

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Executive Director of Corporate Services

Council - 27 May 2009

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**Subject: Infrastructure Hub**

### **1. Purpose**

- 1.1** This report provides elected Members with updated information on the progress of the Scottish Government scheme to develop local infrastructure hub companies.

### **2. Background**

- 2.1** Action 10 of the Improving Council Document approved by Council on 12 February 2009 stated that:

“The Council agrees to look at the feasibility of establishing an Infrastructure Hub and that a conference is held in April, of potential partners across the voluntary and public sectors to explore the legal and financial aspects of how a Hub could operate”

- 2.2** The Scottish Government Hub initiative is a national scheme developed to deliver public infrastructure to local communities with a view to pooling funding and resources and creating true community resources, often combining services under one roof or within one locality. In policy terms it fits well with the shared services initiative, and also represents a way of permitting long term planning and maximising value and quality through developing stable long term relationships with other community partners and developers / the supply chain.

- 2.3** The Scottish Government explanatory document “ *Building local services together*” which gives further information on the hub programme and delivery methods is appended to this report.

### **3. Main Issues**

- 3.1** The term Infrastructure Hub relates to an initiative being developed by the Scottish Government through the Scottish futures Trust to establish Hub companies throughout Scotland. In this regard the Scottish Government proposes to establish a number of Hub companies to operate within a series of territories. West, South West, East Central, South East and Northern.

- 3.2** Local authorities, health boards and other Community Planning Partners from throughout the territories would work together to identify and agree the relative priorities for community based infrastructure throughout the territory and, through formal European compliant tendering procedure, procure a private sector development partner.
- 3.3** This development partner would, through the establishment of a Joint Venture Hub Company (hubCo) for the entire territory. Key services provided by the hubCo will include project development, supply chain management, funding and the provision and demonstration of long term value for money; effectively creating a procurement vehicle which would work through the pre-determined and prioritised list of projects, with individual projects, or groups of projects being exposed to the market through an appropriate and compliant procurement route.
- 3.4** At present the entire hub process is in pilot stage with two sponsored national pathfinder projects being established within the Northern and South East areas. Each of these pathfinder projects will receive revenue support of £1.4m to cover initial set up, project management, organisational development costs etc. Both these pilot hubs are due to go to OJEU in June with a view to appointing a development partner in each of these territories in late 2009/early 2010.
- 3.5** The development partner and contractor roles are by necessity separated, as indeed are the roles of the community partners and the contractor. This is deemed necessary both to ensure compliance with the European Procurement rules but also to ensure that value for money can be tested in the open market. At this stage, there would appear to be no reason why one of the community partners could not compete on an open basis for parcels of work if they were suitably qualified to do so, but the procurement arrangements would need to be such that all parties were agreed that a true separation existed.
- 3.6** It is not envisaged that other hub territories would be formally launched until the pilots have progressed through the critical procurement phase. A representative of the Scottish Futures Trust has offered to provide a briefing to Council at that stage.

#### **4. Personnel Issues**

- 4.1** There are no personnel issues

#### **5. Financial Implications**

- 5.1** There are no financial implications that can be assessed at this stage.

**6. Risk Analysis**

**6.1** A risk assessment was not necessary at this stage

**7. Conclusions & Officers' Recommendations**

**7.1** The two pilot pathfinder projects within the Northern and South East hubs are about to commence a procurement exercise to appoint a development partner in each territory within the next six months.

**7.2** It is recommended that, prior to holding a community conference, a Members' briefing session is held including a representative of the Scottish Future trust and that this session is held following completion of the procurement phase of the two pathfinder projects.

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**Appendices:** Scottish Government : Building local services

**Background Papers:** None

**Wards Affected:** All Council wards.