

Agenda



Meeting of West Dunbartonshire Council

Date: Monday, 5 March 2018

Time: 14:00

Venue: Council Chamber,
Clydebank Town Hall, Dumbarton Road, Clydebank

Contact: Christine McCaffary
Tel: 01389 737186 – christine.mccaffary@west-dunbarton.gov.uk

Dear Member

Please attend a meeting of **West Dunbartonshire Council** as detailed above. The business is shown on the attached agenda.

Yours faithfully

JOYCE WHITE

Chief Executive

Distribution:-

Provost William Hendrie
Bailie Denis Agnew
Councillor Jim Bollan
Councillor Jim Brown
Councillor Gail Casey
Councillor Karen Conaghan
Councillor Ian Dickson
Councillor Diane Docherty
Councillor Jim Finn
Councillor Daniel Lennie
Councillor Caroline McAllister
Councillor Douglas McAllister
Councillor David McBride
Councillor Jonathan McColl
Councillor Iain McLaren
Councillor Marie McNair
Councillor John Millar
Councillor John Mooney
Councillor Lawrence O'Neill
Councillor Sally Page
Councillor Martin Rooney
Councillor Brian Walker

Chief Executive
Strategic Director of Transformation & Public Service Reform
Strategic Director of Regeneration, Environment & Growth
Chief Officer of West Dunbartonshire Health & Social Care Partnership

Date of issue: 20 February 2018

WEST DUNBARTONSHIRE COUNCIL

MONDAY, 5 MARCH 2018

AGENDA

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

Voting: Members are reminded that restrictions on voting in setting the level of Council Tax introduced by s112 of the Local Government Finance Act 1992 apply. Under these rules Members who are present at the meeting and who are at least two months in arrears with payment of Council Tax, must disclose this fact as soon as practicable after the start of the meeting and refrain from voting on any proposal for setting the level of tax. Failing to do so may involve committing an offence.

Members will also wish to consider the guidance found in paragraphs 3.20 and 3.21 of The Councillors' Code of Conduct.

3 MINUTES OF PREVIOUS MEETING 7 - 29

Submit for approval as correct records, the Minutes of Meeting of West Dunbartonshire Council held on 20 December 2017.

4 MINUTES OF MEETING OF AUDIT COMMITTEE 31 - 33 HELD ON 13 DECEMBER 2017

Submit for information and where necessary ratification, the Minutes of Meeting of the Audit Committee held on 13 December 2017.

5 OPEN FORUM

Rose Harvie, Dumbarton – Plastic Waste

Context

There has been a great deal of national and international concern expressed recently about the problem of plastic waste, which if not re-cycled, can end up in rivers and subsequently the sea. It can then be inadvertently consumed

directly by fish and other marine creatures, often causing death or serious injury; or it is absorbed by plankton and can then enter the human food chain in fish.

As consumers, we are all being urged to support both a reduction in the use of non-recyclable plastic, and to correctly re-cycle plastic items that we do buy.

As a responsible local authority, what measures will WDC consider to help reduce this problem?

While I accept that many council meetings do use cups and saucers for tea and coffee –

May I suggest:

1. A total ban on the purchase and use of plastic straws, single use plastic drink bottles, and single use cardboard coffee cups with plastic linings, for all council premises, including schools, leisure centres, libraries etc.
2. Separation of street litter so that plastic bottles (and aluminium drink cans) can be re-cycled.
3. An assurance that as much plastic as possible is actually re-cycled.
4. Purchase of recycled plastic items when available or economically possible e.g. plastic trays and pots for greenspace and parks departments.

6 GLASGOW CITY REGION CITY DEAL - UPDATE 35 - 44

Submit report by the Strategic Lead – Regeneration on the progress with the implementation of the Glasgow City Region City Deal and the Council's City Deal project.

**7 GENERAL SERVICES BUDGETARY CONTROL REPORT 45 - 90
TO 31 JANUARY 2018 (PERIOD 10)**

Submit report by the Strategic Lead – Resources on the progress of both the General Services revenue budget 2017/18 and the approved capital programme for the period to 31 January 2018.

8/

- | | | |
|-----------|---|------------------|
| 8 | HOUSING REVENUE ACCOUNT (HRA) BUDGETARY CONTROL REPORT TO 31 JANUARY 2018 (PERIOD 10) | 91 - 104 |
| | Submit report by the Strategic Lead – Housing & Employability providing an update on the financial performance to 31 January 2018 (Period 10) of the HRA revenue and capital budgets. | |
| 9 | 2018-19 BUDGET CONSULTATION RESULTS | 105 - 128 |
| | Submit report by the Strategic Lead – Communications, Culture & Communities providing an overview of the consultation process for the proposed budget saving options for 2018-19 as presented to Council on 20 December 2017, and summarising key results and feedback. | |
| 10 | GENERAL SERVICES REVENUE ESTIMATES AND COUNCIL TAX – FINANCIAL YEARS 2018/19 TO 2020/21 | 129 - 152 |
| | Submit report by the Strategic Lead – Resources providing Council with sufficient information to allow them to consider the General Services Revenue Estimates from 2018/19 to 2020/21 and to set the Council Tax for 2018/19. | |
| 11 | HOUSING REVENUE ACCOUNT (HRA) ESTIMATES 2018/19 2018/19 | 153 - 170 |
| | Submit report by the Strategic Lead – Housing & Employability seeking approval in respect to setting the housing revenue budget for 2018/19 and the level of weekly rent increase for 2018/19 which is sufficient to fund the revenue budget for 2018/19 and the associated capital investment programme. | |
| 12 | PRUDENTIAL INDICATORS 2017/18 TO 2025/26 AND TREASURY MANAGEMENT STRATEGY 2018/19 TO 2025/26 | 171 - 209 |
| | Submit report by the Strategic Lead – Resources seeking approval of the proposed Prudential Indicators for 2017/18 to 2020/21 and Treasury Management Strategy (including the Investment Strategy) for 2018/19 to 2020/21. | |
| 13 | DUMBARTON COMMON GOOD BUDGET 2018/19 | 211 - 215 |
| | Submit report by the Strategic Lead – Resources providing an update on the Dumbarton Common Good budget and seeking approval for a revised budget for 2018/19 to 2022/23. | |

14 SHARED SERVICES IMPLEMENTATION – ROADS AND TRANSPORTATION

217 - 256

Submit report by the Strategic Director on the above.

15 NOTICE OF MOTION

(a) Motion by Councillor Jim Bollan – Plastic Free Coastlines

Council agrees to support the initiative called “Plastic Free Coastlines” promoted by Surfers Against Sewage. To provide practical support to this critical environmental issue WDC agrees to commit to ditching single use plastic items (disposable plastic items which are designed to be used only once) across all departments and services, like replacing plastic coffee stirrers with wooden ones or dispensing with single use condiment sachets for example. Council asks officers to take immediate steps, within existing budgets, to reduce the use of single use plastics and to bring a report back to August Council outlining what has been done to reduce use of these plastics, the detail of what single use plastics are still being procured and a plan to entirely remove their use by the Council. The report should indicate any financial consequences that cannot be met from existing budgets.

In the UK 250M plastic toothbrushes are discarded each year. 100B plastic eating utensils are discarded in the World every year. Plastic cotton buds are the 6th most common item found on the World’s beaches. Billions of plastic straws are discarded each year. Council also agrees to promote the “Plastic Free Initiative” using all media outlets at our disposal. Council agrees to register and join “Plastic Free Initiatives” and if a local steering group is set up to nominate an officer representative.

(b) Motion by Councillor Caroline McAllister – Dumbarton Football Club

Council congratulates Dumbarton FC in reaching their first cup final in over 100 years, beating Welsh Champions The New Saints 2-1 in the semi final.

We wish them well and know they will do the town proud later this month when they meet Inverness Caledonian Thistle in the final.

WEST DUNBARTONSHIRE COUNCIL

At the Meeting of West Dunbartonshire Council held in the Council Chambers, Council Offices, Garshake Road, Dumbarton on Wednesday, 20 December 2017 at 5.06 p.m.

Present: Provost William Hendrie, Bailie Denis Agnew and Councillors Jim Bolla, Jim Brown, Gail Casey, Karen Conaghan, Ian Dickson, Diane Docherty, Jim Finn, Daniel Lennie, Caroline McAllister, Douglas McAllister, David McBride, Jonathan McColl, Iain McLaren, Marie McNair, John Millar*, John Mooney, Lawrence O'Neill, Sally Page, Martin Rooney and Brian Walker.

Attending: Joyce White, Chief Executive; Angela Wilson, Strategic Director - Transformation & Public Service Reform; Richard Cairns, Strategic Director – Regeneration, Environment & Growth; Beth Culshaw, Chief Officer, West Dunbartonshire Health & Social Care Partnership; Peter Hissett, Strategic Lead – Regulatory; Stephen West, Strategic Lead – Resources; Jim McAloon, Strategic Lead – Regeneration; Gillian McNeilly, Finance Manager and Christine McCaffary, Senior Democratic Services Officer.

* arrived later in the meeting

Provost William Hendrie in the Chair

URGENT ITEM OF BUSINESS LIBRARY CONSULTATION

Councillor McBride advised that he wished to submit an emergency motion on the above, acknowledging that his request was out with the 2 hour time limit recently added to the Council's Standing Order 8, and accordingly he requested that the Council agree to suspend the Standing Order in this instance to allow the matter to be considered.

Having heard Provost Hendrie confirm that he was prepared to allow this late request in view of the recentness of the change, the Council agreed to suspend Standing Order 8 and that the item be considered at the end of the business on the agenda.

MINUTE OF SILENCE

The Council observed a two minute silence as a mark of respect for the loss of 3 crew members of the Flying Phantom tug boat which sank in the River Clyde on 19 December 2007; for the loss of 3 family members from Dumbarton in the Glasgow bin lorry accident on 22 December 2014 and for the loss of Mr Richard Dyson and Mr Simon Midgley who tragically died as a result of the fire at Cameron House Hotel, Loch Lomond on Monday 18 December 2017.

DECLARATIONS OF INTEREST

It was noted that there were no declarations of interest in any of the items of business on the agenda at this point in the meeting.

MINUTES OF PREVIOUS MEETING

The Minutes of meeting of West Dunbartonshire Council held on 25 October and reconvened on 30 October 2017 were submitted and approved as correct records.

OPEN FORUM

The Council noted that no open forum questions had been submitted by members of the public.

REQUEST FOR DEPUTATION

JOINT TRADE UNIONS – ANTI AUSTERITY CAMPAIGN AND BUDGET CUTS

In accordance with Standing Order 18 the Council agreed to receive a deputation from the joint Trade Unions in connection with the above.

The Provost invited the delegation forward to speak to the meeting. Val Jennings, Unison and Charlie McDonald, Unite were then heard in support of the anti-austerity campaign, urging the Members present to support the 'Drop the Debt' campaign and to set a 'no cuts' budget that would protect jobs and services within West Dunbartonshire.

Councillor McColl, seconded by Bailie Agnew moved:-

Council thanks the joint Trade Unions for their delegation and wholeheartedly supports their calls for an end to austerity, and for Councils to do everything possible to protect jobs and services.

Council agrees that Austerity has failed, with successive Conservative Chancellors being forced to admit that growth is lower than forecast and deficits continue to rise.

With this in mind, Council agrees that the Leader of the Council should write to the Chancellor, The Rt Hon Philip Hammond MP, expressing our view that investment, not cuts is the key to boosting the economy, increasing productivity and reducing the deficit in a way that does not harm our citizens.

The goal will be to draft a letter that can be agreed and signed jointly by the Leader of the Council, Leader of the Opposition, Trade Union Conveners, our MP, our two Constituency MSPs and the Conveners (or other nominated office bearer) from every Community Council across West Dunbartonshire; as far as Council is aware, this will be the first such joint letter from a Council in Scotland to formally include such wide-ranging support.

While the law prohibits the use of Council resources for political campaigns, there is nothing stopping individual Councillors from taking action. Therefore, Council asks all elected members to promote on their Social Media and in their communities, any protest/campaign activity taking place to challenge austerity.

Furthermore, Council requests that officers investigate, and brief elected members and the joint trade unions regarding the possibility of implementing the following actions to help Council protect jobs and services in the face of on-going austerity (reports for decisions to be drawn up as appropriate):

1. Look at refinancing/buyout options for our PPP and other debts.
2. Consider raising finance through the issuing of bonds.
3. Carry out an options appraisal, with a view to bringing a report, on Cllr Dickson's plan to raise revenue through building and selling/renting housing as part of the General Fund.
4. Continue examination of the Administration's wish to seek new and innovative ways of raising revenue, including the possibility of increasing skills capacity and staffing to allow the Council to bid for private and public-sector work within and out with West Dunbartonshire.

To further advance point four above, the budget consultation should include a question inviting suggestions for areas where the Council could generate additional income.

This Council recognises the importance of our voluntary sector partners and will work to minimise the impact of Austerity on the services they provide to our constituents. Given the high levels of domestic violence in West Dunbartonshire, we reaffirm our commitment to maintain levels of funding for our two Women's Aid organisations.

Furthermore, we also reaffirm our commitment and agree to the requests from our Women's Aid organisations, West Dunbartonshire Citizens' Advice and the Independent Resource Centre to provide security and allow them to properly plan their services by confirming three years of funding levels when the Council sets its budget in February.

Finally, while Council recognises that the Scottish Government's draft budget proposes a better settlement that we had been planning for, we note that the officer's report further down this agenda indicates we still need to make savings or generate additional income of approximately £1.1m to balance the 2018/19 Council budget; this is on top of a potential £1.6m reduction HSCP funding from the Council.

This has the potential to have a significant impact on everyone in our communities and as is often the case, may end up hitting those who are most vulnerable the hardest.

Council therefore mandates the Leader of the Council to continue to lobby the Scottish Government both individually and through COSLA for an increased local government settlement.

As an amendment Councillor Rooney, seconded by Councillor McBride moved:-

Happy to support Councillor McColl's motion with the deletion of points (3), (4) and the words *'Finally, while Council recognises that the Scottish Government's draft budget proposes a better settlement than we had been planning for'* in the third last paragraph.

On a vote being taken 7 Members voted for the amendment and 11 for the motion which was accordingly carried.

GLASGOW CITY REGION CITY DEAL – UPDATE

A report was submitted by the Strategic Director – Regeneration, Environment & Growth on the progress with the implementation of the Glasgow City Region City Deal and Council's City Deal project.

Following discussion and having heard officers in answer to Members' questions, the Council agreed to note the progress of the Glasgow City Region City Deal and the Council's project for the Exxon site.

Councillor Bolla, having failed to obtain a seconder for a proposed motion, asked that his dissent be recorded.

ENDING PERIOD POVERTY PROPOSAL

A report was submitted by the Strategic Director – Regeneration, Environment & Growth providing an estimated costed proposal for the Council to implement the provision of free sanitary products for female school pupils across West Dunbartonshire Council (aged 8 and over).

The Council agreed:-

- (1) that the provision of free sanitary products be put in place in all primary, secondary and ASN establishments;
- (2) to note the estimated cost of this standard of provision, as detailed at section 6 of the report;
- (3) that the costs of this provision that lie within financial year 2017/18 be funded from current General Fund reserves; and
- (4) to note that the cost of the provision in future financial years 2018/19 will be built into ongoing budget projections.

GENERAL SERVICES – BUDGETARY CONTROL REPORT TO 31 OCTOBER 2017 (PERIOD 7)

A report was submitted by the Strategic Lead – Resources on the progress of both the General Services revenue budget 2017/18 and the approved capital programme for the period to 31 October 2017.

After discussion and having heard officers in answer to Members' questions, the Council agreed:-

- (1) to note that the revenue account currently shows a projected annual favourable variance of £0.110m (0.05% of the total budget);
- (2) to note that the capital account shows a projected annual favourable variance of £33.013m (35.19% of the budget) and a projected project life adverse variance of £0.762m (0.25% of project life budget); and
- (3) to approve the capital virement request as noted in Appendix 10 to the report.

Note:- Councillor Millar arrived during consideration of the above item.

HOUSING REVENUE ACCOUNT (HRA) – BUDGETARY CONTROL REPORT TO 31 OCTOBER 2017 (PERIOD 7)

A report was submitted by the Strategic Lead – Housing and Employability providing an update on the financial performance of the HRA revenue and capital budgets.

The Council agreed:-

- (1) to note the projected favourable revenue variance of £0.209m (0.5%); and
- (2) to note the position advised in relation to the capital budget which is currently projecting an in-year favourable variance of £9.558m (31.2%), of which

£8.415m (27.5%) relates to project re-phasing and an in-year underspend of £1.143m (3.7%).

GENERAL SERVICES BUDGET PREPARATION 2018/19 TO 2020/21 – BUDGET UPDATE

A report was submitted by the Strategic Lead – Resources on the above.

Councillor Dickson, seconded by Councillor McColl moved:-

Council notes the current projected budget settlement and appended draft budget from the Administration and agrees that the draft budget, and full list from appendix 1 of the papers will go out for consultation for a period of 4 weeks, from 8th Jan to 5th Feb.

Council agrees that the consultation will include the online questionnaire, focus groups and public drop in sessions at Alexandria, Dumbarton and Clydebank libraries.

Council notes that the Administration intend to use one off reserves for service investments and spend to save projects, and while we have and are developing our own ideas, we invite staff, trade unions, Councillors and the public to bring their ideas forward during the consultation.

Council notes that as the Scottish Parliament will not set their budget until 21st Feb 2018, we require to move our own budget setting meeting to ensure we have the true final settlement figure.

Council agrees that the budget setting meeting will take place on Monday 5th March 2018 from 2pm in Clydebank Town Hall.

Council further notes that after complaining for 9 years that they could not raise Council Tax, Labour failed to do so last year when the Scottish Government funded freeze came to an end. This political decision coupled with their choice to raid the reserves to balance the revenue budget, has put more than £3 million of extra pressure on Council services this year.

To be clear, if Labour had acted responsibly when setting their budget, a budget they failed to consult anyone on, the current projected budget gap would be zero; in fact we would have approximately £2 million extra to spend on Council services.

Council recognises that the current settlement offer is far better than we were projecting within the current economic context, and we agree with COSLA's budget statement where they said,

“Local Government has faced really difficult times over the last few years and these will remain into the future despite a more measured approach by the

Scottish Government in delivering the local government settlement for next year.”

Councillor Gail Macgregor (Conservatives), COSLA Finance Spokesperson added: “The discussions in relation to this year’s settlement between COSLA and Scottish Government have been both positive and constructive.”

COSLA President Councillor Alison Evison (Labour) concluded the statement on behalf of COSLA adding: “COSLA has been engaging with all political parties across the Parliament throughout this process and, as this is a draft budget, we will continue to defend essential services over the coming weeks.”

Council notes that the Leader of the Council will continue to lobby the Scottish Government, both personally and through COSLA, with a view to getting a better settlement for Local Government.

Draft

| Num | Title | Description | Potential 2018/19 | Potential 2019/20 | Potential 2020/21 | One off Costs (reserves) | Taken 2018/19 | Taken 2019/20 | Taken 2020/21 |
|-----|---|---|-------------------|-------------------|-------------------|--------------------------|---------------|---------------|---------------|
| 1 | Reduce the Curriculum for Excellence budget | The Curriculum for Excellence budget was put in place to support joint projects being delivered through local learning communities (comprising a secondary school with associated primary schools and Early Learning & Childcare Centres) as part of our strategy to raise attainment. Since these joint projects are now well established and part of the normal running of each learning community they require less intervention so a saving could be made. In addition Scottish Government funding for standardised assessment removes the requirement for specific Council funding for this. | £42,000 | £42,000 | £42,000 | | £42,000 | £42,000 | £42,000 |
| 2a | Review devolved school budgets | Reduce by 5%. This would see the devolved budgets which school head teachers have available to them reduce by 5%. Currently secondary school head teachers have £679,000 per year, while primary school head teachers have £696,000. Under the proposals this would change to £654,000 for secondary and £671,000 for primary by 2019/20. | £42,000 | £50,000 | £50,000 | | | | |
| 2b | Review devolved school budgets | Reduce by 10%. This would see the devolved budgets which school head teachers have available to them reduce by 10%. Currently secondary school head teachers have £679,000 per year, while primary school head teachers have £696,000. Under the proposals this would change to £629,000 for secondary and £646,000 for primary by 2019/20. | £84,000 | £100,000 | £100,000 | | £84,000 | £100,000 | £100,000 |
| 3 | Reduce central spend on recreational activity | Currently the Education service pays £18,000 a year for swimming lessons for primary school pupils. Under this proposal the cost would no longer be met by the central education service, and instead each school would decide whether to provide this service through the use of their individual funds. | £18,000 | £18,000 | £18,000 | | £18,000 | £18,000 | £18,000 |

| | | | | | | | | |
|---|--|--|----------|----------|----------|---------|---------|---------|
| 4 | Reduce payments to Parent Councils | The Council currently provide a higher than national average level of funding to support primary school Parent Councils across West Dunbartonshire, as well as a range of other supports. This takes the form of a £10 per pupil top up to the standard allocation. This proposal would reduce the funding meaning primary school Parent Councils received a share of £12,000. Secondary school Parent Councils would access a share of £3,000 in addition to Curriculum for Excellence funding. | £75,000 | £75,000 | £75,000 | £75,000 | £75,000 | £75,000 |
| 5 | Remove Additional Educational Maintenance Payments | Education Maintenance Allowance (EMA) is provided to eligible (depending on financial circumstances) 16-19 year olds who decide to stay in education. It is available for both academic and vocational courses. The standard rate for EMA in Scotland is £30. West Dunbartonshire Council's rate is currently double this at £60. Under this proposal the rate would return to the Scottish standard of £30. | £164,000 | £164,000 | £164,000 | | | |
| 6 | Remove clothing grant top-up | All Councils make provision for the clothing of pupils who may not otherwise have access to school uniform/clothing. At present West Dunbartonshire Council has one of the highest clothing grants in Scotland at £100 per child. This proposal would bring the grant provided by West Dunbartonshire Council more in line with national averages at £50 per young person. | £240,000 | £240,000 | £240,000 | | | |
| 7 | Introduce pre-packaged meals into school lunches | This proposal would see all school meals change from 2019 onwards following a pilot in 2018/19; with hot and cold prepackaged meals provided in schools as a replacement to the preparation of ingredients onsite. | £10,000 | £140,000 | £200,000 | | | |
| 8 | Provide a sandwich lunch on Fridays | The Council currently provides hot school meals 5 days per week. This proposal involves replacing the hot meal option on a Friday with a healthy sandwich meal including salad/fruit. | £75,000 | £100,000 | £120,000 | | | |

| | | | | | | | | | |
|-----|--|--|----------|----------|----------|--|---------|---------|---------|
| 9a | School Crossing Patrols | Identify and train community groups to undertake the provision of school crossing patrols on all 37 crossings, affecting 40 posts as some patrols are covered by two post holders. This would involve replacing current post holders with community volunteers, dependent on capacity and training for community groups. | £160,000 | £160,000 | £160,000 | | | | |
| 9b | School Crossing Patrols | This proposal would see the Council bring the service in line with national guidance by withdrawing patrols from 12 locations where there are controlled pedestrian crossings in place. National guidance states that school crossing patrollers should not be deployed at junctions where pedestrian crossings already exist because this duplication can be confusing for motorists. | £25,000 | £25,000 | £25,000 | | £25,000 | £25,000 | £25,000 |
| 10a | Close Dalmeir Golf Club | This option would see Dalmeir Municipal Golf Course close completely. | £200,000 | £200,000 | £200,000 | | | | |
| 10b | Increase Membership Fees | This option would see membership charges increase by 30% from the current season ticket charge of £280 per annum to £364. This would allow an amount of additional income to be generated to support the ongoing costs of running the Golf Course. Increasing costs may have an impact on current levels of membership. | £10,000 | £10,000 | £10,000 | | £10,000 | £10,000 | £10,000 |
| 10c | Reduce to 9 Holes | This option would see the course reduced in size and this would reduce costs for maintenance and running of the golf course while maintaining a municipal golf course for residents. | £60,000 | £60,000 | £60,000 | | | | |
| 11 | Review Council's grass cutting service | This proposal would reduce all current weekly grass cutting to fortnightly, and all current fortnightly grass cutting to three weekly. It would also see the Council stop cutting banked areas, and increase the number of uncut biodiversity areas (grass areas left uncut and allowed to develop wild growth). | £136,000 | £136,000 | £136,000 | | | | |
| 12 | Remove summer bedding displays | This proposal would see the Council convert existing annual flower beds into a mixture of grass and perennial beds that are less expensive to maintain. | £80,000 | £80,000 | £80,000 | | £80,000 | £80,000 | £80,000 |

| | | | | | | | | | |
|-----|--|--|----------|----------|----------|--|----------|----------|----------|
| 13 | Review the provision of Christmas trees | Reduce the number of Council provided Christmas Trees across West Dunbartonshire to focus on one location in Clydebank, Dumbarton and Alexandria | £10,000 | £10,000 | £10,000 | | | | |
| 14 | Cease providing festive lighting | This proposal would see the Council stop directly providing festive lighting on several local roads in West Dunbartonshire. Officers would instead engage with local community and business groups to establish self-funding and management of the lighting provision. | £10,000 | £10,000 | £10,000 | | | | |
| 15a | Reduction in street cleaning | This would see sweeping and litter picking reduced across all areas with fewer sweeper vehicles and provision. Litter picking and collection of public bins will move to 3 times per week instead of daily. Street sweeping will be fortnightly or three weekly | £300,000 | £300,000 | £300,000 | | | | |
| 15b | Reduction in street cleaning | Regular sweeping in Town Centres and areas of heavy footfall would remain at current levels. There would be a reduction in the frequency of sweeping on trunk roads, rural roads and within housing schemes. | £35,000 | £35,000 | £35,000 | | | | |
| 16 | Reduction in cemetery maintenance | Reduce weekly grass cutting regimes in cemeteries from weekly to fortnightly. The area around headstones will be covered in weed kill to remove requirement for weed removal. This may result in a small impact on the appearance of landscaped areas within cemeteries. | £120,000 | £120,000 | £120,000 | | £120,000 | £120,000 | £120,000 |
| 17 | Reduction in park maintenance | Reduce amount of formal summer bedding, which will be replaced with grass. Weekly grass cutting will be reduced to fortnightly and litter picking will reduce from daily to three times per week. | £150,000 | £150,000 | £150,000 | | £150,000 | £150,000 | £150,000 |
| 18 | Identify areas in parks and open spaces for biodiversity | Appropriate areas in parks and public spaces will be created as biodiversity sites. | £180,000 | £180,000 | £180,000 | | | | |

| | | | | | | | | | |
|----|---|---|----------|----------|----------|--|----------|----------|----------|
| 19 | Removal of Care of Gardens | Currently the Council provides free garden maintenance to all pensioners in West Dunbartonshire, and to those who are infirm and disabled. In total they receive seven grass cuts between April and November, two hedge cuts and all pathways swept clear and cuttings removed. From 2018 summer season, the service will only be provided free of charge to all residents in receipt of a disability related benefit or a service from the HSCP. Under this new proposal, the scheme would cease completely from Summer 2018 | £375,000 | £375,000 | £375,000 | | | | |
| 20 | Removal of weekend litter squad | This proposal would see the Council stop collecting litter at weekends. This would reduce the number of times that the Council removes dog fouling and litter. Instead campaigns would continue to convince the small minority of residents to change their littering behaviour to avoid a negative impact on the environment. | £140,000 | £140,000 | £140,000 | | £140,000 | £140,000 | £140,000 |
| 21 | Review the charges for special uplifts | This proposal would see the existing Council charge of £17.54 per uplift increase to a rate of £35.00 per uplift from 1 April, 2018. At present most Councils (23) charge for this service, with an average charge of £28.87 per uplift. Residents can avoid any charges by disposing of bulky household waste at the Council's household waste recycling centres free of charge. | £25,000 | £25,000 | £25,000 | | | | |
| 22 | Operate a single household waste recycling centre for West Dunbartonshire | The Council currently operates two household waste recycling centres, one at Dalmoak, in Alexandria, and another in Old Kilpatrick. This proposal would see the Council centralise all household waste recycling at Dalmoak and close the centre at Old Kilpatrick. This single service would be complemented by the 125 recycle points across West Dunbartonshire for glass, excess blue bin recyclable material and, in some cases, clothes, textiles, shoes, books, CDs and DVDs. | £19,500 | £39,000 | £39,000 | | | | |

| | | | | | | | | | |
|----|---|--|----------|----------|----------|----------|----------|----------|----------|
| 23 | Cease gritting of priority footways during winter | This proposal would see the removal of treatment of priority footways – such as in town centres – during periods of extreme weather. The impact of this change could be mitigated by extending the provision of grit bins, and increasing individually and community resilience to grit their local footways. There are over 420 grit bins across the area which are well used. | £115,000 | £115,000 | £115,000 | | | | |
| 24 | Review of waste services | Currently West Dunbartonshire residents recycle 47% of waste and this is increasing every year. The Scottish Government has set a target for 70% of all waste to be recycled by 2025. A review would be undertaken to ensure the Council meets this target and operates services in the most efficient way. This could include altering the frequency that grey and green waste bins are uplifted from the current fortnightly collection schedule. A one-off investment of £140,000 would be required to facilitate this change. | £125,000 | £250,000 | £250,000 | £140,000 | £125,000 | £250,000 | £250,000 |
| 25 | Undertake a review of Community Facilities operated by WDLT | West Dunbartonshire has a high number of community centres and other facilities compared to other Councils on a per-head basis. These place a considerable burden on local taxpayers to fund year-round opening by staff members at subsidised rates to the community. A review of the 11 premises would be undertaken to identify those least in demand. Those deemed surplus to requirements by the Council could be passed through Community Asset Transfer to local community groups or simply closed. Reducing the number of facilities in operation will mean that some current centre users have to move facilities. There would be no issue accommodating them elsewhere as occupancy levels within centres are low. | £40,000 | £130,000 | £130,000 | | | | |

| | | | | | | | | | |
|----|--|---|---------|----------|----------|--|--|--|--|
| 26 | Centralise Registration Services in Dumbarton | This proposal would see the Council offer all registrar appointments in Dumbarton. Currently appointments are also offered 4-days-a-week in Clydebank and these would cease. As births and deaths no longer need to be registered within the Council area that they occur, residents could use services in whichever areas were most suitable to them. | £18,000 | £18,000 | £18,000 | | | | |
| 27 | Cease all events | This proposal would remove the Council's existing event programme over a phased two-year period. (Events: Golf Pro-Am, Loch Lomond Highland Games, Scottish Pipe Band Championships, Two Firework Displays, Two Xmas Light Switch ons) | £40,000 | £150,000 | £150,000 | | | | |
| 28 | Stop providing Nightzone during the festive season | Nightzone is a safety initiative designed to keep local people safe during the festive season by reducing the harmful effects of alcohol, drugs and alcohol fuelled antisocial behaviour or disorder throughout the area. This includes taxi marshals on duty in Clydebank, Dumbarton and Alexandria, as well as high visibility police patrols and support from charities. This proposal would see the Nightzone campaign ended. | £0 | £12,000 | £12,000 | | | | |

| | | | | | | | | |
|----|---|---|---------|---------|---------|--------|--------|--------|
| 29 | Transfer cash payments by residents to the Post Office and PayPoint shops and stores. (Not taking this option would add £140,000 to the budget gap) | The Council currently collects cash and debit/credit card payments in its three One Stop Shop locations. To do this requires large electronic Scancoin machines, regular cash collection by security firms and a significant staffing presence. The cost per year to support this activity is approximately £147,500. Delivering this service also means staff in the One Stop Shop often use their time to assist visitors with basic payments when they could be helping the most vulnerable. In total only 3% of the Council's income from residents and businesses is paid in the One Stop Shops. The vast majority comes from using Direct Debit, Standing Order, online payments, telephone payments and cash payments at Post Offices and PayPoint shops and stores. This proposal would see the remaining cash payments transfer from the three One Stop Shops to the 13 Post Offices and 72 PayPoint shops and stores across West Dunbartonshire. These venues are open more days, longer hours and are located closer to residents. Cash-paying residents are already familiar with using these services for utility bills, TV licences, pay-as-you-go phone payments and other media. The move would also be good for local businesses | £7,500 | £7,500 | £7,500 | £7,500 | £7,500 | £7,500 |
| 30 | Reduce the number of paid Trade Union Convenor posts | Currently there are 3.4 full-time Trade Union Convenors in West Dunbartonshire paid for by the Council. This exceeds what most other Scottish Councils have in place for their employees. This proposal would reduce that to 1 full-time paid Convenor post. The other extensive trade union supports and representation - including time-off and stewards throughout the workforce - would remain in place. | £90,000 | £90,000 | £90,000 | | | |

| | | | | | | | | | |
|-----|--|--|---------|---------|---------|--|---------|---------|---------|
| 31 | Increase Food Export Certificate Charges | The Council provides food export certificates to companies exporting food/drink to certain countries. Local Councils are not obliged to provide this service but West Dunbartonshire Council is keen to assist business wherever possible. To allow it to continue to offer this service the Council is proposing to increase Food Export Certificate charges by £85 per certificate over two years. | £25,000 | £45,000 | £45,000 | | £25,000 | £45,000 | £45,000 |
| 32a | Discretionary rates relief for charities | Removal. This proposal would remove 20% discretionary rates relief for shops operated by charities as they are competing against other businesses which cannot access this relief. | £7,000 | £7,000 | £7,000 | | | | |
| 32b | Discretionary rates relief for charities | Reduction. This proposal would bring discretionary rates relief down from 20% to 10% for all charitable organisations, including those solely operating within West Dunbartonshire. | £43,000 | £43,000 | £43,000 | | £43,000 | £43,000 | £43,000 |
| 32c | Discretionary rates relief for charities | Full rates for National Charities. This proposal would see the Council apply full rates to all national charities that do not operate solely for the residents of West Dunbartonshire. This would allow the Council to focus our existing resources in support of local charities. | £12,000 | £12,000 | £12,000 | | | | |
| 33a | Elderly Welfare Grant | Remove £15 per resident payment. Historically every resident aged 63 or over who lives in West Dunbartonshire has been eligible for the annual Elderly Welfare Grant (currently £15). This proposal would see the Council remove the annual payment to registered individuals. | £80,000 | £80,000 | £80,000 | | | | |
| 33b | Elderly Welfare Grant | Remove the £15 Elderly Welfare Grant payment to groups. Some residents who are eligible for the £15 Elderly Welfare Grant have registered for their payment to go directly to local voluntary groups for the elderly. This proposal would see the Council also cease to provide these payments to groups. | £70,000 | £70,000 | £70,000 | | | | |

| | | | | | | | | |
|--------------------------------|---|--|----------|----------|----------|----------|----------|----------|
| 34 | Review grants to voluntary organisations | The budget for grants to voluntary organisations is managed by West Dunbartonshire Community Volunteer Service (WDCVS) and was set for 2016/17 at £200,000. In previous years not all of the funding available has been allocated, with around £35,000 unallocated. This proposal would remove the unallocated amount plus a small additional amount to provide a total budget of £150,000 available for future grant use in West Dunbartonshire. | £50,000 | £50,000 | £50,000 | £50,000 | £50,000 | £50,000 |
| 35 | Reduce funding to strategic partner organisations | A total of £1.2million is currently provided to external organisations through strategic partnership funding arrangements from the Council. This proposal would see the Council reduce funding provided to strategic partner organisations by an average of 12%. The exact amounts would be decided on a strategic partner by strategic partner basis. Historically these organisations have been protected from the sort of funding reductions Council services have typically faced. | £150,000 | £150,000 | £150,000 | £104,500 | £104,500 | £104,500 |
| | | | | | | | | |
| Original Budget Gap | | £1,099,000 | | | | | | |
| Savings Taken (2018/19) | | £1,099,000 | | | | | | |
| Remaining Gap | | £0 | | | | | | |

SUSPENSION OF STANDING ORDERS

Having heard the Strategic Lead – Regulatory, the Council agreed to suspend Standing Order 20 to allow the motion to be considered in full.

As an amendment, Councillor McBride seconded by Councillor O'Neill moved:-

This Council notes that according to the Scottish Governments data contained in the Scottish Index of Multiple Deprivation 2016, West Dunbartonshire Council is one of the most economically deprived areas of Scotland.

The attached data from Scottish Government, HMRC, Child Poverty Action Group and from West Dunbartonshire Council itself shows the negative impact of poverty on our citizens.

West Dunbartonshire Council has seen its budget for local services being cut year on year by the Scottish Government, with additional burdens and costs placed on the Council by both the Scottish Government and the UK Government.

We have also seen cuts to social care services with another £1.56m planned each of the next three years resulting in a cut of £4.58m.

This year the cuts have included:

- Slashing the Councils successful Care of Garden Scheme;
- Deleting customer service posts from our one-stop-shops, reducing library hours and closing the Social Work office in Alexandria; and
- Cutting free school milk at lunchtime in our schools.

This decade of cuts by the SNP must end.

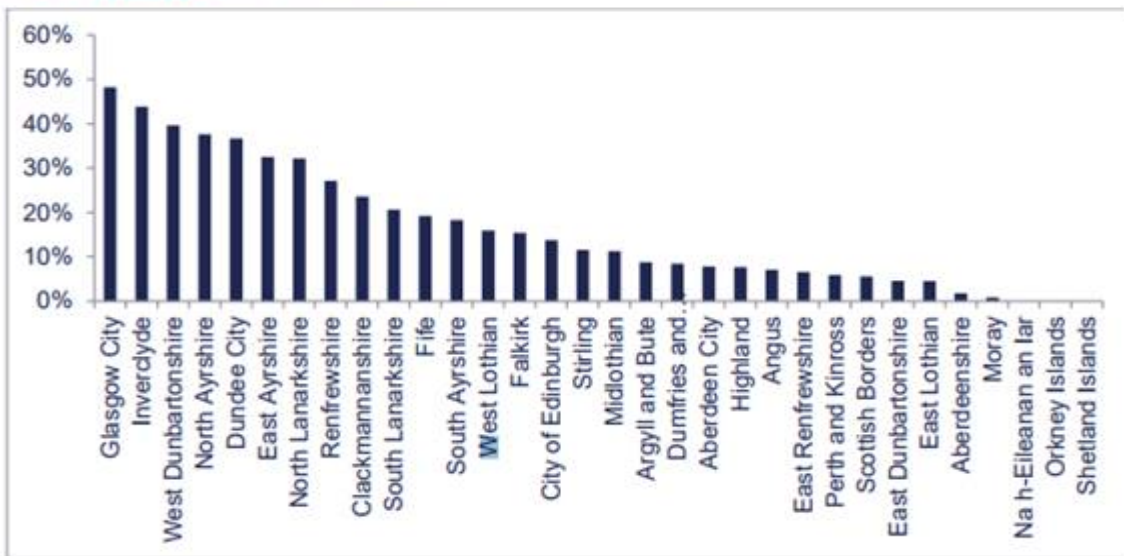
Therefore, this Council rejects further budget cuts and calls on the Leader of the Council and the Leader of the Opposition to write to the SNP Scottish Government demanding that they fully fund West Dunbartonshire Council in order to protect local services and to properly reward our staff.

The Council also agrees to copy the joint letter to both our constituency MSPs and the West of Scotland List MSPs calling on them to support our demands so that we can end SNP and Tory austerity in West Dunbartonshire.

Poverty levels and deprivation

West Dunbartonshire is ranked third in terms of multiple deprivation with 40% of local data zones counted among the 20% most deprived communities in Scotland.

Chart 1: Local share of DZs in each council area that are found in the 20% most deprived DZs in Scotland



Source: Scottish Index of Multiple Deprivation, 2016

Life expectancy

West Dunbartonshire has life expectancy rates that are statistically significantly worse than the Scottish average, with the second lowest life expectancy at birth of all Scottish Local Authorities. Based on the most recent figures available (2013-2015) female life expectancy at birth (78.7 years) is greater than male life expectancy (74.8 years), but both were lower than the Scottish average. Source: West Dunbartonshire Council

Disability

The number of people in Scotland reporting a long-term activity limiting health problems or disabilities fell from 2001 to 2011 while rising in West Dunbartonshire. In West Dunbartonshire 23.1% of the population report having a long-term activity limiting health problems or disabilities as opposed to 22.7% in 2001. Source: West Dunbartonshire Council, census data

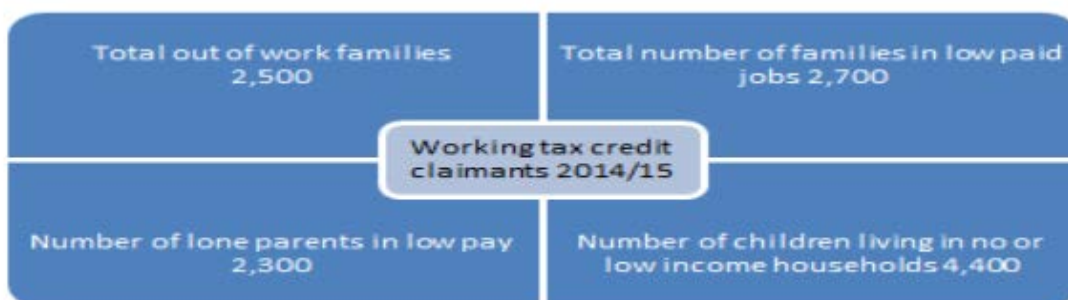
Child poverty

West Dunbartonshire is the seventh worst area in Scotland for the number of children living below the headline, with 26.5 percent in poverty. Source: Child Poverty Action Group

Child and Working Tax Credits

The most recent information from HMRC shows that 7,300 families in West Dunbartonshire are in receipt of child and working tax credits. The breakdown below shows the numbers of families out of work, experiencing in-work

poverty, number of single parents with low-paid jobs and total number of children in out of work or low paid households.



Source: West Dunbartonshire Council, 2014/15 HMRC data

Councillor Bollan, having failed to obtain a seconder for a second amendment, asked that his dissent be recorded.

On a vote being taken, 8 Members voted for the amendment and 13 for the motion, which was accordingly carried.

ADJOURNMENT

Provost Hendrie adjourned the meeting for a period of 10 minutes.

The meeting reconvened at 8.29 p.m. with all those Members noted in the sederunt in attendance.

SHARED SERVICES – ROADS AND TRANSPORTATION

The Chief Executive advised that due to ongoing discussions with partner Councils the report on this matter had been withdrawn from the agenda at this time.

CONSTRUCTION CHARTER

A report was submitted by the Strategic Lead – People and Technology seeking Council endorsement for the Construction Charter.

Following discussion and having heard officers in answer to a Member's questions, the Council agreed to endorse the Construction Charter as shown as an appendix to the report.

Councillor Bollan, having failed to obtain a seconder for a proposed amendment, asked that his dissent be recorded.

UPDATE ON AUTOMATIC EXTERNAL DEFIBRILLATORS (AED) CAMPAIGN

Councillor McNair moved:-

This Council notes the cross party support secured and the success to date of the AED campaign.

Council welcomes the contribution that our local communities, Heart Start Scotland and the Scottish Ambulance Service, have made to this campaign; which has been a significant factor in taking things forward.

Council agrees to take the campaign to the next stage by funding additional AED's in our council buildings.

Therefore Council agrees the recommendations in the report with the exception of "putting on hold further funding" and further agrees that officers, in consultation with Councillors McNair and Lennie, be authorised to use up to £50,000 from free reserves to ensure there is a good geographical spread of AEDs across West Dunbartonshire and to continue the momentum of the campaign.

From this funding, Council agrees that where there is no provision, there should be in the interests of community well-being/safety, AED's in Council run buildings, i.e. the school estate, care homes, leisure facilities including libraries and community centres.

Council also notes that any funding agreed in addition to this will be part of the 2018/19 budget setting.

The Council agreed the above motion.

SUSPENSION OF STANDING ORDERS

The Council agreed to suspend Standing Order 20 to allow consideration of Notice of Motion (a) by Councillor David McBride.

NOTICES OF MOTION

(a) Motion by Councillor David McBride – Changes to Standing Orders

Council agrees that Standing Order 18(b) be amended by the removal of the stipulation that deputations under that Standing Order by tenants and residents groups require the agreement of the Convener of the West Dunbartonshire Tenants' & Residents' Organisation.

The Council agreed the above motion.

(b) Motion by Councillor Jim Bollan – Zero Hour Contracts / Sessional / Casual / Temporary Workers

Council agrees that it is desirable to afford all workers engaged by WDC including those on Zero Hour Contracts/Sessional/Casual/Temporary who have worked for at least 4 weeks for the Council, full rights regarding terms and conditions, on a pro rata basis in so far as the law allows and instructs senior officers to bring a report to Council detailing the financial implications were Council to agree to extend full employment rights to these employees. In addition Council agrees that these employees will have access to a grievance procedure and instructs the Strategic Lead – People and Technology to amend the grievance procedure to allow for such grievances including appeal rights, the revised procedure to be brought to a subsequent Corporate Services Committee.

This motion covers Council workers with the Health & Community Care Partnership (HCCP) and workers with West Dunbartonshire Leisure Trust and the Council encourages the HCCP to adopt the same practice for all workers engaged by them.

The Council agreed the above motion.

(3) Motion by Councillor John Mooney – Neighbourhood Networks

It was noted that this motion had been withdrawn from the agenda.

**URGENT ITEM OF BUSINESS
LIBRARY CONSULTATION**

Councillor McBride moved:-

This Council is concerned about the short length of the consultation on library hours.

The consultation is taking place over the Christmas and New Year period when local residents' attention is on other matters.

In addition our libraries provide access to other services valued by our communities such as Macmillan Cancer Care Services and access to computers for unemployed residents.

In addition to the above the method of consultation means that there is a risk that many library users and community groups would not be consulted.

Therefore, this Council calls for an extension to the consultation on the library cuts and for Council Officers to ensure that efforts are made to include residents that don't have access to the internet.

The Council agreed the above motion.

COMPLIMENTS OF THE SEASON

Provost Hendrie wished everyone present a Merry Christmas and a Happy New Year.

The meeting closed at 8.40 p.m.

Draft

Draft

AUDIT COMMITTEE

At a Meeting of the Audit Committee held in Committee Room 3, Council Offices, Garshake Road, Dumbarton on Wednesday, 13 December 2017 at 10.04 a.m.

Present: Councillors Jim Brown, Karen Conaghan, John Mooney, Martin Rooney, Brian Walker and Lay Member Ms Eilidh McKerry.

Attending: Angela Wilson, Strategic Director - Transformation & Public Service Reform; Richard Cairns, Strategic Director - Regeneration, Environment & Growth; Stephen West, Strategic Lead - Resources; Jim McAloon, Strategic Lead - Regeneration; Peter Barry, Strategic Lead - Housing & Employability; Malcolm Bennie, Strategic Lead - Communications, Culture & Communities; Gillian McNeilly, Finance Manager; Colin McDougall, Audit and Risk Manager; and Craig Stewart, Committee Officer.

Apologies: Apologies for absence were intimated on behalf of Councillors Daniel Lennie, Jonathan McColl and John Millar and Lay Member Mr Stevie Doogan. Apologies were also intimated from Joyce White, Chief Executive and Ms Zara Mahmood, Senior Auditor, Audit Scotland.

Councillor John Mooney in the Chair

DECLARATIONS OF INTEREST

It was noted that there were no declarations of interest in any of the items of business on the agenda.

MINUTES OF PREVIOUS MEETING

The Minutes of Meeting of the Audit & Performance Review Committee held on 27 September 2017 were submitted and approved as a correct record.

OPEN FORUM

The Committee noted that no open forum questions had been submitted by members of the public.

TREASURY MANAGEMENT MID-YEAR REPORT 2017/18

A report was submitted by the Strategic Lead - Resources providing an update on treasury and prudential indicators during the first half of 2017/18.

After discussion and having heard the Strategic Director - Transformation & Public Service Reform and relevant officers in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note that this report had been submitted to the meeting of Council held on 25 October 2017;
- (2) to note the treasury management stewardship information within the report;
- (3) to note the 2017/18 revised estimates of treasury and prudential indicators as advised within the report (Tables A, B, C, D, E, F, H, M and N);
- (4) to note the policy on the Statutory Repayment of loans fund advances detailed within paragraph 2.5 of the report; and
- (5) to note the policy statement on Ethical Investment detailed within section 6.4.1 of the report.

AUDIT ACTION PLANS

A report was submitted by the Strategic Lead - Resources advising of:-

- (1) recently issued Internal Audit action plans; and
- (2) progress made against action plans previously issued contained within Internal Audit and External Audit reports.

After discussion and having heard the Strategic Director - Transformation & Public Service Reform and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) that a briefing note be prepared for Members of the Committee on Project 124 (Guardianship Cases (Mental Health Officer [MHO] Involvement)), to give some further background information on the project in question; and
- (2) otherwise to note the contents of the report.

INTERNAL AUDIT PLAN 2017/18 HALF-YEAR PROGRESS REPORT TO 30 SEPTEMBER 2017

A report was submitted by the Strategic Lead - Resources advising of progress at the half-year against the Audit Plan 2017/18.

After discussion and having heard the Audit and Risk Manager and the Strategic Director - Transformation & Public Service Reform in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) that it would be helpful for Members if this report could be reformatted, in future, to include fuller information on the status of audit progress at the half-year against the Audit Plan 2017/18; and
- (2) otherwise to note the contents of the report.

The meeting closed at 10.47 a.m.

DRAFT

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead for Regeneration

Council: 5 March 2018

Subject: Glasgow City Region City Deal – Update

1. Purpose

- 1.1** To note the progress with the implementation of the Glasgow City Region, City Deal and the Council's City Deal project.

2. Recommendations

- 2.1** It is recommended that Council:

- i) notes the progress of the Glasgow City Region City Deal; and
- ii) notes progress with the Council's project for the Exxon site.

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. Work continues towards development of the Final Business Case due in December 2019.

4. Main Issues

- 4.1** The Final Business Case (FBC) for the Council's infrastructure project at the Exxon site is due for completion in December 2019. The maximum budget available for the production of the FBC is £2.948m.
- 4.2** A query was raised at the last Council regarding the status of the Non-Disclosure / Confidentiality Agreement, and specifically whether it itself was confidential. It is confirmed that the terms of the Non-disclosure Agreement are themselves covered by the confidentiality undertaking and cannot be disclosed.

5. Glasgow City Region City Deal Update

- 5.1** Glasgow City Region- Cabinet Meeting Updates on three workstreams of the City Deal Review as follows:

Workstream 1: Compliance with HM Treasury Green Book

- 5.1.1** Following correspondence with both UK and Scottish Governments, the Chief Executives' Group (CEG) instructed that work be carried out to review all Outline Business Cases (OBCs) and identify any areas where augmentation was required to ensure full compliance with HM Treasury Green Book.
- 5.1.2** Following a procurement process, consultants EKOS were appointed in December 2017 to carry out a desktop review of all OBCs and identify areas where they could be improved to demonstrate full compliance with HM Treasury Green Book. This will also identify how the Assurance Framework and review template can be improved to be fully compliant with Green Book.
- 5.1.3** A revised review template has been prepared which updates the original template as set out in the Assurance Framework and more accurately reflects the 5 case Green Book model and the amendments to Green Book since the Assurance Framework was agreed in 2015. Both UK and Scottish Governments have indicated that they are supportive of the revised template and are satisfied that it meets Green Book requirements.
- 5.1.4** The OBCs are being reassessed against these revised templates, in order to identify where augmentation is required.
- 5.1.5** The consultants reviews will have been undertaken, completed and submitted to the CEG on 1st March 2018.
- 5.1.6** Once any areas for improvement are identified, these will be reported back to Member Authorities who may be required to update their OBCs. A template will be completed for each OBC highlighting what changes have been made to previously approved business cases. These templates will then be presented to CEG and Cabinet for consideration in order to ensure that all changes are noted.
- 5.1.7** It is expected that this process will be completed and submitted to the April 2018 meeting of the Cabinet with the revised template forming part of the new Assurance Framework.

Workstream 2: Inclusive Growth Review

- 5.1.8** Following discussion at Cabinet in October 2017 on ensuring Inclusive Economic Growth was placed at the heart of the Glasgow City Region City Deal, the Chair of the Cabinet wrote to Professor Anton Muscatelli in November 2017 requesting support from the Commission in three main areas. As follows:

- a. **Developing an Approach to Measuring and Maximising Inclusive Growth in the Delivery of Individual Projects:** The Commission has already started to help in the development of the innovative pilot project relating to the Canal and North City Deal Infrastructure Project and the Commission will take the lead in developing the learning from this pilot so that it can be applied to other projects.
- b. **Articulating the Glasgow City Region City Deal contribution towards Inclusive Growth:** Building upon the Scottish Government's inclusive growth diagnostic tool, the experience and expertise of the Commission is well placed to work with the PMO, the emerging Intelligence Hub, and the Cabinet to provide a prospective assessment of the extent to which the City Deal projects could, as currently articulated, make a contribution towards inclusive growth.
- c. **Providing Advice on the support required from partners to achieve Inclusive Growth:** The City Deal infrastructure projects don't exist in isolation. Their impact on inclusive growth will in many instances rely upon the public services that are put in place around them, both by the local authorities and all of our partners in the public, private and third sectors. The Commission can play a key role in helping to identify and advise on the wider actions required from all partners to maximise the inclusive growth impact of the Glasgow City Region City Deal projects.

5.1.9 Central to this will be to identify what Inclusive Growth means in a Glasgow City Region context and the Commission will work with the PMO and others to develop this. The first step will be developed through a workshop which has been arranged for 2nd March 2018 with the CEG, Commission and EDG in February and timescales will be confirmed after this.

Workstream 3: Complementary Funding Process

- 5.1.10** A Complementary Funding process is required to allow the City Deal Infrastructure Fund to be flexible and allow the reinvestment of funding which either becomes available through City Deal underspends or potentially through alternative funding streams, including Wave 2 of EU Structural Funds and EU successor funding.
- 5.1.11** Since the development of the Assurance Framework in 2015, the Glasgow City Region authorities have jointly agreed a new Regional Economic Strategy which focuses on delivering inclusive economic growth, driving forward innovation in the region and improving the links between skills provision and the regional economy.
- 5.1.12** The general circumstances under which it could be necessary to identify a complementary project for inclusion within the Infrastructure Fund would most likely be when funding becomes available from within existing project budgets, or when a Project is unable to proceed due to internal or external circumstances.

5.1.13 The Initial Projects List for the Infrastructure Fund was based upon the modelling exercise conducted prior to the signing of the City Deal and is described in the Assurance Framework at Part 2 Section 2.3 as having served to: *“...ensure that the projects in the Infrastructure Fund are the strongest performing, in GVA terms, of those available to the Glasgow and Clyde Valley Region and that the projects achieve in aggregate, a spread of economic benefits which takes account of the prevailing patterns of economic disadvantage in the Region.”*

5.1.14 The Assurance Framework sets out a number of principles which should be used to underpin the development of a Complementary Projects process. These principles are set out below:

- If a project is unable to be delivered then it is the responsibility of Cabinet to decide on whether or not it should be removed from the Infrastructure Fund;
- The Cabinet will be responsible for considering any new projects;
- New projects can be submitted by participating Member Authorities;
- When Cabinet is considering a new project submitted by a member authority it must take into account the wider Programme objectives, including how to ensure the spread of economic benefits across all areas of the City Region.

5.1.15 Given the greater focus on Inclusive Growth since the City Deal was signed, the Cabinet may wish to ensure that the assessment of future spend goes beyond the GVA focus which was the founding principle of the original Deal. In this regard, the work of the Independent Commission on Economic Growth as set out in Workstream 2 will be instrumental in providing the parameters under which future investment decisions are taken.

5.1.16 The PMO will also work with the Economic Leadership Board to consider developing criteria for any future investment decisions.

5.1.17 Alongside developing a framework for assessing new investment decisions, scoping work is being undertaken by the PMO on a range of finance options, from a straight replacement Complementary Project List through to the development of a revolving investment fund. Discussions are ongoing with a range of stakeholders.

5.1.18 Due to the interdependencies with the Inclusive Growth review, timescales for this work will be agreed after the conclusion of Workstream 2.

5.2 Glasgow City Region Annual Audit Plan 2017/18

5.2.1 The Glasgow City Region - City Deal Joint Cabinet Committee Annual Audit Plan for 2017/18 was presented to the Cabinet on 13 February 2018. The Audit Plan report can be made available upon request.

5.3 Scottish Parliamentary Inquiry into City Deals

5.3.1 The Scottish Parliamentary Inquiry on City Deals, led by the Local Government and Communities Committee, published a report on 8 January 2018. The Committee call for written evidence from members of the public, organisations and businesses was completed in May 2017 with 39 written submissions received and published. The full report is available at link below:
<https://digitalpublications.parliament.scot/Committees/Report/LGC/2018/1/8/City-Regions--Deal-or-No-Deal->.

5.3.2 During November 2017 four evidence sessions were held with representatives attending from a range of organisations and bodies including the key Scottish City Region and Growth Deals, FSB, academia and the UK and Scottish Governments. The Committee also visited Glasgow Airport to learn more about projects within the Glasgow City Region City Deal that 'affect the airport and surrounding areas'.

5.3.3 The report provides an overview of all Scottish City Region and Devolution Deals underway / in development. Their purpose, alignment with government policies and the evolving policy landscape in which they operate are considered, with reference to supporting evidence provided. Findings in relation to selection of projects; additionality and displacement; capacity in local authorities; equalities; consultation and engagement are also included.

5.3.4 In the conclusions and recommendations the Committee indicates 'significant issues need to be addressed as a matter of urgency', with commentary following on five subject areas.

1. The rationale for and purpose of the City Region Deals.
2. On project selection and budgets it was considered the process for selecting projects was too opaque.
3. A number of points were raised in regards to Monitoring, evaluation and governance arrangements.
4. More Meaningful engagement in shaping City Deals and Projects with local communities and businesses.
5. Investment targeted at Scotland's cities and surrounding areas cannot be at the expense of other major urban conurbations and assurances were welcomed from both governments that their ambition is towards greater coverage right across Scotland and other areas not covered by City Region Deals.

5.3.5 These comments reflect the Committees general views across all City Deals and are not directed at any specific City Deal or indeed any specific project within any City Deal.

5.3.6 The next steps are that the Committee has requested a formal response from the governments to the report and will consider what, if any, further

action is required. The Committee intends to keep a 'watching brief' and will also take an interest in the 2019 Gateway Review of the Glasgow and Clyde City Deal as this is the first such review of City Region Deals in Scotland.

5.4 Finance Group Update

5.4.1 The revised Assurance Framework is being finalised and is planned to be brought to a future Chief Executive's meeting in the spring of 2018, along with revised Business Case guidance to meet the Governments' expectations.

5.4.2 The PMO have finalised discussions with the Scottish Government to agree the terms of the 2017/18 grant letter, and the grant offer letter was received and signed in January 2018.

5.5 Labour Market Working Group (LMG) Update

5.5.1 The City Deal Working Matters programme has, as of 14 Feb 2018, engaged with 140 residents. Of these, 108 have been taking part in activities to improve their health and wellbeing and to gain skills and qualifications. One of our clients has recently gained employment as a taxi driver, taking the total job outcomes to 5.

5.5.2 Clients continue to take part in a range of health and learning activities and are being supported by their case managers to move closer to the job market. Case Managers' files are audited every quarter and at the most recent one in December 2017, the auditor reported that they were completed to an extremely high standard, that Case Managers have an exceptional relationship with their clients and that there were a few stand-out files. We are currently planning to film some clients to highlight the positive impact the programme has had on their lives.

5.5.3 The Council have also recently hosted an Occupational Health student on placement from Glasgow Caledonian University. This was a successful placement, with the student giving positive feedback on our programme. In particular, they interviewed a Working Matters client who is currently undertaking the Sign Language class and was able to describe the difference these positive activities have made to their life. The Council is expecting two more students to come on placement in March 2018, they will be at a level to work with clients and bring additionality to the programme.

5.6 Housing and Equalities group upgrade

5.6.1 West Dunbartonshire Council Leads on the Housing and Equalities Portfolio for the City Region. Following the appointment to the PMO of staff to lead on the development of the portfolios, a meeting was held on 5 February

2018 between their PMO and Council leader to discuss how best to take forward the work of this portfolio.

- 5.6.2** It was acknowledged that the Housing portfolio was central to the delivery of the Regional Economic Strategy, and therefore a workplan should be developed to take the delivery forward. In common with all other portfolios, the Leader of the Council will be expected to present on progress to a future meeting of the City Deal Cabinet. The Council staff will work with the City Deal PMO to deliver a presentation on this to the Cabinet in April 2018.

6. West Dunbartonshire Council City Deal Project

- 6.1** The Council City Deal project for the Exxon site has funding of £27.897m. The project has progressed through Outline Business Case stage and work has been progressing on the development of the Final Business Case for December 2019.
- 6.2** A planning application has been received recently for remediation works to part of the former ESSO Fuel Distribution Terminal. Remediation is proposed generally on the Centrefield, Garden, Northfield and Westfield parts of the site as the Eastfield part of the site was previously remediated. The application is presently being considered by officers and will be reported to a future Planning Committee.
- 6.3** A report will be brought to the Council providing the proposed commercial position related to the site sale/transfer from Exxon and inviting members to approve or reject the proposals. This will include a revised budget to complete the infrastructure works to bring the site back into commercial use.
- 6.4** Following the previous Council meeting on 20 Dec 2017, it was agreed that the preferred design solution for the road network would be explored further to minimise disruption to landowners, and at the same time identify the best technical solution for the layout of the access route. Attached at Appendix 1 is the preferred solution which will form part of the planning process which is likely to commence following the agreed site sale/transfer in summer 2018.
- 6.5** The Council officers will now commence negotiations with all third party landowners to secure the land necessary to progress the regeneration of the former Exxon site. Such acquisition will only be necessary once agreement has been reached with Exxon on the main site. From knowledge to date it is likely that one of the landowners will not be supportive of the road layout. Officers will come back to Council to seek approval to conclude the purchase of land and only if necessary may seek permission to commence the compulsory purchase order process.

- 6.6** In light of project development and delays in agreeing a sale/transfer of land from Exxon a re-profiling of the project will be necessary. It is now anticipated that the expenditure for 2017/18 will be £0.500m.
- 6.7** The Council has received feedback from EKOS as part of the HM Treasury Green Book compliance process identified as workstream 1 at section 5.1. Although the Exxon project business case has been described as exemplary by the PMO the review has highlighted some areas for improvement; steps will now be taken to update the OBC with the latest available information to ensure full Green Book compliance.
- 6.8** The Exxon project was identified as a City Deal region project in 2014 at that time £27.897m was identified as the required budget based on the information available at the time. Studies over the last few years have provided greater clarity on the specifics of the infrastructure required external to and within the site. Officers intend to update the cost to deliver all the infrastructure works and also take account of the potential costs of providing raised platforms for development within the masterplan area. An updated cost plan will be submitted to a future Council meeting for approval.

7. People Implications

- 7.1** 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.

8. Financial Implications

- 8.1** It is anticipated that the expenditure for 2017/18 will be £0.500m. As at 31 January 2018 the total project Capital expenditure was £0.932m.
- 8.2** The OBC approved budget expenditure for the City Deal Exxon project are as follows:
- 2017/18 £1.198m; and
 - 2018/19 £1.750m.

9. Risk Analysis

- 9.1** There are a number of project risks associated with the development at the Exxon site contained as part of the Outline Business Case. These are being developed as the project moves towards a Final Business Case.

10. Equalities Impact Assessment

- 10.1** An updated Equalities Impact Assessment will be developed as part of the Final Business Case.

11. Consultation

11.1 Consultation with all key stakeholders is progressing as we are working towards the Full Business Case.

12. Strategic Assessment

12.1 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

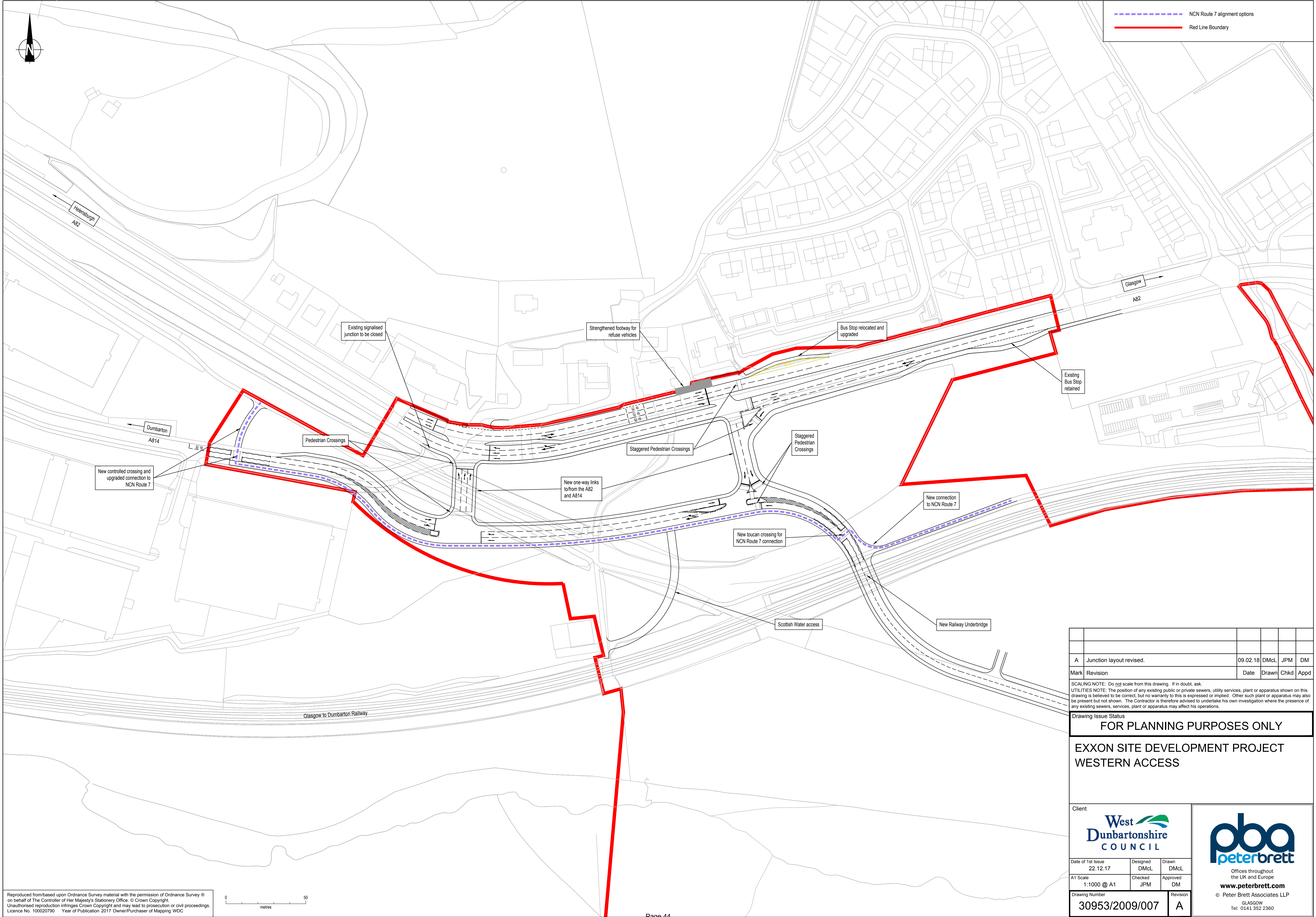
12.2 The proposals within this report are specifically designed to deliver on this priority.

Jim McAloon

Strategic Lead, Regeneration

Date: 19 February 2018

| | |
|----------------------------|---|
| Person to Contact: | Michael McGuinness- Manager, Economic Development. Telephone: 01389 737415 e-mail: michael.mcguinness@west-dunbarton.gov.uk |
| Appendices: | Appendix 1 - Exxon site, proposed Western Access |
| Background Reports: | Available on request - Audit Scotland Annual Audit Plan 2017/18 |
| Background Papers: | Glasgow City Region City Deal – Council updates on the following dates: 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 |



NCN Route 7 alignment options

Red Line Boundary

| | | | | | |
|------|--------------------------|----------|-------|------|------|
| | | | | | |
| A | Junction layout revised. | 09.02.18 | DMcL | JPM | DM |
| Mark | Revision | Date | Drawn | Chkd | Appd |

SCALING NOTE: Do not scale from this drawing. If in doubt, ask.
UTILITIES NOTE: The position of any existing public or private sewers, utility services, plant or apparatus shown on this drawing is believed to be correct, but no warranty to this is expressed or implied. Other such plant or apparatus may also be present but not shown. The Contractor is therefore advised to undertake his own investigation where the presence of any existing sewers, services, plant or apparatus may affect his operations.

Drawing Issue Status

FOR PLANNING PURPOSES ONLY

EXXON SITE DEVELOPMENT PROJECT

WESTERN ACCESS

Client

Date of 1st Issue
22.12.17

Designed
DMcL

Drawn
DMcL

A1 Scale
1:1000 @ A1

Checked
JPM

Approved
DM

Drawing Number
30953/2009/007

Revision
A

Offices throughout the UK and Europe
www.peterbrett.com
© Peter Brett Associates LLP
GLASGOW
Tel: 0141 352 2360

WEST DUNBARTONSHIRE COUNCIL
Report by the Strategic Lead - Resources
Council: 5 March 2018

**Subject: General Services Budgetary Control Report to 31 January 2018
(Period 10)**

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 January 2018.

2. Recommendations

- 2.1** Council is asked to:

- i) note that the revenue account currently shows a projected annual favourable variance of £0.272m (0.13% of the total budget); and
- ii) note that the capital account shows a projected annual favourable variance of £42.887m (45.65% of the budget) and a projected project life adverse variance of £2.493m (0.80% of project life budget).

3. Background

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 22 February 2017, Members agreed the revenue estimates for 2017/2018. A total net budget of £212.115m was approved for General Services.
- 3.2** Since the completion of the Annual Accounts 2016/17, 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, with no movement on the net budget.
- 3.3** Other movements which have affected the net budget are listed below, resulting in a budget being monitored of £212.533m:

| | £m |
|--|----------------|
| Original budget agreed | 212.115 |
| PSHG – funding transferred to Revenue Support Grant (RSG) | 0.154 |
| Net transferred to/from contingency fund (additional funding through RSG circular – December 2017; Winter Maintenance) | 0.161 |
| Period Poverty spend – funded through reserves, as agreed by Council December 2017 | 0.043 |
| Defibrillator spend – funded through reserves, as agreed by Council December 2017 | 0.050 |
| Promotion of Vale of Leven Hospital – funded through reserves, as agreed by Council October 2017 | 0.010 |
| Revised Budget | 212.533 |

Capital

- 3.3** At the meeting of Council on 22 February 2017, Members also agreed the updated 10 year General Services Capital Plan for 2017/2018 to 2025/26. The next three years from 2017/18 to 2019/20 have been approved in detail with the remaining years being indicative at this stage.

Since then, budget adjustments have taken place (through 2016/17 capital slippage and additional external funding), revising the project life budget to £310.939m.

| | |
|------------------------------------|------------------|
| Budget Agreed February 2017 | £288.069m |
|------------------------------------|------------------|

| | |
|---|----------------|
| Additional slippage carried forward from 2016/17 | £8.740m |
| Inclusion of District Heating project | £12.100m |
| Additional grant funding from Scottish Government re Children and Young Persons | £0.576m |
| Reduction in external funding re Posties Park | (£0.500m) |
| Path Upgrade Lussett Glen - Sustrans | £0.019m |
| Additional grant funding from Strathclyde Passenger Partnership | £0.310m |
| Green Infrastructure Fund – St Eunan's | £0.620m |
| Connecting Clydebank – Sustrans | £0.055m |
| Scaffolding Provision | £0.717m |
| Purchase of Welfare Units | £0.078m |
| Path upgrade – Lusset Glen | £0.019m |
| Care Home CFCR | <u>£0.136m</u> |

| | |
|-----------------------|-------------------------|
| Revised Budget | <u>£310.939m</u> |
|-----------------------|-------------------------|

4. Main Issues

Revenue

- 4.1** The summary report at Appendix 1 currently identifies a projected annual favourable variance (underspend) of £0.272m (0.13% 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** Although the report indicates that the annual expenditure is projected to be favourable by the year end, the present variance 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.
- 4.4** Agreed savings and management adjustments actioned within 2017/18 (including a number from previous years being implemented in 2017/18) are monitored with current indications showing that of the total target being monitored (£3.036m), the majority of actions are currently on target to be achieved. However it indicates that £0.515m is currently not on target (see

Appendix 4). It should be noted that any variances are included within the service information and variances identified within this report.

Capital

- 4.5 The current progress on the capital plan is shown in Appendices 5 to 9.
- 4.6 The overall programme summary report at Appendix 5 shows that planned expenditure and resource for 2017/18 is lower than previously anticipated by £42.887m (45.65% of the annual budget). Based upon current assumptions, over the life of the projects planned expenditure and resource is higher than anticipated by £2.493m (0.80% of a total budget of £311m). The present variances should be viewed in the knowledge that there are a number of variable factors which could arise between now and project end dates which could affect the overall capital programme.
- 4.7 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.
- 4.8 Appendices 6 and 7 details financial analysis of projects at both red and amber status, with additional information on action being taken to minimise or mitigate under or overspends where possible, while Appendix 8 provides an analysis of projects at green status where the variance is over £0.050m. Appendix 9 provides an analysis of resources where the variance is over £0.050m.

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; and

- (b) 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: 19 February 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 2017/18 – Corporate Summary |
| Appendix 2 - | Revenue Budgetary Control 2017/18 – Strategic Lead Summaries |
| Appendix 3 - | Analysis of Revenue Variances over £50,000 |
| Appendix 4 - | 2017/18 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 Amber Status |
| Appendix 8 - | Analysis of Projects at Green Status over £50,000 |
| Appendix 9 - | Analysis of Resources |

Background Papers: Ledger output – period 10
General Services Revenue Estimates 2017/18
General Services 10 Year Capital Plan Update - Council 22
February 2016

Wards Affected All Wards

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
SUMMARY

APPENDIX 1

PERIOD END DATE **31 January 2018**

| Department Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status |
|---------------------------------------|-------------------------|--------------------------|------------------|------------------------------|-------------------|
| | £000 | £000 | £000 | £000 | % |
| Resources | 4,161 | 7,587 | 4,046 | (115) | -3% |
| Regulatory | 4,540 | 4,434 | 4,550 | 10 | 0% |
| People & Technology | 5,824 | 4,902 | 5,755 | (69) | -1% |
| Communications, Culture and Community | 5,228 | 4,168 | 5,195 | (33) | -1% |
| Education, Learning and Attainment | 87,952 | 72,171 | 87,937 | (15) | 0% |
| Environment and Neighbourhood | 27,455 | 22,801 | 27,417 | (38) | 0% |
| Housing and Employability | 4,279 | 4,017 | 4,288 | 10 | 0% |
| Regeneration | (1,913) | (1,632) | (2,126) | (213) | 11% |
| Miscellaneous Services | 6,144 | 5,782 | 6,405 | 261 | 4% |
| Loan Charges | 11,443 | 9,496 | 11,395 | (48) | 0% |
| Requisition (VJB) | 718 | 598 | 718 | 0 | 0% |
| Requisition (SPT) | 1,784 | 1,487 | 1,784 | 0 | 0% |
| Requisition (HSCP) | 60,559 | 50,466 | 60,559 | 0 | 0% |
| Non GAE Allocation | (5,702) | (4,718) | (5,662) | 40 | -1% |
| Contingency Fund | 61 | 0 | 0 | (61) | -100% |
| Total Expenditure | 212,533 | 181,557 | 212,261 | (272) | 0% |
| Council Tax/CT Replacement Scheme | (42,239) | (36,424) | (42,239) | 0 | 0% |
| Revenue Support Grant/ NDR | (167,990) | (167,693) | (167,990) | 0 | 0% |
| Use of Reserves | (2,304) | (1,920) | (2,304) | 0 | 0% |
| Total Resources | (212,533) | (206,037) | (212,533) | 0 | 0% |
| Net Expenditure | 0 | (24,480) | (272) | (272) | -0.13% |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
RESOURCES SUMMARY

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status |
|-----------------------------------|-------------------------|--------------------------|----------------|------------------------------|-------------------|
| Service Summary | £000 | £000 | £000 | £000 | % |
| Audit | 241 | 325 | 224 | (17) | -7% |
| Finance | 1,420 | 1,224 | 1,390 | (30) | -2% |
| Rent Rebates & Allowances | 8 | 3,188 | (2) | (10) | -124% |
| Revenues & Benefits | 2,292 | 2,050 | 2,284 | (8) | 0% |
| Finance Business Centre | 297 | 213 | 269 | (28) | -10% |
| Cost of Collection of Rates | 18 | 22 | 41 | 23 | 125% |
| Cost of Collection of Council Tax | (769) | (223) | (769) | (0) | 0% |
| Procurement | 654 | 788 | 609 | (45) | -7% |
| Total Net Expenditure | 4,161 | 7,587 | 4,046 | (115) | -3% |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
REGULATORY SUMMARY

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status |
|---|-------------------------|--------------------------|----------------|------------------------------|-------------------|
| Service Summary | £000 | £000 | £000 | £000 | % |
| Democratic and Registration Service | 625 | 542 | 651 | 26 | 4% ↓ |
| Central Admin Support | 1,870 | 2,252 | 1,835 | (35) | -2% ↑ |
| Environmental Health/ Trading Standards | 1,108 | 882 | 1,106 | (2) | 0% ↑ |
| Licensing | (180) | (215) | (209) | (29) | 16% ↑ |
| Legal Services | 645 | 562 | 614 | (31) | -5% ↑ |
| Planning | 472 | 410 | 553 | 81 | 17% ↓ |
| Total Net Expenditure | 4,540 | 4,434 | 4,550 | 10 | 0% ↓ |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
PEOPLE AND TECHNOLOGY

APPENDIX 2

PERIOD END DATE

31 January 2018







| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status |
|----------------------------------|-------------------------|--------------------------|----------------|------------------------------|-------------------|
| Service Summary | £000 | £000 | £000 | £000 | % |
| Transactional Services | 683 | 553 | 695 | 12 | 2% ↓ |
| Human Resources (including risk) | 1,222 | 950 | 1,178 | (44) | -4% ↑ |
| Information Services | 3,454 | 3,076 | 3,452 | (2) | 0% ↑ |
| Change Support | 465 | 322 | 430 | (35) | -8% ↑ |
| Total Net Expenditure | 5,824 | 4,902 | 5,755 | (69) | -1% ↑ |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
COMMUNICATIONS, CULTURE AND COMMUNITIES

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status |
|------------------------------|-------------------------|--------------------------|----------------|------------------------------|--|
| Service Summary | £000 | £000 | £000 | £000 | % |
| Communications & Marketing | 314 | 233 | 293 | (21) | -7%  |
| Customer Service | 1,276 | 871 | 1,152 | (124) | -10%  |
| Performance & Strategy | 337 | 285 | 340 | 3 | 1%  |
| Libraries, Museums, Culture | 3,046 | 2,525 | 3,084 | 38 | 1%  |
| Clydebank Town Hall | 255 | 255 | 327 | 72 | 28%  |
| Total Net Expenditure | 5,228 | 4,168 | 5,195 | (33) | -1%  |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
EDUCATION, LEARNING AND ATTAINMENT

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status | |
|------------------------------------|-------------------------|--------------------------|----------------|------------------------------|-------------------|---|
| | | | | | | |
| Service Summary | £000 | £000 | £000 | £000 | % | |
| Primary Schools | 24,774 | 20,631 | 24,807 | 33 | 0% | ↓ |
| Secondary Schools | 23,709 | 19,629 | 23,714 | 5 | 0% | ↓ |
| Specialist Educational Provision | 14,460 | 10,935 | 14,478 | 18 | 0% | ↓ |
| Psychological Services | 497 | 426 | 513 | 16 | 3% | ↓ |
| Sport Development / Active Schools | 553 | 410 | 553 | 0 | 0% | → |
| Early Education | 7,611 | 5,738 | 7,420 | (191) | -3% | ↑ |
| PPP | 14,253 | 12,585 | 14,293 | 40 | 0% | ↓ |
| Curriculum for Excellence | 286 | 145 | 286 | 0 | 0% | → |
| Central Admin | 132 | 176 | 177 | 45 | 34% | ↓ |
| Workforce CPD | 297 | 254 | 295 | (2) | -1% | ↑ |
| Performance & Improvement | 391 | 357 | 412 | 21 | 5% | ↓ |
| Education Development | 989 | 885 | 989 | 0 | 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 | 87,952 | 72,171 | 87,937 | (15) | 0% | ↑ |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
ENVIRONMENT AND NEIGHBOURHOOD

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status | |
|--|-------------------------|--------------------------|----------------|------------------------------|-------------------|---|
| | | | | | | |
| Service Summary | £000 | £000 | £000 | £000 | % | |
| Office Accommodation | 1,622 | 1,373 | 1,666 | 44 | 3% | ↓ |
| Transport, Fleet & Maintenance Services | (400) | 427 | (398) | 2 | -1% | ↓ |
| Catering Services | 4,028 | 3,059 | 3,958 | (70) | -2% | ↑ |
| Building Cleaning | 1,441 | 1,148 | 1,422 | (19) | -1% | ↑ |
| Building Cleaning PPP | (191) | (211) | (180) | 11 | -6% | ↓ |
| Facilities Assistants | 2,188 | 1,440 | 1,917 | (271) | -12% | ↑ |
| Facilities Management | 339 | 273 | 332 | (7) | -2% | ↑ |
| Roads Operations | (884) | (714) | (885) | (1) | 0% | ↑ |
| Roads Services | 4,518 | 3,158 | 4,509 | (9) | 0% | ↑ |
| Grounds Maintenance & Street Cleaning Client | 7,463 | 6,219 | 7,463 | 0 | 0% | → |
| Outdoor Services | 268 | 223 | 259 | (9) | -3% | ↑ |
| Leisure Management | 3,406 | 3,175 | 3,406 | 0 | 0% | → |
| Events | 123 | 114 | 122 | (1) | -1% | ↑ |
| Burial Grounds | (47) | 69 | 46 | 93 | -198% | ↓ |
| Crematorium | (938) | (567) | (794) | 144 | -15% | ↓ |
| Waste Services | 6,916 | 5,662 | 6,922 | 6 | 0% | ↓ |
| CPP Investments | 0 | 0 | 0 | 0 | 0% | → |
| Depots | 0 | 2 | 0 | 0 | 0% | → |
| Ground Maintenance & Street Cleaning Trading A/c | (2,397) | (2,049) | (2,348) | 49 | -2% | ↓ |
| Total Net Expenditure | 27,455 | 22,801 | 27,417 | (38) | 0% | ↑ |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
HOUSING AND EMPLOYABILITY

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | | Annual RAG Status |
|-------------------------------|-------------------------|--------------------------|----------------|------------------------------|-----------|-------------------|
| Service Summary | £000 | £000 | £000 | £000 | % | |
| Working 4 U | 2,613 | 2,285 | 2,611 | (2) | 0% | ↑ |
| Communities | 789 | 512 | 748 | (41) | -5% | ↑ |
| Homeless Persons | 21 | 436 | 146 | 125 | 595% | ↓ |
| Private Sector housing | 45 | 23 | 51 | 6 | 12% | ↓ |
| Anti Social Behaviour | 719 | 462 | 642 | (77) | -11% | ↑ |
| Private Sector Housing Grants | 92 | 299 | 91 | (1) | -1% | ↑ |
| Total Net Expenditure | 4,279 | 4,017 | 4,288 | 10 | 0% | ↓ |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
REGENERATION

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status |
|---|----------------------------|-----------------------------|-------------------|------------------------------|----------------------|
| Service Summary | £000 | £000 | £000 | £000 | % |
| Housing Maintenance Trading A/c | (1,511) | (1,139) | (1,423) | 88 | -6% ↓ |
| Corporate Assets and Capital Investment Programme | (3,115) | (2,364) | (3,095) | 20 | -1% ↓ |
| Economic Development | 483 | 230 | 482 | (1) | 0% ↑ |
| Central Repairs & Maintenance | 1,247 | 902 | 960 | (287) | -23% ↑ |
| Consultancy Services | 983 | 739 | 949 | (34) | -3% ↑ |
| Total Net Expenditure | (1,913) | (1,632) | (2,126) | (213) | 11% ↑ |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
MISCELLANEOUS

APPENDIX 2

PERIOD END DATE

31 January 2018

| Service / Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | Annual RAG Status |
|--|-------------------------|--------------------------|----------------|------------------------------|-------------------|
| Service Summary | £000 | £000 | £000 | £000 | % |
| Sundry Services | 3,761 | 3,816 | 3,983 | 222 | 6% ↓ |
| Members Allowances, etc | 569 | 462 | 572 | 3 | 1% ↓ |
| CPP | 27 | 23 | 27 | 0 | 0% → |
| European Employability | 510 | 425 | 510 | 0 | 0% → |
| Chief Executive, Directors and Strategic Leads | 1,277 | 1,056 | 1,313 | 36 | 3% ↓ |
| Total Net Expenditure | 6,144 | 5,782 | 6,405 | 261 | 4% ↓ |

YEAR END DATE

31 January 2018

| Budget Details | Variance Analysis | | | |
|----------------|-------------------|----------------|----------|------------|
| | Total Budget | Forecast Spend | Variance | RAG Status |
| | £000 | £000 | £000 | % |

Regulatory

| | | | | | |
|-----------------------------------|--|-----|----|-----|---|
| Planning | 472 | 553 | 81 | 17% | ↓ |
| Service Description | This Service provides Building & Planning services | | | | |
| Main Issues / Reason for Variance | The main reason for the adverse variance is due income expected to be less than budget. This is a demand led budget and can fluctuate throughout the year. | | | | |
| Mitigating Action | Limited action can be taken due to this being a demand led budget. | | | | |
| Anticipated Outcome | An overspend is anticipated. | | | | |

Communications, Culture & Community

| | | | | | |
|-----------------------------------|---|-------|-------|------|---|
| Customer Service | 1,276 | 1,152 | (124) | -10% | ↑ |
| Service Description | This service includes one stop shops and the contact centre | | | | |
| Main Issues / Reason for Variance | This favourable variance is due to vacant posts | | | | |
| Mitigating Action | No mitigating action required as variance is favourable. | | | | |
| Anticipated Outcome | Underspend will be achieved | | | | |

| | | | | | |
|-----------------------------------|--|-----|----|-----|---|
| Clydebank Town Hall | 255 | 327 | 72 | 28% | ↓ |
| Service Description | The service provides civic accommodation and facilities within Clydebank | | | | |
| Main Issues / Reason for Variance | The overall overspend is due to an accumulation of smaller overspends. The main areas overspending are employee costs due to additional overtime being worked. Less income from events than anticipated and more costs associated with the purchase of food provisions than anticipated. | | | | |
| Mitigating Action | The budget will continue to be monitored to identify any efficiencies which can be managed. | | | | |
| Anticipated Outcome | An overspend is likely | | | | |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 3

YEAR END DATE

31 January 2018

| Budget Details | Variance Analysis | | | |
|--|-------------------|----------------|----------|------------|
| | Total Budget | Forecast Spend | Variance | RAG Status |
| | £000 | £000 | £000 | % |
| Education , Learning and Attainment | | | | |

| | | | | | |
|-----------------------------------|---|-------|-------|-----|---|
| Early Education | 7,611 | 7,420 | (191) | -3% | ↑ |
| Service Description | This services area includes all Early Years establishments within West Dunbartonshire. | | | | |
| Main Issues / Reason for Variance | For various reasons there are delays in projects being implemented within Early Years. These projects are in relation to additional hours for 3-5 years and the implementation of the Young Persons Bill. | | | | |
| Mitigating Action | Officers will continue to monitor the budget. | | | | |
| Anticipated Outcome | Favourable variance within staffing is anticipated at year end | | | | |

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 3

YEAR END DATE

31 January 2018

| Budget Details | Variance Analysis | | | | RAG Status |
|-----------------------------------|--|----------------|----------|-------|------------|
| | Total Budget | Forecast Spend | Variance | | |
| | £000 | £000 | £000 | % | |
| Environment and Neighbourhood | | | | | |
| Catering Services | 4,028 | 3,958 | (70) | -2% | ↑ |
| Service Description | Catering Services across WDC | | | | |
| Main Issues / Reason for Variance | Food Purchases costs less than anticipated | | | | |
| Mitigating Action | No mitigating action required as variance is favourable. | | | | |
| Anticipated Outcome | Underspend will be achieved | | | | |
| | | | | | |
| Facilities Assistants | 2,188 | 1,917 | (271) | -12% | ↑ |
| Service Description | This service provides janitors throughout WDC buildings | | | | |
| Main Issues / Reason for Variance | Reduction in Facilities Assistant costs due to rationalisation of schools estate and campus approach | | | | |
| Mitigating Action | No mitigating action required as variance is favourable. | | | | |
| Anticipated Outcome | Underspend will be achieved | | | | |
| | | | | | |
| Burial Grounds | (47) | 46 | 93 | -198% | ↓ |
| Service Description | Provision of Burial Services | | | | |
| Main Issues / Reason for Variance | Income from burials is less than anticipated | | | | |
| Mitigating Action | This service is dependant on mortality rates in the area which are outwith the control of the service | | | | |
| Anticipated Outcome | Based on the assumption that the number of burials will be similar to last year for the remaining part of the year, there will be a shortfall in income . | | | | |
| | | | | | |
| Crematorium | (938) | (794) | 144 | -15% | ↓ |
| Service Description | Provision of Crematorium Services | | | | |
| Main Issues / Reason for Variance | Income from cremations is less than anticipated | | | | |
| Mitigating Action | This service is dependant on mortality rates in the area which are outwith the control of the service | | | | |
| Anticipated Outcome | Based on the assumption that the number of cremations will be similar to last year for the remaining part of the year, there will be a shortfall in income . | | | | |

YEAR END DATE

31 January 2018

| Budget Details | Variance Analysis | | | |
|---------------------------|-------------------|----------------|----------|------------|
| | Total Budget | Forecast Spend | Variance | RAG Status |
| | £000 | £000 | £000 | % |
| Housing and Employability | | | | |

| | | | | | |
|-----------------------------------|---|-----|-----|------|---|
| Homeless Persons | 21 | 146 | 125 | 595% | ↓ |
| Service Description | This service seeks to prevent homelessness occurring across the authority and improves access to support services | | | | |
| Main Issues / Reason for Variance | There is less than anticipated rental income due to Ashton View Supported Accommodation shortfall due to delay in the extension build. | | | | |
| Mitigating Action | The Ashton View extension is now open and officers are working now making maximum use of this . | | | | |
| Anticipated Outcome | Since the budget assumed extension would be available for full year but it was not available until October, there will be a shortfall in income . | | | | |

| | | | | | |
|-----------------------------------|--|-----|------|------|---|
| Anti Social Behaviour | 719 | 642 | (77) | -11% | ↑ |
| Service Description | Provision of Anti Social behaviour service | | | | |
| Main Issues / Reason for Variance | This favourable variance is due to vacant posts | | | | |
| Mitigating Action | No mitigating action required as variance is favourable. | | | | |
| Anticipated Outcome | Underspend will be achieved | | | | |

Regeneration

| | | | | | |
|-----------------------------------|--|---------|----|-----|---|
| Housing Maintenance Trading A/c | (1,511) | (1,423) | 88 | -6% | ↓ |
| Service Description | This service provides council housing maintenance | | | | |
| Main Issues / Reason for Variance | This adverse variance is main due to efficiencies not yet being realised due to the timing of the Integrated Housing Management System | | | | |
| Mitigating Action | Officers continue to monitor both spend and income levels to minimise this adverse variance | | | | |
| Anticipated Outcome | An adverse variance is expected | | | | |

YEAR END DATE

31 January 2018

| Budget Details | Variance Analysis | | | | RAG Status |
|-----------------------------------|---|----------------|----------|------|------------|
| | Total Budget | Forecast Spend | Variance | | |
| | £000 | £000 | £000 | % | |
| Central Repairs & Maintenance | 1,247 | 960 | (287) | -23% | ↑ |
| Service Description | This service manages and undertakes repairs and maintenance to public buildings. | | | | |
| Main Issues / Reason for Variance | The main reason for the favourable variance is due to additional income anticipated due to the service undertaking and managing the capital works to Mountblow Pavillion. | | | | |
| Mitigating Action | No mitigating action required as variance is favourable. | | | | |
| Anticipated Outcome | Underspend is anticipated | | | | |

Miscellaneous

| | | | | | |
|-----------------------------------|--|-------|-----|----|---|
| Sundry Services | 3,761 | 3,983 | 222 | 6% | ↓ |
| Service Description | This service area budgets for non departmental specific costs such as pensions costs, external grants and elderly welfare payments, external audit fees and insurance costs. The service heading also holds a number of general savings options which have still to be fully allocated | | | | |
| Main Issues / Reason for Variance | Areas for shared services are currently being considered/ sought. Currently internal audit with the LL&T National Park has been agreed. Risks have also been identified in relation to the recent poor weather. | | | | |
| Mitigating Action | Management will continue to monitor and maximise actions taken to achieve a level of savings, where appropriate | | | | |
| Anticipated Outcome | An overspend is anticipated | | | | |

Other

| | | | | | |
|-----------------------------------|---|---|------|-------|---|
| Contingency Fund | 61 | 0 | (61) | -100% | ↑ |
| Service Description | The contingency fund is used to accommodate externally influenced movements in service budgets | | | | |
| Main Issues / Reason for Variance | Additional general funding has been recognised within the contingency fund, net of additional expected spend due to recent weather conditions | | | | |
| Mitigating Action | No mitigating action required as variance is favourable. | | | | |
| Anticipated Outcome | Underspend will be achieved | | | | |

| Efficiency reference | | Efficiency Detail | budgeted Amount £ | Projection of Total Saved £ | Projection of Total Not Saved £ | Comment |
|----------------------|------|---|-------------------|-----------------------------|---------------------------------|---|
| 2017/18 | MA1 | workforce Structures | 303,677 | 303,677 | - | |
| 2017/18 | MA2 | Charge for work on statement claims for miscellaneous debt | 5,000 | 5,000 | - | |
| 2017/18 | MA3 | Savings on postage | 3,500 | 3,500 | - | |
| 2017/18 | MA4 | Clyde Valley elearn shared network | 3,125 | 3,125 | - | |
| 2017/18 | MA6 | Implement lower cost alternatives to H&S publication | 5,000 | 5,000 | - | |
| 2017/18 | MA7 | Decommission email archive | 7,000 | 7,000 | - | |
| 2017/18 | MA8 | Restructure of libraries & culture | 138,100 | 110,100 | 28,000 | However the shortfall in savings will be delivered from other favourable variances within the libraries and culture service |
| 2017/18 | MA9 | Restructure Greenspace | 90,000 | 90,000 | - | |
| 2017/18 | MA10 | Additional efficiencies from clerical & admin review | 66,000 | 66,000 | - | |
| 2017/18 | MA11 | Review of vocational programme budget | 90,000 | 90,000 | - | |
| 2017/18 | MA12 | Reduction of supplies and services - early years & ASN | 55,700 | 55,700 | - | |
| 2017/18 | MA13 | Review of training across Education | 50,000 | 50,000 | - | |
| 2017/18 | MA14 | Include all early years depute posts in adult / child ratio | 85,200 | 85,200 | - | |
| 2017/18 | MA15 | Review learning community budgets | 125,000 | 125,000 | - | |
| 2017/18 | MA16 | Implement standardised assessments for literacy & numeracy | 20,000 | 20,000 | - | |
| 2017/18 | MA17 | Review of learning assistants | 148,646 | 148,646 | - | |
| 2017/18 | MA18 | Review of staffing structures within Regulatory | 26,287 | 26,287 | - | |
| 2017/18 | MA19 | Identify efficiencies within training budget | 50,000 | 50,000 | - | |
| 2017/18 | MA20 | Correction of cost for Tenancy Sustainability to HRA | 82,000 | 82,000 | - | |
| 2017/18 | MA21 | Correction of cost for Strategy Staff to HRA | 38,000 | 38,000 | - | |
| 2017/18 | MA22 | Identify efficiencies within Working4U supplies and admin budgets | 9,000 | 9,000 | - | |
| 2017/18 | MA23 | Reduction in fleet vehicle numbers | 12,000 | 12,000 | - | |
| 2017/18 | MA24 | Additional postage efficiencies | 40,000 | 40,000 | - | |
| 2017/18 | MA25 | Review of cleaning service to offices, staff rooms & non-public corridors | 75,000 | 75,000 | - | |
| 2017/18 | MA26 | Assumption on staff turnover to include 1% on teachers & APTC pre 5 staff | 173,000 | 173,000 | - | |
| 2017/18 | MA27 | Extend general staffing turnover by 1% | 601,000 | 601,000 | - | |
| 2017/18 | MA28 | SPT requisition reduction | 37,000 | 37,000 | - | |
| 2017/18 | MA29 | VJB requisition reduction | 14,660 | 14,660 | - | |
| 2017/18 | MA30 | Leisure trust funding reduction | 50,000 | 50,000 | - | |
| 2017/18 | MA31 | Review of Economic Development Team | 85,000 | 85,000 | - | |

| Efficiency reference | | Efficiency Detail | budgeted Amount £ | Projection of Total Saved £ | Projection of Total Not Saved £ | Comment |
|----------------------|------|---|----------------------|--------------------------------|------------------------------------|--|
| 2017/18 | MA32 | Compliance team to carry out asbestos audits internally | 20,000 | 20,000 | - | |
| 2016/17 | | Shared services | 500,000 | 13,000 | 487,000 | this targeted saving will only be partially met from shared service with LLTNP for internal audit services. The transformational earmarked baance will be used to fund the shortfall |
| 2016/17 | | pooled cars savings target | 26,700 | 26,700 | - | |
| | | | | | - | |
| TOTAL | | | 3,035,595 | 2,520,595 | 515,000 | |

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
OVERALL PROGRAMME SUMMARY

APPENDIX 5

MONTH END DATE 31 January 2018

PERIOD 10

| 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 | 23 | 25.0% | 30,649 | 22.2% | 23 | 25.0% | 3,216 | 11.1% |
| 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 | 19 | 20.7% | 28,974 | 21.0% | 19 | 20.7% | 12,515 | 43.0% |
| 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 | 50 | 54.3% | 78,399 | 56.8% | 50 | 54.3% | 13,357 | 45.9% |
| TOTAL EXPENDITURE | 92 | 100% | 138,022 | 100% | 92 | 100% | 29,088 | 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 | Re-Phasing £000 | Over/ (Under) £000 |
| Red Projects are forecast to be overspent and/or significant delay to completion | 146,483 | 30,649 | 148,022 | 1,539 | 46,399 | 3,216 | 8,928 | (37,471) | (36,830) | (641) |
| 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 | 57,215 | 28,974 | 57,926 | 711 | 25,576 | 12,515 | 20,023 | (5,553) | (5,350) | (203) |
| 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 | 107,242 | 78,399 | 107,485 | 243 | 21,979 | 13,357 | 22,116 | 137 | (47) | 184 |
| TOTAL EXPENDITURE | 310,939 | 138,022 | 313,432 | 2,493 | 93,954 | 29,088 | 51,066 | (42,887) | (42,227) | (660) |
| TOTAL RESOURCES | (310,939) | (138,021) | (313,432) | (2,493) | (93,954) | (29,087) | (51,066) | 42,887 | | |
| NET EXPENDITURE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |

MONTH END DATE

31 January 2018

PERIOD

10

| Budget Details | Project Life Financials | | | | | |
|--|---|---------------|-------------------|----------------|-------------------|-------|
| | Budget | Spend to Date | | Forecast Spend | Forecast Variance | |
| | £000 | £000 | % | £000 | £000 | % |
| Choices Programme | | | | | | |
| Project Life Financials | 750 | 2 | 0% | 750 | 0 | 0% |
| Current Year Financials | 748 | 0 | 0% | 48 | (700) | -94% |
| Project Description | Bringing together Central Support Services which will include relocation of Choices Programme | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-17 | Forecast End Date | 31-Oct-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| Project is dependant on new Balloch Campus delivery dates, and cannot commence until Jamestown PS has been vacated. Plans have now been designed and awaiting sign off from service department following a number of changes which have been requested. Detailed designs are being progressed and discussions ongoing with Building Control re requirements, with work to commence after Balloch campus relocation. Remaining budget will be required to slip into 18/19. | | | | | | |
| Mitigating Action | | | | | | |
| None available at this time due to the interdependency of the Balloch Campus project. | | | | | | |
| Anticipated Outcome | | | | | | |
| New modern facility for Choices delivering a saving of £0.049m per annum. As no mitigation is available then the project will slip as described. | | | | | | |
| Kilpatrick School - New Build | | | | | | |
| Project Life Financials | 10,487 | 10,492 | 100% | 10,571 | 84 | 1% |
| Current Year Financials | 197 | 222 | 112% | 281 | 84 | 43% |
| Project Description | Design and build of construction of Additional Support Needs School | | | | | |
| Project Lifecycle | Planned End Date | 30-Jun-18 | Forecast End Date | 31-Jan-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| Phase 2 physical works completed and practical completion achieved. Outstanding information required to resolve Japanese Knotweed reliance letter. Final account (including final asbestos costs) is still outstanding and anticipated to exceed budget. Meetings are scheduled towards end February/beginning of March to discuss final costs (subject to the contractor providing background information) An assumption for the additional asbestos costs has been included in the forecast spend, with an anticipated overspend of £0.084m. | | | | | | |
| Mitigating Action | | | | | | |
| Ongoing discussions between Project Team, Legal Services and Hub West Scotland to resolve issues regarding Japanese Knotweed. Meetings now scheduled for March 18. | | | | | | |
| Anticipated Outcome | | | | | | |
| Phase 2 construction works are complete. | | | | | | |
| Schools Estate Improvement Plan | | | | | | |
| Project Life Financials | 20,000 | 0 | 0% | 20,000 | 0 | 0% |
| Current Year Financials | 5,000 | 0 | 0% | 0 | (5,000) | -100% |
| Project Description | Completion of condition surveys has been carried out to identify works required to bring various schools from Condition C to Condition B. | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-20 | Forecast End Date | 31-Mar-20 | | |
| Main Issues / Reason for Variance | | | | | | |
| The budget for this project was phased with an expectation to spend £5m in 2017/18, however at present no projects have yet been approved for this project and therefore the funding will slip into a future year. | | | | | | |
| Mitigating Action | | | | | | |
| Options are currently being developed for Members to consider and will be reported to a future Committee for consideration. | | | | | | |
| Anticipated Outcome | | | | | | |
| £5m underspend in 2017/18 with funds to slip into future years. | | | | | | |

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | | |
|--|--|---|-----------|-------------------|-----------|---------|------|
| 4 | Children and Young Persons / Early Years | | | | | | |
| | Project Life Financials | 3,222 | 1,369 | 42% | 3,222 | 0 | 0% |
| | Current Year Financials | 1,924 | 71 | 4% | 308 | (1,616) | -84% |
| | Project Description | New funding announced July 2014 re the implementation of the Children and Young Persons Bill in relation to 2,3 and 4 year olds looked after or under a kinship order and additional 2 year olds from households in receipt of certain out of work benefits | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |
| | Main Issues / Reason for Variance | | | | | | |
| | At this time it is reported that there will be a forecast spend of £0.308m in 17/18 with remaining budget of £1.616m required to slip into 18/19 which is as a result of limited scope for works to be carried out to coincide with school holidays. | | | | | | |
| Mitigating Action | | | | | | | |
| None available at present. | | | | | | | |
| Anticipated Outcome | | | | | | | |
| The project will be delivered but at a later date than had been originally planned | | | | | | | |

| | | | | | | | |
|---|--|--|-----------|-------------------|-----------|-------|------|
| 5 | New Levenvale Primary School All Weather Pitch | | | | | | |
| | Project Life Financials | 250 | 0 | 0% | 250 | 0 | 0% |
| | Current Year Financials | 250 | 0 | 0% | 3 | (247) | -99% |
| | Project Description | New Levenvale Primary School All Weather Pitch | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-19 | Forecast End Date | 30-Sep-19 | | |
| Main Issues / Reason for Variance | | | | | | | |
| Detailed design has taken longer than anticipated. The Grenfell Tower tragedy of June 2017 resulted in resourcing issues requiring a reallocation of priorities. Once design has been finalised will go to open tender or Scotland Excel Framework, looking to go to tender March 2018, with on-site starts anticipated in June 2018 with 12 wk programme and completion by end Sept. | | | | | | | |
| Mitigating Action | | | | | | | |
| Consultancy Services to finalise design. | | | | | | | |
| Anticipated Outcome | | | | | | | |
| All weather facility for use of pupils. | | | | | | | |

| | | | | | | | |
|--|---|--|-----------|-------------------|-----------|-------|------|
| 6 | New MUGA for St. Patricks Primary School and playground improvements | | | | | | |
| | Project Life Financials | 200 | 0 | 0% | 200 | 0 | 0% |
| | Current Year Financials | 200 | 0 | 0% | 3 | (197) | -99% |
| | Project Description | New MUGA for St. Patricks Primary School and playground improvements | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-19 | Forecast End Date | 30-Sep-19 | | |
| | Main Issues / Reason for Variance | | | | | | |
| | Detailed design has taken longer than anticipated. The Grenfell Tower tragedy of June 2017 resulted in resourcing issues requiring a reallocation of priorities. Once design has been finalised will go to open tender or Scotland Excel Framework, looking to go to tender March 2018, with on-site starts anticipated in June 2018 with 12 wk programme and completion by end Sept. | | | | | | |
| Mitigating Action | | | | | | | |
| Consultancy Services to finalise design. | | | | | | | |
| Anticipated Outcome | | | | | | | |
| All weather facility for use of pupils. | | | | | | | |

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | |
|--|---|-----------|-------------------|-----------|---------|------|
| 7 Clydebank Community Sports Hub | | | | | | |
| Project Life Financials | 3,851 | 288 | 7% | 3,851 | 0 | 0% |
| Current Year Financials | 2,646 | 157 | 6% | 1,390 | (1,256) | -47% |
| Project Description | Creation of a multi purpose sports hub in Clydebank | | | | | |
| Project Lifecycle | Planned End Date | 31-Aug-19 | Forecast End Date | 31-Aug-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| Due to the cost of build following procurement exercise there was a delay to commence building works until funds had been secured. The contract was awarded on 24 November 2017 and works are now progressing on site. | | | | | | |
| Mitigating Action | | | | | | |
| The Project Board meet on a regular basis and ongoing communication, updates and monitoring reports are provided to external funding stakeholders. All efforts are being taken to maximise spend in this financial year, such as the acceptance of utility connection quotations and payment of professional fees. | | | | | | |
| Anticipated Outcome | | | | | | |
| The project will be delivered in line with the programme and within secured funding. The facility will be available for use in October 2018. | | | | | | |

| | | | | | | |
|---|---|-----------|-------------------|-----------|---------|------|
| 8 Dalmonach CE Centre | | | | | | |
| Project Life Financials | 1,150 | 23 | 2% | 1,150 | 0 | 0% |
| Current Year Financials | 1,122 | 10 | 1% | 42 | (1,080) | -96% |
| Project Description | To create a new community facilities with additional space for early years provisions | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-19 | Forecast End Date | 31-Mar-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| Detailed design has taken longer than anticipated. The Grenfell Tower tragedy of June 2017 resulted in resourcing issues requiring a reallocation of priorities. Once design has been finalised will go to open tender or Scotland Excel Framework, looking to go to tender March 2018, with on-site starts anticipated in June 2018 with 12 wk programme and completion by end Sept. | | | | | | |
| Mitigating Action | | | | | | |
| Consultancy Services to finalise design. | | | | | | |
| Anticipated Outcome | | | | | | |
| Project delivered within budget, albeit later than anticipated | | | | | | |

| | | | | | | |
|--|--|-----------|-------------------|-----------|---------|------|
| 9 Levensgrove Park | | | | | | |
| Project Life Financials | 3,639 | 741 | 20% | 3,639 | 0 | 0% |
| Current Year Financials | 3,320 | 422 | 13% | 1,660 | (1,660) | -50% |
| Project Description | Restoration and Regeneration of Levensgrove Park | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-19 | Forecast End Date | 31-Mar-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| Early delays due to timescales involved in securing external funding which impacted the procurement timescales have resulted in a requirement to re-phase £1.660m from 2017/18 into 2018/19. The tender has now been awarded and the project has started with forecast completion date of 31 March 2019. | | | | | | |
| Mitigating Action | | | | | | |
| Project has been rephased to meet original planned end date of 31st March 2019. | | | | | | |
| Anticipated Outcome | | | | | | |
| The project will be fully delivered and on time, despite initial delay. | | | | | | |

MONTH END DATE

31 January 2018

PERIOD

10

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

10 Strathleven Park and Ride Car Park

| | | | | | | |
|-------------------------|-----|---|----|-----|-------|------|
| Project Life Financials | 285 | 0 | 0% | 285 | 0 | 0% |
| Current Year Financials | 285 | 0 | 0% | 10 | (275) | -96% |

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-19

Main Issues / Reason for Variance

Due to ownership and access issues, it is anticipated that the majority of physical works will be carried in 18/19, with costs in 17/18 in relation to consultancy an preparatory works.

Mitigating Action

Ownership and Access issues are currently being discussed in order to resolve issues which are delaying progressing. It is anticipated that these are resolved by the end of December 2017, with preparatory clearance works to be carried out by end of financial year.

Anticipated Outcome

Project completed within budget albeit later than anticipated

11 New Play & Recreation at Radnor Park, including MUGA

| | | | | | | |
|-------------------------|-----|---|----|-----|-------|------|
| Project Life Financials | 260 | 0 | 0% | 260 | 0 | 0% |
| Current Year Financials | 260 | 0 | 0% | 130 | (130) | -50% |

Project Description New Play & Recreation at Radnor Park, including MUGA

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Aug-18

Main Issues / Reason for Variance

Project delayed due to requirement for public consultation - this has commenced with final public consultation now complete and detailed designs are being finalised. Anticipated completion date of 31st August 18.

Mitigating Action

None available at this time.

Anticipated Outcome

Provision of new Play & Recreation at Radnor Park, including MUGA delivered within budget.

12 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-Mar-19

Main Issues / Reason for Variance

Project is currently at design phase and is anticipated to be delivered during 18/19 due to work being carried out by Scottish Gas Networks.

Mitigating Action

None available due to gas works being carried out

Anticipated Outcome

Works to be carried out as planned

MONTH END DATE

31 January 2018

PERIOD

10

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

13 **Mandatory 20mph Residential communities**

| | | | | | | |
|-------------------------|-----|---|----|-----|------|------|
| Project Life Financials | 500 | 0 | 0% | 500 | 0 | 0% |
| Current Year Financials | 100 | 0 | 0% | 50 | (50) | -50% |

Project Description Mandatory 20mph Residential communities

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-19

Main Issues / Reason for Variance

The Scottish Government are currently reviewing 20mph legislation. Subsequently, it is unlikely that all works will be carried out in this financial year, therefore remaining budget will be required to slip into 18/19.

Mitigating Action

None available at this time

Anticipated Outcome

Project to be delivered on time and within budget

14 **Invest in "Your Community Initiative"**

| | | | | | | |
|-------------------------|-------|-----|-----|-------|-------|------|
| Project Life Financials | 1,000 | 323 | 32% | 1,000 | 0 | 0% |
| Current Year Financials | 963 | 286 | 30% | 488 | (475) | -49% |

Project Description Capital budget to support roll out of your community. This will deliver on implementation of a participatory budgeting approach in 17 defined neighbourhoods and support spend to save and investment in service changes highlighted as required through your community development work.

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-19

Main Issues / Reason for Variance

Delay in spend is due to identifying relevant capital works and the process of approval of grant applications/receipt of claim forms. The full budget will be expended following appropriate development and engagement with communities, this is taking longer than anticipated and at this time it is anticipated that there will be slippage of £0.475m in relation to the Improvement Fund project.

Mitigating Action

Officers are continuing to identify relevant applications in relation to the Improvement Fund in order to maximise spend in this financial year.

Anticipated Outcome

Investment in Communities

15 **Pappert Woodland Wind Farm**

| | | | | | | |
|-------------------------|-------|----|----|-------|-------|------|
| Project Life Financials | 3,699 | 23 | 1% | 3,699 | 0 | 0% |
| Current Year Financials | 139 | 12 | 8% | 30 | (109) | -78% |

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. A revised financial business case is currently being looked at with an update report being presented to the IRED Committee on 28 February 2018.

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 Business Case.

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | | |
|---|---|---|-----------|-------------------|-----------|-------|------|
| 16 | Leisure Energy projects | | | | | | |
| | Project Life Financials | 277 | 33 | 12% | 277 | 0 | 0% |
| | Current Year Financials | 246 | 2 | 1% | 21 | (225) | -92% |
| | 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-19 | | |
| | Main Issues / Reason for Variance | | | | | | |
| | Main reason for variance is due to Air Handling Unit (AHU) upgrades AT Meadow Centre/Vale Swimming Pool. This project has been delayed due to higher priorities within the Procurement service in relation to other required procurement activities, which has resulted in remaining budget of £0.225m required to slip into 18/19. | | | | | | |
| Mitigating Action | | | | | | | |
| None available at this time as the delay was due to prioritisation of resource. | | | | | | | |
| Anticipated Outcome | | | | | | | |
| A small number of projects will be complete by end of year with works to VOL and Meadow Centre Air Handling Units anticipated to be carried out in November 2018. | | | | | | | |

MONTH END DATE

31 January 2018

PERIOD

10

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

17

| Regeneration/Local Economic Development | | | | | | |
|---|---|-----------|-------------------|-----------|---------|------|
| Project Life Financials | 2,766 | 170 | 6% | 2,757 | (8) | 0% |
| Current Year Financials | 2,766 | 170 | 6% | 474 | (2,292) | -83% |
| 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-18 | Forecast End Date | 31-Dec-18 | | |
| Main Issues / Reason for Variance | | | | | | |
| <p>At this time we are forecasting an overall in-year underspend of £0.008M which is unallocated, and slippage of £2.284M. (Slippage includes £1.512M St Eunan's strategic disposal, £0.16M Mitchell Way, £0.217M Balloch Charrette, £0.157M Clydebank Town Centre & Waterfront, £0.23M Dumbarton Town Centre & Waterfront, £0.002M for Garth Drive, & £0.006M for Preparation of strategies for capital investment.) Clydebank Town Centre & Waterfront includes works at Bruce Street Baths which are now complete, Queens Quay and Connecting Clydebank (A814 project) consultancy fees and charrette projects which are progressing well. In relation to works at the St Eunan's site the contract for this project was approved at Tender Committee of 6 September 2017. Contract awarded & contractor preparing revised programme and finalised design, planning application for works was submitted on 21st December 2017. The updated contractor delivery programme will determine actual spend for 2017/18 and is anticipated to be significantly lower than forecast. Site start now expected to be May 2018 which is reflected in forecast spend and remaining budget required to be re-phased into 18/19. With regards to works to Balloch Charrette, Design work is progressing for Balloch Village Square. A project proposal has been approved at August 2017 IRED Committee to enable related works to be procured. This budget allocation will complete development work for all of the mentioned projects in 2017/18 (Balloch Village Square, Balloch Castle, Balloch Park and Balloch Station Square). Delivery of Balloch Charrette project is challenging due to avoiding works during peak times for tourists and visitors, and has now been further impacted by potential important repairs to Lomond Bridge. Other works with no financial issues at this time include Dumbarton Town Centre and Waterfront (further discussion with developers regarding the pathway have taken place during August 2017. It was hoped that heads of terms could be agreed with developers by end of March 2018. Drafts have been sent but positive dialogue is ongoing. Progress is also being made with the procurement of vegetation and foreshore clearance works for the walkway). A variety of charrette related projects are currently being progressed with partners and developers which will then be procured; Glencairn House delay in progress is due to phase 1 feasibility works re additional options for use of property which was complete by early January 2018. Works are currently underway although the next phase of Glencairn House Design Development (£0.040m) is now unlikely to progress this year due to phase 1 delay. A report is planned for February IRED Committee before the next phase of design development. In relation to Dumbarton Rock area, no bat roosts have been identified therefore floodlighting design can progress, aiming for submission of statutory application in January 2018. Bowling Basin works (report from Scottish Canals indicates a requirement of £0.035m to take a joint partnership development to be eventually funded from the Regeneration Fund (notionally £2m) which includes support of £0.020m to jointly fund the feasibility of a new pedestrian route to Bowling Railway Station) and works to Alexandria Town Centre where public realm works at Mitchell Way to enable the regeneration of the site by CCG has been delayed due to conclusion of development appraisal.</p> | | | | | | |
| Mitigating Action | | | | | | |
| <p>St Eunan's - Strategic Disposals - key sites; The Regeneration Team have submitted a Proposal of Application Notice to Planning and Building Standards for the project which removes this requirement and potential 12 week lead from the contractor. The contract has now been awarded and the project and risk register will be managed as project progresses. There have been discussions with the contractor regarding what early works could be carried out but Planning have indicated that these should commence after planning permission is granted.</p> | | | | | | |
| Anticipated Outcome | | | | | | |
| <p>Significant progress with transformational projects including Dumbarton Waterfront, strategic disposal sites and Alexandria town centre and further progress with implementing Charrette Action Plans.</p> | | | | | | |

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | |
|-------------------------|--------------------------|-----------|-------------------|-----------|----------|------|
| 18 Queens Quay | | | | | | |
| Project Life Financials | 15,620 | 1,985 | 13% | 15,620 | 0 | 0% |
| Current Year Financials | 13,950 | 639 | 5% | 2,362 | (11,588) | -83% |
| Project Description | Queens Quay regeneration | | | | | |
| Project Lifecycle | Planned End Date | 30-Jun-18 | Forecast End Date | 01-Nov-18 | | |

Main Issues / Reason for Variance

An update report was presented to IRED Committee on 22 November 2017. The project is reaching the key stage of where contracts will be issued related to Basin works during Autumn 2017. Remediation ground works commenced on site in August 2017 and a number of packages of works around the basin infrastructure are being finalised to commence on site in early 2018. The roads infrastructure works and other development preparations works will be delivered commencing 2018, with some delays experienced in bringing the District Heating Network project and Queens Quay project in-line for the roads/utilities work, subsequently resulting in forecast end date being extended to November 2018 and £9.829m to be slipped into 18/19. One key element of delay being experienced is in relation to the roads/utilities works which are being held up to ensure we integrate these works with the District Heating project pipework in particular.

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.

| | | | | | | |
|---------------------------|--|-----------|-------------------|-----------|-------|------|
| 19 Exxon City Deal | | | | | | |
| Project Life Financials | 27,897 | 932 | 3% | 27,897 | 0 | 0% |
| Current Year Financials | 1,155 | 387 | 33% | 500 | (655) | -57% |
| Project Description | As part of the City Deal project the WDC Exxon site at Bowling regeneration with alternative | | | | | |
| 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, spend on anticipated further works cannot take place.

Mitigating Action

Contained within Risk register monitored by Exxon Management Board. Technical reviews are being carried between our consultant PBA and Exxon consultants WSP to assess the proposed remediation strategy and to review historical data and reports.

Anticipated Outcome

Progressing the City Deal development at Exxon towards a Full Business Case.

| | | | | | | |
|--|--------------------------------------|-----------|-------------------|-----------|---------|------|
| 20 Queens Quay District Heating Network | | | | | | |
| Project Life Financials | 12,100 | 503 | 4% | 12,080 | (20) | 0% |
| Current Year Financials | 2,480 | 503 | 20% | 790 | (1,690) | -68% |
| Project Description | Queens Quay District Heating Network | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-19 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

Detailed design for the Pipe Network is almost complete. Energy Centre planning application has been granted (updated

Mitigating Action

Recovery plan in place and being monitored by the Project Board.

Anticipated Outcome

Project delivered on time and within budget.

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | | |
|----|---|--|-----------|-------------------|-----------|-------|-------|
| 21 | Regeneration Fund | | | | | | |
| | Project Life Financials | 12,400 | 0 | 0% | 12,400 | 0 | 0% |
| | Current Year Financials | 800 | 0 | 0% | 0 | (800) | -100% |
| | Project Description | Match funding for various regeneration projects currently in development | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-20 | Forecast End Date | 31-Mar-20 | | |
| | Main Issues / Reason for Variance | | | | | | |
| | The budget for this project was phased with an expectation to spend £0.800m in 2017/18, however the development of projects has taken longer than anticipated resulting in slippage from 2017/18 into future years. Project proposals have been developed for Dumbarton Walkway and Balloch Squares, agreement was secured at the IRED Committee on 16 August 2017 to move forward with procuring contracts for Balloch Village and Dumbarton Pathway projects. Connecting Clydebank is at detailed design stage and requires time allocated in its programme to allow input from funding partners Sustrans. The development appraisal is progressing for Bowling Basin. Connecting Clydebank project proposals was approved at IRED committee meeting on 22nd November 2107 of £2.3m Council funding and an allocation of £2m has been offered from Sustrans. Bowling Basin project proposals is anticipated to be presented for approval at February 2018 IRED Committee. | | | | | | |
| | Mitigating Action | | | | | | |
| | Development work has progressed and the approval of project proposals in 2017/18 will enable officers to make progress with procuring related project works during the remainder of 2017/18 with significant spend on projects beginning to happen during 2018/19. The need to spend Sustrans external funding first, lengthy procurement timescales, the complexity of some of the projects, the need to programme some works to avoid busy tourism periods and reliance on third parties means that mitigation is challenging. | | | | | | |
| | Anticipated Outcome | | | | | | |
| | Delivery of planned projects on time and within budget | | | | | | |

22

| | | | | | | |
|---|--|-----------|-------------------|-----------|-------|-------|
| Project to bring scaffolding in-house | | | | | | |
| Project Life Financials | 717 | 0 | 0% | 0 | (717) | -100% |
| Current Year Financials | 717 | 0 | 0% | 0 | (717) | -100% |
| Project Description | At Council meeting on 30th August 2017 it was agreed to bring scaffolding in-house as a spend- | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 30-Jun-18 | | |
| Main Issues / Reason for Variance | | | | | | |
| A full business case identified the option to bring the scaffold service in-house wasn't viable and saving that had been identified from the high level financial analysis would not be achieved and if the service was taken in-house the costs would exceed the current service provision. The DLO board which met on the 25 January 2018 took a decision not to bring the scaffold service in-house. | | | | | | |
| Mitigating Action | | | | | | |
| Project no longer viable, however Building Services Manager to investigate alternatives where some of the savings may be realised. | | | | | | |
| Anticipated Outcome | | | | | | |
| Alternatives to be considered and included if appropriate in the capital plan refresh report in March. | | | | | | |

MONTH END DATE

31 January 2018

PERIOD

10

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

23

| Replace Elderly Care Homes and Day Care Centres | | | | | | |
|---|---|-----------|-------------------|-----------|---------|------|
| Project Life Financials | 25,263 | 13,765 | 54% | 27,463 | 2,200 | 9% |
| Current Year Financials | 6,981 | 335 | 5% | 338 | (6,643) | -95% |
| 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 | 30-Sep-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| Dumbarton Care Home achieved practical completion on 28th April 2017 with retention due April 2018. All residents now in new home with provision of day care from 7th July. Transition of staff and residents now complete. HSCP to complete reimbursement of spend to date on loose FF&E (£0.136m). WDC continue to work with Hub West and Morgan Sindall to agree statement of final account. Principals meeting held 13 November to close outstanding matters. WDC are awaiting agreed actions to be addressed by HWS and Morgan Sindall. Planning consent was granted on 31st May at Planning Committee with conditions which are subject to ongoing work to discharge. This project is currently tracking an overspend based on latest cost estimates, however this position will be reflected upon evaluation of tender returns received on 6 December. It is anticipated that work will commence on-site by end of April 2018, subject to the outcome of the tender process. Delay in achieving planning consent (linked to Masterplan Phase 1 which had to be determined first) and finalising more specific detail to tender (taking account of lessons learned from Dumbarton Care Home and site-specific matters and district heating) has subsequently changed the forecast end date. Budgets will be required to be re-profiled due to amended programme of build, resulting in budget moved to 18/19. In addition it is anticipated that increased budget will be sought at the Council meeting of 5 March 2018 in relation to Clydebank Care Home. | | | | | | |
| Mitigating Action | | | | | | |
| In relation to Clydebank consideration is being given by officers to compress the tender evaluation period such that the contract can be awarded at earliest opportunity. 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. | | | | | | |
| Anticipated Outcome | | | | | | |
| New Care home provision in Clydebank currently delayed as indicated by the overall forecast end date above. | | | | | | |

TOTAL PROJECTS AT RED STATUS

| | | | | | | |
|-------------------------|---------|--------|-----|---------|----------|------|
| Project Life Financials | 146,483 | 30,649 | 21% | 148,022 | 1,539 | 1% |
| Current Year Financials | 46,399 | 3,216 | 7% | 8,928 | (37,471) | -81% |

**WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS**

APPENDIX 7

MONTH END DATE

31 January 2018

PERIOD

10

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

OLSP - New Build

| | | | | | | |
|-------------------------|---|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 2,947 | 3,469 | 118% | 3,677 | 730 | 25% |
| Current Year Financials | 480 | 282 | 59% | 300 | (180) | -38% |
| Project Description | Design and construction of new Secondary School in Bellsmyre, Dumbarton | | | | | |
| Project Lifecycle | Planned End Date | 31-Dec-18 | Forecast End Date | 31-Oct-18 | | |

Main Issues / Reason for Variance

Project handed over and school opened on 25 October 2017 . Process has commenced to procure the works for the demolition of the old OLSP school. Waiting for full asbestos report to be completed by end February 2018 and thereafter the demolition works will be tendered through our current framework. Snagging process has commenced. Balance of £0.180m needs to slip into 2018/19 to cover the remainder of the demolition works which will run into next financial year.

Mitigating Action

Project Board meetings continue until the end of the defects liability period.

Anticipated Outcome

New Build opened to pupils on 25 October 2017 in line with the programme.

Vehicle Replacement

| | | | | | | |
|-------------------------|---|-----------|-------------------|-----------|------|-----|
| Project Life Financials | 1,597 | 1,388 | 87% | 1,597 | 0 | 0% |
| Current Year Financials | 1,597 | 1,388 | 87% | 1,526 | (71) | -4% |
| 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-18 | Forecast End Date | 30-Apr-18 | | |

Main Issues / Reason for Variance

Project currently reporting £0.071m underspend which relates to slippage for Replacement programme vehicles. Purchases of replacement of vehicles currently on long-term hire were given priority, therefore there is still a remaining budget in relation to purchase of vehicles on regular replacement programme.

Mitigating Action

None available due to the priority attached to the replacement of vehicles on long term hire.

Anticipated Outcome

The majority of the project will be completed on time

Allotment Development

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 400 | 0 | 0% | 400 | 0 | 0% |
| Current Year Financials | 400 | 0 | 0% | 120 | (280) | -70% |
| Project Description | To develop an allotment site at Dumbarton Common | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

Project delayed as appropriate sites have not yet been identified. The project team met in June and have identified a potential main site, however this site is currently identified on the local plan for housing and is being marketed as such by Estates, which is still ongoing. Once the outcome of this marketing is concluded then a recommendation can be made regarding its availability as an allotment site. The costs involved in providing the main site would be in the region of £0.300m and 2 further satellite sites are estimated to cost circa £0.100m. At this time it is anticipated that full spend will be achieved for the 2 satellite sites in this financial year although there may only be consultants costs of approx. £0.020m in relation to the main site, with the remaining budget of £0.280m required to slip into 18/19. If the site is deemed suitable as an allotment site the local plan will have to be amended which would take in the region of 6 months. Suitable locations for the 2 satellite sites continue to be identified and assessed.

Mitigating Action

Continue to assess potential sites in conjunction with Environmental Health.

Anticipated Outcome

Development of allotments to take pressure off current 10 year waiting list.

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

APPENDIX 7

MONTH END DATE

31 January 2018

PERIOD

10

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

Community Capital Fund

| | | | | | | |
|-------------------------|---|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 3,609 | 2,149 | 60% | 3,431 | (178) | -5% |
| Current Year Financials | 1,783 | 323 | 18% | 945 | (838) | -47% |
| Project Description | Upgrade and improve recreational facilities throughout West Dunbartonshire. | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

This budget is for the creation and upgrade of play areas. Due to the number of projects and associated tender/procurement processes, the programme of works have been planned in 2 phases (phase 1 to complete in 17/18 and phase 2 to complete in 18/19). The project is currently showing rephasing of £0.660m required for parks which have still to be tendered (Balloch Park Slipway, Dillichip Park, Castlehill Upgrade MUGA, Brucehill, Goldenhill, Whitecreek & Inler Park) with works to carry into 18/19 after works to first set of new play parks (Mollanbowie, Bellsmyre Nursery, Silverton Milldam, Bowling, Faifley & Levensgrove) are complete. Bellsmyre, Silverton, Bowling and Faifley due to commence w/c 19/02/18.

Mitigating Action

None available at this time due to workflow of current playparks.

Anticipated Outcome

Improved recreational facilities throughout WDC anticipated to be delivered within budget albeit later than anticipated

Holm Park & Yoker Athletic FC

| | | | | | | |
|-------------------------|---|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 750 | 0 | 0% | 750 | 0 | 0% |
| Current Year Financials | 750 | 0 | 0% | 21 | (729) | -97% |
| 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-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

Project is delayed due to ground conditions. Project currently at design stage, finalising designs. Once design has been finalised will go to open tender or Scotland Excel Framework, looking to go to tender March 2018, with on-site starts anticipated in June 2018 with 12 wk programme and completion by end Sept.

Mitigating Action

Site investigation works to be speedily concluded to confirm scope of works required.

Anticipated Outcome

A new community accessible 3G pitch in the Clydebank Area.

Creation of Environmental Improvement Fund

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 1,690 | 658 | 39% | 1,690 | 0 | 0% |
| Current Year Financials | 1,359 | 327 | 24% | 1,084 | (275) | -20% |
| Project Description | This fund has been created to deliver environmental improvement projects for communities | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

Slippage is due to rephasing required for works to Mountblow 3G pitch - consultants currently pulling together tender documentation to be finalised and issued before the end of the year. Works will continue into 18/19 and anticipated to be complete by August 2018.

Mitigating Action

None available at this time

Anticipated Outcome

Mountblow 3G pitch to be completed within available budget albeit later than anticipated

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

APPENDIX 7

MONTH END DATE

31 January 2018

PERIOD

10

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

Kilmaronock Cemetery Extension

| | | | | | | |
|-------------------------|-----|---|----|-----|-------|------|
| Project Life Financials | 225 | 0 | 0% | 225 | 0 | 0% |
| Current Year Financials | 225 | 0 | 0% | 50 | (175) | -78% |

Project Description Extension of existing cemetery at Kilmaronock. Project not due to start April 2016. Procurement process anticipate starting August 2015.

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Jul-18

Main Issues / Reason for Variance

Initial project delay was due to the decision to appoint an external consultant with the necessary expertise to design the project and develop the tender documentation, and design consultants have now been appointed. Tenders will then be developed with proposed works commencing April 2018 and will take approximately 4 months to complete, with an anticipation of £0.050m spend in 17/18 in relation to consultants and planning fees, SEEPA costs and preparatory works. Therefore rephasing of approximately £0.175m into 18/19 will be required at this time.

Mitigating Action

Officers will monitor consultant progress with a view to accelerating any aspects of the project that are deemed appropriate to maximise spend in the current financial year.

Anticipated Outcome

Extension to Cemetery, around 2 months later than originally planned.

Posties Park Sports Hub

| | | | | | | |
|-------------------------|-------|----|----|-------|---------|------|
| Project Life Financials | 1,802 | 31 | 2% | 1,802 | 0 | 0% |
| Current Year Financials | 1,778 | 7 | 0% | 150 | (1,628) | -92% |

Project Description Creation of a sports hub at Posties/Marinecraft to include a new changing pavilion/Gym,

Project Lifecycle Planned End Date 31-Mar-17 Forecast End Date 31-Mar-19

Main Issues / Reason for Variance

Early delays due to timescales involved in bidding for external funding. A stage 2 funding application was submitted to Sports Scotland for £0.500m. The initial outcome of this application advised that the Council was unsuccessful in the funding bid therefore this element of the budget has been removed and replaced with resources vired from other budget lines as approved by Members in October 2017. Consultancy services together with external consultants are preparing tender documentation with an anticipated start date of June 2018. Due to delays with site investigation, it is now anticipated that spend this financial year will only be £150K.

Mitigating Action

Officers will seek to ensure that tender process facilitates June 2018 start date.

Anticipated Outcome

Creation of sports hub by December 2018.

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

APPENDIX 7

MONTH END DATE

31 January 2018

PERIOD

10

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

Sports Facilities Upgrades

| | | | | | | |
|-------------------------|----|---|----|----|------|------|
| Project Life Financials | 90 | 0 | 0% | 90 | 0 | 0% |
| Current Year Financials | 90 | 0 | 0% | 15 | (75) | -83% |

Project Description Project is part of wider investment in sporting facilities and is dependent on match funding from Sport Scotland. Agreement in principle to wider WDC strategic priorities.

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-19

Main Issues / Reason for Variance

At this time £0.075m has been allocated to construction of 3 All weather tennis courts at Argyll Park. This project is estimated to cost £0.150m in total with the remaining £0.075m subject to a funding application to the Lawn Tennis Association for match funding. At this time officers are hopeful of an outcome regarding this funding application and if successful it is anticipated that works will start April 2018 with completion by December 2018 resulting in rephasing of this element of the overall Sports Facilities budget into 2018/19.

Mitigating Action

None available at this time

Anticipated Outcome

Improved sporting facilities

Vale of Leven Cemetery Extension

| | | | | | | |
|-------------------------|-----|-----|-----|-----|-------|------|
| Project Life Financials | 650 | 158 | 24% | 650 | 0 | 0% |
| Current Year Financials | 495 | 3 | 1% | 130 | (365) | -74% |

Project Description Extension of existing cemetery in Vale of Leven

Project Lifecycle Planned End Date 31-Mar-16 Forecast End Date 31-Mar-19

Main Issues / Reason for Variance

As previously reported there has been difficulties purchasing the preferred site with officers working to identify alternative locations. While officers are hopeful of concluding the land purchase in this financial year the main body of the works will require to be rephased from 2017/18 into 2018/19.

Mitigating Action

Identify suitable alternative sites and options being actively pursued.

Anticipated Outcome

A suitable site is identified and purchased to provide a sustainable burial environment, albeit delayed by 3 years as a result of identifying a suitable site.

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. The Automated School payment project (Education's project) was approved at Tendering Committee last week, which means that the preferred contractor can be appointed. There will then be a lead in time for contract initiation after which we can develop a plan of what equipment FM needs and start procurement, therefore it is unlikely that there will be any spend this financial year and that the budget may be required to be re-phased into 18/19.

Mitigating Action

None Required

Anticipated Outcome

Cashless catering effected as part of wider cashless project

**WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS**

APPENDIX 7

MONTH END DATE

31 January 2018

PERIOD

10

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

Free School Meals

| | | | | | | |
|-------------------------|---|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 200 | 53 | 27% | 200 | 0 | 0% |
| Current Year Financials | 150 | 3 | 2% | 30 | (120) | -80% |
| Project Description | Provision of Capital Funding from Scottish Government to implement free school meal | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

Works to St Michael's/OLSP complete and St Ronan's/Lennox to be complete end of November 2018. Awaiting enabling costs for works to Christie Park and Gavinburn to allow confirmation as to what is to proceed.

Mitigating Action

None Required

Anticipated Outcome

Project completed on time and within budget

Auld Street Clydebank - Bond

| | | | | | | |
|-------------------------|---|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 400 | 144 | 36% | 400 | 0 | 0% |
| Current Year Financials | 256 | 0 | 0% | 70 | (186) | -73% |
| Project Description | Completion of roadworks associated with Auld Street housing development | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

Works to the value of £0.070m have been carried out to date, however it is unlikely that further works will be carried out in this financial year. The timing of further works are dependent the progress of the builder on site as the Council cannot proceed until the builder substantially completes his works. It is hoped that WDC works can complete by end March 2019.

Mitigating Action

None available due to dependency on 3rd party contractor.

Anticipated Outcome

Works complete within budget albeit later than anticipated

Flood Risk Management

| | | | | | | |
|-------------------------|---|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 448 | 17 | 4% | 448 | 0 | 0% |
| Current Year Financials | 448 | 17 | 4% | 150 | (298) | -67% |
| Project Description | Enhancement of drainage infrastructure to ensure compliance with Flood Risk | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Oct-18 | | |

Main Issues / Reason for Variance

Contractual and procurement issues relating to minor civil works have resulted in project delay. It is anticipated that a framework is anticipated to be in place by end of April 2018, with the majority of works to be carried out in 18/19 which is reflected in reduced forecast spend.

Mitigating Action

Road staff working with procurement to try to mitigate any further delay.

Anticipated Outcome

Project completed within budget albeit later than anticipated

MONTH END DATE

31 January 2018

PERIOD

10

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

Gruggies Burn Flood Prevention

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 15,000 | 125 | 1% | 15,000 | 0 | 0% |
| Current Year Financials | 485 | 10 | 2% | 70 | (415) | -86% |
| Project Description | Commission of Gruggies Flood Prevention Scheme | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-20 | | |

Main Issues / Reason for Variance

Project delayed due to investigation works. Onsite investigation has now been carried out with scope of works being reviewed to determine best way to progress project. Following initial investigations, further topographic survey will be required which is anticipated be carried out by end of financial year. Therefore the majority of physical works likely to be in 18/19 & 19/20. Forecast spend in 17/18 has been reduced to reflect this.

Mitigating Action

Once consultants report has delivered, further survey works will be procured and opportunities will be sought to mitigate any further delay.

Anticipated Outcome

Project completed within budget.

Strathclyde Partnership for Transport

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 310 | 2 | 1% | 250 | (60) | -19% |
| Current Year Financials | 310 | 2 | 1% | 116 | (194) | -63% |
| Project Description | Bus and cycling and walking infrastructure improvements within the West Dunbartonshire | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

Slippage of £0.125m relates to A814 congestion measures and £0.009m for Bus Infrastructure Improvements. A814 slippage is due to discussions with stakeholders on the schematic design which have caused a delay in progressing this project while the Bus Infrastructure Improvement delivery plans are still to be finalised and agreed. Works relating to Clydebank Transport Improvements of £0.060m not approved and therefore cancelled.

Mitigating Action

None Available at this time due to design discussions

Anticipated Outcome

Project completed on time and within approved budget

Integrated Housing Management System

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 624 | 164 | 26% | 561 | (63) | -10% |
| Current Year Financials | 546 | 86 | 16% | 301 | (245) | -45% |
| Project Description | This is a budget to support the necessary development and on-going requirements of | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-17 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

The project has been delayed by identifying potential shared service opportunities, finalising the contract documentation with the supplier and delays from incumbent system provider in the provision of access to Saffron data (delay in resolving ongoing issue, anticipated to be resolved in February 2018, target of 11th October was not met by Civica, although this has recently been resolved). Project has been re-phased with go-live date planned of 3rd December 2018, therefore budget of £0.181m is required to be re-phased into 18/19. As a result of the delay in completion of project, staffing is to be extended to 31st March 2019 in order to support implementation of new system. At this time we are anticipating an underspend of £0.063m.

Mitigating Action

Officers will continue to seek opportunities to mitigate any further delays to the project.

Anticipated Outcome

Project is to delivered in-line with rephased project timeline with an anticipated underspend of £0.063m.

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

APPENDIX 7

MONTH END DATE

31 January 2018

PERIOD

10

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

Office Rationalisation

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|-----|----|
| Project Life Financials | 21,445 | 19,485 | 91% | 21,702 | 257 | 1% |
| Current Year Financials | 9,396 | 8,936 | 0% | 10,062 | 666 | 0% |
| Project Description | Delivery of office rationalisation programme | | | | | |
| Project Lifecycle | Planned End Date | 22-Dec-18 | Forecast End Date | 28-Feb-19 | | |

Main Issues / Reason for Variance

The main reason for the anticipated overspend in the 2017/18 is due to 50% of retention sum for the new Dumbarton Office requiring to be paid on practical completion showing an overspend of £0.5m which will be accelerated from 18/19 budget. This figure has reduced from £0.965m to £0.5m, due to delayed practical completion at 16 Church St. The practical completion date is currently under review by Lendlease and Hub West Scotland. An updated completion date was confirmed on 26 September 2017 at Performance and Monitoring Group advising the new practical completion date of 28 February 2018. Budgets for Furniture, Audio Visuals and moves will also be spent in 2017/18. Other project challenges include demolition costs for Rosebery and increased costs relating to the Data Centre. This shows an overall overspend in 17/18 of £0.666m (£0.592m accelerated budget, £0.091m overspend re Aurora House & WDC Data Centre and £0.017m underspend re Document Strategy) and a project-life overspend of £0.257m.

Mitigating Action

Officers will continue to seek way of minimising project overspend with spend from 2018/19 being accelerated into

Anticipated Outcome

Improved and enhanced office accommodation delivered on time with an anticipated overspend of £0.257m

Building Upgrades and H&S

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|------|-----|
| Project Life Financials | 4,976 | 1,128 | 23% | 5,000 | 24 | 0% |
| Current Year Financials | 4,976 | 1,128 | 23% | 4,882 | (94) | -2% |
| Project Description | Lifecycle and reactive building upgrades | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

At this time this budget is showing a project life overspend of £0.024m related to OLSP ASN works. It is also anticipated that £0.118m of retentions (of which £0.069m relates to Municipal Building) that will be required to slip into 18/19.

Mitigating Action

Ongoing regular meetings seeking to mitigate any possible delays to projects.

Anticipated Outcome

Project delivered within budget and amended timescales.

TOTAL PROJECTS AT AMBER STATUS

| | | | | | | |
|-------------------------|--------|--------|-----|--------|---------|------|
| Project Life Financials | 57,215 | 28,974 | 51% | 57,926 | 711 | 1% |
| Current Year Financials | 25,576 | 12,515 | 49% | 20,023 | (5,553) | -22% |

ANALYSIS OF PROJECTS AT GREEN ALERT STATUS WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

MONTH END DATE

31 January 2018

PERIOD

10

| Budget Details | Project Life Financials | | | | | |
|----------------|-------------------------|---------------|---|----------------|-------------------|---|
| | 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 | 10,646 | 10,176 | 96% | 10,646 | 0 | 0% |
| Current Year Financials | 668 | 208 | 31% | 227 | (441) | -66% |

Project Description Design and construction of new co-located school to replace 3 separate establishments

Project Lifecycle Planned End Date 31-Mar-17 Forecast End Date 31-Dec-17

Main Issues / Reason for Variance

School opened 23rd August 2016 as per programme. Snagging works are complete and final account to be agreed following installation of acoustic fence which will be carried out during the Easter break and due to complete 13 April 2018. Therefore Final Account payment will occur next financial year and payment for the acoustic fence will be also paid in 2018/19. The amount of these 2 items will be £0.441m.

Mitigating Action

None required at this time

Anticipated Outcome

Delivery of project on time with an anticipated underspend, figure will be determined by remaining costs of acoustic fence.

2 New Balloch Campus (Haldane PS, St Kessog's PS, Jamestown PS & EECC)

| | | | | | | |
|-------------------------|--------|--------|-----|--------|-----|----|
| Project Life Financials | 16,462 | 15,267 | 93% | 16,462 | 0 | 0% |
| Current Year Financials | 10,000 | 9,718 | 97% | 10,680 | 680 | 7% |

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 01-Feb-19 Forecast End Date 28-Feb-19

Main Issues / Reason for Variance

Works progressing well and on programme for completion in February 2018. Spend accelerated from 2018/19 budget.

Mitigating Action

None required at this time.

Anticipated Outcome

Delivery of project on budget.

3 Schools Estate Refurbishment Plan

| | | | | | | |
|-------------------------|-------|-------|----|-------|----|-------|
| Project Life Financials | 5,500 | 5,421 | 0% | 5,571 | 71 | 0% |
| Current Year Financials | 1,188 | 1,109 | 0% | 1,259 | 71 | -100% |

Project Description Completion of condition surveys has been carried out to identify works required to bring various schools from Condition C to Condition B.

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

Main Issues / Reason for Variance

Currently reporting an anticipated overspend of £0.097m which is mainly attributed to Levenvale PS condition works and was agreed by the Schools Estate Project Board.

Mitigating Action

None available at this time.

Anticipated Outcome

Enhancement to Schools Estate

ANALYSIS OF PROJECTS AT GREEN ALERT STATUS WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | | |
|---|------------------------------|---------------------------------|-----------|-------------------|-----------|-------|------|
| 4 | New Clydebank Leisure Centre | | | | | | |
| | Project Life Financials | 23,810 | 23,361 | 98% | 23,810 | 0 | 0% |
| | Current Year Financials | 508 | 59 | 12% | 408 | (100) | -20% |
| | Project Description | Provision of new leisure centre | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-18 | | |
| Main Issues / Reason for Variance | | | | | | | |
| Project delivered, new leisure centre now open. Retention due 18/19 and 19/20 | | | | | | | |
| Mitigating Action | | | | | | | |
| Final Project Board meeting took place on 2 November 2017. Ongoing liaison with Hub West Scotland regarding statement of final account. | | | | | | | |
| Anticipated Outcome | | | | | | | |
| Project delivered on time and within budget. | | | | | | | |

| | | | | | | | |
|---|--|--|-------|-----------|-------------------|-----|-----------|
| 5 | Clydebank Crematorium | | | | | | |
| | Project Life Financials | 1,569 | 1,681 | 107% | 1,681 | 112 | 7% |
| | Current Year Financials | 0 | 53 | 0% | 53 | 53 | 0% |
| | Project Description | Installation of two new cremators with associated mercury abatement equipment. | | | | | |
| | Project Lifecycle | Planned End Date | | 01-Dec-15 | Forecast End Date | | 30-Nov-16 |
| | Main Issues / Reason for Variance | | | | | | |
| | Project now complete. Project overspent due to purchase of memorial bookcases, asbestos issues found whilst carrying out upgrading works and also additional re-surfacing works to make the facility DDA compliant. Final retentions have now been paid. | | | | | | |
| Mitigating Action | | | | | | | |
| None available as project is complete | | | | | | | |
| Anticipated Outcome | | | | | | | |
| New cremators fully installed and functional and building DDA compliant, with a forecast project life overspend of £0.112m. | | | | | | | |

| | | | | | | | |
|---|--|---|-----------|-------------------|-----------|----|----|
| 6 | New Westbridget Community Centre (18/19 BUDGET) | | | | | | |
| | Project Life Financials | 675 | 0 | 0% | 675 | 0 | 0% |
| | Current Year Financials | 0 | 0 | 0% | 50 | 50 | 0% |
| | Project Description | New Westbridget Community Centre (18/19 BUDGET) | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-17 | Forecast End Date | 31-Mar-19 | | |
| | Main Issues / Reason for Variance | | | | | | |
| | Demolition complete end of October - retentions for demolition project due October 2018. Budget will be accelerated from 18/19 for demolition and preparatory costs. Meeting with newly constituted community group has taken place with a view to a future community asset transfer taking place. | | | | | | |
| Mitigating Action | | | | | | | |
| None Required | | | | | | | |
| Anticipated Outcome | | | | | | | |
| Project to be delivered on time and within budget | | | | | | | |

ANALYSIS OF PROJECTS AT GREEN ALERT STATUS WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | | |
|--|--|---|-----------|-------------------|-----------|------|------|
| 7 | Purchase of 3 Welfare Units | | | | | | |
| | Project Life Financials | 78 | 0 | 0% | 78 | 0 | 0% |
| | Current Year Financials | 78 | 0 | 0% | 26 | (52) | -67% |
| | Project Description | At Council meeting on 30th August 2017 it was agreed to purchase 3 Welfare Units as a spend-to-save proposal. | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-19 | Forecast End Date | 31-Mar-19 | | |
| | Main Issues / Reason for Variance | | | | | | |
| | Only one Welfare unit is required at this time to replace one that is currently on hire. The remaining two will be purchased in 18/19. | | | | | | |
| Mitigating Action | | | | | | | |
| None required at this time | | | | | | | |
| Anticipated Outcome | | | | | | | |
| Delivery of planned projects within budget and within planned timescale. | | | | | | | |

**WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE VARIANCE IS OVER £0.050M**

APPENDIX 9

MONTH END DATE

31 January 2018

PERIOD

10

| Budget Details | Project Life Financials | | | | | |
|--|---|---------------|-------------------|----------------|-------------------|------|
| | Budget | Spend to Date | | Forecast Spend | Forecast Variance | |
| | £000 | £000 | % | £000 | £000 | % |
| Resources Carried Forward | | | | | | |
| Project Life Financials | (520) | (47) | 9% | (520) | 0 | 0% |
| Current Year Financials | (473) | 0 | 0% | (280) | 193 | -41% |
| 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-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| Resources previously received of £0.193m relating to Turnberry Homes and Auld Street Bond which will require to be carried forward due to the inability of the Council to complete works due to the Housebuilder timescales | | | | | | |
| Mitigating Action | | | | | | |
| Mitigating actions are detailed within the amber status projects page. | | | | | | |
| Anticipated Outcome | | | | | | |
| Application of resources held on balance sheet in 2017/18 as appropriate | | | | | | |
| Ring Fenced Government Grant Funding | | | | | | |
| Project Life Financials | (44,167) | (546) | 1% | (44,167) | 0 | 0% |
| Current Year Financials | (5,192) | (1) | 0% | (3,482) | 1,710 | -33% |
| Project Description | This is ring fenced grant funding which is primarily anticipated to be received from the Scottish Government and relates to Cycling, Walking, Safer Streets, Gruggies Burn Flood works, Early Years funding and City Deal | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-24 | Forecast End Date | 31-Mar-24 | | |
| Main Issues / Reason for Variance | | | | | | |
| Anticipated grant funding related to district heating is unlikely to be received in this financial year due to level of spend | | | | | | |
| Mitigating Action | | | | | | |
| Mitigating action identified in red and amber status updates | | | | | | |
| Anticipated Outcome | | | | | | |
| Receipt of Ring Fenced Capital Grant as anticipated | | | | | | |
| Match Funding / Other Grants and Contributions | | | | | | |
| Project Life Financials | (11,955) | (6,814) | 57% | (11,895) | 60 | -1% |
| Current Year Financials | (5,329) | (238) | 4% | (2,655) | 2,674 | -50% |
| 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-19 | | |
| Main Issues / Reason for Variance | | | | | | |
| At this time it is anticipated that funding of £2.614m will require to be re-phased into 18/19 mainly relating to £1.140m for Levensgrove Park, £0.710m relating to Clydebank Community Sports Hub, £0.570m relating to St Eunans and £0.194m SPT due to reasons detailed in the red and amber status updates. | | | | | | |
| Mitigating Action | | | | | | |
| Mitigating actions are detailed within the red and amber status projects pages | | | | | | |
| Anticipated Outcome | | | | | | |
| Receipt of Match Funding mainly as anticipated other than those listed | | | | | | |

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE VARIANCE IS OVER £0.050M

APPENDIX 9

MONTH END DATE

31 January 2018

PERIOD

10

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

4 **Capital Receipts**

| | | | | | | |
|-------------------------|----------|---------|----|----------|--------|------|
| Project Life Financials | (26,199) | (1,140) | 4% | (26,199) | 0 | 0% |
| Current Year Financials | (15,542) | (248) | 2% | (1,274) | 14,268 | -92% |

Project Description These are capital receipts that are anticipated from sales of land and buildings both as
Project Lifecycle Planned End Date 31-Mar-24 Forecast End Date 31-Mar-24

Main Issues / Reason for Variance

In general capital receipts are anticipated to lower in the current financial year due to market conditions, however the longer term expectation is that this will improve and capital receipts will balance out over the project life of the capital programme.

Mitigating Action

Officers will seek to maximise capital receipts in the current financial year subject to market conditions

Anticipated Outcome

Over the programme life capital receipts are anticipated to come in as budgeted

5 **Prudential Borrowing**

| | | | | | | |
|-------------------------|-----------|-----------|-----|-----------|---------|------|
| Project Life Financials | (170,145) | (102,559) | 60% | (172,698) | (2,554) | 2% |
| Current Year Financials | (57,067) | (19,505) | 34% | (33,136) | 23,930 | -42% |

Project Description Prudential borrowing is long term borrowing from financial institutions that has been
Project Lifecycle Planned End Date 31-Mar-24 Forecast End Date 31-Mar-24

Main Issues / Reason for Variance

Prudential borrowing in 2017/18 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.

6 **CFCR**

| | | | | | | |
|-------------------------|-------|------|----|-------|-----|------|
| Project Life Financials | (567) | (40) | 7% | (567) | 0 | 0% |
| Current Year Financials | (527) | 0 | 0% | (416) | 111 | -21% |

Project Description This is capital spend which is funded by revenue budgets
Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-19

Main Issues / Reason for Variance

CFCR relating to cashless catering and Windfarms is unlikely to be applied in this financial year due to level of anticipated spend

Mitigating Action

Mitigating action is detailed within the amber status projects page

Anticipated Outcome

Application of CFCR as anticipated other than cashless catering

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead Housing and Employability

Council : 5 March 2018

**Subject: Housing Revenue Account Budgetary Control Report
to 31 January 2018 (Period 10)**

1. Purpose

- 1.1** The purpose of the report is to provide members with an update on the financial performance to 31 January 2018 (Period 10) of the HRA revenue and capital budgets.

2. Recommendations

- 2.1** Members are asked to:

- i) Note the projected favourable revenue variance of £0.263m (0.6%).
- ii) Note the position advised in relation to the capital budget which is currently projecting an in-year favourable variance of £11.184m (36.6%), of which £11.326m (37.0%) relates to project re-phasing and an in-year overspend of £0.142m (0.4%).

3. Background

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 22 February 2017, Members agreed the revenue estimates for 2017/2018 and a total budget of £42.912m.

Capital

- 3.2** At the meeting of Council on 22 February 2017, Members also agreed the updated Capital Plan for 2017/18 which has been augmented by re-phasing from 2016/17 to produce a total planned spend for 2017/18 of £30.578m. The funding of this is shown within Appendix 6.

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 £0.263m.

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 and amber categories and green category over £0.050m is provided in Appendices 4 to 6. A summary of anticipated resources is shown in Appendix 7. The analysis shows that for the in-year planned spend there is currently a favourable variance of £11.184m, of which £11.326m relates to project re-phasing and an in-year overspend of £0.142m.

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: 13 February 2018

Persons to Contact: Janice Rainey - Business Unit Finance Partner (HEED), Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737704, e-mail janice.rainey@west-dunbarton.gov.uk

Alan Young - Housing Asset and Investment Manager, Overburn Avenue, Dumbarton, telephone: 01389 608950, email: alan.young@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 - Variance analysis Amber Projects (Capital)
Appendix 6 - Variance analysis Green Projects (Capital)
Appendix 7 - Resources (Capital)

Background Papers: None

Wards Affected: All

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2017/2018

Appendix 1

PERIOD END DATE

31 January 2018

| Subjective Summary | Total Budget 2017/18 | Spend to Date 2017/18 | Forecast Spend | Forecast Variance 2017/18 | | Annual RAG Status |
|------------------------------------|-------------------------|-----------------------------|-------------------|---------------------------|------------|----------------------|
| Employee Costs | 5,506 | 4,231 | 5,487 | (19) | 0% | ↑ |
| Property Costs | 1,819 | 1,483 | 1,777 | (42) | -2% | ↑ |
| Transport Costs | 105 | 74 | 101 | (5) | 0% | ↑ |
| Supplies, Services And Admin | 380 | 233 | 395 | 15 | 4% | ↓ |
| Support Services | 2,141 | 1,790 | 2,148 | 6 | 0% | ↓ |
| Other Expenditure | 157 | 226 | 290 | 133 | 84% | ↓ |
| Repairs & Maintenance | 11,716 | 8,747 | 11,118 | (599) | -5% | ↑ |
| Bad Debt Provision | 1,060 | 883 | 1,060 | 0 | 0% | → |
| Void Loss (Council Tax/Lost Rents) | 1,227 | 1,056 | 1,189 | (39) | -3% | ↑ |
| Loan Charges | 18,800 | 15,666 | 18,800 | 0 | 0% | → |
| Total Expenditure | 42,912 | 34,391 | 42,363 | (549) | -1% | ↑ |

| | | | | | | |
|-----------------------------|---------------|---------------|---------------|------------|-----------|----------|
| House Rents | 40,205 | 33,244 | 39,892 | 313 | 1% | ↓ |
| Lockup Rents | 227 | 188 | 225 | 2 | 1% | ↓ |
| Factoring/Insurance Charges | 1,136 | 928 | 1,114 | 22 | 2% | ↓ |
| Other rents | 143 | 110 | 129 | 14 | 10% | ↓ |
| Interest on Revenue Balance | 46 | 0 | 70 | (24) | -51% | ↑ |
| Miscellaneous income | 143 | 39 | 143 | (0) | 0% | ↑ |
| Reallocated salaries | 1,012 | 878 | 1,053 | (41) | -4% | ↑ |
| Total Income | 42,912 | 35,386 | 42,627 | 286 | 1% | ↓ |

| | | | | |
|------------------------|----------|--------------|--------------|--------------|
| Net Expenditure | 0 | (995) | (263) | (263) |
|------------------------|----------|--------------|--------------|--------------|

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2017/2018
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 2

MONTH END DATE 31 January 2018

PERIOD 10

| Budget Details | Variance Analysis | | | |
|---------------------|-------------------|----------------|-------------------|------------|
| Subjective Analysis | Budget | Forecast Spend | forecast Variance | RAG Status |
| | £000 | £000 | £000 | % |

| | | | | | |
|---|---|-----|-----|-----|---|
| OTHER EXPENDITURE | 157 | 290 | 133 | 84% | ↓ |
| 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 | The main reason for this overspend relates to the Tenancy Sustainment element of the payment to Women's Aid (£82k) which is now being met from the HRA rather than the general fund following a review of where it was appropriate to pay this from. Other reasons are, an increase in legal expenses (£19k) in relation to summons costs and monthly court fees and an increase in rent abatements (£18k) due to void initiatives. | | | | |
| Mitigating Action | 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 | % |

| | | | | | |
|---|---|--------|-------|-----|---|
| REPAIRS & MAINTENANCE | 11,716 | 11,118 | (599) | -5% | ↑ |
| Service Description | | | | | |
| This budget covers all repair and maintenance expenditure to houses and lockups | | | | | |
| Variance Narrative | | | | | |
| Main Issues | This favourable variance is due to 2 factors. The first is due to cost of gas/ventilation/lift repair and maintenance costs being less than budgeted. A large part of the budget for these costs are demand led so can fluctuate significantly from year to year. The other is in relation to the income received as a contribution towards the cost of repairs from home owners and tenants. | | | | |
| Mitigating Action | No mitigating action is required as the variance is favourable | | | | |
| Anticipated Outcome | A year end underspend is anticipated | | | | |

| Budget Details | Variance Analysis | | | |
|---------------------|-------------------|----------------|-------------------|------------|
| Subjective Analysis | Budget | Forecast Spend | forecast Variance | RAG Status |
| | £000 | £000 | £000 | % |

| | | | | | |
|----------------------------|---|----------|-----|-----|---|
| HOUSE RENTS | (40,205) | (39,892) | 313 | -1% | ↓ |
| Service Description | | | | | |
| Rental income from houses | | | | | |
| Variance Narrative | | | | | |
| Main Issues | The rate of transfer of surplus stock from the letting pool has been higher than assumed in budget | | | | |
| Mitigating Action | 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
GENERAL SERVICES CAPITAL PROGRAMME
OVERALL PROGRAMME SUMMARY

APPENDIX 3

MONTH END DATE 31 January 2018

PERIOD 10

| 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 | 3 | 10.7% | 27,017 | 74.1% | 3 | 10.7% | 3,508 | 27.5% | | |
| 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 | 4 | 14.3% | 1,378 | 3.8% | 4 | 14.3% | 1,267 | 9.9% | | |
| 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 | 21 | 75.0% | 8,049 | 22.1% | 21 | 75.0% | 7,997 | 62.6% | | |
| TOTAL EXPENDITURE | 28 | 100% | 36,444 | 100% | 28 | 100% | 12,772 | 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 | Re-Phasing £000 | Over/ (Under) £000 |
| Red | | | | | | | | | | |
| Projects are forecast to be overspent and/or significant delay to completion | 72,772 | 27,017 | 72,071 | (701) | 11,311 | 3,508 | 5,579 | (5,733) | (4,858) | (875) |
| 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 | 7,001 | 1,378 | 6,920 | (81) | 6,890 | 1,267 | 2,927 | (3,963) | (3,881) | (82) |
| 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 | 18,528 | 8,049 | 18,475 | (54) | 12,377 | 7,997 | 10,889 | (1,488) | (1,434) | (54) |
| TOTAL EXPENDITURE | 98,302 | 36,444 | 97,466 | (835) | 30,578 | 12,772 | 19,394 | (11,183) | (10,173) | (1,011) |
| TOTAL RESOURCES | (98,302) | (36,444) | (97,466) | 835 | (30,578) | (12,772) | (19,394) | 11,183 | | |
| NET EXPENDITURE | (0) | 0 | - 0 | - 0 | (0) | 0 | 0 | 0 | | |

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED STATUS

APPENDIX 4

MONTH END DATE

31 January 2018

PERIOD

10

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

Targeted EESSH compliance works

| | | | | | | |
|-------------------------|------------------|-----------|-------------------|-----------|---------|------|
| Project Life Financials | 4,062 | 413 | 10% | 4,062 | 0 | 0% |
| Current Year Financials | 4,062 | 413 | 10% | 600 | (3,462) | -85% |
| Project Description | Low Rise Works | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

This programme is behind schedule. Building Services continue to experience problems in resourcing sufficient skilled operatives for this work stream (despite the recruitment drive) which has impacted severely on their ability to deliver the level of work required. Back-up contractors for this type of work have been procured, however there is a limitation within the tender award on the value of work they can undertake which is far below the level we would need them to deliver to meet the programme. Building Warrants have now been received allowing the scheduling of 4 project areas representing 117 addresses. Scheduling of this work and pre-start surveys are underway with work scheduled to commence at the end of January. A new process has begun to procure via the Scotland Excel framework for additional contractor support to deliver the level of work desired - the framework covers the type of work required and the procurement officer has completed an initial comparison of framework rates. The comparison of rates is favourable therefore the procurement team are taking forward a mini-competition to test the market. Procurement Team have published a capability and capacity notice for this work to potential framework contractors. At this stage a reasonable projection of spend in this financial year would be reduced to £0.600m which is approximately 15% of budget.

Mitigating Action

Building Services will continue to drive recruitment to increase the number of appropriately skilled operatives whilst progressing the programme via current resources and existing back-up contractors. Technical Officers are working to resolve the issues in connection with building warrants to minimise delays. Procurement team to take forward a mini-competition to identify a suitable contractor from the framework contract, this has progressed with the issue of a capacity enquiry to the framework contractors.

Anticipated Outcome

Project to progress as much as possible. Budget will not meet spend targets and is projected for a £3.462m re-phase into 18/19 at this stage whilst we work to increase output and resource and identify an alternative additional delivery contractor.

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED STATUS

APPENDIX 4

MONTH END DATE

31 January 2018

PERIOD

10

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

Regeneration/Demolition of Surplus Stock

| | | | | | | |
|-------------------------|--|-----------|-------------------|-----------|---------|------|
| Project Life Financials | 8,774 | 7,477 | 85% | 7,796 | (978) | -11% |
| Current Year Financials | 1,550 | 80 | 5% | 216 | (1,334) | -86% |
| Project Description | Regeneration/Demolition of Surplus Stock | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

At this time it is anticipated that there will be an overall in year underspend of £1.334m which is made up of £1.151m of underspends and £0.183m of slippage. The underspends are in relation to an unallocated budget (£0.639m), an underspend on Homeloss Payments (£0.190m) which are demand led payments based on tenant re-locations, the bulk of which have already happened at Clydebank East and paid for under a separate budget; and an underspend in relation to Glenside/Muir Road (£0.323m) due to payments having been made in 2016/17 and coded incorrectly. Slippage is required in relation to Creveul Court (£0.100m) since it is unlikely that the remaining tenant will be re-housed within 17/18. Slippage of £0.030m is required for Homeloss Payments to provide for a budget in 2018/19 and £0.003m slippage is required for Glenside/Muir Road, which is complete and relates to the retention release in 2018/19. Projects are progressing as follows: O'Hare/Alexander St - Tender was issued and came back on 8th December and is currently being checked and evaluated; Creveul Court - Officers are working to re-house remaining tenant; Second/Singer Street/Crown Avenue - Project is complete and final payments are under review.

Mitigating Action

In relation of Creveul Court legal officers are following procedures to re-house remaining tenant working with other Council departments. Officers are following procedures to bring the contract to a close in connection with Second Avenue / Singer Street and Crown Avenue.

Anticipated Outcome

Tenant will be re-housed and demolition contractor will be procured during 2018/19.

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED STATUS

APPENDIX 4

MONTH END DATE

31 January 2018

PERIOD

10

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

New house build

| | | | | | | |
|-------------------------|------------------|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 59,936 | 19,127 | 32% | 60,213 | 277 | 0% |
| Current Year Financials | 5,699 | 3,015 | 53% | 4,762 | (937) | -16% |
| Project Description | New house build | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-23 | Forecast End Date | 31-Mar-23 | | |

Main Issues / Reason for Variance

This project is currently forecasting an in year underspend of £0.937m which includes £1.214m slippage (£0.069m Second Avenue, £0.450m St Andrews, £0.300m Creveul Court and £0.395m Haldane requisition), £0.085m underspend in relation to Haldane acquisition and an overspend of £0.362m (£0.350m Second Avenue, £0.005m Bellsmyre, £0.007m Queen Quay). Projects are progressing as follows: Second Avenue - Projected to complete by year end with a project life overspend of £0.350m due to the complexities and variations associated with the bungalow house, planning issues and additional work in relation to adjacent properties, slippage of £0.069m is required for the retention; St Andrews - It is anticipated that there will only be preparatory design, planning and legal expenses in 17/18; Creveul Court Officers working to re-house remaining tenant; Haldane Acquisition - This spend is dependent upon completion of new Balloch Campus, school transfer and clearance of existing Haldane PS site to allow asset transfer. Budget was initially set at £0.480m for this, however valuation has resulted in a transfer value of £0.395m and an anticipated underspend of £0.085m. This budget is fully funded by the Scottish Government therefore although the project will show an underspend this will be offset by an adverse variance in grant income. For reasons above this spend is unlikely to complete by year end resulting in re-phasing of £0.395m into 2018/19 ; Central Bellsmyre - This project is complete with current year spend being for retention payment.

Mitigating Action

In relation to St Andrews officers are working to complete the legal and development agreement to allow appointment of the consultant while at Creveul Court officers are following procedures to re-house remaining tenant working with other Council departments. At Haldane, site officers are working to keep the new build on programme to progress to clearance of existing site as soon as possible.

Anticipated Outcome

In relation to Second Avenue the anticipated outcome will be that the contract will be fully completed . With regards to Creveul Court the tenant will be re-housed and demolition contractor will be procured during 2018/19.

| | | | | | | |
|-------------------------|--------|--------|-----|--------|---------|------|
| Project Life Financials | 72,772 | 27,017 | 37% | 72,071 | (701) | -1% |
| Current Year Financials | 11,311 | 3,508 | 31% | 5,579 | (5,733) | -51% |

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER STATUS

APPENDIX 5

MONTH END DATE

31 January 2018

PERIOD

10

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

1 Integrated Housing Asset Management

| | | | | | | |
|-------------------------|-----|-----|-----|-----|-------|------|
| Project Life Financials | 876 | 304 | 35% | 795 | (81) | -9% |
| Current Year Financials | 765 | 192 | 25% | 427 | (338) | -44% |

Project Description Integrated Housing Management System
Project Lifecycle Planned End Date 31-Aug-18 Forecast End Date 31-Mar-19

Main Issues / Reason for Variance

The project has been delayed due to finalising the contract documentation with the supplier and delays from incumbent system provider in the provision of access to Saffron data (delay in resolving ongoing issue, target of 11th October was not met by Civica, although this has recently been resolved). Project has been re-phased with a go-live date planned of 3rd December 2018, therefore budget of £0.257m is required to be re-phased into 18/19. As a result of the delay in completion of the project, staffing is to be extended to 31st March 2019 in order to support implementation of new system. At this time we are anticipating an underspend of £0.158m.

Mitigating Action

Officers will continue to seek opportunities to mitigate any further delays to the project.

Anticipated Outcome

Project is to be delivered in-line with rephased project timeline with an anticipated underspend of £0.158m.

2 Building external component renewals

| | | | | | | |
|-------------------------|-------|-----|-----|-------|---------|------|
| Project Life Financials | 3,076 | 858 | 28% | 3,076 | 0 | 0% |
| Current Year Financials | 3,076 | 858 | 28% | 2,000 | (1,076) | -35% |

Project Description Building external component renewals
Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

Main Issues / Reason for Variance

Progress is less than anticipated at this time. Issues which have impacted on in-year progress are; productivity, availability of tiles and liaison with owners involved in roof renewals. Analysis of overall completions rates are projecting less completions by year end than programmed. Building Services manager has recognised this and is working to improve output. Therefore, at this time it is anticipated that there will be an underspend of £1.076m required to re-phase to 2018-19.

Mitigating Action

Building Services are working to increase output, which has shown improvement in recent weeks. Liaison officers continue to progress matters with owners to keep the workflow going. Building Services Officers are working with suppliers to advise of upcoming workload to maintain tile stock availability to meet demand.

Anticipated Outcome

Overall this programme will not meet spend targets, and is anticipated to underspend by £1.076m resulting in a re-phase into 18/19.

MONTH END DATE

31 January 2018

PERIOD

10

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

3 Modern facilities and services

| | | | | | | |
|-------------------------|------------------------|-----------|-------------------|-----------|-------|------|
| Project Life Financials | 590 | 208 | 35% | 590 | 0 | 0% |
| Current Year Financials | 590 | 208 | 35% | 300 | (290) | -49% |
| Project Description | Bathrooms and Kitchens | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-18 | | |

Main Issues / Reason for Variance

Condition information identifies addresses for bathroom and kitchen renewals. Tenant agreement and uptake is less than needed to meet the programme and remains a challenge, however officers continue to contact tenants by letter and telephone in efforts to encourage uptake with brochures having been developed to show the range of options and finished examples to try and persuade them to agree. In addition the Housing Improvement Board has agreed to add showers to the bathroom specification and it is hoped that this will increase desirability and uptake. Recent response has seen an increase in uptake and projections have been adjusted to reflect this. At this time a reasonable projection of numbers would be 85 bathrooms and 60 kitchens, reporting an anticipated forecast spend of £0.300m; slippage of £0.290m.

Mitigating Action

Officers are contacting tenants with new brochure information and shower inclusion in efforts to increase uptake. Tenants are offered additional support and assistance if required to help and mitigate with the disturbance e.g. packing up kitchens, ensuring water and cooking facilities available as soon as possible, etc.

Anticipated Outcome

Number of completions to be less than programme resulting in an anticipated underspend of £0.290m against budget.

4 Non Traditional and Traditional Improvement Works

| | | | | | | |
|-------------------------|-----------------------|-----------|-------------------|-----------|---------|------|
| Project Life Financials | 2,459 | 8 | 0% | 2,459 | 0 | 0% |
| Current Year Financials | 2,459 | 8 | 0% | 200 | (2,259) | -92% |
| Project Description | Risk Street Over clad | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-19 | Forecast End Date | 31-Mar-19 | | |

Main Issues / Reason for Variance

This project has taken considerable time to liaise and negotiate with owners to take this forward. Owners voting process has now concluded with the majority of owners in each block (including WDC owned shares) having voted in favour of the external insulation improvement. The result has been communicated to owners. Officers are now progressing the project in terms of contract acceptance and necessary permissions to commence work (tender has been returned and was placed on hold). The preferred bidder is assisting with key construction information which is required to complete the Building Warrant process, officers in Procurement and Consultancy Services are in liaison with the preferred bidder to progress this. At this time it is anticipated that contract award may be realised Jan/Feb, following receipt of building warrant. As the contract is planned to be completed over an 18 month period, there is a resulting re-phasing of £2.259m into 2018/19 with a revised year end forecast of £0.200m due to ongoing issues in finalising the building warrant.

Mitigating Action

Communications have been issued to all owners with result of vote and next steps. Officers are working to complete the building warrant process. Tender acceptance and contract confirmation will be taken forward upon building warrant receipt. The preferred bidder is assisting with key construction information which is required to complete the Building Warrant process, officers in Procurement and Consultancy Services are in liaison with the preferred bidder to progress this. Customer Liaison officer and Project Team will coordinate an open drop in session for residents with project design details and information presentations, however this will not be finalised until the receipt of the building warrant allowing award of the contract.

Anticipated Outcome

Works anticipated be completed over 2017/18 and 2018/19, estimated for completion by end of 2018/19 delivering an major external upgrade of 6 blocks in Risk St, Dumbarton for 72 tenants and 63 owners within budget.

| | | | | | | |
|-------------------------|-------|-------|-----|-------|---------|------|
| Project Life Financials | 7,001 | 1,378 | 20% | 6,920 | (81) | -1% |
| Current Year Financials | 6,890 | 1,267 | 18% | 2,927 | (3,963) | -58% |

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS > £50K

Appendix 6

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | |
|---|---|-----------|-------------------|-----------|-------|-------|
| 1 Contingencies | | | | | | |
| Project Life Financials | 100 | 0 | 0% | 0 | (100) | -100% |
| Current Year Financials | 100 | 0 | 0% | 0 | (100) | -100% |
| Project Description | Contingency budget for unforeseen works | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-18 | | |
| Main Issues / Reason for Variance | | | | | | |
| This is a contingent budget for unforeseen matters which may arise during the year, however at this time it is anticipated that this will not be required | | | | | | |
| Mitigating Action | | | | | | |
| None required | | | | | | |
| Anticipated Outcome | | | | | | |
| Under spend in this financial year | | | | | | |

| | | | | | | |
|---|-------------------------------|-----------|-------------------|-----------|-------|------|
| 2 Defective structures/component renewals | | | | | | |
| Project Life Financials | 735 | 238 | 32% | 735 | 0 | 0% |
| Current Year Financials | 735 | 238 | 32% | 300 | (435) | -59% |
| Project Description | Drumry Structural Works 15/16 | | | | | |
| Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-18 | | |
| Main Issues / Reason for Variance | | | | | | |
| Project is underway at 204 Montrose St which is fully vacated. The next block after this is identified in Alsatian Ave and tenant liaison is underway to arrange decants to allow for follow on progress. Full final costs for recent completion at Mossgeil block has still to come through the ledger. At this stage we are projecting a full completion of the Montrose St block by year end. All tenants have been decanted from Alsatian Ave. Contract team will progress on to this block in the coming weeks to commence clearances and non-warrantable work whilst awaiting on building warrant. We will monitor this closely and have reflected this in the year end forecast, tentatively reducing the year end forecast to £0.300m resulting in a £0.435m re-phase into 2018/19. | | | | | | |
| Mitigating Action | | | | | | |
| Technical officers working to obtain the building warrant. Contract team will clear out of Montrose St and move to Alsatian Ave for clearances to progress as much as possible. | | | | | | |
| Anticipated Outcome | | | | | | |
| Completion of block at 204 Montrose St and progression into Alsatian Ave. | | | | | | |

| | | | | | | |
|-------------------------|-----|-----|-----|-----|-------|------|
| Project Life Financials | 835 | 238 | 29% | 735 | (100) | -12% |
| Current Year Financials | 835 | 238 | 29% | 300 | (535) | -64% |

MONTH END DATE

31 January 2018

PERIOD

10

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

1 **New Build Grant**

| | | | | | | |
|-------------------------|----------|---------|-----|----------|-----|------|
| Project Life Financials | (26,095) | (8,874) | 34% | (26,010) | 85 | 0% |
| Current Year Financials | (2,996) | (1,678) | 56% | (2,516) | 480 | -16% |

Project Description Grant to facilitate the building of new build housing

Project Lifecycle Planned End Date 31-Mar-22 Forecast End Date 31-Mar-22

Main Issues / Reason for Variance

Grant income relating to the Haldane acquisition £0.480m was received late 2016/17 and has been held on the balance sheet. It will not be applied until 2018/19 when the transfer of the site will take place, however the transfer value has been agreed at a value of £0.395m resulting in an underachievement of grant income of £0.085m (although this is offset by purchase cost being £0.085m less than budgeted). Grant income anticipated to be received in 17/18 includes £1.716m (Singer Avenue/Second Street), £0.500m (St Andrew's High School site) and £0.300m (Creveul Court).

Mitigating Action

None required as income has already been received and this is purely an accounting/timing adjustment

Anticipated Outcome

Grant income will be applied in 2018/19

2 **Prudential Borrowing**

| | | | | | | |
|-------------------------|----------|----------|-----|----------|--------|------|
| Project Life Financials | (64,907) | (24,239) | 37% | (61,826) | 3,081 | -5% |
| Current Year Financials | (23,762) | (7,762) | 33% | (10,728) | 13,034 | -55% |

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-23 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

Prudential Borrowing is impacted by both the total level of capital spend and the level of other capital resources. The level of prudential borrowing in 2017/18 overall, is likely to be less than anticipated for reasons identified within each project that shows re-phasing requirements in the red and amber analysis.

Mitigating Action

Mitigating actions are detailed in the red and amber analysis

Anticipated Outcome

Prudential Borrowing is overall likely to be less than anticipated.

MONTH END DATE

31 January 2018

PERIOD

10

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

| | | | | | | | |
|---|--|--|-----------|-------------------|-----------|---------|------|
| 3 | Capital Receipts | | | | | | |
| | Project Life Financials | 0 | (2,302) | 100% | (2,302) | (2,302) | 100% |
| | Current Year Financials | 0 | (2,302) | 100% | (2,302) | (2,302) | 100% |
| | Project Description | Capital receipts from the sale of land or application to purchase houses under Right to Buy Legislation prior to end of scheme | | | | | |
| | Project Lifecycle | Planned End Date | 31-Mar-18 | Forecast End Date | 31-Mar-18 | | |
| | Main Issues / Reason for Variance | | | | | | |
| | Capital receipts were not anticipated to be received due to the closure of the Right to Buy Scheme, however receipts are still being received for applications submitted prior to the end of the scheme resulting in unbudgeted income being received. | | | | | | |
| | Mitigating Action | | | | | | |
| | None required due to favourable variance | | | | | | |
| | Anticipated Outcome | | | | | | |
| | Unbudgeted income received | | | | | | |

| | | | | | | | |
|------------------------|-------------------------|----------|----------|-----|----------|--------|------|
| TOTAL RESOURCES | | | | | | | |
| | Project Life Financials | (98,302) | (36,444) | 37% | (97,466) | 836 | -1% |
| | Current Year Financials | (30,578) | (12,772) | 42% | (19,394) | 11,183 | -37% |

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead – Communications, Culture & Communities****Council: 5 March 2018**

Subject: 2018-19 Budget Consultation Results**1. Purpose**

- 1.1** This report provides an overview of the consultation process for the proposed budget saving options for 2018-19 as presented to Council on 20 December 2017, and summarises key results and feedback.

2. Recommendations

- 2.1** It is recommended that Council notes the results and feedback from across the consultation process and considers these as part of the budget setting process.

3. Background

- 3.1** Since 2013 the Council has been refining its budget consultation including a focus on online tools for wider community engagement and more specific engagement with representative groups from across the community. This has led to consistent growth in the numbers taking part. In 2013 a total of 842 surveys were completed, and in 2014 it had risen to 1,747. The last year of full budget consultation in 2015 saw 3,137 responses.

4. Main Issues**4.1 Methodology**

- 4.1.1** To ensure broad coverage the budget consultation approach for 2018-19 targeted the views of residents and employees in a range of ways to improve accessibility and participation in the process.
- 4.1.2** The primary method was to invite residents and employees to express their views on the proposed savings options through an online survey as reported to Council on 20 December 2017. This online survey was open from 8 January to 5 February 2018. The survey was promoted through the Council website and regular social media posts during the live period. The consultation was also highlighted to Citizens Panel members, and community contacts for wider dissemination.

4.1.3 In addition to the online survey, three-hour drop in sessions were held in Dumbarton, Alexandria and Clydebank libraries between 24 - 31 January 2018. As in previous consultation exercises, all Council libraries also offered support to any resident who required support or assistance to access the form online.

4.1.4 Finally, to supplement the online consultation, three focus group sessions took place with a range of representatives from local community organisations, within Dumbarton, Alexandria and Clydebank at varying times of day and evening to ensure as wide a range of participation as possible. Community groups were proactively contacted by letter and email and encouraged to send up to two members to any of the sessions.

4.2 Online Survey

4.2.1 The online method of consultation was once again highly successful at engaging a broad range of stakeholders across West Dunbartonshire with 2,733 responses received. This is one of the biggest consultations in the Council's history, and compares favourably to the 2015 consultation which included some major options such as school closures, library closures and changing the school week. The 2018/19 survey equates to 305 responses per 10,000 population or 3% of the total population, which represents a statistically significant response level and a small (1.8%) statistical margin of error.

4.2.2 Response levels are considerably higher in West Dunbartonshire than across a range of similar sized and significantly larger Local Authorities who have carried out online budget consultations at the same time, such as Inverclyde, Stirling, East Renfrewshire and Edinburgh City Councils. In comparison to the West Dunbartonshire figure of 305 responses per 10,000 the range for other areas was between 27 and 206 per 10,000 population, highlighting West Dunbartonshire's as the largest in Scotland per head of population that officers are aware of.

4.2.3 The majority of those who responded to the online consultation identified themselves as West Dunbartonshire residents (68%) with a further 20% both living in the area and employed by West Dunbartonshire Council. The remaining 10% of respondents live in other areas but work in West Dunbartonshire, either for the Council (4%) or another employer (6%). All 22 Elected Members completed the survey and the remaining 2% of the total were respondents who stated that they did not live or work in West Dunbartonshire, and therefore their responses were not captured for the purposes of the consultation.

4.3 Focus Group Sessions

4.3.1 Three targeted focus group sessions were held for community organisations, with two hour sessions taking place in Clydebank (afternoon session), Alexandria (morning session) and Dumbarton (evening session). In total 28 representatives attended these focused discussion sessions, drawn from across 15 community organisations including Community Councils, Tenant and Resident Organisations, and those representing young people, carers, environmental issues, mental health and sports.

4.3.2 Those in attendance were in agreement that focused discussion sessions such as this give a meaningful opportunity for engagement at a more detailed level and that they would be keen to see more sessions of this format in future. The focus group discussions centred on the impact savings options may have on the community and how this could be mitigated. The discussions did not consider each option in turn but instead took groups of options, such as education, that would impact on groups within the community.

4.3.3 Overall there was a recognition that savings had to be made and that some of the proposals may give opportunities to think differently about service delivery. Participants in the focus groups expressed:

- The desire to protect services around children and young people wherever possible, particularly in relation to the curriculum;
- A willingness to consider options which brought West Dunbartonshire more in line with national average such as the proposed reduction in Education Maintenance Allowance payments or school clothing grants;
- A desire to see process and non-frontline savings made first, such as those related to the transfer of cash payments, the reduction in paid Trade Union Convenor posts, payments to Parent Councils and reviewing the number of community facilities; and
- A willingness to consider alternative options for community based input to greenspace related services such as park maintenance, litter picking, festive events, grass cutting etc. to allow savings to be made in these areas.

4.4 Drop-in Sessions

4.4.1 The three 3-hour drop-in sessions were advertised on social media and took place from 4-7pm in Dumbarton, Alexandria and Clydebank. These sessions were open to anyone interested in the budget options / consultation process. Attendance was very limited at these sessions with less than 5 interested individuals engaging in the entire process. It is worthy of note that those individuals who did attend the drop-in sessions attended in order to raise other issues not specific to the budget or consultation process.

4.4.2 While it is important that residents who have limited access to the internet or who require support to complete the consultation are supported to do so. The drop-in session model utilised for this consultation did not ultimately contribute significantly to the overall consultation process.

4.4.3 It is proposed that support through libraries and one stop shops will continue in future years, for residents who require this assistance to access the survey online. For those residents who require support to discuss and understand budget savings proposals and options alternative models should be considered. This could, for example, involve extending the successful focus group sessions to a wider audience of people who register that they would benefit from the chance to discuss options in greater detail.

4.5 Responses

4.5.1 Appendix 1 details the percentage agree and disagree for each of the option presented for consultation. In addition it summarises the additional comments and suggestions submitted by respondents on each savings option.

4.5.2 The consultation was structured to present options preferred by the Council Administration as well as alternatives for consideration. Respondents were supportive (indicated by more than 50% agreement) of the following range of those options presented as preferred by the administration:

- Transferring cash payments to PayPoint and post offices (90.3%);
- Increasing food export certificate charges (81.8%);
- Reducing payments to parent councils (75.2%);
- Increasing membership charges at Dalmuir Golf Course (74.9%);
- Reducing funding to strategic partners (70.3%);
- Removing summer bedding displays (69.7%);
- Reducing cemetery maintenance (66.8%);
- Reviewing grants to voluntary organisations (66.6%);
- Removing the weekend litter squad (59.6%);
- Reducing Park Maintenance (57.2%);
- Reducing the Curriculum for Excellence budget (57.1%);
- Withdrawing school crossing patrols from junctions where pedestrian crossings exist (53.1%); and
- Reducing discretionary rates relief for charities (50.7%).

4.5.3 Those options on the Administration proposal which had less than 50% support were:

- Reductions to central spend on recreational activity (49%);
- Reductions in the devolved school budgets (35%); and
- Review of waste services (29.6%).

4.5.4 From those options presented as alternatives, residents selected a number of proposals where they supported a saving being made. Those supported (more than 50% support) were:

- Identifying areas in parks and open space for biodiversity (77.3%);
- Reducing the number of paid Trade Union Convenor posts (74.4%);
- Removing additional education maintenance payments (73% support);
- Reviewing the provision of Christmas Trees (73%);
- Reviewing community facilities operated by West Dunbartonshire Leisure Trust (68.8%);
- Reviewing the Council grass cutting service (64.2%);
- Centralising registration services in Dumbarton (63.4%);
- Removing school clothing top up grant (58%);
- Reviewing charges for special uplifts (57.7%); and
- Ceasing the golf Pro-Am event (57.3%).

4.5.5 Additional comments provided by respondents on alternatives for savings or income generation focused on options such as:

- regenerating assets to maximise income;
- selling assets no longer used;
- increasing use of fixed penalty notices for littering and dog fouling;
- charging for parking;
- reviewing management structures; and
- merging/ closing under capacity schools.

4.6 Summary

4.6.1 Every Council in Scotland faces a similar financial challenge in relation to their budget options over the coming years.

4.6.2 Alongside the high number of responses received to the consultation there has also been debate and discussion on the Council's social media accounts, with many people commenting and sharing information. On the Council's Facebook page alone the various posts regarding budget consultation have reached around 35,000 people, with over 300 shares, likes and comments and almost 4,000 post clicks.

5. People Implications

- 5.1** There are no people implications associated with this report, however the options presented as part of the savings proposals may have workforce implications.

6. Financial and Procurement Implications

- 6.1** The budget consultation was carried out at minimal cost, with the majority of activities carried out within existing capacity of the Performance and Strategy team and utilising existing resources.

7. Risk Analysis

- 7.1** It is important for Council to demonstrate that public opinion has been considered. In circumstances where Council propose to change service provision or reduce budget levels for a specific service, there is an underpinning reputational risk. This risk is mitigated by undertaking public consultation, ensuring the widest number possible of residents had an opportunity to express their views.

8. Equalities Impact Assessment (EIA)

- 8.1** To ensure the process was accessible to the widest range of stakeholders each element was planned to ensure maximum coverage and accessibility for residents. All venues were assessed for suitable access and facilities and additional support was made available on request to ensure it was specific to the requirements of the individual.
- 8.2** Focus groups were carried out in three different locations and at different times to ensure they were as accessible as possible to residents, based on feedback from previous consultation and engagement activity.

9. Consultation

- 9.1** Consultation related to each proposal has been initiated where required or will be undertaken following the outcome of the Council's budgetary decisions. Consultation is ongoing with Joint Trade Union representatives in relation to the full suite of savings options being proposed.

10. Strategic Assessment

- 10.1** The results and outcomes of the budget savings consultation process will support decision making across each of the Council's strategic priorities. Specifically this consultation activity supports delivery of the strategic priorities:
- Meaningful community engagement with active, empowered and informed citizens who feel safe and engaged; and
 - Open, accountable and accessible local government.

Malcolm Bennie
Strategic Lead – Communications, Culture and Communities
12 February 18

Person to Contact: Amanda Coulthard
Performance & Strategy Manager
Tel: 01389 737271
amanda.coulthard@west-dunbarton.gov.uk

Appendices: Appendix 1 – Budget Consultation summary responses

Background Papers: None

Wards Affected: All

West Dunbartonshire Council - Budget Consultation 2018/2019

Administration Proposals for Income Generation

| Proposal | Agree | Disagree | Summary of Comments |
|--|-------|----------|--|
| Increase membership charges at Dalmuir Municipal Golf Course | 74.9% | 25.1% | <p>408 Comments</p> <p>30% was considered a 'steep' rise by some, however others thought that even after a 30% increase the course would still be cheap compared to private courses. Respondents also highlighted that an increase in fees may lead to reduced membership and therefore a loss of income overall. Suggestions included:</p> <ul style="list-style-type: none"> • Phased increase in fees • concession rates for those over 70 years old • promote course to increase income • investment in security and facilities to make course more attractive |
| Increase Food Export Certificate Charges | 81.8% | 18.2% | <p>190 comments</p> <p>Many respondents wanted to know if removing this non-mandatory function entirely would generate a saving instead of increasing fees. In addition concern were raised about the potential impact of this increase on small businesses.</p> <p>Concern that the proposal did not outline likely actual costs to businesses e.g. would they require more than one certificate per business?</p> |
| <p>Do you have any other ideas which would allow the Council to generate income</p> <p>545 Comments</p> | | | <p>Suggestions included:</p> <ul style="list-style-type: none"> • Increase fixed penalty notices for littering and dog fouling • Enforce parking regulations • Increase Council Tax • Regenerate assets such as playing fields to provide increased income • Improve facilities at Dalmuir Park e.g. open café to increase income • Sell Council assets such as buildings and land • Reduce prices of empty shop and industrial units to encourage lets |

Council Administration Preferred Savings

| Proposal | Agree | Disagree | Summary of comments |
|---|--------------|-----------------|--|
| Reduce the Curriculum for Excellence budget | 57.1% | 42.9% | <p>235 Comments</p> <ul style="list-style-type: none"> • Respondents want to ensure reductions do not negatively impact child education and that any reduction does not increase teacher workload • Views expressed that this option contradicts ambition to close the attainment gap • A general consensus that reductions should not be made to education budgets |
| Reduce devolved school budgets by 10% | 35% | 65.% | <p>280 Comments</p> <ul style="list-style-type: none"> • Suggestion to try a smaller reduction first and measure impact • A general consensus that reductions should not be made to education budgets • Suggestion that funding should be reallocated from primary to secondary schools |
| Reduce central spend on recreational activity | 49% | 51% | <p>349 Comments</p> <ul style="list-style-type: none"> • respondents highlighted the importance of swimming lessons as a health improvement activity • suggestions around the possibility of means testing lessons • questions around potential duplication of provision between schools and leisure trust • concern about number of proposals relating to education budgets |
| Reduce payments to Parent Councils | 75.2% | 24.8% | <p>170 comments</p> <ul style="list-style-type: none"> • questions about the function and value of parent councils • questions on what funding could be used for and if it added educational value • view that parent councils could fundraise rather than receiving direct funding • suggestion that any savings should be redistributed to schools |

| Proposal | Agree | Disagree | Summary of comments |
|--|--------------|-----------------|---|
| Withdraw school Crossing Patrols from junctions where pedestrian crossings exist | 53.1% | 46.9% | <p>355 comments</p> <ul style="list-style-type: none"> • those opposed to this proposal highlighted concerns over safety • those supportive of the proposal noted the importance of proper road safety education • general view that work was required on driver education to support this proposal |
| Remove summer bedding displays | 69.7% | 30.3% | <p>309 Comments</p> <ul style="list-style-type: none"> • suggestions that community/voluntary groups could provide this activity • potential to use different types of plants to reduce maintenance time and cost • desire to use this as an opportunity to put in place more wildlife friendly perennials • concern that this change may make area less attractive for visitors and tourists |
| Reduction in cemetery maintenance | 66.8% | 33.2% | <p>231 Comments</p> <ul style="list-style-type: none"> • those in agreement with the proposal expressed concern about use of weedkiller • environmental benefit of reduced grass cutting was highlighted • those who did not support this proposal expressed concern that this option showed a lack of respect to the deceased |
| Reduction in park maintenance | 57.2% | 42.8% | <p>297 Comments</p> <ul style="list-style-type: none"> • many respondents felt that formal bedding could be replaced with wildflower meadows • suggestion that local communities should be more involved in park 'clean ups' • some concerns about increased litter and possible fly tipping • urge to ensure litter campaigns increased to offset this • many support reduced grass cutting but not reduced litter picking • increase fines for littering • look at alternatives for litter picking such as community payback |

| Proposal | Agree | Disagree | Summary of comments |
|--|--------------|-----------------|--|
| Removal of weekend litter squad | 59.6% | 40.4% | <p>329 Comments</p> <ul style="list-style-type: none"> • support for increased fining for dog fouling and littering to support this • dog fouling highlighted as a significant concern • more support for enforcement than increased campaigns to support this change • suggestion that number of bins is increased to support this option |
| Review of waste services | 29.6% | 70.4% | <p>549 Responses</p> <ul style="list-style-type: none"> • many respondents report they are already struggling to manage bin capacity in current two-weekly cycle • concerns over issue of smell in summer if waste is only collected three weekly • concerns also raised on hygiene and possible mess from overflowing bins • suggestion to vary collection cycles dependent on time of year/season |
| Transfer cash payments by residents to the Post Office and PayPoint shops and stores | 90.3% | 9.7% | <p>137 comments</p> <ul style="list-style-type: none"> • many respondents noted that this is already how they make payments • ensure those who need support to pay bills (through home carers for example) can still access services • respondents asked for assurance that this change would lead to an enhancement to current one stop shop provision in other service areas • concerns were raised about ability of residents to access alternative locations • some concern that this change may reduce the contact that some vulnerable residents have with Council services |

| Proposal | Agree | Disagree | Summary of comments |
|-----------------|--------------|-----------------|----------------------------|
|-----------------|--------------|-----------------|----------------------------|

| | | | |
|---|--------------|--------------|--|
| Reduce discretionary rates relief for charities | 50.7% | 49.3% | 212 Comments <ul style="list-style-type: none"> • concerns about cumulative impact of changes on small local charities • desire to see this option applied only to national charities and not local groups • concern raised about penalising charities who provide essential services in local communities • some concern that this change could affect services delivered by the local third sector |
| Review grants to voluntary organisations | 66.6% | 33.4% | 135 Comments <ul style="list-style-type: none"> • concern that voluntary organisations are already facing significant pressures and further reductions may impact on service delivery to vulnerable residents • suggestion that Council should be highlighting potential funding to groups to increase uptake rather than reducing budget • more support needed for groups keen to apply for funding as often application process is complex • suggestion that more scrutiny of current grants is required • suggestion that saving could be used to create a role for supporting groups to attract external funding |
| Reduce funding to strategic partner organisations | 70.3% | 29.7% | 125 Comments <ul style="list-style-type: none"> • many respondents felt that this option represented a 'false economy' and would create increased future demand on services • some respondents felt that they did not have enough information on the work of these organisations to inform a decision • concern over the possible negative effect on those who use these funded services • suggestion that more scrutiny is needed on current funding allocation and how it is used to make sure it's effective |

Do you have any further comments on the preferred savings options of the Council Administration?

303 Comments

Suggestions related to:

- reducing number of management posts and associated costs
- remove the 'no redundancy' commitment
- close more council buildings and/or look for shared premises with partners
- close some schools as they are under capacity
- increase council tax
- protect vulnerable service users from budget savings
- push some options to 2019 onwards to give time to prepare

Alternative Proposals

| Proposal | Agree | Disagree | Summary of comments |
|--|-------|----------|---|
| Reduce devolved school budgets by 5% | 31.1% | N/A | 70 comments <ul style="list-style-type: none"> respondents concerned about cumulative impact of savings over past years concerns that these proposals impact on outcomes for children proposal to close/merge some schools to reduce costs as an alternative suggestion of review of school spending to generate efficiencies concern that this undermined additional national investments in education |
| Reduce devolved school budgets further | 14.5% | N/A | |
| No reduction to devolved budgets | 54.4% | N/A | |
| Remove Additional Educational Maintenance Payments | 73% | 27% | 122 Comments <ul style="list-style-type: none"> suggestion of reducing to £45 instead of £30 suggestion to increase means testing of this payment suggestion that all young people 16-19 should receive this payment not just those currently eligible concerns about potential impact on vulnerable groups such as young carers many respondents supportive of the reduction to standard rate of £30 |
| Remove clothing grant top-up | 58% | 42% | 191 Comments <ul style="list-style-type: none"> respondents again suggested a partial reduction to £75 rather than £50 many respondents suggested better use of uniform banks and recycling of uniforms concerns raised about cumulative impact of education related options concerns about uniform requirements and costs of this suggestions that a voucher scheme would be preferable to a cash payment suggestions of creating a partnership with a supplier to reduce costs of uniforms for all pupils |

| Proposal | Agree | Disagree | Summary of comments |
|--|--------------|-----------------|---|
| Review School Meal Provision to introduce pre-packaged meals into school lunches | 33.3% | 66.7% | <p>242 comments</p> <ul style="list-style-type: none"> • Concerns raised about impact this may have of children living in poverty as school meal may be only hot /fresh meal of the day • Concerns raised over quality checking of food • Concerns raised over message this sends on healthy eating • Respondents highlighted that lunch is not the main meal of the day and therefore this was an acceptable option |
| Provide a sandwich lunch on Fridays | 43.7% | 56.3% | <p>253 Comments</p> <ul style="list-style-type: none"> • Concerns raised about impact this may have of children living in poverty as school meal may be only hot /fresh meal of the day • Concerns raised over message this sends on healthy eating • Respondents highlighted that lunch is not the main meal of the day and therefore this was an acceptable option • Suggestion that changing this option to a mid-week day would be preferable to a Friday (again related to food poverty) |
| School Crossing Patrols to be delivered by volunteers | 34.7% | 65.3% | <p>228 Comments</p> <ul style="list-style-type: none"> • respondents concerned about the consistency of a volunteer led service especially in poor weather conditions • concerns raised around job losses from this option • concerns that volunteering being used to directly replace posts • some respondents felt this option could work with good training and support to volunteers |

| Proposal | Agree | Disagree | Summary of comments |
|--|--------------|-----------------|--|
| Close Dalmuir Municipal Golf Course Completely | 20.1% | N/A | 191 comments <ul style="list-style-type: none"> • Respondents felt that with additional security and staffing the golf course could generate income • View that members clubs should not be subsidised • Suggestion that the course should be better promoted for corporate use • Respondents supported a gradual increase in fees as alternative to closure • Some respondents felt course should be sold however others were concerned about sale of land • Suggestion that course should open a community run café to generate income |
| Reduce Dalmuir Municipal Golf Course to a 9 hole | 40.6% | N/A | |
| Disagree with both options | 39.3% | N/A | |
| Review Council's grass cutting service | 64.2% | 35.8% | 147 comments <ul style="list-style-type: none"> • respondents expressed concerns around the impact on tourism and general attractiveness of the area • responses across all greenspace related options were similar i.e. look for alternative provision in community through groups or community payback |
| Review of provision of Xmas trees | 73% | 27% | 61 comments <ul style="list-style-type: none"> • respondents felt that communities could generate funding if they wanted a tree • suggestion that permanent trees should be planted • suggestion that artificial trees should be used |

| Proposal | Agree | Disagree | Summary of comments |
|--|--------------|-----------------|---|
| Review the provision of Festive Lighting | 49.8% | 50.2% | 59 comments <ul style="list-style-type: none"> • suggestions centred on securing business sponsorship for lighting • comments similar to that on the option to reduce Christmas trees • some respondents felt that community events like these are needed |
| Reduction in street cleaning in all areas | 17.2% | N/A | 141 Comments <ul style="list-style-type: none"> • concerns raised that a reduction in street cleaning generates more littering behaviours • concern that this will also lead to clogged drains and localised flooding as a result • respondents felt that maintaining an attractive community is essential • suggestions about using community solutions as in previous options • view expressed that use of fixed penalty fines should be increased |
| Reduction in street cleaning in some areas | 41.4% | N/A | |
| Disagree with both options | 41.4% | N/A | |
| Identify areas in parks and open spaces for biodiversity | 77.3% | 22.7% | 81 Comments <ul style="list-style-type: none"> • respondents felt that removing grass areas was not a great option • however many suggestions centred around removal of grass areas to increase parking options • many respondents felt that biodiversity was a strong and sustainable option and should be supported • respondents who supported this option felt there was a need to ensure it didn't become a site for fly tipping |
| Removal of Care of Gardens | 38.3% | 61.7% | 187 comments <ul style="list-style-type: none"> • many felt that reductions affecting vulnerable residents should not be considered • however many respondents felt that alternative delivery methods could be found similar to other greenspace related options • many respondents suggested that the service should be means tested or a small charge applied |

| Proposal | Agree | Disagree | Summary of comments |
|---|--------------|-----------------|---|
| Review the charges for special uplifts | 57.7% | 42.3% | <p>236 Comments</p> <ul style="list-style-type: none"> • respondents felt that this may lead to increased fly tipping • comparisons were made to other Council areas where no charges are applied for bulk uplifts • many respondents felt a smaller increase may be acceptable • concerns raised about the impact on those residents who cannot access the waste recycling centre so have to use special uplifts |
| Operate a single household waste recycling centre for West Dunbartonshire | 37.2% | 63.8% | <p>147 comments</p> <ul style="list-style-type: none"> • respondents were concerned that this option is counter intuitive when considering changes to waste services and special uplifts • respondents felt that the facility in Old Kilpatrick is busy and well used so should not be removed • respondents also felt that a single facility, if agreed, should be central and easily accessible to all residents • concerns were again raised about the potential increase in fly tipping |
| Cease gritting of priority footways during winter | 9.5% | 90.5% | <p>318 Comments</p> <ul style="list-style-type: none"> • respondents were not supportive of this option in general however many suggested a community campaign similar to 'grit your bit' • many felt that this option would have a disproportionate effect on vulnerable residents • similar to greenspace options many suggested this could be delivered through use of community payback or other community based options • the main concern around this proposal related to safety for vulnerable residents |

| Proposal | Agree | Disagree | Summary of comments |
|--|--------------|-----------------|---|
| Undertake a review of Community Facilities operated by West Dunbartonshire Leisure Trust | 68.8% | 31.2% | <p>77 comments</p> <ul style="list-style-type: none"> • respondents felt that current facilities were lacking in investment and access was overpriced for condition • many respondents were supportive of a focus on community asset transfer under this option • respondents suggested more promotion of these community facilities to increase use |
| Centralise Registration Services in Dumbarton | 63.4% | 36.6% | <p>106 comments</p> <ul style="list-style-type: none"> • respondents felt that increased travel may be a challenge for some residents particularly after a bereavement • respondents also highlighted that a centralised facility would be more efficient • some respondents felt the value of the saving did not warrant the impact on residents |

| Proposal | Agree | Disagree | Summary of comments |
|---------------------------------------|-------|----------|---|
| Cease Golf Pro Am | 57.3% | | 164 comments <ul style="list-style-type: none"> • responses were often very complex with support for some but not all of the proposals • many felt that these events are important for encouraging visitors to the area • many felt fireworks are disruptive and should be ceased • many felt large events such as the pipe band championships are important for the profile of West Dunbartonshire and should be maintained • some comments centred on the need to have positive community events but recognised a single event which moved around the area each year would allow a small saving to be made |
| Cease Loch Lomond games | 19.7% | | |
| Cease Scottish Pipe Band Championship | 17.4% | | |
| Cease Firework Displays | 25.8% | | |
| Cease Christmas light Switch On | 42.2% | | |
| Do not cease any events | 30.6% | | |

| Proposal | Agree | Disagree | Summary of comments |
|--|--------------|-----------------|---|
| Stop providing Nightzone during the festive season | 32.6% | 67.4% | 65 comments <ul style="list-style-type: none"> • many respondents felt local businesses should fund this as they benefit from the activity • respondents felt that ceasing this provision would have a significant effect on community safety |
| Reduce the number of paid Trade Union Convenor posts | 74.4% | 25.6% | 93 comments <ul style="list-style-type: none"> • while some respondents felt that this was a positive savings option with no impact on residents others felt that the significant changes facing the organisation meant more need for trade union support • some respondents highlighted the need to reduce numbers to bring West Dunbartonshire Council in line with other areas |
| Remove Discretionary rates relief for charities | 26.7% | N/A | 51 Comments <ul style="list-style-type: none"> • Many of the comments are similar to those in the previous option related to rate relief • Respondents supported a review of rates relief with caveats around understanding impact on small local charities • Concerns were expressed about cumulative impact of funding reductions • More respondents were supportive of the option to apply full rates to national charities if a saving must be made |
| Apply Full rates for National Charities | 37.1% | N/A | |
| Neither option | 36.2% | N/A | |
| Remove the Elderly Welfare Grant | 43.5% | 56.5% | 108 Comments <ul style="list-style-type: none"> • Many respondents supported means testing the payment • Many also commented that £15 was a small amount and would not be missed by many • Suggestion that payment was an unnecessary addition for many recipients and would be better used by more vulnerable residents • Some respondents highlighted the need for this subsidy for groups when nominated to receive payment on behalf of members |

Supplementary Options

| Proposal | Agree | Disagree | Summary of comments |
|---|---------------|--------------|--|
| Increase Council Tax by 3% | 66.32% | N/A | 279 Comments <ul style="list-style-type: none"> • Many noted that the freeze in previous years was welcome but no longer possible • Many respondents felt that an increase would not be welcome • Respondents highlighted the reduction in services proposed through this consultation as a reason for not increasing Council Tax • Respondents felt an increase could be used to fund some of the services proposed for reduction • Some respondents were unhappy that there was no option to reduce Council Tax • Respondents suggested more vigorous collection of arrears or a re-banding exercise • Concerns were raised about affordability for those living in poverty |
| Increase Council Tax by 4% | 33.68% | N/A | |
| Grit additional footways and pavements across West Dunbartonshire | 51.4% | 48.6% | 125 Comments <ul style="list-style-type: none"> • Many respondents were concerned about how this would work in practice • Concerns were raised about the ongoing burden on the budget • Respondents suggested investing in additional grit bins across the area as an alternative • Suggestion of leasing additional vehicles as required rather than purchasing • Many respondents questioned the need for additional gritting • Some respondents felt that this investment would save money in other services such as NHS • Many respondents expressed frustration about a proposal to spend extra money on this while cutting other services |

Additional Respondent Comments

Summary of comments

123 Comments

Increase Revenue

- Some respondents suggestion looking for options for local taxes to increase income
- Many respondents felt traffic enforcement and fixed penalties should be increased
- Others suggesting implementing parking charges in town centre areas

Reduce Corporate Costs

- Many respondents felt the Council requires to review management structures to reduce costs
- Reduce sickness among workforce and associated costs of this
- Carry out more transactions online to reduce need for face to face services where possible
- Focus on services residents want and have expressed support for

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Council: 5 March 2018

**Subject: General Services Revenue Estimates and Council Tax –
Financial Years 2018/19 to 2020/21**

1. Purpose

- 1.1** The purpose of this report is to provide Council with sufficient information to allow them to consider the General Services Revenue Estimates from 2018/19 to 2020/21 and to set the Council Tax for 2018/19.
- 1.2** The report also provides Council with information in relation to the capital plan and its relationship with the revenue budget, seeking approval of an update to the plan.
- 1.3** To provide Council with an update following the motion approved at December 2017 Council meeting in relation to the joint Trade Union delegation.

2. Recommendation

- 2.1** Following consideration of the information provided, Council is recommended to:
 - Note the budget updates as detailed in this report reflecting new information since the report to December 2017 Council;
 - Note that the budget aims to meet the conditions as set out in the letter from the Cabinet Secretary for Finance and the Constitution dated 14th December, 2017
 - Note the projected outturn position for capital for the current financial year as detailed in Appendix 1 including information in relation to the re-profiling of a number of projects and resources into future years;
 - Agrees the proposed updated capital plan from 2018/19 as detailed in Appendices 2 and 3 to this report including the recurring projects for 2018/19 and projects within the capital plan as detailed at 4.5.2 and 4.5.3 in this report;
 - Note the updated position regarding projections for the revenue budget in 2017/18 as identified at 4.6 in this report;

- Note the updated provisions and reserves position of the Council as identified at 4.7 in the report;
- Agree the General Services Revenue Estimates for 2018/19 noting the position for the next 2 financial years identified at 4.8 in this report and consider options to take action to close the projected funding gaps to 2020/21;
- Set the band D council tax level for 2018/19 at £1,198 which represents a 3% increase and assumes a collection rate of 97.25% thereby generating £33.448m, exclusive of Council Tax Reduction Scheme (CTRS) and net of other discounts; and
- Note the update provided in relation to the Council motion agreed at Council on 20 December 2017.

3. Background

- 3.1** Members received a copy of the draft revenue estimates for 2018/19 along with a report providing an update of the Council's Long Term Finance Strategy at the Council meeting held on 25 October 2017.
- 3.2** Members also received a report to Council on 20 December 2017 which updated the projected financial position between 2018/19 to 2020/21 following the announcement of the Scottish Government's Finance Settlement on 15 December 2017. This report provides Members with information as to the terms of the Scottish Government settlement offer.
- 3.3** A 3% increase in Council Tax will generate a council tax yield of £33.448m net of all discounts (including CTRS of £9.758m) and based on a 97.25% collection rate. The Council receives Scottish Government funding to support CTRS within the Revenue Support Grant.
- 3.4** Therefore after applying this sum and a number of further budget adjustments there was remaining funding gaps of:
- 2018/19 £3.375m;
 - 2019/20 £8.378m; and
 - 2020/21 £14.254m.
- 3.5** These gaps would require to be met from implementation of savings options and/or from reserves.
- 3.6** As part of the budget process and as reported to Council in December 2017, the Corporate Management Team (CMT) has identified a number of savings options which Council could use to close the gap or part of the gap. The full list of savings options available was provided to Council in December where the public consultation process on these options was agreed.

- 3.7 The report in October 2017 also listed the following funds available to the Council as at 31 March 2018:

| | £m |
|--|---------------------|
| Reserves | 13.118 |
| <u>Of which:</u> | |
| Earmarked | 8.055 |
| Unearmarked | 5.063 |
| Prudential Target | <u>3.995</u> |
| Projected Free Reserves | <u>1.068</u> |
| Provision – for Equal Pay settlements | 0.750 |

- 3.8 The December 2017 report provided Council with an update of the budget projections, including the expected effect of the Scottish Government finance settlement for 2018/19 – which was announced on 14 December 2017. The position, as updated to Council in December was a projected cumulative gap as follows:

- 2018/19 £1.099m;
- 2019/20 £6.093m; and
- 2020/21 £11.996m.

- 3.9 As was advised to Council this position was subject to ongoing review of assumptions within the Council and a settlement checking process between COSLA and the Scottish Government.

- 3.10 The budget is based on the approved activity levels of 2017/18 plus a number of additional burdens, except where growth has been specifically approved by the Council or included in the funding to be received from the Scottish Government.

- 3.11 Members may wish to consider options to add growth expenditure to the budget. However, in order to do so, Members will require to identify funding to be applied to the draft budget for any growth agreed. In considering possible budget growth, Members will wish to consider the longer term effects on future years' budgets should any additional growth options result in a recurring expenditure commitment.

- 3.12 At Council on 20 December 2017, following the Trade Unions Delegation a motion was approved which contained the following text:

“That officers investigate and brief elected members and the joint trade unions regarding the possibility of implementing the following actions to help Council protect jobs and services in the face of on-going austerity (reports for decisions to be drawn up as appropriate):

1. Look at refinancing/buyout options for our PPP and other debts

2. Consider raising finance through the issuing of bonds
 3. Carry out an options appraisal, with a view to bringing a report on Councillor Dickson's plan to raise revenue through building and selling/renting housing as part of the General Fund
 4. Continue examination of the Administration's wish to seek new and innovative ways of raising revenue, including the possibility of increasing skills capacity and staffing to allow the Council to bid for private and public-sector work within and out with West Dunbartonshire
- To further advance point four above, the budget consultation should include a question inviting suggestions for areas where the Council could generate additional income."

4. Main Issues

- 4.1 Since the report was provided to the Council on 21 December 2017 a number of adjustments to the draft budget position have been identified by the CMT as follows:

| Change | Value 18/19 (£m) | Value 19/20 (£m) | Value 20/21 (£m) |
|---|---------------------------------|---------------------------------|---------------------------------|
| NDR poundage 46.6p to 48p | 0.134 | 0.134 | 0.134 |
| Water charges changes - Live NDR Roll | 0.016 | 0.016 | 0.016 |
| Period poverty - December Council | 0.048 | 0 | 0 |
| Credit card charges - income removed - new legislation | 0.003 | 0.003 | 0.003 |
| Budget correction - shift allowance missed | 0.010 | 0.010 | 0.010 |
| Reduced Registrars income due to closure of Cameron House | 0.007 | 0.007 | 0.007 |
| Libraries saving delayed due to consultation period | 0.045 | 0 | 0 |
| DWP grant updated | -0.050 | -0.050 | -0.050 |
| Loan Charges – update | -0.079 | -0.079 | -0.079 |
| ASN Burden – day care provision | 0.058 | 0.140 | 0.140 |
| Added post - Members Secretary | 0.030 | 0.030 | 0.030 |
| WDLT update in assumed position | 0.330 | 0.330 | 0.330 |
| Totals | 0.552 | 0.541 | 0.541 |

4.2 Scottish Government Settlement Update

- 4.2.1 Since the settlement was announced a number of clarifications have been provided by the Scottish Government.
- 4.2.2 The settlement letter of 14 December 2017 from the Cabinet Secretary for Finance and the Constitution (the Cabinet Secretary) stated that:

“Any individual authority not intending to agree the offer and accept the full package of measures and benefits should write to me by no later than Friday 19 January 2018. For those authorities not agreeing the offer a revised, and inevitably less favourable, offer will be made.”

Following representations from COSLA, a further letter was received from the Cabinet Secretary on 20 December 2017 extending the deadline for such a response to 26 January 2018.

- 4.2.3** During the settlement checking process it was identified that there had been an error made in the settlement calculation, which required to be corrected. As a result the Scottish Government issued a correction of the figures on 24 January 2017. The effect of this correction was to allocate additional funds to the Council to the value of £0.467m, which contained elements of new funding which it is expected the Council will require to spend, resulting in a net increase in funding is £0.409m.
- 4.2.4** On 31 January 2018 the Cabinet Secretary made an announcement and wrote to Councils to the effect that additional £170m of revenue funding was to be provided to Councils for 2018/19, to be spent at the discretion of Councils. The effect of this for the Council is an additional £2.818m.
- 4.2.5** The letter from the Cabinet Secretary states that this funding is being made available in 2018/19. As has been the case in recent years, this year's settlement is a one-year position. During the Cabinet Secretary's evidence to the Scottish Parliament's Finance Committee on 7 February 2018 where he stated that decisions on budget allocations for 2019/20 onwards will be discussed as part of next year's spending review. He wrote to COSLA's spokesperson Cllr Gail Macgregor reiterating this position and highlighting that no Scottish Government budget baseline has been confirmed for next year so local government is not being treated any differently. As a result of this position in projecting forward it has been assumed that this new funding is non-recurrent and for 2018/19 only.

The new funding is being split into two tranches, as follows:

- £34.5m (Scotland), £0.610m (WDC) in 2017/18; and
- £135.5m (Scotland), £2.208m (WDC) in 2018/19.

This split being due to the sources of the funding means that for the funds to be used, as intended by the Scottish Government, in 2018/19 the £0.610m paid to the Council in 2017/18 will be earmarked for use in 2018/19.

- 4.2.6** In his statement to Parliament on 31 January 2018 in announcing the additional funding the Cabinet Secretary also stated that *“he would extend the Scottish Government's commitments on public sector pay to ensure all public sector employees earning up to £36,500 receive a minimum 3% pay*

increase". This is different to the position reported to Council in December 2017, which was based on previous Scottish Government commitments to the extent that in December the 3% uplift was restricted to employees earning up to £30,000. This change would, if agreed through the national negotiating process, result in an additional cost to the Council of £0.430m. In order, therefore to be prudent the assumption on pay award for 2018/19 has been increased by a further £0.430m, though clearly the final pay settlement will be subject to the normal negotiation process.

4.2.7 The following table provides a summary of these changes:

| Change | Value 18/19 (£m) | Value 19/20 (£m) | Value 20/21 (£m) |
|---|---------------------------------|---------------------------------|---------------------------------|
| Correction of settlement calculation (4.2.3) | -0.409 | -0.409 | -0.409 |
| Change to SG Council funding following letter from SG on 2/2/17 (4.2.4 and 4.2.5) | -2.818 | 0 | 0 |
| Changed assumption on employee pay (4.2.6) | 0.430 | 0.430 | 0.430 |
| Total | -2.797 | 0.021 | 0.021 |

4.3 Council Contribution to HSCP

4.3.1 The Council's Finance Strategy and funding predictions as reported to October 2017 and December 2017 Council meetings assumed that the Council's funding to the HSCP would reduce by £1.560m, this being the same share that was allowed to be reduced as a maximum by the Scottish Government in financial year 2017/18.

4.3.2 In addition to the above the Chief Officer of the HSCP reported to the HSCP Board on 20 December that there were additional burdens expected – resulting in a total funding gap of £2.201m for 2018/19.

4.3.3 Since that point the Chief Officer of the HSCP has identified further additional burdens within the draft budget of the HSCP which is anticipated to increase its costs and gap to £2.671m, as reported to the HSCP Board on 14 February 2018.

4.3.4 At the HSCP Board on 20 December 2017 a number of savings options were identified for the Board's consideration.

4.3.5 As a result of the updated settlement position Council may wish to consider adjusting the assumptions around financial support to the HSCP in 2018/19.

4.4 Council Tax Projection

As stated at 3.4, above, the budgeted level of council tax funding equates to a Band D equivalent tax level for 2017/18 at £1,198 which represents a 3% increase from £1,163 per house. This excludes water

and sewerage charges. The Council has no control over these charges although they are collected along with council tax. Information regarding the combined annual charge for water and sewerage for a band D property in 2018/19 is set at £437.40 (£430.56 in 2017/18).

4.5 Capital Plan

4.5.1 At Council on 22 February 2017 an update of the 10 year capital plan was reported and approved. As was reported in February 2017 a full refresh of the plan will happen every 3 years, however the plan has been updated to recognise progress made and any re-phrasings of projects and anticipated funding that have been necessary, as detailed in Appendix 1. The result of this update is shown as Appendix 2 (spend) and Appendix 3 (resources) to this report and has had the following cumulative effect on the loan charges estimates included within the draft budget:

- 2018/19 £0.475m;
- 2019/20 £0.212m; and
- 2020/21 £0.063m.

4.5.2 Included in the above, are a number of new projects identified during the budget preparation process which have been agreed by the CMT to be recommended for approval by Council. These listed in the table below and will have the following cumulative effect on the draft revenue budget of £0.224m from 2019/20, if approved:

| Ref | Project Name | Value 18/19 (£m) | Project Life Value (£m) |
|-----|---|------------------------|----------------------------------|
| 1 | New IT equipment to enable Environmental Health and Trading Standards officers to work more efficiently | 0.027 | 0.027 |
| 2 | Trading Standards Scam Prevention devices to be purchased and provided to vulnerable | 0.010 | 0.010 |
| 3 | Replacement GIS system and upgrade to eDevelopment Planning system | 0.041 | 0.041 |
| 4 | Customer Services Transformation following report to November 2017 Corporate Services Committee | 0.005 | 0.005 |
| 5 | Telephone System Upgrade | 0.015 | 0.015 |
| 5 | Transformation of Infrastructure Libraries and Museums following report to February 2018 Corporate Services Committee | 0.421 | 0.421 |
| 6 | Protective over-coating to 4 over bridges, River Leven, one bridge every 2 years | 0.270 | 1.080 |
| 7 | A813 Road Improvement Phase 1: brought forward due to significant degradation of the road | 0.750 | 2.325 |

| | | | |
|----|---|--------------|---------------|
| | surface over the winter of 2017/18 – this was originally phased for 2024/25 and 2025/26 | | |
| 8 | A811 Road Improvement: new project to upgrade the A811 at a cost of £1.5m has been added due to significant degradation of the road surface over the winter of 2017/18. | 1.500 | 1.500 |
| 9 | A811 Lomond Bridge: A new project to upgrade the A811 Bridge at Balloch at a cost of £3.9m requires to be upgraded following a recent structural survey. | 0.100 | 3.900 |
| 10 | Depot Rationalisation: Potential project to rationalise depots | 0.100 | 18.035 |
| 11 | Elevated Platforms (Building Services): Scaffolding budget approved at Council in August 2017 has been removed due to detailed business case not generating a saving compared to expected saving of £0.200m per year. A replacement has been added for purchase of elevated platforms at £0.045m which will generate around £0.100m of savings (assumed in updated revenue budget position) | 0.045 | 0.045 |
| 12 | Energy Efficiency: Automatic Meter Readers | 0.048 | 0.048 |
| 13 | Energy Efficiency: Installation of Solar Panels (OHR PS and Whitecrook PS) | 0.135 | 0.135 |
| 14 | Energy Efficiency: Oil to Gas Conversion (Braehead PS, Carleith PS & Hub CEC) | 0.187 | 0.187 |
| 15 | Energy Efficiency: Upgrade Lighting (Alexandria CEC, Carleith PS, Dumbarton Library, WDAC & Whitecrook PS) | 0.095 | 0.095 |
| | Totals | 3.749 | 27.869 |
| | Revenue impact from 2019/20 | 0.224 | |

4.5.3 All of the above are new projects except 6 and 7 which have been accelerated from the previous capital plan. This report seeks approval of all projects detailed above except for project 10 which seeks approval for the 2018/19 spend only and requires a full business case to be developed and considered at a future IRED Committee for the remainder.

4.5.4 Within the revised plan are two projects which have started but for which additional funding is sought:

- Care Homes – increased by £2.401m following finalization of specification for Clydebanks Care Home and expected costs arising from procurement process; and
- Office Rationalisation – increased by £0.257m as a result of increased costs for demolition of Rosebery Place Offices, Data

Centre at Aurora, Bridge Street upgrade and new adaptations at Aurora House.

- 4.5.5** As a result of the above the capital funding requirement has been adjusted for re-phrasings and the anticipation of approval of the new bids listed at 4.5.2. This is reflected in the Treasury Strategy which is subject of another report to this meeting. The above changes also change the expected level of loan charges to the following from 2018/19 to 2025/26:

| | |
|---------|----------|
| 2018/19 | £10.423m |
| 2019/20 | £11.052m |
| 2020/21 | £11.987m |
| 2021/22 | £12.212m |
| 2022/23 | £12.976m |
| 2023/24 | £13.233m |
| 2024/25 | £12.927m |
| 2025/26 | £12.305m |

- 4.5.6** In considering capital investment Council requires to consider how affordable planned capital investment is to the Council both in the shorter/medium term and in the longer term. The Council's external auditors have raised concerns around the level of borrowing which the Council currently holds, however analysis (which indicates that the Council is amongst the highest levels of borrowing in Scotland) includes the significant HRA investment in achieving SHQS.
- 4.5.7** As has been previously reported to Council, in the years leading up to the development of the longer term approach to capital planning the Council's level of investment in its General Fund assets was low as evidenced, for example, in the spend required to bring the schools estate to an acceptable standard. The current capital plan shows a cluster of planned spend concentrated from 2018/19 to 2020/21 and then reducing significantly thereafter. In addition to the required capital investment in "backlog" projects the Council has taken a pro-active approach to regeneration with two significant projects valued at over £40m over the next few years.
- 4.5.8** As was previously reported to Council, in considering affordability it is suggested that a key measure is not the value of borrowing, but the impact of the borrowing on future revenue streams. This aspect of borrowing is identified in the Council's Treasury Strategy and is considered when setting this strategy each year. The Strategy (which is a separate paper to be reported to this council) covers the period 2018/19 to 2025/26 and shows the ratio of cost of borrowing : net revenue stream ranging between 8.71% in 2018/19; 9.36% in 2019/20; and 10.15% in 2021/22.
- 4.5.9** The above reflects the current to medium-term picture and we must consider the impact of new borrowing into future years. Projections of this indicator for the Council show that at its peak (based on the attached draft refreshed capital plan) the PI will be 11.71% in 2037/38. Clearly there are numerous variables between now and that future date, such as future

levels of investment; future levels of Scottish Government capital funding support; rates of interest at which borrowing is secured; and whether Councils will have the ability to vary their own revenue streams (i.e. removal of restrictions on Council Tax increases or any successor). The current model assumes revenue streams as at current levels; interest rates for ongoing borrowing at current low levels; and government capital support remaining at current levels (taking into account re-profiling of grant from 2016/17 to future years).

4.5.10 In terms of affordability of the proposed plan it is the view of the CMT that the plan is affordable, though clearly will have revenue implications for future years, these will require to be planned for in the normal manner through long term financial strategies and budget planning processes.

4.6 Budgetary Control Projection for 2017/18

Since the last Council meeting in December 2017 officers have produced an updated budgetary control position for 2017/18. A separate report on this subject is submitted to this meeting and shows a projected year-end favourable position of £0.272m.

4.7 Review of Reserves and Provisions

4.7.1 A revised Prudential Target of £3.995m for 2018/19 was reported to Members at the Council meeting on 25 October 2017, based on 2018/19 budget projections at that time. Following the various changes to funding, etc noted in this report the Prudential Target has now been calculated as £4.122m. The target is calculated based upon anticipated levels of Council spend, net of requisitions.

In considering the target and the policy and reserves of the WDC HSCP, as the Council's contribution to the HSCP is seen as a requisition then, based on the end position at 31 March 2017 and based on current budgetary control reports presented to the HSCP Board, the HSCP had insufficient reserves to have a material impact on the Council's consideration.

4.7.2 Officers have revised the reserves and provisions since October 2017 and the updated position is as follows:

- Officers have reviewed the required Equal Pay provision and the current provision of £0.750m remains required;
- The earmarked funds for the costs of voluntary severance/early retirement are held to assist the Council finance ongoing downsizing of the workforce with a view to ongoing anticipated reductions in Scottish Government funding in future years, as is reflected in the projections to 2020/21. The figure held at the end of 2016/17 was £1.972m. This has been reviewed and it is anticipated that £0.500m will be used in 2017/18 leaving £1.472m. The CMT has reviewed this earmarked fund and it has been decided to merge this earmarked funding with the

remaining earmarked fund for transformational projects as a new earmarked "Change Fund";

- The earmarked fund for transformational projects held at the end of 2016/17 was £1.411m of which £0.740m has been used, leaving £0.671m. It is anticipated that there will be an ongoing requirement to fund investment in transformational projects and as discussed above this remaining funding will be merged into the new earmarked Change Fund; and
- The remaining earmarked funds have either been spent or continue to be required for the purposes originally identified. Information on this is provided as Appendix 4.

The above is summarised in the following which shows the projected levels of reserves and provisions held by the end of 2017/18:

| | |
|--|--------------|
| <u>Unearmarked Reserves</u> | £m |
| Position at 31/3/17 | 5.063 |
| <u>Changes</u> | |
| Budgetary control projection 2017/18 | 0.272 |
| Council Decisions: Use of reserves 2018/19 | -0.103 |
| Additional SG Funding for 18/19 | -0.610 |
| To new Earmarked Reserve - Additional SG funding for 18/19 paid in 17/18 | 0.610 |
| Projected Unearmarked Reserves at 31/03/18 | 5.232 |
| Prudential Target for 2017/18 | 4.122 |
| Projected Free Unearmarked Reserves | 1.110 |
| <u>Earmarked Reserves</u> | |
| Projected Position at 31/3/18 | 3.590 |
| <u>Most significant reserves:</u> | |
| Change Fund | 2.143 |
| Funding for 2018/19 from SG | 0.610 |

4.7.3 Should Members identify efficiencies or growth options to be funded from reserves, then the Prudential Reserve level should be considered. This level of free reserves is considered to be the free reserve level which the Council should not plan to be below.

4.7.4 Our external auditors in their annual report following the audit of the Council's accounts for 2016/17, identified that the Council has low levels of reserves compared to other Councils in Scotland, and suggested that Members would wish to consider this position. It would be possible to increase the level of reserve in the Council's prudential policy to be higher than 2%. In order to do so would require additional savings to be made.

- 4.7.5** In terms of the adequacy of reserves – the prudential level of reserves is viewed as being an adequate level to deal with any financial shocks to the budget, based on previous experience and future expectations specifically in relation to income streams. As can be seen the level of projected reserves is significantly above the prudential level and are therefore judged as being adequate.

4.8 Summary of Changes to Budget Gap and Net Council Budget

The following table provides a summary of the updated budget gaps for 2018/19 to 2029/21 based on the various issues identified in this report.

| Description and report reference | 18/19 (£m) | 19/20 (£m) | 20/21 (£m) |
|---|-----------------------|-----------------------|-----------------------|
| Gaps per December 2017 report (3.9) | 1.099 | 6.093 | 11.996 |
| Budget updates (4.1) | 0.552 | 0.541 | 0.541 |
| Settlement Updates (4.2.7) | -2.797 | 0.021 | 0.021 |
| Capital Plan Update (4.5.1) | 0.475 | 0.212 | 0.063 |
| Capital Growth bids (4.5.2) | 0 | 0.224 | 0.224 |
| Updated Gaps | -0.671 | 7.091 | 12.972 |

As a result of all changes since the draft budget for 2018/19 was presented to Council in October 2017 the net budget position for 2018/19 changes to £211.629m with total funding of £212.358m, leaving a budget surplus of £0.671m.

Revenue Estimates 2019/20 and 2020/21

- 4.9** In order to continue to meet the Council's desire to identify and plan for medium term budgets and issues, indicative budgets for the following two years have been prepared which assume the same level of service as implicit within the 2018/19 budget along with further appropriate burdens.
- 4.10** Members are required to agree a balanced budget for the next financial year and may wish to consider and agree on options which will reduce the forecast gaps for 2019/20 and 2020/21.
- 4.11** In relation to the actions agreed within the wording of the motion agreed at Council on 20 December 2017 as detailed at 3.12 above, the following provides an update:

1. Look at refinancing/buyout options for our PPP and other debts

PPP: Officers have periodically, since the PPP schools went live considered opportunities to refinance the loan funding behind the deal. Most recent advice received is that the current financial markets do not lend themselves to refinancing for the Council due to swap rates achieved at the time the deal was struck. Officers

will periodically review this position as the economy changes in the future.

Other Debt: Officers take ongoing advice from our contracted Treasury Advisors around options to refinance any of our borrowing debt. At present none of our debt is suitable for refinancing option due to current financial circumstances and interest rates being low and the cost of the penalty that would be charged for early redemption. However, recently one of our lenders voluntarily sought to refinance a particular loan with no penalty, which was agreed and generated an annual saving of £0.079m over the next 15 years.

- 2. Consider raising finance through the issuing of bonds**
Officers have been in discussion with the Council's Treasury Advisors on this topic for a number of years and most recently following Aberdeen Council raising funds in this way. The advice is that due to the comparatively small scale of our capital programme and the significant costs involved in arranging a bond and legal and financial requirements around this, that the Council would not benefit from such an approach. Discussion has recently taken place with other "Directors of Finance" in the West of Scotland to see if there was appetite for a joint bond. It was agreed that this may be something that could be investigated and will be subject of future discussion.
- 3. Carry out an options appraisal, with a view to bringing a report on Councillor Dickson's plan to raise revenue through building and selling/renting housing as part of the General Fund**
Currently the opportunity for the Council to raise revenue as described is the subject of discussion and development through the Commercialisation Working Group. It is anticipated that a business case will be developed and reported for consideration to a future meeting of Council.
- 4. Continue examination of the Administration's wish to seek new and innovative ways of raising revenue**
Currently the opportunity for the Council to raise revenue as described is the subject of discussion and development through the Commercialisation Working Group. It is anticipated that a the outcome of this work will be developed and reported for consideration to a future meeting of Council as options are developed and a full review of the Council's approach to charging is completed.
- 5. To further advance point four above, the budget consultation should include a question inviting suggestions for areas where the Council could generate additional income.**
This was included within the budget consultation survey, the outcome of which will be reported in a separate report to this

meeting and will also be considered by the Commercialisation Working Group in its review of charges.

Since the December Council meeting a further meeting between officers and the Joint Trades Unions has taken place and the update above was provided. It has been agreed that a Trade Union Convenor will attend the Commercialisation Working Group. It had already been agreed, at a previous meeting, that regular ongoing meetings will be arranged at appropriate points.

5. People Implications

5.1 The potential staffing implications may relate to:

- the management adjustments which were reported to Council on 20 December 2017; and
- any of the savings options identified by the CMT which Council decides to implement.

5.2 Any staffing implications as a result of the implementation of the management adjustments and any savings options agreed are subject to ongoing consultation in conjunction with the Trade Unions and in line with the Council's Switch Policy (Organisational Change).

6. Financial and Procurement Implications

6.1 The financial implications are as detailed within the report and appendices. There are no direct procurement implications from this report.

7. Risk Analysis

7.1 The Council, in setting this budget, is required to give due regard to the significant financial pressures facing the Council in the medium term. By setting a budget for 2017/18 with no savings applied will put significant pressure on Council to find cost reductions to balance the budget in 2018/19.

7.2 There are a number of variable assumptions in the setting of the budget which will be monitored throughout the financial year as part of the budgetary control process, such as interest rates, care demands, etc.

7.3 In terms of the capital plan the main financial risks relate to:

- i) whether inflation increases construction costs resulting in plans requiring to be reviewed upwards;
- ii) site investigations results potentially impacting on the realisation of anticipated capital receipts;
- iii) ensuring that savings identified and to be used to fund prudential borrowing are achieved; and

- iv) longer-term affordability requires to be considered in determining appropriate levels of capital funding.

Ongoing budgetary control processes will monitor the above issues and any problems will be reported to a future Council meeting for consideration.

8. Equalities Impact Assessment

- 8.1** Equality impact assessments (or screenings, where appropriate) of each management adjustment and savings option referred to has been carried out within the relevant department (with action noted where necessary), detail of which is available as background papers.

9. Consultation

- 9.1** All services have been fully involved in the process to build up the budget projections. Colleagues in both legal and finance teams have also been consulted in respect of the report and its appendices. The Chief Officer and s95 Officer of the HSCP have been consulted in relation to the position of the Council's contribution to the HSCP in 2018/19.
- 9.2** Consultation has taken place at an organisational level with the Trades Unions through a number of meetings focused on the budget position.

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 5 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: 21 February 2018

Person to Contact: Stephen West, Strategic Lead - Resources
Council Offices, Garshake Road, Dumbarton
Tel: (01389) 737191.
E-mail stephen.west@west-dunbarton.gov.uk

Appendices:

- 1: Capital Plan 2017/18 – Projection of spend
- 2: Capital Plan Update – Spend
- 3: Capital Plan Update – Resources
- 4: Earmarked Balances Projection

Background Papers: Report to Council: 25 October 2017 – Long Term Financial Strategy Refresh and General Services and Housing Revenue Account Revenue Estimates Update 2018/19 to 2020/21;

Report to Council: 20 December 2017: General Services Budget Preparation 2018/19 to 2020/21 – Budget Update;

Letter from Cabinet Secretary for Finance and the Constitution dated 14 December 2017;

Letter from Cabinet Secretary for Finance and the Constitution dated 20 December 2017;

Letter from Cabinet Secretary for Finance and the Constitution dated 31 January 2018; and

Equalities Impact Assessment/ Screenings

Wards Affected: All

| | Budget 2017/18 | BCR P10 Forecast 2017/18 | Rephasing 2018/19 | (Over) / Under Spend |
|--|-------------------|--------------------------------|----------------------|-------------------------|
| | £000 | £000 | £000 | £000 |
| Resources | | | | |
| Resources Carried Forward - non cash | 473 | 280 | 193 | 0 |
| General Services Capital Grant | 9,920 | 9,920 | 0 | 0 |
| Ring Fenced Government Grant Funding | 5,096 | 2,976 | 2,120 | 0 |
| Match-funding/other grants & contributions | 5,329 | 2,655 | 2,614 | 60 |
| Anticipated Capital Receipts | 15,542 | 1,274 | 14,944 | (676) |
| Prudential Borrowing | 57,067 | 33,546 | 22,245 | 1,276 |
| CFCR | 527 | 416 | 111 | 0 |
| TOTAL | 93,954 | 51,067 | 42,227 | 660 |

Expenditure

| | | | | |
|---|--------|--------|-------|------|
| Transformation and Public Service Reform | | | | |
| Strategic Lead - Resources | | | | |
| Agresso Upgrade | 1 | 1 | 0 | 0 |
| Electronic Insurance System | 7 | 7 | 0 | 0 |
| Valuation Joint Board | 3 | 3 | 0 | 0 |
| Equipment to meet H&S requirements in relation to Arm and Hand Vibration Risk | 50 | 50 | 0 | 0 |
| - | | | | |
| E Building Standards | 8 | 8 | 0 | 0 |
| GP/GIS in Planning | 5 | 0 | 5 | 0 |
| Replacement Scanners | 15 | 15 | 0 | 0 |
| Legal Case Management System | 33 | 30 | 3 | 0 |
| Members ICT | 4 | 4 | 0 | 0 |
| Air Quality Monitoring | 8 | 9 | 0 | (1) |
| Noise Monitoring Equipment | 10 | 8 | 0 | 2 |
| Strategic Lead - People and Transformation | | | | |
| ICT Modernisation / Infrastructure - ICT | 1,161 | 1,156 | 63 | (58) |
| Workforce Management System | 5 | 1 | 4 | 0 |
| ICT Security and DR | 221 | 221 | 0 | 0 |
| Free wi-fi in libraries, new care homes and one stop shops | 7 | 7 | 0 | 0 |
| Strategic Lead - Communications, Culture and Technology | | | | |
| Antonine Wall | 29 | 11 | 18 | 0 |
| Multi Channel Queries | 33 | 33 | 0 | 0 |
| Upgrade of Clydebank Library | 450 | 450 | 0 | 0 |
| Civic Heart Works | 44 | 2 | 42 | 0 |
| Strategic Lead - Education, Learning and Attainment | | | | |
| Kilpatrick School - New Build | 197 | 281 | 0 | (84) |
| OLSP - New Build | 480 | 300 | 180 | 0 |
| Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC | 668 | 227 | 441 | 0 |
| Haldane PS, St Kessog's PS, Jamestown PS & EECC (New Balloch) | 10,000 | 10,680 | (680) | 0 |
| Lennox and St Ronan's | 3 | 3 | 0 | 0 |
| Schools Estate Refurbishment Plan | 1,188 | 1,259 | 0 | (71) |
| Schools Estate Improvement Plan | 5,000 | 0 | 5,000 | 0 |
| Children and young persons / Early Years | 1,924 | 308 | 1,616 | 0 |
| Choices Programme | 748 | 48 | 700 | 0 |
| New Levenvale Primary School All Weather Pitch | 250 | 3 | 247 | 0 |
| New MUGA for St. Patricks Primary School and playground improvements | 200 | 3 | 197 | 0 |
| Regeneration, Environment and Growth | | | | |
| Strategic Lead - Environment and Neighbourhood | | | | |
| Auld Street Clydebank - Bond | 256 | 70 | 186 | 0 |
| Infrastructure - Flooding | 100 | 100 | 0 | 0 |
| Infrastructure - Roads | 2,635 | 2,635 | 0 | 0 |
| Vehicle Replacement | 1,597 | 1,526 | 71 | 0 |
| Gruggies Burn Flood Prevention Scheme | 485 | 70 | 415 | 0 |
| New Clydebank Leisure Centre | 508 | 408 | 100 | 0 |
| Kilmaronock Cemetery Extension | 225 | 50 | 175 | 0 |
| Vale of Leven Cemetery Extension | 495 | 130 | 365 | 0 |
| North Dalnottar Cemetery Extension | 0 | 1 | 0 | (1) |
| Clydebank Crematorium | 0 | 53 | 0 | (53) |
| Lussett Glen | 19 | 19 | 0 | 0 |
| Cycling, Walking and Safer Streets | 76 | 78 | 0 | (2) |
| Energy efficient street lighting apparatus | 47 | 47 | 0 | 0 |
| Levensgrove Park | 3,320 | 1,660 | 1,660 | 0 |
| New West Bridgend Community Centre | 0 | 50 | (50) | 0 |
| Strathclyde Partnership for Transport | 310 | 116 | 134 | 60 |
| Footways/Cycle Path upgrades | 100 | 100 | 0 | 0 |
| Turnberry Homes | 7 | 0 | 7 | 0 |
| New Play & Recreation at Radnor Park, including MUGA | 260 | 130 | 130 | 0 |

| | Budget 2017/18 | BCR P10 Forecast 2017/18 | Rephasing 2018/19 | (Over) / Under Spend |
|---|-------------------|--------------------------------|----------------------|-------------------------|
| | £000 | £000 | £000 | £000 |
| Sports Pitch/Facilities Upgrades | 90 | 15 | 75 | 0 |
| Posties Park Sports Hub | 1,778 | 150 | 1,628 | 0 |
| Clydebank Community Sports Hub | 2,646 | 1,390 | 1,256 | 0 |
| New Dalmonach Community Centre and Nursery | 1,122 | 42 | 1,080 | 0 |
| Flood Risk Management | 448 | 150 | 298 | 0 |
| Strathleven Park and Ride | 285 | 10 | 275 | 0 |
| Holm Park & Yoker Athletic FC | 750 | 21 | 729 | 0 |
| Community Sports Fund | 330 | 330 | 0 | 0 |
| New Sports Changing Facility at Lusset Glen in Old Kilpatrick | 150 | 0 | 150 | 0 |
| Public non adopted paths and roads | 171 | 171 | 0 | 0 |
| Bereavement Services Office Conversion | 128 | 128 | 0 | 0 |
| Street Lighting and associated electrical infrastructure | 303 | 303 | 0 | 0 |
| Invest in creating an Environmental Improvement Fund | 1,359 | 1,084 | 275 | 0 |
| Allotment Development | 400 | 120 | 280 | 0 |
| Community Capital Fund | 1,783 | 945 | 660 | 178 |
| Mandatory 20mph Residential communities | 100 | 50 | 50 | 0 |
| Free School Meals | 150 | 30 | 120 | 0 |
| Online Payment System for Education Establishments | 52 | 0 | 52 | 0 |
| Strategic Lead - Housing and Communities | | | | |
| Integrated Housing Management System | 546 | 301 | 181 | 64 |
| Invest in "Your Community Initiative" | 963 | 488 | 475 | 0 |
| Strategic Lead - Regeneration | | | | |
| Building Upgrades and H&S | 4,976 | 4,882 | 118 | (24) |
| Depot Urgent Spend | 43 | 43 | 0 | 0 |
| Regeneration/Local Economic Development | 2,812 | 523 | 2,283 | 6 |
| Exxon City Deal | 1,155 | 500 | 655 | 0 |
| Queens Quay | 13,950 | 2,362 | 11,588 | 0 |
| Queens Quay District Heating Network | 2,480 | 790 | 1,690 | 0 |
| Regeneration Fund | 800 | 0 | 800 | 0 |
| Office Rationalisation | 9,396 | 10,062 | (592) | (74) |
| Pappert Woodland Wind Farm | 139 | 30 | 109 | 0 |
| Scaffolding | 717 | 0 | 0 | 717 |
| Welfare Units | 78 | 26 | 52 | 0 |
| Change of heating fuel- schools | 63 | 20 | 43 | 0 |
| Leisure Energy projects | 246 | 21 | 225 | 0 |
| Solar panel installation | 28 | 27 | 0 | 1 |
| Health and Social Care Partnership | | | 0 | 0 |
| Service Redesign Bruce Street | 7 | 7 | 0 | 0 |
| Aids & Adaptations | 655 | 655 | 0 | 0 |
| Replace Elderly Care Homes and Day Care Centres | 6,981 | 338 | 6,643 | 0 |
| Direct Project Support | | | 0 | 0 |
| Direct Project Support | 2,682 | 2,682 | 0 | 0 |
| TOTAL | 93,954 | 51,067 | 42,227 | 660 |

| | BCR P10 Forecast 2017/18 | Rephasing 2018/19 | Original Budget 2018/19 | Updated Budget 2018/19 | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 | Budget 2024/25 | Budget 2025/26 | 2017/18 to 2025/26 | Project Life Cost £000's |
|--|--------------------------------|----------------------|-------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|--------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Resources Carried Forward - non cash | 280 | 193 | 0 | 193 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 473 | 520 |
| General Services Capital Grant | 9,920 | 0 | 8,557 | 8,557 | 8,557 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 77,362 | 111,563 |
| Ring-fenced Government Grant funding | 2,976 | 2,120 | 3,717 | 5,837 | 7,710 | 10,740 | 8,391 | 5,369 | 2,343 | 123 | 123 | 43,612 | 46,125 |
| Scottish Government | | | | | | | | | | | | | |
| Cycling, Walking, Safer Streets | 123 | 0 | 122 | 122 | 106 | 123 | 123 | 123 | 123 | 123 | 123 | 1,089 | 1,551 |
| Gruggies Burn Flood Prevention Scheme | 70 | 410 | -95 | 315 | 6,400 | 4,640 | 575 | 0 | 0 | 0 | 0 | 12,000 | 12,000 |
| Clydebank Community Sports Hub | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 1,000 |
| Queens Quay District Heating Network | 790 | 1,710 | 3,600 | 5,310 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,100 | 6,100 |
| Exxon City Deal - grant allocation applied to city deal project | 420 | 0 | 0 | 0 | 481 | 0 | 0 | 0 | 0 | 0 | 0 | 901 | 1,314 |
| Exxon City Deal - accrued grant | 0 | 0 | 90 | 90 | 723 | 5,977 | 7,693 | 5,246 | 2,220 | 0 | 0 | 21,949 | 21,949 |
| Exxon City Deal - grant applied to non city deal projects | 573 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 573 | 777 |
| Hub West | | | | | | | | | | | | | |
| Bellsmyre Schools Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 592 |
| Clydebank Leisure Centre | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 |
| Scottish Futures Trust | | | | | | | | | | | | | |
| Balloch Campus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 592 |
| Match-funding/other grants & contributions | 2,655 | 2,614 | 5,460 | 8,074 | 650 | 30 | 330 | 330 | 30 | 480 | 930 | 13,509 | 19,068 |
| Scottish Government | | | | | | | | | | | | | |
| Vale of Leven Workshops | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 900 |
| River Leven Flood Prevention | 0 | 0 | 0 | 0 | 0 | 0 | 300 | 300 | 0 | 0 | 0 | 600 | 600 |
| Sustrans | | | | | | | | | | | | | |
| Footways/Cycle Path upgrades | 30 | 0 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 270 | 645 |
| Lussett Glen | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19 | 19 |
| Clydebank Town Centre and Waterfront | 55 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 55 | 55 |
| Strathclyde Partnership for Transport | | | | | | | | | | | | | |
| Recurring | 116 | 134 | 0 | 134 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 2,568 |
| Strathleven Park and Ride | 10 | 60 | 0 | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 76 |
| A813 Road Improvement Phase 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 450 | 900 | 900 |
| A813 Road Improvement Phase 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 450 | 450 |
| Historic Scotland | | | | | | | | | | | | | |
| New Dumbarton Offices | 200 | 0 | 50 | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 500 |
| Heritage Lottery Fund | | | | | | | | | | | | | |
| Levensgrove Park | 1,660 | 1,140 | 0 | 1,140 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,800 | 2,856 |
| Sports Scotland | | | | | | | | | | | | | |
| Clydebank Community Sports Hub | 400 | 100 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 500 | 500 |
| Others | | | | | | | | | | | | | |
| Queens Quay District Heating - accrual of income | 0 | 0 | 5,380 | 5,380 | 620 | 0 | 0 | 0 | 0 | 0 | 0 | 6,000 | 6,000 |
| Scottish Futures Trust - OLSP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,654 |
| Green Infrastructure Fund | 50 | 570 | 0 | 570 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 620 | 620 |
| Gaelic Athletic Association - CCSH | 0 | 300 | 0 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 300 | 300 |
| The Robertson Trust - CCSH | 0 | 20 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 20 |
| Scottish Rugby Union - CCSH | 0 | 40 | 0 | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 | 40 |
| Cashback for Communities Fund -CCSH | 0 | 150 | 0 | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150 | 150 |
| EB Scotland (Landhill) - CCSH | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 20 |
| Clydebank Community Sports Hub | 0 | 100 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 100 |
| Environmental Trust re Dalmuir Works | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 50 |
| Match funding re Community Capital Fund - Crown Avenue/Second Avenue | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 30 |
| Match funding re Community Capital Fund - Community Park HCI | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 15 |
| Capital Receipts excluding from proposed projects | 307 | 12,269 | -3,680 | 8,589 | 4,150 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 19,046 | 20,993 |
| Specific Capital Receipts on proposed projects | 967 | 2,675 | -373 | 2,302 | 4,819 | 2,380 | 3,265 | 2,777 | 2,931 | 540 | 540 | 20,521 | 21,758 |

Capital Plan - Identification of Anticipated Resources

Update 2018/19 onwards

Appendix 2

| | BCR P10 Forecast 2017/18 | Rephasing 2018/19 | Original Budget 2018/19 | Updated Budget 2018/19 | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 | Budget 2024/25 | Budget 2025/26 | 2017/18 to 2025/26 | Project Life Cost £000's |
|--|--------------------------------|----------------------|-------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|--------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Prudential Borrowing | 33,546 | 22,245 | 29,473 | 52,568 | 19,157 | 19,127 | 3,289 | 1,821 | 827 | 1,138 | 3,168 | 134,641 | 239,278 |
| Previously Approved Borrowing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,357 |
| Prudential Borrowing Identified from Project Savings | 16,634 | 8,955 | 8,810 | 17,765 | 2,905 | 7,598 | 3,878 | 340 | 65 | 65 | 65 | 49,315 | 106,067 |
| Additional Prudential Borrowing Agreed February 2013 | 5,015 | 0 | 17,928 | 17,928 | 17,198 | 13,780 | 11,641 | 10,228 | 0 | 0 | 0 | 75,790 | 97,063 |
| Community Capital Fund Agreed February 2013 | 295 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 295 | 1,500 |
| Community Leisure Fund Agreed February 2014 | 609 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 609 | 1,000 |
| Additional Prudential Borrowing Agreed February 2014 | 10,110 | 0 | -1,811 | -1,811 | -9,654 | 0 | 0 | 0 | 0 | 0 | 0 | -1,355 | 13,954 |
| Additional Prudential Borrowing Agreed February 2015 | -6,158 | 10,015 | -7,378 | 2,637 | 9,776 | 1,939 | 549 | 175 | 0 | 0 | 0 | 8,918 | 33,946 |
| Additional Prudential Borrowing Agreed February 2016 | -17,163 | -4,912 | 7,345 | 2,433 | 11,041 | 578 | -10,912 | -11,502 | 830 | -2,192 | -3,040 | -29,927 | -49,662 |
| Adjustment to Prudential Borrowing re Exxon Acceleration | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 499 |
| Adjustment to Prudential Borrowing re Clydebank Library | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 11 |
| Adjustment to Prudential Borrowing re Vehicles | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | 1,500 |
| Prudential Borrowing re Community Capital Fund -Bonhill | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34 | 40 |
| Additional Prudential Borrowing re Inler Park | 160 | 90 | 0 | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 250 |
| Adjustment to Prudential Borrowing Agreed February 2017 | 22,051 | 8,097 | 4,579 | 12,676 | -12,109 | -4,768 | -1,867 | 2,580 | -68 | 3,265 | 6,143 | 27,903 | 27,903 |
| Additional Prudential Borrowing for Clydebank Community Sports Hub | 0 | 0 | 0 | 850 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 850 | 850 |
| Funded from Revenue | 416 | 111 | 242 | 353 | 242 | 242 | 242 | 242 | 242 | 242 | 242 | 2,463 | 3,752 |
| Workforce Management Systems | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 |
| Online Payment System for Education Establishments | 0 | 52 | 0 | 52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52 | 60 |
| E-Building Standards | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 50 |
| Wind Turbines | 30 | 59 | 0 | 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 89 | 100 |
| Care Homes - HSCP Reserves | 136 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 136 | 136 |
| Local Economic Development | 242 | 0 | 242 | 242 | 242 | 242 | 242 | 242 | 242 | 242 | 242 | 2,178 | 3,366 |
| Total - all | 51,067 | 42,227 | 43,396 | 86,473 | 45,285 | 41,907 | 24,905 | 19,927 | 15,761 | 11,911 | 14,391 | 311,627 | 463,057 |

Capital Plan - Identification of Anticipated Resources

| | | | | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Resources held on Balance Sheet | 280 | 193 | 0 | 193 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 473 | 520 |
| General Capital Grant | 9,920 | 0 | 8,557 | 8,557 | 8,557 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 8,388 | 77,362 | 111,563 |
| Ring Fenced Capital Grant | 2,976 | 2,120 | 3,717 | 5,837 | 7,710 | 10,740 | 8,391 | 5,369 | 2,343 | 123 | 123 | 43,612 | 46,125 |
| Match-funding | 2,655 | 2,614 | 5,460 | 8,074 | 650 | 30 | 330 | 330 | 30 | 480 | 930 | 13,509 | 19,068 |
| Capital Receipts | 1,274 | 14,944 | -4,053 | 10,891 | 8,969 | 3,380 | 4,265 | 3,777 | 3,931 | 1,540 | 1,540 | 39,567 | 42,751 |
| Previously Agreed Prudential Borrowing | 33,546 | 22,245 | 29,473 | 52,568 | 19,157 | 19,127 | 3,289 | 1,821 | 827 | 1,138 | 3,168 | 134,641 | 239,278 |
| Revenue contributions | 416 | 111 | 242 | 353 | 242 | 242 | 242 | 242 | 242 | 242 | 242 | 2,463 | 3,752 |
| | 51,067 | 42,227 | 43,396 | 86,473 | 45,285 | 41,907 | 24,905 | 19,927 | 15,761 | 11,911 | 14,391 | 311,627 | 463,057 |
| Additional Prudential Borrowing Requiremnt to Fund Recommendations | 0 | 0 | -12,541 | -13,391 | 4,382 | 14,927 | 2,437 | 3,297 | -638 | 795 | 1,005 | 12,815 | 12,815 |
| Total Resource required to fund recommendations | 51,067 | 42,227 | 30,855 | 73,082 | 49,667 | 56,834 | 27,342 | 23,224 | 15,123 | 12,706 | 15,396 | 324,442 | 475,872 |

| | BCR P10 Forecast 2017/18 | Rephasing 2018/19 | Original Budget 2018/19 | Updated Budget 2018/19 | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 | Budget 2024/25 | Budget 2025/26 | 2017/18 to 2025/26 | Project Life Cost |
|---|--------------------------------|----------------------|-------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|----------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Recurring Budgets | | | | | | | | | | | | | |
| Aids & Adaptations | 655 | 0 | 709 | 709 | 690 | 700 | 710 | 720 | 730 | 740 | 750 | 6,404 | 9,083 |
| Building Upgrades and H&S | 4,882 | 118 | 3,090 | 3,208 | 3,090 | 3,090 | 3,090 | 3,090 | 3,090 | 3,090 | 3,090 | 29,720 | 37,847 |
| ICT Modernisation / Infrastructure - ICT | 1,156 | 63 | 879 | 942 | 575 | 625 | 625 | 625 | 625 | 625 | 625 | 6,423 | 12,957 |
| ICT Core Infrastructure/ ICT Security & DR | 0 | 0 | 200 | 200 | 200 | 482 | 500 | 1,000 | 0 | 0 | 0 | 2,382 | 2,382 |
| Infrastructure - Flooding | 100 | 0 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 900 | 1,753 |
| Infrastructure - Roads | 2,635 | 0 | 2,580 | 2,580 | 3,180 | 3,180 | 3,180 | 3,180 | 3,180 | 3,180 | 3,180 | 27,475 | 37,111 |
| Vehicle Replacement | 1,526 | 71 | 3,831 | 3,902 | 493 | 1,363 | 631 | 218 | 1,300 | 1,300 | 1,300 | 12,033 | 17,723 |
| Flood Risk Management | 150 | 298 | 350 | 648 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 3,248 | 3,586 |
| Cycling, Walking and Safer Streets | 78 | 0 | 76 | 76 | 76 | 93 | 93 | 93 | 93 | 93 | 93 | 789 | 1,201 |
| Footways/Cycle Path upgrades | 100 | 0 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 900 | 1,561 |
| Street Lighting and associated electrical infrastructure | 303 | 0 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,103 | 2,336 |
| Public non adopted paths and roads | 171 | 0 | 150 | 150 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 3,471 | 3,750 |
| Regeneration/Local Economic Development | 523 | 2,283 | 0 | 2,283 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 9,806 | 13,634 |
| Direct Project Support | 2,682 | 0 | 2,682 | 2,682 | 2,562 | 2,512 | 1,308 | 1,308 | 1,308 | 1,308 | 1,308 | 16,978 | 26,030 |
| Transformation and Public Service Reform | | | | | | | | | | | | | |
| Strategic Lead - Resources | | | | | | | | | | | | | |
| Agresso Upgrade | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 21 |
| Valuation Joint Board | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 28 |
| Equipment to meet H&S requirements in relation to Arm and Hand Vibration Risk | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 50 |
| Electronic Insurance System | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 50 |
| Strategic Lead - Regulatory | | | | | | | | | | | | | |
| E Building Standards | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 101 |
| GP/GIS in Planning | 0 | 5 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 |
| Replacement Scanners | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 15 |
| Legal Case Management System | 30 | 3 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33 | 33 |
| Members ICT | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4 |
| Noise Monitoring Equipment | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 14 |
| Air Quality Monitoring | 9 | 0 | 30 | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 62 |
| Strategic Lead - People and Transformation | | | | | | | | | | | | | |
| Workforce Management System | 1 | 4 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 99 |
| ICT Security and DR | 221 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 221 | 540 |
| Free wi-fi in libraries, new care homes and one stop shops | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 18 |
| Strategic Lead - Communications, Culture and Technology | | | | | | | | | | | | | |
| Civic Heart Works | 2 | 42 | 0 | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44 | 271 |
| Antonine Wall | 11 | 18 | 10 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 63 |
| Upgrade of Clydebank Library | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 500 |
| Multi Channel Queries | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33 | 33 |
| Strategic Lead - Education, Learning and Attainment | | | | | | | | | | | | | |
| Lennox and St Ronan's | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 1,581 |
| Schools Estate Refurbishment Plan | 1,259 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,259 | 5,571 |
| Schools Estate Improvement Plan | 0 | 5,000 | -4,430 | 570 | 5,250 | 9,500 | 680 | 4,000 | 0 | 0 | 0 | 20,000 | 20,000 |
| Kilpatrick School - New Build | 281 | 0 | 20 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 301 | 10,571 |
| OLSP - New Build | 300 | 180 | 10 | 190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 490 | 3,677 |
| Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC | 227 | 441 | 0 | 441 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 668 | 10,636 |
| Haldane PS, St Kessog's PS, Jamestown PS & EECC (New Balloch) | 10,680 | (680) | 910 | 230 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 10,915 | 16,464 |
| Children and Young Persons / Early Years | 308 | 1,616 | 0 | 1,616 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,924 | 3,222 |
| Choices Programme | 48 | 700 | 0 | 700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 748 | 750 |
| New Levenvale Primary School All Weather Pitch | 3 | 247 | 0 | 247 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 250 |
| New MUGA for St. Patricks Primary School and playground improvements | 3 | 197 | 0 | 197 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200 | 200 |

| | BCR P10 Forecast 2017/18 | Rephasing 2018/19 | Original Budget 2018/19 | Updated Budget 2018/19 | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 | Budget 2024/25 | Budget 2025/26 | 2017/18 to 2025/26 | Project Life Cost |
|--|--------------------------------|----------------------|-------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|----------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Regeneration, Environment and Growth | | | | | | | | | | | | | |
| Strategic Lead - Environment and Neighbourhood | | | | | | | | | | | | | |
| River Leven Flood Prevention Scheme | 0 | 0 | 0 | 0 | 0 | 0 | 400 | 400 | 0 | 0 | 0 | 800 | 800 |
| Gruggies Burn Flood Prevention Scheme | 70 | 415 | -100 | 315 | 8,000 | 5,800 | 700 | 0 | 0 | 0 | 0 | 14,885 | 15,000 |
| Energy efficient street lighting apparatus | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 47 | 5,695 |
| Auld Street Clydebank - Bond | 70 | 186 | 0 | 186 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 256 | 392 |
| Strathclyde Partnership for Transport | 116 | 134 | 0 | 134 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250 | 2,204 |
| Turnberry Homes | 0 | 7 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 60 |
| Strathleven Park and Ride | 10 | 275 | 0 | 275 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 285 | 291 |
| A813 Road Improvement Phase 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,325 | 2,325 | 2,325 |
| Lussett Glen | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19 | 19 |
| Levensgrove Park | 1,660 | 1,660 | 0 | 1,660 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,320 | 3,639 |
| Free School Meals | 30 | 120 | 0 | 120 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150 | 200 |
| New Clydebank Leisure Centre | 408 | 100 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 508 | 23,810 |
| New Dalmonach Community Centre and Nursery | 42 | 1,080 | 15 | 1,095 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,137 | 1,150 |
| Online Payment System for Education Establishments | 0 | 52 | 0 | 52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52 | 146 |
| Clydebank Crematorium | 53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 53 | 1,683 |
| Kilmaronock Cemetery Extension | 50 | 175 | 0 | 175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 225 | 225 |
| Vale of Leven Cemetery Extension | 130 | 365 | 0 | 365 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 495 | 650 |
| North Dalnottar Cemetery Extension | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 314 |
| Bereavement Services Office Conversion | 128 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 128 | 130 |
| Postles Park Sports Hub | 150 | 1,628 | 0 | 1,628 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,778 | 1,802 |
| Clydebank Community Sports Hub | 1,390 | 1,256 | 1,034 | 2,290 | 54 | 0 | 0 | 0 | 0 | 0 | 0 | 3,734 | 3,865 |
| Sports Pitch/Facilities Upgrades | 15 | 75 | 0 | 75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 90 | 1,398 |
| Community Capital Fund | 945 | 660 | 0 | 660 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,605 | 3,431 |
| Community Sports Fund | 330 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 330 | 472 |
| Holm Park & Yoker Athletic FC | 21 | 729 | 0 | 729 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 750 | 750 |
| Invest in creating an Environmental Improvement Fund | 1,084 | 275 | 0 | 275 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,359 | 1,690 |
| Allotment Development | 120 | 280 | 0 | 280 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 400 | 400 |
| New West Bridgend Community Centre | 50 | -50 | 675 | 625 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 675 | 675 |
| New Sports Changing Facility (Old OLSP site) | 0 | 0 | 150 | 150 | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 300 | 300 |
| New Sports Changing Facility at Duntocher | 0 | 0 | 300 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 300 | 300 |
| New Play & Recreation at Radnor Park, including MUGA | 130 | 130 | 0 | 130 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 260 | 260 |
| New Sports Changing Facility at Lussett Glen in Old Kilpatrick | 0 | 150 | 0 | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150 | 150 |
| Mandatory 20MPH Residential communities | 50 | 50 | 300 | 350 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 500 | 500 |
| Strategic Lead - Housing and Communities | | | | | | | | | | | | | |
| Integrated Housing Management System | 301 | 181 | 0 | 181 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 482 | 560 |
| Invest in "Your Community Initiative" | 488 | 475 | 0 | 475 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 963 | 1,000 |
| Strategic Lead - Regeneration | | | | | | | | | | | | | |
| Queens Quay | 2,362 | 11,588 | 267 | 11,855 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,217 | 15,620 |
| Queens Quay District Heating Network | 790 | 1,690 | 9,000 | 10,690 | 600 | 0 | 0 | 0 | 0 | 0 | 0 | 12,080 | 12,100 |
| Exxon City Deal | 500 | 655 | 105 | 760 | 1,400 | 6,950 | 8,945 | 6,100 | 2,697 | 0 | 0 | 27,352 | 27,897 |
| Regeneration Fund - Clydebank Charrette, A814 | 0 | 200 | 300 | 500 | 1,800 | 0 | 0 | 0 | 0 | 0 | 0 | 2,300 | 2,300 |
| Regeneration Fund - Bowling Joint Venture Investment | 0 | 0 | 250 | 250 | 1,750 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 2,000 |
| Regeneration Fund - Dumbarton Charrette, Walkway | 0 | 500 | 0 | 500 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | 1,500 |
| Regeneration Fund - Balloch Charrette, Public Spaces | 0 | 100 | 500 | 600 | 0 | 600 | 0 | 0 | 0 | 0 | 0 | 1,200 | 1,200 |
| Regeneration Fund - Further projects to be developed | 0 | 0 | 0 | 0 | 0 | 4,400 | 0 | 0 | 0 | 0 | 0 | 4,400 | 4,400 |
| Regeneration Fund - Contingency | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 0 | 0 | 1,000 | 1,000 |
| Office Rationalisation | 10,062 | (592) | 1,290 | 698 | 393 | 0 | 0 | 0 | 0 | 0 | 0 | 11,153 | 21,702 |
| Depot Urgent Spend | 43 | 0 | 82 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125 | 209 |
| Pappert Woodland Wind Farm | 30 | 109 | 50 | 159 | 200 | 3,500 | 2,880 | 120 | 0 | 0 | 0 | 6,889 | 6,900 |
| Welfare Units | 26 | 52 | 0 | 52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 78 | 78 |
| Change of heating fuel- schools | 20 | 43 | 0 | 43 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 63 | 440 |
| Leisure Energy projects | 21 | 225 | 0 | 225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 246 | 277 |
| Solar panel installation | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27 | 124 |

| | BCR P10 Forecast 2017/18 | Rephasing 2018/19 | Original Budget 2018/19 | Updated Budget 2018/19 | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 | Budget 2024/25 | Budget 2025/26 | 2017/18 to 2025/26 | Project Life Cost |
|---|--------------------------------|----------------------|-------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|----------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Health and Social Care Partnership | | | | | | | | | | | | | |
| Service Redesign Bruce Street | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 767 |
| Replace Elderly Care Homes and Day Care Centres | 338 | 6,643 | 1,534 | 8,177 | 5,229 | 289 | 0 | 0 | 0 | 0 | 0 | 14,033 | 27,463 |
| New Projects/Projects requiring further approval | | | | | | | | | | | | | |
| Supporting the mobilisation of environmental health and trading standards officers | 0 | 0 | 25 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25 | 25 |
| Trading Standards Scam Prevention | 0 | 0 | 10 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 10 |
| Customer Services Transformation | 0 | 0 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 |
| Telephone System Upgrade | 0 | 0 | 15 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 15 |
| Transformation of Infrastructure Libraries and Museums | 0 | 0 | 421 | 421 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 421 | 421 |
| Protective overcoating to 4 over bridges, River Leven | 0 | 0 | 270 | 270 | 0 | 270 | 0 | 270 | 0 | 270 | 0 | 1,080 | 1,080 |
| A813 Road Improvement Phase 1 | 0 | 0 | 750 | 750 | 800 | 150 | 0 | 0 | 0 | 0 | 625 | 2,325 | 2,325 |
| A811 Infrastructure Works | 0 | 0 | 1,500 | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | 1,500 |
| A811 Lomond Bridge | 0 | 0 | 100 | 100 | 3,570 | 230 | 0 | 0 | 0 | 0 | 0 | 3,900 | 3,900 |
| Depot Rationalisation | 0 | 0 | 100 | 100 | 6,400 | 10,000 | 1,500 | 0 | 0 | 0 | 0 | 18,000 | 18,035 |
| Elevated Platforms (Building Services) | 0 | 0 | 45 | 45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 45 | 45 |
| Automatic Meter Readers | 0 | 0 | 48 | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 48 | 48 |
| Installation of Solar Panels (OHR PS and Whitecrook PS) | 0 | 0 | 135 | 135 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 135 | 135 |
| Oil to Gas Conversion (Braehead PS, Carleith PS & Hub CEC) | 0 | 0 | 187 | 187 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 187 | 187 |
| Upgrade Lighting (Alexandria CEC, Carleith PS, Dumbarton Library, WDAC & Whitecrook PS) | 0 | 0 | 95 | 95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 95 | 95 |
| Total General Services Capital Programme | 51,067 | 42,227 | 30,855 | 73,082 | 49,667 | 56,834 | 27,342 | 23,224 | 15,123 | 12,706 | 15,396 | 324,442 | 475,872 |
| Anticipated Resources from Appendix 2 | 51,067 | 42,227 | 30,855 | 73,082 | 49,667 | 56,834 | 27,342 | 23,224 | 15,123 | 12,706 | 15,396 | 324,442 | 475,872 |

West Dunbartonshire Council
Projected Earmarked Balances as at 31/3/18

Appendix 4

| | <i>At 1/4/17</i> | <i>spend projection ast 31/3/18</i> | <i>projected carry forward into 2018/19</i> |
|--|------------------|---|---|
| | £ | £ | £ |
| Online system for submission of building warrants, public access etc | 7,687 | 7,687 | 0 |
| Windfarms | 88,876 | 4,065 | 84,811 |
| Cashless Catering | 51,988 | 0 | 51,988 |
| Jobs Growth | 323,391 | 323,391 | 0 |
| Dilapidation Works Phase 4 Alexandria -ringfenced income | 35,000 | 35,000 | 0 |
| Strategic Regeneration Fund | 7,250 | 7,250 | 0 |
| Be the best unspent monies (Good Idea Fund) | 4,773 | 4,773 | 0 |
| RSG redetermination - Pre 5 Apprentices-Modern Apprentice funding | 19,800 | 19,800 | 0 |
| RSG Redetermination -developing young workforce | 126,077 | 126,077 | 0 |
| Private Sector Housing Grant - silvertown | 300,000 | 0 | 300,000 |
| Community Loans Fund | 100,925 | 0 | 100,925 |
| Development monies for Procurement Team | 3,991 | 3,991 | 0 |
| Town signage | 10,000 | 10,000 | 0 |
| Transformational Projects | 1,410,927 | 740,000 | 670,927 |
| RSG Redetermination -developing young workforce | 91,000 | 53,083 | 37,917 |
| Your Communities | 24,317 | 0 | 24,317 |
| Conservation Area Appraisal fees (Planning and Building) | 4,638 | 4,638 | 0 |
| Welfare Reform Crisis and Community Care Grant | 9,228 | 9,228 | 0 |
| DWP ringfenced monies | 91,920 | 91,920 | 0 |
| Training | 8,314 | 8,314 | 0 |
| Business Gateway 2015-2016 carry forward | 424,891 | 424,891 | 0 |
| Business Gateway 2016-2017 carry forward | 66,750 | 66,750 | 0 |
| Additional repayment re CRC rent | 15,359 | 15,359 | 0 |
| Budget commitments agreed 2017/18 | 2,200,700 | 2,200,700 | 0 |
| CPC payment net of dividend anticipated | 226,960 | 0 | 226,960 |
| Purchase of football counters | 15,000 | 15,000 | 0 |
| Teen Book Festival | 3,000 | 3,000 | 0 |
| Laptops for all HOC | 12,000 | 12,000 | 0 |
| Lennox Nursery (CoE) | 6,150 | 6,150 | 0 |
| St Eunan's Nursery (CoE) | 3,090 | 3,090 | 0 |
| Chrome Books Early Years Stages Teachers | 4,000 | 4,000 | 0 |
| Local learning communities - ASN for Kilpartick / choices / Cunard | 11,800 | 11,800 | 0 |
| GIRFEC - named persons - appointment staff | 168,000 | 168,000 | 0 |
| Education Development/STEM hubs | 110,000 | 110,000 | 0 |
| 1+2 languages - staffing | 24,843 | 24,843 | 0 |
| Local learning communities | 60,000 | 60,000 | 0 |
| Business Stream | 10,000 | 0 | 10,000 |
| Trawl | 1,972,000 | 500,000 | 1,472,000 |
| | 8,054,645 | 5,074,800 | 2,979,845 |
| SG funding to be accrued per Settlement update | | | 610,000 |
| | | | 3,589,845 |

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead – Housing and Employability

Council: 5 March 2018

Subject: Housing Revenue Account (HRA) Estimates 2018/2019

1. Purpose

- 1.1** The purpose of this report is to seek Council approval in respect to setting the housing revenue budget for 2018/19 and the level of weekly rent increase for 2018/19 which is sufficient to fund the revenue budget for 2018/19 and the associated capital investment programme.
- 1.2** The report also provides Council with information in relation to the Housing capital programme and its relationship with the revenue budget, seeking approval of an update to the Programme.

2. Recommendations

2.1 It is recommended that Council:

- i) Note the outcome of the tenant consultation process, detailed in Appendix 1;
- ii) Note the progress made, per Appendix 2, in the HRA Housing capital programme for the period 2017/18 as approved by Members at the Council meeting of 22 February 2017;
- iii) Agree the five year capital programme of work set out in Appendix 3 to this report inclusive of the Council's new house building programme and the overall resources to fund;
- iv) Agree to update the 2017/18 HRA Capital spend programme as detailed in 4.1.5;
- v) Agree the revenue budget for 2018/19 as detailed in Appendix 4;
- vi) Agree the weekly rent increase for 2018/19 at an average £1.53 on a 52 week basis (£1.69 on a 47 week basis), equating to 2% to meet the planned net revenue HRA budget as detailed in Appendix 4;
- vii) Agree to increase rents at the Gypsy Travellers site by the same percentage;

- viii) Agree to maintain the existing level of lock up rent levels at £5.55 per week on a 52 week basis (£6.02 on a 47 week basis) at the same levels as for 2017/18; and
- ix) Note the increase in the prudential reserve target for 2018/19 (from £0.830m to £0.846m).

3. Background

3.1 In June 2012 the Council took the decision to halt the partial stock transfer process and retain the housing stock and to address the challenges of improving homes and meeting housing need by:

- Investing approximately £85 million to improve homes;
- Embarking on a programme of demolition and regeneration of sites; and
- Progress on a council house building programme.

3.2 In considering the structure of the budget consideration has been given to:

- Increasing revenues and reducing costs by:
 - improving void performance;
 - improving estate management generally; and
 - improved asset management.
- Financial Impact – ongoing implementation of various welfare reform changes;
- Financing the investment required to maintain Scottish Housing Quality Standard (SHQS), the Energy Efficiency Standard for Social Housing (EESH); and
- Managing the interface with owners/sold property.

3.3 In preparing these estimates the following factors have been taken into account:

- Nil inflation has been assumed on all non-protected budget lines;
- Provision has been made for a pay increase in line with Scottish Government's commitments on public sector pay to ensure all public sector employees earning up to £36,500 receive a minimum 3% pay, with those above receiving 2%; and
- A 4% turnover expectation has been applied to employee costs.

3.4 For financial year 2017/18 West Dunbartonshire's average weekly rent of £74.87 was fourth highest of Scotland's 26 housing authorities. This equates to £4.47

(6%) above the national average for local authorities of £70.40. In comparison with the overall Scottish average including Registered Social Landlords of £74.43, West Dunbartonshire's average weekly rent was £0.44 above average.

4. Main Issues

4.1 HRA Capital Investment

- 4.1.1** At Council on 22 February 2017 a 5 year programme of HRA capital work for 2016/21 was reported and approved. Progress on 2017/18 work is shown in Appendix 2, information on variances is provided in the HRA Budgetary Control report which is included in the papers for this Council meeting. The overall slippage in 2017/18 is projected to be £11.326m (37%).
- 4.1.2** The HRA capital programme is derived from data from the current stock condition survey and, where appropriate, technical assessment of staff. The main drivers for the programme are for the Council to meet the requirements of the Scottish Housing Quality Standard (SHQS), the Energy Efficiency Standard for Social Housing (EESH) and meet its landlord obligations and health and safety responsibilities. In addition to the core stock, the programme includes the Council's new house build programme.
- 4.1.3** The Council's new house build and housing supply programme 'More Homes West Dunbartonshire' will see significant resources invested in the creation and acquisition of new homes, with budgeted resources of £89.872m factored into the investment programme inclusive of a projected minimum £37.727m of Scottish Government Grant Funding through Affordable Housing Supply Programme. Therefore a net capital cost to the HRA of £52.145m.
- 4.1.4** The new build programme will include the continuation of the current new build programme approved by the Housing and Communities Committee in November 2017. It reflects the delivery of over 470 new Council homes in West Dunbartonshire under the 'More Homes West Dunbartonshire' strategic approach.
- 4.1.5** Members will note within Appendix 3 there is an expectation that some spend on new build housing sites may occur in 2017/18. As a result of this, the 2017/18 HRA capital spend programme requires to be amended by £1.478m. It is anticipated that the council would have access to Scottish Government funding to offset this cost in 2017/18 so there should be a net nil effect on the HRA budget. It is anticipated that a report will come to the Housing and Communities Committee in March 2018 to seek approval of such spend. Any further additions to the Council's new house building programme will be subject to approval by the Housing and Communities Committee.

4.1.6 The Council's commitment to increasing the housing supply evidenced within the Local Housing Strategy is further reinforced through a planned 50 open market acquisitions to be completed by March 2021 and incorporated into the future programme. The Council will continue to support applications under the Scottish Government Mortgage to Rent Scheme

4.1.7 The 5 year plan has now been rolled forward a year to 2022/23 and recognises progress made and any re-phrasings of projects and anticipated funding that have been necessary. The result of this review is shown as Appendix 3 and result in changes to the expected level of loan charges to the following from 2018/19 to 2022/23:

- 2018/19 £11.276m;
- 2019/20 £11.785m;
- 2020/21 £12.840m;
- 2021/22 £13.786m; and
- 2022/23 £14.974m.

4.1.8 It should be noted that the 30 year HRA business model has been prepared on the basis that there will be fluctuations in inflation over the period of the plan. These assumptions would need to be revised in the event of long-term inflation forecasts being above target (the planning assumption for long-term inflation in the business model is 2.5%, in line with UK Treasury target) or additional pressures on the revenue account becoming apparent. The other key variable within the business model is the capital expenditure requirements which can alter depending on circumstances and priorities. The HRA business model is updated annually to recognise the most up-to-date information.

4.1.9 In considering affordability, a key output from the HRA business model is the percentage of rental stream that is required to fund debt charges. This is an indicator for the amount of prudential borrowing that can be undertaken without putting undue stress on the remainder of the revenue budget. When the decision was taken to retain all the housing stock in WDC the investment requirements needed to achieve the Scottish Housing Quality Standard coupled with the historic debt structure of HRA debt suggested that the "debt affordability" percentage in West Dunbartonshire should not exceed 50%. The most recent update for 2018/19 has an average percentage of 43% with a peak of 46% in 2024/25.

4.1.10 The Council's external auditors have raised concerns around the level of borrowing which the Council currently holds in general and analysis (which indicates that the Council is amongst the highest levels of borrowing in Scotland) includes the significant HRA investment in achieving SHQS. The annual debt affordability percentages under the most recent HRA business model update as outlined in 4.1.8 above continues to be within acceptable range and the model therefore remains robust and viable in terms of debt affordability.

4.2 HRA Revenue Estimates 2018/19

The revenue estimates for 2018/19 are attached as Appendix 4 shows an increase in net expenditure, since 2017/18, of £0.804m. This is the amount which needs to be recovered via the proposed rent increase and equates to 2% based on expected housing stock and occupancy levels. Appendix 4 provides information on the breakdown of the budget and provides explanations for the main year on year variances

4.3 Reserves

4.3.1 At March 2017, the HRA reserve was £6.963m, consisting of:

| | £m |
|-------------------------------|--------------|
| Regeneration of housing stock | 5.617 |
| Welfare Reform Reserve | 0.500 |
| 2017/18 prudential reserve | 0.846 |
| | 6.963 |

4.3.2 Council policy is that an HRA Prudential Reserve of 2% of gross expenditure should be maintained. Based upon the recommended budget for 2018/19, this equates to £0.850m for 2018/19 (previously £0.846m). The increase in the prudential reserve of £0.004m for 2018/19 is anticipated to come from the forecast annual surplus for 2017/18. It is prudent to recommend that the budget for 2018/19 retains reserves at this level.

4.3.3 It is currently forecast (per the probable outturn identified in the Budgetary Control report for Period 10 which is subject of another report to this meeting) that there will be an in-year surplus on the HRA revenue account at the end of 2017/18 of £0.263m which, adjusting for the increase in the prudential target noted above, results in a net surplus of £0.259m.

4.3.4 It is anticipated that £5.117m of the £5.617m held at March 2017 in respect of regeneration of stock and all of the current welfare reform reserves will be utilised during 2017/18. Council policy established a number of years ago is that any surpluses will be earmarked for the purpose of regeneration of the housing stock. Therefore by 31 March 2018 the above would result in the reserves being as follows:

| | £m |
|---|-------|
| Regeneration of Housing Stock (from in-year projected surplus within the revenue account) | 0.259 |

| | |
|--|---------------------|
| Funds retained from previous earmarked reserves to fund Welfare Reform Reserve | 0.500 |
| Projected Earmarked Reserves at 31/03/2017 | 0.759 |
| Prudential reserve 2018/19 | 0.850 |
| Total Projected Reserves | <u>1.609</u> |

4.3.5 In terms of the adequacy of reserves – the prudential level of reserves is viewed as being an adequate level to deal with any financial shocks to the budget, based on previous experience and future expectations specifically in relation to income streams. As can be seen the level of reserve remains planned to meet the prudential level and is therefore judged as being adequate.

4.4 Rent Increase

4.4.1 The Council is required to consider the level of weekly rent increase for the financial year 2018/19 and agree an appropriate rent rate which meets the estimated costs of providing the Housing Service in 2018/19 as identified in the Appendix 4.

4.4.2 In determining the level of weekly rent increase due cognisance must be taken of changing service demands as well as the requirements for investment as detailed in the Standard Delivery Plan and the need for robust financial planning and management to ensure that the Council delivers on its investment commitments. In addition the decision of the Council in June 2012 regarding its policy on stock retention, which set out clearly the rent increase requirements to support the Council's investment needs, must be recognised.

4.4.3 The required weekly percentage rent increase contained within the attached HRA estimate is an average £1.53 on a 52 week basis (£1.69 on a 47 week basis) which equates to 2%.

4.4.4 The attached budget as recommended sets a rent level that satisfies best practice in maintaining a prudential balance, ensuring that all reasonable contingencies are taken into account and is sufficient to support the Council's HRA investment programme.

4.4.5 At the rent consultation meetings held in November 2017 the draft Housing Revenue Account Estimates for 2018/19 and the department's plans to expand the Council's new build programme and achieve and exceed the Scottish Housing Quality Standard were discussed.

4.4.6 A survey of tenants was undertaken regarding options for setting the rent and tenants were asked to select from 3 options:

Option 1

2% increase to maintain current level of service and capital investment.

Option 2

2.5% increase which would maintain current level of service and capital investment and also provide additional electrical testing and safety work.

Option 3

3% increase which would maintain current level of service and capital investment and also provide additional electrical testing and safety work plus enhanced planned maintenance programme.

There were 303 respondents to the survey with the majority opting for option 1, as follows:

- Option 1 54.1%
- Option 2 21.1%
- Option 3 24.8%

Further information from the survey is provided in Appendix 1.

- 4.4.7** It is recommended that Council increase rents at the Gypsy Travellers site by the same percentage as the housing rents at 2%.

5. People Implications

- 5.1** There are no personnel issues.

6. Financial and Procurement Implications

- 6.1** The financial implications are as detailed within the report and Appendices. There are no direct procurement implications from this report.

Procurement

- 6.2** All procurement activity carried out by the Council in excess of £50,000 is subject to a contract strategy. The contract strategy for the HRA Capital Programme will be developed by the Corporate Procurement Unit on behalf of Housing. The contract strategy will include, but is not limited to; contract scope, service forward plan, the market, procurement model and routes – including existing delivery vehicles, roles and responsibilities, risks, issues and opportunities and on-going contract management.

- 6.3** The Council's HRA Capital Programme will contribute to delivery of the Council strategic priorities through the development of a robust contract strategy which will explore the inclusion of possible community benefits which improve economic growth and employability or life chances for children and young people.
- 6.4** Further opportunities to maximise the positive social, economic and environmental impact for the Council through the contract will also be explored.

7. Risk Analysis

- 7.1** The key driver for determining rents for Council properties is the HRA investment plan. Failure to set rents consistent with the delivery of this plan will potentially result in insufficient funding being available to meet the aspirations highlighted above.
- 7.2** In producing the budget a number of assumptions have been made in relation to performance around rent recovery, voids and the impact of welfare reform. These issues will be closely monitored during 2018/19 and members advised of any significant variations that will impact materially on the sufficiency of the budget as proposed.
- 7.3** The Council's new house build programme is supported by Scottish Government's Affordable Housing Supply Programme (AHSP) funding, which resource allocations are only known up to end of March 2021. There is therefore a risk that if any Council projects are not completed by March 2021 the full level of grant funding may not be able to be drawn down. To mitigate this risk the Council has programmed accordingly and is developing a procurement approach which aims to ensure delivery by this key date.
- 7.4** In terms of the capital programme the main financial risks relate to:
- i) whether inflation increases costs resulting in plans requiring to be reviewed upwards;
 - ii) site investigations results potentially impacting on the realisation of anticipated capital receipts and
 - iii) Longer-term affordability requires to be considered in determining appropriate levels of capital funding.

Ongoing budgetary control processes will monitor the above issues and any problems will be reported to a future Council meeting for consideration.

8. Equalities Impact Assessment (EIA)

8.1 An EIA screening has been undertaken by officers and no issues were identified.

9. Consultation

9.1 The Council has a statutory requirement to carry out a rent consultation exercise. Details of the consultation can be seen in Appendix 1.

9.2 A HRA budget scrutiny group (Joint Rent Group) is now well established involving tenant representatives. This group meet with Officers and Convenor monthly and examines the HRA to ensure increased transparency and demonstrate Value for Money to tenants.

10. Strategic Assessment

10.1 The proposals contained in this report directly address four of the Council's five strategic priorities as agreed at 26 September 2012. Members agreed five strategic priorities, namely Life Chances for Children and Young People, Care and Promotion of Independence with Older People, Local Housing and Environmentally Sustainable Infrastructure and Wellbeing of Communities and Protection of Welfare of Vulnerable People. The investment in, and provision of attractive affordable housing will also indirectly support the objective of economic growth and employability through supporting employment and improving place attractiveness.

10.2 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.

Peter Barry
Strategic Lead – Housing and Employability
Date: 9 February 2018

Person to Contact: Janice Rainey - Business Unit Finance Partner,
Council Offices, Garshake Road, Dumbarton, G82
3PU, telephone: 01389 737707, e-mail:
janice.rainey@west-dunbarton.gov.uk

Alan Young - Housing Asset and Investment Manager,
Overburn Avenue, Dumbarton, telephone: 01389 608950,
email: alan.young@west-dunbarton.gov.uk

Appendices:

- Appendix 1: Consultation information
- Appendix 2: HRA Capital Projects Forecast
Outturn and Slippage 2017/18
- Appendix 3: HRA Capital programme Financial
Year 2018/23
- Appendix 4: 2018/19 Housing Revenue Account
Estimate

Background Papers:

EIA screening
Consultation Planning Sheet

Wards Affected:

All

APPENDIX 1

Housing Services



Consultation Recording Sheet

Housing Service ...Housing Development & Homelessness

Person responsible: Janice Rainey and Jane Mack

Consultation Start date: 16/11/17 End Date 22/1/18

| | | |
|----|---|--|
| 1. | The name of consultation / participation exercise? | Rent setting consultation 2018/19 |
| 2. | Its aims and objectives? | Discuss and get agreement from tenants on HRA Budget estimates and vote on subsequent rent increase options for 2018/19. |
| 3. | Who did you invite/include? (e.g. all tenants, tenant from the interested tenants register, RTOs, staff) | <p>Public meeting arranged for 30/11/17 and advertised through the WDC website.</p> <p>Specific invites also sent to,</p> <ul style="list-style-type: none">• TRA members• Register of Interested tenants• Scrutiny Panel members• Sheltered Housing Forum <p>Aim of public meeting was to agree Options for wider consultation. All tenants then had the opportunity to vote through the Housing News which is delivered to all WDC tenants.</p> |
| 4. | What methods did you use to promote/invite stakeholders to get involved? (e.g. letters, posters, website) | <p>The consultation process included a public meeting(30/11) and a public survey. Specific invites to all members of the above groups inviting them to the public meeting were sent. The Council's website and social media was also used to advertise the public meeting.</p> <p>The winter edition of the Housing News was used to advise tenants of the outcome of the public meeting and the rent increase options they could vote on – the edition included a front page article on the public meeting, an A3 insert which outlined details of the rent increase options and a freepost voting card.</p> |

| | |
|----|--|
| | <p>The survey was also promoted through The Council's webpages and social media as well as on our Tenant Participation Facebook account.</p> <p>The survey could be completed online or by returning the postage pre-paid voting card .</p> <p>Housing officers, Finance and One Stop Shop staff were also utilised to promote the survey and encourage the tenants they engaged with to use their vote.</p> <p>Tenant Participation also set up a stall in the Clydebanks shopping centre on 11/1/18 to encourage and remind tenants to vote.</p> <p>Reminders about the survey were also given out to staff in January 2018 to remind them to promote the survey via flyers and voting cards being delivered to both housing offices and One Stop Shops. Posters were also put up in the foyers of all Multi-storey flats.</p> |
| 5. | <p>Who actually took part? (Number of individuals and or number of tenant organisations represented)</p> <p>14 tenants attended the public meeting on 30/11/17 which included representatives from 6 TRA's as well as 2 individual tenants.</p> <p>303 tenants voted for their preferred option in the survey – 225 using the pre-paid voting card and 78 online votes.</p> |
| 6. | <p>What method(s) did you use to obtain their views? (e.g. focus/working group, newsletter, survey) Why did you choose this method(s)?</p> <p>A presentation was given at the public meeting which outlined performance of Housing Services and a breakdown of proposed spending for 2018/19. The HRA estimates were presented using the good practice model developed by the Scottish Housing Network and our own Joint Rent Group.</p> <p>A survey was developed to collect views on the 3 proposed options that the Council's Business Plan could afford and from the discussion at the public meeting.</p> <p>These methods were chosen to gather the views of as many tenants as possible in a clear and most accessible way as possible. The survey also ensured that tenant's views are taken into account as part of the Council committee decision -making process.</p> <p>The information provided was presented in as clear and understandable way as possible and made available online for any tenant to refer to.</p> <p>Using staff to promote the survey also allowed for dialogue</p> |

| | |
|-----|--|
| | with tenants about wider issues or to explain more the options being considered. |
| 7. | <p>What good practice or minimum standards can you evidence as part of your consultation?</p> <p>An 8 week consultation period was used to collect views. Paper voting cards were made available to all tenants through the Housing News as well as the on line option.</p> <p>The Public meetings was arranged for 5.30pm to accommodate as many people as possible. Meeting room had loop system and in an accessible building. Transport was also arranged for any tenant that required it to assist them getting to the meeting.</p> <p>All financial information (meeting notes and HRA budget estimates) were made as clear and understandable as possible as well as being available on line for public scrutiny.</p> |
| 8. | <p>What was the outcome of the consultation?</p> <p>The tenant views expressed at the public meeting were used to finalise the rent options that all tenant could vote on. The survey results were put forward as the proposed rent increase going for Council approval.</p> |
| 9. | <p>How did you feedback to participants the outcome?</p> <p>Survey report to be sent to all respondents, results made available on Council webpages and in the Spring Housing News.</p> <p>All rent increases must be notified to tenants in writing with 28 days notice so all tenants will be advised of the rent increase and how much the increase means for their own weekly and annual rent charge.</p> |
| 10. | <p>How did tenant involvement influence your consultation?</p> <p>We have continued to increase tenants understanding and opportunity to scrutinise the the HRA through our Joint Rent Group which has tenant volunteer members. Our Joint Rent Group also reviewed the financial information being presented to try to make it as clear and understandable as possible.</p> <p>This is only the second year that tenants have been given options to vote on and the survey was promoted as widely as possible so that views from as many tenants could be collected.</p> |

| | | |
|-----|--|--|
| 11. | Are you able to demonstrate this? YES | |
| 12. | How have you demonstrated to tenants that involvement made a difference? | The preferred option for a 2% rent increase is being put forward as the rent proposal to be considered by Councillors. |
| 13. | Did you check with participants that they were happy with the opportunities given to make their views known and that they felt that we listened and acted upon them? | The WDTRO and tenant volunteers on the Joint Rent Group have stated that they were happy with the improvements made in the rent setting process. Tenant understanding of the HRA has continued to increase through the Joint Rent Group and the discussion at the public meeting was very informed and constructive. |

What worked well, what didn't work well – or any other comments you have.

Comments: The same number of attendees came to the public meeting as previous year but the survey responses increased by 352% to 303 . It is hoped that numbers will continue to increase year on year as tenants see that they can voice their views and influence the outcome.

We still need to increase tenant involvement earlier in the process when resourcing and priorities are being discussed so that tenants can be involved in those discussions and make rent setting more meaningful. The timing of the rent setting process also needs to be prioritised earlier in the year so that we can fully utilise the Housing News to reach all tenants and to avoid consulting over the holiday period which can be a busy and stressful time for many people.

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
CAPITAL PROJECTS FORECAST OUTTURN AND SLIPPAGE 2017/18

| RESOURCES | Budget | Forecast | | Over / (Under) |
|------------------------------|---------------|-----------------|-----------------|-----------------------|
| | £000's | Outturn | Slippage | Recovery |
| | | £000's | £000's | £000's |
| New Build Grant | 2,996 | 2,516 | 395 | (85) |
| Other Grants/Contributions | 940 | 940 | 0 | 0 |
| Loan Repayments | 14 | 42 | 0 | 28 |
| Anticipated Capital Receipts | 0 | 2,302 | 0 | 2,302 |
| Prudential Borrowing / CFCR | 26,627 | 13,593 | 10,931 | (2,103) |
| | 30,578 | 19,394 | 11,326 | 142 |

| CAPITAL EXPENDITURE | Budget | Forecast | | Over / (Under) |
|--|---------------|-----------------|-----------------|-----------------------|
| | £000's | Outturn | Slippage | Spend |
| | | £000's | £000's | £000's |
| OTHER CAPITAL EXPENDITURE | | | | |
| Special Needs Adaptations | 300 | 300 | 0 | 0 |
| CCTV Projects | 129 | 125 | 0 | (4) |
| Priority Projects as advised by housing management | 102 | 105 | 0 | 2 |
| Community Safety Projects | 136 | 38 | 98 | 0 |
| Projects to Deliver Housing Policies/Strategies | 709 | 470 | 239 | (0) |
| Capitalised Minor Works | 800 | 500 | 0 | (300) |
| Housing Asset Management | 50 | 50 | 0 | 0 |
| Integrated Housing Management System | 765 | 427 | 257 | (81) |
| MAJOR COMPONENT REPLACEMENTS | | | | |
| Targeted SHQS compliance works | 792 | 207 | 592 | 7 |
| Targeted EESSH compliance works | 4,062 | 600 | 3,462 | 0 |
| Building External Component Renewals | 3,076 | 2,000 | 1,076 | 0 |
| Doors/Window Component Renewals | 1,500 | 1,500 | 0 | 0 |
| External Stores/Garages/Bin Stores/Drainage Component Renewals | 104 | 104 | 0 | 0 |
| Secure Entry Component Renewals | 70 | 0 | 70 | 0 |
| Statutory/Regulatory compliance Works (Lifts/Electrical/Legionella/Fire Etc) | 100 | 100 | 0 | 0 |
| Non Traditional and Traditional Improvement Works (Risk St) | 2,459 | 200 | 2,259 | 0 |
| Heating Improvement Works | 600 | 640 | 0 | 40 |
| Energy Improvements/Energy Efficiency Works | 142 | 142 | 0 | 0 |
| Modern Facilities and Services | 590 | 300 | 290 | 0 |
| VOID CAPITAL | | | | |
| Void House Strategy Programme | 2,500 | 2,800 | 0 | 300 |
| DEMOLITIONS | | | | |
| Regeneration/Demolition of Surplus Stock | 1,550 | 216 | 1,334 | 0 |
| Clydebank East Demolition/Homeloss Disturbai | 128 | 128 | 0 | 0 |
| CONTINGENCIES | | | | |
| Contingencies | 100 | 0 | 0 | (100) |
| STRUCTURAL & ENVIRONMENTAL | | | | |
| Multi-Storey Renewal Works | | | | |
| Defective Structures / Component Renewals | 735 | 300 | 435 | (0) |
| Environmental Improvement Works | 1,280 | 1,280 | 0 | 0 |
| Asbestos Management Works | 300 | 300 | 0 | 0 |
| SUPPORT COSTS | | | | |
| Salaries/Central Support/Offices | 1,800 | 1,800 | 0 | 0 |
| NEW BUILD | | | | |
| New Build Housing | 5,699 | 4,762 | 1,214 | 277 |
| TOTAL | 30,578 | 19,394 | 11,326 | 142 |

APPENDIX 3

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
FINANCIAL YEAR 2018-23 DRAFT

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Anticipated Resources | Anticipated Resources | Anticipated Resources | Anticipated Resources | Anticipated Resources |
| ANTICIPATED RESOURCES | | | | | |
| Carry Forward | 11,326 | 0 | 0 | 0 | |
| Prudential Borrowing | 7,475 | 31,002 | 35,478 | 14,767 | 15,838 |
| Other Grants/Contributions | 600 | 600 | 600 | 600 | 600 |
| Loan Repayments | 14 | 14 | 2 | 0 | 0 |
| CFCR | 7,429 | 5,447 | 4,224 | 3,963 | 2,892 |
| New Build Grants :- | | | | | |
| St Andrews School Site | 3,587 | 8,410 | 0 | 0 | 0 |
| Creveul Court Site | 0 | 500 | 680 | 0 | 0 |
| Clydebank East | 0 | 1,632 | 1,318 | 0 | 0 |
| Haldane Acquisition | 895 | 3,884 | 0 | 0 | 0 |
| Aitkenbar Ps Site | 500 | 3,040 | 0 | 0 | 0 |
| Dumbarton Harbour Ph3 | 0 | 1,677 | 0 | 0 | 0 |
| Bonhill Quarry | 0 | 0 | 2,450 | 0 | 0 |
| Future Development Site | 0 | 0 | 2,950 | 2,950 | 2,950 |
| TOTAL ANTICIPATED RESOURCES | 31,826 | 56,205 | 47,702 | 22,280 | 22,280 |

Annual Budget Annual Budget Annual Budget Annual Budget Annual Budget

CAPITAL EXPENDITURE

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| OTHER CAPITAL EXPENDITURE | 1,050 | 1,050 | 850 | 850 | 850 |
| Other Capital Expenditure | 400 | 400 | 400 | 400 | 400 |
| Special Needs Adaptations | 0 | 0 | 0 | 0 | 0 |
| Community Safety Projects | 600 | 600 | 400 | 400 | 400 |
| Capitalised Minor Works | 50 | 50 | 50 | 50 | 50 |
| MAJOR COMPONENT REPLACEMENTS | 9,640 | 9,640 | 8,780 | 8,580 | 8,580 |
| Targeted SHQS compliance works | 200 | 200 | 200 | 200 | 200 |
| Targeted EESSH compliance works | 4,150 | 4,150 | 3,450 | 3,450 | 3,450 |
| Building External Component Renewals, | 2,600 | 2,600 | 2,600 | 2,400 | 2,400 |
| Doors/Window Component Renewals | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| External Stores/Garages/Bin Stores/Drainage Comp | 70 | 70 | 40 | 40 | 40 |
| Secure Entry Component Renewals | 70 | 70 | 40 | 40 | 40 |
| Statutory/Regulatory compliance Works | 100 | 100 | 100 | 100 | 100 |
| (Lifts/Electrical/Legionella/Fire Etc) | | | | | |
| Heating Improvement Works | 600 | 600 | 500 | 500 | 500 |
| Energy Improvements/Energy Efficiency Works | 50 | 50 | 50 | 50 | 50 |
| Modern Facilities And Services | 300 | 300 | 300 | 300 | 300 |
| VOID CAPITAL | 2,500 | 2,000 | 1,500 | 1,500 | 1,500 |
| Void House Strategy Programme | 2,500 | 2,000 | 1,500 | 1,500 | 1,500 |
| DEMOLITIONS | 40 | 2,017 | 3,000 | 300 | 300 |
| Clydebank East demolition/homeloss & disturbance | 40 | 2,017 | 3,000 | 300 | 300 |
| CONTINGENCIES | 100 | 100 | 100 | 100 | 100 |
| Contingencies | 100 | 100 | 100 | 100 | 100 |
| STRUCTURAL & ENVIRONMENTAL | 1,780 | 1,780 | 1,400 | 1,400 | 1,400 |
| Defective Structures/Component Renewals | 300 | 300 | 300 | 300 | 300 |
| Environmental Renewal Works, Paths/Fences/Walls | 1,280 | 1,280 | 900 | 900 | 900 |
| Asbestos Management Works | 200 | 200 | 200 | 200 | 200 |

| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| AFFORDABLE SUPPLY PROGRAMME | 9,173 | 33,797 | 28,710 | 7,750 | 7,750 |
| Projects To Deliver Housing Policies/Strategies | 750 | 1,000 | 1,000 | 0 | 0 |
| Fees And Enabling Costs | 250 | 250 | 250 | 250 | 250 |
| St Andrews School Site | 4,435 | 13,177 | 375 | 0 | 0 |
| Creveul Court Site | 0 | 500 | 2,500 | 0 | 0 |
| Haldane Acquisition | 895 | 5,670 | 5,585 | 0 | 0 |
| Clydebank East | 0 | 2,500 | 5,000 | 0 | 0 |
| Aitkenbar Ps Site | 500 | 8,500 | 0 | 0 | 0 |
| Dumbarton Harbour Ph3 | 3,257 | 2,000 | 0 | 0 | 0 |
| Bonhill Quarry | 0 | 500 | 6,500 | 0 | 0 |
| Future Development Sites | 0 | 0 | 7,500 | 7,500 | 7,500 |
| Less Amounts to be Funded from Slippage Shown Below | (914) | (300) | 0 | 0 | 0 |
| SUPPORT COSTS | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| Salaries/Central Support/Offices | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| SUB TOTAL | 26,083 | 52,184 | 46,140 | 22,280 | 22,280 |
| COMMITTED EXPENDITURE RE-PROFILED TO 2018-19 | | | | | |
| Community Safety Projects | 98 | 0 | 0 | 0 | 0 |
| Projects to Deliver Housing Policies/Strategies | 239 | 0 | 0 | 0 | 0 |
| Integrated Housing Management System | 257 | 0 | 0 | 0 | 0 |
| Targeted SHQS Compliance Works | 592 | 0 | 0 | 0 | 0 |
| Targeted EESH Compliance Works | 1,000 | 1,000 | 1,462 | 0 | 0 |
| Building External Component Renewals, Roofs Etc. | 500 | 576 | 0 | 0 | 0 |
| Secure Entry Component Renewals | 70 | 0 | 0 | 0 | 0 |
| Modern Facilities and Services (Kitchens/Bathrooms) | 90 | 100 | 100 | 0 | 0 |
| Non Traditional and Traditional Improvement Works (Risk St) | 1,500 | 759 | 0 | 0 | 0 |
| Regeneration/Demolition of Surplus Stock | 183 | 1,151 | 0 | 0 | 0 |
| Defective Structures / Component Renewals | 300 | 135 | 0 | 0 | 0 |
| New Build Housing (Singer St/Second Ave) | 914 | 300 | 0 | 0 | 0 |
| RE-PHASED COMMITTED EXPENDITURE | 5,742 | 4,021 | 1,562 | 0 | 0 |
| ANNUAL TOTAL | 31,826 | 56,205 | 47,702 | 22,280 | 22,280 |

DRAFT HRA ESTIMATES 2018/19

| 2016/17 Outturn £000 | EXPENDITURE | 2017/18 Estimate £000 | Probable Outturn £000 | 2018/2019 Estimate £000 | Movement year on year £000 | Comments on Movements > £50,000 |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|-------------------------------|----------------------------------|---|
| 4,072 | Employee Costs | 4,493 | 4,434 | 4,895 | 402 | Provision for anticipated employee pay award and cost of new staffing model |
| 1,801 | Property Costs | 1,819 | 1,777 | 1,813 | (6) | |
| 102 | Transport Costs | 105 | 101 | 101 | (5) | |
| 440 | Supplies, Services And Admin | 380 | 395 | 399 | 18 | |
| 2,148 | Support Services | 2,141 | 2,148 | 2,148 | 6 | |
| 257 | Other Expenditure | 157 | 290 | 291 | 134 | The Tenancy Sustainment element of the payment to Women's Aid (£82k) is now being met from the HRA rather than the general fund following a review of where it was appropriate to pay this from. Other reasons increases in costs of legal expenses in relation to summons costs/ monthly court fees and an increase in rent abatements due to void initiatives. |
| 11,542 | Repairs & Maintenance | 11,716 | 11,118 | 11,694 | (23) | |
| 999 | Bad Debt Provision | 1,060 | 1,060 | 1,060 | 0 | |
| 1,273 | Void Loss (Council Tax/Lost Rents) | 1,227 | 1,189 | 1,084 | (143) | There has been an improvement in lost rental due to management action to improve processes around voids to achieve faster turnaround and improve the appeal of harder to let properties. Further improvement target has been built into the 1819 budget |
| 17,942 | Loan Charges | 18,800 | 18,800 | 19,023 | 224 | The principal determinants of loan charges are the average pool interest rate and the level of borrowing. Net capital expenditure planned to support the department's investment priorities will continue at a high level (£19m projected for 2017/18). The loan charges on the 2017/18 expenditure will start to become repayable in 2018/19. All borrowing will be accommodated within the authorised prudential limits that will be presented to Council for approval within the Annual Treasury Strategy and is consistent with the projections contained within the HRA 30 year business plan. |
| 40,576 | Total Expenditure | 41,900 | 41,310 | 42,508 | 608 | |

| | | | | | | |
|---------------|-----------------------------|---------------|---------------|---------------|------------|---|
| 39,642 | House Rents | 40,205 | 39,892 | 40,025 | 180 | Updated for information around expected demolitions & other changes to stock numbers including new build housing in Clydebank |
| 229 | Lockup Rents | 227 | 225 | 225 | 2 | |
| 124 | Factoring/Insurance Charges | 143 | 129 | 132 | 11 | |
| 1,119 | Other rents | 1,136 | 1,114 | 1,114 | 22 | |
| 70 | Interest on Revenue Balance | 46 | 70 | 70 | (24) | |
| 137 | Miscellaneous income | 143 | 143 | 143 | (0) | |
| 41,321 | Total Income | 41,900 | 41,573 | 41,708 | 192 | |

| | | | | | |
|------------|------------------------|----------|--------------|------------|------------|
| 746 | Net Expenditure | 0 | (263) | 800 | 800 |
|------------|------------------------|----------|--------------|------------|------------|

| | |
|--|--------|
| Rent % Increase required (Net expenditure/1819 estimated Rental Income at current rent level) | 2.00% |
| Required rent increase (52 wks) | £1.53 |
| Average rent 2017/18 (52 weeks) | £76.53 |
| Revised average rent (52 weeks) | £78.06 |
| Prudential reserve | 850 |

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead - Resources

Council: 5 March 2018

Subject: Prudential Indicators 2017/18 to 2025/26 and Treasury Management Strategy 2018/19 to 2025/26

1. Purpose

- 1.1** The purpose of this report is to seek Council approval of the proposed Prudential Indicators for 2017/18 to 2020/21 and Treasury Management Strategy (including the Investment Strategy) for 2018/19 to 2020/21.
- 1.2** The report also advises Council of the indicative prudential indicators for the period from 2021/22 to 2025/26.

2. Recommendations

2.1 Council is requested to:

- (a) Agree the following Prudential Indicators and Limits discussed in Appendix 1 and set out within Appendix 6 for the period 2018/19 to 2020/21:
 - Capital Expenditure and Capital Financing Requirements (Tables A and B);
 - Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table D);
- (b) Approve the policy for loans fund advances discussed in Appendix 1 in section 3.3;
- (c) Approve the Treasury Management Strategy for 2018/19 to 2020/21 (including the Investment Strategy) contained within Appendices 2 to 6;
- (d) Agree the following Treasury Prudential Indicators and Limits discussed in Appendix 2 and set out within Appendix 6 for the period 2018/19 to 2020/21:
 - Operational Boundaries (Table F);
 - Authorised Limits (Table G);
 - Counterparty Limits (Table J); and
 - Treasury Management Limits on Activity (Table L);
- (e) Note the draft Prudential and Treasury Management Indicators for the period 2021/22 to 2025/26 discussed in Appendices 1 and 2 and set out within Appendix 6;
- (f) Approve the statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 - Point 2.3);

- (g) Approve the Treasury Management Policy Statement set out in Appendix 7;
- (h) Approve the Treasury Management Clauses to be formally Adopted set out in Appendix 8;
- (i) Note the Treasury Management Role of the Section 95 Officer set out in Appendix 9; and
- (j) Refer this report to the Audit Committee to ensure further scrutiny takes place.

3. Background

- 3.1** With the introduction of the Prudential Code, the Council has freedom over capital expenditure so long as it is prudent, affordable and sustainable. In order to show it is working within these limits the Council must approve, revise and monitor a range of prudential indicators covering the forthcoming three years.
- 3.2** The Council's treasury activities are strictly regulated by statutory requirements (*Code on the Investments of Money by Scottish Local Authorities*) and a professional code of practice (*CIPFA Treasury Management Code of Practice*). The code requires an annual strategy to be reported to Council in advance of the forthcoming year outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. Further reports are issued as follows:
- (a) Mid-year monitoring report on actual treasury activity during the year including revised indicators where appropriate; and
 - (b) Year-end report on actual treasury activity for the previous year.
- 3.3** Section 56 of the Local Government (Scotland) Act 1973 Act permits local authorities in Scotland to discharge their functions by committees. Exceptions include setting the council tax (s56 (6) (b)) and borrowing money (s56 (6) (d)), which requires the authority, that is full Council, to discharge. The Section 56 provisions were extended to require Council to approve the Annual Investment Strategy via the *Code on the Investments of Money by Scottish Local Authorities* (issued on 1 April 2010) been issued under section 40 of the Local Government in Scotland Act 2003.
- 3.4** As a result of Section 56, both the Prudential Indicators and the Treasury Management Strategy (including the Investment Strategy) are required to be approved by full Council before the start of the financial year.
- 3.5** The CIPFA Treasury Management Code of Practice requires greater Member scrutiny of the treasury policies, increased Member training and awareness and greater frequency of information.

- 3.6** One of the key clauses is that a responsible body is required to ensure effective scrutiny of the treasury management strategy and policies. Within West Dunbartonshire Council the body identified to fulfil this role is the Audit Committee.
- 3.7** The proposed and draft Prudential Indicators 2017/18 to 2025/26 and Treasury Management Strategy 2018/19 to 2025/26 should be referred to the Audit Committee once approved by Council to ensure further scrutiny takes place.

4. Main Issues

- 4.1** The Local Government in Scotland Act 2003 requires Council to adopt the CIPFA Prudential Code and to produce prudential indicators. Appendix 6 of this report details the Council's expected year end indicators for 2017/18, revises the indicators for 2018/19 to 2020/21 and projects the indicators to 2025/26, with those for the period 2021/22 to 2025/26 being indicative at this time.
- 4.3** Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence the treasury management strategy (which includes details of both debt and investment) for 2018/19 to 2025/26 is included in Appendix 6 (with the period 2021/22 to 2025/26 being indicative at this time) to complement the prudential indicators relating to the treasury activity.
- 4.4** Details of the risks, mitigating controls and limits associated with each of the permitted investment categories are shown in Appendix 3. Credit rating type and definitions are attached as Appendix 4 and a list of approved sovereign countries for investments are attached as Appendix 5.
- 4.5** An updated treasury management policy and list of clauses to be adopted, along with the treasury management role of the Section 95 officer are attached as Appendices 7 to 9.
- 4.6** For information, in December 2017, CIPFA issued a revised Prudential Code. As a result, from 2019/20, all local authorities will be required to prepare a Capital Strategy report, which is intended to provide the following:
- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability
- 4.6.1** The aim of this report is to ensure that all elected members fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.
- 4.6.2** The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to

understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

- 4.6.3** A future revision of the Treasury Strategy will therefore include the Council's Capital Strategy to ensure compliance with the updated Code.

5. Option Appraisal

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

6. People Implications

- 6.1** There are no people implications arising from this report.

7. Financial and Procurement Implications

- 7.1** The prudential indicators detailed in Appendix 6 show the Council's likely and indicative capital financing for the period 2017/18 to 2025/26 while the treasury management indicators detailed in Appendix 6 show the likely borrowing requirement for the same period.
- 7.2** Table E in Appendix 6 indicates that in each year the gross borrowing requirement (which includes short term borrowing for cashflow purposes) is below the capital financing requirement and does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and following two financial years (Appendix 2 – section 2.1 and 2.2).
- 7.3** As a key indicator of prudence this illustrates that the Council only undertakes long term borrowing for capital purposes and that over the last few years investment balances have been utilised to fund capital expenditure due to the concerns over the general economic environment and restricted counterparty lists.
- 7.4** There are no procurement issues arising from this report.

8. Risk Analysis

- 8.1** There are three main risks associated with the formulation of prudential indicators and the treasury management strategy as detailed in Appendix 1 and 2:
- (a) Capital receipts which affect the capital financing and borrowing requirement may not materialise and if this occurs then additional borrowing will be required in order to fund the financing requirement;
 - (b) The risk of Counterparties default (i.e. loss of principal sum invested) must also be taken into account; however the robust controls included within the investment strategy (Appendix 2 – section 6) will assist in mitigating this risk; and

- (c) Capital inflation may increase capital expenditure levels, which in turn may affect the capital financing and borrowing requirement leading to an increase in borrowing, assuming no additional capital receipts are available.

9. Equalities Impact Assessment

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 Legal and finance have been consulted in relation to this report and appendices

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 5 strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.

Stephen West
Strategic Lead - Resources
Date: 19 February 2018

Person to Contact: Jennifer Ogilvie, Section Head (Strategic Finance and Development), Garshake Road, Dumbarton, Telephone (01389) 737453
Email: Jennifer.ogilvie@west-dunbarton.gov.uk

Appendices:

| | |
|---|---|
| 1 | Prudential Indicators 2017/18 to 2025/26 |
| 2 | Treasury Management Strategy 2018/19 to 2025/26 |
| 3 | West Dunbartonshire Council and Common Good Funds Permitted Investments, Associated Controls and Limits |
| 4 | Counterparty Rating Explanations |
| 5 | Approved Countries for Investment |
| 6 | Prudential and Treasury Indicators |
| 7 | Treasury Management Policy Statement |
| 8 | Treasury Management Clauses to be formally Adopted |

9 Treasury Management Role of the Section 95 Officer

Background Papers: Treasury Management Strategy – Council 22 February 2017

Wards Affected: All wards affected.

Prudential Indicators 2017/18 to 2025/26

1. The Capital Expenditure Plans

- 1.1** The Council's gross capital expenditure plans are summarised in Table A within Appendix 6 and this forms the first of the prudential indicators. Total expenditure is partially funded by resources such as capital receipts, capital grants, etc. Any remaining expenditure which cannot be immediately funded from other resources will form a borrowing need.
- 1.2** A certain level of capital expenditure will be grant supported by the Government; anything above this level will be funded from the Council's own resources.
- 1.3** There are two main limiting factors which may impact on the Council's ability to undertake unsupported capital expenditure:
 - Whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs; and
 - The Government may use a control to limit either the total of all councils' plans nationally, or in the event of an assessment by central government that local plans are unaffordable at a specific council, it may implement a local control. No such control has been implemented since the inception of the prudential code, however, HM Treasury keep this under review.
- 1.4** The summary of capital expenditure as per the capital plan update reported to Council on 5 March 2018 for General Services and HRA is shown in the table A in Appendix 6. The HRA capital plan refresh extends to 2022/23 with the period from 2023/24 to 2025/26 extracted from the HRA Business Plan for the purposes of Prudential Indicator calculations.

2. The Council's Borrowing Need (the Capital Financing Requirement)

- 2.1** The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's underlying borrowing need. The net capital financing need (as indicated in Table A in Appendix 6) impacts directly on the CFR.
- 2.2** Following accounting changes the CFR includes any other long term liabilities (i.e. PPP schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £84.316m of such schemes within the CFR.
- 2.3** The CFR projections for both General Services and HRA are shown in table B in Appendix 6 and show that the CFR for the HRA is projected to increase each year from 2017/18 to 2025/26 with the CFR for General Services being anticipated to increase each year from 2017/18 to 2020/21 and then decreasing from 2021/22 to 2025/26 due to reduced levels of projected capital spend.
- 2.4** The expected impact of the capital expenditure decisions above on the Council's debt and investment position are shown in the treasury strategy (Appendix 2).

3. Statutory repayment of loans fund advances

- 3.1** The Council is required to set out its policy for the statutory repayment of loans fund advances. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.
- 3.2** A variety of options are provided to Councils so long as a prudent provision is made each year as detailed below:
- **Statutory method** – loans fund advances will be repaid by the annuity method (option 1). The Council is permitted to use this option for a transitional period only, of five years until 31 March 2021, at which time it must change its policy to use alternative approaches based on depreciation, asset life periods or a funding/income profile as detailed below.
 - **Depreciation method** – annual repayment of loans fund advances will follow standard depreciation accounting procedures (option 2);
 - **Asset life method** – loans fund advances will be repaid with reference to the life of an asset using either the equal instalment or annuity method (option 3);
 - **Funding / Income profile method** – loans fund advances will be repaid by reference to an associated income stream (option 4).
- 3.3** Council is recommended to approve the following policy for loans fund advances.
- For loans fund advances made before 1 April 2016, the policy will be to maintain the practice of previous years and apply the **Statutory Method** (option 1), with all loans fund advances being repaid by the annuity method.
 - Recognising that the Council has forward capital expenditure plans, has already committed to that plan and the revenue implications of that plan, the policy for loans fund advances made from 1 April 2016 to 31 March 2021 the policy will be to mainly apply the **Statutory Method** (option 1), with all loans fund advances being repaid by the annuity method unless an alternative method is more appropriate. Advances will be considered on a case by case basis to determine the method to be used.
 - For loans fund advances made after 1 April 2021, the policy for the repayment of loans advances will be to apply the following options, selecting the most suitable method from the list below for each individual advance.
 - **Asset life method** – loans fund advances will be repaid with reference to the life of an asset using either the equal instalment or annuity method (option 3). It is likely that the equal instalment method will be used;
 - **Funding / Income profile method** – loans fund advances will be repaid by reference to an associated income stream (option 4).
- 3.4** The annuity rate applied to the loans fund repayments was based on historic interest rates and is currently 9%.

- 3.5** Table C in Appendix 6 details the loans fund repayment profile for 2017/18 onwards based on the balance outstanding at 31 March 2017 and capital expenditure plans 2017/18 to 2025/26 as per Table A.

4. Affordability Prudential Indicators

- 4.1** The previous sections cover the overall capital and control of borrowing, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These indicate the impact of the capital investment plans on the overall Council's finances. The Council is asked to approve the following indicators:

4.2 Actual and Estimates of the ratio of financing costs to net revenue stream

This indicator is detailed in Table D in Appendix 6, and identifies the trend in financing cost of capital (loan charges and PPP) against the net revenue stream (funding sources e.g. Scottish Government revenue support grant and council tax).

The estimates of financing costs include current commitments and the impact of capital expenditure as per Table A and this indicator shows the percentage of total council revenue expenditure that is spent on repayment of loan charges and PPP capital and interest repayments.

Treasury Management Strategy 2018/19 – 2025/26

1. Background

- 1.1** The treasury management service is an important part of the overall financial management of the Council's affairs. Whilst the prudential indicators in Appendix 1 consider the affordability and impact of capital expenditure decisions, the treasury service covers the effective funding of these decisions. There are specific treasury prudential indicators included in this strategy which need approval.
- 1.2** The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised December 2017).
- 1.3** As a requirement of the Code Council is required to adopt a Treasury Management Policy Statement and four Treasury Management clauses. These form part of the Council's financial regulations and were initially adopted on 28 March 2012. The revised Code (December 2017) has resulted in some minor changes and therefore the following updated documents are attached in Appendices 7 to 9 for approval:
- Treasury Management Policy Statement
 - Treasury Management Clauses
 - The Treasury Management Role of the Section 95 Officer
- 1.4** The policy requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years, however in line with the longer capital planning process treasury management indicators have been provided (where appropriate) covering the period to 2025/26. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. Further reports are issued as follows:
- Mid-year monitoring report on actual activity during the year including revised indicators where appropriate; and
 - Year-end report on actual activity for the previous year.
- 1.5** This strategy covers:
- The Council's debt and investment projections;
 - Limits to the Council's borrowing activity;
 - The economic climate and expected movement in interest rates;
 - The Council's borrowing, debt and investment strategies;
 - Treasury performance indicators;
 - Specific limits on treasury activities; and
 - Policy on ethical investments

2. The Council's debt and investment projections

- 2.1** The Council's forecast treasury portfolio position at 31 March 2018 with forward projections are summarised in Table E in Appendix 6 and shows the gross debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any under or over borrowing.

2.2 Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. This is illustrated by comparing the estimated gross debt as at 31 March 2018 with the CFR as at 31 March 2021.

2.3 The Section 95 Officer (Strategic Lead - Resources) reports that the Council has complied with this prudential indicator, and no difficulties are envisaged for the current or future years. This view takes into account the capital plan refresh reports for General Services and HRA.

3. Limits to Borrowing Activity

3.1 The Operational Boundary is detailed in Table F in Appendix 6 and is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

3.2 The Authorised Limit for External Borrowing – a further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is not allowed to exceed. This needs to be set or revised by Members. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit (Affordable Capital Expenditure Limit) determined under section 35(1) of the Local Government in Scotland Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the authorised limit detailed in Table G in Appendix 6.

3.3 Advance Borrowing - This Council will not borrow more than or earlier than required purely in order to profit from the investment return of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

3.3.1 Advance borrowing will only be taken for risk management purposes subject to sound justification. The Section 95 Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected and so borrowing early at fixed interest rates will be economically beneficial. A cautious approach to any such borrowing will be adopted, however where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

3.3.2 Full consideration will be given to balancing investment risks, such as the credit and interest risk resulting from the temporary investment of the sums, against the risk of adverse interest rate movements in addition to the existing debt maturity profile over the medium term.

3.3.3 As required by The Investment Regulations (Code on the Investments of Money by Scottish Local Authorities) which came into force on 1 April 2010 the Council will appraise all risks associated with advance borrowing activity. The Council will fully document the justification for the decision prior to the activity being undertaken, with subsequent reporting either within the mid-year or annual reporting mechanism.

4. Prospect for Interest Rates

- 4.1** The Council has appointed Link Asset Services (formerly Capita) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Table H in Appendix 6 gives the Link Asset Services central view.
- 4.2** The Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. At its February 2018 meeting, there was no change in Bank Rate but the forward guidance changed significantly to warn of “earlier, and greater than anticipated” rate of increases in Bank compared to their previous forward guidance. The Link Asset Services forecast includes increases in Bank Rate of 0.25% in May and November 2018, November 2019 and August 2020.
- 4.3** Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.
- 4.4** From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.
- 4.5** The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.
- 4.6** Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- The Bank of England takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
 - Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
 - A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
 - Weak capitalisation of some European banks.
 - Germany is still without a fully agreed and stable coalition government after the inconclusive result of the general election in October. In addition, Italy is to hold a general election on 4 March and the anti EU populist Five Star party is currently in the lead in the polls, although it is unlikely to get a working majority on its own. Both situations could pose major challenges to the overall leadership and direction of the EU as a whole and of the individual respective countries. Hungary will hold a general election in April 2018.
 - The result of the October 2017 Austrian general election has now resulted in a strongly anti-immigrant coalition government. In addition, the Czech ANO party became the largest party in the October 2017 general election on a platform of being strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.

- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

4.7 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

5. Borrowing and Debt Strategy 2017/18 – 2025/26

5.1 Table E in Appendix 6 indicates that the Council is currently maintaining an under-borrowed position. This indicates that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with external borrowing which is a mixture of short term and long term debt.

5.2 Against this background and the risk within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Section 95 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

5.3 If it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowing will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

5.4 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

5.5 Any decisions will be reported to Members via the Members Bulletin at the next available opportunity.

6. Investment Strategy

6.1 The Council's investment policy has regard to the Local Government Investment (Scotland) Regulations (and accompanying finance circular). Council had also adopted both the Treasury Management Code of Practice and the Prudential Code and is required to adopt the revised editions. The day to day investment policies and practices are contained in the

Council's Treasury Management Practices, which reflect the requirements of these codes. These practices are regularly reviewed.

6.2 Key Objectives – Following the economic background above, the current investment climate has one over-riding risk consideration - counterparty security risk. As a result of these underlying concerns, officers are implementing an operational investment strategy which tightens the controls already in place in the approved investment strategy. The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

6.2.1 In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, outlooks and watches published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Link Asset Services ratings service banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

6.2.2 Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Link Asset Services in producing its colour codings which show the varying degrees of creditworthiness.

6.2.3 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

6.2.4 The aim of the strategy is to generate a list of highly creditworthy counterparties which will enable diversification, and thus avoidance of concentration, with the prime intention of providing security of investment and minimisation of risk.

6.3 Investment Strategy – The process for investment strategy under the regulations covers a wide range of Council investments and will be broadly managed in the following way:

- Short Term Cash – Cash relating to day to day cash flow will be maintained on a shorter term basis in cash type products with consideration to the liquidity requirements outlined above.

- Longer Term Cash – Cash relating to reserves, provisions and balances on the balance sheet may be held for longer periods of time in cash type products or in longer term bonds or funds depending on:
 - Cash flow requirements;
 - The underlying expectation for interest rates; and
 - The economic background of these investments may be held longer term.
- Service Type Investments – These types of investments will predominately be policy driven and approved by Members. Shareholdings, development opportunities, loans to third parties, equity instruments and investment properties held for rental returns) will be regularly reviewed to judge the investment performance.
- Non Service Type Investments – Investments such as Joint venture delivery companies such as Hub West Scotland and investments in regeneration partnerships and development opportunities

6.4 Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service

A development for Member reporting is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are additional new requirements to the Member reporting.

- 6.4.1** These benchmarks are targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.
- 6.4.2** In the context of benchmarking, assessing security is a very subjective area to assess. Security is currently evidenced by the application of minimum quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch/ Moody's and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy. Table I in Appendix 6 shows average defaults for differing periods of investment grade products for each Fitch/ Moody's Standard and Poors long term rating category.
- 6.4.3** The Council's minimum long term rating criteria is currently "A-", meaning the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.06% of the total investment (e.g. for a £1m investment the average loss would be £600). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.
- 6.4.4** As required by the CIPFA Treasury Management Code of Practice The Council will "ensure that it has adequate, though not excessive, cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives". In respect to liquidity as defined above the Council seeks to maintain:
- Bank overdraft - £1.000m; and

- Liquid short term deposits of at least £5m available on an overnight basis.

6.4.5 Local measures of yield investment benchmarks that will be used to assess returns are:

- Internal returns above the 7 day LIBID rate;
- Internal returns above the 1 month LIBID rate for fixed investments; and
- Internal returns above the Council's instant access account.

6.5 Council Permitted Investments – The Investments Regulations (Code on the Investment of Money by Scottish Local Authorities) requires Council approval of all the types of investment to be used and set appropriate limits for the amount that can be held for each investment type. These types of investment are termed permitted investments and any investments used which have not been approved as a permitted investment will be considered ultra vires.

6.5.1 The permitted investments which may be used in the forthcoming year are noted below. Details of the risks, mitigating controls and limits associated with each of these permitted categories are shown in Appendix 3.

- **Cash Type Instruments**

- Deposits with the Debt Management Account Facility (UK Government);
- Deposits with other local authorities or public bodies;
- Money Market Funds;
- Call accounts, deposit accounts with financial institutions (banks and building societies);
- Term deposits with financial institutions (banks and building societies);
- UK Government Gilts and Treasury Bills;
- Certificates of deposits with financial institutions (banks and building societies); and
- Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates, etc).

- **Other Investments**

- Investment properties;
- Loans to third parties, including soft loans;
- Loans to a local authority company;
- Shareholding in a local authority company;
- Non-local authority shareholdings;
- Joint venture delivery companies such as hub West Scotland;
- Regeneration partnerships and development opportunities;
- District Heating Schemes; and
- Local Authority Mortgage Scheme (LAMS).

6.5.2 Permitted investments related to the Common Good are also shown in Appendix 3, and where applicable the same counterparty selection criteria as noted in 6.6 below will be applied.

6.6 Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

6.6.1 The Section 95 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria selects which counterparties the Council will choose from, rather than defining what its investments are.

6.6.2 Credit rating type and definitions are attached as Appendix 6.

6.6.3 Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to any counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

6.6.4 The criteria for providing a pool of high quality cash type investment counterparties is:

- **Category 1 - Good Credit Quality** – the Council will only use financial institutions (including certificates of deposit and corporate bonds) which:
 - Are UK banks; and/or
 - Are non-UK and domiciled in a country which has a minimum Sovereign long term rating of AA; The UK will be excluded from any Sovereign rating criteria.
 - And have, as a minimum, the following Fitch, Moody's and Standard and Poors (S&P) credit ratings (where rated):
 - Short Term – F1 (or equivalent from Fitch, Moody's and S&P)
 - Long Term – A- (or equivalent from Fitch, Moody's and S&P)

The difference between the ratings will be reflected in the money limits as noted in Table K in Appendix 6.

- **Category 2 – Part nationalised UK banks** – Lloyds Bank Group and Royal Bank of Scotland Group. These banks can be included if they continue to be part nationalised or they meet the ratings in Category 1 above.
- **Category 3- The Council's own banker** for transactional purposes if the bank falls below the above criteria specified in category 1, although in this case balances will be minimised in both monetary size and time.
- **Category 4 - Bank Subsidiary and Treasury Operations** – the Council will use these where the parent bank has the necessary ratings outlined in category 1.

- **Category 5 - Building Societies** – the Council will use all Societies which meet the ratings for banks outlined in category 1.
- **Category 6 - Money Market Funds** – the Council will use money market funds that are AAA rated (by at least one of the 3 rating agencies).
- **Category 7 - UK Government** (including gilts, treasury bills and the DMADF)
- **Category 8 - Local Authorities, etc**

6.6.5 Due to the uncertainty in the financial markets it is recommended that the Investment Strategy is approved which will provide officers with the flexibility to deal with any unexpected occurrences. Officers can restrict the pool of available counterparties from these criteria to safer instruments and institutions.

6.6.6 The time limits for institutions on the Council's cash type counterparty list are as noted in Table J in Appendix 6.

6.6.7 The Council's bankers are currently the Clydesdale Bank Plc which falls within Category 3. It is recognised that the money limit of £5million may be breached for purely operational purposes on a temporary overnight basis only. The Strategic Lead - Resources will endeavour to avoid this scenario but this allows for circumstances that are outwith the Council's control where funds may be deposited unexpectedly or at short notice into the Council's accounts after the dealing deadline for the day has passed. In such a circumstance the funds will require to be kept on an overnight basis in the Council's bank account until appropriate arrangements can be made for investment.

6.6.8 Table I does not include a monetary limit for category 7 which are funds deposited with the UK Government namely the Debt Management Account Deposit Facility (DMADF). This facility allows local authorities to deposit surplus cash on flexible terms and receive a market related rate of interest. Funds are held by the Bank of England and the scheme carries the Government's own sovereign credit rating offering the highest available security and therefore no maximum monetary limit has been set.

6.6.9 Country and sector considerations - Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part the country selection will be chosen by the credit rating of the Sovereign state in Banks 1 above and the list of approved countries for investments are detailed in Appendix 5. In addition:

- No more than 25% will be placed with any country outside of the UK at any time;
- Limits in place above will apply to Group companies; and
- Sector limits will be monitored regularly for appropriateness.

6.6.10 Use of additional information other than credit ratings – Additional requirements under the Code of Practice now requires the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

6.6.11 Economic Investment Considerations - Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood of the current 0.5% Bank Rate increasing to 0.75% in May 2018. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

6.6.12 There is an operational difficulty arising from the current banking crisis. There is currently little value investing longer term unless credit quality is reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.

6.6.13 The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Section 95 Officer (Strategic Lead - Resources) may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.

6.6.14 Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds and strongly rated. The credit criteria have been amended to reflect these facilities.

6.7 Sensitivity to Interest Rate Movements - Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. Table J in Appendix 6 highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

7. Treasury Management Limits on Activity

7.1 There are four further treasury activity limits, which were previously prudential indicators. The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs.

- *Upper limits on variable interest rate exposure* – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments
- *Upper limits on fixed interest rate exposure* – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- *Maturity structures of borrowing* – These limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- *Total principal funds invested for greater than 364 & 365 days* - These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The proposed indicators are shown within Table L in Appendix 6.

- 7.2** The upper limit applies to the maturity structure of fixed interest rate borrowing in Table M. The level has been set to take account of the way that local authorities have to record certain market loans where the maturity date is deemed to be the next call date rather than the eventual repayment date.

8. Performance Indicators

- 8.1** The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available;
- Debt – Average rate movement year on year; and
- Investments – Internal returns above the 7 day LIBID rate.

- 8.2** The results of these indicators will be reported in the Treasury Annual Report for 2017/18.

9. Treasury Management Advisors

- 9.1** The Council uses Link Asset Services as its treasury management advisors. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments; and
- Credit ratings/market information service comprising the three main credit rating agencies.

- 9.2** The current contract with Link Asset Services commenced on 1 May 2015 and was for a period of two years till 30 April 2017 with an option to extend (which was exercised) for a further one year until 30 April 2018. Following consultation with legal a quick quote was issued on 9 February 2018 to 3 providers with a submission deadline of 9 March 2018 and an anticipated award date of 30 March 2018.

- 9.3** The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not place upon external service providers.

- 9.4** The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed and documented, and subjected to regular review.

- 9.4** Whilst the advisers provide support to the internal treasury function the final decision on treasury matters remains with the Council.

10. The Monitoring of Investment Counterparties

- 10.1** The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Strategic Lead - Resources and, if required, new counterparties which meet the criteria will be added to the list.

West Dunbartonshire Council and Common Good Funds Permitted Investments, Associated Controls and Limits

| Type of Investment | Treasury Risks | Mitigating Controls | Council and Common Good Limits |
|---|---|--|--------------------------------|
| Cash Type Instruments | | | |
| Deposits with the Debt Management Account Facility (UK Government) (Very low risk) | This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months. | Little mitigating controls required. As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments. | As shown in Table J. |
| Deposits with other local authorities or public bodies (Very low risk) | These are considered quasi UK Government debt and as such counterparty risk is very low, and there is no risk to value. Liquidity may present a problem as deposits can only be broken with the agreement of the counterparty, and penalties can apply. Deposits with other non-local authority bodies will be restricted to the overall credit rating criteria. | Little mitigating controls required for local authority deposits, as this is a quasi UK Government investment. Non- local authority deposits will follow the approved credit rating criteria. | As shown in Table J. |
| Money Market Funds (MMFs) (Very low risk) | Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments. | Funds will only be used where the MMFs are Constant Net Asset Value (CNAV), and the fund has a "AAA" rated status from either Fitch, Moody's or Standard & Poors. | As shown in Table J. |
| Call account deposit accounts with financial institutions (banks and building societies) (Low risk depending on credit rating) | These tend to be low risk investments, but will exhibit higher risks than the first three categories above. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice. | The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence. | As shown in Table J. |

| Type of Investment | Treasury Risks | Mitigating Controls | Council and Common Good Limits |
|--|--|--|--------------------------------|
| Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating) | These tend to be low risk investments, but will exhibit higher risks than the first three categories above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply. | The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence. | As shown in Table J. |
| Government Gilts and Treasury Bills (Very low risk) | These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates (no loss if these are held to maturity). | Little counterparty mitigating controls are required, as this is a UK Government investment. The potential for capital loss will be reduced by limiting the maximum monetary and time exposures. | As shown in Table J. |
| Certificates of deposits with financial institutions (Low risk) | These are short dated marketable securities issued by financial institutions and as such counterparty risk is low, but will exhibit higher risks than the first three categories above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low. | The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence. | As shown in Table J. |

| Type of Investment | Treasury Risks | Mitigating Controls | Council and Common Good Limits |
|--|--|--|--|
| Structured deposit facilities with banks and building societies (escalating / de-escalating rates, etc.) (Low to medium risk depending on period & credit rating) | These tend to be medium to low risk investments, but will exhibit higher risks than the first three categories above. Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply). | The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence. | As shown in Table J. |
| Corporate Bonds (Medium to high risk depending on period & credit rating) | These are marketable securities issued by financial and corporate institutions. Counterparty risk will vary and there is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will be low | The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. Corporate bonds will be restricted to those meeting the base criteria. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence. | As shown in Table J. |
| Other Types of Investments | | | |
| Investment properties | These are properties that are not used to facilitate service delivery but are held solely to earn rentals or for capital appreciation or both. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids). | In larger investment portfolios some small allocation of property based investment may counterbalance/compliment the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |

| Type of Investment | Treasury Risks | Mitigating Controls | Council and Common Good Limits |
|--|---|---|--|
| Loans to third parties, including soft loans | These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid. | Each third party loan requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |
| Loans to a local authority company | These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid. | Each loan to a local authority company requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |
| Shareholdings in a local authority company | These are service investments which may exhibit market risk and are likely to be highly illiquid. | Each equity investment in a local authority company requires Member approval and each application will be supported by the service rational behind the investment and the likelihood of loss. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |
| Non-local authority shareholdings | These are non-service investments which may exhibit market risk, be only considered for longer term investments, likely to be liquid. | Any non-service equity investment will require separate Member approval and each application will be supported by rational behind the service the investment and the likelihood of loss. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |

| Type of Investment | Treasury Risks | Mitigating Controls | Council and Common Good Limits |
|--|--|---|--|
| Joint venture delivery companies such as hub West Scotland | Public sector organisations across a hub territory will work in partnership with each other, and a private sector delivery partner, in a joint venture delivery company called hub West Scotland. | Any investment in hub West Scotland requires approval from the Section 95 Officer (Strategic Lead - Resources) and the Chief Executive in consultation with the Leader of the Council and the Leader of the Opposition and each application will be supported by the service rational behind the investment and the likelihood of loss. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |
| Regeneration partnerships and development opportunities | Investments undertaken with the prime intention of local area regeneration. | Any investment in a regeneration partnership / development opportunity requires Member approval with each application supported by rational behind the investment and the likelihood of loss. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |
| Investment in Projects procured and managed by third parties e.g. District Heating Schemes | Investments undertaken to assist in facilitating third party projects where the Council has an interest in the successful outcome of the project. Expectation of a financial return for the Council. | Any investment in such projects requires Member approval and each application will be supported by a business case for the investment and the expectation of a financial benefit to the Council. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |
| Local Authority Mortgage Scheme (LAMS) | These are service investments at market rates of interest. Under this scheme the Council is required to place funds for a number of years with the bank which is participating in this scheme | Any investment in the LAMS requires Member approval and each application will be supported by the service rational behind the investment and the likelihood of loss. | The Section 95 Officer will determine monetary and time limits managing risk accordingly, to the maximum total as noted in Table L of £7m. |

The Monitoring of Investment Counterparties - The status of counterparties will be monitored regularly. The Council receives credit rating and market information from Link Asset Services, including rating changes; and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Transformation and Public Service Reform, and if required new counterparties which meet the criteria will be added to the list.

| Type of Rating | Rating | Explanation |
|----------------------------------|--------|---|
| Fitch -Short Term | F1+ | Indicates exceptionally strong capacity for timely payment of financial commitments |
| | F1 | Indicates strong capacity for timely payment of financial commitments |
| Fitch - Long Term | AA- | Indicates very strong capacity for timely payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events |
| | A- | Indicates strong capacity for timely payment of financial commitments. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings |
| Moody's - Short Term | P-1 | Banks based Prime-1 for deposits offer superior credit quality and a very strong capacity for timely payment of short term deposit obligations |
| Moody's - Long Term | Aa | Offer excellent credit quality, with susceptibility to long term risks with a vulnerability to greater fluctuations within protective elements |
| | A | Offer excellent credit quality, but elements suggest a Susceptibility to impairment over the long term |
| Standard & Poors - Short Term | A-1 | Indicates a strong capacity to meet institutions financial commitments. Within this category, certain obligors are design with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is EXTREMELY STRONG |
| Standard & Poors - Long Term | AA- | Indicates strong capacity for timely payment of financial commitments |
| | A- | Indicates strong capacity for timely payment of financial commitments. This capacity may, nevertheless, be more susceptible to the adverse effects of changes in circumstances or in economic conditions than is the case for higher rated category |

**West Dunbartonshire Council and Common Good Funds Permitted Investments,
Approved Countries for Investments**

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- U.K.

AA-

- Belgium
- Qatar

Table A - Net Capital Financing Need

General Services and HRA Shown Separately

| £000 | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Services | 51,067 | 73,082 | 49,667 | 56,834 | 27,342 | 23,224 | 15,123 | 12,706 | 15,396 |
| Financed by: | | | | | | | | | |
| Capital receipts | 1,274 | 10,891 | 8,969 | 3,380 | 4,265 | 3,777 | 3,931 | 1,540 | 1,540 |
| Capital grants | 15,831 | 22,527 | 16,917 | 19,158 | 17,109 | 14,087 | 10,761 | 8,991 | 9,441 |
| Revenue | 416 | 353 | 242 | 242 | 242 | 242 | 242 | 242 | 242 |
| Net financing need for the year | 33,546 | 39,311 | 23,539 | 34,054 | 5,726 | 5,118 | 189 | 1,933 | 4,173 |
| £000 | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
| HRA | 19,394 | 32,326 | 62,205 | 41,227 | 22,280 | 22,280 | 18,559 | 18,950 | 14,550 |
| Financed by: | | | | | | | | | |
| Capital receipts | 2,302 | 14 | 14 | 2 | - | - | - | - | - |
| Capital grants | 3,498 | 5,977 | 19,743 | 7,998 | 3,550 | 3,550 | - | - | - |
| Revenue | 12,367 | 7,430 | 5,885 | 4,269 | 3,470 | 2,573 | 1,994 | 1,262 | 1,067 |
| Net financing need for the year | 1,226 | 18,904 | 36,563 | 28,958 | 15,260 | 16,157 | 16,565 | 17,688 | 13,482 |

General Services and HRA Combined

| £000 | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Services | 51,067 | 73,082 | 49,667 | 56,834 | 27,342 | 23,224 | 15,123 | 12,706 | 15,396 |
| HRA | 19,394 | 32,326 | 62,205 | 41,227 | 22,280 | 22,280 | 18,559 | 18,950 | 14,550 |
| Capital Expenditure | 70,461 | 105,408 | 111,873 | 98,061 | 49,622 | 45,504 | 33,682 | 31,656 | 29,946 |
| Financed by: | | | | | | | | | |
| Capital receipts | 3,576 | 10,905 | 8,983 | 3,382 | 4,265 | 3,777 | 3,931 | 1,540 | 1,540 |
| Capital grants | 19,329 | 28,504 | 36,660 | 27,156 | 20,659 | 17,637 | 10,761 | 8,991 | 9,441 |
| Revenue | 12,783 | 7,783 | 6,127 | 4,511 | 3,712 | 2,815 | 2,236 | 1,504 | 1,309 |
| Net financing need for the year | 34,772 | 58,216 | 60,103 | 63,012 | 20,986 | 21,275 | 16,754 | 19,621 | 17,655 |

Table B - Capital Financing Requirement

| £000 | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Capital Financing Requirement | | | | | | | | | |
| CFR – General Services | 297,300 | 330,768 | 347,685 | 374,090 | 372,324 | 369,525 | 361,697 | 355,308 | 351,008 |
| CFR – HRA | 188,588 | 201,258 | 231,283 | 253,191 | 260,955 | 268,670 | 276,193 | 283,820 | 286,888 |
| Total CFR | 485,889 | 532,026 | 578,967 | 627,282 | 633,279 | 638,195 | 637,890 | 639,128 | 637,896 |
| Movement in CFR | 21,616 | 46,138 | 46,941 | 48,314 | 5,997 | 4,916 | (305) | 1,238 | (1,232) |
| Movement in CFR represented by | | | | | | | | | |
| Net financing need for the year (above) | 34,772 | 58,216 | 60,103 | 63,012 | 20,986 | 21,275 | 16,754 | 19,621 | 17,655 |
| Less scheduled debt amortisation and other financing movements | (13,156) | (12,078) | (13,162) | (14,698) | (14,989) | (16,360) | (17,059) | (18,383) | (18,887) |
| Movement in CFR | 21,616 | 46,138 | 46,941 | 48,314 | 5,997 | 4,916 | (305) | 1,238 | (1,232) |

Table C - Loan Fund Repayment Profile

| £000 | General Services | HRA | Total |
|----------------------|---------------------|----------------|----------------|
| Under 12 months | 5,040 | 5,960 | 11,000 |
| 2 years to 5 years | 20,258 | 27,319 | 47,577 |
| 6 years to 10 years | 25,757 | 48,445 | 74,202 |
| 11 years to 15 years | 22,711 | 51,949 | 74,660 |
| 16 years to 20 years | 25,559 | 54,776 | 80,335 |
| 21 years to 25 years | 29,032 | 50,659 | 79,691 |
| 26 years to 30 years | 35,292 | 56,020 | 91,312 |
| 31 years to 35 years | 30,606 | 38,738 | 69,344 |
| 36 years to 40 years | 26,908 | 5,959 | 32,867 |
| 41 years to 45 years | 17,963 | 2 | 17,966 |
| 46 years to 50 years | 14,316 | 4 | 14,320 |
| 51 years to 55 years | 21,706 | 6 | 21,712 |
| 56 years to 60 years | 31,722 | 1 | 31,723 |
| 61 years to 65 years | 4,893 | - | 4,893 |
| 66 years to 70 years | 44 | - | 44 |
| Total | 311,808 | 339,839 | 651,647 |

Table D - Ratio of Financing Costs to Net Revenue Stream

| | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
|------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Services | 9.25% | 8.71% | 9.36% | 10.15% | 10.25% | 10.42% | 10.39% | 10.39% | 10.33% |
| HRA | 27.01% | 26.01% | 26.65% | 28.46% | 29.96% | 31.90% | 33.08% | 34.91% | 35.29% |

Table E - Gross Debt compared to the Underlying Need to Borrow (CFR)

| £000 | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| External Debt | | | | | | | | | |
| Debt at 1 April | 379,523 | 403,295 | 451,379 | 500,604 | 551,704 | 560,610 | 568,176 | 570,350 | 574,526 |
| Maturing Debt | (152,431) | (166,560) | (9,939) | (14,499) | (485) | (11,091) | - | (8,750) | (6,158) |
| New Borrowing - Maturing Debt | 152,431 | 166,560 | 9,939 | 14,499 | 485 | 11,091 | - | 8,750 | 6,158 |
| New Borrowing - CFR | 23,772 | 48,084 | 49,225 | 51,100 | 8,906 | 7,566 | 2,174 | 4,176 | 2,394 |
| Debt at 31 March | 403,295 | 451,379 | 500,604 | 551,704 | 560,610 | 568,176 | 570,350 | 574,526 | 576,920 |
| Long Term Liabilities at 1 April | 84,316 | 82,160 | 80,214 | 77,930 | 75,145 | 72,236 | 69,586 | 67,106 | 64,168 |
| Change in Long Term Liabilities | (2,156) | (1,946) | (2,284) | (2,786) | (2,909) | (2,650) | (2,480) | (2,938) | (3,626) |
| Long Term Liabilities at 31 March | 82,160 | 80,214 | 77,930 | 75,145 | 72,236 | 69,586 | 67,106 | 64,168 | 60,543 |
| Gross Debt at 31 March | 485,455 | 531,593 | 578,534 | 626,849 | 632,846 | 637,762 | 637,456 | 638,694 | 637,463 |
| Capital Financing Requirement | 485,889 | 532,026 | 578,967 | 627,282 | 633,279 | 638,195 | 637,890 | 639,128 | 637,896 |
| Under / (Over) Borrowing | 433 | 433 | 433 | 433 | 433 | 433 | 433 | 433 | 433 |

Table F - Operational Boundary

| £000 | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
|---------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| External Debt | 534,001 | 584,752 | 636,388 | 633,323 | 686,333 | 693,216 | 698,810 | 697,970 | 698,576 |

Table G - Authorised Limit

| £000 | Revised 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 |
|---------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| External Debt | 582,546 | 637,911 | 694,241 | 690,898 | 748,727 | 756,235 | 762,339 | 761,422 | 762,082 |

Table H - Interest Rate Forecast

| Link Asset Services Interest Rate View | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate | 0.50% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.50% | 1.50% | 1.50% |
| 5yr PWLB Rate | 1.90% | 2.00% | 2.10% | 2.10% | 2.20% | 2.30% | 2.30% | 2.40% | 2.40% | 2.50% | 2.50% | 2.60% | 2.60% |
| 10yr PWLB Rate | 2.50% | 2.50% | 2.60% | 2.70% | 2.70% | 2.80% | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% |
| 25yr PWLB Rate | 2.80% | 2.90% | 3.00% | 3.10% | 3.20% | 3.20% | 3.30% | 3.30% | 3.40% | 3.50% | 3.50% | 3.60% | 3.60% |
| 50yr PWLB Rate | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% |

Table I - Historic Risk of Default

| Long term rating | 1 year | 2 years | 3 years | 4 years | 5 years |
|------------------|--------|---------|---------|---------|---------|
| AAA | 0.04% | 0.10% | 0.18% | 0.27% | 0.37% |
| AA | 0.02% | 0.04% | 0.10% | 0.18% | 0.25% |
| A | 0.06% | 0.16% | 0.29% | 0.44% | 0.62% |
| BBB | 0.17% | 0.47% | 0.81% | 1.23% | 1.65% |
| BB | 0.74% | 2.08% | 3.59% | 5.13% | 6.44% |
| B | 3.03% | 7.20% | 10.87% | 13.95% | 16.44% |
| CCC | 19.62% | 27.53% | 33.20% | 37.15% | 40.30% |

Note - The AAA default risk is actually higher than the AA default risk due the number of AAA rated institutions left

Table J - Counterparty Limits

| Investment Category | Fitch (or equivalent) | Money Limit | Time Limit |
|---------------------|-----------------------|--------------------------|-----------------------------------|
| 1 | F1+ / AA- | £10million | 364 days |
| | F1 / A- | £5 million | |
| 2 | F1/A- | £10 million (per group) | 364 days |
| 3 | | £5 million | Overnight |
| 4 | | £5 million | 364 days |
| 5 | As in 1 above | £10million and £5million | 364 days |
| 6 | Sector Limit | £25 million | Very liquid no time limit applies |
| | Fund Limit | £5 million | |
| 7 | | No limit | 6 months |
| 8 | Sector imit | £25 million | 364 days |
| | Fund Limit | £5 million | |

Table K - Sensitivity to Interest Rate Movements

| £000 | 2018/19 Estimate | 1% | -1% |
|---------------------------------|------------------|-----|------|
| Variable Rate Debt Payments | N/A | N/A | N/A |
| Variable Rate Investment income | 75 | 150 | (75) |

Table L- Treasury Management Limits on Activity

| | 2017/18 Upper | 2018/19 Upper | 2019/20 Upper |
|-----------------------------------|------------------|------------------|------------------|
| Limits on fixed interest rates | 100% | 100% | 100% |
| Limits on variable interest rates | 50% | 50% | 50% |

| Maturity Structure of fixed interest rate borrowing | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| | Lower | Upper | Lower | Upper | Lower | Upper |
| Under 12 months | 0% | 50% | 0% | 50% | 0% | 50% |
| 12 months to 2 years | 0% | 50% | 0% | 50% | 0% | 50% |
| 2 years to 5 years | 0% | 50% | 0% | 50% | 0% | 50% |
| 5 years to 10 years | 0% | 50% | 0% | 50% | 0% | 50% |
| 10 years to 20 years | 0% | 50% | 0% | 50% | 0% | 50% |
| 20 years to 30 years | 0% | 50% | 0% | 50% | 0% | 50% |
| 30 years to 40 years | 0% | 50% | 0% | 50% | 0% | 50% |
| 40 years to 50 years | 0% | 100% | 0% | 100% | 0% | 100% |
| 50 years to 60 years | 0% | 100% | 0% | 100% | 0% | 100% |
| 60 years to 70 years | 0% | 100% | 0% | 100% | 0% | 100% |
| Principal sums invested > 364 & 365 days | £nil | £7m | £nil | £7m | £nil | £7m |

WEST DUNBARTONSHIRE COUNCIL

TREASURY MANAGEMENT POLICY STATEMENT

The Council defines its treasury management activities as:

“the management of the organisation’s cash flows, its banking, money markets and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications for the Council, and any financial instruments entered into to manage those risks.

The Council’s high level policies for borrowing and investments are:

- This Council will not borrow more than or earlier than required purely in order to profit from the investment return of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- The Council’s investment strategy primary objectives are security, liquidity and yield. In order to minimise the risk to investments, the Council has clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. Further, the Council’s officers recognise that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The aim of the strategy is to generate a list of highly creditworthy counterparties which will enable diversification, and thus avoidance of concentration, with the prime intention of providing security of investment and minimisation of risk.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principle of achieving value for money in treasury management, and to employing suitable and comprehensive performance measurement techniques, within the context of effective risk management.

WEST DUNBARTONSHIRE COUNCIL

TREASURY MANAGEMENT CLAUSES TO BE FORMALLY ADOPTED

1. This Council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable treasury management practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
2. The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMP's.
3. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Corporate Services Committee, and for the execution and administration of treasury management decisions to the Section 95 Officer, who will act in accordance with the Council's Treasury Policy Statement and TMP's and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. The organisation nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

WEST DUNBARTONSHIRE COUNCIL

THE TREASURY MANAGEMENT ROLE OF THE SECTION 95 OFFICER

The S95 officer is responsible for:

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers.
- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- Ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money.
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- Ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities.

- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- Ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
- Creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

WEST DUNBARTONSHIRE COUNCIL
Report by the Strategic Lead - Resources
Council: 5 March 2018

Subject: Dumbarton Common Good Budget 2018/19

1. Purpose

- 1.1** The purpose of this report is to provide Council with an update on the Dumbarton Common Good budget and seek approval for a revised budget for 2018/19 to 2022/23.

2. Recommendations

- 2.1** Members are asked to:

- (a) note the probable outturn for the budget 2017/18, as set out in the Appendix;
- (b) consider the issues identified below in terms of the budget as drafted and potential interaction with the Council's budget;
- (c) approve the revised 2018/19 to 2022/23 budget as set out in the Appendix;
- (d) note the projected balances carried forward of £0.515m at 31 March 2018 and £0.337m at 31 March 2019 (based upon the draft revised budget 2018/19); and
- (e) note that in the interim years to 2022/23 annual updates will be provided to Council

3. Background

- 3.1** Following a report to Council on 6 February 2013, Members agreed a five year budget for Dumbarton Common Good for the period from 2013/14 to 2017/18.
- 3.2** Updates on the budget and actual outturns continue to be reported to Corporate Services Committee. There have been ongoing revisions to the annual budgets due to issues such as increased property costs; increased income levels; spend on small grants; and the level of spend on the Town Management budget. The revised budget for 2017/18 was reported to and agreed by Council on 22 February 2017.

4. Main Issues

- 4.1** The Appendix provides details of the financial performance of the Common Good budget for 2017/18, together with the draft budget for 2018/19-2022/23 for consideration and approval.
- 4.2** The original five year budget agreed a total spend of £0.325m towards Town Centre Management (£0.065m per annum for 5 years), which is administered through a grant process managed by the Economic Development Team. The

availability of this grant fund has been advertised; however this budget has seen less spend to date than anticipated. During this 5 year period any in-year underspend on this budget each year has been carried forward and budgeted for spend the following year to ensure the overall budget allocation to Town Centre Management remains at £0.325m.

At present applications valued at £0.144m have been received with £0.049m actually paid and a probable spend by 2017/18 of £0.059m; the remaining £0.085m expected to be expended as projects are implemented. Therefore the uncommitted budget of £0.182m remains available for Town Centre Management.

4.3 Variances between the 2017/18 approved budget and the probable outturn include:

| | |
|--------------------------------------|--------------------------|
| Town Centre Management not yet spent | £(265,886) |
| Small Grants underspend | £(7,000) |
| Income – favourable | £(22,000) |
| Total Underspend | <u>£(294,886)</u> |

4.4 The draft 5-year budget proposes the ongoing approach for use of the Common Good Fund to the purpose of the fund.

4.5 Members should note that elements of the funding use may be linked to spend by the Council and that some of these may be affected by savings options being considered by this meeting of Council in a separate report. These options are in relation to:

- Christmas Lights – budgeted annual contribution £15,000;
- Dumbarton Older People – budgeted annual contribution £10,000; and
- Fireworks – budgeted annual contribution £9,050.

Any Council decision to change approach in these should subsequently be considered in setting the Common Good Fund budget.

4.6 The five year budget set in 2013 projected that reserves would be £0.042m as at 31 March 2018, with the Prudential Reserve target being £0.025m. The reserves as at 31 March 2018 are now projected at £0.515m and projected at £0.339m by 31 March 2019 if the budget for 2018/19 were to be approved. The main reason for this increase is due to income levels being higher than originally anticipated and small grants budgets being underspent in most years over the last 5 year period

4.7 In terms of the adequacy of reserves – the prudential level of reserves is viewed as being an adequate level to deal with any financial shocks to the fund, based on previous experience and future expectations specifically in relation to income streams. As can be seen the level of reserves remains significantly above the prudential level and are therefore judged as being adequate.

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 or procurement implications.

7. Risk Analysis

7.1 The Council must consider financial and reputational risk when considering funding to external organisations. The financial risk is that the Dumbarton Common Good remains within budget and a robust budget being agreed and ongoing monitoring and review will ensure that this is protected. There is a risk that the voluntary organisations awarded grants don't remain financially sustainable and that grant payments made are not used for purposes expected. Organisations funded by the Common Good Fund must comply with conditions of grant which includes providing financial accounts, etc to the Council on a regular basis. This allows officers to monitor spend as being in line with expectations as well as the financial sustainability of the organisations.

8. Equalities Impact Assessment (EIA)

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

9. Consultation

9.1 Colleagues within the Resources Service and the Regulatory Service have been consulted in the compilation of this report.

10. Strategic Assessment

10.1 Good financial governance is essential to the delivery of each of the Council's Strategic Priorities.

Stephen West
Strategic Lead - Resources

Date: 19 February 2018

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

Appendix: Financial Analysis and Revised Budget

Background Papers: Dumbarton Common Good Fund Report: Council 6 February 2013;
Minute of Council Meeting: Council 6 February 2013;
Minute of Council Meeting 22 February 2017
Financial Statements 31 March 2017;
Grant Applications 2017/18 – Report to Corporate Services Committee 7 June 2017;
Minute of Council Meeting 7 June 2017;

Wards Affected 2 and 3

DUMBARTON COMMON GOOD FUND**Appendix 1****Statement of Income & Expenditure**

| 16/17 Final | | 17/18 Approved Budget | 17/18 Probable Outturn | 18/19 Draft Budget | 19/20 Draft Budget | 20/21 Draft Budget | 21/22 Draft Budget | 22/23 Draft Budget |
|--|--|-----------------------------|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Outturn Description | | | | | | | | |
| 8,637 Alcoholics Anonymous - Grant for Property | | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 | 11,700 |
| 5,000 Alternatives | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 35,601 Bellsmyre Digital Project | | 35,601 | 35,601 | 35,601 | 35,601 | 35,601 | 35,601 | 35,601 |
| 6,000 Bellsmyre Schools Out | | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| 15,000 Christmas Lights | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| 10,000 Dumbarton Senior Citizens | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 9,933 Dumbarton Fireworks | | 9,050 | 9,050 | 9,050 | 9,050 | 9,050 | 9,050 | 9,050 |
| 8,000 Town Centre Management - Capital | | 275,886 | 10,000 | 265,886 | 0 | 0 | 0 | 0 |
| 2,600 Rockvale Rebound - Rent | | 2,630 | 2,630 | 2,630 | 2,630 | 2,630 | 2,630 | 2,630 |
| 50,000 Scottish Maritime Museum | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 0 Small Grants | | 7,000 | 0 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| 40,000 West Dunbartonshire Citizen's Advice Bureau | | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| 11,280 Central Admin Allocation | | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| 10,840 Estates Dept - Management Fee | | 10,840 | 10,840 | 10,840 | 10,840 | 10,840 | 10,840 | 10,840 |
| 0 Miscellaneous | | 0 | 650 | 0 | 0 | 0 | 0 | 0 |
| 212,891 Total Expenditure | | 492,707 | 220,471 | 482,707 | 216,821 | 216,821 | 216,821 | 216,821 |
| (1,030) Interest on Revenue Balance / Investments | | (1,100) | (1,100) | (1,100) | (1,100) | (1,100) | (1,100) | (1,100) |
| 0 Misc Income | | (400) | (400) | (400) | (400) | (400) | (400) | (400) |
| (281,942) Rental Income | | (280,693) | (302,693) | (302,693) | (302,693) | (302,693) | (302,693) | (302,693) |
| (282,972) Total Income | | (282,193) | (304,193) | (304,193) | (304,193) | (304,193) | (304,193) | (304,193) |
| (70,082) Net Expenditure | | 210,514 | (83,722) | 178,514 | (87,372) | (87,372) | (87,372) | (87,372) |
| (361,385) Balance b/fwd | | | (431,467) | (515,189) | (336,675) | (424,047) | (511,419) | (598,791) |
| (431,467) Balance c/fwd | | | (515,189) | (336,675) | (424,047) | (511,419) | (598,791) | (686,163) |

WEST DUNBARTONSHIRE COUNCIL**Report by the Strategic Director****Council: 5 March 2018**

Subject: Shared Services Implementation: Roads and Transportation**1. Purpose****1.1** The purpose of this report is to:

- Advise Council on the key messages arising from work on detailed business planning for a shared Roads and Transportation service amongst Inverclyde, West Dunbartonshire and East Dunbartonshire following conclusion of the work carried out since the Joint Committee on 24 March 2017 and
- Seek Council approval to formalise a shared service for Roads and Transportation between Inverclyde and West Dunbartonshire Councils based on a Lead (Host) Council model, the lead being Inverclyde Council.
- Advise Council on the findings of a detailed business case which recommends on Inverclyde and West Dunbartonshire entering into a formal shared service arrangement.
- Seek approval for a senior lead officer to be appointed by Inverclyde Council to strategically lead Roads and Transportation services, develop strategic business plans for service sharing across wider front line services and, strategically manage a wider shared service, and subject to agreement between the Councils
- Note that whilst East Dunbartonshire have declined to join a Lead Council shared service, they have advised that they support collaboration in the form of a Strategic Partnership. Discussions are ongoing with regards to how Inverclyde and West Dunbartonshire continue to engage with East Dunbartonshire given the differences in approach.

2. Recommendations**2.1** It is recommended that the Council:

- (i) Notes the Detailed Business Case in Appendix 1 in respect of Inverclyde and West Dunbartonshire Councils and its recommendations to progress a shared service for Roads and Transportation Services on a Lead (Host) authority model.

- (ii) Agrees the implementation of a formal shared Roads and Transportation service commencing on 1 April 2018 between Inverclyde Council and West Dunbartonshire Council with Inverclyde as Lead Authority.
- (iii) Notes the appointment of a lead officer by Inverclyde Council through a recruitment panel process supported by both Councils.
- (iv) Notes that the Shared Services Joint Committee will be updated on the agreement between Inverclyde and West Dunbartonshire and advised of any governance arrangements necessary in consequence.

3. Background

3.1 As previously reported to and agreed by Council West Dunbartonshire, East Dunbartonshire and Inverclyde Councils have co-ordinated key actions to develop a business case for an integrated shared Roads and Transportation Service. In 2016 the three Councils agreed formally to establish a Shared Services Joint Committee to oversee the operation of and provide democratic accountability for shared local authority services on an equitable basis for Inverclyde, East Dunbartonshire and West Dunbartonshire Councils.

3.2 These discussions This project has been driven by recognition that Roads and Transportation involves a wide range of specialist professional functions encompassing, transportation, roads management and maintenance, bridge design and management, traffic management, parking management, flood risk management as well as front line operational activities such as network and winter maintenance. The combination of these specialisms is difficult to sustain in a smaller Council. It has been identified through national initiatives such as the Road Maintenance Review (as instigated by the Minister for Transport in 2012 following a critical report by Audit Scotland into road maintenance) that larger roads and transportation services are better placed to deliver efficient and effective strategic roads and transportation services. Reports resulting from the Road Maintenance Review and supported by SCOTS, SOLACE, COSLA and the Scottish Government recommended that Councils progress shared services for roads and transportation. This theme was continued in further Audit reports into Road Maintenance in 2013 and 2016. These reports from Audit Scotland were critical of Scottish Councils over slow progress with respect to shared roads and transportation services.

3.3 Following the Shared Services Joint Committee on 24 March 2017, officers from Inverclyde, West Dunbartonshire and East Dunbartonshire have been progressing detailed business planning in conjunction with external consultants. The appointment of consultants was reported to the previous Shared Services Joint Committee in August 2017. In the development of detailed business planning, lead officers for each authority have considered:

- the strategic context as discussed in the Strategic Business Case
- governance and operating models

- workforce and financial implications operational procedures future strategies, work plans actions associated with delivery and key risks.

These elements have been developed in detail and officers are satisfied that the recommendations presented in the Detailed Business Case encompassing the three Councils are robust.

- 3.4** Throughout the project there has been a joint Trade Union and Officer working group. On completion of the detailed Business Case encompassing the three Councils, extensive consultation took place with Trade Unions. It became clear though negotiations that an operational model involving a staff transfer would not be agreed with Trades Unions and the workforce.

4. Main Issues

- 4.1** The key messages emerging from the detailed Business Case are as follows:

Recommended Delivery Model

- 4.1.1** Following a matrix evaluation of alternative delivery models, the Detailed Business Case recommended a lead authority shared service model. This is a model whereby a host authority takes the leadership role across the three Councils and manages the workforces collectively. This model as presented in the Detailed Business Case assumes that over a period of time the Lead will become the employing authority with all employees transferring under TUPE regulations.
- 4.1.2** Lead officers from the three Councils recommended to Trade Unions that the preferred model was the 'Lead Council' model as described in the Detailed Business Case which included the application of TUPE after a period of time and transfer of employees to a single Council.
- 4.1.3** Trade Unions expressed concerns over this model with regard to the implications of a single employer and TUPE. The Trades Union after consideration confirmed that they would not agree the proposed model specifically due to TUPE transfer but that they would continue engagement on a shared service. Lead officers in discussions with Trade Unions have therefore revised the original recommendations. Through the process of this discussion differences have emerged between the approach which is preferred by both Inverclyde and West Dunbartonshire Councils and the approach preferred by East Dunbartonshire Council.
- 4.1.4** Inverclyde and West Dunbartonshire consider that the potential benefits, efficiencies, improved productivity, professional capability, training performance and enhanced resilience, can best be achieved through sharing services via a 'Lead Council' model with Inverclyde as Lead. It is recommended a Lead Officer is appointed jointly by the two Councils. The workforce will remain within the employment of existing Councils. In other words there would be no single employer, and no TUPE transfer of employees. In order to achieve efficiencies across operational and

professional work streams and significantly to co-ordinate future workloads from each Council's capital programme, there needs to be cross boundary working. This would be agreed with the Trades Unions on behalf of the workforce. The Trades Unions have indicated agreement in principle to achieving this while the final detail has to be agreed.

- 4.1.5 Decisions on local investment will remain within each of the two partner Councils. In other words, each Council will retain its own budget responsibility, set its own programmes and work to its own priorities as is currently the case. Frontline employees will remain in their Council areas and within existing depots. It is anticipated that professional staff remain at existing locations taking advantage of technology and flexibility to work productively and effectively across local authority boundaries.
- 4.1.6 In summary, it is recommended that Council note the development of the detailed business case and approve the proposal of the Chief Executives and lead officers of the two Councils for a shared roads and transportation service to be progressed through the Lead Council model (as described in this report) and that Inverclyde Council be the lead Council and the appointee of the Lead Officer. It is further recommended that the Lead Officer will report directly to the Corporate Director Environment, Regeneration & Resources in Inverclyde Council following a recruitment process with equal representation from both Councils with accountability for performance and outcomes resting with the Joint Committee.

4.2 Governance

- 4.2.1 In terms of the implementation plan for Roads and Transportation Services, it is proposed that a lead officer be appointed prior to 1 May 2018 or as soon as practicable. The lead officer will report to the Corporate Director within Inverclyde Council, and manage the organisation. They will strategically lead Roads and Transportation services, develop strategic business plans for service sharing across wider front line services and, , strategically manage a wider shared service including Fleet and Vehicle Maintenance, Waste and Greenspace Services.
- 4.2.2 An annual service plan will be prepared by the management team for agreement by the Joint Committee to form the basis of performance management across the shared service. Performance will be reported on a regular basis to the Joint Committee along with progress on efficiency/productivity.
- 4.2.3 As East Dunbartonshire Council wishes to remain in the process of discussing shared services for the future, it is intended to implement the governance arrangements which are set out within the Joint Committee Minute of Agreement. These arrangements provide that, within the Joint Committee, Elected Members may only vote in relation to the specific shared services that are relative to their authorities. In summary, only Inverclyde and West Dunbartonshire Council will be involved in the implementation of Roads and Transportation Services whilst remaining within the structure of the Joint

Committee. In this way, both Inverclyde and West Dunbartonshire Councils can make progress with their implementation plan for Roads and Transportation Services whilst East Dunbartonshire Council is still able to engage as it may wish as matters progress. It is a specific provision of the Joint Committee Minute of Agreement that Members will only participate on those shared services for which their member authority is participating and suitable provision to this effect is already incorporated within the Joint Committee's procedural Standing Orders. Accordingly, at this time, it is not proposed to make any alteration to the Joint Committee arrangements but these can be considered in the future depending on progress and the wishes of the respective Members. It is critical to note that only Inverclyde and West Dunbartonshire Council are able to determine and be accountable for progress of implementing the sharing of the Roads and Transportation Services.

4.3 Future Extensions

- 4.3.1 As indicated in paragraph 4.2.1 the lead officer will progress business planning to evaluate widening shared services to other frontline services such as grounds maintenance, street sweeping, waste collection and disposal and vehicle maintenance. The outcome of this work will be reported back routinely to the Shared Services Joint Committee. The appointed lead Officer will take a lead role on this.

5. Options Appraisal

- 5.1 An Options Appraisal exercise was carried out to determine the preferred model for delivering this shared service. The detailed Options Appraisal is contained within the Business Plan at Appendix 1 and has recommended that the preferred model would be a Lead authority model.

6. People Implications

- 6.1 All employees working in the Roads and Transportation section will remain employed by the Council on West Dunbartonshire Terms and Conditions.
- 6.2 The new post of Lead Officer will be appointed jointly by Inverclyde Council and West Dunbartonshire Council and will be employed on Inverclyde Council Terms and Conditions.
- 6.3 Throughout the development of shared services, consultation and negotiation has taken place through the Joint Trades Unions working group.

7. Financial and Procurement Implications

- 7.1 Financial Implications:

Each Council will continue to have governance of its own revenue and capital budgets. The Lead Officer will deliver each council's budget priorities in the most cost effective manner through the shared service. It is expected that a

greater proportion of the combined capital programme of the Councils will be delivered in house in comparison with what happens at present, due to increased professional resilience and capability.

- 7.2 The Business Case outlines potential opportunities from the Shared Service. The Council's share of the Lead Officer's employee costs, approximately £50k per annum from 2018/19, will initially be met from the transformation fund. Currently, it is anticipated that these costs can be fully funded from 2020/21 onwards, through efficiencies within the shared service. However if any opportunities for efficiencies arise before this, we will seek to implement accordingly. The Lead Officer will continually review, however further significant savings are not anticipated given the funding reductions in the Roads Service in recent years.

7.3 Procurement Implications:

It is anticipated that there will be financial benefits in jointly procuring goods and services through the shared service and these will be developed by the Lead Officer. Early action has been taken to procure minor civil engineering works through a joint framework.

8. Risk Analysis

- 8.1 There is a detailed Risk Register contained within the Business Plan in Appendix 1

9. Equalities Impact Assessment (EIA)

- 9.1 An Equalities Impact Screening has been carried out and indicates that there are no vulnerable groups adversely affected by this proposal.

10 Consultation

- 10.1 Throughout the project, detailed consultation has been carried out with Trade Union colleagues through the established Joint Trades Union working group. The revised Business Plan at Appendix 1 reflects the failure to reach agreement with Trade Unions on the original recommendation (which included TUPE transfer). This has been taken into account and the employment status of employees remains unchanged.

11. Strategic Assessment

- 11.1 At its meeting on 25 October 2017, the Council agreed that its three main strategic priorities for 2017 - 2022 are as follows:

- A strong local economy and improved employment opportunities.
- Open, accountable and accessible local government.
- Efficient and effective frontline services that improve the everyday lives of residents.

Author: Angela Wilson
Strategic Director – Transformation & Public Service Reform

Date: 13th February 2018

Person to Contact: Angela Wilson – Strategic Director Transformation & Public Service Reform
Am.wilson@west-dunbarton.gov.uk
Tel: 07810 757 940

Ronnie Dinnie - Strategic Lead for Environment and Neighbourhood
Ronald.dinnie@west-dunbarton.gov.uk
Tel: 07833 123 158

Appendices: Appendix 1- WDI Roads Business Plan

Background Papers: Delivering for the Future – Joint Working and Sharing Services – 29th June 2016 – Report to Council

Delivering for the Future – Joint Working and Sharing Services – 5th October 2016 – Report to Council

Elected Members Briefing - Shared Services – Roads & Transportation Services – Issued 21st November 2017

Wards Affected: All Wards

Shared Roads and Transportation Service

Incorporating

West Dunbartonshire Council

and

Inverclyde Council

Business Plan

February 2018

| Version No / Date | Date Issued | Comments | Distribution |
|------------------------------|------------------------|---|---------------------|
| BP1.0 | 26/01/18 | Draft | Lead Officers |
| BP1.1 | 30/01/18 | Draft following comments from lead officers | Lead Officers |
| BP1.2 | 09/02/18 | Final draft following comments from lead officers | Lead Officers |
| BP1.3 | 09/02/18 | Further comments added to final draft | Lead Officers |
| BP1.4 | 09/02/18 | Formatting and page number changes | Lead Officers |
| BP1.5 | 12/2/18 | Additional change at Para 9.2 | Lead Officers |
| BP1.6 | 14/2/18 | Additional changes at Paras 1.8 and 9.2 | Lead Officers |

INDEX

| Section No. | Contents | Page No. |
|-------------|--|----------|
| 1 | Executive Summary | 4 |
| 2 | Introduction | 7 |
| 3 | Strategic Context | 8 |
| 4 | Future Scan | 9 |
| 5 | Governance | 10 |
| 6 | Operating Model | 11 |
| 7 | Workforce | 12 |
| 8 | Operational Procedures | 13 |
| 9 | Finance | 13 |
| 10 | Future Workplans | 15 |
| 11 | Initial Actions | 19 |
| 12 | Key Risks | 19 |
| 13 | Potential to extend the Shared Service | 20 |

Appendices

| | | |
|---|---------------------------------------|----|
| 1 | Key Statistics and Operating Data | 21 |
| 2 | Summary of Operating Model Assessment | 22 |
| 3 | Proposed Initial Management Structure | 27 |
| 4 | Early Collaborative Actions | 28 |
| 5 | Outline Implementation Actions | 30 |
| 6 | Key Risks | 31 |

1.0 EXECUTIVE SUMMARY

1.1 Background

During 2016 and 2017, senior officers from West Dunbartonshire, East Dunbartonshire and Inverclyde Councils jointly developed a proposal for a combined roads service, reporting on progress regularly to the shared services Joint Committee. A Strategic Business Case was presented to respective councils in February 2017, and agreement reached to progress to detailed Business Plan stage by the end of 2017, including an assessment of the most appropriate operating model.

Following receipt of the detailed Business Plan in December 2017, the Chief Executives agreed to report to each council based on a recommendation that West Dunbartonshire and Inverclyde would proceed into the shared service on a Lead Authority model, with East Dunbartonshire preferring an informal collaboration agreement without being a legal part of the new combined roads service.

Given the previous approval of the Strategic Business Case, and based on the original tripartite assessment and Plan, this Business Plan develops the proposal further and shows the key issues, benefits and dis-benefits of forming a new shared roads service. This Business Plan also tests the previous agreement and further develops the processes required to achieve the outcomes.

This proposal for change is being presented within the context of Revenue Budgets having been reduced by typically 15% across the partner council areas over the last five years; the 2012 National Roads Maintenance Review (NRM); and the subsequent reviews by Audit Scotland in 2013 and 2016 - which concluded that increased collaboration and shared services should be the way ahead for all councils, in particular to provide improved future resilience of service provision.

The development of this partnership can also be considered in the wider context of the national Roads Collaboration Programme, which is encouraging the establishment of locally-led shared services across the country.

Over the next three to five years, the partner councils will face further financial challenges, and operational services such as roads will bear much of this pressure. It is expected that this could lead to continued reduction of workforce, with continued loss of skills, capacity and expertise, unless a revised delivery model is introduced.

Across the partnership area, the condition of carriageways is broadly stable according to established condition assessments. Investment in LED lighting is improving the quality of street lighting and reducing maintenance needs. The condition of lighting columns continues to decline. There has been a decline in funding for the stock of structures, and traffic is generally increasing by around 2% per annum.

1.2 Councils' Agreement to establish a Joint Committee

The shared services project has an established governance structure already in place through the Shared Services Joint Committee which was established in December 2016. This Committee provides oversight, policy direction and scrutiny for services shared by the original three councils. However, in terms of the combined roads service, only two partners on the Committee will be required for roads-related matters.

1.3 Strategic Outline Business Case

The Strategic Business Case provided the following objectives for the shared services programme:

- Ensuring Value for money - the new shared service will demonstrate best value, and that practice is made more efficient by removing possible inefficiencies and possible duplication of effort, sharing specialisms, streamlining utilisation and introducing more management and control over the asset portfolio.
- Ensuring the long-term resilience of the roads service within each partner council area.
- Alignment with each council's Local Strategic Plans.
- Alignment with the Audit Scotland's ongoing reporting on "Maintaining Scotland's Roads" and associated Roads Collaboration Programme.

1.4 Development of Options Appraisal and Business Plan

The purpose of this Business Plan is to recommend the most appropriate operational model for a new shared service, and to identify the arrangements that are required to ensure continuity of service while introducing measures to deliver a more efficient and resilient shared Roads and Transportation service across the partnership area.

Seven potential operating models were identified as having the potential to deliver a shared service, and eight criteria were identified against which each model was measured.

Lead (Host) Authority is judged to be the most appropriate model for delivering shared Roads and Transportation services across the partnership area.

1.5 Recommended model

A range of strategic and operational benefits will accrue with the adoption of the preferred Lead (Host) Authority shared service model. Lead (Host) authority is an established and respected delivery model in roads which provides an excellent opportunity to deliver resilience of service management and delivery. The model will offer job security and career prospects will be enhanced with all employees continuing to be employed by their own authority. No procurement is required to establish the service and it will provide a framework to align standards and specifications to improve efficiency.

Pooling of existing staff expertise and other resources will deliver improved capacity, particularly at short notice, and partners will each retain control of Roads policy. The model will deliver early gains, improve resilience and will strengthen operational and business support practice. In the future, the model is well placed to incorporate other council service areas and/or other partner councils.

Decisions on local investment will remain with each of the partner councils. Sharing the cost of the professional and technical core of the new service will be developed over the initial period, and a recharge for the cost of support services will be agreed by partner councils (50/50 split recommended).

1.6 Governance

An initial set-up period will allow the partners, through the Lead Officer, to complete a comprehensive programme of workplans and to arrive at a more integrated Roads service. The elements of governance for the new operation are the individual Service Committees, Shared Services Joint Committee, Lead Officer, and the Lead (Host) Authority. Scrutiny will be provided by both the individual Service Committees and the Joint Committee. Early Committee agreement will be required by each council to allow the Lead Officer to work across the partnership area and to endorse roles and responsibilities. These relationships will be confirmed and agreed through a Service Level Agreement and the Lead Officer's job description.

Annual Service Plans will be prepared by the management team for submission to the individual Service Committees and overseen by the Joint Committee. The first combined Service Plan will be prepared for the period 2019/20.

A performance management framework will be introduced that will integrate new and existing indicators, to report on the success and/or progress of the new shared service.

A review to assess the suitability of governance arrangements will be undertaken during 2020/21.

1.7 Workforce

Immediate resilience gains will be made through bringing together professional, technical and operational staff. New management arrangements are proposed for implementation soon after agreement to proceed is given.

This model will assist in reducing the use of external resources, by developing in-house capacity and where possible offer new employment opportunity as part of the development of capital projects. In addition, opportunities for developing young people will be an essential part of the model.

1.8 Finance

The basic cost of the new management team will be in the order of £100k per annum (assuming support staff to the Lead Officer are provided by partners through secondment).

There is a potential to introduce in-house professional fees of around 10% of capital works, subject to agreement with funding clients, and the ability to recruit suitably qualified staff to replace consultant support.

1.9 Future Actions

There are three levels of future actions proposed.

- Areas of closer collaboration are identified that will provide an immediate improvement in resilience in various service areas.

- There are workplans identified for the new management team to complete over the initial period. There are twenty workplan areas and this list will be prioritised by the new management team with resilience and efficiency the key criteria. Many of these reviews will be revisited in future years to identify additional improvements where available.
- A detailed Implementation Plan is needed to ensure a smooth transition to an improved service and to ensure that the Service Level Agreement is timeously prepared.

1.10 Key Risks

A Risk Log has been prepared that will be updated at regular intervals and reported to the Joint Committee.

1.11 Extending the Shared Service

There is potential and aspiration for the agreed model to subsume additional council services and to provide a Roads and Transportation service to other council areas.

2.0 INTRODUCTION

- 2.1 In the proposed partnership area, the councils are responsible for the network management of some 739km of carriageway, 1123km of footway, 28,654 street lights, and 25322 road gullies. There are 106 staff employed across the two authorities at a cost of some £4.2m annually.
- 2.2 The combined nett revenue expenditure in 2016/17 (the last full year's audited accounts) was £5.6m, and in the same period, the capital spend was £10m. Based on the 2016/17 figures, the potential turnover of a combined service would be around £16m per year. Summary combined data is shown in Appendix 1.
- 2.3 For many years, the revenue budgets available to each roads authority have been reducing. This has directly led to reduced staff capacity and gradual loss of experience and specialist skills. The full impact of this has been smoothed to some degree through the use of capital funding.
- 2.4 Senior Officers have assessed potential options for more effective future delivery of road services. The key driver for this is continuing to provide high quality local service for customers, by increasing the capacity and resilience of individual authorities through partnership, and by contributing to corporate efficiency targets. This will be delivered by identifying efficiencies in service delivery and potential economies of scale. The creation of a shared service for roads should be viewed in the wider context of other operational council services, and may, if successful, lead to extension of the roads shared service or separate models being considered for other council services.
- 2.5 In the development of this business plan, there has been a recognition of the nature and extent of approvals from individual councils in respect of the Strategic Business Case and its recommendations. Integrated baseline data has been collected including recent, current and future financing, staff structures, investment strategies and resource availability.
- 2.6 A robust and detailed analysis of potential operating models has been undertaken (Section 6 and Appendix 2) and the recommended model of Lead (Host) Authority

has been taken forward into this Business Plan. This has been fully discussed with Trade Union representatives.

- 2.7 The Business Plan also describes the arrangements that are necessary to transition into the new operating model for Roads and Transportation, whilst ensuring business continuity during the period of change.
- 2.8 This Business Plan includes the actions that will form the basis of an Implementation Plan to be developed after approval of this Business Plan. These are the main actions needed for the introduction of the new shared service.
- 2.9 The main benefits offered by a shared service approach are:
- Improved value for money for each partner authority.
 - Maintaining preference for service delivery in-house.
 - Improvement in service and strategic planning.
 - Greater resilience through sharing expertise and resources at all levels.
 - Improved staff career path opportunities.
 - Improved service quality through sharing best practice.
 - Improved consistency through removing potential duplication and from standardising processes, systems and procedures.
 - Improved management information systems leading to better decision making and services to the public.
 - Greater opportunities to pilot, test and innovate

3.0 STRATEGIC CONTEXT

- 3.1 The Strategic Context for this Shared Service was set out in the Strategic Business Case (February 2017). The key contextual observations are summarised below.
- 3.2 There is a well-established culture of collaboration across both partners that has been embedded for many years. Senior roads officers were part of the previous Roads Working Group which until recent years, provided a regular opportunity for sharing of knowledge and expertise across the west of Scotland.
- 3.3 Increasing collaboration and development of shared services are key requirements of the 2012 National Roads Maintenance Review (NRMR) and subsequent reviews by Audit Scotland in 2013 and 2016. In 2016, Audit Scotland challenged all authorities around their long-term planning and resourcing for road maintenance, whilst looking for evidence of progress in the delivery of collaboration to create service efficiencies. Roads Authorities have recently reported back to Audit Scotland committing to further long-term collaboration.
- 3.4 Regional cluster groups of authorities are developing a wide range of collaborative activities across Scotland; however, none are as ambitious as this collaboration to form a shared service with local governance by Elected Members.
- 3.5 Involvement in these cluster groups is not exclusive, and councils are able to participate in multiple groups to best suit their local needs and priorities. There is no issue in the Firth of Clyde councils remaining part of the wider collaboration being discussed within the Glasgow City Deal partnership. The terms of the Joint Committee Minute of Agreement gives scope for extending the proposed Firth of Clyde partnership at a later date to involve other local authorities.

- 3.6 The development of this partnership can be considered in the wider context of the national Roads Collaboration Programme (RCP), which seeks to facilitate and encourage the delivery of shared roads services. The RCP has recently published the national Workforce Implementation Plan which aims to kick-start a range of actions to resolve the many workforce-related challenges within Scottish roads services. Assistance from the RCP and the Improvement Service, was provided in the development of the Strategic Business Case and this Business Plan.
- 3.7 It should be recognised that the partner authorities are also members of, and provide funding to, Strathclyde Partnership for Transport (SPT), which has clearly defined statutory powers and responsibilities. A review of existing and potentially new sharing with SPT should be carried out in the initial stages of the shared service.
- 3.8 Each partner council has internal transformation programmes underway, and it is important that the shared service project provides synergy with these corporate programmes.

4.0 FUTURE SCAN

- 4.1 All councils are facing ongoing financial challenges over the next three to five years, and operational services such as roads will bear much of this pressure. It is expected that this may lead to a continued reduction of workforce, with continued loss of skills and expertise. Single points of failure of service, and the requirement to utilise consultants is now being increasingly experienced.
- 4.2 Whilst some augmenting of revenue budgets is taking place using capital investments, this is not sustainable and will not address the long term underlying challenges. It is possible that decisions from Central Government post 2020 may release additional capital investment funding for infrastructure and councils should aim to benefit fully should that occur.
- 4.3 The average age of the workforce is approaching 50 years, and along with a low rate of entry by younger staff, this will exacerbate the workforce challenges. A strong commitment to workforce planning, including apprenticeships, will be essential.
- 4.4 Currently the only asset management data reported widely is the road condition index. Across the partners this is showing a very small decline but is broadly stable. Across other main assets, investment in LED lighting is improving the lighting service, however the condition of columns continues to decline. There has been a decline in funding for the stock of structures, and their condition is declining.
- 4.5 The new national Code of Practice for Road Maintenance, now being implemented, brings a new risk-based approach to determining inspection and reactive maintenance responses. This will change the way that all councils undertake infrastructure repairs and inspection scheduling. New maintenance strategies and manuals will be required.
- 4.6 Traffic in all council areas is growing steadily at approximately 2% per year. Some of this is associated with new developments whilst the wider digital transformation process (e.g. online retailing and local deliveries) is putting more vehicles onto the roads. This will increase pressure at junctions and on capacity of key arterial routes, some of which are trunk roads.
- 4.7 The Office of the Roadworks Commissioner has carried out a review of its functions, powers and responsibilities. This will be reported to Scottish Ministers during 2018

seeking authority to charge for road openings, increase maintenance periods for openings, increase inspection requirements and verification/coring programmes. This will have significant specialist resource implications for all councils.

- 4.8 The national progress of collaboration, following on from the National Road Maintenance Review in 2012 was considered “slow” by Audit Scotland in 2016. The implications on this continuing could be that structural reform of roads authorities by Scottish Ministers may take place. However, the shared service being created locally is an exemplar and could become a model for others to follow.
- 4.9 As the Brexit process evolves, it is likely that there will be increased focus on national infrastructure in its role as catalyst to local economic growth and attractiveness to inward investors. Roads Authorities will be expected to react positively, using all available knowledge of asset condition and investment needs. The impact of not investing could be punitive.

5.0 GOVERNANCE

There are six elements to the governance model that will oversee the new operation.

5.1 Partner Local Authorities

Primacy of decision-making on all matters of policy, service standards and finance will remain with individual service committees within the partner authorities.

5.2 Shared Services Joint Committee

The shared services project has an established governance structure already in place through the Shared Services Joint Committee set up in December 2016. This Committee provides oversight, policy development relating to collaborative activity and scrutiny.

5.3 Lead Officer

The Lead Officer will be employed by the Lead Authority and will manage Roads and Transportation assuming overall responsibility for the combined service. He or she will be responsible for reporting to the Joint Committee, and to the partner local authorities. Day-to-day operational matters will be reported to the Director with a responsibility for the Roads Service within the lead/host authority and liaise with the appropriate senior officers within the partner authority.

He or she will be responsible for delivering the Implementation Plan, and the development of the Service Plan, which will be submitted for approval by each council. In addition, the lead officer will be responsible for the production of the Annual Report, Budget Monitoring Reports, the Roads Improvement Plan, and policy reports as requested by the Joint Committee or by either of the local councils. He/she will also be responsible for the preparation of Strategic Business Cases for other potential areas of shared service.

5.4 Lead (Host) Authority

The lead authority Corporate Director will provide line management of the lead officer, who will attend each partner authority’s management team meetings as required. In addition, the service will be subject to all internal control arrangements that apply within the lead authority.

5.5 Scrutiny

Scrutiny will be undertaken by both councils in accordance with their own scrutiny processes, as set out within their respective Corporate Governance arrangements. The performance of the new shared service will be monitored by the Joint Committee, while performance management will be the responsibility of the lead officer, reporting to the Director with a responsibility for the Roads Service within each partner authority.

5.6 Performance Management

A performance management framework will be devised by the new management team. This will incorporate existing indicators and a new set of indicators that will be agreed by the Joint Committee. The new indicators would cover finance, resilience and efficiency, and would demonstrate progress against agreed workplans. Baselines and targets will be agreed early in the initial period and regular reports will be submitted by the Lead Officer to the Joint Committee.

6.0 OPERATING MODEL

6.1 Recommendation

It is recommended that a Lead (Host) Authority Shared Service should be adopted to provide the most appropriate operational model for the shared Roads and Transportation Service. This model will also provide a continuity of service during a period of change and will maintain local decision-making on local Roads investment. A summary of the operating model assessment is contained in Appendix 2.

6.2 Choice of delivery options

There are few models of formal collaborative arrangements within the roads sector in Scotland, or indeed in the UK. Seven delivery options were identified for the appraisal process.

The options considered were:

- Status Quo with increased collaboration between councils
- External Partnership (North Lanarkshire Model)
- Strategic Delivery Model
- Lead (Host) Authority Shared Service (Ayrshire Roads Alliance Model)
- Client/Contractor (Tayside Contracts Model)
- ALEO (Arm's Length External Organisation)
- Privatisation

6.3 Assessment Criteria

Eight criteria were identified, against which each model was assessed. These can be classified as Internal (Employee Impact, Risk, Delivering Cash Savings, Delivering Efficiencies and Affordability/Sustainability) and External (Capacity to Deliver and Resilience, Customer Outcomes, and Democratic and Local Accountability).

6.4 The Recommended Option

The assessment shows that the Lead (Host) Authority model is the best overall option considered. From the assessment, there are some strategic and operational benefits of this model. These include:

- Lead (Host) authority is a formal, established and respected delivery model for a roads service, and is being used (for example) by the Ayrshire Roads Alliance.
- Maximises the benefits from sharing.
- Provides best opportunity to protect in-house resilience of service delivery.
- Job security and career prospects enhanced.
- No procurement required to establish.
- Maintains decisions on local investment and works programmes with each partner council.
- Provides mandate and focus to align standards and specifications to improve efficiency.
- Ease of pooling existing staff expertise and other resources in short timescale.
- Ability to be flexible to future change, to add other partners and other service areas.
- Partners will retain local overall control and accountability.
- Low risk of service disruption during transition to new service, and potential to phase introduction.
- Low set-up costs.
- Ability to make quick gains and efficiencies especially around productivity and procurement.
- Provides access to best operational and business-support practice across both partners.
- Remains reactive to ongoing financial challenges.

6.5 The Lead (Host) Authority

It has been agreed that Inverclyde Council will assume the role of Lead Authority.

6.6 Professional and Technical Staff

Through the Lead Authority model, professional and technical staff, who will work more closely together from the outset, will provide a strategic core for the new service.

6.7 Support Services

During the initial period, it is assumed that administrative support will be provided corporately across the partners. There will be individual internal costs to be absorbed corporately. Each authority has already invested heavily in management input to develop this shared service, and this is expected to continue.

7.0 WORKFORCE

7.1 Consultation

There has been continuous consultation with Trade Unions throughout the lifetime of this project. The Option Appraisal Matrix (Section 6 above and Appendix 2) and the final draft of the original tripartite business plan have been shared and the Unions' views considered. This engagement continues with the Trade Unions having a copy of this updated final draft relating to West Dunbartonshire Council and Inverclyde.

7.2 Management Structure

An initial recommended management chart is contained in Appendix 3. This will allow the shared service to develop whilst maintaining continuity of service.

The service will be led by a professionally qualified Lead Officer (Head of Service/Chief Officer remuneration level), who will have a suitable range of experience to lead during the period of change, manage the new integrated service from 2018, and develop strategic business cases for potential additional services in the future.

To be a success, the new service will require dedicated business development support from partner authorities. It is anticipated that this will come from the existing workforce.

The Roads Senior Service Managers will report to the Lead Officer. These Managers will have functional responsibilities for the new shared service and will be the initial point of contact (ambassador) for each partner council's officers and members. It is envisaged that initially these Managers will be drawn from each of the partners and will be responsible for ongoing service delivery. In addition, they will assist in introducing the changes required for the new operating model.

The Management Team will develop the overall staff structure across the new roads service, undertaking reviews of all aspects of service planning and delivery to promote an efficient and appropriately skilled workforce.

Each individual Roads function will be reviewed, and resources allocated from the pool of expertise available within the new combined staff group.

8.0 OPERATIONAL PROCEDURES

8.1 Whilst each council will remain the local Roads Authority for their area, there are a range of operational procedures which will be aligned through agreement across the partnership using the powers of the individual council Service Committees and the Joint Committee as appropriate. Examples are:

- Winter Service (Roads only)
- Maintenance inspections and response
- Street lighting Strategy
- Development Control Requirements
- Ports & Harbours and Flood Mitigation
- Response to road accidents

8.2 There is no requirement to implement changes immediately, however the Joint Committee will seek alignment over the early years of the service to improve efficiency and maximise the effectiveness of sharing resources.

8.3 Notwithstanding the benefits that can be derived from aligning operational procedures, each Council will be able to maintain their current procedures, along with service levels and maintenance standards in the transition to the new shared service. Moves to new service levels and maintenance standards would be agreed by each council, ensuring there is no loss of local democratic control.

9.0 FINANCE

9.1 Future of trading accounts and use of surpluses

Whilst there is no longer a statutory requirement to retain trading accounts for the roads service, the production of an annual surplus, and its return to the corporate account, is still anticipated by some finance officers. Maintaining trading accounts requires additional administration and use of detailed costing/accounting systems, but does bring with it robustness and transparency, especially useful if proportional re-charging is going to be required.

Use of trading accounts also results in extended record keeping, which has benefits in performance management and comparing cost bases with other councils.

There should be discussion within each partner authority to determine the preferred approach to the use and allocation of any surpluses generated within that partner authority, and whether to maintain trading accounts.

9.2 Set-up / Ongoing Costs

Staffing

Initial and ongoing staff costs will be in the order of £100k. This is based on a new Lead Officer at a salary of around £80k pa plus NI and Superannuation. This cost will be split 50/50 between the two partner authorities and the post will be funded by efficiencies gained in the sharing of resources.

There will be no additional cost in providing a Business Development Officer and Business Support Officer to the new management team as this will come from partner authorities existing resources.

It is assumed that all other staff or resources involved in establishing the shared service will be provided from each partner.

ICT

It is envisaged that integration on all IT may take two years to complete, and careful consideration must be given to the level of integration that is needed from an ICT perspective to meet the needs of the new organisation at key stages of its development. It is assumed that, initially at least, the integrated Roads service will make use of all existing local systems until contracts can be aligned, servers commissioned etc.

9.3 Efficiencies

Potential areas of service have been identified where efficiency savings should be expected in the short to medium term, for example:

- Professional Services
- Operational Services
- Property
- Lighting maintenance
- Electrical power
- Winter maintenance
- Materials
- Sub-contractors

- External contractors
- Transport
- Administration

The management team will take forward assessments in each of these areas to determine the best opportunities to improve efficiency.

Councils have the opportunity to allocate in-house design staff to Capital projects. If there was no in-house expertise or capacity, external consultants would be used. This is an area where recruiting staff could be more effective, particularly trainees.

Both roads services have income streams available from fees and charges for services (e.g. development control, skips, etc), work for other council departments and external organisations (up to 20% of turnover), and in the case of Inverclyde - parking charges. There will be scope to increase this income over time, and the management team will review this during the first year and seek to develop a consistent income structure and develop opportunities for new income streams.

10.0 FUTURE WORKPLANS

There are many areas which have been examined to identify the changes needed in relation to a wide range of roads-related functions. The results indicate the main areas where activity reviews should be focussed in the initial period to ensure the service is fit for purpose to launch as a fully integrated shared service. This list will be prioritised by the new management team with primarily resilience and secondarily efficiency the key drivers. Many of these activity reviews will be revisited in future years to identify additional improvements where available.

10.1 Asset Management

Each Authority is fully committed to the national Asset Management project. This has led to the development of detailed asset plans for all main infrastructure assets along with a methodology for assessing maintenance needs, backlog repairs and investment requirements. Asset Management would benefit from a joint authority approach to recognise cross boundary issues and routes that join communities across the partnership area and with neighbours. The current Asset planning work is labour-intensive, duplicates resources, and could be shared between partners for greater efficiency and resilience, by forming a single asset management team.

10.2 Procurement

In association with the individual corporate procurement teams, roads procurement activity should be reviewed and opportunities to bring together identified and introduced. It is anticipated that one authority will deal with certain areas of procurement (for example WDC are currently leading on the Minor Civil Works contract) and the other authority dealing with other elements.

10.3 Winter Service

During the winter of 2018/19, lead officers and managers will have been identifying opportunities for future sharing. A full review will take place during 2019 for introduction in winter 2019/20.

10.4 HGV drivers

There is a challenge to attract drivers with HGV licences to participate in winter service operations. This is in line with a national shortage of HGV drivers across industry and is leading to cost increases. Initially, a pool of HGV drivers should be created across the partnership, with effort needed at each local level to attract new resources or train existing staff. This will have been assessed during winter 2018/19 to have enhanced plans in place for the following year.

10.5 Professional Services

There is emerging pressure on professional specialisms within the design units. This includes roads design, geotechnical, structures, flooding etc. Currently design capability is integrated into the network management function so there is no recognised 'design team'. Consultants are used to varying degrees and across functions, for example to bring forward schemes to the planning or tender stages. The balance of work offered to the private sector has increased gradually in recent years.

There is good scope to utilise professional capacity from neighbouring councils outwith the partnership, using simple Agreements to formalise recharging etc.

Previously, the design function within a roads authority was founded on robust, committed (at least to the medium term) capital programmes. In the past decade, this design capability has gradually reduced, with the use of more expensive private sector consultancy services increasing. However, a combined capital programme across the authorities may offer the opportunity to create a single design unit with staff costs being charged to individual projects. This design 'consultancy' could be self-funding, ideally with overheads and support services retained corporately. A review and conclusions should be an early priority for the new management team.

10.6 Flood Mitigation

Both councils have flood mitigation needs, and commitments to local flood groups. WDC and IC have allocated a part FTE split across other activities. The overall capacity should be shared into a combined flood defence officer working to a single maintenance schedule for all defences.

10.7 Road Safety Auditing

There is no capability across the partnership on road safety auditing. This capability is purchased as and when required, from a very limited private sector supply chain. As a result, costs and availability become an issue. This is a legal responsibility as part of new developments and major alterations to existing roads, and there is potential to pool work across the partner councils (and possibly beyond) to form a workload that would justify some in-house resource.

10.8 Road works co-ordination

The administration of the register of Road Works is currently carried out separately by each council, using the national Symology system. Trained users enter information on all road openings on any part of their road network. Whilst WDC and IC have staff doing this, they are generally not dedicated to this work and there are workload concerns, along with single points of failure. Pooling this to increase the

overall capacity in this work, along with alignment of processes, will provide vital resilience in this area of legal compliance. This should result in a combined Road Works administration (and inspection) team. The current national review of the Office of the Road Works Commissioner is likely to add work to this activity with increased inspections and potential charging for road openings in the future (post 2019). There may be an opportunity at that time to share a single utilities inspector across the partnership area (possibly with other partners) to reflect the expected increase in workload.

10.9 Development Control (including Roads Construction Consent)

Both councils are facing increasing demands on ever-reducing staff able to deal with the processes relating to planning and construction of new developments. WDC and IC have less than one dedicated FTE each. This expertise should be immediately combined.

10.10 Street lighting

By the end of 2018 most of the lighting stock across the partnership area will have been converted to LED sources. The maintenance requirements for LED equipment is considerably different to that of previous equipment, and both councils need to respond, establishing new inspection, maintenance and repair processes.

WDC and IC currently have approximately 2.5FTE working on street lighting design and inspection work and have commissioned private contractors for most external work (Amey and Lightways).

WDC energy costs have reduced by 65% through the LED programme. IC will benefit from sharing of knowledge from WDC in this area.

Within the first 6 months of the new service, a value-for-money exercise should be undertaken for street lighting to consider the most efficient model for lighting across the partnership area (including trunk road lighting), examining opportunities to extend existing capacity to create a fully in-house service, or sharing a single provider.

A new joint maintenance manual for LED lighting should be immediately developed and resource requirements assessed.

Currently, connections to the electricity supply network must be undertaken by Scottish Power or one other national contractor. This is expensive and difficult to schedule accurately with resulting unexpected additional costs and time over-runs. Some Scottish councils are looking to develop an in-house resource to reduce costs and improve time scheduling. This should be considered by the new management team.

10.11 Training and Development

Both councils have significant ongoing training needs for existing and new employees. They are also required to provide refresher and specialist training from time to time. This often involves bringing providers to the councils. This is usually done in isolation without sharing with neighbouring councils. The management of training and development for all staff should be integrated as soon as possible after the start of the new service, in line with individual's terms and conditions of

employment. A combined timetable for statutory training should be immediately established and a training plan.

It is hoped that graduate engineers will be added to the staff group over time, and a single registered/approved Training Scheme will be established to support ongoing development of these staff. A robust continuing development programme will be established for all staff within the first two years of the new service, recognising that some staff may have new or extended functional responsibilities.

10.12 Construction Plant and machinery

Both councils have an extensive fleet of vehicles available for use (mostly provided corporately through a Fleet Management service) along with some specialist vehicles typically hired for specific work. Sharing of these assets will allow numbers of vehicles and equipment to be reduced including a reduction in overall “spare capacity”, and potentially lower hire costs. A full review of plant and equipment should be undertaken within the first six months of the new service. This should include discussion with neighbouring authorities.

10.13 Existing materials (incl salt) and stores

Currently, both councils store extra quantities of both construction materials and salt. Integrating this, and re-organisation of the stores management system and supply chains should be undertaken. A full review of stores and inventory of existing materials should be undertaken within the first year of the new service.

10.14 Depots

An initial assessment of depots suggests that there is no scope for integration on the south side of the Clyde.

Any future assessment should include discussion with the trunk road Operating Company (or Transport Scotland) to explore opportunities for sharing resources.

10.15 ICT systems

Across the partnership area, there are variations in management and technical systems in use, both service-related and corporate. The key issues at this stage are listed below, and the management team should develop and implement an ICT integration plan as soon as possible.

PSN Code of Connection - both councils must comply corporately annually, and will always be out of sync. This could be either externally hosted or internally hosted through a single partner. This can be simplified if Cloud technology is used.

Email - licence sharing/transfer may be an issue and could have revenue budget implications. New email accounts will require additional spend.

PCs - both councils have an ongoing pc refresh programme. There should be no need to replace IT equipment to set up the new service, however this will be reviewed by the new management team

Supporting systems - This requires further consideration by individual councils prior to the commencement of the new service. It should be assumed that all staff could be

remote workers able to work in any offices (similar to established arrangements for NHS staff).

The benefits of sharing in ICT need to be seen in the context of other transformation initiatives within each council, to avoid double-counting of benefits.

10.16 Road Maintenance Management Systems (RMMS)

WDC currently use WDM, Inverclyde do not have RMMS. An opportunity exists to approach the market together.

10.17 Costing systems

WDC use Profess (and are developing a new system to replace Profess and Servitor). IC use basic Microsoft software. If it is agreed that operating with a new trading account is required, then robust costing system information will be required. In addition, SCOTS gather significant data, and both councils complete annual roads asset management survey requirements from SCOTS/APSE. Gathering extensive roads data is vital for input into SCOTS/APSE performance indicators framework.

10.18 Customer Services

All existing paths for the general public to access the Roads service in the existing council areas must be maintained. This includes local telephone numbers and local council websites for fault reporting and other services. Access through local offices must continue. An opportunity exists to improve customer interfacing for all the roads services, ideally moving to mobile app technology in time.

10.19 Offices

Partners have recently reviewed their office requirements and have one main base for most roads staff in each council area.

10.20 Support Services

Currently all roads teams are supported by a range of administrative and technical support staff, some of whom are part of the core Roads service, whilst others are provided corporately. This will not change as each will continue to support their own colleagues. The Lead Officer will keep this under constant review and will promote changes if agreed by both partners.

Early agreement will be reached between partners as to the most appropriate method of cost-sharing for support services. It is recommended that this at least initially should be split 50/50.

11. INITIAL ACTIONS

In addition to the workstreams identified at Section 10, there are:

- areas of closer collaboration that will provide an immediate improvement in resilience in various service areas. These are shown in Appendix 4.

- Initial implementation actions for the 2018 to 2019 period (and beyond) which are contained in Appendix 5. This will form the basis for an Implementation Plan for the new management team to deliver.

12. KEY RISKS

The Risk Log contained in Appendix 6 is a continuation of that first submitted in the Strategic Business Case. This is an organic document and new risks will be added as they are identified, and existing risks deleted when they no longer valid. As part of the Implementation Plan, individual risks will be rated, and mitigation action prioritised through a Red, Amber, Green (RAG) system.

13. POTENTIAL TO EXTEND THE SHARED SERVICE

Whilst this Plan and the early work leading to this stage have focussed on the Roads Service, there are many synergies for other operational services, including Grounds Maintenance, Fleet Management, Waste Services, Trading Standards/consumer protection, Environmental Health etc. The Outline Business Case assessment of operating model and this Business Plan are based purely in relation to the existing Roads Services. The Strategic Business Cases for other services will be undertaken later in 2018, incorporating a view on whether the new roads authority model would be suitable for extending, or whether these services require a different operating arrangement for collaboration.

There is considerable interest in this developing shared service from other Scottish councils. Other councils are seeking to develop collaborative activities with their neighbours and success has been limited in recent years. Such potential expansion of the proposed shared Roads service was not assessed during the analysis of the operating model; however, the creation of the Joint Committee did envisage this as an option and the recommended approach would be flexible enough to accommodate other councils' roads service if a business case supported this and the partner councils were to agree to do so.

List of Appendices

- | | |
|--|--------------------------------|
| 1. Key statistics and operating data | 4. Early actions |
| 2. Summary of Operating Model assessment | 5. Outline Implementation Plan |
| 3. Proposed management structure | 6. Risk Log |

Appendix 1

Key Statistics and Operating Data

Note – 2016/17 figures stated here as being the most recent audited full year accounts available

| | Inverclyde | West Dunbartonshire | Combined |
|-----------------------|------------|------------------------|--------------------|
| Road length (km) | 367 | 372 | 739 |
| No. of FTEs (rounded) | 50 | 57 | 107 |
| 2016/17 Capital | £6,532,000 | £3,546,000 | £10,078,000 |
| 2016/17 Revenue (net) | £2,354,000 | £3,270,000 | £5,624,000 |

| | Inverclyde | West Dunbartonshire | Total |
|--|------------|------------------------|---------------|
| Council Managed Road Length Total (Km) | 367 | 372 | 739 |
| A Class (km) | 24 | 55 | 79 |
| B Class (km) | 23 | 9 | 32 |
| C class (km) | 54 | 27 | 81 |
| Unclassified (km) | 267 | 280 | 547 |
| Footways/Footpaths (km) | 445 | 678 | 1,123 |
| Cycleways (km) | 19 | 14 | 33 |
| Road Gullies (no) | 10,398 | 14,924 | 25,322 |
| Street lighting columns (no) | 12,587 | 16,067 | 28,654 |

| FTE | Inverclyde | West Dunbartonshire | Total |
|-----------------------------------|--------------|------------------------|---------------|
| Chief officer | 0.30 | 0.15 | 0.45 |
| Manager | 1 | 1 | 2 |
| Technical, admin and professional | 25.21 | 28.5 | 53.71 |
| Operatives | 23 | 27 | 50 |
| Total | 50.08 | 56.65 | 106.16 |

Note : WDC Roads service currently manages the School Crossing Patrol Service, with 23 FTE. This is not included in the IC Roads service at this time.

Appendix 2

Summary of Operating Model Assessment (for the original tripartite partnership)

1. Introduction

In March 2017, on consideration of the Strategic Business Case for Roads and Transportation across West Dunbartonshire, East Dunbartonshire and Inverclyde, the shared Service Joint Committee requested officers to develop a detailed business plan for the proposed new service arrangements. A key part of this plan is the choice of an operating delivery model for the new arrangement. This report records the robust analysis undertaken through an option appraisal process, highlighting key issues identified and providing a recommendation.

2. Recommendation

It is recommended that a Lead (Host) Authority Shared Service should be adopted, to provide the most appropriate operational model for the proposed shared Roads and Transportation Service across West Dunbartonshire, East Dunbartonshire and Inverclyde Councils in the future, and for providing continuity of current service during a period of change. The analysis also concluded that the same model would be appropriate for a collaboration of two or more councils.

3. Choice of delivery options

There are few models of formal collaborative arrangements within the roads sector in Scotland, or indeed in the UK. The three examples there are in Scotland have been used for this analysis, incorporating advice from the national Roads Collaboration Programme (hosted by the Improvement Service). This is placed alongside experience from England where there are a considerable number of partnerships with the private sector in their highways sector.

Seven delivery options were identified for the appraisal process. These include the Ayrshire Roads Alliance, Tayside Contracts and North Lanarkshire Partnership, and four additional options that together provide a spread of robust and feasible choices.

With the status quo included as a baseline “do nothing” option, all the remaining options *could* be used for the proposed new service, and the appraisal process has compared each against a set of criteria.

4. Assessment Criteria

Eight criteria were identified, against which each model was assessed. These can be classified as Internal (Employee Impact, Risk, Delivering Cash Savings, Delivering Efficiencies and Affordability/Sustainability) and External (Capacity to Deliver and Resilience, Customer Outcomes, and Democratic and Local Accountability).

5. Delivery Model Options

Status Quo with increased collaboration between councils

There is no formal change of relationship between the Roads Authorities. Each division will remain autonomous with no changes to structure, management and operational arrangements. It is anticipated that over time the Roads divisions would identify further areas where collaboration is possible and beneficial, and these opportunities would be taken to maximise the impact of such activity-led collaborations.

External Partnership (North Lanarkshire Model)

The Roads service would be delivered by a partner selected by tender from the private sector. In the case of North Lanarkshire, Roads and Lighting operational services are delivered by Amey Public Services, an LLP (Limited Liability Partnership) between North Lanarkshire Council, Amey Local Government, and a broad range of private contractors.

There would be a hard client/contractor split, and it is assumed that all roads functions would be included.

Strategic Delivery Model

The Strategic Delivery Model option provides a wholly in-house service, including a shared strategic core for the partner councils with local operational delivery remaining in the employment of each council. Key policy, standards and procedures would be agreed in partnership at the strategic core and approved through the Joint Committee. Each local authority would be required to implement the approved policies and procedures and would contribute to the costs of the strategic core. Investment in local works would remain the responsibility of each council. Overall management responsibilities for the roads service would remain in each partner Council, requiring a senior roads professional within each.

Lead (Host) Authority Shared Service (Ayrshire Roads Alliance Model)

The partner Roads divisions would come together as a single Roads Unit providing a single point for strategic and operational planning and delivery. A Head of Service or lead/senior officer, appointed by the partners, would manage the service and would report to the Joint Committee via a senior Director of the lead (host) authority. The lead (host) authority would provide support services for the new Roads organisation, for example Finance, legal, ICT and HR. The responsibilities of the Joint Committee are defined by a Minute of Agreement, and individual councils assume responsibility for other matters, including local investment decisions.

Client/Contractor (Tayside Contracts Model)

The Client/Contractor model would involve a return to that in operation under Strathclyde Regional Council in the 1990s. It is similar to the Strategic Delivery Model with a strategic core, but with an integrated frontline operational division with responsibility for local works across the partnership area. It should be noted that the Tayside model has “evolved” from the previous regional council Roads department and was not developed by the three unitary authorities post 1996. Whilst there is a Joint Committee, this model is closer to an ALEO than to a lead authority, as all support and business services are provided in-house, and staff have their own Terms and Conditions, which are different from any of the Tayside councils including the nominal lead authority.

ALEO (Arm’s Length External Organisation)

ALEOS have been regularly used by councils for many years, most notably in Leisure Trusts. Most run successfully and benefit from additional financial opportunities not available to other forms of operating organisation. Audit Scotland reported on the use of ALEOS in 2011, and this forms a useful reference point.

This would be an external organisation (company, trust or other body) that is separate from the partner local authorities but would remain subject to local authority influence. Influence can be through the councils having representation on the board of the ALEO and/or being a main funder or shareholder of the organisation.

In this case, there would need to be a single ALEO covering both partner councils with an appropriate democratic governance arrangement put in place.

Privatisation

This model would see a private sector contractor brought in to manage and implement the road and transportation management service in each council area. This could require the transfer of the local Roads asset to a private company, along with responsibility for the upkeep and development of the Roads assets.

6. Scoring

The scoring of the various options was carried out as follows:

- Comments are entered into the box for each criterion/issue against each delivery option.
- A judgement made as to whether the impact of the criterion / issue against each model will be negative or positive.
- The impact is scored as High, Medium, or Low. A judgement of No Impact is also available.
- The Key to the colour coding and the scoring on the matrix is as follows:

| Impact | Extent | Score |
|-----------------|-----------|-------|
| Negative Impact | High | - 3 |
| | Medium | - 2 |
| | Low | - 1 |
| | No Impact | 0 |
| Positive Impact | Low | + 1 |
| | Medium | + 2 |
| | High | + 3 |

- Once a section of the matrix is complete, the score allocated to each criterion against each model is totalled.
- The results for each section are totalled and transferred to a summary table to show the preferred option.

7. Results and Headline Observations

The scoring of the assessment matrix has been carried out from the point of view of an expert third party examining the pros and cons, and opportunities and challenges of employing each of the seven potential delivery models. The assessment does not assume the position of any of the potential partner councils but does reflect some local knowledge of current challenges and issues being faced by each partner, for example workforce difficulties and levels of expected budget reductions.

The result of the assessment is shown in Section 8 below. Lead (Host) Authority is judged to be the most appropriate model for delivering shared Roads and Transportation services across the partnership area. The analysis was undertaken from a neutral viewpoint in terms of the differing impacts of either being the Host Authority or not. Depending on who is the host, a further analysis has been undertaken to assess the impact, and this is shown in Section 9, illustrating that there is some small variation depending on which Authority hosts

the shared service. It was also noted that this model would be suitable for two or more councils collaborating.

Strategic Delivery, ALEO and Client/Contractor fill the next three places, in that order, all providing potential viable options, but less so than the Lead Authority. The strategic Delivery has significantly less ability to deliver the levels of early efficiencies required nor the immediate improvement in the resilience of the workforce.

Lead (Host) Authority comes out top for two of the eight criteria and joint top for another three criteria.

There is a wide band of scores under the heading Employee Impact, ranging from - 25 for Privatisation to +4 for Strategic Delivery and +3 for Lead (Host) Authority, reflecting the effect on staff of the potential changes. This clearly justifies the effort being made to engage with staff and unions around the proposals.

It is assessed that the largest risks are attached to complete Privatisation and the setting up of an ALEO. However, privatisation and ALEO could deliver the most cash savings/efficiencies alongside the Lead (host) Authority.

An important factor when considering changes to the delivery model for Roads and Transportation is the extent to which the new model would be resilient in the current climate. All the models score low for affordability and sustainability reflecting the current economic situation in the public sector; however, ALEO and Lead (Host) Authority models would be best placed to deliver a resilient service.

It was found that the Lead (Host) Authority model would deliver the best customer outcomes reflecting the ability to introduce new management cultures and practices focussed around the best practices of the partnership and renewed focus on the needs of our communities.

The Status Quo would continue to meet the high standards of Democratic and Local Accountability that is essential, and likely to be of importance to Elected Members. In this regard, Lead (Host) Authority, Strategic Delivery and ALEO were assessed to be jointly a close second, providing confidence that democratic control and influence will be maintained through the change.

Whilst the overall proposal to share services is in line with the national expectation for collaboration and sharing from Audit Scotland in their response to the National Roads Maintenance Review in 2012, the specific partnership being developed here is unique in Scotland and will set an example that others will follow.

8. Recommended option

There are strategic and operational benefits of the Lead (Host) Authority model, including:

- Lead (Host) authority is an established and respected delivery model in roads.
- Provides best opportunity to protect in-house resilience of service delivery
- Job security and career prospects enhanced
- No procurement required to establish
- Provides mandate and focus to align standards and specifications to improve efficiency
- Ease of pooling existing staff expertise and other resources in short timescale
- Ability to be flexible to future change, to add other partners and other service areas
- Partners can retain their own identity and local accountability

- Low risk of service disruption during transition to new service, and potential to phase introduction
- Low set-up costs
- Ease of transfer of operating licences etc
- Ability to make quick gains and efficiencies especially around productivity and procurement
- Provides access to best operational and business-support practice across partners
- Remains reactive to ongoing financial challenges
- Ability to change cultures and be more customer focussed

The following table provides a summary of the assessment findings.

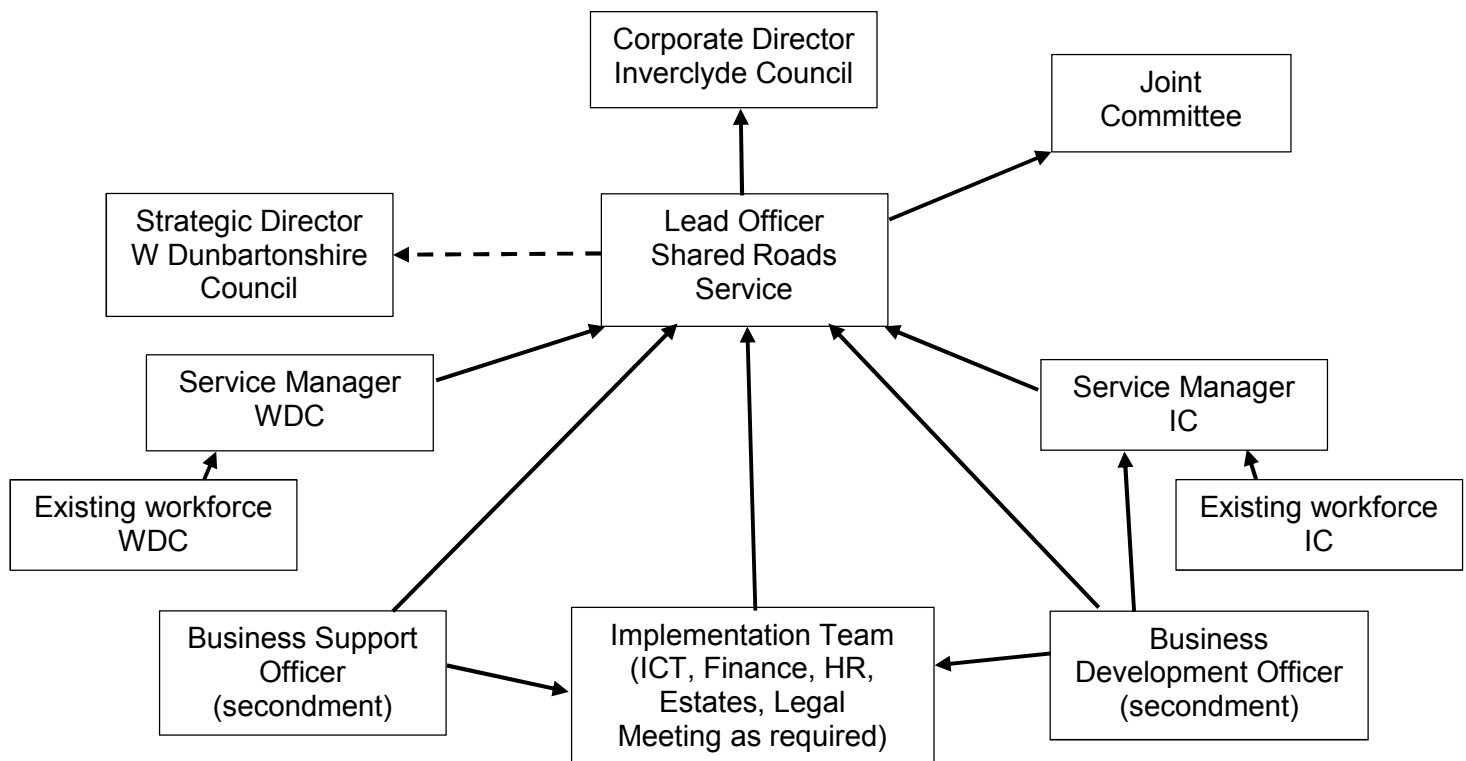
| Summary | | | | | | | |
|-------------------------------------|--|---------------------------------|--------------------------|--|------------------------------|-------------|---------------|
| Criteria | Status Quo with Increased Collaboration between Councils | External Partnership (N.Lanark) | Strategic Delivery Model | Lead Authority Shared Service (Ayrshire) | Client/ Contractor (Tayside) | ALEO | Privatisation |
| Employee Impact | 0 | - 13 | + 4 | + 3 | - 2 | + 3 | - 25 |
| Capacity to Deliver and Resilience | - 4 | - 3 | + 7 | + 8 | + 3 | + 9 | - 9 |
| Risk | + 1 | - 6 | + 1 | - 1 | - 5 | - 10 | - 14 |
| Delivering Cash Savings | - 2 | + 8 | + 7 | + 10 | + 9 | + 10 | + 14 |
| Delivering Efficiencies | + 4 | + 15 | + 14 | + 19 | + 16 | + 19 | + 18 |
| Customer Outcomes | + 5 | + 18 | + 18 | + 23 | + 18 | + 16 | + 15 |
| Affordability/Sustainability | - 1 | + 4 | + 2 | + 4 | + 2 | + 5 | + 7 |
| Democratic and Local Accountability | + 10 | - 2 | + 7 | + 7 | + 7 | + 4 | - 7 |
| Totals | + 13 | + 21 | + 60 | + 73 | + 48 | + 56 | - 1 |

9. Lead and Non-lead Authority

Whilst the assessment considered the Lead (Host) authority option from an independent viewpoint, it was clear that the perspective of some of the criteria could be different between an actual lead authority and the non-lead authorities. To consider this in more detail, an extended assessment was carried out on the Lead (Host) model, to explore the differences in impact on being the Lead authority or a non-lead authority. This is shown below, and highlights that there are small differences in employee impact, capacity to deliver and risk depending on the authority's perspective. The overall scoring was still in line with the main assessment.

| Criteria | Lead Authority (baseline) | Lead Authority (as Lead) | Lead Authority (as non-lead) |
|-------------------------------------|---------------------------|--------------------------|------------------------------|
| Employee Impact | + 3 | + 5 | + 1 |
| Capacity to Deliver and Resilience | + 8 | + 8 | + 9 |
| Risk | - 1 | 0 | -1 |
| Delivering Cash Savings | + 10 | + 10 | + 10 |
| Delivering Efficiencies | + 19 | + 19 | + 19 |
| Customer Outcomes | + 23 | + 23 | + 23 |
| Affordability/Sustainability | + 4 | + 4 | + 4 |
| Democratic and Local Accountability | + 7 | + 7 | + 7 |
| Totals | + 73 | + 76 | + 72 |

Appendix 3 Initial Management Structure



Notes

1. Lead Officer's line management will be through Corporate Director Inverclyde Council and will agree reporting schedule with Strategic Director West Dunbartonshire Council.
2. The Lead Officer will also report to, and receive direction from, the Joint Committee.
3. The Business Support Officer and Business Development Officer will be line managed by the Lead Officer.
4. The Implementation Team will meet regularly with attendance based on the stage of development of the project. For example, Estates colleagues may not be required at the start of the project.
5. Additional short life project team(s) will be required as the Lead Officer develops strategic business cases for additional council services that might be shared.

Appendix 4

Early Collaborative Actions

An initial high-level assessment of the opportunities for early gains through sharing across the operation of the partner roads services has been carried out. A number of activities were identified for further exploration and early actions agreed.

The following activities were explored, and opportunities identified.

Training

- Notify each other when arranging future courses especially if bringing in providers.
- Develop combined timetable for statutory training and develop training plan.
- Develop shared graduate training scheme.

Procurement

- IC to make use of WDC minor works contract.
- Both to consider joining national development project on TRIPS.
- Map out future procurement work and combine where possible (consulting and contracting services).

Development Control (including Roads Construction Consent)

- Agreement to be formalised to allow other councils to assist WDC and IC in development control work when capacity allows.

Road works co-ordination

- Agreement to be formalised to allow other councils assist WDC and IC in road works noticing and related functions when capacity allows.

Structures

- Agreement to be formalised to allow structures expertise to be shared covering professional indemnities and including call-out.

Street lighting

- Scope the best future model for lighting maintenance across the partnership area.
- Prepare a new joint maintenance manual for LED lighting and review resource needs based on this, compared to existing.
- Seek to work with other councils in street lighting activities

Winter Planning

- Combine call-out resources from winter 2020
- Develop a pool of HGV resource.
- Analyse 2018/19 data from vehicle tracking/management systems and review routes.

Traffic management

- Establish a common contract/framework for external support.

Civil contingencies

- Meet David Mair, Civil Contingencies Manager, to discuss opportunity of pooled resources for the partnership area.
- Formalise current informal mutual aid arrangements for roads.

Flood Management

- Share flooding specialist staff through recruitment and pooling of workload.

Professional Services

- Collate respective capital programmes and identify opportunities to combine design, procurement and delivery effort.
- Work with other councils when required to deal with peaks of workload

Safety Auditing

- Consider road safety audit expected needs for the next 6 months and share existing knowledge and support plans.

Appendix 5

Outline Implementation Plan

The actions below will be converted into an Implementation Plan once the project has been agreed by the partner councils. This list is not exhaustive, and they are not ranked in order of importance or by order of when they will be completed.

- Operations
- Workforce planning
- Finance support services
- Fleet vehicles
- Accounting financial systems
- Income collection
- Insurance
- Human resources
- Estates actions
- ICT actions
- Legal actions

Appendix 6

Key Risks

This risk log builds upon the risks identified at the Strategic Business Case stage. These will continue to be reviewed, monitored and tracked as the project progresses.

| Risk Factor | Description / Impact | Mitigation |
|--|---|--|
| 1. Governance arrangements do not deliver as required. | The governance arrangements are new to the partner councils. They involve the Joint Committee and the current structures of both councils. There is a risk that the governance requirements do not operate in an integrated way, with the potential for gaps in responsibility and scrutiny of performance. | <ul style="list-style-type: none"> • Training will be built in for Members who would sit on the Joint Committee. • The Service Agreement would include procedures for conflict resolution. • Officers with a responsibility for the Roads Service would attend meetings to offer advice and support. |
| 2. Failure to meet the aspirations of the individual councils. | In the first few years of the service new service arrangements will be established. There is a danger that one or other council would conclude that its own objectives are not being met. This could lead to the cessation of the project. | <ul style="list-style-type: none"> • A service plan will be produced annually for submission to, and agreement by, the Joint Committee. • This would require adoption by partner councils each year. • More broadly, the governance arrangements in place mean that there are several ways in which any council can raise concerns and have them addressed. |
| 3. Perceived loss of local responsiveness and control. | There is a danger that elected Members and the public may be anxious about a possible drop in responsiveness to enquiries and complaints; or that elected members may feel that they have less local control of investment decisions. | <ul style="list-style-type: none"> • Each of the senior managers would act as a single point of contact ("ambassador") for one of the councils and be accountable for ensuring that responsiveness in terms of timeliness and quality of response is to members' satisfaction. • Decisions on level of funding for road renewal work and on which projects are undertaken will rest with individual councils. • Current public access to services will be maintained. |
| 4. Loss of service synergy with other services. | There is a risk of losing the synergy that exists where the Roads service works alongside other council services such as Planning or Economic Development. | <ul style="list-style-type: none"> • Liaison will be built into the Lead Officer's job description. • Directors with responsibility for roads in both councils will take responsibility for ensuring that close liaison with other council services exists. |

| Risk Factor | Description / Impact | Mitigation |
|---|---|---|
| 6. Failure to engage with employees. | Poor communication and consultation would result in increased anxiety in employees than would otherwise be the case. | <ul style="list-style-type: none"> • Consultation meetings with Trade Unions will continue and, following approval of the Business Plan, a forward programme of meetings will be established to ensure issues are considered and dealt with timeously. • Staff bulletins and briefings will be introduced. • JCCs at each council will include the shared Roads service as an item on their agendas. |
| 7. Poor communication between partners. | Misinformation or misunderstanding of information can undermine partners' commitment to the project. leading to distrust and project failure. | <ul style="list-style-type: none"> • Establishment of processes and procedures; the Joint Committee; meetings of Directors with a responsibility for the Roads Service; and meetings of Chief Executives will ensure communication is robust. • More broadly, the agreed governance arrangements will result in several ways in which any council can raise concerns and have them addressed. |
| 8. Inadequate staff development time and resources allocated. | Sharing of good practice and implementation of common procedures will lead to a need for employee development. If this is not given sufficient time, then the benefits of the project may be delayed or not fully realised. | <ul style="list-style-type: none"> • Review of the projects that are undertaken will explicitly consider employee development needs and implementation plans will allocate time and required resources to address these needs. |
| 9. ICT systems and platforms are inadequate. | Risk that hardware, processes and procedures not suitable for the new service. | <ul style="list-style-type: none"> • An ICT Implementation Plan will be produced, including a roadmap covering planned ICT activity over first two years of the new Roads service. Training will take place as required. |