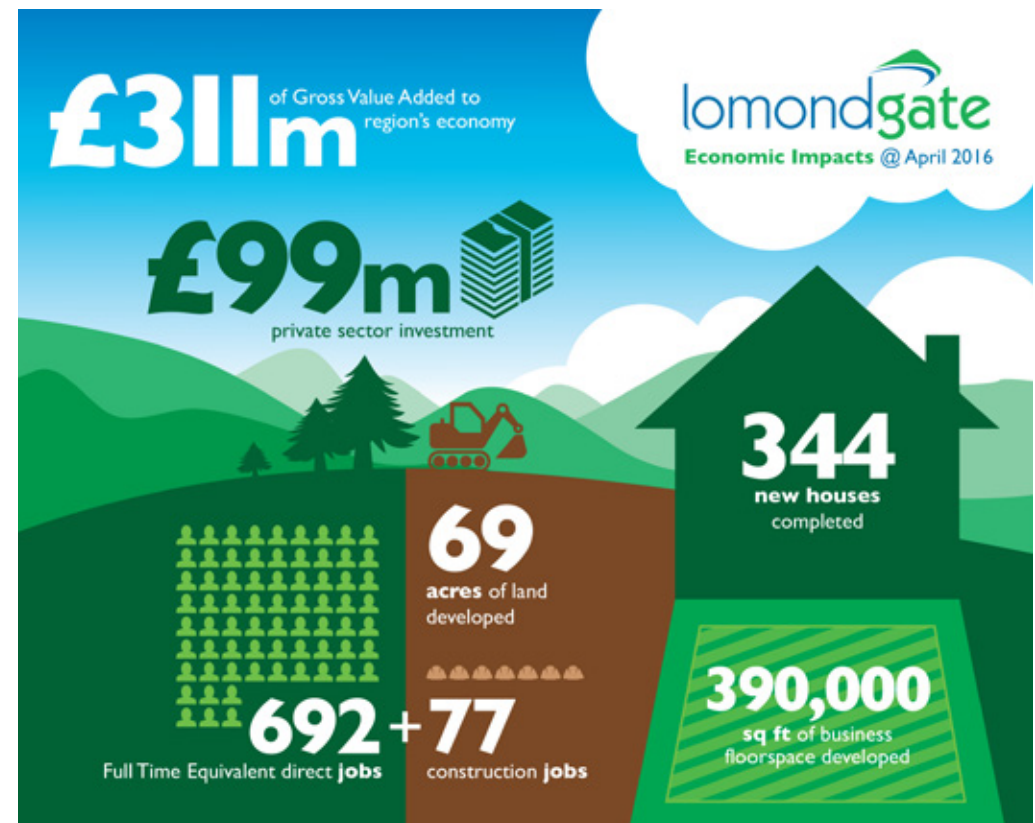
which would be another game-changer for Lomondgate. A number of leads have already been pursued, with future options ranging from advanced manufacturing and technology, through to commercial leisure. Attracting an anchor occupier to this site will be a top priority as the development partners work towards the December 2018 long-stop date.

A record of achievement: key facts

Dumbarton and the Vale of Leven were perceived to be communities in decline and places where, even in good times, the market was reluctant to act. The partners have challenged those assumptions by focusing relentlessly on the positive, showcasing the location's strengths and attributes, and making the case for Lomondgate as:

- a great place to live, with a wonderful landscape setting and excellent road and rail access to Glasgow and the central belt
- an excellent place to do business, beside a trunk road and within easy striking distance of Glasgow and an international airport
- an ideal stopping-off point for visitors travelling to and from the National Park and the West Highlands.

Lomondgate has already been nominated for a number of awards and the project's achievements were recognised at the 2016 Scottish Property Awards, where it was named Community Development Project of the Year. The shortlisting for a 2012 SURF Award for Best Practice in Community Regeneration highlighted "dedicated long-term partnership working" at Lomondgate, as well as "the remarkable absence of public sector capital funding and the high-calibre businesses that have been successfully attracted".



Economic impacts

Investor	£m
Walker Group	28.10
Aggreko	25.80
Persimmon	15.64
Taylor Wimpey	15.11
BBC	6.29
Whitbread	5.32
Euro Garages	2.00
Jaconelli's	0.60
Costa	0.02
Total	98.88

A review by Peter Brett Associates showed that, by April 2016, Lomondgate had delivered the following economic impacts:

- cumulative private sector investment of £99m, including an investment of £46m in housing
- 728 people working at Lomondgate (692 full-time equivalent), with an estimated regional impact (2015-16) of 499 net additional jobs/£48.3m GVA, and a national impact of 167 net additional jobs/£15.8m GVA
- 344 homes completed, including 52 units in 2015-16
- a cumulative contribution of £311m to regional GVA
- 390,000 ft² of employment floorspace
- development of the site has created the equivalent of 77 permanent construction jobs
- approximately £745,000 in Council Tax contributions per annum
- a £7.5m investment in road infrastructure, drainage and services
- 68.9 acres of land developed or in development

Business/location	Sq ft	Sq m	% share
Aggreko	192,674	17,900	49%
Lomondgate Services	87,080	8,090	22%
BBC	110,911	10,304	28%
Total	390,655	36,294	100%

Business/location	Acres	Hectares	% share
Residential	39.3	15.9	57%
Aggreko	16.1	6.5	23%
Lomondgate Services	3.7	1.5	5%
BBC	9.8	4.0	14%
Total	68.9	27.9	100%

Business	Regional impact			National impact		
	Gross jobs (FTE)	Net jobs (FTE)	GVA £m	Gross jobs (FTE)	Net jobs (FTE)	GVA £m
BBC	349	259	18.2	349	90	6.3
Aggreko	271	193	26.7	271	60	8.3
Whitbread	29	19	1.3	29	7	0.5
Costa	13	8	0.6	13	3	0.2
Euro Garages	18.5	12	0.9	19	4	0.3
Jaconelli's	11.5	8	0.5	12	3	0.2
Total	692	499	48.3	692	167	15.8

8 key lessons from Lomondgate

Lomondgate is a rich source of ideas, inspiration and learning for policymakers and economic development and regeneration practitioners, and for all communities facing the challenge of structural change. Based on a review of documents and reports and, especially, in-depth interviews with some of the key players, we have identified 8 key lessons from the Lomondgate story. All these lessons can be applied readily in other places that are prepared to match the energy, skills, commitment and creativity of the Lomondgate partners.

1 Effective leadership and good corporate citizenship laid the foundations for recovery at Lomondgate

The decision to close the J&B bottling point was a major blow for Dumbarton and it is still a cause for regret. But once it became clear that the decision would not be reversed, two important things happened.

First, the local partners moved quickly to set up a task force and mobilise a response. The task force was chaired by John McFall MP and he played a vital role from the outset, acting as a leader and an influential champion and working closely with J&B's parent company, Diageo.

Second, Diageo's contribution was exemplary. They played an active part in the task force and a dowry – in cash and land – was the catalyst for the creation of Strathleven Regeneration. The nature of the initial response set the tone for what was to follow:

a shared determination to help the workforce find new jobs and to create a positive legacy for Dumbarton and the Vale of Leven.

Business closures are a fact of life and there will be more in the future, but outgoing owners can still exercise corporate responsibility – to the mutual benefit of the community and the company's reputation. Strathleven Regeneration still has a positive relationship with Diageo, and as recently as 2014 Diageo rolled out its "Learning for Life" programme in Dumbarton.

2 The development partnership has unlocked the potential of the Lomondgate site

Especially in challenging times it is easy for property developers and investors to join the flight to so-called prime locations. Locations that are perceived to be challenging or high-risk can easily get left behind, especially if they are in areas with a history of industrial decline. Years of under-investment can drive communities into a downward spiral, and the market (and planners) can too readily assume that historic take-up is the only reliable predictor of future demand.

One of the outstanding achievements of the Lomondgate partnership has been to challenge received wisdom by focusing on the area's strategic attributes – its superb natural setting, accessibility to the Glasgow conurbation and the National Park, transport connections, skilled workforce and its attractions as a place to live and bring up a family.

Strathleven Regeneration has been a passionate advocate of Dumbarton and the Vale of Leven, and Walker Group (together with Persimmon Homes and Taylor Wimpey) has had the courage and acumen to recognise that the area was under-supplied with family housing and to cater for latent demand. There is an important lesson here for all of urban Scotland: communities don't have to be the prisoners of their history, and it is possible to change perceptions of disadvantaged places. At the same time, a rigorous market perspective is essential to test whether, as in Lomondgate, the fundamentals are sound.

3 It is important to establish a compelling and credible vision for the future

The community's aspirations and the partners' confidence in the future potential of Dumbarton and the Vale of Leven was reflected in a strategic vision for the area, and a statement of the tangible benefits that would flow from the regeneration of the area – jobs, new residents, greater prosperity, and so on.

This vision was the foundation for the development agreement, sending a clear signal that the Lomondgate partners have a shared strategic agenda and common purpose. Beyond the specific goals of replacing the jobs lost at J&B and securing £60m of investment – both of which have been exceeded – the partners are committed to a bigger project in which physical

regeneration will drive sustainable economic development, create new communities and help to establish a “new Dumbarton” ready to thrive and prosper in the future.

A credible vision recognises that regeneration takes a long time and requires patience. The decline of industrial towns unfolds over decades and it can take many years to turn their fortunes around. It is 18 years since Diageo announced the closure of the J&B plant, and 12 years since the development agreement was signed. A great deal has been achieved, but the partners' resolve has often been tested: their determination to hold to the long-term vision, and to say no to proposals which fall short of the expected standard, has been vitally important.



4 Doing the right thing: the power of enlightened pragmatism

A 2011 report to the Strathleven Regeneration board described the Lomondgate partners' approach as “enlightened pragmatism”. The development agreement is founded on a clear-sighted appreciation of the commercial imperatives driving Walker Group, Strathleven Regeneration, investors and occupiers. By working with the market grain and showing flexibility and a spirit of compromise the partners have achieved far more than conventional market wisdom would have predicted – without any capital funding from the public sector.

What's happened at Lomondgate makes commercial sense but it has often been achieved in the face of scepticism from agents and others. Far from being a passive

player, Lomondgate has set out to influence the market and draw attention to the area's neglected strengths. This hands-on approach has been vital but so has a shared determination to maintain quality and not to indulge in a “race to the bottom”. The partners have been prepared to hold out for better quality and to resist uses which are at odds with the Lomondgate vision.

The lesson is clear: by striking a careful balance between strategic aspiration and commercial reality, Lomondgate has over-achieved despite a hostile economic climate. Because everything that has happened has been market-led and business-driven, success has been hard-won – but it is much more likely to be sustainable.

5 Interlocking partnerships are the key to success

The Lomondgate project rests on two tiers of partnership. Strathleven Regeneration CIC brings together key local partners and stakeholders – business leaders, politicians, West Dunbartonshire Council and Scottish Enterprise – to champion a vision for Lomondgate, and to ensure that physical regeneration drives sustainable economic development. In turn, Strathleven Regeneration has signed a development agreement with Walker Group which, for more than a decade, has been the partnership vehicle driving regeneration in Lomondgate.

The two partnerships – Strathleven Regeneration and Lomondgate – have faced many challenges but they have proved to be remarkably robust and productive. Strathleven Regeneration works because the people who matter are around the table, with a passionate commitment to the local community and a belief that the area deserves the best; giving the private sector a lead role has helped to sustain an entrepreneurial culture. The Lomondgate partnership is founded on trust, shared values, complementary skills and mutual commercial benefit. Our research has highlighted the importance of openness and transparency: the partners will not always agree but differences of opinion are confronted, addressed and resolved – and everyone buys into the decision.

The chief executive of Strathleven Regeneration is the lynchpin, acting as the interface between the two partnerships, influencing policy and managing the day-to-day relationship with Walker Group. The review has also highlighted the importance of the relationship between the Lomondgate partners and West Dunbartonshire Council. The latter is the planning authority and the body with lead responsibility for local regeneration: regular liaison meetings have promoted good communications and a shared agenda – both parties believe the relationship is constructive rather than adversarial.



6 The commercial imperative drives creativity and innovation



The traditional model of area-based regeneration in Scotland is predicated on using capital funding from the public purse to fund or subsidise supply-side initiatives, whether or not there is evidence of demand. Intervention is, of course, sometimes necessary to address market failure but it can have a distorting effect on the market, diverting investment away from locations that do not have access to public sector grants. By contrast, development at Lomondgate will only happen if it makes commercial sense.

Walker Group saw sufficient potential to justify an investment of £7.5m in enabling infrastructure, and an overall investment in excess of £24m. Their faith has been justified by the success of the new residential developments south of the A82. A realistic appraisal of the commercial property market suggests that, in this location, speculative office or industrial development is not viable

– so the business-winning strategy is based on identifying prospective operators, selling Lomondgate as a strategic location and facilitating investment.

With Aggreko, Lomondgate was able to turn a potential crisis into an opportunity and offer a compelling proposition which secured the company's long-term presence in Dumbarton. A petrol filling station was key to the vision of "destination services" at Lomondgate: the partners persevered for more than 7 years before Euro Garages confirmed their £2m investment. Other opportunities have been identified and pursued, and the partners are confident that some of these projects will come to fruition in the years ahead. That is the nature of the task, and the partners continue to focus on large/single-user projects and commercial leisure as offering the best prospects as the market recovers and the reputation of Lomondgate grows.

There is no "free money" and no easy wins but the Lomondgate model, anchored in market realities and commercial imperatives, is creating a platform for sustainable regeneration. Operating this way, and focusing on the links between physical regeneration and economic development, encourages the partners to innovate, always looking for ways to maximise impact and leverage private sector investment.

7 Tensions are inevitable in a regeneration and development partnership but they can be managed through trust and shared values

If the development partnership doesn't generate some tensions and rubbing points, it almost certainly isn't working. The development partner (Walker Group) made a substantial investment in infrastructure which it needed to recoup. Its immediate commercial aims may sometimes challenge the broader economic regeneration and placemaking objectives of the Strathleven Regeneration partners. The skill lies in managing and resolving conflicts in the mutual interests of both parties and achieving a state of creative tension.

Nothing is more important than choosing the right partner, and Strathleven Regeneration and Walker Group have proved an excellent match. Each understands the other's needs and expectations, as well as the skills they bring to the table. In the absence of public money, Walker Group's upfront investment has been indispensable but Strathleven Regeneration's contribution has been equally

important: managing the relationship with tact and judgement, influencing policy and pursuing investment opportunities. In one notable episode, Walker Group agreed to forego an opportunity to attract a discount food store to Lomondgate because the Strathleven Regeneration board considered it would be at odds with their aspirations for the site and with the local authority's town centre first policy.

Fundamentally, the relationship works because the partners understand and trust each other and share the same aspirations for growth and renewal in Dumbarton. The message is: "that's what we signed up for". The record shows that both parties routinely act in the spirit of the development agreement, only occasionally resorting to the letter. There has never been a serious falling out, and the occasional board-to-board meetings have consolidated the partnership, strengthened mutual trust and renewed commitment.



8 The Lomondgate way demands persistence and skill

Something remarkable has happened at Lomondgate, so why isn't everyone doing the same thing? Partly because it is hard to resist the appeal of grant funding and "if we build it, they will come" supply-side solutions, even if they have a distorting effect on regional markets. But also because the Lomondgate way is hard and requires persistence and professional skills that are in short supply.

Strathleven Regeneration is the epitome of a lean organisation, characterised by extremely careful financial stewardship. The executive "team" comprises a chief executive with an administrator, answerable to the board, working closely with Walker Group and dedicated to business-winning and influencing policy. The approach is necessarily

entrepreneurial because there is no spare capacity for bureaucracy or mission creep.

A critical success factor has been Strathleven Regeneration's determination to stay local, focusing relentlessly on making a difference in the Lomondgate area and resisting the temptation to expand its sphere of operations. A deep understanding of the workings of the commercial property market and the credibility to engage with and influence development partners and prospective investors are essential requirements for the chief executive, as is a willingness to work tirelessly and without supervision to deliver results. Strathleven Regeneration has been called a "guerrilla operation" – it's not a bad description.

Conclusion

There is a palpable feeling of pride among the Lomondgate partners, and a sense that they've been part of something that has made a real difference in Dumbarton and the Vale of Leven, but which is also of wider significance. Independent research commissioned by Strathleven Regeneration confirms that the partnership has exceeded most of its targets and performed better than could reasonably have been expected in the face of the deepest recession in the modern era. Indeed, many people feel that what has been achieved would have been a good result even in more benign conditions.

Lomondgate is now home to two world-class businesses, the resident population has increased by more than 1,500, and a series of well-respected brands are represented at Lomondgate Services. Together these achievements have changed perceptions of Dumbarton and the Vale of Leven, making Lomondgate a destination in its own right and highlighting the area's strengths and attributes. These are the building blocks of a sustainable community. They have created a platform for a new wave of investment as the property market continues its slow recovery, with the prospect that more highly regarded businesses will move to Lomondgate in the next 5-10 years. The benefits extend beyond the area covered by the development agreement. In particular, success at

Lomondgate has gone a long way to restore confidence in the neighbouring Vale of Leven Industrial Estate.

The implications for the way we practice regeneration and economic development in Scotland are profound: the public sector and Diageo made upfront contributions of cash and land but these were tiny compared with the public funding that has been made available to urban regeneration companies and other projects. The significant investment in enabling infrastructure was made at risk by the private sector partner. Lomondgate has always been a lean operation: skilful, determined, adaptable, market-led and business-driven. The results have exceeded the partners' original, pre-recession targets and they will create a lasting legacy for West Dunbartonshire.





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Appendix D Environmental Baseline Summary

Ecology

- D.1.1 As part of the EIA Baseline, a Phase 1 Habitat Survey and Preliminary Ecological Appraisal were completed in July 2016.
- D.1.2 They identified constraints relating to the Special Protection Area (SPA) and the bird populations located within and beyond the site boundary within the Site of Special Scientific Interest (SSSI) and Ramsar Site (wetlands of international importance) which lie adjacent to the site.
- D.1.3 A detailed survey specification was prepared in September 2016 and subsequently agreed with Scottish Natural Heritage (SNH) and the Royal Society for Protection of Birds (RSPB). A full range of ecological survey work to inform the project development and the environmental assessment was identified and undertaken including for on-site notable habitats, breeding birds, otter, water vole, bats, reptiles and great crested newt.

Noise & Vibration

- D.1.4 As part of the EIA Baseline, a baseline noise survey has been undertaken to establish the prevailing acoustic environment near to existing noise-sensitive receptors. Continuous sound level monitoring was undertaken between Tuesday 20th and Saturday 24th September 2016.
- D.1.5 Several site visits were undertaken to observe the acoustic environment, identify neighbouring noise-sensitive receptors and determine the existing noise sources impacting on the local area.
- D.1.6 Subjectively, the existing acoustic environment is characterised by relatively constant noise from passing road traffic and by intermittent transient noise from passing rail traffic.
- D.1.7 Several noise sensitive receptors (NSRs) were identified as being in relatively proximity to the site and as having the potential to be adversely affected by noise. The identified NSRs are regarded as having a 'high' sensitivity to noise.
- D.1.8 Continuous sound level monitoring has been undertaken at three key locations adjacent to the existing NSRs to quantify the prevailing ambient and background sound levels. The background noise climate is typically highest directly adjacent to the A82. However, the existing NSRs at all measurement locations are subjected to relatively high ambient LAeq³⁷ and transient LAFmax³⁸ sound levels from passing road and/or rail traffic.

Air Quality

- D.1.9 A preliminary assessment of the baseline air quality near the site has been undertaken as part of the EIA Baseline. Current air quality has been considered in relation to existing residential receptors near the site and at designated ecological receptors in the area.
- D.1.10 For human health receptors, the annual mean Nitrogen Dioxide (NO₂), PM₁₀ and PM_{2.5} objectives³⁹ are not predicted to be exceeded at any of the existing properties near the proposed development site.

³⁷ LAeq. A-weighted, equivalent sound level. A widely-used noise parameter describing a sound level with the same Energy content as the varying acoustic signal measured.

³⁸ LAFmax. A-weighted, Fast, Maximum, Sound Level.

³⁹ PM₁₀ is particulate matter 10 micrometers or less in diameter. PM_{2.5} is particulate matter 2.5 micrometers or less in diameter. PM_{2.5} is generally described as fine particles.

- D.1.11 For ecological receptors, the baseline background nitrogen oxides concentrations are well below the relevant objective. In addition, the nitrogen and acid deposition for the habitats located within Inner Clyde Ramsar, SSSI and SPA are below the critical loads.

Ground Conditions and Geology

- D.1.12 In May 2015, a full Technical Due Diligence (TDD) was completed. It included a full review of all historic reports related to ground conditions on the site including substantial records related to contamination. In March 2016, a Phase 1 Ground Contamination Report was prepared as part of the requirements of the EIA Baseline. The Phase 1 Report considered ground conditions in more detail than the TDD.
- D.1.13 Both the TDD and Phase 1 Report concluded that there were several areas of the site requiring remediation to protect ground water. The current site owners are developing a programme of further remediation works and these are now the subject of a planning application likely to be determined in December 2018.

Water, Hydrology and Flood Risk

- D.1.14 Scottish Environmental Protection Agency (SEPA) mapping shows that the site is at high risk of flooding from coastal inundation (combination of high tides and low atmospheric pressure), and from fluvial (river) inundation from Milton Burn.
- D.1.15 Following the EIA Scoping, in October 2015, an approach to hydraulic modelling and Flood Risk Assessment was agreed with the Council's Flooding Officer and SEPA.
- D.1.16 Drainage Channel and Watercourse surveys were completed in August 2016 and a Preliminary Watercourse and Drainage Baseline Review in September 2016. These informed the development of a hydraulic model of the Milton Burn which flows into the site, and an update to the Clyde Estuary hydrology model.
- D.1.17 A Milton Burn Baseline Hydraulic Modelling Report was prepared in October 2016 and subsequently approved as fit for purpose by SEPA in November 2016. The model has subsequently been used to appraise preliminary flood risk mitigation options. The outputs from that work have been discussed and approved by SEPA and informed the Masterplan development, roads, drainage and development platform design.
- D.1.18 A comprehensive Flood Risk Assessment and management plan identifying works required to protect the site from flooding will support a future planning application.

Landscape and Visual Impact

- D.1.19 A Landscape and Visual Impact Assessment (LVIA) has identified and assessed the negative and positive effects and significance of change arising from the proposed development on the landscape as an environmental resource and on people's views and visual amenity.

D.1.20 The LVIA has identified that landscape features of the site which will potentially be affected by the proposals include:

- embankment of the former railway;
- National Cycle Route 7 and Core Paths;
- wetland habitat;
- trees and other vegetation; and
- change in land use, from derelict site to mixed development.

D.1.21 The proposed development will result in changes to local landscape character. However, due to the previous land use, most of the site is degraded, therefore direct landscape character effects likely to occur on site are predicted to be beneficial for the most part, from soil remediation, linking green networks, improving connectivity to the waterfront, restoring heritage assets and providing amenity green space.

D.1.22 Detailed mitigation proposals will be developed as part of the design and planning process and will include a Landscape and Ecological Management Plan to be agreed as part of detailed designs.

Traffic and Transport

D.1.23 The project will provide significant betterment to traffic and transport connectivity through enhanced junctions on the A82, enhanced connectivity of the NCN 7 cycle route and improved pedestrian connectivity to existing public transport services. Significant detail on the proposals is provided in this Business Case. The detail will continue to be developed as the planning and design processes proceed.

Archaeology and Heritage

D.1.24 A comprehensive archaeology and heritage assessment has been undertaken.

D.1.25 The principal heritage constraint upon the development relates to Dunglass Castle and the adjacent monument. As listed buildings, there is both a legislative and policy requirement for the Council to pay special regard to the desirability of preserving or enhancing their setting when considering the planning application. Therefore, the design of the development should aim to preserve the setting of Dunglass Castle and the Memorial to Henry Bell. The design should avoid dominating or cluttering views of them from both the Clyde and the shore, the area immediately to the north and Bowling Basin, leaving them the dominant features on the headland. To achieve this, the development should be set back from the outcrop upon which they stand and the height of buildings limited and materials chosen to help the development blend in to its surroundings and avoid the urbanisation of the views of the monument and castle.

D.1.26 There are no other known heritage constraints, given the nature of the proposed development.

Land Ownership

D.1.27 The successful development of the site is dependent upon transfer of land ownership from Exxon to West Dunbartonshire Council on terms that are mutually acceptable to both parties. Heads of Terms have been agreed.

D.1.28 Other areas of land that are required to enable access to be provided are also in the ownership of third parties. Discussions with third party landowners have been ongoing since November 2016 and will continue as the project develops.

Appendix E Risk Register

Risk Ref	Status	Internal/ External	Risk Description	Inherent Impact	Inherent Probability	Inherent Risk Score	Rank	Owner	Control Actions	Residual Impact	Residual Probability	Residual Risk Score	Rank	Date Checked
PHYSICAL / ASSETS														
PA1	Live	External	Delay to remediation of contaminated land.	4	5	20	1	Exxon	Phase development around remediation programme. Works can be phased in packages, possibly with de-contamination and engineering works on site at the same time. Over-lap work programme to be developed between WDC/Exxon.	3	4	12	1	Oct-18
PA2	Live	Internal	Insufficient infrastructure capacity to enable desired quantum of development.	1	1	1	34	WDC – Road & Infrastructure (Raymond Walsh) / Infrastructure Owners	Work completed has shown that all infrastructure has sufficient capacity to accommodate the proposed development.	1	1	1	26	Oct-18
PA3	Live	External	Quay Walls require upgrading.	3	5	15	11	Exxon	Remedial works implemented to address identified physical defects.	1	1	1	26	Oct-18
PA4	Live	Internal	Building footprints are not achievable within identified platforms.	3	2	6	26	WDC	Platforms reformed to create sufficient area.	2	1	2	23	Oct-18
PA5	Live	Internal	Difficulty obtaining the required volume of material to create the raised development platforms.	4	3	12	16	WDC	Early identification of potential supplies of suitably inert materials.	2	2	4	14	Oct-18
POLITICAL														
P1	Live	Internal / External	Delay to programme due to number of Governance levels - Board, Council, PMO, City Deal Cabinet.	2	1	2	33	WDC – Project Management (Victor Francisco-Suarez)	Expedite delivery of project by undertaking proactive work on critical work programme elements and engaging with key stakeholders in advance to ensure they are aware of key project aspects at the earliest possible opportunity.	1	1	1	26	Oct-18
P2	Closed		Council elections in May 2017 returns an administration less supportive of City Deal.	3	3	9	24	WDC – Project Board	Ensure all members are kept fully informed of the benefits of the project and progress.	0	0	0	30	Oct-18
P3	Live	Internal	Council delays decisions on approvals of Business Cases as project progresses.	5	3	15	11	WDC – Project Board	Ensure that the Business Case(s) process is clearly defined and implications of time delays on the project are clearly articulated in reports to Council. Ensure Business Cases are of sufficient quality in line with HM Green Brook and City Deal Assurance Framework.	4	2	8	7	Oct-18
PROFESSIONAL														

Risk Ref	Status	Internal/ External	Risk Description	Inherent Impact	Inherent Probability	Inherent Risk Score	Rank	Owner	Control Actions	Residual Impact	Residual Probability	Residual Risk Score	Rank	Date Checked
PR1	Live	Internal	Agreement on technical approach with key stakeholders (e.g. Transport Scotland, public utilities, SEPA, etc.) creates timescale delays.	5	3	15	11	WDC - Capital Investment Team (Victor Francisco Suarez)	Regular engagement with key stakeholders throughout project development ensuring established timeframes are met. Project end date is June 2024.	3	2	6	9	Oct-18
PR2	Live	Internal	Detailed design / site investigations reveal conditions that will significantly increase costs or affect project delivery.	4	3	12	16	WDC - Capital Investment Team (Victor Francisco Suarez)	Design work to date, on both the remediation strategy and the City Deal project, has identified works which will be implemented as part of the remediation project. Project end date is June 2024.	3	3	9	4	Oct-18
PR3	Live	External	Regulatory approval for the overbridge or the underpass; provision of underpass design; and possessions for construction of the underpass are delayed by Network Rail.	5	4	20	1	WDC - Capital Investment Team (Victor Francisco Suarez)	Network Rail are commissioned to design and construct the underpass. WDC work closely with NR to secure possessions and approvals in a timely fashion.	4	3	12	1	Oct-18
FINANCIAL														
F1	Closed	Internal	Investing Council finances in a site owned by others.	4	4	16	6	WDC - Capital Investment Team (Victor Francisco Suarez)	Transfer of site to Council ownership is fundamental part of strategy. Heads of Terms have been approved and commercial discussions are taking place. Financial guidance is now clear that Council can invest finances in a site owned by others and therefore this risk is now closed.	0	0	0	30	Oct-18
F2	Live	Internal	Programme slippage incurs additional project costs.	4	4	16	6	WDC - Capital Investment Team (Victor Francisco Suarez)	Continual monitoring and reviewing project phasing and risk register and budget.	3	3	9	4	Oct-18
F3	Live	Internal	Insufficient funding due to complexity of site.	5	2	10	22	WDC - Capital Investment Team (Victor Francisco Suarez)	Optimism bias is included in the current cost estimates. Value engineering through design process to optimise development will reduce the optimism bias. Building the development in phases provides flexibility in funding availability/ or seek additional, alternative funding sources.	3	1	3	20	Oct-18
F4	Closed	Internal	Land value unknown so impact on negotiations with Exxon and impact on distribution of project budget.	4	4	16	6	WDC - Capital Investment Team (Victor Francisco Suarez)	Commercial property advisors have been appointed as part of technical due diligence team to consider land valuation.	0	0	0	30	Oct-18

Risk Ref	Status	Internal/ External	Risk Description	Inherent Impact	Inherent Probability	Inherent Risk Score	Rank	Owner	Control Actions	Residual Impact	Residual Probability	Residual Risk Score	Rank	Date Checked
F5	Live	Internal	Commercial discussions do not result in a successful deal with Exxon.	5	4	20	1	WDC - Capital Investment Team (Victor Francisco Suarez)	Negotiations with Exxon will seek to secure the most favourable deal for the Council.	2	2	4	14	Oct-18
F6	Live	Internal	Insufficient availability of resources for management of project delivery.	3	2	6	26	WDC - Capital Investment Team (Victor Francisco Suarez)	Dedicated PM appointed from within Capital Investment Team.	2	1	2	23	Oct-18
F7	Live	Internal	Council Budget pressures impact upon resources available to progress project.	4	3	12	16	WDC - Capital Investment Team (Victor Francisco Suarez)	Project Board constantly monitor budget and resource constraints on a regular basis and will review project scope in light of budget pressures.	3	2	6	9	Oct-18
REGULATORY / LEGAL														
RL1	Live	Internal /External	Necessary statutory approvals for development cannot be gained or are delayed.	5	3	15	11	WDC – Legal (Alan Douglas)	Regular reporting of progress within the Council and liaison with key external agencies to ensure all requirements are met.	5	2	10	3	Oct-18
RL2	Live	External	Exxon remediation strategy not approved by regulators.	5	2	10	22	Exxon	Exxon remediation team ensure remediation meets project and regulatory requirements.	3	1	3	20	Oct-18
RL3	Live	Internal	Residual liabilities associated with transfer of ownership from Exxon.	4	4	16	6	WDC – Legal (Alan Douglas)	Exxon will undertake a programme of remediation works to ensure the site is suitable for a basic commercial/industrial use. This still leaves a significant risk to the Council in terms of future residual liabilities. Technical Due Diligence has been undertaken and will continue to be updated to ensure liabilities are clearly dealt with in terms of land ownership transfer and future work programme. Exxon will only conclude a commercial transfer of land subject to having no further liabilities in the future. The makeup of the commercial settlement will need to recognise the potential future risk to mitigate the financial exposure to the Council in taking ownership of this site.	2	2	4	14	Oct-18
RL4	Live	Internal	Land assembly cannot be agreed with third party land owners.	5	4	20	1	WDC – Legal (Alan Douglas)	Determine land titles for parcels of land and enter into early discussions with landowners before considering any alternative options.	3	2	6	9	Oct-18
ENVIRONMENTAL														

Risk Ref	Status	Internal/ External	Risk Description	Inherent Impact	Inherent Probability	Inherent Risk Score	Rank	Owner	Control Actions	Residual Impact	Residual Probability	Residual Risk Score	Rank	Date Checked
ENV1	Closed	Internal	Environmental constraints (e.g. SSSI, RAMSAR, Ornithology, SPA) critically limits the extent of development or the capacity of the site for development.	4	3	12	16	WDC - Capital Investment Team (Victor Francisco Suarez)	Plan environmental mitigation measures into development through the Masterplan process.	0	0	0	30	Oct-18
ENV2	Closed	Internal	Fluvial and coastal flooding identified through SEPA plans. Potential to limit development area and/or increase enabling costs.	4	4	16	6	WDC - Capital Investment Team (Victor Francisco Suarez)	Undertake Flood Risk Assessment as part of Masterplan process then develop mitigation strategy to maximise development area	0	0	0	30	Oct-18
ENV3	Live	Internal	Environmental constraints (e.g. SSSI, RAMSAR, Ornithology, SPA) restrict construction time and delay project.	3	2	6	26	WDC - Capital Investment Team (Victor Francisco Suarez)	Ongoing discussions with SNH to determine appropriate construction constraints.	2	1	2	23	Oct-18
ENV4	Live	Internal	Fluvial and coastal flooding mitigation design issues require final approval at detailed design stage.	2	3	6	26	WDC - Capital Investment Team (Victor Francisco Suarez)	Ongoing discussions with SEPA & Scottish Water to determine appropriate design solutions.	1	1	1	26	Oct-18
CONTRACTUAL														
C1	Live	Internal /External	Delay to, or unacceptable terms for, transfer of ownership of site from Exxon to West Dunbartonshire Council.	5	3	15	11	WDC – Senior Responsible Officer (Jim McAloon) / Exxon	Close working and liaison with Exxon throughout project development. Heads of Terms now agreed. Commercial discussions underway.	4	2	8	7	Oct-18
C2	Live	Internal /External	Sale of site by Exxon to other parties rather than West Dunbartonshire Council.	5	1	5	32	WDC – Legal (Alan Douglas) / Exxon	Ongoing engagement with Exxon to acquire the land. Heads of Terms now agreed. Commercial discussions underway.	3	1	3	20	Oct-18
C3	Live	Internal	Procurement of contractors delays the project.	3	2	6	26	WDC - Capital Investment Team (Victor Francisco Suarez)	Early discussions with WDC procurement team. Ensure procurement process fully compliant with statutory requirements. Procurement will be in line with City Deal Procurement Strategy.	2	2	4	14	Oct-18
C4	Live	Internal /External	Different contractors require to be on site at the same time to ensure the programme is maintained.	4	3	12	16	WDC - Capital Investment Team (Victor Francisco Suarez)	Early engagement with all potential parties to coordinate respective work programmes for construction and remediation staging. Ensure contracts reflect the needs of Exxon/WDC working on the site at the same time.	3	3	9	4	Oct-18
ECONOMIC														

Risk Ref	Status	Internal/ External	Risk Description	Inherent Impact	Inherent Probability	Inherent Risk Score	Rank	Owner	Control Actions	Residual Impact	Residual Probability	Residual Risk Score	Rank	Date Checked
E1	Live	Internal	Alternative sites are deemed more attractive for development reducing the attractiveness of former Exxon site.	4	2	8	25	WDC – Economic Impact (Michael McGuinness)	Ensure project delivers a development ready site with all access, infrastructure and development platforms constructed.	3	2	6	9	Oct-18
E2	Live	Internal	Insufficient market demand to deliver the desired levels of economic activity and GVA forecast.	5	4	20	1	WDC – Economic Impact (Michael McGuinness)	Ensure fully market ready site is delivered through the project and early and continuous commercial marketing of opportunities will be undertaken including liaison with key bodies including SDI and SE.	2	2	4	14	Oct-18
E3	Live	Internal	City Deal programme does not achieve target GVA levels throughout City Region with associated financial impact.	3	2	6	26	City Deal Cabinet	Work closely with other City Deal partners to deliver projects successfully and continue to support project appraisals and reviews with other local Authorities to ensure collectively the projects within the programme are successful.	2	2	4	14	Oct-18
E4	Live	Internal	Availability of construction labour to complete the project given regional activity.	4	3	12	16	City Deal Cabinet	Work closely with other City Deal partners to deliver the City Deal programme successfully.	3	2	6	9	Oct-18

Appendix F Benefits Realisation Profile

Description of Benefit	Quantity of outputs to be achieved during project life cycle	Date when outputs to be achieved / realised in full	Outputs to be achieved by May 2019 (Gateway 1)	Outputs to be achieved by May 2024 (Gateway 2)	Outputs to be achieved by May 2029 (Gateway 3)	Assumptions/Comments
Infrastructure Benefits						
Vacant and derelict land brought back into commercial use (hectares)	19.10	By 2024	0	19.10	19.10	In determining benefits, it is assumed that infrastructure works will start on site in 2021 with work completed in 2024 and plots available for development and occupation from then. Full development is assumed to take 25 years from commencement on site.
Land remediated (hectares)	19.10	Over a 25-year period	0	19.10	19.10	Remediation of contaminated land to be complete prior to site acquisition by WDC.
Industrial/manufacturing(sqm)	95,300	Over a 25-year period	0	8,350	6,167	89,133 sqm post 2029
Office space (sqm)	5,682	Over a 25-year period	0	1,752	0	5,682 sqm post 2029
Public realm new (m2)	20,000	Over a 25-year period	0	0	5,000	New public realm space will be created by the project.
Transport						
Public road created (m)	1,945	2024		1,945	1,945	Construction of new spine road through the site to open it up to development.
Public road enhanced (m)	1,320	2024		1,320	1,320	Construction of enhanced junctions and improved sections of carriageway on A82 and A814.
Cycle route enhanced (m)	475	2024		475	475	Realignment of NCN7 cycle route to maintain continuity and enhance safety.
Employment Benefits						
Total Net Construction Jobs created (i.e. direct jobs) at City Region level	965	Over a 25-year period	0	490	695	965 gross jobs post 2029

Description of Benefit	Quantity of outputs to be achieved during project life cycle	Date when outputs to be achieved / realised in full	Outputs to be achieved by May 2019 (Gateway 1)	Outputs to be achieved by May 2024 (Gateway 2)	Outputs to be achieved by May 2029 (Gateway 3)	Assumptions/Comments
Total Net Operational Jobs at City Region level	1,140	Over a 25-year period	0	65	630	1,140 gross jobs post 2029
Total Net Additional Gross Value Added (GVA) at City Region level	£308.6m	Over a 25-year period	0	£31.0m	£89.4m	£308.6m net additional post 2029.
Environmental Benefits						
Greenspace enhanced or protected (hectares)	27.13	2024	0	27.13	27.13	The western half of the site is designated as greenbelt and as part of the green network in the LDP. It is assumed this land will be enhanced to improve its amenity prior to development commencing on site.
Land decontaminated (hectares)	19.10	2019	0	19.10	19.10	Remediation of contaminated land expected to be complete prior to site acquisition by WDC.
Area of land protected from flood (hectares)	24.77	2024	0	24.77	24.77	The whole site has been identified as potentially susceptible to flooding. It is assumed that flood protection measures will be put in place as part of the implementation of the project
Financial Benefits						
Leverage - Private sector income secured / levered	£23.43m	2034	£0m	£8m	£20m	£27.2m

Appendix G Additionality and GVA Per Head

	Leakage			Displacement			Multiplier		
	WDC	City Region	Scotland	WDC	City Region	Scotland	WDC	City Region	Scotland
Retail	15%	5%	0%	15%	35%	50%	1.13	1.22	1.27
Leisure	15%	5%	0%	30%	40%	50%	1.21	1.36	1.45
Food and Drink	15%	5%	0%	15%	25%	50%	1.09	1.14	1.18
Hotel	15%	5%	0%	25%	33%	50%	1.11	1.19	1.24
R & D	20%	10%	0%	25%	33%	40%	1.26	1.44	1.55
Business									
High value sectors	30%	15%	5%	20%	35%	50%	1.48	1.80	2.00
Medium Value Sectors	25%	15%	5%	20%	35%	50%	1.24	1.40	1.50
Low Value Sectors	25%	15%	5%	20%	35%	50%	1.26	1.43	1.54
Industry									
High value sectors	15%	15%	1%	20%	35%	50%	1.41	1.69	1.86
Medium Value Sectors	10%	5%	0%	20%	35%	50%	1.33	1.56	1.70
Low Value Sectors	10%	5%	0%	20%	35%	50%	1.22	1.37	1.47

Additionality factors have been selected based on the level of activity, employment and number of businesses present in each market in each area. Multipliers have been derived for each industry from the Scottish Government Type II Multipliers. The City Region multiplier equates to 80% of the Scottish and the WDC multipliers equate to 60% of the City Regions.

GVA Per Head			
	WDC	City Region	Scotland
Retail	25,259	23,171	25,704
Leisure	16,498	17,531	23,201
Food and Drink	9,960	12,869	18,942

GVA Per Head			
Hotel	26,065	26,340	29,431
Business			
High value sectors	44,496	58,177	70,453
Medium	43,537	45,007	49,036
Low	41,479	35,363	40,081
Industrial			
High value sectors	65,367	66,484	84,170
Medium	59,942	52,803	62,789
Low	52,261	49,066	82,352
R & D	62,757	62,757	62,757

Appendix H Development Plot & Option Timelines

Option 1	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Office A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial G	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial H	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial J	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business L	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Businees M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage N	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage O	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage Q	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage R	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Carelss Marine	-	-	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	-	-	-	-	-	-	-	-	-	-	-	-	-	18,800
Carless Industrial	-	-	-	-	-	-	-	-	-	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	####	41,600
Carless Resi	-	-	-	-	-	-	1,486	1,486	1,486	1,486	1,486	1,486	1,486	-	-	-	-	-	-	-	-	-	-	-	-	10,400
Total	-	-	1,880	1,880	1,880	1,880	3,366	3,366	3,366	5,966	5,966	5,966	4,086	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	####	70,800

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Class 1 Shops	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 2 Financial and Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 3 Food & Drink	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 4 Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 5 General Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 6 Distribution	-	-	1,880	1,880	1,880	1,880	1,880	1,880	1,880	4,480	4,480	4,480	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	####	60,400
Class 7 Hotels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 8 Residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 9 Residential	-	-	-	-	-	-	1,486	1,486	1,486	1,486	1,486	1,486	1,486	-	-	-	-	-	-	-	-	-	-	-	-	10,400
Class 10 Non-residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 11 Assembly & Leisure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	1,880	1,880	1,880	1,880	3,366	3,366	3,366	5,966	5,966	5,966	4,086	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	####	70,800

Option 2	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Office A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	584	584	584	-	-	-	-	-	-	1,752
Industrial B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	667	667	667	-	-	-	-	-	-	2,000
Industrial C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	400	400	-	-	-	-	-	-	1,200
Industrial D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	600	600	-	-	-	-	-	-	1,800
Industrial E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	333	333	333	-	-	-	-	-	-	1,000
Industrial F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	200	200	-	-	-	-	600
Industrial G	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	-	-	-	-	900
Industrial H	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	-	-	-	-	900
Industrial I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	-	-	-	-	900
Industrial J	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	200	200	-	-	-	-	600
Business K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437	437	437	-	-	-	-	1,310
Business L	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437	437	437	-	-	-	-	1,310
Businees M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437	437	437	-	-	-	-	1,310
Storage N	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage O	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage Q	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage R	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Carelss Marine	-	-	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	-	-	-	-	-	-	-	-	-	-	-	-	-	18,800
Carless Industrial	-	-	-	-	-	-	-	-	-	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	####	41,600
Carless Resi	-	-	-	-	-	-	1,486	1,486	1,486	1,486	1,486	1,486	1,486	-	-	-	-	-	-	-	-	-	-	-	-	10,400
Total	-	-	1,880	1,880	1,880	1,880	3,366	3,366	3,366	5,966	5,966	5,966	4,086	2,600	2,600	2,600	5,184	5,184	7,794	5,210	5,210	2,600	2,600	2,600	####	86,382

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Class 1 Shops	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 2 Financial and Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	584	584	584	-	-	-	-	-	-	1,752
Class 3 Food & Drink	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 4 Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,310	1,310	1,310	-	-	-	-	3,930
Class 5 General Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000	3,300	1,300	1,300	-	-	-	-	9,900
Class 6 Distribution	-	-	1,880	1,880	1,880	1,880	1,880	1,880	1,880	4,480	4,480	4,480	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	####	60,400
Class 7 Hotels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 8 Residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 9 Residential	-	-	-	-	-	-	1,486	1,486	1,486	1,486	1,486	1,486	1,486	-	-	-	-	-	-	-	-	-	-	-	-	10,400
Class 10 Non-residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 11 Assembly & Leisure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	1,880	1,880	1,880	1,880	3,366	3,366	3,366	5,966	5,966	5,966	4,086	2,600	2,600	2,600	5,184	5,184	7,794	5,210	5,210	2,600	2,600	2,600	####	86,382

Option 3	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Office A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	584	584	584	-	-	-	-	-	-	-	1,752
Industrial B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	667	667	667	-	-	-	-	-	-	-	2,000
Industrial C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	400	400	-	-	-	-	-	-	-	1,200
Industrial D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	600	600	-	-	-	-	-	-	-	1,800
Industrial E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	333	333	333	-	-	-	-	-	-	-	1,000
Industrial F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	200	200	-	-	-	-	-	600
Industrial G	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	-	-	-	-	-	900
Industrial H	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	-	-	-	-	-	900
Industrial I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	300	300	-	-	-	-	-	900
Industrial J	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	200	200	-	-	-	-	-	600
Business K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437	437	437	-	-	-	-	-	1,310
Business L	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437	437	437	-	-	-	-	-	1,310
Businees M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437	437	437	-	-	-	-	-	1,310
Storage N	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	-	-	-	3,000
Storage O	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800	800	800	800	800	-	4,000
Storage P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800	800	800	800	800	-	4,000
Storage Q	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,167	1,167	1,167	1,167	1,167	1,167	7,000
Storage R	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,167	1,167	1,167	1,167	1,167	1,167	7,000
Carelss Marine	-	-	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	-	-	-	-	-	-	-	-	-	-	-	-	-	18,800
Carless Industrial	-	-	-	-	-	-	-	-	-	-	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	39,000
Carless Resi	-	-	-	-	-	-	-	1,486	1,486	1,486	1,486	1,486	1,486	1,486	-	-	-	-	-	-	-	-	-	-	-	10,400
Total	-	-	1,880	1,880	1,880	1,880	1,880	3,366	3,366	3,366	5,966	5,966	4,086	4,086	2,600	5,184	5,184	7,794	5,210	10,143	7,533	7,533	6,533	6,533	4,933	108,782

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Class 1 Shops	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 2 Financial and Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	584	584	584	-	-	-	-	-	-	-	1,752
Class 3 Food & Drink	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 4 Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,310	1,310	1,310	-	-	-	-	-	3,930
Class 5 General Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000	3,300	1,300	1,300	-	-	-	-	-	9,900
Class 6 Distribution	-	-	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	4,480	4,480	2,600	2,600	2,600	2,600	2,600	2,600	2,600	7,533	7,533	7,533	6,533	6,533	4,933	82,800
Class 7 Hotels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 8 Residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 9 Residential	-	-	-	-	-	-	-	1,486	1,486	1,486	1,486	1,486	1,486	1,486	-	-	-	-	-	-	-	-	-	-	-	10,400
Class 10 Non-residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 11 Assembly & Leisure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	1,880	1,880	1,880	1,880	1,880	3,366	3,366	3,366	5,966	5,966	4,086	4,086	2,600	5,184	5,184	7,794	5,210	10,143	7,533	7,533	6,533	6,533	4,933	108,782

Option 4	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Office A	-	-	-	-	-	1,752	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,752
Industrial B	-	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Industrial C	-	-	-	-	-	1,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200
Industrial D	-	-	-	-	-	1,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,800
Industrial E	-	-	-	-	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000
Industrial F	-	-	-	-	-	-	-	600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600
Industrial G	-	-	-	-	-	-	-	900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900
Industrial H	-	-	-	-	-	-	-	900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900
Industrial I	-	-	-	-	-	-	-	900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900
Industrial J	-	-	-	-	-	-	-	600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600
Business K	-	-	-	-	-	-	-	1,310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,310
Business L	-	-	-	-	-	-	-	1,310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,310
Businees M	-	-	-	-	-	-	-	1,310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,310
Storage N	-	-	-	-	-	-	-	-	-	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000
Storage O	-	-	-	-	-	-	-	-	-	1,333	1,333	1,333	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000
Storage P	-	-	-	-	-	-	-	-	-	1,333	1,333	1,333	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000
Storage Q	-	-	-	-	-	-	-	-	-	1,750	1,750	1,750	1,750	-	-	-	-	-	-	-	-	-	-	-	-	7,000
Storage R	-	-	-	-	-	-	-	-	-	1,750	1,750	1,750	1,750	-	-	-	-	-	-	-	-	-	-	-	-	7,000
Carelss Marine	-	-	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,800
Carless Industrial	-	-	-	-	-	-	-	-	-	-	-	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	41,600
Carless Resi	-	-	-	-	-	-	-	-	2,080	2,080	2,080	2,080	2,080	-	-	-	-	-	-	-	-	-	-	-	-	10,400
Total	-	-	2,350	2,350	2,350	10,102	2,350	10,180	4,430	13,597	8,247	11,218	8,551	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	111,382

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Class 1 Shops	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 2 Financial and Professional Services	-	-	-	-	-	1,752	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,752
Class 3 Food & Drink	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 4 Business	-	-	-	-	-	-	-	3,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,930
Class 5 General Industry	-	-	-	-	-	6,000	-	3,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,900
Class 6 Distribution	-	-	2,350	2,350	2,350	2,350	2,350	2,350	2,350	11,517	6,167	9,138	6,471	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	85,400
Class 7 Hotels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 8 Residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 9 Residential	-	-	-	-	-	-	-	-	2,080	2,080	2,080	2,080	2,080	-	-	-	-	-	-	-	-	-	-	-	-	10,400
Class 10 Non-residential Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class 11 Assembly & Leisure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	2,350	2,350	2,350	10,102	2,350	10,180	4,430	13,597	8,247	11,218	8,551	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	2,971	111,382

Appendix I Sourcing Strategy

SECTION ONE:

Date Created:		Created By:	
Contract Name: Please ensure this properly reflects the nature of the requirement, i.e. is it a refurbishment, installation, new build, supply of etc			
Requesting Department:			
Latest Date for Commencement of Contract:			
Estimated Term of Contract (initial):		Estimated Extensions to be Included: Please note, contract extensions cannot exceed the original duration of the contract or Framework Agreement	
Estimated Value of Requirement: Budget holders please note. Where the outturn of the tender exceeds the budget value the budget holder acknowledges that they will be required to either return to the approving committee, or agree with the Strategic Lead – Resources to vire additional budget to the revenue account.		Budget Amount: Please make it clear if the budget is solely for this requirement, or part of a wider capital or revenue budget.	
Cost Centre(s): Where there is a range of cost centre, embed a table if reasonably exceeds the box size.		Revenue or Capital:	

Goods / Works / Services:	
<p>For ICT Procurement Only:</p> <p>This section to be completed where the requirement has ICT implications. Please ensure that the service department has completed the ICT Asset Management Plan assessment checklist.</p>	
<p>Budget Holder*:</p> <p>Where spend goes across a number of budgets, you may need to get multiple signatures. Where it is Council wide, it may be required to obtain several Strategic Lead or Strategic Directors signatures. Discuss with your Business Partner.</p>	<p>Print Name:</p> <p>Signature:</p> <p>Date:</p>
<p>Finance Business Partner (<£1M) / Strategic Lead for Resources (>£1M):</p>	<p>Print Name:</p> <p>Signature:</p> <p>Date:</p>
<p>Procurement Business Partner (<£1M) / CPM (>£1M):</p>	<p>Print Name:</p> <p>Signature:</p> <p>Date:</p>

SECTION TWO:

<p>SECTION TWO:</p>	<p>Service Strategy/Forward Plan:</p> <p><i>[This section should include a summary of the Department's strategy and their forward plan to ensure that the contract strategy and the procurement approach are in line with their future plans. It is important that these are considered as part of the tender development process. Where the requirement is for a specific service, please refer to the Service Plan. Where there is no Service Plan, please refer to the Council strategic objectives. Please refer to the original committee report for strategic impact where appropriate.]</i></p>
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<p align="center">Requirement:</p> <p><i>[This section should include a scope, quantity, delivery required and delivery address along with any special requirements/conditions for example, TUPE, relating to this procurement exercise. This requirement should be used on the PCS advert "Scope of Procurement".]</i></p>			
New or Existing Requirement:		If Applicable, the current Supplier(s) / Contractor(s) / Provider(s):	
<p align="center">Historical Spend or Income Information:</p> <p><i>[Use the spend analysis tool and Spikes in the first instance. Further reports by request from the Developments Team. It is important to get the service to validate the historic spend. Where the contract has a potential rebate, cashback, or other income, please review the debtors' ledger.]</i></p>			
Service Area:	Total Expenditure (p.a.):	Suppliers / Contractors / Providers:	Comments:

SECTION THREE:

<p align="center">Supply Market Status:</p> <p><i>[This section should include a summary of the market analysis undertaken as part of the strategy development process. It should detail the current position within the supply market with regards to the works / goods /services required. (Consider PESTLE/SWOT Analysis, Market Trends, Current Supply Base, Supply Chain Management, Analysis of Spikes Cavell data and or use of Ibis World etc.)]</i></p>

Recommendation & Reason:

Demand Management:

[This section should enable the Council to tailor its capacity, to meet variations in demand or to manage the level of demand using marketing or supply chain management strategies. For example: addressing mismatched requirements through changes in process and communication; legislation; ensuring that over-supply is reduced; reducing costs of those who do have needs by tapping into innovations; personalisation with a purpose; building the community skills and capacity to take on more responsibility and reduce needs in the long term, etc.]

Demand Behaviours

Short Term: Removing Avoidable Demand

Medium Term Benefits: Redesigning Services Around Customers

Long Term Change: Removing the Causes of Customer Demand

Collaboration Considerations:

[This section should detail the collaboration opportunities that could be available for the required contract strategy and whether they are appropriate to be utilised by the Council. Where collaboration is not appropriate, please provide a reason why.]

Recommendation & Reason:

Social Issues in Procurement

[This will ensure that ethical / sustainability / community benefits are assessed, understood and managed through the life of the procurement.]

Employee, Skills and Training:

[Detail the SMEs, 3rd sector, supported business and community benefits the Council will support in taking the requirement forward.]

Health & Wellbeing:

[Detail the health & safety and wellbeing the Council will support in taking the requirement forward.]

Communities:

[Detail any community consultation (end users) to define the requirement (Need not Want) and the community enhancements the Council will support in taking the requirement forward.]

Security & Crime:

[Detail any security or / and crime measures the Council will take, in taking the requirement forward.]

Fairly & Ethically Traded:

[Detail the measures that the Council will take to ensure that as far as possible, that the Services / Goods / Works will be fairly and ethically procured, such as human rights, working conditions or conflict minerals.]

Equality:

[Detail the equalities, such as promoting equality and reducing inequality, that the Council will support in taking the requirement forward. Early consideration of the EIA can impact the implementation strategy. Discuss with Ric Rea (PPP Officer) where necessary.]

Link the to the screening below:

<http://wdcapp2012/EIATest/AssessmentList.aspx>

Please confirm that the Equalities screening has been completed and approved? Y/N

If there is an equalities impact, an impact assessment has been undertaken. Y/N/N/A

Fair Work:

[Detail the fair working practices that the Council will support in taking the requirement forward, such as; the Living Wage, inappropriate use of Zero Hour contracts, etc.]

Environment:

[Detail the environmental considerations, such as; carbon management or heat loss measures, that the Council will support in taking the requirement forward.]

GDPR

[Consideration must be given to the handling and storage of any personal data that may be generated as part of the tender process, and the subsequent contract]

Please describe how personal data may be gathered and the steps being taken to securely hold, and delete any unnecessary information.	
<p align="center">Purchase to Pay:</p> <p align="center"><i>[This section should contain details of the purchase to pay strategy for this procurement process. Consult with the Developments team as appropriate. The purpose of this section is to explore what options are possible and to prompt discussion with the service areas on how the ordering and payment process will work. Also define how this will impact the tender. Please discuss with the BP-Developments.]</i></p>	
<p><u>PECOS Information:</u></p> <p>Single Order: PO matches the contract value</p> <p>Value based order: PO is for an overall value and individual call off invoices are drawn down from the value.</p>	Choose an item.
<p><u>Catalogue Use:</u></p> <p>You should explore where an e-cat can be developed and input into PECOS. This will be for Framework Agreements or Measured Term Contracts where call offs from the original agreement are placed subsequent to the tender.</p>	Choose an item.
<p><u>Statement Billing:</u></p> <p>You should explore where there is the scenario where multiple call off occur in a short period of time, whether consolidated and statement billing are appropriate. This is relevant where there are manual keying invoices.</p>	
<p><u>E-Invoicing:</u></p> <p>Please discuss with the Developments team the requirement and the applicability to e-invoice.</p>	
<p><u>Tender Impact:</u></p> <p>Please outline how the P2P intentions are to be reflected in the tender. For example, purchase cards, e-invoicing etc.</p>	
<p><u>Procurement Card Considerations and Justification:</u></p> <p>For example: Level 3 data enabled that can hold an embedded card; PCI DSS compliant</p>	

SECTION FOUR:

<p align="center">Process To Be Adopted:</p> <p align="center"><i>[This section should explain the reasons for the choice of procurement approach and utilise the conclusions/recommendations made throughout this contract strategy to support the decision.]</i></p>
<p><u>Route to Market</u></p>

Option 1: Framework Agreement		Option 2: Call-Off from a Framework Agreement		Option 3: Contract	
<u>Recommendation & Reason:</u>					
<u>Procurement Procedure</u>					
Option 1: Open Procedure		Option 2: Restricted Procedure		Option 3: Competitive Procedure with Negotiation	
Option 4: Competitive Dialogue Procedure		Option 5: Innovation Partnerships		Option 6: Negotiated Procedure Without Prior Publication (VEAT)	
Option 7: Direct Award Without Competition (Light Touch)		Option 8: Contract With Small Lot Provision		Option 9: Mini-Competition under a Framework Agreement	
Option 10: Framework Agreement Direct Award					
<u>Recommendation & Reason:</u>					
<u>Lotting Strategy</u>					
Option 1: Not Lotted		Option 2: Multi Lot - Products		Option 3: Multi Lot – Values	
Option 4: Multi Lot – Geographical Location		Option 5: Multi Lot – Other			
<u>Recommendation & Reason:</u>					
<p align="center">Terms and Conditions / Form of Contract:</p> <p><i>[Please provide the Terms and Conditions and an explanation of such that will be required for this contract. Consideration should be given to issues such as Consultancy; time is of the essence; damage; inclusion of bonds and guarantees; specific force majeure events; limitation of liabilities; indemnities etc. This section should be done in consultation with Legal.]</i></p>					

Award Criteria:	
<i>[This section should summarise the proposed evaluation methodology, including the total cost for ownership / quality split.]</i>	
Quality (Technical Evaluation) Criteria - ? %:	
- Service Delivery / Methodology	? %
- Project Plan & Milestones	? %
- Business Continuity, Phase Out and Exit Strategy	? %
- Social Issues	? %
- e-Procurement	? %
- Add or amend criteria as required	? %
Total Cost of Ownership (Commercial) Criteria - ? %:	
- Price	? %
- Training	? %
- Spare's / Tools	? %
- Service	? %
- Maintenance	? %
- Repairs	? %
- Add or amend criteria as required	? %

SECTION FIVE:

Planned Cashable Savings Target:		
<i>[This section should cover planned vs actual savings but also things like e-invoicing and self- billing. Please discuss this with the service and your BP to agree appropriate targets.]</i>		
Value	Description	Financial Year
		17/18
		18/19
		19/20
Planned Contract Benefits – Non Financial:		
<i>[This section is important as there is a CPU target to report on.]</i>		

SECTION SIX:

Contract and Supplier Management (CSM):			
<i>[This section should include the planned contract performance/contract and supplier management measures that could be incorporated into the procurement process. Consider the quality, cost, delivery and service elements that should be measured during the life of the contract.]</i>			
Strategic – Scorecard done quarterly		Leverage – Scorecard done bi-annually	

Bottleneck – Scorecard done quarterly		Routine – Scorecard done annually	
Category:		Measure:	
Cost:			
Quality:			
Service:			
Social Issues in Procurement:			

Appendix J Equalities Impact Assessment

Equality Screening and Assessment Form

Exxon Site Development, EIA Updated 15th November 2018

To be used in conjunction with EIA [WDC Guidance](#)

For further advice email wdcpp@west-dunbarton.gov.uk

Section 1: Policy Details and screening		
Lead departments/partners involved:		Economic Development
Assessment Lead Officer		Victor Francisco-Suarez
Assessment Team		Victor Francisco-Suarez, Ricardo Rea
Is this a new or existing Policy		New
Brief description of policy aims; Who are the main target groups/ Who will be affected e.g. service users, staff, other organisations		People living in west Dunbartonshire, people seeking employment in West Dunbartonshire, people travel through West Dunbartonshire by road or by training, businesses in West Dunbartonshire. West Dunbartonshire Council staff.
Please indicate if there is any relevance to the four areas below and give a brief explanation		
Duty to eliminate discrimination (E), advance equal opportunities (A) or foster good relations (F)		The proposal is relevant to all parts of the equality duty
Relevance to Human Rights (HR)		No
Relevance to Health Impacts (H)		Yes
Relevance to Social Economic Impacts (SE)		Yes
Yes to any:		If yes to any of the above, complete all sections, 2-9 Please hyperlink or note any linked EIAs here;
No to all:		If no, complete only sections 7
Unsure		If don't know, complete sections 2 & 3 to help assess relevance

Section 2: Evidence List the evidence used to assess the impact of this policy, including the sources listed below. Identify any gaps in evidence and what will be done to address these.	
Involvement and Consultation results Feedback from service users, partner or other organisations Research	Please refer to Business Case for work so far Public Transport ‘Transport for everyone: an action plan to improve accessibility for all’ Department of Transport 2012, for reliance on public transport, and Scottish Household Survey data on modes of transport. Welfare Benefits Changes are likely to mean that a very considerable number of people in West Dunbartonshire will lose the mobility component of what is now Disability Living Allowance; this will mean that they become as a group more reliant on public transport for work travel and other activities.
Employment or service monitoring	These are two major concerns in West Dunbartonshire; the developments will provide opportunities generally. Work through our ‘Working 4 U’ integrated services on welfare, employability and learning, can help realise benefits especially for more excluded groups.
Officer knowledge	When proposed work is underway there will be considerable transport disruption for an extended period of time, this may impact more on some groups than others. However some steps can be taken to impact the potential negative effects of this. Greater detail is provided in the sections below. West Dunbartonshire Council is the single biggest employer in the area, and we have taken this into account in this stage of the EIOA process. The project will provide employment opportunities and improved transport links for people living in West Dunbartonshire, and people moving through the area using the A82

Evidence gaps identified and measures to address these			
<p><i>Note: Link to Section 6 below Action Plan to address any gaps in evidence</i></p>			
<p>Section 3: Involvement and Consultation</p> <p>Outline involvement or consultation, including dates carried out, protected characteristics and other areas. Include involvement or consultation to be carried out as part of the developing or implementing the policy. Link to Action Plan Section 6 below if required</p>			
Details	Dates	Findings	Characteristics/Area
			Race
			Sex
			Gender Reassignment
			Disability
			Age
			Religion/ Belief
			Sexual Orientation

			Pregnancy/ Maternity
			Human Rights
			Social/Economic
			Health
			Crossing Cutting

Section 4: Analysis of Impacts

Link to Action Plan Section 6 below for addressing impacts

Characteristic/Area	Positive, Negative, None	Evidence
Race	Positive	Longer term improved A82 route will particularly benefit groups who rely more on public transport
	Negative	This group relies more on public transport than some others. Whilst work is being under taken, trains, buses and taxis may be subject to delays
Sex	Positive	Longer term improved A82 route will particularly benefit groups who rely more on public transport
	Negative	Women rely more on public transport than some others. Whilst work is being under taken, trains, buses and taxis may be subject to delays. Women have more child care and caring responsibilities and are less likely to be able to work flexible given concentration in certain jobs

Gender re-assignment	None	
Disability	Positive	Longer term improved A82 route will particularly benefit groups who rely more on public transport A new road through the development, properly serviced by public transport may be of particular benefit for some disabled working or seeking work in businesses based in the area
	Negative	This group relies more on public transport than some others. Whilst work is being under taken, trains, buses and taxis may be subject to delays
Age	Positive	Longer term improved A82 route will particularly benefit groups who rely more on public transport
	Negative	This group relies more on public transport than some others. Whilst work is being under taken, trains, buses and taxis may be subject to delays
Religion/Belief	None	
Sexual Orientation	None	
Pregnancy/Maternity	None	
Human Rights	None	
Social/Economic	Positive	The project will create 690 new jobs (net) that will be available to the wider population and open the site for public access to the riverside.

Health	Positive	Opening up the site for public access will improve health benefits for user and cyclists alike. There will also be access to areas of natural interest including the nature rich mud flats which will be protected.
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Section 5: Recommendations

Select which of the following apply (use can choose more than one) and give a brief explanation
Link to Section 6: Action Plan if required.

Recommendation	Explanation
1. Introduce the Policy	The project is at an early stage, however we have identified broad areas to pay attention to as details are developed and this will help us ensure benefits are realised and that any negative impacts are mitigated as much as reasonably possible
2. Modify the Policy	
3. Pilot the Policy	
4. Do not Introduce the Policy	

Describing how Equality Impact analysis has shaped the policy making process

Not at this stage

Section 6: Action Plan

Describe action which will be taken following the assessment in order to; reduce or remove any negative impacts, promote any positive impacts, or gather further information or evidence, or further consultation

Action	Responsible person	Intended outcome	Date	Protected Characteristic/area
<p>The following measures with particular attention for this group:</p> <ul style="list-style-type: none">• Ensure that measures such as offering flexible hours, and location of work such as working from home are offered by the West Dunbartonshire Council to the employees and workers• Undertaken works with employers and Chamber of commerce to encourage flexibility whilst works are	Project officers/TBC	<p>To ensure that disabled people are aware of developments and can contribute their knowledge and ideas</p> <p>To help ensure that workers are not disadvantaged and to ensure that the Council can continue to operate as efficiently as possible</p> <p>To ensure that disruptions are minimised and accessibility of transport is maintained as well as possible</p> <p>To ensure that planning of public transport after work has been completed takes into account maximising the potential benefits for public transport users</p>	In line with time scales	Disability

underway <ul style="list-style-type: none"> • Consultation can be carried out through the West Dunbartonshire Equality Forum • Working with SPT and Transport providers 				
See measures above but with particular attention for this group	Project officers/TBC		In line with times cales	Gender
				Gender Reassignment
See measures above but with particular attention for this group	Project officers/TBC		In line with times cales	Race
See above but with particular attention for this group	Project officers/TBC	<p>To help ensure that people are not disadvantaged because of their age.</p> <p>To ensure that disruptions are minimised and accessibility of transport is maintained as well as possible</p> <p>To ensure that planning of public transport after work has been completed takes into account maximising the potential benefits for public transport users</p>	In line with times cales	Age
				Religion/ Belief
				Sexual Orientation
				Pregnancy/ Maternity

				Human Rights
Promote opportunities for the anticipated new jobs that will be created on the site.	Project officers/TBC	690 (Net) new jobs created on the site and regeneration of vacant and derelict land.	In line with time scales	Social/Economic
Promote health benefits of new waterfront pathway and cycle way created on site	Project officers/TBC	Creation of public access routes to waterfront and mud flats to enjoy retained natural area of site and SSI.	In line with time scales	Health
<p>Are there any negative impacts which cannot be reduced or removed? Please outline the reasons for implementing the Policy if this is the case</p> <p>There will be some impacts which will be negatively affecting some groups more whilst construction work is underway.</p> <p>However the Council has a legitimate aim of improving employment and the economy in West Dunbartonshire, and improvising transport links.</p> <p>The proposals are a proportionate way of taking things forward and we will continue to ensure that equality and fairness considerations inform planning and implementation at each stage.</p>				
<p>Section 6a: Procurement Actions, Record of Equality issues for Procurement.</p> <p>Complete this section if there is any procurement involved in this Policy which may require action to ensure eliminating discrimination, advancing equality or fostering good relations: If there is no procurement involved go straight to section 7.</p> <p>Confirm that you have read the <u>WDC guidance on equality and procurement</u>. Y/N</p>				
Question	Measure		Specification	
What attitudes / skills should staff have to meet needs of the range of people from				

equality groups		
What measures are required to ensure that the supplies, services or works are accessible for to people from equality groups (this includes physical access and access to information/ communication)		
What arrangements are required to ensure that the supplies, services or works respond to particular religious or cultural requirements?		
What arrangements are required to ensure that the supplies, services or works meet the needs of equality groups		
Any other equality issues that should be taken into account in the contract specification		

Section 7: Monitoring and review		
Assessment lead Officer:	Signature: Victor- Francisco Suarez	Date: 14/11/2018
EIA Trained Officer:	Signature: Ricardo Rea	Date: 15/11/2018
Policy Approved:	Y/N	Date
If the policy is approved what will be the review date	Date:	

WEST DUNBARTONSHIRE COUNCIL
Report by the Strategic Lead - Resources
Council: 28 November 2018

**Subject: General Services Budgetary Control Report to 31 October 2018
(Period 7)**

1. Purpose

- 1.1** The purpose of this report is to advise on both the General Services revenue budget and the approved capital programme to 31 October 2018.

2. Recommendations

2.1 Council is asked to:

- i) note that the revenue account currently shows a projected annual favourable variance of £0.077m (0.04% of the total budget); and
- ii) note that the capital account shows that planned expenditure and resource for 2018/19 is lower than budgeted by £23.899m (28.54% of the budget), made up of £24.135m relating to project slippage, partially offset by £0.236m relating to an in year overspend.

3. Background

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 5 March 2018, Members agreed the revenue estimates for 2018/2019. A total net budget of £214.183m was approved for General Services.

- 3.2** Other movements which have affected the net budget are listed below, resulting in a budget being monitored of £214.523m:

	£m
Original budget agreed	214.183
Additional funding for Greenspace approved by Council in May 2018	0.270
Reversal of management adjustment in respect of Trade Union posts approved by Council in May 2018	0.050
Funding of lost equipment for Work Connect following the fire at Havoc Dumbarton (transfer from prudential reserve approved by Council in May 2018)	0.020
Revised Budget	<u>214.523</u>

- 3.3** Since the completion of the Annual Accounts 2017/18, an exercise has been underway to identify recurring variances in all service areas. This has resulted in movement between services, which has now been incorporated into the report.

Capital

- 3.4** At the meeting of Council on 5 March 2018, Members also agreed the updated 10 year General Services Capital Plan for 2018/2019 to 2025/26. The next three years from 2018/19 to 2020/21 have been approved in detail with the remaining years being indicative at this stage.
- 3.5** Since then, budget adjustments have taken place (through 2017/18 capital slippage and additional external funding), revising the project life budget to £326.221m.

	£m
Budget Agreed March 2018	311.018
Additional slippage carried forward from 2017/18	6.180
Additional funding for District Heating project approved at June Council	3.000
Additional grant funding from Scottish Government re Early Years	5.300
Additional grant funding from Strathclyde Partnership for Transport for works to A814, Balloch Station Park & Ride and Cycle Route Improvements at Alexandria Station	0.425
Funding from Lawn Tennis Association towards construction of 3 All Weather Tennis Courts at Argyll Park	0.040
Budget increased for OLSP Pitches approved at August Council	0.050
Funding from Transport Scotland re Electrical Vehicle Charging points	0.165
Revised Budget	326.221

4. Main Issues

Revenue

- 4.1** The summary report at Appendix 1 currently identifies a projected annual favourable variance (underspend) of £0.077m (0.04% of the total budget) and service reports by Strategic Leads are attached as Appendix 2.
- 4.2** Notes on the projected annual variances in excess of £0.050m are highlighted and noted within Appendix 3, with additional information on action being taken to minimise or mitigate overspends where possible.
- 4.3** Agreed savings and management adjustments actioned within 2018/19 are monitored with current indications showing that of the total target being monitored (£1.097m) and £0.018m is currently projected not to be achieved.

Capital

- 4.4** The current progress on the capital plan is shown in Appendices 5 to 9.
- 4.5** The overall programme summary report at Appendix 5 shows that planned expenditure and resource for 2018/19 is lower than budgeted by £23.899m

(28.54% of the annual budget). This is made up of £24.135m relating to project slippage, partially offset by £0.236m relating to an in-year overspend.

- 4.6** Appendix 5 also provides both an analysis of the overall programme at each alert status and a summary budgetary control report. The tables at the top detail both the number of projects and the corresponding spend as a percentage of the overall programme currently at red, amber or green alert status for project life and the current year.
- 4.7** Appendix 6 details financial analysis of projects at red status, with additional information on action being taken to minimise or mitigate under or overspends where possible, while Appendix 7 provides an analysis of projects at green status where the variance is over £0.050m. Appendix 8 provides an analysis of resources where the variance is over £0.050m.
- 4.8** From the analysis within the appendices it can be seen that there are seven projects with material slippage, these are listed as follows:

Project Name	Slippage (£m)
New Early Years Funding	2.218
Vehicle Replacement	2.702
Posties Park Sports Hub	1.712
Queens Quay – Regeneration	1.824
Queens Quay District Heating Network	1.153
Regeneration Fund	1.635
Replace Elderly Care Homes and Day Care Centres	5.924

5. Option Appraisal

- 5.1** No option appraisal was required for this report.

6. People Implications

- 6.1** There are no people implications.

7. Financial and Procurement Implications

- 7.1** The report notes the projected in-year financial position for both General Services revenue and capital budgets.

8. Risk Analysis

- 8.1** The main risks are as follows:

- (a) The present variances should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March and which could affect the year end results for both the revenue and capital budgets;

- (b) Following the recent news that Greenlight Environmental Ltd has now ceased trading, in order to deliver aspects of their service provision the Council has temporarily employed ex-greenlight staff to deliver the civic amenities site service, recycling collection service and care of garden service. The treatment of recycle material has been carried out by a third party provider, this remains the case until the report presented to Council elsewhere on the agenda has been considered and a decision made; and
- (c) As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated.

9. Equalities Impact Assessment (EIA)

9.1 No equalities impact assessment was required in relation to this report.

10. Environmental Sustainability

10.1 No assessment of environmental sustainability was required in relation to this report.

11. Consultation

11.1 All services involved in delivering the revenue and capital budgets have been consulted in the compilation of this report.

12. Strategic Assessment

12.1 Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the strategic priorities of the Council's current Strategic Plan. This report forms part of the financial governance of the Council.

Stephen West
Strategic Lead - Resources

Date: 15 November 2018

Person to Contact: Gillian McNeilly, Finance Manager
Council Offices, Garshake Road, Dumbarton
Telephone: (01389) 737194
E-mail: gillian.mcneilly@west-dunbarton.gov.uk

Appendices:

- Appendix 1 - Revenue Budgetary Control 2018/19
– Corporate Summary
- Appendix 2 - Revenue Budgetary Control 2018/19
– Strategic Lead Summaries
- Appendix 3 - Analysis of Revenue Variances over
£50,000

- Appendix 4 - 2018/19 Savings and Management Adjustments Monitoring
- Appendix 5 - Overall Capital Programme Summary Financials
- Appendix 6 - Analysis of Projects at Red Status
- Appendix 7 - Analysis of Projects at Green Status over £50,000
- Appendix 8 - Analysis of Resources

Background Papers: Ledger output – period 7
 General Services Revenue Estimates 2018/19
 General Services 10 Year Capital Plan Update - Council 5
 March 2018

Wards Affected All Wards

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
SUMMARY

APPENDIX 1

PERIOD END DATE

31 October 2018

Department Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19		Annual RAG Status
	£000	£000	£000	£000	%	
Resources	6,362	8,580	6,354	(8)	0%	↑
Regulatory	2,621	1,345	2,557	(64)	-2%	↑
People & Technology	5,856	3,937	5,853	(3)	0%	↑
Communications, Culture and Community	6,148	3,397	6,037	(111)	-2%	↑
Education, Learning and Attainment	87,941	50,182	88,341	400	0%	↓
Environment and Neighbourhood	24,463	14,011	24,591	128	1%	↓
Housing and Employability	4,280	2,303	4,214	(66)	-2%	↑
Regeneration	(2,405)	(1,560)	(2,505)	(100)	4%	↑
Miscellaneous Services	9,338	5,131	9,378	40	0%	↓
Loan Charges	10,609	6,189	10,609	0	0%	→
Requisition (VJB)	718	419	718	0	0%	→
Requisition (SPT)	1,748	1,020	1,748	0	0%	→
Requisition (HSCP)	63,434	37,003	63,434	0	0%	→
Non GAE Allocation	(6,833)	(3,986)	(6,833)	0	0%	→
Contingency Fund	243	0	0	(243)	-100%	↑
Total Expenditure	214,523	127,971	214,496	(27)	0%	↑
Council Tax/CT Replacement Scheme	(33,448)	(19,602)	(33,498)	(50)	0%	↑
Revenue Support Grant/ NDR	(180,931)	(121,635)	(180,931)	0	0%	→
Use of Reserves	(144)	(84)	(144)	0	0%	→
Total Resources	(214,523)	(141,321)	(214,573)	(50)	0%	↑
Net Expenditure	(0)	(13,350)	(77)	(77)	-0.04%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
RESOURCES SUMMARY

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	£000	%	
Audit	203	218	202	(1)	0%	↑
Central Administration Support	2,450	1,395	2,452	2	0%	↓
Finance	1,422	958	1,421	(1)	0%	↑
Rent Rebates & Allowances	21	4,149	21	0	0%	→
Revenues & Benefits	2,117	1,340	2,110	(7)	0%	↑
Finance Business Centre	305	149	285	(20)	-7%	↑
Cost of Collection of Rates	18	11	26	8	44%	↓
Cost of Collection of Council Tax	(771)	(155)	(760)	11	-1%	↓
Procurement	597	515	597	0	0%	→
Total Net Expenditure	6,362	8,580	6,354	(8)	0%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
REGULATORY SUMMARY

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19		Annual RAG Status
	£000	£000	£000	£000	%	
Democratic and Registration Service	663	373	659	(4)	-1%	↑
Environmental Health/ Trading Standards	709	407	711	2	0%	↓
Licensing	(176)	(135)	(167)	9	-5%	↓
Legal Services	901	551	876	(25)	-3%	↑
Planning	524	149	478	(46)	-9%	↑
Total Net Expenditure	2,621	1,345	2,557	(64)	-2%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
PEOPLE AND TECHNOLOGY

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	£000	%	
Transactional Services	650	380	680	30	5%	↓
Human Resources (including risk)	1,202	586	1,164	(38)	-3%	↑
Information Services	3,642	2,778	3,647	5	0%	↓
Change Support	362	193	362	0	0%	→
Total Net Expenditure	5,856	3,937	5,853	(3)	0%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
COMMUNICATIONS, CULTURE AND COMMUNITIES

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	£000	%	
Communications & Marketing	365	211	361	(4)	-1%	↑
Citizen Services	1,261	724	1,224	(37)	-3%	↑
Performance & Strategy	318	168	316	(2)	-1%	↑
Libraries, Museums, Culture	2,612	1,387	2,593	(19)	-1%	↑
Office Accommodation	1,291	707	1,307	16	1%	↓
Clydebank Town Hall	301	200	236	(65)	-22%	↑
Total Net Expenditure	6,148	3,397	6,037	(111)	-2%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
EDUCATION, LEARNING AND ATTAINMENT

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19	Annual RAG Status	
Service Summary	£000	£000	£000	£000	%	
Primary Schools	24,869	15,325	24,908	39	0%	↓
Secondary Schools	23,467	14,466	23,470	3	0%	↓
Specialist Educational Provision	13,719	7,292	14,177	458	3%	↓
Psychological Services	485	282	440	(45)	-9%	↑
Sport Development / Active Schools	559	(119)	559	0	0%	→
Early Education	7,914	3,184	7,890	(24)	0%	↑
PPP	14,746	8,639	14,749	3	0%	↓
Curriculum for Excellence	177	12	177	0	0%	→
Central Admin	159	131	173	14	9%	↓
Workforce CPD	350	164	302	(48)	-14%	↑
Performance & Improvement	445	293	448	3	1%	↓
Education Development	1,051	513	1,048	(3)	0%	↑
Raising Attainment - Primary	0	0	0	0	0%	→
Raising Attainment - Secondary	0	0	0	0	0%	→
Pupil Equity	0	0	0	0	0%	→
Total Net Expenditure	87,941	50,182	88,341	400	0%	↓

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
ENVIRONMENT AND NEIGHBOURHOOD

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19	Annual RAG Status
Service Summary	£000	£000	£000	£000	%
Transport, Fleet & Maintenance Services	(426)	356	(425)	1	0%
Catering Services	3,988	2,048	3,971	(17)	0%
Building Cleaning	1,415	809	1,406	(9)	-1%
Building Cleaning PPP	(241)	(192)	(264)	(23)	9%
Facilities Assistants	2,011	965	1,917	(94)	-5%
Facilities Management	347	193	324	(23)	-7%
Roads Operations	(930)	(638)	(950)	(20)	2%
Roads Services	4,305	1,948	4,298	(7)	0%
Grounds Maintenance & Street Cleaning Client	7,366	4,297	7,366	0	0%
Outdoor Services	227	193	262	35	15%
Leisure Management	3,218	2,554	3,233	15	0%
Events	118	102	118	0	0%
Burial Grounds	(148)	(243)	(113)	35	-24%
Crematorium	(910)	(335)	(901)	9	-1%
Waste Services	6,939	4,231	7,129	190	3%
CPP Investments	0	0	0	0	0%
Depots	0	0	0	0	0%
Ground Maintenance & Street Cleaning Trading A/c	(2,816)	(2,277)	(2,779)	37	-1%
Total Net Expenditure	24,463	14,011	24,591	128	1%

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
HOUSING AND EMPLOYABILITY

APPENDIX 2

PERIOD END DATE

31 October 2018









Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	£000	%	
Working 4 U	2,729	1,542	2,688	(41)	-2%	↑
Communities	782	426	789	7	1%	↓
Homeless Persons	121	116	159	38	31%	↓
Private Sector housing	45	19	38	(7)	-16%	↑
Anti Social Behaviour	603	200	540	(63)	-10%	↑
Total Net Expenditure	4,280	2,303	4,214	(66)	-2%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
REGENERATION

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19	Annual RAG Status
Service Summary	£000	£000	£000	£000	%
Housing Maintenance Trading A/c	(1,793)	(940)	(1,816)	(23)	1% 
Housing Asset and Investment	32	5	23	(9)	-28% 
Corporate Assets and Capital Investment Programme	(1,949)	(978)	(2,053)	(104)	5% 
Economic Development	338	(57)	336	(2)	-1% 
Central Repairs & Maintenance	(56)	(29)	(62)	(6)	11% 
Private Sector Housing Grants	82	(102)	82	0	0% 
Consultancy Services	941	541	985	44	5% 
Total Net Expenditure	(2,405)	(1,560)	(2,505)	(100)	4% 

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
MISCELLANEOUS

APPENDIX 2

PERIOD END DATE

31 October 2018

Service / Subjective Summary	Total Budget 2018/19	Spend to Date 2018/19	Projected Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	£000	%	
Sundry Services	6,883	3,743	6,928	45	1%	↓
Members Allowances, etc	577	326	572	(5)	-1%	↑
CPP	27	16	27	0	0%	→
European Employability	510	298	510	0	0%	→
Chief Executive, Directors and Strategic Leads	1,341	749	1,341	0	0%	→
Total Net Expenditure	9,338	5,131	9,378	40	0%	↓

YEAR END DATE

31 October 2018

Budget Details	Variance Analysis			
	Total Budget	Projected Spend	Variance	RAG Status
	£000	£000	£000	%

Communications, Culture & Community

Clydebank Town Hall	301	236	(65)	-22%	↑
Service Description	The service provides civic accommodation and facilities within Clydebank				
Main Issues / Reason for Variance	The variance is as a result of vacancies in posts which are not essential and effective management of contracted hours for staff which is avoiding additional overtime costs.				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	Underspend is likely to be achieved				

Education , Learning and Attainment

Specialist Educational Provision	13,719	14,177	458	3%	↓
Service Description	This service area covers all ASN Services.				
Main Issues / Reason for Variance	Employee Costs are showing an underspend mainly due to staff vacancies. Payments to Other Bodies are currently overspent due to more children being placed within daycare (up 6.3% to October on last year) and residential placements (up 8.7% to October on last year). Both Daycare and Residential services are demand-led and can fluctuate throughout the year.				
Mitigating Action	The requirement for Daycare and Residential Placements are demand-led services taken jointly with HSCP following a joint assessment of the best option for all concerned. The actual usage throughout the year will be reviewed regularly to identify where there is scope to reduce the number of placements. Currently investigating the capacity of transferring some of the external day care placements to internal facilities. This will be considered on a case by case basis.				
Anticipated Outcome	If current levels of demand continue then it is anticipated that the Daycare and Residential budgets will overspend though given recruitment challenges an underspend on employee costs should partly offset this. The recruitment process remains underway to ensure that children are fully supported with the staff required carrying out the range of teaching and leadership functions of the school. The favourable variance against employee costs has therefore fallen to almost half of the level reported earlier in the year. Accordingly, this will ensure a positive impact on outcomes.				

YEAR END DATE

31 October 2018

Budget Details	Variance Analysis			
	Total Budget	Projected Spend	Variance	RAG Status
	£000	£000	£000	%

Environment and Neighbourhood

Facilities Assistants	2,011	1,917	(94)	-5%	↑
Service Description	This service provides janitors throughout WDC buildings				
Main Issues / Reason for Variance	There has been a reduction in Facilities Assistant costs for a variety of reasons - such as: rationalisation of schools estate and campus approach; vacant posts currently advertised for filling; reduction in overtime due to less out of hours requests (which also reduces income chargeable)				
Mitigating Action	Vacancies will continue to be monitored to ensure the most efficient use of staffing resources for the Council				
Anticipated Outcome	Underspend will be achieved				

Waste Services	6,939	7,129	190	3%	↓
Service Description	Waste Collection and Refuse disposal services				
Main Issues / Reason for Variance	Estimated additional costs incurred resulting from the closure of Greenlight total approximately £157K				
Mitigating Action	Managers will aim to re-provide services previously carried out by Greenlight in most efficient way possible				
Anticipated Outcome	An overspend is likely				

YEAR END DATE

31 October 2018

Budget Details	Variance Analysis			
	Total Budget	Projected Spend	Variance	RAG Status
	£000	£000	£000	%
Housing and Employability				

Anti Social Behaviour	603	540	(63)	-10%	↑
Service Description	This is the provision of the anti social behaviour service within the Council area				
Main Issues / Reason for Variance	This favourable variance is due to vacant posts being held pending service restructure however does not impact on service delivery.				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	Underspend will be achieved				

Regeneration

Corporate Assets and Capital Investment Programme	(1,949)	(2,053)	(104)	5%	↑
Service Description	This service provides asset and estate management				
Main Issues / Reason for Variance	The main reason for the anticipated underspend is due to a one off lease renunciation in Alexandria				
Mitigating Action	Estate management is subject to market conditions, however officers will continue to monitor tenancies to ensure income is maximised.				
Anticipated Outcome	An underspend will be achieved				

Other

Contingency Fund	243	0	(243)	-100%	↑
Service Description	The contingency fund is used to accommodate externally influenced movements in service budgets				
Main Issues / Reason for Variance	The balance held in the contingency fund relates the completion of the recent recurring variance exercise				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	Underspend will be achieved				

Council Tax	(33,448)	(33,498)	(50)	0%	↑
Service Description	This details amounts of income anticipated to be collected from residents in the form of Council tax				
Main Issues / Reason for Variance	Level of Council Tax charges are anticipated to be higher than budgeted due to the level of debt write off through sequestration, etc being less than anticipated, leading to a reduced level of bad debt provision top up				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	Underspend will be achieved				

WEST DUNBARTONSHIRE COUNCIL
MONITORING OF EFFICIENCIES AND MANAGEMENT ADJUSTMENTS 2018/19

Appendix 4

Efficiency reference	Efficiency Detail	budgeted Amount £	Projection of Total Saved £	Projection of Total Not Saved £	Comment
SO1	Reduce the Curriculum for Excellence budget	42,000	42,000	-	
SO4	Reduce payments to Parent Councils	75,000	75,000	-	
SO5	Remove Additional Educational Maintenance Payments	82,000	82,000	-	
SO - various	Provision of Greenspace	416,000	416,000	-	This is net of the £270k increase to budget following council decision
SO25	Undertake a review of Community Facilities operated by WDLT	40,000	15,000	25,000	Consultations still taking place
SO29	Transfer cash payments by residents to the Post Office and PayPoint shops and stores.	7,500	7,500	-	
SO31	Increase Food Export Certificate Charges	25,000	25,000	-	
SO34	Review grants to voluntary organisations	50,000	50,000	-	
SO35	Reduce funding to strategic partner organisations	24,000	30,710	(6,710)	Saving allocation agreed at Committee higher than budgeted
MA	Remove post in legal	29,296	29,296	-	
MA	Training budget provision	10,000	10,000	-	
MA	Reduce post payroll	11,182	11,182	-	
MA	Educational psychology staffing	41,000	41,000	-	
MA	Reduce workforce development within early years	19,000	19,000	-	
MA	Primary professional learning and development	10,000	10,000	-	
MA	Building cleaning specification	70,000	70,000	-	
MA	Police Scotland out of hours	60,000	60,000	-	
MA	Charge IJB for internal audit work	10,000	10,000	-	
MA	Water as an accompaniment in Primary	55,000	55,000	-	
MA	Town Centre Regeneration budget	20,000	20,000	-	
		1,096,978	1,078,688	18,290	

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
OVERALL PROGRAMME SUMMARY

APPENDIX 5

MONTH END DATE 31 October 2018

PERIOD 7

Project Status Analysis	Project Life Status Analysis				Current Year Project Status Analysis			
	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status
Red								
Projects are forecast to be overspent and/or experience material delay to completion	32	33.0%	53,841	38.6%	32	33.0%	8,586	57.2%
Amber								
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Green								
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	65	67.0%	85,487	61.4%	65	67.0%	6,436	42.8%
TOTAL EXPENDITURE	97	100%	139,327	100%	97	100%	15,022	100%

Project Status Analysis	Project Life Financials				Current Year Financials					
	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Slippage £000	Over/ (Under) £000
Red										
Projects are forecast to be overspent and/or significant delay to completion	171,418	53,841	172,139	722	55,776	8,586	32,641	(23,135)	(23,678)	544
Amber										
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	0	0	0	0	0	0	0	0	0	0
Green										
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	154,803	85,487	154,323	(481)	27,958	6,436	27,194	(764)	(457)	(308)
TOTAL EXPENDITURE	326,221	139,327	326,462	241	83,734	15,022	59,835	(23,899)	(24,135)	236

TOTAL RESOURCES	(326,221)	(139,327)	(326,462)	(241)	(83,734)	(15,022)	(59,835)	23,899
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NET EXPENDITURE	0	0	0	0	(0)	0	0	0
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WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

APPENDIX 6

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	OLSP - New Build						
	Project Life Financials	3,677	3,903	106%	4,054	377	10%
	Current Year Financials	177	404	228%	554	377	213%
	Project Description	Design and construction of new Secondary School in Bellsmyre, Dumbarton					
	Project Lifecycle	Planned End Date	31-Mar-16	Actual End Date	25-Oct-17		
	Main Issues / Reason for Variance						
	Project handed over and school opened on 25 October 2017, snagging process is complete and being reviewed by the Project Team. On satisfactory review of works, retentions will be paid in November 2018. The contract for the demolition has been awarded following the receipt of the full asbestos report (which was received in April 2018) however the contract sum of £0.420m is in excess of the remaining budget giving rise to an anticipated overspend on this element of the project £0.377m. Demolition has commenced and anticipated to be complete by the end of December 2018.						
Mitigating Action							
None available at this time due to cost of demolition being in excess of budgetary provision							
Anticipated Outcome							
New Build opened to pupils on 25 October 2017 in line with the programme, however due to the tender for the demolition being in excess of budgetary provision the project will report an overspend of £0.377m.							

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

2	New Balloch Campus						
	Project Life Financials	16,464	16,326	99%	16,726	262	2%
	Current Year Financials	206	73	36%	468	262	127%
	Project Description	Construction of new primary school in Balloch to incorporate St Kessog's PS, Haldane PS and Jamestown PS and EE&CC)					
	Project Lifecycle	Planned End Date	28-Feb-19	Actual End Date	09-Feb-18		
	Main Issues / Reason for Variance						
	Tenders for the demolition of Haldane Primary School have been returned and went to the October tendering committee. Contract has been awarded and works due to commence on site December 2018 and complete by March 2019. The project is reporting an anticipated overspend of £0.262m at this time and is expected to be financially complete by 31 March 2020.						
Mitigating Action							
Continue to meet with contractor on a weekly basis until snagging items and final account is concluded.							
Anticipated Outcome							
Delivery of project on budget.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

3

Early Years Early Learning and Childcare Funding						
Project Life Financials	8,522	2,004	24%	8,522	0	0%
Current Year Financials	3,383	365	11%	1,165	(2,218)	-66%
Project Description	Early learning and childcare funding awarded to West Dunbartonshire Council to facilitate the expansion in entitlement to funded ELCC to 1140 hours from August 2020.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-21		
Main Issues / Reason for Variance						
This budget relates to early learning and childcare funding awarded to West Dunbartonshire Council to facilitate the expansion in entitlement to funded ELCC to 1140 hours from August 2020. Expenditure of £1.165m is anticipated in 2018/19 with the main elements being £0.475m related to the early years element of the Dalmonach CE project, £0.120m related to works to Andrew Cameron, £0.240m for adaptations to Ferryfield EE&CC and £0.07m for Whitecrook. An early years implementation plan has been finalised and Care Inspectorate meetings have taken place which has changed scope of works for various projects. This has meant that some projects are either not proceeding or moving to a different implementation year resulting in project slippage of £2.218m.						
Mitigating Action						
None available at this time as slippage identified following discussions with Care Inspectorate and Scottish Government.						
Anticipated Outcome						
The project will be delivered but at a later date than originally planned.						

WEST DUNBARTONSHIRE COUNCIL
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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

4

Vehicle Replacement						
Project Life Financials	4,012	0	0%	3,968	(44)	-1%
Current Year Financials	4,012	0	0%	1,266	(2,746)	-68%
Project Description	Replacement of vehicles which have reached end of programmed lifespan (7 year heavy vehicles, 10 year light vehicles)					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance						
£2.7m slippage relates to HGV vehicles and buses which may experience delay due to build times. This is due to a change in the procurement procedure for 2018/19 whereby rather than dealing directly with Scotland Excel/TPPL and placing orders either by direct award or following mini competitions as appropriate officers have developed and prepared both a procurement strategy and a scoping process for vehicle specifications not previously required. This work is now completed and other than vehicle specifications updates is 'future proofed' for following years vehicle procurements with a report due to be submitted to the September Tendering Committee. The HGV vehicles and buses are likely be a direct award with orders placed following the Tendering Committee with an estimated build time of 6 months resulting in vehicles not be delivered until the early part of 19/20 . An underspend of £0.044m is anticipated due to 3 vehicles which were originally included within the 2017/18 replacement programme but are now being retained. The Safe Stop installation programme is currently underway with 17 vehicles having had the stop start fitted with 3 newer vehicles still to be fitted.						
Mitigating Action						
None available at this time due to build lead in times for HGV and buses.						
Anticipated Outcome						
Replacement of fleet later than anticipated						

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

5	Allotment Development						
	Project Life Financials	400	0	0%	400	0	0%
	Current Year Financials	400	0	0%	37	(363)	-91%
	Project Description	To develop an allotment site at Dumbarton Common					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	30-Sep-19		
	Main Issues / Reason for Variance						
	<p>Proposed main site (Townend Road) is anticipated to cost £0.300m and was previously identified on the local plan for housing. This has resulted in an initial delay to the project while Estates marketed the site as such, however due to lack of demand for housing in this site it has now been agreed that the site can be used for allotments providing site investigation results are favourable and there is no contamination. Site investigation works are ongoing with results anticipated to be received towards the end of November. If the site is deemed suitable as an allotment site, the local plan will have to be amended in April 2019 and community consultation will also be required - based on anticipated timescales it is likely that spend in 2018/19 will only be for consultancy fees of circa £0.020m. 2 further satellite sites have been identified and are estimated to cost £0.093m in total - again site investigation works are ongoing to determine the suitability of these sites for use as allotment developments and are due to be returned Autumn/ Winter 2018. Results will determine if projects can go ahead and at this time spend of circa £0.010m is anticipated for professional fees only. At this time both the main site and satellite sites are anticipated to be completed in September 2019 with retentions due in September 2020, however these dates are subject to favourable site investigation results. Plans for a further mini site at Alexandria Library anticipated to cost approximately £0.007m are ongoing with Work Connect having commenced work on the smaller area of garden immediately behind the rear entrance to the library and have expressed interest in carrying out the remainder of the work. Officers have arranged to meet with Work Connect to discuss this further and an update will be provided when available. The Leamy Foundation have also been approached and they are keen to promote and maintain the site long-term as they envisage using it for community gardening activities with local organisations and schools.</p>						
	Mitigating Action						
	Ability to mitigate in is limited due to requirement for officers to assess site suitability with Environmental Health.						
	Anticipated Outcome						
	Development of allotments to take pressure off current 10 year waiting list.						

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

6	Community Capital Fund						
	Project Life Financials	3,431	2,292	67%	3,609	178	5%
	Current Year Financials	1,454	137	9%	1,035	(418)	-29%
	Project Description	Upgrade and improve recreational facilities throughout West Dunbartonshire.					
	Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Oct-19		
Main Issues / Reason for Variance							
Rephasing relates to £0.287m for Inler Park Upgrade works, £0.080m for Balloch Park Slipway, £0.050m for Castlehill Upgrade MUGA and £0.001m which at this times remains unallocated. With regards to Inler Park, this project had an anticipated start date of February 2018 but was delayed due to engineering problems. Discussions have been ongoing with SEPA & Planning to come up with an engineering solution and is nearing conclusion. Tender was issued in September 2018 with works forecast to commence March 2019 and due to achieve physical completion by October 2019 with retentions due by October 2020. Balloch Park Slipway was anticipated to be complete in 2018/19 but due to limited resources it is now being rephased with the expectation to be complete early in 2019/20. Castlehill Upgrade to MUGA has been delayed following a meeting with procurement and consultancy services during which it became apparent that Specialist Sports Field Consultants would be required. Consultants have now been appointed and are pulling together tender documentation. Tenders for Castlehill are due to go out in November with an anticipated start date of February 2019 resulting in £0.050m being rephased to 2019/20.							
Mitigating Action							
Discussions are ongoing with SEPA & Planning to come up with engineering solution to mitigate flooding risk - these discussions re nearing completion, however further mitigation with regard to project slippage is limited to due to the nature of the works involved and the timescales of when this work is suited to being carried out.							
Anticipated Outcome							
Improved recreational facilities throughout WDC anticipated to be delivered within budget albeit later than anticipated.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

7	Holm Park & Yoker Athletic FC						
	Project Life Financials	750	0	0%	750	0	0%
	Current Year Financials	750	0	0%	150	(600)	-80%
	Project Description	Develop a new 3G pitch to act as a home venue for Clydebank FC with extensive community access.					
	Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Jul-19		
	Main Issues / Reason for Variance						
	Design works were finalised in April 2018. Tender for the pitch works returned November 2018 and contract expected to be awarded before the end of November. Start date yet to be confirmed.						
	Mitigating Action						
	Continue to monitor and liaise with legal and procurement and monitoring meetings in relation to spend will be ongoing.						
	Anticipated Outcome						
	Project to be delivered on budget but later than expected.						

8	Environmental Improvement Fund					
	Project Life Financials	1,690	1,046	62%	1,690	00%
	Current Year Financials	915	271	30%	663	(252)-28%
	Project Description	This fund has been created to deliver environmental improvement projects for communities throughout West Dunbartonshire.				
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Jul-19	
Main Issues / Reason for Variance						
Due to the specialist nature of the work required for Mountblow 3G Pitch the Council has been required to engage the services of Specialist Sports Field Consultants who were required to pull together tender documentation. Tender was awarded in October 2018 with work due to commence in the coming weeks. The revised physical completion date is July 2019 and retentions due in July 2020.						
Mitigating Action						
None available at this time						
Anticipated Outcome						
Mountblow 3G pitch to be completed within available budget albeit later than anticipated						

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

9	Kilmaronock Cemetery Extension						
	Project Life Financials	225	8	4%	225	0	0%
	Current Year Financials	225	8	0%	25	(200)	0%
	Project Description	Extension of existing cemetery at Kilmaronock.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The original planned project to extend the current cemetery is no longer viable due to soil depth and land being unsuitable. Another field adjacent to the church has been identified as potentially being suitable, however this land is currently owned by Church of Scotland. Estates will engage with land owners in the coming weeks with a view to carry out site investigation works to see if the ground is suitable to be used for the cemetery extension.						
Mitigating Action							
Officers to engage with Church of Scotland regarding possible use of land in field adjacent to take the project forward.							
Anticipated Outcome							
To provide further burial space at Kilmaronock Cemetery.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

10	Posties Park Sports Hub - New sports hub to include Gym & running track						
	Project Life Financials	1,802	124	7%	1,802	(0)	0%
	Current Year Financials	1,742	64	4%	30	(1,712)	-98%
	Project Description	Creation of a sports hub at Posties/Marinecraft to include a new changing pavilion/Gym, new all-weather 6 lane running track, conversion of blaze sports pitch to grass, new fencing, upgrade of existing floodlights and additional car parking. This combines the budget approved by the Council in February 2015 for Community Sports Facilities at Posties Park, draw down of budget from the generic sports facilities budget line and anticipated match funding from Sports Scotland.					
	Project Lifecycle	Planned End Date	30-Sep-16	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Initial cost estimates indicated a budget shortfall of £0.300m due to ground conditions meaning that the foundations had to be designed to be more substantial than first anticipated and decontamination that was required due to asbestos discovered on site, however value engineering exercises have been undertaken and designs are being amended. Tender was issued at end of October 2018 with works due to commence March 2019. Physical completion is forecast by March 2020 and retentions of 5% due by March 2021. Limited spend of £0.030m anticipated in this financial year for professional fees.						
Mitigating Action							
Project will be tendered following value engineering exercise and design amendment.							
Anticipated Outcome							
Creation of sports hub later than first anticipated of December 2018 but now March 2020.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

11	Vale of Leven Cemetery Extension						
	Project Life Financials	650	165	25%	650	0	0%
	Current Year Financials	490	4	1%	150	(340)	-69%
	Project Description	Extension of existing cemetery in Vale of Leven					
	Project Lifecycle	Planned End Date	31-Mar-16	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Difficulties in purchasing the preferred site resulted in early delays to this project. Site investigation works on the preferred site are now complete and the land was deemed suitable in October 2018. Estates and Legal are now working towards finalising negotiations for the land purchase to allow works to commence March 2019 and achieve physical completion by March 2020 with retentions due March 2021.						
Mitigating Action							
Opportunities to mitigate are limited due to ongoing discussions with regards to purchase of land.							
Anticipated Outcome							
A suitable site is identified and purchased to provide a sustainable burial environment, albeit delayed by 4 years as a result of identifying a suitable site.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

12	New Westbridgend Community Centre						
	Project Life Financials	675	40	6%	675	(0)	0%
	Current Year Financials	635	0	0%	4	(631)	0%
	Project Description	New Westbridgend Community Centre					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The demolition of the old Community Centre was completed end of October 2017 with retentions paid October 2018. Meeting with newly constituted community group has taken place and once it has been confirmed that they are in a position to take over running the establishment officers will progress to the design of the new community centre. At this time it is expected that only demolition retention costs will occur in 2018/19 due to the delays in forming the group and therefore the difficulty faced in taking the project forward. Delay incurred due to changes to office bearers in community group and time required to take forward Oscar application.						
Mitigating Action							
None available at this time due to the difficulty in forming community group, and changing group members.							
Anticipated Outcome							
Project to be delivered later than anticipated due to difficulty in forming community group but still anticipated to deliver within budget.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

13	New Sports Changing Facility at Duntocher						
	Project Life Financials	300	0	0%	300	0	0%
	Current Year Financials	300	0	0%	150	(150)	0%
	Project Description	New Sports Changing Facility at Duntocher					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-May-19		
	Main Issues / Reason for Variance						
	Resource issues have delayed project commencement. Planning application to be submitted November 2018 with works to commence February 2019 and completion by May 2019 with retentions due May 2020.						
Mitigating Action							
Continue to liaise with consultancy services to take the project forward and prevent further delay.							
Anticipated Outcome							
New sports facility within budget but albeit later than first anticipated.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

14	Online Payment System for Education Establishments							
	Project Life Financials		52	0	0%	52	0	0%
	Current Year Financials		52	0	0%	0	(52)	-100%
	Project Description		Cashless Catering within Primary Schools					
	Project Lifecycle		Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19
Main Issues / Reason for Variance								
The Funding was allocated to roll out cashless catering in a number of primary schools which is being co-ordinated and led by Educational Services and the contract for the provision of online school payments was approved at the Tendering Committee on 15 November 2017. Due to the timescales for contract initiation it is wasn't possible to make progress in 2017/18 resulting in the budget being rephased into this financial year. The current position is that Education is progressing with the pilot of their Parentpay system. There however appears to be some issues in relation to integrating the Parentpay system with the existing CRB cashless modules. Until such time as this has been resolved there will be no further spend on rollout of the CRB system. At this time it is expected that the earliest that the integration may happen will be January 2019 therefore it is unlikely that there will be any spend on rollout of the Cashless catering module within this financial year resulting in the project being rephased to 2019/20.								
Mitigating Action								
None available at this time.								
Anticipated Outcome								
To provide payment system for schools within budget albeit later than first anticipated.								

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

15	Flood Risk Management						
	Project Life Financials	757	34	5%	757	0	0%
	Current Year Financials	757	34	5%	450	(307)	-41%
	Project Description	Enhancement of drainage infrastructure to ensure compliance with Flood Risk Management Act 2009					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Oct-19		
	Main Issues / Reason for Variance						
	Contractor has been engaged to take on flood risk management. Renton Road installation of new drainage is due to commence December 2018. Renton Road project delayed due to Scottish Gas Networks (SGN) and Network Rail carrying out works which have to be substantially complete prior to project commencing. While flood modelling of River Leven and other projects are under construction along with works to improve water courses Balloch and Dumbarton. The project has been delayed due to SEPA restrictions in term of licencing and the time taken to award the Minor Civils contract which although is now in place resulted in approximately 10 to 12 weeks of lost time.						
Mitigating Action							
Ability to mitigate is limited due to time lost due to SEPA restrictions and delay to contractual arrangements.							
Anticipated Outcome							
Project completed within budget albeit later than anticipated.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

16

Gruggies Burn Flood Prevention						
Project Life Financials	15,000	178	1%	15,000	(0)	0%
Current Year Financials	349	28	8%	250	(99)	-28%
Project Description	Commission of Gruggies Flood Prevention Scheme					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-22		
Main Issues / Reason for Variance						
Project design is ongoing as optioneering has produced alternative design solutions. Project yet to be tendered as discussions ongoing with consultants (these are taking longer than anticipated) and a Scottish Environment Protection Agency (SEPA) contractor to produce a buildability statement, however a Public Information Notice has been issued in October 2018 to facilitate shortlisting of qualified contractors. Ground investigation works delayed due to Public Information Notice and now anticipated to commence March 2019. Works are expected to take a few weeks following which officers will be in a position to take a design to tender in 2019/20. Project expected to complete in 2022 with retentions due in 2023.						
Mitigating Action						
Once consultants report has been delivered, further survey works will be procured. Revised report with updated methodology will give results to topographic survey and will determine next course of action.						
Anticipated Outcome						
Project completed hopefully still within budget. Various options have been instructed, these and the buildability statement will inform on construction costs and the reliability of previous estimates.						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

17	Strathleven Park and Ride Car Park						
	Project Life Financials	285	0	0%	285	0	0%
	Current Year Financials	285	0	0%	0	(285)	-100%
	Project Description	Provision of additional car parking off Strathleven Place adjoining Church car Park. To be utilised as park and ride and overflow for town centre parking					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Ownership and Access issues are currently with legal in order to resolve issues which are delaying progress with preparatory clearance works to be carried out on conclusion of access and design and build of the car park thereafter. Awaiting confirmation of a start date for works and will be reported when available.						
Mitigating Action							
Opportunities to mitigate are limited due to legal issue regarding access.							
Anticipated Outcome							
Project completed within budget albeit later than anticipated.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

18 **New Sports Changing Facility at Lusset Glen in Old Kilpatrick**

Project Life Financials	150	0	0%	150	0	0%
Current Year Financials	150	0	0%	0	(150)	-100%

Project Description New Sports Changing Facility at Lusset Glen in Old Kilpatrick

Project Lifecycle Planned End Date 31-Mar-19 Forecast End Date 31-Jul-19

Main Issues / Reason for Variance

Project is currently at design phase and is anticipated to be delivered during 2019/20 due to work being carried out by Scottish Gas Networks. Gas pipe to be removed with plans ongoing for the removal. Removal due to be complete by January 2019 following which reinstatement works to the park will be carried out between January and March 2019 (to be paid for by Scottish Gas Networks). Main work will commence May 2019 with completion by July 2019 with retentions due July 2020.

Mitigating Action

None available due to gas works being carried out.

Anticipated Outcome

Works to be carried out as planned.

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

19	Mandatory 20mph Residential communities						
	Project Life Financials	500	5	1%	500	0	0%
	Current Year Financials	395	0	0%	30	(365)	-92%
	Project Description	Mandatory 20mph Residential communities					
	Project Lifecycle	Planned End Date	31-Mar-20	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance							
The Scottish Government are currently reviewing 20mph legislation and officers are currently awaiting clarity from them before works can resume in 2018/19. This review is taking longer than anticipated with limited spend in 2018/19. It is anticipated on signage works that would be undertaken regardless of outcome of review. Currently this includes traffic management measures with signs and bollards works at Old Mill Road and Dalvait Road.							
Mitigating Action							
None available at this time as timing of review is outwith Council control.							
Anticipated Outcome							
Project to be delivered within budget albeit later than first anticipated.							

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

20	Invest in "Your Community Initiative"					
	Project Life Financials	1,000	515	51%	1,000	(0) 0%
	Current Year Financials	565	79	14%	161	(403) -71%
	Project Description	Grant to community groups awarded 2016 - awarded to community groups over 3 phases. Claim put in by community groups and funds released. Eg Haldane youth centre.				
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20	
	Main Issues / Reason for Variance					
	The main element of this budget relates to the Improvement Fund which is subject to the work of a tactical group who meets every 6 weeks and are working to identify suitable projects (the focus being on environmental projects in response to individual neighbourhood needs). There is also a review ongoing of the Your Community Initiative the aim of which is to streamline processes and deliver projects in a more timely fashion. Delay in spend is due to the fact that to date many of the improvements delivered via the Your Community approach have been funded from existing service budgets, resulting in insufficient spend from the Improvement Fund. Officers are actively researching investment opportunities in which this capital budget can be spent in the most beneficial way for the communities. Various proposals to utilise this budget are being presented and being evaluated at present to take the project forward.					
Mitigating Action						
Opportunities to mitigate have been limited due to the need to liaise with communities. The group continues to liaise with groups regularly to ensure funds are utilised for the benefit of the communities.						
Anticipated Outcome						
Full budget spend anticipated albeit later than originally planned.						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

21

Pappert Woodland Wind Farm

Project Life Financials	6,900	37	1%	6,900	0	0%
Current Year Financials	169	6	0%	30	(139)	0%
Project Description	Provision of new windfarm					
Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
Main Issues / Reason for Variance						
The project team continues to work in partnership with Lomond Energy and consult with statutory consultees, however this is taking longer than anticipated due to land issues. A further meeting has taken place with WDC Planning to review options and further consult with statutory consultees.						
Mitigating Action						
Project team will continue to consult with Planning and other statutory consultees once revised scheme has been finalised.						
Anticipated Outcome						
Project completion generates savings in line with revised financial analysis.						

22

Oil to Gas Conversion (Braehead PS, Carleith PS & Hub CEC)

Project Life Financials	187	0	0%	187	0	0%
Current Year Financials	187	0	0%	0	(187)	-100%
Project Description	Oil to Gas Conversion (Braehead PS, Carleith PS & Hub CEC)					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Aug-19		
Main Issues / Reason for Variance						
Project will be scoped in this financial year with works carried out Summer 2019.						
Mitigating Action						
None available at this time due to time required to fully scope project works						
Anticipated Outcome						
Oil to gas conversions at 3 establishments						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance
	£000	£000	%	£000	£000

23	Leisure Energy projects - air handling units, upgrade lighting, circulating pumps, and draught proofing						
	Project Life Financials	277	33	12%	277	0	0%
	Current Year Financials	244	0	0%	26	(218)	-89%
	Project Description	Measures to be installed at both Meadow Centre & Vale of Leven Swimming Pool; new pool hall Air Handling Units, upgrade lighting, circulating pumps Vale of Leven Swimming Pool, internal and external lighting and draught proofing.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Main reason for variance is due to Air Handling Unit (AHU) upgrades at Meadow Centre/Vale Swimming Pool which is budgeted at £0.225m. This project was first delayed in 2017/18 due to an unsuccessful initial tender and higher priorities within the Procurement service in relation to other required procurement activities resulting in remaining budget of £0.244m required to be re-phased into 2018/19 from 2017/18. Following this first delay it was then anticipated that this work would be carried out in November 2018 with project completion anticipated in 2018/19 and retentions being required to be rephased into 2019/20. To facilitate this workstream a 2nd tender was issued in June 2018 based on historic specification however only 3 returns were received at end of July 2018 with only one bid being a legitimate bid which was over budget (the others being discounted - one due to timing of submission and incomplete status of the other). Officers have subsequently been liaising with the Leisure Trust regarding possible solutions ranging from just a refurbishment of the unit to mounting a unit outside as it has become apparent that installing an internal unit would have a detrimental effect on the operation of the centre due to the significant down time involved. To mounting the unit outside would require structural approval, planning approval and a building warrant (not to mention a new specification) thereby making it impossible to meet the deadline workings of end of November. Structural engineers are scheduled to carry out soil samples during mid November 2018 at The Meadow Centre to ensure that any external base for installing an AHU is structurally sound. Once this has been verified, a planning application will be put forward. In addition to this in the interim, Officers will explore further preparatory work this financial year such as new isolating valves, as well the mentioned works to building of the concrete base for the unit, to reduce risk when unit is procured.						
	Mitigating Action						
	None available at this time as the tender return was over budget resulting in a new plan and specification/approval requirements						
	Anticipated Outcome						
	To install air handling units, upgrade lighting, circulating pumps and draught proofing to improve energy efficiency in leisure centres. Project expected to deliver within budget albeit later than first anticipated.						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

24	Installation of Solar Panels (OHR PS and Whitecrook PS)					
	Project Life Financials	135	0	0%	135	0
	Current Year Financials	135	0	0%	0	(135)
	Project Description	Installation of Solar Panels (OHR PS and Whitecrook PS)				0%
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date		30-Apr-19
	Main Issues / Reason for Variance					
	Planning permission required - works anticipated to start Spring 2019 with completion Spring 2020.					
	Mitigating Action					
	None available at this time due to scoping and planning requirements					
	Anticipated Outcome					
	Installation of solar panels at 2 establishments					
25	Upgrade Lighting (Alexandria CEC, Carleith PS, Dumbarton Library, WDAC & Whitecrook PS)					
	Project Life Financials	95	0	0%	95	0
	Current Year Financials	95	0	0%	0	(95)
	Project Description	Upgrade Lighting (Alexandria CEC, Carleith PS, Dumbarton Library, WDAC & Whitecrook PS)				-100%
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date		31-Aug-19
	Main Issues / Reason for Variance					
	Project will be scoped in this financial year with works carried out Summer 2019.					
	Mitigating Action					
	None available at this time due to scoping requirements					
	Anticipated Outcome					
	Upgrade lighting in various establishments					

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	Budget	Spend to Date		Forecast Spend	Forecast Variance
	£000	£000	%	£000	£000

26 Regeneration/Local Economic Development						
Project Life Financials	2,319	127	5%	2,022	(297)	-13%
Current Year Financials	2,319	127	5%	1,455	(864)	-37%
Project Description	Budget to facilitate the delivery of Regeneration throughout West Dunbartonshire , aligned to the Economic Strategy 2015-20. External funding will be sought to maximise opportunities for redevelopment of these sites					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Jul-19		
Main Issues / Reason for Variance						
There are two main issues to report with this budget. The first relates to the St Eunan's project where the anticipated cost is less than previously reported estimates resulting in a projected underspend of £0.297m at this time - this underspend relates to the external grant funding from Green Infrastructure Fund so is not available for reallocation. This project also reports slippage of £0.553m due to the time taken to work through the legal and regulatory implications of an additional unanticipated conditions requested by Planning Committee. The site investigation works have been completed and anticipate a final report by the end of November 2018. The works cannot commence on site until this condition is executed. The main works are anticipated to commence December 2018 with completion Summer 2019 and retention payments due Summer 2020. At this time it is anticipated that contract spend of £0.553m will be incurred in this financial year in addition to £0.040m for contaminated land fees and site investigation works with a balance of £0.553m being required to be carried forward to future years. The second issue which should be noted relates to the Mitchell Way development site where spend will not take place until developer planning approval is achieved - while officers are hopeful that spend of £0.360m will be incurred in this financial year this spend is at risk due to recent changes in personal within CCG which has led to them pulling out of the development, however the Council is seeking to secure the services of an associated developer to progress the development.						
Mitigating Action						
Opportunities to further mitigate the slippage at St Eunan's is limited due to the timing of main works						
Anticipated Outcome						
Significant progress with transformational projects including Dumbarton Waterfront, strategic disposal sites, Alexandria town centre and further progress with implementing Charrette Action Plans.						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

27

Queens Quay - Regeneration						
Project Life Financials	15,620	9,020	58%	15,620	0	0%
Current Year Financials	11,763	5,163	44%	9,939	(1,824)	-16%
Project Description	Queens Quay regeneration					
Project Lifecycle	Planned End Date	30-Jun-18	Forecast End Date	30-Nov-18		
Main Issues / Reason for Variance						
This project has experienced delays compared to the original timetable in order to coordinate and deliver the benefits of New Clydebank Health Centre, Care Home, and District Heating, resulting in forecast end date being extended to November 2019 and £11.5m to be rephased into 2018/19 from 2017/18. However the spend related to these works is now well underway. Work on Quay walls is now almost complete, with the exception with The District Heating Pumping Chamber. The remediation works around the care home site have now been completed and contractor is on site. Roads infrastructure works are now underway. Spend in 2018/19 is anticipated to be £9.939m with only works on Titan Boulevard and landscaping being the major items still outstanding.						
Mitigating Action						
A number of mitigating actions are being monitored through the risk register by the Management Group. Fortnightly meetings with the development partner take place to progress the project and make every attempt to reduce delays and slippage.						
Anticipated Outcome						
Regeneration of Clydebank Waterfront in line with budget, but delayed to co-ordinate with District Heating project.						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

28	Exxon City Deal					
	Project Life Financials	27,897	1,082	4%	27,897	(0) 0%
	Current Year Financials	792	69	9%	238	(554) -70%
	Project Description	As part of the City Deal project the WDC Exxon site at Bowling regeneration with alternative A82 route included.				
	Project Lifecycle	Planned End Date	31-Mar-24	Forecast End Date	31-Mar-24	
	Main Issues / Reason for Variance					
	Regular updates are provided at every Council meeting, with City Deal papers presented at each meeting. The main issues contained within the approved Outline Business Case are still valid, which include Exxon's remediation strategy, land transfer arrangements and issues relating to adjoining owners. Until Exxon remediation strategy is approved and land transfer arrangements are resolved, only limited work can be undertaken (e.g. EIA) As the remediation strategy is being led by ESSO Mobil, it is difficult to assess when it will be approved but anticipated that it will go to Planning Committee November 2018. ESSO Mobil is still in discussions with SEPA and WDC-Environmental Health to agree several items before it can be approved, however the timescales of this is out with Council control. The project expenditure for 2018-19 was estimated to be £0.792m however this has now been revised to £0.238m due to a significant saving on the procurement of the Quay Walls tender and the lack of progress on the EIA as the remediation strategy has not been approved.					
	Mitigating Action					
	Contained within Risk register monitored by Exxon Management Board. Technical reviews are being carried between our consultant PBA and Exxon consultants WSP					
	Anticipated Outcome					
	Progressing the City Deal development at Exxon towards a Full Business Case.					

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

29

Queens Quay District Heating Network						
Project Life Financials	15,100	2,592	17%	15,100	0	0%
Current Year Financials	10,153	1,245	12%	9,000	(1,153)	-11%
Project Description	Queens Quay District Heating Network					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Jul-19		
Main Issues / Reason for Variance						
Project slippage is due to the delay on the appointment of the Energy Centre Operator (ECO) contractor as the returned tenders were unaffordable resulting in the need to secure additional funding from the Council to cover the Capital costs. An additional £3m of capital funding was approved by Members at June Council, has been phased into 2019/20 and tender negotiations have been finalised and Letters of Intent have been issued. The project is currently running behind programme and is now anticipated to be physically complete by 31 July 2019, however an accelerated programme is in place which Officers are hopeful will help to minimise the delay now the ECO contractor has been appointed. The Scottish Government have been advised that full spend will not be incurred by 31 March 2019, however the £6m grant funding will be fully spent by year end which will fulfil the grant conditions and protect this income resource. The first grant application of £0.711m was submitted end of May 2018 and has now been received.						
Mitigating Action						
Further discussions are to take place to identify Value Engineering items which will identify savings. Once this work has been carried out, Project Board to decide next steps as required.						
Anticipated Outcome						
Project will be delivered over original budget but a recovery plan is in place to deliver no later than anticipated.						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

30	Regeneration Fund						
	Project Life Financials	12,400	0	0%	12,400	0	0%
	Current Year Financials	1,850	0	0%	215	(1,635)	-88%
	Project Description	Funding to implement major regeneration projects linked to community charrettes. (Created through underspend from Education)					
	Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
	Main Issues / Reason for Variance						
	At this time it is anticipated that limited total spend of approximately £0.215m will be incurred in 2018/19 with all projects experiencing slippage as detailed below. It has been determined that the Bowling Basin project does not provide a sufficient return for either Scottish Canals or the Council to invest the necessary capital and the project is unlikely to progress as planned with a report being presented to November IRED committee confirming this. In relation to Dumbarton Charette planned foreshore works have been delayed due to discovery of invasive species across the site. This has led to protracted discussions with the land owners regarding removal of invasive species. Works to improve public realm at Balloch Village Square - Tenders were returned end of September 2018 and will be approved subject to tendering committee in November 2018. At this time is anticipated that spend in this financial year will be £0.100m on Balloch Village Square which is anticipated to commence February 2019 and complete summer 2019 with slippage of £0.435m. £0.065m is forecast to be spent on Moss O'Balloch parking improvements. In relation to Clydebank Charrette A814 a report was presented to the August Planning Committee which was continued. It will now be presented to Planning Committee in November 2018 for approval. Once approved this will allow procurement process to commence thereafter. At this time is in projected that only limited spend of approximately £0.050m will be incurred in this financial year for professional fees resulting in slippage of £0.450m.						
Mitigating Action							
Project complexity and the need to programme some works to avoid busy tourism periods and reliance on third parties means that mitigation is challenging.							
Anticipated Outcome							
Progress towards delivery of planned projects from Economic Development Strategy and Charrette Action Plans albeit later than originally anticipated.							

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

31	Replace Elderly Care Homes and Day Care Centres					
	Project Life Financials	27,463	14,268	52%	27,463	(0) 0%
	Current Year Financials	8,146	469	6%	2,222	(5,924) -73%
	Project Description	Design and construction of replacement elderly care homes and day care centres in Dumbarton and Clydebank areas				
	Project Lifecycle	Planned End Date	31-Jan-19	Forecast End Date	28-Feb-20	
	Main Issues / Reason for Variance					
	Dumbarton Care Home achieved practical completion on 28 April 2017 with retention due April 2018, however this is yet to be released. WDC continue to work with Hub West and Morgan Sindall to agree statement of final account and close all outstanding matters such that the Making Good Defect Certificate can be issued and the final retention can be paid. This is anticipated at this time by end of November 2018. With regards to Clydebank Care Home, the construction contract was awarded to CCG on 28 September with works commencing on site and currently on revised programme. The land transfer was achieved 28 September from CRL to WDC. Remediation works are near completion within the Clydebank Town Hall service yard and adjacent care home development site. We have experienced a delay in the original programme and capital expenditure costs. As a result of programme slippage out with direct control of the project we are forecasting further rephasing over the subsequent project life.					
Mitigating Action						
Due to the complexity of both the relationships and co-dependencies with other neighbouring projects being developed at the same time the ability to mitigate within the project scope of control is limited – corporately, mitigation rests with delivery of programmes for overall Queens Quay Masterplan and in particular District Heating System. Now that the contract has been awarded there will be greater control over the project and it's spend.						
Anticipated Outcome						
New Care home provision in Clydebank currently delayed as indicated by the overall forecast end date above.						

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

32	Direct Project Support						
	Project Life Financials	2,682	39	100%	2,928	246	100%
	Current Year Financials	2,682	39	100%	2,928	246	100%
	Project Description	Business support cost such as reallocation of architects and project support at year end					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-19		
	Main Issues / Reason for Variance						
	Based on final central support recharges for 2017/18 the budget looks to be under pressure if 2018/19 recharge is at a similar level						
Mitigating Action							
Limited mitigating action due to year end central support reallocation							
Anticipated Outcome							
Direct project support costs allocated as appropriate							

TOTAL PROJECTS AT RED STATUS						
Project Life Financials	171,418	53,841	31%	172,139	722	0%
Current Year Financials	55,776	8,586	15%	32,641	(23,135)	-41%

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	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC						
	Project Life Financials	10,636	10,247	96%	10,426	(210)	-2%
	Current Year Financials	460	71	15%	250	(210)	-46%
	Project Description	Design and construction of new co-located school to replace 3 separate establishments					
	Project Lifecycle	Planned End Date	30-Nov-17	Forecast End Date	23-Aug-16		
	Main Issues / Reason for Variance						
	School opened 23rd August 2016 as per programme and the outstanding acoustic fence was installed during the Easter break in April 2018. The final account and acoustic fence is anticipated to be £0.250m giving rise to a £0.210m underspend. Final retention payment to contractor expected to be released in November 2018, subject to the satisfactory completion of defect works. Final defect works were carried out during the October break and there will be approx. 4 weeks for required monitoring of the repair before the retention will be released.						
Mitigating Action							
None required							
Anticipated Outcome							
Delivery of project on programme and under budget.							

2	New Clydebank Leisure Centre						
	Project Life Financials	23,810	23,751	100%	23,738	(72)	0%
	Current Year Financials	432	373	86%	360	(72)	-17%
	Project Description	Provision of new leisure centre					
	Project Lifecycle	Planned End Date	31-Mar-16	Actual End Date	31-Mar-17		
	Main Issues / Reason for Variance						
	The Making Good Defect Certificate was issued on 4 June 2018, thereby releasing the final retention payment. Concluding final minor expenditure items currently and now forecasting an underspend of £0.072m. (Current actual spend is higher than forecast due to utility refund due).						
Mitigating Action							
None required at this time							
Anticipated Outcome							
Project delivered on time and within budget.							

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN ALERT STATUS WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 7

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

3	Dalmonach CE Centre						
	Project Life Financials	1,150	49	4%	1,150	(0)	0%
	Current Year Financials	1,110	9	1%	1,054	(55)	-5%
	Project Description	To create new community facilities with additional space for early years provisions					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
	Main Issues / Reason for Variance						
	The additional costs are related to early learning and childcare enhancements and will be funded from new early years funding advised in May 2018. It is anticipated that the project will be physically complete March 2019 with retentions of £0.055m due March 2020. Anticipated start date on site November 2019.						
Mitigating Action							
Project being reported and monitored through WDC Leisure Management Meetings, Schools Estate Board Meetings and SAMG updates. Officers have assessed the required spend on the Early Years element of the project and there is expected to be sufficient capacity within the Scottish Government capital grant funding from Early Years to fund the Early Years element of this project.							
Anticipated Outcome							
To create a new community facilities with additional space for early years provisions, over original budget and later than first anticipated.							

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN ALERT STATUS WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 7

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

4	Levensgrove Park - Restoration & Regeneration						
	Project Life Financials	3,639	1,823	50%	3,639	0	0%
	Current Year Financials	2,160	344	16%	2,025	(135)	-6%
	Project Description	Restoration and Regeneration of Levensgrove Park					
	Project Lifecycle	Planned End Date	30-Aug-18	Forecast End Date	30-Nov-18		
	Main Issues / Reason for Variance						
	Early delays due to timescales involved in securing external funding which impacted the procurement timescales. The project started August 2017 and is near completion with a revised forecast end date of 30 November 2018, with retentions due November 2019. Officers are currently awaiting Scottish Water and Scottish Power connections to be finalised which are due to be carried out in November and will complete the project. The Retention payment of £0.135m is required to be rephased to 2019/20. Project still to complete within budget.						
Mitigating Action							
None available due to the requirement of Scottish Water and Scottish Power to finalise connections.							
Anticipated Outcome							
To deliver a fit for purpose recreation area suitable for multiple use and within budget.							

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 8

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	Resources Carried Forward						
	Project Life Financials	(964)	(199)	21%	(964)	0	0%
	Current Year Financials	(765)	0	0%	(475)	290	-38%
	Project Description	These are resources that have been received in previous years relating to ICT Modernisation, Insurance receipts, HRA contribution re Dalmuir works, Turnberry Homes, Posties Park Sports Hub and Auld Street Bond					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Not all resources are anticipated to be required in 2018/19 and those that will require to be carried forward are ICT Modernisation (£0.036m), Keil School Planning Gain re Posties Park (£0.060m) and Gruggies Burn (0.194m) with the reasons for the under application of resources as detailed in the appropriate status updates						
Mitigating Action							
Mitigating actions are detailed within the appropriate status updates.							
Anticipated Outcome							
Application of resources held on balance sheet in 2018/19 as appropriate							

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 8

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

2	Match Funding / Other Grants and Contributions						
	Project Life Financials	(19,303)	(7,174)	37%	(18,862)	441	-2%
	Current Year Financials	(10,784)	(169)	2%	(7,569)	3,215	-30%
	Project Description	This is match funding from various bodies with the main funding being anticipated for Levensgrove Park, Posties Park and Clydebank Community Sports Hub					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Main variance relates to an underachievement of income in 2018/19 related to Queens Quay district heating income accrual of £2.580m which will carry forward into 2019/20 due to level of spend anticipated in year. In addition to this income related to St Eunan's regeneration project is anticipated to be £0.358m less than anticipated due to the level of project spend being less than anticipated. The reason for the spend on these projects being less than anticipated is detailed on the red status project update.						
	Mitigating Action						
	Mitigating actions are detailed within the appropriate status updates.						
	Anticipated Outcome						
	Capital receipts received less than forecast						

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 8

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

3	Capital Receipts						
	Project Life Financials	(39,895)	(2,072)	5%	(39,895)	(0)	0%
	Current Year Financials	(10,264)	(18)	0%	(10,094)	170	-2%
	Project Description	These are capital receipts that are anticipated from sales of land and buildings both as part of the normal disposal programme and also as part of the business case investment in office rationalisation, new school building and new care home development					
	Project Lifecycle	Planned End Date	31-Mar-26	Forecast End Date	31-Mar-26		
	Main Issues / Reason for Variance						
	Capital receipt in year and anticipated to be less than budgeted due to market conditions						
Mitigating Action							
While market conditions are outwith officers control all potential receipts will be explored.							
Anticipated Outcome							
Capital receipts received less than forecast							

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 8

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

4	Prudential Borrowing						
	Project Life Financials	(118,866)	(90,443)	76%	(119,548)	(682)	1%
	Current Year Financials	(44,316)	(6,106)	14%	(24,520)	19,795	-45%
	Project Description	Prudential borrowing is long term borrowing from financial institutions that has been approved for the purposes of funding capital expenditure					
	Project Lifecycle	Planned End Date	31-Mar-24	Forecast End Date	31-Mar-26		
	Main Issues / Reason for Variance						
	Prudential borrowing in 2018/19 is likely to be less than budgeted due to programme re-phasing						
Mitigating Action							
Prudential borrowing is impacted by programme delivery therefore mitigating action is detailed in the red and amber analysis							
Anticipated Outcome							
While prudential borrowing requirement is likely to be less than budgeted in the current financial year this is anticipated to catch up over the programme life.							

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 8

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

5	CFCR						
	Project Life Financials	(2,716)	(656)	24%	(2,716)	0	0%
	Current Year Financials	(365)	0	0%	(275)	91	-25%
	Project Description	This is capital spend which is funded by revenue budgets					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Slippage is due to lower CFCR being required in relation to the Wind Turbine project and the online payments for educational establishments due to the level of spend forecast in year						
Mitigating Action							
Mitigating actions are detailed within the appropriate status updates.							
Anticipated Outcome							
CFCR required will be less than anticipated in 2018/19							

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead Housing and Employability

Council : 28 November 2018

**Subject: Housing Revenue Account Budgetary Control Report
 to 31 October 2018 (Period 7)**

1. Purpose

- 1.1** The purpose of the report is to provide members with an update on the financial performance to 31 October 2018 (Period 7) of the HRA revenue and capital budgets.

2. Recommendations

- 2.1** Members are asked to:

- i) consider and note the contents of this report which shows a projected favourable revenue variance of £0.069m (0.16%); and
- ii) consider and note the net projected annual position in relation to relevant capital projects which is highlighting a variance of £6.592m (19.7%) due to projected slippage of £7.092m (21.2%) and an overspend of £0.500m (-1.5%).

3. Background

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 5 March 2018, Members agreed the revenue estimates for 2018/2019 and a total budget of £42.508m.

Capital

- 3.2** At the meeting of Council on 5 March 2018, Members also agreed the updated Capital Plan for 2018/19 which has been augmented by slippage from 2017/18 to produce a total planned spend for 2018/19 of £33.406m. The funding of this is shown within Appendix 5.

4. Main Issues

Revenue Budget

- 4.1** The current budgetary position for HRA Revenue is summarised in Appendix 1 with information regarding projected variances valued at greater than £50,000 being provided as Appendix 2. The analysis shows the projected variance for HRA Revenue is a surplus of £0.069m.

Capital Budget

- 4.2** The HRA capital summary position is shown in Appendix 3. Information on projects that are highlighted as being within the red category is provided in Appendices 4. A summary of anticipated resources is shown in Appendix 5. The analysis shows that for the in-year planned spend there is currently a projected in-year variance of £6.592m of which £7.092m relates to project slippage and £0.500m relates to an overspend.
- 4.3** From the analysis within the appendices it can be seen that there is one project with forecast material slippage, as listed as follows:

Project Name	Slippage (£m)
New house build	7.092

5. People Implications

- 5.1** There are no people implications.

6. Financial and Procurement Implications

- 6.1** Other than the financial position noted above, there are no financial implications of the budgetary control report. There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1** The main financial risks to the ongoing financial position relate to unforeseen cost being identified between now and the end of the financial year. This can affect all service areas.

8. Equalities Impact Assessment (EIA)

- 8.1** The report is for noting and therefore no Equalities Impact Assessment was completed for this report.

9 Consultation

- 9.1** The views of both Finance and Legal services have been requested on this report and both have advised there are neither any issues nor concerns with the proposal. As the report is for noting no further consultation is envisaged.

10. Strategic Assessment

- 10.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council. This report is for noting and, therefore, does not directly affect any of the strategic priorities.

Peter Barry
Strategic Lead – Housing and Employability
Date: 16 November 2018

Person to Contact: Janice Rainey - Business Unit Finance Partner (HEED),
16 Church Street, Dumbarton, G82 1QL,
telephone: 01389 737704, e-mail janice.rainey@west-dunbarton.gov.uk

Appendices: Appendix 1 - Budgetary Position (Revenue)
Appendix 2 - Variance analysis (Revenue)
Appendix 3 - Budgetary Position (Capital)
Appendix 4 - Variance analysis Red Projects (Capital)
Appendix 5 - Resources (Capital)

Background Papers: None

Wards Affected: All

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2018/2019

Appendix 1

PERIOD END DATE

31 October 2018

Subjective Summary	Total Budget 2018/19 £000	Spend to Date 2018/19 £000	Forecast Spend £000	Forecast Variance 2018/19 £000 %		Annual RAG Status
Employee Costs	4,409	2,694	4,438	29	1%	↓
Property Costs	1,795	1,018	1,622	(173)	-10%	↑
Transport Costs	101	39	83	(18)	0%	↑
Supplies, Services And Admin	379	187	344	(35)	-9%	↑
Support Services	2,668	1,477	2,596	(72)	-3%	↑
Other Expenditure	291	224	357	66	23%	↓
Repairs & Maintenance	11,693	6,015	11,722	29	0%	↓
Bad Debt Provision	1,060	626	1,058	(2)	0%	↑
Void Loss (Council Tax/Lost Rents)	1,084	711	1,050	(34)	-3%	↑
Loan Charges	19,028	11,100	19,028	0	0%	→
Total Expenditure	42,508	24,091	42,298	(210)	0%	↑

House Rents	40,822	23,734	40,685	137	0%	↓
Lockup Rents	230	133	229	1	0%	↓
Factoring/Insurance Charges	1,114	675	1,158	(44)	-4%	↑
Other rents	132	73	124	8	6%	↓
Interest on Revenue Balance	70	36	62	8	11%	↓
Miscellaneous income	140	64	109	31	22%	↓
Total Income	42,508	24,715	42,367	141	0%	↓

Net Expenditure	0	(624)	(69)	(69)
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WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2018/2019
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 2

MONTH END DATE **31 October 2018**

PERIOD **7**

Budget Details	Variance Analysis				
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	

Property Costs	1,795	1,622	(173)	-10%	↑
Service Description					
This budget covers electricity, gas, rates, rents, cleaning and insurance costs.					
Variance Narrative					
Main Issues	The main reason for this favourable variance relates to a one year saving in respect of a provision for prior years unbilled electricity costs which is now not required.				
Mitigating Action	No mitigating action is required.				
Anticipated Outcome	A year end underspend is anticipated.				

Budget Details	Variance Analysis				
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	

SUPPORT SERVICES	2,668	2,596	(72)	-3%	↑
Service Description					
This budget covers central support recharges to the HRA					
Variance Narrative					
Main Issues	A review of the support services allocation across all services was undertaken during 2017/18 to reflect the revised current service structures. This resulted in the amount to be recharged to the HRA to be less than budgeted. It is anticipated that a similar charge will occur in 18/19 which would result in a favourable variance.				
Mitigating Action	No mitigating action is required.				
Actual Outcome	A year end underspend is anticipated.				

Budget Details	Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status
	£000	£000	£000	%

OTHER EXPENDITURE	291	357	66	23%	↓
Service Description					
This budget covers strategy expenditure as well as legal fees, bank charges, rent abatements, tenancy sustainment work and factor's commission					
Variance Narrative					
Main Issues	There are a number of reasons for this overspend, the main reasons being an increase in legal expenses (£11k) in relation to summons costs and monthly court fees, and an increase in rent abatements (£45k) due to void initiatives.				
Mitigating Action	No mitigation possible however management will ensure that this overspend will be offset by underspends within other areas within the HRA				
Anticipated Outcome	An overspend will be incurred on this line				

Budget Details	Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status
	£000	£000	£000	%

HOUSE RENTS	(40,822)	(40,685)	137	0%	↓
Service Description					
Rental income from houses					
Variance Narrative					
Main Issues	This budget is based on the expected numbers of stock available for rent and makes assumptions about when surplus stock will be removed from the letting pool. The rate of transfer of surplus stock from the letting pool has been higher than assumed in the budget.				
Mitigating Action	No mitigation possible - this is part of ongoing housing strategy and timescales will vary as properties become vacant. Any income shortfall will be contained within the overall HRA Budget.				
Anticipated Outcome	There will be a shortfall in rental income				

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
OVERALL PROGRAMME SUMMARY

APPENDIX 3

MONTH END DATE 31 October 2018

PERIOD 7

Project Status Analysis	Project Life Status Analysis				Current Year Project Status Analysis			
	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status
Red								
Projects are forecast to be overspent and/or experience material delay to completion	2	7.4%	2,886	28.5%	2	7.4%	2,886	28.5%
Amber								
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Green								
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	25	92.6%	7,249	71.5%	25	92.6%	7,249	71.5%
TOTAL EXPENDITURE	27	100%	10,135	100%	27	100%	10,135	100%

Project Status Analysis	Project Life Financials				Current Year Financials					
	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Slippage £000	Over/ (Under) £000
Red										
Projects are forecast to be overspent and/or significant delay to completion	95,753	2,886	96,253	500	12,946	2,886	6,354	(6,592)	(7,092)	500
Amber										
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	0	0	0	0	0	0	0	0	0	0
Green										
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	91,446	7,249	91,446	0	20,460	7,249	20,460	0	0	0
TOTAL EXPENDITURE	187,199	10,135	187,699	500	33,406	10,135	26,814	(6,592)	(7,092)	500
TOTAL RESOURCES	187,199	10,135	187,699	500	33,406	10,135	26,814	(6,592)		
NET EXPENDITURE	0	0	0	0	0	0	0	0		

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1	New house build						
	Project Life Financials	86,753	661	1%	86,753	0	0%
	Current Year Financials	10,446	661	6%	3,354	(7,092)	-68%
	Project Description	New house build					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-21		
	Main Issues / Reason for Variance						
	The most significant factor impacting on the variance has been the recently completed procurement exercise to appoint a main contractor to deliver the majority of the West Dunbartonshire Affordable Housing Supply Programme. However, this exercise has now been completed and CCG (Scotland) have been appointed. An update on the programme and progress on each site was reported to the Housing and Communities Committee on the 7th November 2018.						
Mitigating Action							
Progress on this programme will be closely monitored on a regular basis and reported to the Housing and Communities Committee on a quarterly basis.							
Anticipated Outcome							
New build programme will be delivered in full and in advance of the March 2021 target date.							

2	Void House Strategy Programme						
	Project Life Financials	9,000	2,225	25%	9,500	500	6%
	Current Year Financials	2,500	2,225	89%	3,000	500	20%
	Project Description	Void House Strategy Programme					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-23		
	Main Issues / Reason for Variance						
	Despite the successful letting of many long-term voids in recent years, the remaining properties which have sat in abeyance for several years have required proportionately more work to bring them back into use.						
Mitigating Action							
Officers will continue to manage this programme in order to minimise the overspend.							
Anticipated Outcome							
Projected to overspend by £0.500m.							

Project Life Financials	95,753	2,886	3%	96,253	500	1%
Current Year Financials	12,946	2,886	22%	6,354	(6,593)	-51%

MONTH END DATE

31 October 2018

PERIOD

7

Budget Details	Project Life Financials					
	Budget	Income to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1 **New Build Grant**

Project Life Financials	(38,534)	0	0%	(38,534)	0	0%
Current Year Financials	(6,093)	0	0%	(4,982)	1,111	-18%

Project Description Grant to facilitate the building of new build housing

Project Lifecycle Planned End Date 31-Mar-19 Forecast End Date 31-Mar-21

Main Issues / Reason for Variance

Reprofiling of the new house build program as reported to the Housing and Communities Committee on the 7th November, will result in changes to timing of Scottish Government Grant drawdown.

Mitigating Action

None required - timing issue only.

Anticipated Outcome

Further Scottish Government Grant drawdowns will be made in 19/20 to match expenditure.

2 **Prudential Borrowing**

Project Life Financials	(121,527)	(9,536)	8%	(122,027)	(500)	0%
Current Year Financials	(19,117)	(9,536)	50%	(13,641)	5,476	-29%

Project Description Prudential borrowing to finance capital expenditure not already funded from grants/contributions, revenue contributions or capital receipts

Project Lifecycle Planned End Date 31-Mar-19 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

Prudential Borrowing is impacted by the both the total level of capital spend and the level of other capital resources. The level of prudential borrowing in 2018/19 and overall is likely to be less than anticipated for reasons identified within each project that shows re-phasing requirements in the red analysis.

Mitigating Action

Mitigating actions are detailed in the red analysis.

Anticipated Outcome

Prudential Borrowing overall likely to be less than anticipated.

TOTAL RESOURCES

Project Life Financials	(187,199)	(10,135)	5%	(187,699)	(500)	0%
Current Year Financials	(33,406)	(10,135)	30%	(26,814)	6,592	-20%

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Council: 28 November 2018

Subject: Long Term Financial Strategy Refresh and General Services and Housing Revenue Account Revenue Estimates Update 2019/20 to 2021/22

1. Purpose

- 1.1** The purpose of this report is to provide Members with an update of the Council's Long Term Finance Strategy, together with information on the estimates process for the General Fund and the Housing Revenue Account (HRA).
- 1.2** The report also provides an update on the position regarding reserves, including projections in relation to funds held for provisions, earmarked balances and free reserves.
- 1.3** The report provides an outline of the planned approach to consultation in relation to options to reduce the current projected gap.

2. Recommendations

2.1 Members are asked to:

- (i) Note the updated strategy has developed estimates of the Council's funding position to 2021/22 and identifies cumulative anticipated revenue funding gaps within General Services of £2.066m for 2019/20; £8.786m for 2020/21; and £13.502m for 2021/22;
- (ii) Note the position regarding the HRA projections to 2021/22;
- (iii) Note the funding projection to a 10 year estimate to 2028/29;
- (iv) Approve the long term financial strategy, as attached as Appendix 1, including:
 - the assumption of a Council Tax increase for 2019/20 onwards of 3% as described in 4.6 of the strategy;
 - inflationary uplift for 2019/20 onwards as described in 4.12 below; and
 - the 10 year plan within the strategy as described at 4.38 below;
- (v) Note the projected year-end position regarding reserves and provisions;

- (vi) Note that the Corporate Management Team has generated a number of management adjustments which have been implemented in generating the gaps identified;
- (vii) Note that the CMT are in the process of generating savings options which will be reported to Council in December 2018;
- (viii) Note the plans to engage with the public during January 2019;
- (ix) Note the current position regarding the long term capital plan;
- (x) Note the information provided in relation to the ongoing Brexit negotiations, the teachers pension fund costs and the review of loan charges; and
- (xi) Note that this projected position is subject to amendment as assumptions continue to be clarified and revised between now and Council in February 2019.

3. Background

3.1 The previous iteration of the Long Term Financial Strategy was presented to and approved by Council on 25 October 2017. Updated indicative budget gaps for 2019/20 to 2020/21 were updated following the approval of the budget, as minuted from Council on 5 March 2018. This is an update to this Financial Strategy and provides information to Members of the revised position.

3.2 At the Council meeting in October 2017 the Finance Strategy was agreed which identified cumulative projected budgets gaps from 2018/19 to 2020/21 of:

- 2018/19 £3.375m;
- 2018/19 £8.378m; and
- 2019/20 £14.254m.

3.3 The Council, on 5 March 2018 agreed a budget which closed the budget gap for 2018/19 and generated revised cumulative gaps for future years, as follows:

- 2018/19 nil;
- 2019/20 £7.646m; and
- 2020/21 £13.806m.

4. Main Issues

Refresh of Long Term Finance Strategy

- 4.1** The Strategy (Appendix 1) provides information - in a local and national context – on financial issues affecting both funding for the Council and its anticipated spend. It provides information on estimated revenue and capital balances (both for General Services and HRA) rolled-forward in detail to 2021/22.
- 4.2** The figures have been revised for updated assumptions on Scottish Government funding, pay and non pay inflation, as well as general burdens and pressures.
- 4.3** A comparison of the General Services revenue cumulative budget gaps from those last reported to the current position is noted below. Annex 1 of the attached Strategy document highlights the changes in assumptions between the gap identified in March 2018 to the current projections and is summarised in the table below and is further detailed at Appendix 2:
- | | 2019/20
£m | 2020/21
£m | 2021/22
£m |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| Council meeting (March 2018) | 7.646 | 13.806 | n/a |
| Strategy (November 2018) | 2.066 | 8.786 | 13.502 |
| Change in identified gap | -5.580 | -5.020 | 13.502 |
- 4.4** In relation to the HRA, based on current assumptions around rent increases, there are no anticipated gaps forecast to 2021/22.
- 4.5** The Council's external auditors, in their annual report on the Council for 2017/18 as presented to the Audit and Performance Review Committee in September 2018, recommended that Council should consider longer-term financial planning in order to ensure potential future funding issues can be identified early and plans developed to mitigate such longer-term financial risks. Annex 1 of the attached Strategy now projects the Council's General Fund position to 2028/29.
- 4.6** As in previous years a sensitivity analysis has also been used to show possible variations arising from changes to assumptions into the future.
- 4.7** The General Services anticipated reserves position is noted below. The prudential reserve target on free revenue reserves for 2018/19 is £4.122m; for 2019/20 is anticipated to be £4.149m; and is anticipated to be £4.141m for 2020/21; and anticipated to be £4.108m for 2021/22:

	31/03/18	31/03/19	31/03/20	31/03/21
	£m	£m	£m	£m
General Service Free Reserve	4.381	4.381	4.381	4.381
General Service Earmarked Reserve	6.671	2.517	1.638	0.888
Capital Item Replacement Fund	0.478	0.478	0.478	0.478
Capital Grants Unapplied	0.314	0	0	0
Capital Reserve: Schools Regeneration	3.269	2.919	2.569	2.219
	15.113	10.295	9.066	7.966

The HRA anticipated reserves position is noted below. The prudential reserve target on free revenue reserves for the period to 2021/22 is shown below:

	31/03/18	31/03/19	31/03/20	31/03/21
	£m	£m	£m	£m
HRA Free (Prudential) Reserve	0.850	0.867	0.884	0.902
HRA Earmarked Reserve	6.572	0	0	0
	7.422	0.867	0.884	0.902

- 4.8** The Strategy also provides information in relation to treasury management, covering levels of debt and investments, together with average interest rates thereon. This will be considered in addition to the annual treasury strategy reported to Council prior to the start of each financial year.
- 4.9** The Strategy also notes the population projections for the Council area as a proportion of Scotland between 2012 and 2037, by population banding. Current projections identify that between the base year and 2039, the proportion of Scotland's population residing in the Council area falls from 1.74% to 1.46%. This is anticipated to have a direct impact on Scottish Government's allocation of funding to the Council, though the reality will not be known for some time.
- 4.10** The Strategy also notes policies and specific strategies adhered to by the Council to ensure adequate financial controls are in place.
- 4.11** Annexes 4, 5 and 6 of the Strategy identifies short, medium and longer term issues with planned actions to minimise financial risks from these issues.
- 4.12** The Finance Strategy assumes inflationary uplifts as follows:
- on non staffing lines assumed at 0% (any inflationary uplift required will be identified as a burden); and
 - on sales, fees and charges at 4%. The assumption also excludes internal, statutory and identified HSCP charges which cannot be higher than the cost of service provision). It is noted that a full review of charges is being

undertaken during 2018 and is expected to report to either the December 2018 Council or the February 2019 Council.

- 4.13** At present it has been assumed that pay awards will be 2.75% for 2019/20 and thereafter. This is subject to national agreement and may vary.
- 4.14** The Strategy includes assumptions around the settlement from Scottish Government. This is based on officers' expectations around the likely position, however it should be noted that settlement figures for 2019/20 won't be available until mid-December 2018 – and is expected to again be a single year settlement.
- 4.15** The Scottish Government in the settlement for 2018/19 retained a cap on Council Tax increases at 3%. The Strategy assumes that this position continues and also that the Council will increase Council Tax to the level of the cap, i.e. by 3%. If such a rise was not to be agreed the gaps identified in this report by an additional £1.2m each year.
- 4.16** The Strategy includes an approach around scenario planning where the main financial issues for the Council are considered through three different circumstances: Likely; Worst Case; and Best Case. The figures used to identify anticipated budget gaps going forward are based on the Likely scenario which is illustrated in Annex 1 to the Strategy.
- 4.17** The Strategy also provides a longer term view of the potential cost of loan charges in order than Members may consider the revenue impact of capital investment decisions under varying potential interest rate scenarios. Again, in determining the anticipated funding gaps going forward the Likely scenario has been used. Currently a review of options for the management of the Loans Fund and loans charges is underway which has the potential to reduce costs charged on these. It is expected that this review will be completed in time for setting the 2019/20 budget.

General Services and Housing Revenue Account Revenue Estimates Update 2019/20 to 2021/22

- 4.18** Based on the above and the information provided below the Council's financial position has been projected to 2021/22.
- 4.19** For 2019/20 to 2021/22 the grant settlement from the Scottish Government to the Council is expected to reduce, in cash terms, by 1.5% each year. The expected reduction is due to a combination of expected funding reduction due to demographics projections and likely reductions due to expected grant reductions from the UK Government being passed-on to Councils via the Scottish Government. The estimated funding is currently estimated as:
- 2018/19 £180.931m
 - 2019/20 £178.895m;
 - 2020/21 £176.547m; and
 - 2021/22 £173.696m.

In addition to the above a further £0.848m of new funding for specific funded developments will be provided, but not included above to ease comparison year-on-year.

The actual funding provided will not be known until the Scottish Government provide settlement figures later in this financial year and Members should note that these are likely to be different to the projections noted above and almost certainly will only cover 2019/20.

- 4.20** Within the updated figures, officers have reviewed the council tax position based upon the assumed increase of 3% per year, together with modest growth in the Council Tax base, resulting in the following estimated Council Tax income:

- 2018/19 – Budgeted charges raised of £33.448m;
- 2019/20 – Projected charges raised of £34.797m;
- 2020/21 – Projected charges raised of £35.910m; and
- 2021/22 – Projected charges raised of £37.136m.

- 4.21** In generating the updated gap projections the Corporate Management Team have reviewed all budget lines and will implement a number of management adjustments. The management adjustments are listed as Appendix 3 to this report.

- 4.22** Reports on the General Services and HRA Revenue Estimates 2019/20; and Treasury Strategy 2019/20 – which consider the impact of capital planning projections, will be presented to the Council meeting in February 2019 to ensure alignment of resources.

- 4.23** As at 31 March 2018, General Services resources held by the Council was:

	£m
Reserves	10.975
<u>Of which:</u>	
Earmarked	6.671
Unearmarked	4.304
Prudential Target	4.122
 Provisions	 0.470
<u>Of which:</u>	
Equal Pay	0.317
Voluntary Retirement/Severance	0.153

- 4.24** Similar to previous years, the projected position is based on current Council policy and projected levels of service delivery.

- 4.25** In relation to the WD Health and Social Care Partnership (HSCP), the finance strategy assumes funding to the HSCP will reduce in line with assumptions on the funding reduction assumed from the Scottish Government to the Council – so for 2019/20 to 2021/22 – 1.5% each year..

Projected Reserves and Provisions Position at 31 March 2019

- 4.26** The earmarked balances held at 31 March 2018 (per the annual accounts - £6.671m) have been reviewed and it is anticipated at this time that all funds are still required for their earmarked purposes.
- 4.27** For the purposes of this strategy a break-even is assumed for 2018/19, though as reported in the Budgetary Control Report within the document pack for this meeting the current projection is that there will be an underspend of £0.077m. This position will be reviewed between now and Council in February 2019.
- 4.28** The prudential target has been re-assessed based upon the current projected budget for 2019/20, and the target of 2% of the net budget becomes £4.149m.
- 4.29** Members will be aware of external audit comments on the level of reserves generally and the level of the prudential target. Members will wish to consider these comments when setting the budget, with the potential to increase the value of reserves through a planned approach to generating a surplus in 2019/20 onwards.
- 4.30** At this time it is anticipated that the provisions held, as noted above, are adequate. This will continue to be considered and assessed again prior to the end of 2018/19.

Next Steps and Planned Consultation on the 2019/20 General Services budget

- 4.31** The next report on the financial projections will be presented to the December 2018 Council. At that time Members will be provided with savings options for consideration in setting the budget. The Administration has indicated that it plans to consult on its approach to closing the budget gap during January 2019, based on the Administration's approach, as follows:
- An online consultation on budget options launched for all stakeholders (website and social media cascade, email to community contacts, email to employees);
 - Targeted focus groups on options with representative community bodies (Community Alliance, Community Councils, Tenants & Residents Organisations, Equality Forum, Parent Councils);
 - Report to Council budget setting meeting in February 2019 on the results of the consultation process.

Consultation on the 2019/20 HRA budget

- 4.32** The consultation will take place between November 2018 and January 2019, through a range of meetings with tenants and tenants groups and representative groups.

Other Issues

- 4.33** As noted above, the long term capital plan was approved by Council in February 2017, and updated in March 2018. Any additional projects which may be developed will require to come to Council with appropriate business cases for approval for adding to the capital plan.
- 4.34** Members are reminded that there are a number of assumptions within the financial projections, including national pay awards, the continuing effects of welfare reform and the Scottish Government financial settlement. All assumptions remain subject to change and confirmation and will be further considered and any changes advised between now and Council in February 2019.
- 4.35** The ongoing Brexit negotiations between the UK Government and the European Union present a risk to assumptions made on Scottish Government settlements. In the recent UK Budget the Chancellor of the Exchequer was clear that a “no deal” Brexit would be likely to require the Government to revisit Budget assumptions. It is anticipated that this would impact on the settlement to the Scottish Government and likely onto Councils. The extent of the risk around this is not quantifiable.
- 4.36** The UK Government has recently reviewed, via the Government Actuaries Department (GAD) the performance of the various “unfunded” pension schemes. Once such scheme is the Scottish Teachers’ Pension Scheme. As a result of this process the GAD has recommended a reduction in the discount rate applied to the scheme from 3% to 2.4%. This has a significant impact on employers costs. However it is understood that there is a Barnett Consequential relating to this and as a result the current gap assumes that the change to employers contributions will be funded via the Scottish Government to Councils through the consequential funding. This is a significant assumption valued at up to £2.3m. COSLA are in discussion with Scottish Government on this issue and this assumption will be considered and reviewed between now and the Council meeting in February 2019.
- 4.37** Longer-term projections, as advised above, have been made to 2028/29 and highlight, based on a range of assumptions which are detailed in the Finance Strategy a range of funding gaps to 2028/29 between £35.626m and £96.944m, based on a best and worst case scenario – with the likely position being somewhere in between, currently valued at £54.270m. Clearly as projections range further into the future uncertainty is clear, however these figures have been generated to provide Members with an insight as to the potential position going forward and allows Members and officers to generate approaches to manage such funding gaps in a planned manner.
- 4.38** CIPFA guidance as to what a good long term finance strategy would look like and include, expects that there will be a plan developed and agreed as part of the strategy to reduce any projected funding gaps into the future. For the first time the attached Strategy document includes information on an outline plan covering the next 10 years which identifies a range of areas where the Council can be proactive in implementing change, both internally and externally to

seek to mitigate the funding risk identified. Some of these include expectations around the success of regeneration investment which is currently commencing in the area around increasing the number of houses, which it is hoped will increase the population of the area. Clearly some aspects of the plan are more controllable than others and it is anticipated that the plan will be reviewed as part of the normal annual revision of the Strategy. The plan will be developed as business cases are generated for relevant areas and further research and consideration is made as to setting financial targets associated with each of the areas identified.

5. People Implications

- 5.1** The strategy itself does not have any direct implications on the workforce, though the management adjustments identified in Appendix 3 have an expected impact of reducing the workforce by 45 FTE; and as savings options generated by the CMT to close the projected gaps are developed there will almost certainly be implications for the workforce.

6. Financial and Procurement Implications

- 6.1** The strategy does not have any direct financial implications. However, it does identify in future years the Council is facing budget gaps which will require Council decisions to mitigate.
- 6.2** The scenario planning consideration within the Strategy illustrates how relatively small movements in assumptions can lead to significantly variable outcomes in terms of the potential future funding gaps facing the Council (General Services). A summary of this is as follows for the next three financial years:

	2019/20 £m	2020/21 £m	2021/22 £m
LIKELY PROJECTION	£2.066	£8.786	£13.502
BEST	-£0.852	£5.431	£9.112
WORST	£8.677	£18.120	£28.323

- 6.3** The main variables within the strategy will be refined throughout the budgeting process as more information becomes available and in particular when settlement figures are provided by the Scottish Government.

- 6.4** A summary of the HRA gap analysis under different scenarios is as follows:

SCENARIOS	2019/20 £m	2020/21 £m	2021/22 £m
LIKELY	0	0	0
BEST	-0.024	-0.018	-0.018
WORST	0.301	0.793	1.614

- 6.5** Financial implications arising from the budget process are detailed in the report and appendices. There are no direct procurement implications arising from this report.

7. Risk Analysis

- 7.1** There are a number of assumptions within the Financial Strategy, these assumptions lead to the identified budget gaps. The gaps could vary from that indicated if the Council identifies further burdens, or mitigates some.
- 7.2** Roll-out of Universal Credit continues and from November 2018 onwards new claimants and people with change of circumstances will start to move from Housing Benefit to Universal Credit, and at some point in the future (date to be set by DWP) the transfer of remaining claimants will commence. These changes present risks to rent collection rates due to the way Universal Credit works compared to Housing Benefit. There is also a risk in relation to Council Tax collection as Council Tax Reduction is not passported from Universal Credit as it currently is from Housing Benefit. The impacts of these changes will be monitored for potential impacts on future years' budgets.

8. Equalities Impact Assessment (EIA)

- 8.1** An initial screening exercise undertaken has confirmed that there are no direct EIA implications as a result of the Finance Strategy.

9. Consultation

- 9.1** The long term financial strategy and revised budget position have been considered by the Corporate Management Team on an ongoing basis through August to October 2018 and the views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns with the report.

10. Strategic Assessment

- 10.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the strategic priorities of the Council's Strategic Plan.
- 10.2** The General Services revenue budget contributes to all categories by providing funding in specific areas to help the Council achieve and develop these priorities.

.....
Stephen West
Strategic Lead - Resources
Date: 15 November 2018

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Appendices:

- 1: Long Term Financial Strategy
- 2: Indicative Funding Gap to 2021/21
- 3: Management Adjustments

Background Papers: Council Budget Book 2019/20 to 2021/22;
Minute of Council meeting – 5 March 2018; and
Equalities Impact Screening

Wards Affected: All



LONG TERM FINANCIAL STRATEGY

November 2018

WEST DUNBARTONSHIRE COUNCIL

LONG TERM FINANCIAL STRATEGY

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1 Introduction

- 1.1 The purpose of the Financial Strategy is to allow Council to consider and plan for longer term financial issues by providing early sight of pressures arising from areas such as: Scottish government grant funding reductions; service demand changes; demographic change; etc. The Financial Strategy demonstrates that the Council is clear that the outcomes it plans to achieve for our communities link directly to the financial plans for the future and that any financial challenges identified which threaten the achievement of these outcomes are managed and prioritised in an orderly manner.
- 1.2 Since the last update of the strategy, in October 2017, the Scottish Government provided a single year settlement for 2018/19. To date the Council has not been provided with any information from the Scottish Government on anticipated grant funding for 2019/20 and beyond and indeed this information is not anticipated to be available until mid-December 2018, and even then this is almost certainly going to be a single year settlement for 2019/20 only. This clearly makes it difficult to predict the quantum of grant support on an ongoing basis, though it seems clear that the trend of reducing funding to Councils will continue on an ongoing basis. In 2018/19 the settlement from the Government to the Council was slightly higher than the 2017/18 settlement, on a like for like cash basis. Recently political commentators have been talking about the UK economy as being in a state of “perma-austerity”, this view being based on future predictions around the impact of Brexit and likely impact on the UK economy.
- 1.3 Population projections for the Council in relation to a growing population for the rest of Scotland is likely to generate continuing reductions in Government funding for the Council on top of the impact of ongoing austerity. The level of government grant support to the Council is difficult to predict as it depends significantly on the state of the UK economy, whether the recent austerity measures continue and for how long and how deep they will impact on the grant to the Scottish Government from Westminster, and then how the Scottish Government decides to manage any such funding reductions across the range of public sector services that are funded.

In general it is anticipated that the Council will face significant financial challenges over at least the next five years. It is therefore likely that difficult choices will continue to be required – this Strategy provides a practical framework within which choices will be identified, debated and approved.

- 1.4 To provide clear and consistent direction for the Council, the following objectives have been identified for the Financial Strategy – it will ensure that:
- the Council has a comprehensive, coherent balanced budget for both General Services and the Housing Revenue Account (HRA);
 - resources are allocated and deployed to facilitate delivery of the outcomes set out in the Strategic plan, and Local Outcome Improvement Plan. This takes account of the functions and services provided by the Council which are of a statutory nature as well as those services provided due to local need;
 - all key strategic decisions on the allocation and deployment of resources are made within the appropriate financial context, with due regard to levels of risk;
 - members are able to take full account of the impact of decisions on the overall financial resources of the Council in the short, medium and long term;
 - the Council has flexibility to address new policy requirements, or significant changes to existing policies, within overall available financial resources;

- resources are invested effectively, efficiently and on sustainable basis;
- there is an ongoing focus on securing efficiencies across the organisation;
- there is a clear strategic financial planning linkage between Council decisions on capital planning and the revenue budgets for both the General Fund and the HRA; and
- there is an increased level of understanding on behalf of the wider community with regard to the finances of the Council.

- 1.5 The primary financial challenges facing the Council over the period of this strategy will be delivering a coherent, balanced revenue budget year on year and the ongoing development of the capital programme which was refreshed in 2016 and updated in 2017 and 2018, which maintains appropriate investment in our key infrastructure. In addition the HRA capital plan takes a longer-term approach to capital planning within the HRA.
- 1.6 To deliver a coherent, balanced revenue budget year on year, the Council will need to continuously review existing and revised service delivery arrangements to determine if they are effective, efficient and sustainable, consider alternative methods of service delivery where appropriate and proactively identify opportunities to secure efficiencies or reduce service provision.
- 1.7 There is no doubt that the information generated through this process will result in options that require hard choices – one of the main challenges for the Council over the next few years will be that, once chosen, these options will often require a lead-in period prior to implementation.
- 1.8 In order to ensure the link between the strategic future development of capital assets to the financial strategy, capital plans are considered alongside ongoing revenue planning. Capital plans for both General Services and HRA will continue to be approved at the same meeting of the Council that approves the subsequent revenue budgets, as both are intrinsically linked.
- 1.9 The level of ongoing government support for General Services capital expenditure is known for only the first year of this strategy, similar to the revenue funding position the longer term position is not known and may well come under further pressure depending on the UK policy direction. Similarly to the revenue position it is anticipated the funding for the period from 2019/20 onwards will not be known until mid-December 2018.
- 1.10 If the Financial Strategy is to be successful, and achieve the objectives outlined, it must be a dynamic, living document reviewed on a regular basis.
- 1.11 This Financial Strategy is about making sure we have sufficient resources in place when required to deliver the outcomes we want to achieve for the communities of West Dunbartonshire, as described in the Local Outcome Improvement Plan. The Financial Strategy and the other strategic plans will require to be evidenced in the development of the workforce plan.
- 1.12 The financial strategy undertakes some sensitivity analysis to provide a picture of best case, worst case and likely case in terms of financial projections. This allows Council to see the risk associated with the range of variables within the financial issues/pressures identified.

- 1.13 Recent Audit Scotland comments in relation to financial planning within Councils has suggests that longer term projections of future budget positions should be provided to allow Councils to consider making longer term decisions. This strategy therefore will seek to project budgets out to 10years into the future. It is clear that the further away from the current date that projections go the less certain the projections become, however they will allow Council to consider longer term views and options.

Councillor Jonathan McColl
Leader of the Council

Joyce White
Chief Executive

2. What is the point of a Financial Strategy?

- 2.1 The purpose of a Financial Strategy is to provide clear direction, supported by a practical framework and explicitly defined parameters, on how a Council will structure and manage its financial resources in the medium to long term to ensure they are deployed effectively to achieve corporate objectives.
- 2.2 This is not just another financial process - the Strategy forms an integral part of our Strategic Planning and Performance Management Framework which underpins the achievement of the vision and outcomes identified in the Strategic Plan and the Local Outcome Improvement Plan.
- 2.3 The Council has taken into account Guidance produced by the Institute of Public Finance (IPF) for local authorities in Scotland on developing a Financial Strategy as well as best practice from other local authorities.
- 2.4 The ambition of the Council is to produce a single, coherent Financial Strategy that brings together the corporate objectives of the organisation along with all the relevant financial information in a clear and accessible document covering a five to ten year period (and beyond where appropriate).
- 2.5 The value of such a Strategy is that it should enable the Council to understand the wider policy and financial environment within which it operates, identify and respond flexibly to opportunities and threats, manage and mitigate risks and ensure that financial resources are contributing to achieving corporate objectives.
- 2.6 The strategy will also provide information to a range of stakeholders:

Table 1 – Stakeholder Information

Stakeholder	Purpose of finance strategy
For the Council and Elected Members	to decide how available financial resources will be used and prioritised
For Chief Officers, managers and employees	to reinforce and support their roles in financial management arrangements
For residents	to show how the Council's Financial Strategy impacts upon service provision
For Council Tax and Rent payers	to demonstrate how the Council looks after public resources
For partners	to share the Council's vision and help identify opportunities for joint working

- 2.7 The Strategy identifies issues that will impact beyond the period of the strategy, so that the Council can plan ahead; it includes expenditure forecasts, and projected funding, where known.
- 2.8 Inevitably some of the information of the Financial Strategy will be based on assumptions and these will change over time - the Strategy will be reviewed and updated regularly so that the Council can respond proactively to any such changes. This is particularly the case the longer into the future the projections are taken.
- 2.9 The inclusion of information in the Financial Strategy, for example on a specific project in 2019/20 onwards, does not infer approval and all financial projections and issues will be subject to approval through the budget process and any appropriate Committee approvals.

- 2.10 The associated Strategic Planning and Budgeting framework will ensure there is a clear linkage between the strategic planning and budgeting processes.
- 2.11 This will also allow services to plan ahead, taking into account the resources available over the next three years to provide Members, management and residents information as to measures needing to be taken in year 1, detailed indicative figures for years 2 and 3 of the strategy, and less certain longer term projections out to year 10.
- 2.12 A key element of the strategy's development is to proactively identify opportunities to achieve efficiencies or secure alternative funding sources in assisting to fund the Council's priorities and objectives.

3. Financial Summary

General Services Revenue Budget

- 3.1 The budget process for 2018/19 was progressed through the Council in the normal manner and in order to balance the 2018/19 budget a range of efficiencies and growth items were agreed by Council in March 2018.
- 3.2 The budget agreed a range of actions which balanced the 2018/19 budget and left target efficiencies to be determined for 2019/20 of £7.6m and a further £6.2m for 2020/21.
- 3.3 The detailed analysis has now been rolled-forward to 2021/22 and the reconciliation between the 2018/19 position and the 2021/22 position is provided at Annex 1. A projection to year 10 of the strategy has also been developed and is also shown at Annex 1.
- 3.4 A sensitivity analysis has been undertaken on the main areas of financial pressure to 2028/29 and this provides the range of anticipated outcomes in terms of future budget gaps based on a best case, worst case and likely case outcomes and for the next three years are shown as follows:

Table 2 – Outcome of sensitivity analysis – General Fund Revenue projections

GENERAL SERVICES: GAP ANALYSIS UNDER DIFFERENT SCENARIOS			
	2019/20 £000's	2020/21 £000's	2021/22 £000's
LIKELY PROJECTION	£2,066	£8,786	£13,502
BEST	-£852	£5,431	£9,112
WORST	£8,677	£18,120	£28,323

The above illustrates that following the review of the financial position and under the "Likely" set of assumptions that the gaps for 2019/20 to 2021/22 has changed due to reviewed assumptions which are highlighted in Annex 2.

The expectation is that Council will plan on the likely case outcome above, however Members may consider a prudent approach and consider the worst case, or a position between these two projections.

Housing Revenue Account Budget

- 3.5 The HRA Budget for 2018/19 was agreed on 5 March 2018 with a 2% increase in rent for 2018/19. Draft forecasts for future years continue to indicate budget pressures in many areas: effects of the DWP Welfare Reform; the ongoing provision of housing which meet the Scottish Housing Quality Standards; and compliance with Energy Efficiency Standards. In setting the budget the expectation is that the HRA income will meet projected costs and therefore shows no funding gaps for 2019/20 to 2021/22.
- 3.6 A sensitivity analysis has been carried out for the HRA revenue account and shows the following range:

Table 3 – Outcome of sensitivity analysis – HRA Revenue projections

SUMMARY	2019/20 £000's	2020/21 £000's	2021/22 £000's
LIKELY PROJECTION	0	0	0
BEST CASE	-24	-18	-18
WORST CASE	301	793	1,614

Capital Budgets

- 3.7 A refresh of the General Services 10 year Capital Plan for 2016/17 to 2025/26 was agreed by Council on 24 February 2016 and updates were made and agreed at Council meetings on 22 February 2017 and 5 March 2018. The three years from 2018/19 to 2020/21 have been approved in detail with the remaining years being indicative at this stage. This long term capital plan takes into account revenue resource available to support capital investment into the future, however, as stated above a key element of the long term capital plan was to develop projects which generate funding (either capital receipts or revenue efficiencies) that can be used to fund the capital plan. Thus, the strategy considers any revenue implications to be funded to support the ongoing capital plan. The capital plan is due, based on approved policy, to be reviewed for consideration at Council in March 2019, whilst in interim years updates will be undertaken to recognise changes in phasing, etc.
- 3.8 The Housing Capital Plan for 2018/19 to 2022/23 was agreed at Council on 5 March 2018.
- 3.9 Table 4 provides a summary of the Council's projections for General Services and HRA Revenue and Capital for 2019/20 to 2021/22. At this point, Scottish Government Funding is unknown beyond 2018/19 and therefore assumptions have been made. Note these projections are based on the "likely" outcome from the sensitivity analysis identified at 3.4 and 3.6 above; together with a range of assumptions, as identified on Annexes 1 and 2.

Table 4 - Three Year Summary - Revenue and Capital

	2019/20 £000	2020/21 £000	2021/22 £000
General Services Revenue Budget	216,606	222,991	225,182
<u>Funded by:</u>			
Government Grant	(179,743)	(177,395)	(174,544)
Council Tax	(34,797)	(35,910)	(37,136)
Reserves	0	0	0
Cumulative Funding Gap	2,066	8,786	13,502
Housing Revenue Budget	43,359	44,226	45,111
Financing	(43,359)	(44,226)	(45,111)
Cumulative Funding Gap	0	0	0
General Services Capital Budget			
Anticipated Spend	49,667	56,834	27,342
<u>Funded by:</u>			
Prudential Borrowing	23,539	34,054	5,726
Capital Grant and Match Funding	16,917	19,158	17,109
Capital Receipts	8,969	3,380	4,265
Revenue Contributions	242	242	242
	49,667	56,834	27,342
Housing Capital Budget			
Anticipated Spend	62,205	41,227	22,280
<u>Funded by:</u>			
Prudential Borrowing	36,563	28,958	15,260
Capital Grant	19,743	7,998	3,550
Capital Receipts	14	2	0
Revenue Contributions	5,885	4,269	3,470
	62,205	41,227	22,280

4. National Context

The Financial Settlement

- 4.1 The Scottish Government has provided settlement figures for 2018/19 only at this stage. It is expected that the next settlement in mid-December 2018 will cover only a single year – for 2019/20.

The settlement for 2018/19 provided the Council with Revenue Grant/Non-Domestic Rates Income/Specific Grant of £180.931m.

4.2 When the Council's own projection of Council Tax Income based on a 97.25% collection rate is added (£33.448m) then the gross available resource for the Council in 2018/19 is budgeted at £214.379m.

4.3 For 2019/20 onwards there is no information available from the Scottish Government, however early indications from economic commentators suggest that for 2019/20 to 2021/22 it is very likely, based on the national UK economic situation, that the UK Government will wish to implement further austerity measures. This strategy anticipates that this is likely to result in reduced funding being made available to the Scottish Parliament and hence reductions to Council funding from 2019/20 onwards. For the purposes of this strategy it is anticipated that this reduction will be a reduction of 2% cash terms reduction in funding to the Council in 2019/20. For 2020/21 and 2021/22 a reduction of a further 2% per year cash terms reduction is assumed. These projected reductions include the anticipated impacts of demographic change. For 2018/19 to 2021/22 the anticipated Scottish Government funding is:

- 2018/19 £180.931m
- 2019/20 £178.895m;
- 2020/21 £176.547m; and
- 2021/22 £173.696m.

In addition to the above a further £0.848m of new funding for specific funded developments will be provided, but not included above to ease comparison year-on-year.

The level of funding from the Scottish Government anticipated in this strategy assumes Council will continue to meet the commitments required by the Scottish Government in future finance settlements.

In agreeing the Scottish Government budget for 2018/19 the Scottish Government provided Councils with additional funding of £170m, which for the Council was around £2.818m. Due to the nature of this additional funding and how it arrived with councils this strategy expects that this funding continues as a permanent distribution.

Funding for Social Care

4.4 For the 2018/19 settlement new funding was provided through the Government to support Social Care. This funding is intended to fund: Health and Social Care funding pressures (£30m Living wage costs for care providers; £10m Sleepover costs; £19m Carers Act costs; £2m Free Personal Care; and £5m UK Budget consequentials). For 2019/20 onwards it is anticipated that the 2018/19 funding will continue to be provided by the Scottish Government. COSLA is pressing the Scottish Government to fully fund the implementation of the living wage and associated cost. Within this strategy it is assumed that there is no further funding for living wage implementation from the Scottish Government.

4.5 The IJB manages the process to develop its budget taking account of the new funding from the Scottish Government alongside the funding reduction from the Council and this strategy which, via the likely scenario, expects that the Council will continue to be able to reduce funding to the IJB and for the purposes of this strategy has been assumed as a reduction of 1.5% of the IJB budget for 2018/19 moving into 2019/20 and ongoing reductions in line with projected Scottish Government funding reductions to the Council over the life of the strategy. This position will be considered by Council as the budget-setting process for 2019/20.

Council Tax Reform

- 4.6 During 2016/17 the Scottish Government announced that it plans to change the way that Council Tax operates in two ways:

1. Remove the freeze on Council Tax increases, allowing Councils to increase Council Tax by a maximum of 3%. However the funding previously provided to Council to support the freeze will no longer be provided.
2. If a Council decides not to increase its Council Tax by up to 3% then this will result in reduced funding – as the freeze support funding previously provided by the Scottish Government was worth around 3% of a Council Tax freeze. As a result, this strategy assumes that WDC will increase Council Tax by 3%; otherwise additional efficiencies will require to be identified and implemented.

Brexit

- 4.7 The ongoing Brexit negotiations between the UK Government and the European Union present a risk to assumptions made on Scottish Government settlements. In the recent UK Budget the Chancellor of the Exchequer was clear that a “no deal” Brexit would be likely to require the Government to revisit Budget assumptions. It is anticipated that this would impact on the settlement to the Scottish Government and likely onto Councils. The extent of the risk around this is not quantifiable.

The UK Government has provided assurance that projects that are currently funded by EU funding would be funded by UK Government to 2021, if the projects are approved by EU prior to Brexit date.

Unfunded Pension Funds

- 4.8 The UK Government has recently reviewed, via the Government Actuaries Department (GAD) the performance of the various “unfunded” pension schemes. Once such scheme is the Scottish Teachers’ Pension Scheme. As a result of this process the GAD has recommended a reduction in the discount rate applied to the scheme from 3% to 2.4%. This has a significant impact on employer costs. However it is understood that there is a Barnett Consequential relating to this and as a result the current gap assumes that the change to employer contributions will be funded via the Scottish Government to Councils through the consequential funding. This is a significant assumption valued at up to £2.3m. COSLA are in discussion with Scottish Government on this issue and this assumption will be considered and reviewed between now and the Council meeting in February 2019.

5. Local Context

- 5.1 The environment within which the Council operates has changed significantly in recent years and is likely to alter further over the period of this strategy due to changes in legislation, policy and other national and local developments.

The Planning Context

- 5.2 The overall strategic framework within which the Council operates is outlined in the Strategic Planning and Budget Process which is published annually – this framework links the budgetary development process to the Strategic Plan, and Service Plans. The framework was revised to take account of the introduction of a Local Outcome Improvement Plan with the Council and its Community Planning partners.
- 5.3 The Council’s draft Strategic Plan for 2017-22 sets out a clear vision:

‘West Dunbartonshire Council will deliver high quality services, led by priorities identified by the communities of West Dunbartonshire, in an open and transparent way’

- 5.4 To achieve this vision for West Dunbartonshire, the Council will work with its key partners in the public, voluntary and community sectors, as well as the business community.
- 5.5 Members have acknowledged the overall challenge for the Council remains the expectation of ongoing funding reductions, balanced with the need to deliver sustainable services, encourage economic growth and develop long term management of our assets. The Strategic Priorities to 2017/22, agreed at Council on 25 October 2017, are:
- A strong local economy and improved employment opportunities;
 - Supported individuals, families and carers living independently and with dignity;
 - Meaningful community engagement with active, empowered and informed citizens who feel safe and engaged;
 - Open, accountable and accessible local government; and
 - Efficient and effective frontline services that improve the everyday lives of residents.
- 5.6 The Financial Strategy underpins the delivery of the vision, priorities and objectives identified in the Strategic Plan.
- 5.7 Community Planning West Dunbartonshire, (CPWD) is a partnership of agencies and groups from the public, third sector and community sector that are committed to working together to make a positive contribution to the development and well-being of the individuals and communities that reside in this area.
- 5.8 The Local Outcome Improvement Plan is a high level agreement between the CPWD and the Scottish Government. It identifies areas for improvement and sets out how the CPWD will deliver better outcomes for the people of West Dunbartonshire. This 10 year plan covers the period 2017-2027 and details the long term priorities for improving outcomes in West Dunbartonshire as agreed in September 2017.
- 5.9 The priorities agreed set the framework for the Council priorities as described in paragraph 5.5 above. The LOIP commits to reducing inequalities for our residents to deliver a West Dunbartonshire where:
- Our local economy is thriving;
 - Our communities are safe;
 - Our children and young people are nurtured;
 - Our older residents are supported to remain independent; and
 - Our residents are empowered.

Demographics

- 5.10 One of the most significant challenges facing West Dunbartonshire is depopulation and demographic change – this has been recognised as a priority by the Council.
- 5.11 The 2017 mid-year population for West Dunbartonshire is 89,610; a small decrease of 0.28% from 89,690 in 2016. This represents a total population loss since the 2011 census (90,720) of 1.2% of the population. This continues the trend in population loss which began in the 1990's. In contrast the population of Scotland has

risen by 2.4% since 2011 (5,295,403) to its current figure of 5,424,800. The population of Scotland increased by 0.37% in between 2016 and 2017 mid-year estimates.

- 5.12 Based on the 2017 mid-year estimates, 18% of the population are under the age of 16 (17% for Scotland), with 64% of the population working age (64% for Scotland) and persons aged 60 and over making up the 18% of West Dunbartonshire's population (19% for Scotland).
- 5.13 Even though the population has fallen slightly, the number of households is projected to grow. The structures of households and families will continue to be complex with a growing number of single adult households driven by the continuing high divorce rate, low rate of marriage, the rising numbers of children born to unmarried mothers and the ageing of the population.
- 5.14 The SIMD 2016 data shows that 40% of West Dunbartonshire's 121 data zones are in the most deprived 20% of all data zones in Scotland. West Dunbartonshire is one of five local authorities with the largest proportion of data zones in the 20% most deprived category.
- 5.15 In terms of economic context the Council area has:
 - 19% of population in income deprivation versus the Scottish average of 13%;
 - 24% of children in the area living in poverty versus the Scottish average of 17%; and
 - 3.7% of working population claim JSA versus the Scottish average of 2.3%.
- 5.16 Scottish Government funding to Councils is linked to a number of indicators of need, which are known as the Primary Indicators used to generate the Grant Aided Expenditure (GAE) for all Councils in Scotland. Of the Primary indicators, 38% are linked directly to school pupil indicators and 23% are linked directly with population. In effect this means that 61% of all indicators are linked directly to demographics. If the West Dunbartonshire population (including school pupil numbers) falls, relative to the average position for the rest of Scotland, this is likely to have a direct impact on funding received from Scottish Government.
- 5.17 Even with additional allocations to take account of deprivation Scottish Government funding is likely to reduce if population decline in West Dunbartonshire continues in comparison with the rest of Scotland. Based on current population projections for West Dunbartonshire (in comparison to Scotland) and the primary indicators used in the generation of the GAE (pupil numbers and general population) it is anticipated that West Dunbartonshire's share of government support will continue to reduce at the same rate as was included in the movement in settlement between 2018/19 and 2019/20 and onwards, as part of the general assumptions for reduced funding as detailed previously in this document.
- 5.18 Based on the most recent (2016) national population projections for the next 10 years (to 2026) showed Scotland expected to increase its population by 3.2% with West Dunbartonshire being projected as a 0.7% reduction). A number of years ago the future reduction in projected population to 2037 is illustrated in Table 5 which shows the Council and Scottish population projections and the proportional change expected for West Dunbartonshire. This is significant as in other population analysis the current projection to 2039 of the Scottish population shows the percentage of the Scottish population which resides in West Dunbartonshire is expected to reduce from 1.7% in 2014 to 1.46% in 2039. This is due to an expected ongoing decline in West Dunbartonshire while the total for Scotland is anticipated to increase

Table 5 – Population projections 2012 to 2037

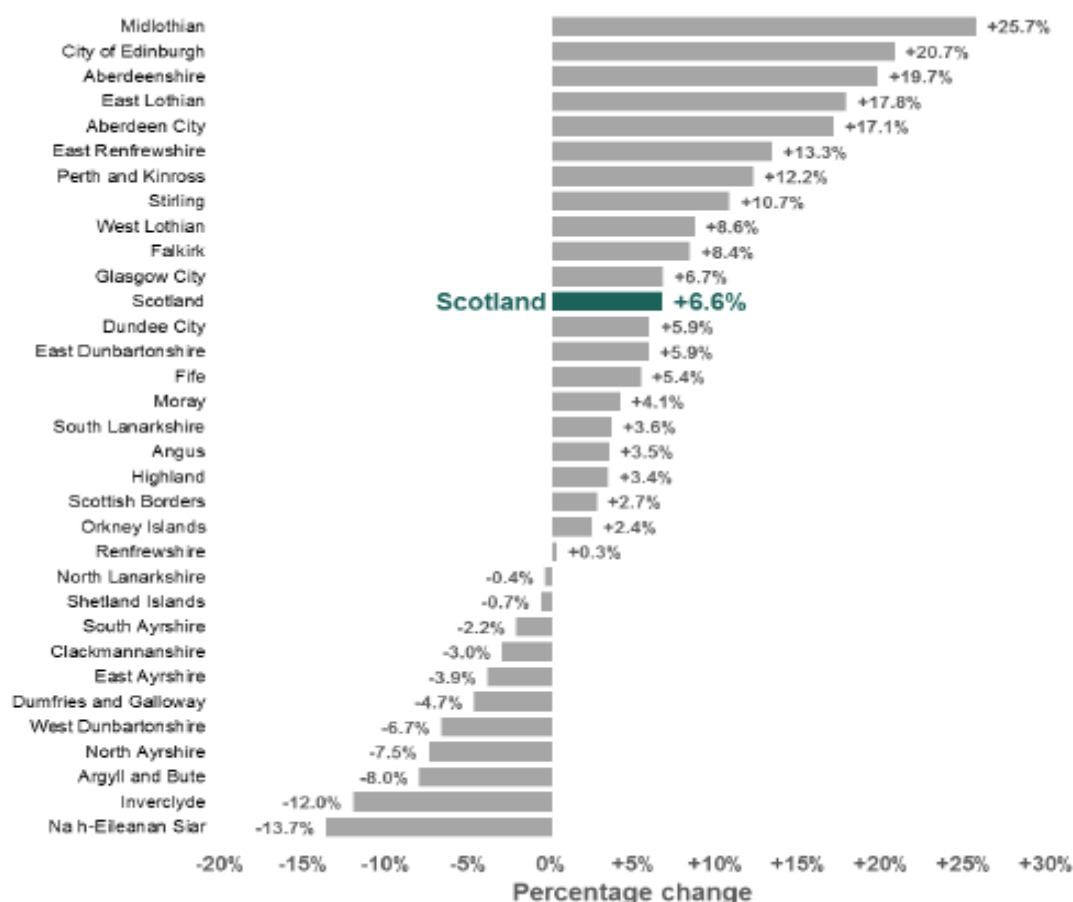
	West Dunbartonshire Council					
	Base Year	Projected Years				
Age Group	2012	2017	2022	2027	2032	2037
0-15	15,913	15,796	15,915	15,318	14,481	13,530
16-29	16,034	15,163	13,765	13,047	13,151	13,215
30-49	24,489	21,954	20,619	20,485	19,477	18,355
50-64	18,633	19,976	19,992	17,950	15,584	14,258
65-74	8,388	9,276	10,038	11,074	12,133	11,640
75+	6,883	7,160	8,031	9,187	10,459	12,063
Total	90,340	89,325	88,360	87,061	85,285	83,061

	Scotland					
	Base Year	Projected Years				
Age Group	2012	2017	2022	2027	2032	2037
0-15	914,700	919,300	954,500	965,600	973,200	965,000
16-29	975,800	967,300	910,100	895,300	909,300	938,600
30-49	1,450,700	1,387,600	1,389,000	1,436,600	1,441,400	1,424,500
50-64	1,046,600	1,109,300	1,141,800	1,077,200	1,006,500	979,100
65-74	507,300	563,900	589,500	634,700	693,400	694,400
75+	418,500	459,600	534,700	616,400	689,700	778,700
Total	5,313,600	5,407,000	5,519,600	5,625,800	5,713,500	5,780,300

	WDC as percentage of Scotland					
	Base Year	Projected Years				
Age Group	2012	2017	2022	2027	2032	2037
0-15	1.74%	1.72%	1.67%	1.59%	1.49%	1.40%
16-29	1.64%	1.57%	1.51%	1.46%	1.45%	1.41%
30-49	1.69%	1.58%	1.48%	1.43%	1.35%	1.29%
50-64	1.78%	1.80%	1.75%	1.67%	1.55%	1.46%
65-74	1.65%	1.64%	1.70%	1.74%	1.75%	1.68%
75+	1.64%	1.56%	1.50%	1.49%	1.52%	1.55%
Total	1.70%	1.65%	1.60%	1.55%	1.49%	1.44%

- 5.19 The chart below also indicates the forecast change in population for West Dunbartonshire Council in comparison to other council areas in Scotland between 2014 and 2039. It can be seen that this Council is projected to decline in population by 6.7% (fifth highest drop in Scotland), with the Scottish average to increase by 6.6%.

Chart 1: Projected percentage change in population, by Council area, 2014 - 2039



Source: National Records of Scotland

- 5.20 The projected population movement will have an impact on all service areas, particularly Education and Social Care, where there will be a need to actively manage the transition from current service delivery arrangements to new models that are built around the needs of the future population.
- 5.21 As can be seen from the West Dunbartonshire projections the only age groups with projected growth to 2037 is for the two bands for those aged 60 and over. This has the potential to become a significant issue if population decline in younger aged population is not halted or, ideally, reversed over this period. The Council is aiming to increase total housing supply over the period to 2022 by 5,000 houses; this may mitigate this downward trend; however it will be noted that the Scottish Government is aiming to increase house numbers across Scotland.
- 5.22 The deprivation profile will have major implications for services as research indicates that those vulnerable to poverty are more likely to require greater social intervention and a targeted focus to move out of poverty. There is evidence that poverty has been exacerbated by the implementation of austerity measures by the UK Government, particularly in relation to benefits payments.
- 5.23 The predicted demographic changes also have other implications. A decline in younger economically active people with a growth in the older, more vulnerable age group with fewer informal carers. This is likely to result in a higher dependency on services provided, such as Social Care.

6. Financial Management

Corporate Governance

- 6.1 The Council positively promotes the principles of sound corporate governance within all aspects of its activities.
- 6.2 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Council. It is based around key principles of openness, equality, integrity and accountability.
- 6.3 The fundamental principles of corporate governance should be reflected in the various dimensions of Council business, including:
- Ensuring a community focus underpins the Council's vision and priorities;
 - Ensuring the effective delivery of local services on a sustainable basis;
 - Establishing effective management structures and processes which include clearly defined roles and responsibilities for officers;
 - Developing and maintaining effective risk management systems that form part of the Council's strategic decision making process;
 - Ensuring high standards of propriety and probity in the stewardship of the Council's funds and the management of the Council's affairs; and
 - A commitment to openness in the Council's affairs and the provision of full, accurate and clear information to all stakeholders.
- 6.4 The Council's Financial Regulations and any amendments are approved by Council and are an essential component of the corporate governance of the Council.
- 6.5 The Chief Financial Officer (CFO) or 'Section 95 Officer' has been designated as "the proper officer" and is responsible for advising the Council on all financial matters including the determination of Accounting Policies. This role is part of the responsibility of the Strategic Lead - Resources.
- 6.6 The Financial Regulations are designed to facilitate the smooth running of the Council, protect its interests and the interests of members and officers, and ensure the proper administration of the Council's financial affairs.
- 6.7 Head Teachers must comply with the Financial Regulations, with the exception of virement which is defined for schools within the Council's scheme of Devolved Management of Resources Scheme (DMR).

Roles and Responsibilities

- 6.8 It is important to set out clearly the roles and responsibilities of the key parties involved in the Financial Strategy and the management of overall financial resources of the Council. Further detail is noted within the Financial Management and Control Code of Practice.

Elected Members

- 6.9 Council Members, through the Full Council and Committees are responsible for considering, monitoring and approving budgets and the overall Financial Strategy for the Council. Approved budgets must be financially balanced and demonstrate value for money and sustainability.
- 6.10 The Audit and Performance Review Committee, with representation from Members as well as lay-persons, scrutinises performance and management of resources of

the Council, with internal and external audit information reported. The Council's year end position and relevant audit comments are reported and monitored at this Committee, as well as to Council.

- 6.11 Throughout the year Council and Committees receive reports which allow progress against approved budgets to be scrutinised. All members are provided with the opportunity to attend appropriate training in the areas of Financial Strategy, Local Government Finance and key specialist areas such as Treasury and Risk Management. Members' personal development opportunities are provided through an ongoing annual programme of seminars which will include updates on financial aspects.

Corporate Management Team

- 6.12 The Chief Executive, Strategic Directors and the Strategic Leads form the Corporate Management Team (CMT), chaired by the Chief Executive. The CMT is responsible, individually and collectively, for ensuring that best value and value for money is achieved across the Council, in service delivery, internal processes and systems of control, procurement of goods/services and the use of assets.
- 6.13 As Budget Holders, members of the CMT are responsible for the budgets delegated to deliver the services within their respective Directorates in line with the priorities of the Council. Whilst they may delegate this responsibility within their Directorate they remain accountable in exercising overall financial control.

Chief Financial Officer

- 6.14 The CFO has a statutory role to ensure that appropriate arrangements are in place for the proper administration of the financial affairs of the Council. The CFO has the authority to comment on any financial decision and advises CMT, Chief Executive and elected members on all financial matters. As noted above, this role within responsibility of the Strategic Lead - Resources, under the current structure.

Strategic Directors and Strategic Leads

- 6.15 Strategic Directors and Strategic Lead officers are responsible for ensuring that the services within their remit are delivered in line with the agreed policy, and support the strategic direction of the Council. As Budget Holders they are responsible for the budgets delegated to them to deliver their service in line with the priorities within the Strategic Plan.

Finance Business Partners

- 6.16 The main role of the service-linked Finance Business Partners is to advise the Strategic Directors and Strategic Leads and their management teams on all financial matters and to be responsible for the preparation of budget reports. They will also provide specialist advice and general guidance on financial systems including rules and procedures
- 6.17 However responsibility for budgetary control lies with the Strategic Directors and Strategic Leads as delegated budget holders, together with their associated Service Managers.

Internal Audit

- 6.18 Internal Audit provides assurance to Elected Members, the Chief Executive and management that the internal processes of the Council are being managed appropriately in line with the overarching policies and outcomes are being delivered in the most efficient and effective manner.

External Audit

- 6.19 The role of External Audit is to provide assurance to the Auditor General and the Accounts Commission that the Council has spent public money properly to deliver outcomes in an efficient and effective manner.
- 6.20 They provide assurance to elected members, the CMT and general public that the Council's performance is reported in accordance with the extant financial standards and presents a fair account of the Council's activities.

Managing the Budget

- 6.21 The Council has an effective method of developing both the revenue budget and capital programme that has aims to align resources with the strategic outcomes the Council wants to achieve for the area.

Revenue Budget - Pressures and Savings

- 6.22 The current process for considering the development of the revenue budget is undertaken collectively between the CMT and individual political groups. The process is undertaken with due consideration of, and agreement on, current policy and financial parameters for the budget, corporate and political expenditure pressures and/or savings options.
- 6.23 The CMT collectively evaluates all expenditure pressures and savings options to ensure that they are sufficiently robust and deliverable.
- 6.24 All pressures and savings options generated are evaluated in the context of the current Strategic Plan, which informs consideration by both the CMT and individual political groups. In generating these options due regard is made to the Council's equalities and environmental sustainability policies.

Public Private Partnership

- 6.25 In 2008/09 the Council reached financial conclusion on a PPP project. Unitary Charges became due payable in 2009/10, along with savings, Government financial support and the use of a Sinking Fund to pay for these charges. The Council's Facilities Management Service is involved in providing services to the Council (catering, grounds maintenance and cleaning services). BAM is the company contracted to provide the PPP buildings and managing the PPP project. Administration and monitoring of the project continues to be strictly managed. The new Our Lady & St.Patrick's High School is funded through the updated Scottish Government Non-Profit Distributing approach where the Scottish Government provides ongoing revenue support for the school's provision.
- 6.26 The Council's ongoing budget build-up takes into account the full value of the annual unitary charge for the provision of the schools together with the ongoing revenue support provided by the Scottish Government.

Capital Programme

- 6.27 The Council is committed to developing its strategic financial planning. As referred to above, a process was developed which allowed the Council to agree a 10 year General Services capital plan in conjunction with agreeing the revenue budget. The agreement of this plan has allowed the Council to more accurately project the effect of capital projects on the revenue budget, considering both costs and efficiencies, as well as levels of prudential borrowing on spend to save initiatives. This also allows the Council to forward plan on funding aspects of the Council's strategic commitments. As stated elsewhere in this document the HRA investment plan has been reviewed in setting the budget for 2018/19 onwards with a five year plan.

Service Specific Funding (Ring-fenced funding)

- 6.28 With changes in Scottish Government Settlement due to the introduction of the Concordat, there remain some small areas of ring-fenced Government funding. In essence, the reduction of ring-fencing allows the Council to prioritise which services it aligns resources to, whilst recognising statutory duties, Strategic Plan priorities and our local outcome agreement. In recent years the levels of ring-fencing of new funds from the Scottish Government has increased. Recent new funding provided by the Scottish Government has tended to be ring-fenced reflecting the priorities of the Scottish Government.

Time Limited Funding

- 6.29 The following issues need to be considered when considering time limited funding:
- Clear monitoring that the funding is delivering and achieving the required impact, within the approved funding level;
 - Such funding should not result in any ongoing commitment for the Council and the project or initiative should cease once the funding ends - this should be clear from the outset with severance costs and other termination costs factored into the overall budget for the project or initiative; and
 - If this type of funding has been used to pilot a new approach to develop services in line with corporate priorities, a full evaluation of the financial and service implications would be needed before consideration is given to ongoing funding.
- 6.30 The overall reduction in the level of ring-fenced or time limited funding may minimise the need for this type of approach but it is important that it is included as part of the overall Financial Strategy.

Additional Income

- 6.31 There is a need to ensure that any additional income to the Council, for example from the Scottish Government or a partner organisation, should be considered through a structured process that would allow initial appraisal. This will ensure that all relevant factors are taken into account and that provision is made for administration costs, any time constraint on the funding is considered and, where necessary, provision is made for severance costs.
- 6.32 The overall reduction in the level of ring-fencing by the Scottish Government may reduce the need for this type of approach but is important that it is part of the overall Financial Strategy.

Income Generation

- 6.33 The generation of income is an important aspect of the overall financial strategy and continues to be reviewed annually by the CMT and Council, through the budget process. For the purpose of this strategy an assumption has been made that charges that are set by Council will be uplifted each year at 4% on an ongoing basis, except for those services where charges are either statutorily defined, or not permitted to exceed the cost of provision. It is noted that management are undertaking a review of all charges as part of the approach to commercialization and the outcome of this process may over-ride this assumption in 2019/20. It is expected that the outcome of the charging review will be reported to the December 2018 Council, in the meantime a 4% uplift has been assumed within this strategy.

Contingency

- 6.34 Based on the Contingency Fund Policy if unplanned savings are identified by services, i.e. are outwith their control, these savings are removed through virement

from service budgets to the Council's Contingency Fund. Services also have the right to apply for funding from the Contingency Fund during the year for costs arising outwith their control. A copy of the policy is appended as Annex 3 to this strategy.

Freedoms and Flexibilities

- 6.35 Virement between budgets are allowed, subject to the limitations and approval requirements identified in the Financial Regulations. All virements require to be authorised through the Virement Approval Form to provide a clear audit trail.

Council Tax

- 6.36 The council tax was frozen in line with the concordat agreement with the Scottish Government between 2008/09 and 2016/17. Funding was been made available through the financial settlement equivalent to a 3.14% increase in council tax each year. As stated above the freeze was removed for 2017/18 though a cap at a 3% increase was imposed through the funding settlement. It is anticipated within this strategy that the council tax can be increased in future years subject to a 3% increase cap. Current Band D is equivalent to £1,198 in comparison to the Scottish average of £1,208.
- 6.37 Due to proactive debt collection management, the Council continues to show a steady and consistent improvement in collection performance over the past few years, increasing the in-year collection rate by 5.78% since 2005/06 to 95.41% in 2017/18. Full collection rates anticipated for the purposes of this strategy remain, as in recent years at 97.25%. However, due to the current financial climate (including the, as yet, unknown local economic impact of ongoing welfare reform and austerity), the levels of debt written off by the Council due to sequestrations and trust deeds, the levels of bad debt provision will be subject to annual review during the budget setting process.

7. Financial Outlook

- 7.1 Key financial issues are known or anticipated events and activities which will have to be addressed within the Council's overall financial resources in the short-term (within three years), medium-term (within five to ten years) or long-term (over ten years). Annexes 4, 5 and 6 provide an analysis of issues in the short, medium and longer term, and some of these are discussed further in this section.
- 7.2 Events and activities includes efficiencies, planned savings, changes to service priorities and delivery, and known potential pressures - the financial impact of an event or activity may be one-off, recurring or time-limited.
- 7.3 West Dunbartonshire Council is expected to receive Scottish Government Funding of £180.931m in 2018/19.
- 7.4 When the Council's own projection of Council Tax Income based on 97.25% collection rate of £33.448m is added then the budgeted gross income for the Council in 2018/19 is £214.379m.
- 7.5 This Financial Strategy provides detailed revenue forecasts covering the next 3 financial years, 2019/20 to 2021/22. The forecasts for the first year being more accurate as expected levels of demand and cost for Council services are more likely to be accurate in 2019/20 than in future years. The level of Scottish Government funding for 2019/20 onwards is not yet known and will be announced in mid-December 2018. The strategy projects that ongoing funding will be lower than had

been assumed in the previous financial strategy, due to the likely impact of the ongoing UK austerity measures and due to demographic change.

- 7.6 The level of resources available to the Council to fund its revenue expenditure is also dependent on Council Tax. The Financial Strategy currently assumes an increase for 3% for each year from 2019/20 to 2021/22.
- 7.7 As part of the budget process for 2018/19 the Council agreed a Reserve Strategy which identifies an optimum target for an unallocated Prudential Reserve of £4.122m for General Services and £0.850m for the HRA.

At present this strategy assumes that the Prudential Reserve is calculated in the same manner for the period to 2019/20 onwards. The position regarding reserves will be reviewed in setting the budget for 2019/20 in March 2019.

- 7.8 In the annual report from the Council's external auditors the value of the Council's usable reserves was highlighted as a risk. It was highlighted that, whilst generally operating within budgets each year and reserves generally increasing, the level of usable reserve is low in comparison to other Councils in Scotland.

This reserves position needs to be considered in light of the ongoing financial challenges faced by the Council, and the overall position of the Reserves was considered as part of the budget process for 2018/19 and will continue to be reviewed on an annual basis, see Section 10.

- 7.9 In their annual report in September 2017, the Council's external auditors recommended that the Council develop a longer term approach to financial planning. To this end, for the first time the long term finance strategy reported to Council in October 2017 included projections for a 10 year period. This continues as standard practice and Annex 1 to this document projects the Council's finances for a 10 year period – to 2028/29. Clearly the longer into the future that projections are made, the less accurate the projections will be, however it is anticipated that the longer term approach will allow the Council to consider longer term approaches to financial planning.

Short to Medium Term Revenue Issues

Leisure Trust

- 7.10 The West Dunbartonshire Leisure Trust, commenced on 5 April 2012 and the Strategy reflects both costs and benefits going forward. Since the start of the Trust up until now the Trust has not resulted in any additional financial pressures. In February 2015 Council approved the transfer of Outdoor Recreation services to the Leisure Trust. The report from the Barclay review of the operation of Non-Domestic Rates in Scotland in 2017 recommended that the charitable relief provided to Leisure Trusts should be ended. The Scottish Government's response has advised that this won't happen and those Trusts which are in place will retain the charitable reliefs; though any new Trusts or additions to Trusts would be able to get reliefs but would result in the relevant Council losing an equivalent sum in Scottish Government revenue funding. This will act as a disincentive for Councils to create new Trusts or expand existing Trusts as one of the main benefits was in relation to gaining a saving in rates.

DWP Welfare Reform

- 7.11 The UK Government's emergency budget (22 June 2010), the Comprehensive Spending Review proposals (20 October 2010) and the Welfare Reform Bill

(February 2011) have confirmed a number of changes to Housing Benefit and Council Tax Benefit currently administered by the Council on behalf of the Department of Works and Pensions (DWP), as well as other Welfare Benefit changes.

Following the “emergency” UK budget of 8 July 2015 it is clear that further UK-wide steps to reduce the DWP budget will introduce further challenges for residents of West Dunbartonshire. The main impacts are likely to be in the ongoing controls being placed around benefits payments, as follows:

- No automatic housing benefit for 18- to 21-year-olds;
- Free 30 hours of childcare for three- and four-year-olds;
- Freeze working age benefits for four years;
- Rents in social housing cut by 1%;
- Child tax credits restricted to two children by 2017;
- Benefits capping; and
- Cuts to employment and support allowance payments for new claimants deemed capable of “work-related activity”.

This not only has potentially significant impact on the Council financially (both in HRA and General Services budgets) but also strategically. These changes will further reduce the general spending power of the residents of the area and are likely to lead to increased elective demand for Council services, or result in further reactive spend by the Council.

- 7.12 The financial effects to the Council (and its residents) of Welfare Reform commenced in 2013/14 and continues. Limited information is known on the overall impact to the Council and its residents.

Assumptions have been made on the information available and this has been worked through this Financial Strategy, but will require to be reviewed on an ongoing basis as more information becomes available. Further action is being taken on non-financial strategic areas to best minimise the impact of the reform to residents within the Council area. There is an expectation that elements of the reforms will be funded, either in full or in part, and discussions are ongoing between COSLA, the Scottish Government and the UK Government. The assumptions currently made around the continuing financial effects of Welfare Reform as it develops in this document will vary (potentially significantly) by the date of setting the budget for the years to 2018/19.

- 7.13 Universal Credit started to roll-out in West Dunbartonshire in February 2015 on a limited approach which will build over time and full implementation is due to commence in June 2018.
- 7.14 DWP continues to consider its position regarding any TUPE for current Council employees as Universal Credit when implemented will remove the majority of work currently done to administer housing benefit. As the position develops the Council requires to manage workforce implications arising from this decision.
- 7.15 At this time, the full impact to the Council of the changes already made by the Department of Works and Pensions are available, as many of the changes have been in place at least since 1 April 2013. The strategy has been updated to reflect the better intelligence following these implemented changes. The main financial issues arising from Welfare Reform are as follows:

- **Introduction of a benefit “cap” was introduced from July 2013.**
This affects a number of residents and has a financial impact on the Homelessness budget where the Council is in receipt of Housing Benefit to cover the rental and service charge payment for people who use this service. The impact of the cap has been slower than anticipated and assumptions around the ongoing impact have been revised due to experience since July 2013. The value of the cap was reduced from November 2016 to £20,000 for a couple or person with children and £13,400 for a single person.
- **Transition from Housing Benefit to Universal Credit**
Universal Credit started to roll-out on a limited approach in West Dunbartonshire in February 2015. However, a review by Department for Work and Pensions, Universal Credit ended in West Dunbartonshire and other non-full service areas from 31st December 2017 and legacy benefits were reinstated.

Full service Universal Credit is due to commence in November 2018 in West Dunbartonshire which has potentially significant impact on the Council financially (both in HRA and General Services budgets). Full service will further reduce the general spending power of the residents of the area and is likely to lead to increased elective demand for Council services, or result in further reactive spend by the Council.

New Social Security powers allowed the Scottish Government to introduce The Scottish Universal Credit Choices which is available for applicants in full service areas.

7.16 The Scottish flexibilities allow citizens to:

- have the option of being paid Universal Credit twice a month rather than monthly; and
- have the option of any Universal Credit Housing Element being paid directly to landlords.

Following the roll-out of full service Universal Credit, a planned migration of existing cases will be complete by 2023. Discussions have been ongoing between COSLA and Department for Work and Pensions in relation to the migration of cases, with COSLA seeking information on the planning due to the scale and complexity of what is involved with 19 different combinations of legacy benefits under payment. There are major funding issues for local authorities, since funding will further decline as the working age Housing Benefit caseloads reduce.

As part of the roll-out process the UK Government have reacted to some feedback provided from Councils and organisations such as COSLA as to the impacts on society and on local authorities and two recently announced changes are:

- Housing Benefit 2- week transition payment introduced from April 2018; and
- Temporary Accommodation housing costs are now paid from Housing Benefit for new claims from April 2018.

Employee Pay Awards

7.17 Future employee pay awards have not been agreed. However, for the purpose of the Finance Strategy 2.75% has been assumed from 2019/20 onwards, as the government position on capping public sector pay awards has been removed.

Demographic Change

- 7.18 As identified from section 5.11 above, the population change projected by 2019/20 is expected to have an adverse effect on the Council's funding settlement from the Scottish Government and this has been built into the strategy, as described above.

Holiday Entitlement for overtime worked

- 7.19 Recent case law developments identify an issue regarding the appropriate payment or provision of annual leave for time worked outwith normal contractual time. This issue has the potential to result in claims for pay for holidays not provided and additional costs have been built into the projections from 2014/15. The cost of this is already built into budgets and the Council has a contingent liability noted within the annual accounts for 2017/18.

Long-Term Revenue Issues

- 7.20 Looking beyond 2019/20 is difficult with significant uncertainty around how local authorities will be funded let alone the level of funding likely to be available.

Depopulation and Population Change

- 7.21 As stated above, the most significant longer-term challenge facing West Dunbartonshire is depopulation and associated demographic change – this has been recognised as a priority by the Council and is reflected in the Strategic Plan.
- 7.22 The fundamental issue for the Council is that at some point if the decline in population continues then Council funding and service provision will come under increasing pressure. Population change will affect both General Fund and the HRA.
- 7.23 The population of West Dunbartonshire is projected to decrease to 83,061 by 2037, a drop of 7.01% from the current population.
- 7.24 In addition to population decline, the numbers of older people living within the Council area is expected to increase significantly with the pensionable age population to increase by 55% (75% in the group 75+) between 2012 and 2037. This is expected to result in additional demand for Council services such as Social Work. The Scottish Government has identified this issue as a significant risk across Scotland and has identified further funding in the shorter term to support this, however the longer-term approach of the Scottish Government is not known at this stage
- 7.25 Potential reductions in levels of local government funding as a result of any further UK austerity measures following the May 2015 UK General Election is a significant risk and this strategy assumes a 2% reduction in funding for 2019/20. As such, this projection of reduced funding will clearly be subject to reconsideration as the settlement becomes available in December 2018. At this time, a further reduction of 2% has been assumed for 2020/21 to 2022/23. Longer term projections of funding over a 10 year period have been made at an average reduction in funding of 1%, though there is no certainty as to such assumptions.
- 7.26 Costs associated with sustainability including waste disposal and recycling, carbon management, energy and fuel costs and general procurement and wage inflation.
- 7.27 Future iterations of this strategy will continue to review the effects of the above key issues.

Capital Projections

General Fund

- 7.28 An update to the General Services 10 year Capital Plan for 2016/17 to 2025/26 was agreed by Council on 22 February 2017. This long term capital plan takes into account revenue resource available to support capital investment into the future. The capital plan has been reviewed to reflect new expected dates of delivery of projects as part of this strategy as part of the loan charges update. The next full review of the capital plan will take place in 2018/19.
- 7.29 With the current economic position and uncertainty following the EU referendum in June 2016, the risks are high that anticipated receipts will not be achieved or will be less than assumed, though as the economy has been recovering there have been some positive indications that the local land values are increasing and receipts are more likely to be achieved.
- 7.30 It is recognised that significant investment is required to improve the Council's asset base (as is described in the Council's Asset Management Strategy). As stated above the 10 year capital planning approach requires funding to be identified for future levels of capital investment and elements of this funding will require additional borrowing. The capital plan has been agreed in detail for 2018/19 to 2020/21 and in outline for 2021/22 onwards, thus revenue implications are now included in the gap analysis. For illustrative purposes, current interest rates suggest that an investment in new build properties will require revenue support (if funded through prudential borrowing) is estimated to be as follows:

Capital Investment	Annual Revenue Implication (over 60 years)
£10m	£0.419m
£20m	£0.837m
£30m	£1.256m
£40m	£1.674m

- 7.31 Close management controls and monitoring arrangements require to be in place to ensure that the funding anticipated arising from efficiencies are actually generated and that other sources of funding are achieved to support the capital investment. If there is a shortfall in these areas then the burden will fall back on the revenue budget requiring additional savings to be made.

City Deal

- 7.32 The Council is a member of the Clyde Valley Community Planning Partnership which has identified an opportunity for major infrastructure investment in the West of Scotland under the City Deal approach. The anticipated financial impact has been built into the capital plan as approved on 24 February 2016. The final financial impact will be considered by Council as part of the business case approval process.

Housing Revenue Account

- 7.33 The Council's housing stock required much investment to meet Scottish standards by 2015. This target was met in 2015 however ongoing works are required to maintain at this level and to implement improvements in relation to energy efficiency standards. This has been built into the updated 5 year capital plan for the HRA approved on 5 March 2018.

- 7.34 Since 2011/12, the Council has secured Scottish Government Grant funding towards the construction of 121 new council houses, which have been completed and are tenanted. A planned investment at Second Avenue/Singer Street, Central/Radnor Park of a further 40 units is in process. The Council is committed to the delivery of new Council homes for rent and plans for future investment are currently being updated and have been subject to ongoing reports to the Housing and Communities Committee. The capital plan approved on 5 March 2018 included significant investment plans for new council housing, recognizing ongoing expected increase in demand for social housing.

8. Key Organisational Issues

Best Value Assurance Report (BVAR)

- 8.1 As part of the national approach to ensuring Best Value across Scotland, Audit Scotland has reported a Best Value Assurance Report on West Dunbartonshire Council to the Accounts Commission on 7 June 2018. The key messages from this report are:
- Since the last Best Value report in 2007, the council has made significant improvements in how it works. The council now demonstrates a focus on delivering Best Value and the auditors found evidence of continuous improvement in services;
 - Since 2007, changes to the senior officer team, including the appointment of the current Chief Executive in 2011, have played a key role in the improvements the council has made. Officers and councillors from all parties work well together for the benefit of the residents of West Dunbartonshire;
 - Overall, service performance is improving and most residents who have provided feedback to the council are satisfied. The council maintains a steady pace of change that has led to improved outcomes in its priority areas including housing services and educational attainment amongst schoolchildren;
 - The council's latest Strategic Plan 2017-2022 lays out a focused and ambitious vision for the period, which reflects the needs of its community. There is evidence to demonstrate that the views of the community influenced council budget-setting and decision-making. The Strategic Plan is clearly aligned to the Community Planning Partnership's strategic priorities;
 - The Strategic Improvement Framework provides a structured and practical approach to help council services to continue to improve. The council has demonstrated a commitment to delivering services differently in West Dunbartonshire and is working well with partners to achieve this;
 - The council has a good record of delivering services within budget. It has developed both medium and long-term financial plans. However, it has a projected funding gap of £13.9 million for the three years to 31 March 2021, which will be a challenge to make up. Service reform needs to continue;
 - In recent years, the council has significantly expanded its capital budget, which pays for projects such as buildings and roads. But there is a trend of significant slippage in the capital programme, which means that a number of projects are being finished late. The council now needs to strengthen project planning and management;
 - The council has a detailed organisation-wide, five-year workforce plan and individual service specific workforce plans; and
 - The 2007 Best Value report highlighted that scrutiny in the council needed to improve.

- There is evidence of significant improvement in this area, with members working together and demonstrating stronger scrutiny.

The Best Value Assurance Report contains five recommendations relating to:

- Reviewing project management processes;
- Further development of workforce plans;
- Staff absence levels;
- Further developing the role of the community alliance; and
- Cross-party working amongst Councillors to address the financial challenges which exist and the important decisions required in the future.

Progress on the implementation of these actions will be reported to Members on an ongoing basis.

Local Scrutiny Plan

8.2 In response to comments from Councils over several years about the burden of the range of scrutiny regimes in place, Professor Lorne Crerar was commissioned to conduct a review of regulation, audit, inspection and complaints handling of public services in Scotland. Following this review it was determined that scrutiny of public services needed to be streamlined.

8.3 The result is that the scrutiny bodies have adopted a shared risk assessment approach and the output from this collaborative approach is the Local Scrutiny Plan (LSP) which involves joint scrutiny by the following agencies:

- Audit Scotland;
- Education Scotland;
- Care Inspectorate; and
- Scottish Housing Regulator.

8.4 The LSP is a key document within the Council's improvement process.

8.5 The latest update report on the *Local Scrutiny Plan: Assurance and Improvement Plan* covers 2018-19 (published April 2018) and advised that the LAN has considered the other key risk areas within their scope and concluded that there are no further scrutiny risks that have been identified which require specific work by the scrutiny bodies this year.

A focus on strategic leadership

8.6 The Strategic Leadership Group oversees and coordinates progress on the key issue of improving leadership. Its prime aims are:

- to develop a synergistic approach to influencing relations with Members;
- to drive the strategic priorities and Member involvement;
- to ensure a corporate approach to key initiatives, through refining decision-making processes, reviewing the progress of the key strategic priorities, overseeing better financial planning, improving scrutiny arrangements and overseeing the implementation of the Council's new self-evaluation model; and
- to ensure appropriate focus is placed on the accountability of lead officers and members and appropriate governance arrangements are maintained.

Strategic Asset Management Group

- 8.7 This group addresses overall corporate asset issues at a strategic level with a view to maximising Council resources in the form of the Council's Asset Management Strategy

9. Treasury Management

- 9.1 West Dunbartonshire Council has adopted the CIPFA "Treasury Management in the Public Services – Code of Practice" which sets out good practice for treasury management governance. The Council must also comply with legal and regulatory requirements in relation to its Treasury Management activities.

- 9.2 The Council has appointed consultants to provide advice on Treasury Management issues, including technical issues and the formulation of views on interest rates.

- 9.3 In complying with the Code of Practice, the Council produces a Treasury Management Practices document which sets out how the Council will manage and control its Treasury Management activities.

- 9.4 The following reports and briefings are also submitted to Council and Committee in accordance with the Code of Practice:

- An annual Treasury Management Strategy submitted at the start of the financial year and which includes the Council's Prudential Indicators and covers issues such as the economic situation, the prospects for interest rates, and the Council's borrowing and investment strategy for the coming year;
- Quarterly Treasury Management Monitoring briefing notes which include details of interest rates, debt and investment positions and debt restructuring activity;
- An Annual Report for Treasury Management submitted before the end of September each year and which advises members of Treasury Management activities during the previous financial year; and
- Each financial year a mid-year strategy review is also been prepared and remitted to Council.

- 9.5 The table below shows the Council's debt and investments position as at 31/03/18:

Table 6 – Council's Debt and Investment Position – 31/03/18

	31-Mar-18	
	Principal	Average Rate
Fixed Interest Rate Debt	£425.291m	2.86%
Variable Interest Rate Debt	£0.000m	0.00%
Total Debt	£425.291m	2.86%
Total Investments	£25.407m	0.36%
Net borrowing position	£399.884m	

- 9.6 During 2015 Audit Scotland produced a national report "Borrowing and Treasury Management in Councils". This report provided a range of recommendations for improved practice. Two of the main issues were:

- Providing longer term understanding of the revenue impact of capital investment decisions; and
- Providing a sensitivity analysis for future projections to show what impact changes in cost factors may have on the revenue position. For capital issues the main variable is the cost of borrowing.

9.7 The Council's revised 10 year capital plan, agreed February 2016 and updated in February 2017 and March 2018, provides Members with information as to how the recommended projects are planned to be funded. This includes a mixture of grant funding, capital receipts, match funding from other bodies, revenue savings arising from the improvements and prudential borrowing for the balance of financing not covered from these other funding sources.

9.8 The plan also advised Members as to the anticipated additional revenue impact of the element of planned investment that was not covered by specifically identified funding sources. This projected the additional revenue impact to year 10 of the capital plan and considered the affordability of the potential 10 year plan into the future, with benchmarks with other Councils provided.

9.9 In terms of a sensitivity analysis there are two main areas of risk:

- that anticipated funding does not materialise e.g. capital receipts; match funding not achieved; and/or revenue savings planned from capital investment not achieved; and
- significant upwards variation in the cost of borrowing.

9.10 In relation to the first area of risk – this is monitored on a regular basis in budgetary control reports to Council, Committees and to Management.

9.11 In relation to the second area of risk – the Council budgets the revenue implications of the capital plan as loan charges to the revenue accounts. The budgeted cost of loan charges is based on expected cost of borrowing at present and into the future, based on advice from the Council's independent treasury advisors. The Council operates a loans fund which pools all borrowing to generate an average loans fund cost of borrowing – this has the effect of dampening the impact of any increases or decreases to the cost of borrowing, as in general any short term reductions or increases in borrowing will only affect new borrowing which will generally not have a significant impact on the average pooled interest rate (cost).

9.12 In order to provide overall governance and control mechanism on the impact of the capital plan, the plan is refreshed on an annual basis and renewed every three years. This will allow a regular consideration of the risks associated with the capital investment plans and where appropriate plans can be varied to mitigate against financial risk implications. The mid year Treasury Strategy update provides Members with analysis of the above issues.

10. Reserves

10.1 A key aspect of the consideration of the Council's Revenue Budget and Capital Programme Budgets is the position of the relevant Reserves.

10.2 The Reserves Policy (Annex 7) states that the core "Prudential" Reserve be maintained at a level of 2% of net expenditure (excluding requisitions) with the

General Fund Reserve for 2018/19 at £4.122m and the HRA Reserve for 2018/19 is £0.850m.

- 10.3 Reserves can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows - this forms part of general reserves;
 - A contingency to cushion this impact of unexpected events or emergencies which also forms part of general reserves; and
 - A means of building-up funds, often referred to as earmarked reserves, to meet unknown or predicted liabilities.
- 10.4 For each reserve held, there should be a clear protocol on:
- The reason for/purpose of the reserve;
 - How and when the reserve can be used;
 - Procedures for the reserve's management and control; and
 - A process and timescale for review of the reserve.
- 10.5 The Council's estimated reserves to 2020/21 are summarised below:

Table 7 – Reserves Projection

	31/03/2018	31/03/2019	31/03/2020	31/03/2021
Revenue	£000s	£000s	£000s	£000s
General Service Free Reserve	4,381	4,381	4,381	4,381
General Service Earmarked Reserve	6,671	2,517	1,638	888
HRA Free Reserve	850	867	884	902
HRA Earmarked Reserve	6,572	0	0	0
	18,474	7,765	6,903	6,171
Capital				
Capital Item Replacement Fund	478	478	478	478
Capital Grants Unapplied	314	0	0	0
Capital Reserve: Schools Regeneration	3,269	2,919	2,569	2,219
	4,061	3,397	3,047	2,697
Overall total	22,535	11,162	9,950	8,868

11. Monitoring and Reporting Arrangements

- 11.1 The Financial Strategy will be monitored by CMT on a regular basis - there will also be capacity to review the Strategy as and when required, particularly when a new issue arises or the impact of major policy or initiative becomes clearer.
- 11.2 The Financial Strategy will only be revised if there are changes to estimates, projections or policy which have a major financial impact.
- 11.3 The de minimis level which would qualify as a major impact requiring an immediate review is based on 50% of the reserves: at £2.06m for the General Fund and £0.425m for the HRA. Any impact and decision around a requirement to implement an immediate review is always subject to the opinion of the Chief Financial Officer.
- 11.4 The financial management principles and expectations have been communicated and are understood by all Chief Officers and budget holders.

- 11.5 The Financial Strategy has been drawn up with the full involvement of the CMT and, will be communicated throughout the organisation.
- 11.6 During the years covered in the strategy, the Council and Service Committees will receive budgetary control reports from period 3 onwards, analysing variances over £0.050m. The CMT receive this information monthly from period 3 onwards.
- 11.7 As in previous years, the Council, Service Committees and CMT will also receive updates at the same time as the budget monitoring reports which monitor each individual agreed management adjustment and saving to ensure these are on target. This will allow issues to be identified quickly and early intervention action to be taken, when and if necessary.
- 11.8 The following key performance indicators around the performance of the Council's finances have been identified as follows:

General Services

- The amount of free reserves as a percentage of the prudential reserve target – target a minimum of 100% of the prudential reserve;
- The revenue budget compared to actual outturn – target to be a maximum of 100% of budget;
- The ratio of financing costs to net revenue stream – targets will be defined on an ongoing basis via the Treasury Strategy ; and
- The rate of in-year Council Tax collection – targets, as follows:

2018/19	95.45%
2019/20	95.50%
2020/21	95.55%
2021/22	95.60%
2022/23	96.65%

Housing Revenue Account

- The amount of free reserves as a percentage of the prudential reserve target – target a minimum of 100% of the prudential reserve;
- The revenue budget compared to actual outturn - target to be a maximum of 100% of budget;
- The ratio of financing costs to net revenue stream – targets will be defined on an ongoing basis via the Treasury Strategy; and
- Improve in-year collection rates on rent charges.

12. Risk Management

- 12.1 The Council's strategic priorities for the next five years are the focus of the Strategic Plan together with enabling factors that contribute to the successful achievement of the strategic priorities. The strategic risks flow from this process, service risks and operational risks, including risks relating to the Financial Strategy and delivery of the Financial Strategy continue to be assessed, reviewed, and managed in line with the strategic priorities. Annex 8 identifies the range of risks which may influence future financial performance and stability of the Council.

13. Approach to Generating Future Budgets

- 13.1 Currently revenue budgets are generated through the traditional process known as "Cost of Current Level of Service" with "incremental budgeting". So, in general,

budgets follow the current cost of delivery of Council policies allowing for known cost increases/reductions to be built-in and for unavoidable burdens/ reductions to also be recognised as part of the cost of providing a service reflecting current Council policies. In general this process should, in theory, generate a budget which reflects Council priorities on the basis that services are set up to deliver those priorities. In essence, the base position is taken from the previous year's budget and this is adjusted for known movements.

14. Financial Strategy

- 14.1 In order for the Council to continue to plan for the longer term future it is necessary to consider options and approaches which will assist the Council to meet the financial challenges whilst continuing to provide services in line with its Strategic Objectives. This is not a simple task when operating partially in the dark as a result of Scottish Government single year settlements rather than multi-year settlements – which would allow the Council to have more certainty as to what the challenges are.
- 14.2 However, given that this document does provide predictions, with scenarios, for the Council over the next 10 years, it is incumbent on the Council to identify appropriate approaches to manage these potential financial outcomes.
- 14.3 As a result the Corporate Management Team have developed an outline plan which aims to develop approaches to mitigate the financial risks over the next 10 years. This plan links directly with the Council's Strategic Plan, as follows:

Strategic Priority 1: A strong local economy and improved employment opportunities.

Grow the economy which sees continued long-term investment in local regeneration which takes account of the environment and sustainability. In turn it is anticipated that this will facilitate a financial benefit to the Council.

Strategic Priority 2: Supporting individuals, families and carers living independently and with dignity.

Increase the mixed economy of housing to create attractive places, with future housing developments sustainable, accessible and adaptable to meet the changing needs of our population, together with increased investment in our housing stock to create sustainable opportunities and flexibility for residents

These two strategic priorities are linked and are anticipated to generate a financial benefit to the Council by:

- Resulting in an increase in the WDC population as percentage of Scottish population;
- An increase in Council Tax base; and
- Increase the Council Tax Collection rate.

Strategic Priority 3: Meaningful community engagement with active empowered and informed citizens who feel safe and engaged.

Introduce a dedicated Community Empowerment Service helping the community to help themselves and support increased capacity in local areas, with more Council resource directed by Communities. This will deliver:

- Maximised opportunities and asset transfer to enabled Communities; and
- Reduced asset management costs.

Strategic Priority 4: Open, accountable and accessible local government

Ensure best use of technology and resources to support service delivery and maximise self-service through digitization of service delivery, ensuring all processes are as lean as possible. This will support:

- The prioritization of service delivery in line with Strategic Priorities and Outcomes, this will align with the need to reduce total council spend over the period of the financial plan in a structured manner; and
- All citizens accessing appropriate levels of service, linked to a digitization strategy, streamlined and efficient service delivery.

Strategic Priority 5: Efficient and effective frontline services that improve the everyday lives of residents.

Implementing a Commercialisation approach which will:

- Identify commercial opportunities to protect public services and generate new income streams;
- Share services and systems where possible and where a partner organization is available;
- Delivery of a digitization strategy; and
- Implementing a LEAN approach to minimizing process costs and efficient service delivery;
- Implement a spend to save approach to automate back office processes;
- Ensure service management and establishment structures are efficient and effective;
- Review service delivery models and commissioning approaches in relation to social care services to provide a service which meets need whilst recognizing changes in demand;
- Review service delivery between social care and education in relation to providing the most appropriate model of service delivery which avoids cost and care escalation; and
- Deliver an efficient use of Council assets – in line with relevant Asset Management Strategies, including operational estate; non-operational estate; transport fleet; and ICT assets;.

Supporting the above priorities is the Council's approach to attaining Best Value and the following cross-cutting approaches will support the delivery of the strategic plan and longer term financial plan:

- Undertake commissioning approach for each service area;
- Develop and implement a Capital Investment Strategy and supporting capital plan which ensures investments are affordable and sustainable in the longer term;
- Undertake appropriate benchmarking activity for each service area at least every 5 years to identify the most appropriate and cost-effective means of service provision; and
- Ensure the charging regime is reviewed at least every 3 years.

WEST DUNBARTONSHIRE COUNCIL
BUDGET GAP ANALYSIS - GENERAL SERVICES
MOVEMENT FROM 2018/19 TO 2028/29

SCENARIO 1 - LIKELY											
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Position per Budget Report 5 March 2018		7,646	13,806								
Variables in Assumptions Considered in Sensitivity Analysis											
	180,742	173,438	168,743	176,547	174,544	171,926	170,207	168,505	166,820	165,151	163,500
Underlying assumed SG settlement reduction (%)		1.5%	1.5%	1.5%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Assume "Green" budget funding in settlement 18/19 continues		-2,818	-2,818								
Reduction in Scottish Government Funding to 2% cash terms, then 1% from 2023/24		-2,639	-4,986	2,003	2,618	1,719	1,702	1,685	1,668	1,652	1,635
Assume 3% Council Tax increase	3%	3%	3%	-1,076	-1,108	-1,141	-1,176	-1,211	-1,247	-1,285	-1,323
Council tax base increase – additional houses				-50	-50	-50	-50	-50	-50	-50	-50
Scottish Government Funding: Period Poverty, Teacher Pay, Clothing Grants		-848	-848								
Recurring variances exercise from previous year end		-226	-226	-400	-400	-400	-400	-400	-400	-400	-400
Pay award 2.75% for all years		1,564	1,580	4,345	4,464	4,587	4,713	4,843	4,976	5,113	5,254
Net effect of movement in 18/19 pay assumption for >£36.5k to 3% from 2%		180	185								
Council savings reversals		131	131								
Burden: Greenlight		400	400								
Burden: Landfill ban impact			450	-50							
ASN Demand assumptions		628	628								
Energy Cost uplift based on most recent advice from Scottish Government		236	444	219	237	256	276	299	323	348	376
Sales, fees and charges at 4% uplift				-300	-300	-300	-300	-300	-300	-300	-300
Ongoing cost pressures			500	1,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Management Adjustments		-2,290	-3,028	-28							
Submission Movements		-511	1,343								
HSCP Net Funding Reduction		613	1,225	-947	-947	-632	-632	-632	-632	-632	-632
Gap from previous financial year				8,786	13,502	19,516	25,056	30,691	36,425	42,263	48,210
Revised (Surplus)/ Gap	0	2,066	8,786	13,502	19,516	25,056	30,691	36,425	42,263	48,210	54,270
Prudential Target Reserve for each financial year	-4,122	-4,036	-3,965	-4,117	-4,075	-4,035	-4,030	-4,027	-4,025	-4,025	-4,025
Projected Reserve at end of each preceeding financial year	-4,342	-4,342	-4,342	-4,342	-4,342	-4,342	-4,342	-4,342	-4,342	-4,342	-4,342
Excess reserve going into next financial year	-220	-306	-377	-225	-267	-307	-312	-315	-317	-317	-317

Assumptions built into the 2019/20, 2020/21 and 2021/22 Indicative Revenue Estimates

Government related Assumptions	
The funding settlement for 2019/20 onwards is based on officer's projections of the impact of austerity measures and demographic change (actual settlement for 2019/20 expected to be received in mid-December 2018). Current assumption is a 1.5% cash terms reduction per year from 2019/20 to 2022/23 on the variable elements of the settlement	
Council Tax for 2018/19 onwards will be at the 3% cap currently in place as likely policy from Scottish Government	
That the Council's share of the additional funding to support social care since 2016/17 continues into the future	
That the Scottish Government additional funding of £2.818m from 2018/19 Scottish Parliament budget continues	
New parliamentary bills will have no financial impact on the Council (i.e. it is assumed that funding covers the costs associated with the initiative)	
Any additional costs relating to revaluation of the discount rate on Teachers pension scheme will be funded by Scottish Government	
The additional costs anticipated for Homelessness budgets arising from welfare reform will be phased from 2019/20 and are mitigated by the Council's Homelessness Strategy	
Demographic Assumptions	
Burden figures provided by HSCP for the budget projections remain valid - including:	
<ul style="list-style-type: none"> • The number of clients with physical disabilities will increase each year; • The number of clients with learning disabilities will increase; • The demand for older people residential beds will increase each year; • The demand for other services will remain similar to current levels. 	
Workforce Assumptions	
Pay award assumed at 2.75% for 2019/20 onwards	
Superannuation rates to remain as at present with no actuarial advice at this point to the contrary	
Equal pay provision as at 31/3/18 is adequate	
Turnover at current levels on appropriate staffing types (4%)	
No changes to workforce terms & conditions	
Operational Assumptions	
That the Council's prudential target remains at 2% of net expenditure	
Income increases within Council control assumed at 4% each year (sales, fees and charges) where sustainable, subject to full review of charges to be undertaken during 2018	
Council tax base increases from 2019/20 onwards by 50 Band D equivalents	
Loan charges and efficiency savings link directly to 10 year capital plan	
No change to the bad debt provision on council tax (2.75% per annum), and the provision identified within the HRA budget.	

CONTINGENCY FUND POLICY

INTRODUCTION

- 1.1 The Council operates central revenue and capital contingency funds (CCF) to accommodate externally led reductions which benefit departmental budgets. These funds are also called upon to address budget increases resulting from external factors.
- 1.2 Budgetary control reporting is more transparent and accountable if the impact of variances outwith departmental influence was removed (or compensated) from departmental budgets.

MAIN ISSUES

- 2.1 It is the responsibility of the Strategic Lead - Resources to maintain a record of all budget transfers in/out of the revenue and capital CCF. It is also be the responsibility of the Strategic Lead - Resources, in discussion with the Chief Executive/Strategic Directors, to determine appropriate budget movements to transfer in/out of the CCF.
- 2.2 An additional line has been introduced into consolidated Council Budgetary Control reports to ensure reconciliation back to the approved budgets.
- 2.3 The CCF will apply to all revenue and capital budgets of the Council, including the Housing Revenue Account and each Trading Organisation. Transfers in/out of the Housing Revenue Account will be subject to legislative constraints.
- 2.4 Similarly, the impact of significant unforeseen expenditure burdens on departmental budgets would be financed by additional budget resources allocated to departmental budgets from the CCF. Departments would be invited to make appropriate application to the Strategic Lead - Resources.

Short-Term Issues

These issues, which will need to be addressed in some way within the next 3 years, were identified by senior management during consultation on the Financial Strategy and the impact can be one-off or recurring. Some shorter term issue will continue into the medium term and longer term. This list is not exhaustive.

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues	Local Scrutiny Plan	Actions agreed at Council in June 2017	CMT
	Unemployment levels within the area	Improve employability of residents through supporting training, apprenticeships, new jobs; encouraging economic regeneration by providing support to businesses; using procurement to encourage new training and job opportunities for local people; launch of Working4Business; implementation of Queen's Quay Regeneration project; and involvement in City Deal to create more employment opportunities.	Strategic Lead – Housing and Employability; Strategic Lead - Regeneration; and Strategic Lead - Resources
	Impact of major capital investment on service delivery during implementation (e.g. ICT upgrades)	Project leaders allocated to each major project with project implementation documents, risk minimisation/ mitigation action plan	All Strategic Directors and Leads
	Financing of Council budgets / Review Income Targets	3 year detailed budget prepared; Ongoing monitoring of target savings done regularly by CMT and Council/Committees	CMT Strategic Lead - Resources
	ICT Modernisation	Major capital programme identified 2012/13 & continued on ongoing basis in capital plan; Development of Agresso ongoing	Strategic Lead – People and Technology Strategic Lead - Resources
	Capital income decline	Identification of movement through Strategic Asset Management Group – reported to CMT & Council through capital budgetary control; 10 year capital plan monitoring; Asset Disposal Strategy implementation	Strategic Lead - Regeneration Strategic Lead - Resources

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues (cont.)	Work Force Planning	Workforce Management functionality system being developed further; Restructuring opportunities considered when appropriate; Implementation of Corporate Workforce Plan	Strategic Lead – People and Technology
	Asset Management Plan - Maintenance Backlog - Disability Discrimination Act - Health and Safety	Strategic Asset Management Group regular meetings; Capital resources committed for disability access; Risk Assessments where required; 10 year capital plan monitoring & development	Strategic Lead - Regeneration Strategic Lead - Resources
	Organisational structures	Ongoing and monitored regularly by management teams	CMT
	Barclay Review – potential risk to charitable relief provided for Leisure Trust, as a result of the review, currently awaiting Scottish Government response	Monitoring the position, current assumption is no impact in 2018/19 onwards	Strategic Lead - Resources
	Welfare Reform (ongoing). This incorporates homelessness rent capping, HRA rent capping, council tax benefit replacement, Social Fund replacement, and bad debt levels	Briefing notes on possible affect produced; Situation monitored, action taken as necessary, costs budgeted, Members briefing days & officer working groups; Regular updates to CMT	CMT Strategic Lead - Resources Strategic Lead – Housing and Employability

Risk Area	Issues Identified	Action Taken	Responsible Officer
Service Issues	Increasing levels of waste - landfill tax impact	Increase recycling targets; Budgetary impact within budget	Strategic Lead – Environment & Neighbourhood
	Recycling Initiatives to meet targets	Ongoing initiatives to encourage recycling	Strategic Lead – Environment & Neighbourhood
	Planning Income & building warrant income decline	Budgetary impact within budget – finances to be monitored and action taken if necessary	Strategic Lead – Regulatory
	Investment Property income decline due to economic climate	Budgetary impact within budget – finances to be monitored and action taken if necessary	Strategic Lead - Regeneration
	Cost of vandalism and anti-social behaviour	Budget provided – any impact above this level would require monitored and action taken if necessary	Head of Housing and Community Safety
	Road Maintenance: - access to data - maintenance backlog and strategy for improvement - impact of recent weather	Additional budget provided (capital and revenue), projected require to be prioritised – any impact above this level would require monitored and action taken if necessary	Strategic Lead – Environment & Neighbourhood
	New Council Housing, Private and RSL Housing	Working group meet regularly. Grant funding approved & underway	Strategic Lead – Housing & Employability
Organisational Issues	Impact of BREXIT	Monitor ongoing BREXIT discussions and potential impact on the Council's finances, the wider implications for Scottish Economy, etc. Consider implications of BREXIT on European funding	All Strategic Directors and Leads
	Brexit impact - Structural Funds: - ERDF - ESF Impact on RSA (money for businesses)	Requires to be monitored and action taken if necessary	Strategic Lead – Regeneration Strategic Lead - Resources

Risk Area	Issues Identified	Action Taken	Responsible Officer
Education	PPP monitoring and funding – including use of sinking fund	Ongoing cost of PPP built into the budget and strategy	Strategic Lead – Education, Learning and Attainment Strategic Lead - Resources
	Schools Estate Regeneration	Identification on Council priority enhancements and new builds, identification of funding, identification of acceptable specifications within funding available	Strategic Lead – Education, Learning and Attainment Strategic Lead - Regeneration
WDC Integration Joint Board	Financial sustainability	Appropriate burdens and anticipated cost increases have been built into IJB cost projections and IJB identify appropriate efficiencies to manage budget allocation from WDC	Chief Officer – HSCP; S95 Officer - HSCP
Organisational Issues	Corporate Governance - Freedom of Information - Data Protection	Actions identified and in place to ensure information provided is complete and no breaches of data protection	Strategic Lead - Regulatory Services
	New Legislation (general)	Action to ensure available resources to support new legislation that will not leave the Council exposed	CMT

Medium-Term Issues

Some short term issues may merge into medium term issues. Some medium term issues may become issues in the longer term. This list is not exhaustive.

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues	Scottish Government Funding levels – capital and revenue	Longer term financial strategy to help appropriate officers to identify possible risks on budget gaps to take necessary action at an early stage	Strategic Lead - Resources
	Welfare Reform – including changes in the staffing structure and the duties of the Council; the effect on HRA & GS budgets of benefits thresholds	Briefing notes on possible affect produced; Situation monitored, action taken as necessary, costs budgeted, Members briefing days & officer working groups Regular reports to CMT	CMT Strategic Lead - Resources
	Unemployment levels within the area	Improve employability of residents through supporting training, apprenticeships, new jobs; encouraging economic regeneration by providing support to businesses; using procurement to encourage new training and job opportunities for local people; opening of the West Employability Hub in Dumbarton; launch of Working4Business; approval of Queen's Quay Regeneration project; and involvement in City Deal to create more employment opportunities.	Strategic Lead – Housing & Employability
	Asset management	Ongoing management of operational assets to maximize efficiency	Strategic Director - Regeneration, Environment & Growth
	Asset Management Plan - Other areas of development - Parks and open spaces - Asset replacement - Asset standards - Space standards	Asset Strategy Group Ongoing development and review of 10 year capital plan	Strategic Director - Regeneration, Environment & Growth Strategic Asset Management Group

Risk Area	Issues Identified	Action Taken	Responsible Officer
	WD Integration Joint Board - Financial sustainability	Appropriate burdens and anticipated cost increases have been built into IJB cost projections and IJB identify appropriate efficiencies to manage budget allocation from WDC IJB reserves maintained to manage unforeseen spending variations	Chief Officer – HSCP; S95 Officer - HSCP
Housing	HRA: Scottish Housing Quality Standards and Energy Efficiency Standards	Strategy to meet standards on ongoing basis – identification of capital spend and funding thereof Strategy to meet energy efficiency legislative requirements – identification of capital spend required	Strategic Lead – Housing & Employability
Education	Schools Estate Strategy	Continuation of Schools Estates Team to help identify and move forward on funding and prioritisation	Strategic Lead – Education, Learning and Attainment
	Maintaining of Teachers numbers – failure to do so leading to financial penalties	Budgetary impact within budget – finances to be monitored and action taken if necessary	Strategic Lead – Education, Learning and Attainment
Organisational Issues	Impact of BREXIT	Potential wider economic impacts of BREXIT – monitor economic forecasts and potential impact on UK and Scottish Government finances	Strategic Lead - Resources

Long-Term Issues – over 10 Years

Some short and medium term issues may become longer term issues. This list is not exhaustive.

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues	Depopulation and Change of Demographics	Monitoring likely movement and potential impacts on Council, including funding	CMT Strategic Lead – Regeneration Strategic Lead – Resources
	WD Integration Joint Board - Financial sustainability	Appropriate burdens and anticipated cost increases have been built into IJB cost projections and IJB identify appropriate efficiencies to manage budget allocation from WDC IJB reserves maintained to manage unforeseen spending variations	Chief Officer – HSCP; S95 Officer - HSCP
	Unemployment levels within the area	Improve employability of residents through supporting training, apprenticeships, new jobs, encouraging economic regeneration by providing support to businesses; using procurement to encourage new training and job opportunities for local people; implementation of Queen's Quay Regeneration project; and implementation of City Deal projects to create more employment opportunities.	Strategic Lead – Housing & Employability Strategic Lead - Regeneration; Strategic Lead - Resources
Education	Educational ICT infrastructure refresh	Programme being implemented Impact on 10 year capital plan and current ICT Modernisation	Strategic Lead – Education, Learning and Attainment
Organisational Issues	Impact of BREXIT	Potential wider economic impacts of BREXIT – monitor economic forecasts and potential impact on UK and Scottish Government finances	Strategic Lead - Resources

POLICY ON BALANCES AND RESERVES

Introduction

A key component to sound financial and risk management is that the Council maintains adequate reserves and balances to meet either known future commitments or expenditure arising from unforeseen, unexpected or emergency situations. Where appropriate, this policy adopts:

- Local Authority Reserves and Balances (LAAP Bulletin 99, July 2014);
- The Statutory Basis for Accounting and Disclosing Reserves in Local Authorities in Scotland (LASAAC, October 2005); and
- CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (revised annually).

The purpose of this policy is to:

- Outline the legislative and regulatory framework underpinning the creation, use or assessment of the adequacy of reserves;
- Identify the principles to be employed by the Council in assessing the adequacy of the Council's balance and reserves;
- Indicate how frequently the adequacy of the Council's balances and reserves will be reviewed, and
- Set out arrangements relating to the creation, amendment and use of reserves and balances.

In common with most local authorities in Scotland, the Council has a range of reserves and balances. These fall into two categories:

- Usable Reserves; and
- Unusable Reserves.

Usable Reserves

As the name indicates, these are reserves, available for use by the Council. They are held on the Council's Balance Sheet for use, as appropriate, through this Reserves Policy.

Usable Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows - this forms part of general reserves;
- A contingency to cushion the impact of unexpected events or emergencies; and
- A means of building up funds to meet unknown or predicted liabilities.

For each reserve held, there should be a clear protocol on:

- The reason for/purpose of the reserve;
- How and when the reserve can be used; and
- A process and timescale for review of the reserve to ensure ongoing relevance and adequacy.

The Usable Reserves held by the Council are:

(a) General Fund Revenue Reserve

The General Fund is held for all services provided by the Council through Revenue Support Grant (RSG) provided by the Scottish Government and Council Tax paid by residents within the Council area. It excludes the Housing Revenue Account (HRA), which is funded from tenant rents.

(b) HRA Revenue Reserve

The Council is required by the Local Government and Housing Act (Scotland) 1987 to keep a HRA which records all revenue expenditure and income relating to the provision of council dwellings and related services. The use of this account is heavily prescribed by statute and the Council is not allowed to fund any expenditure for non-housing related services from this account.

For both the General Fund and the HRA Reserves the level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Section 95 Officer (Chief Financial Officer). Where the Section 95 Officer's advice is not accepted, this should be recorded formally in the minutes of the appropriate Council meeting.

The balance of these Reserves normally comprises of three elements:

- Funds that are earmarked or set aside for specific purposes (in Scotland, Council cannot have a separate Earmarked Reserve within the Balance Sheet, but can highlight elements of the General Fund Reserve balance required for specific purposes). The identification of such funds can be highlighted from a number of sources:
 - Future use of funds for a specific purpose, as agreed by Council or Committee; or
 - Commitments made under delegated authority by the Council's Corporate Management Team, which cannot be accrued at specific times (e.g. year-end) due to not being in receipt of the service or goods;
- Funds which are not earmarked for specific purposes, but are set aside to deal with unexpected events or emergencies. Currently using a risk based assessment, the Council has a specific policy agreed each year and at present this 'prudential target' is set at 2% of net expenditure (excluding requisitions); and
- Funds held in excess of the prudential target and the identified earmarked sums. Reserves of this nature can be spent or earmarked at the discretion of Members.

During the Budget Process for both the General Fund and the HRA the budget report should give Council an update on:

- The estimated opening fund reserve balance for the year ahead, the addition to/withdrawal from balances and the estimated year-end balance;
- The adequacy of the reserves and the Provisions* in respect of the forthcoming year and the Council's medium term Financial Strategy; and
- The earmarked funds held within the Reserves.

Principles to assess the adequacy of the reserves

In order to assess the adequacy of unallocated reserves, the S95 officer should take account of strategic, operational and financial risks facing the Council. The assessment should include external risks (e.g. environmental or economic factors) as well as internal risks (e.g. the ability to deliver planned efficiency savings).

Use of unallocated reserves

Balancing the annual budget by drawing on unallocated reserves may be a legitimate short term option. However, CIPFA has commented that councils should be wary about the one-off use of reserves to deal with shortfalls in current funding or for recurring expenditure. However, where such action is taken, an explanation as to how expenditure will be funded in future years should be given.

(c) Capital Receipts Reserve

Under Schedule 3, paragraph 22 of the Local Government (Scotland) Act 1975, capital receipts on the sale of non-current assets received by the Council are retained within this Reserve until capital expenditure dictates the required use for the funds. Receipts for both General Fund and HRA are held separately, as specified above. Any receipts unused at 31 March will be held on the Balance Sheet as at that date.

(d) Capital Grant Unapplied Reserve

Grants and other contributions given to the Council are retained within this Reserve until all conditions agreed by the grant provider are satisfied. The use of this fund is specified within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, as revised each year. Any grants unapplied at 31 March will be held on the Balance Sheet as at that date.

(e) Capital Items Replacement Fund (Other Reserve)

Scottish Councils have explicit statutory powers under schedule 3 of the Local Government (Scotland) Act 1975 to establish Renewal and Repairs Funds. This reserve is used for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining and renewing any buildings, works, plant, equipment or articles belonging to the authority. At present the Council only holds one such fund, which is held within the Education Service. Separate and specific guidance is available for the use of this Fund. Funds are used for the renewal or repair of school non-current assets, with funds being linked specifically to the individual schools committing their budget for the purpose of repairs and renewals at a future date.

(f) Capital Reserve

This reserve is *used to defray any expenditure of the Council to which capital is properly applicable, or in providing money for repayment of the principal of loans*. It holds income (either specific capital receipts income or agreed contributions from revenue) which has been earmarked by Council for the funding of the Public Private Partnership (PPP) unitary charge on a specific annual phased amount. The PPP unitary charge liability can be split into revenue and capital related charges and this Reserve is used specifically to help fund the capital related charges. The Funds can be added to this Fund as agreed by Council (e.g. the sale of specific Education non-current assets) or at the discretion of the Section 95 Officer (i.e. in the event of a review identifying a risk of shortfall in the funding structure over the life of the project). This Reserve should be reviewed on a regular basis by the Section 95 Officer.

Unusable Reserves

As the name indicates, these are not available for use by the Council. They arise from the reconciliation of accounting requirements driven by reporting standards and statutory requirements. They are not resource-backed and are held on the Council's Balance Sheet for use as appropriate through the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. The Unusable Reserves held by the Council are:

(a) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing difference arising from the different rates at which assets are depreciated under proper accounting practice and are financed through the capital controls system. . The account contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

(b) Revaluation Reserve

The Revaluation Reserve contains the unrealised gains arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- Re-valued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

(c) Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However statutory arrangements requires benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

(d) Statutory Mitigation Account

The Statutory Mitigation Account absorbs the differences that would otherwise arise on the general fund/ HRA balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from this account.

(e) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on council tax.

Accounting and Disclosure

Expenditure should not be charged direct to any reserve. Any movement within Revenue Reserves is accounted for as an appropriation and is transparent. Entries within a reserve

are specifically restricted to '*contributions to and from the consolidated Income and Expenditure Account*' with expenditure charged to the service revenue account. The appropriation is made from the reserve to the Movement in Reserves to neutralise the impact on the Council Tax or the Housing Rents.

Any revision to this Policy (including creation or amendment to any reserve or use of any reserve) requires to be reported, considered and approved by Council.

*Provisions – Funds held on the Balance Sheet for a liability of costs with uncertain timing or amounts

Risk Factors

This list is not exhaustive

Risk	Action
<p>Projections about the Council's level of income and expenditure are subject to change – e.g.</p> <ul style="list-style-type: none"> • Government funding • Pay and price increases • Income levels • Planned savings not achieved • Unforeseen expenditure • Unanticipated increase in fuel or energy costs • Pension figures/costs may increase due to future reviews • Unforeseen financial issues following changes within the UK economic climate 	<ul style="list-style-type: none"> • Ensure Finance Circulars are reviewed and reconciled on a regular basis • Longer term financial projections and strategy monitored by the Council to allow timely action • Aim to meet the target of the Prudential Reserve • Use of contingency fund • Budget Monitoring regularly by services, the CMT and Members (through Council and Committees) • Ongoing monitoring of savings targets built into the budget by the CMT and Members
<p>Failing to achieve or maintain adequate reserves</p>	<ul style="list-style-type: none"> • Prudential Reserve target reported to Members on a regular basis. Working with Members to work towards achieving target. • Longer term financial projections and strategy monitored by the Council to allow identification of possible issues to allow early action to be taken where necessary
<p>Capital receipts do not materialise and/or Expenditure on capital projects is higher than anticipated</p>	<ul style="list-style-type: none"> • Longer term vision on capital programme for both income and expenditure levels • Regular Strategic Asset Management Group updates feeding through to the capital budgetary control report (to both Council and CMT) • Capital Disposal Strategy with longer term vision to allow movement in the assets due sold and timing of those assets. • Capital programme being monitored by CMT, Council and Committees on a regular basis • Early identification of possible issues to allow action to reduce spend or identify further surplus assets for possible disposal to minimise shortfall.

Risk	Action
<p>Treasury Management, e.g.:</p> <ul style="list-style-type: none"> • Loss on finances through reserves being invested in unsecure banking sector • Lower than expected investment returns due to economic climate • Interest rates on debt increase significantly, increasing the cost to borrow for capital expenditure 	<ul style="list-style-type: none"> • Ensure the Treasury Management Practices regarding investment counterparties are adhered to. • Regular (daily) updates regarding movement in the banking sector received with the counterparty listing adjusted when necessary. • Ensure prudence in estimating level of investments and interest rates.
<p>Money Laundering – failing to disclose to the National Criminal Intelligence Service suspicions through acquisition retention use or control of criminal property</p>	<ul style="list-style-type: none"> • Ensure the Treasury Management Practices are adhered to. • Work completed by Internal and External Audit, use of the whistle blowing phone line. • Implement Money Laundering Policy
<p>Provision not adequate to cover possible equal pay compensation costs</p>	<ul style="list-style-type: none"> • Review provision on a regular basis, with updated information from the HROD and appropriate legal advice. • Identify action required at an early stage to ensure adequate.
<p>Increase in the number of housing benefits claimants – higher risk of error, homelessness, subsidy level not achieved</p>	<ul style="list-style-type: none"> • Staffing profile monitored to ensure adequate staffing resources. • Ensure staff work to same high standards • Regular contact between appropriate services/departments of the Council • Monitoring of the budget regularly by departments, the CMT and Members (through Council and/or Committee)
<p>Current insurers of the Council become financially unviable – resulting in other providers monopolising the market, possible resulting in substantially increases in premiums</p>	<ul style="list-style-type: none"> • Action to ensure early indications of financial stability of company • Appropriate measures taken at tender stage to ensure financial stability of insurers. • Aim to meet the target of the Prudential Reserve • Use of contingency fund

Risk	Action
Breach of legislation resulting in substantial fine, e.g. Health and Safety; Disability Discrimination; Equalities.	<ul style="list-style-type: none"> • Ensure knowledge of relevant legislative issues is up to date • CMT ensures appropriate systems are in place to seek to ensure no legislation is breached
The Scottish Government reviews the structure of Scottish Local Government.	<ul style="list-style-type: none"> • Action plans discussed and updated at an early stage, if this is announced
The Council's demographic projections continue to be adverse in comparison to national statistics, resulting in further funding reductions	<ul style="list-style-type: none"> • Forward demographic projections for the Council, in comparison to national totals completed regularly and the affected on external funding levels will be included in within forward financial projections to members to allow timeous action by Members.
Implementation of Brexit	<ul style="list-style-type: none"> • Once the Brexit deal is agreed implications will be clearer - action plans discussed and updated at an early stage • Review potential financial impact and plan accordingly
DWP reform – building in adequate costs to cover changes, e.g.: <ul style="list-style-type: none"> • General Services – effect of capping of rents for homelessness; • General Services – effect on Council tax benefit administrative grant • General Services/ HRA – effect on lower incomes of individuals on all debt of the council – council tax, debtors, rent, etc. • HRA – housing benefit levels for individuals in homes with rent greater than capped levels 	<ul style="list-style-type: none"> • Building into the financial projections the anticipated impact of welfare reform changes to allow Council to adequately plan • Regular monitoring of expected costs against budget to allow early intervention if necessary • Aim to retain the Prudential Reserves

The Council operates a Strategic Risk Register covering strategic financial risks to the Council. In addition the Resources Service has prepared an operational risk register which lists control measures and analysis of operational risks.

**WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES
2019/2020 DRAFT REVENUE ESTIMATES
INDICATIVE REVENUE ESTIMATES 2020/21 AND 2021/22
SUMMARY**

APPENDIX 2

	ORIGINAL ESTIMATE	REVISED ESTIMATE (P7 BCR)	PROBABLE (P7 BCR)	1ST DRAFT ESTIMATE	INDICATIVE ESTIMATE	INDICATIVE ESTIMATE
	2018/19 £000	2018/19 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
RESOURCES	5,616	6,362	6,354	6,516	6,768	6,898
REGULATORY	2,629	2,621	2,557	2,666	2,627	2,719
PEOPLE AND TECHNOLOGY	5,699	5,856	5,853	5,911	5,987	6,058
COMMUNICATIONS, CULTURE, COMMUNITY	6,047	6,148	6,037	6,501	6,461	6,497
EDUCATION, LEARNING AND ATTAINMENT	88,436	87,941	88,341	90,860	92,304	93,304
ENVIRONMENT AND NEIGHBOURHOOD	24,440	24,463	24,591	25,606	26,517	26,669
HOUSING AND EMPLOYABILITY	4,187	4,280	4,214	4,359	4,445	4,570
REGENERATION	(2,410)	(2,405)	(2,505)	(1,942)	(1,980)	(1,735)
MISCELLANEOUS	8,885	9,338	9,378	6,823	8,278	9,496
ALLOCATION TO NON GAE	(5,842)	(6,833)	(6,833)	(6,953)	(7,173)	(7,293)
LOAN CHARGES	10,609	10,609	10,609	11,105	12,607	12,979
REQUISITIONS:						
STRATHCLYDE PARTNERSHIP FOR TRANSPORT	1,748	1,748	1,748	1,748	1,748	1,748
VALUATION JOINT BOARD	718	718	718	718	718	718
HEALTH & SOCIAL CARE PARTNERSHIP	63,422	63,434	63,434	64,979	65,812	65,610
CONTINGENCY	0	243	0	0	0	0
EXPENDITURE TOTAL	214,183	214,522	214,496	218,896	225,119	228,239
ADD/(LESS) USE OF FREE BALANCES	8	(144)	(144)	0	0	0
FINANCING:						
SCOTTISH GOVERNMENT FUNDING	(180,742)	(180,931)	(180,931)	(179,743)	(177,395)	(174,544)
COUNCIL TAX	(33,448)	(33,448)	(33,498)	(34,797)	(35,910)	(37,136)
FINANCING TOTAL	(214,183)	(214,523)	(214,573)	(214,540)	(213,305)	(211,680)
SUBMISSION BUDGET GAP	(0)	0	(77)	4,355	11,814	16,559
MANAGEMENT ADJUSTMENTS				(2,289)	(3,029)	(3,058)
BUDGET GAP (AFTER MANAGEMENT ADJUSTMENTS)				2,066	8,786	13,502
ASSIMED GAP CLOSED WITH RECURRING SAVINGS 2019/20				(2,066)	(2,066)	(2,066)
ASSUMED GAP CLOSED WITH RECURRING SAVINGS 2020/21					(6,719)	(6,719)
ASSUMED GAP CLOSED WITH RECURRING SAVINGS 2021/22						(4,716)
	0	0		0	0	0

WEST DUNBARTONSHIRE COUNCIL
PROPOSED MANAGEMENT ADJUSTMENTS - BUDGET 2019/20

APPENDIX 3

Ref	Option	Savings 2019/20 (£)	Savings 2020/21 (£)	Savings 2021/22 (£)	Staffing implications (FTE)
MA1	Corporate Review of Service Management structures	250,000	400,000	400,000	-8
MA2	Resources Service Restructure	317,879	486,850	542,356	-18
MA3	Fee increase to Landlord Registration Scheme	0	22,000	22,000	0
MA4	Expansion of Pest Control Service	1,500	2,000	3,000	0
MA5	Reduce travel budget by use of pool cars	2,000	2,000	2,000	0
MA6	Stop providing newspapers, tea, coffee, milk, etc to elected members.	2,000	2,060	2,122	0
MA7	Regulatory Services - service restructure and appropriate capitalisation	105,723	108,892	112,155	0
MA8	Reduce Training Budget	5,000	5,000	5,000	0
MA9	Rationalise software systems within ICT estate to reduce areas of duplication - reducing ongoing licencing costs	30,000	30,000	30,000	0
MA10	Restructure of People & Technology Service	35,041	35,041	35,041	-1
MA11	Reduce budget for upskilling of early years workforce - not required due to high levels of qualifications in place	19,319	19,319	19,319	0
MA12	Reduce Payment to Other Bodies - Education due to improved in-house capacity and capabilities	80,000	80,000	80,000	0
MA13	Education Service Rationalisation	81,000	131,000	100,000	-3
MA14	Provision of food hygiene training to Working from U and other parts of the Council (Facilities Management)	1,000	1,000	1,000	0
MA15	Reduce revenue maintenance budget in Roads following capital investment	50,000	50,000	50,000	0
MA16	Restructure Environment & Neighbourhood services across the 4 services to reflect current service delivery proposals	150,000	350,000	350,000	-10
MA17	Reduction in management fee for WDLT	150,000	150,000	150,000	0
MA18	Capitalisation of staff costs across Roads, Transport and Greenspace as a result of time required to manage the significant capital investment	280,000	350,000	350,000	0
MA19	Undertake a proportion of asbestos surveys in void houses in-house rather than use an external contractor to deliver all survey work.	3,000	3,000	3,000	0
MA20	Undertake legionella risk assessments in house rather than using external contractor.	10,000	10,000	10,000	0
MA21	Economic Development - Other Funding - end contribution towards Great Scottish Swim to zero	10,000	10,000	10,000	0
MA22	Regeneration Services restructure	36,409	36,409	36,409	-2
MA23	Capitalise appropriate Regeneration team staff costs	50,663	50,663	50,663	0
MA24	Increased capitalisation of staff costs across Asset Management following a review of time spent to manage the significant capital investment	433,000	433,000	433,000	0

Ref	Option	Savings 2019/20 (£)	Savings 2020/21 (£)	Savings 2021/22 (£)	Staffing implications (FTE)
MA25	Small reduction in payment to strategic partners to meet agreed match funding requirements for the period of big lottery grant, once Lottery funding period ends	0	10,000	10,000	0
MA26	Increased charge to Renfrewshire Council for management of Empty Homes Service	3,000	3,000	3,000	0
MA27	Budget for Internships reduced	15,000	30,000	30,000	0
MA28	Homelessness (Housing Solutions) Service Redesign	25,000	25,000	25,000	-1
MA29	30+ employment grant to be incorporated into EU funded programme	35,000	35,000	35,000	0
MA30	Planned movement of support provision within homeless temporary accommodation to in-house provision through service redesign and development of Supported Accommodation Service will negate any need for this additional service	50,000	100,000	100,000	0
MA31	Restructure of Anti-Social Behaviour & Estate Caretaking Services	57,528	57,528	57,528	-2
		2,289,062	3,028,762	3,057,593	-45