

## **INFRASTRUCTURE, REGENERATION AND ECONOMIC DEVELOPMENT COMMITTEE**

At a Meeting of the Infrastructure, Regeneration and Economic Development Committee held in Committee Room 3, Council Offices, Garshake Road, Dumbarton on Wednesday, 10 December 2014 at 10.03 a.m.

**Present:** Councillors Gail Casey, William Hendrie, Michelle McGinty, Patrick McGlinchey, Ian Murray, Lawrence O'Neill, Martin Rooney and Kath Ryall.

**Attending:** Richard Cairns, Executive Director of Infrastructure and Regeneration; Jim McAloon, Head of Regeneration and Economic Development; Michael McGuinness, Economic Development Manager; Lynda McLaughlin, Manager of Leisure and Facilities; Stuart Gibson, Asset Co-ordinator; Joe Reilly, Business Unit Finance Partner; Ian Dewar, Estates Surveyor; Sally Michael, Principal Solicitor and Nuala Quinn-Ross, Committee Officer, Legal, Democratic and Regulatory Services.

**Also attending:** John Anderson, General Manager, West Dunbartonshire Leisure Trust.

**Apologies:** Apologies for absence were intimated on behalf of Councillors David McBride, Marie McNair, Tommy Rainey and Gail Robertson.

**Councillor Patrick McGlinchey in the Chair**

### **DECLARATIONS OF INTEREST**

Councillor Kath Ryall declared a non-financial interest in the item under the heading 'Annual Performance of West Dunbartonshire Leisure Trust for Year to 31 March 2014', being a Director of the West Dunbartonshire Leisure Trust Board.

### **MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Infrastructure, Regeneration and Economic Development Committee held on 17 September 2014 were submitted and approved as a correct record.

## **DUMBARTON TOWN CENTRE AND WATERFRONT - REVISED URBAN STRATEGY**

A report was submitted the Executive Director of Infrastructure and Regeneration advising of the revised urban strategy for Dumbarton Town Centre and Waterfront.

After discussion and having heard the Executive Director of Infrastructure and Regeneration; the Head of Regeneration and Economic Development and the Economic Development Manager in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to approve the Dumbarton Town Centre and Waterfront – Revised Urban Strategy; and
- (2) that the Dumbarton Town Centre and Waterfront – Revised Urban Strategy be referred to the Council's Planning Committee for consideration as supplementary planning guidance.

## **ANNUAL PERFORMANCE OF WEST DUNBARTONSHIRE LEISURE TRUST FOR YEAR TO 31 MARCH 2014**

A report was submitted by the Executive Director of Infrastructure and Regeneration providing an update on the annual performance of West Dunbartonshire Leisure Trust (the Trust) during the period 01 April 2013 to 31 March 2014.

After discussion and having heard the Executive Director of Infrastructure and Regeneration, the Manager of Leisure and Facilities and the General Manager of WD Leisure in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the annual performance report.

## **ECONOMIC DEVELOPMENT STRATEGY ACTION PLAN PROGRESS REPORT 2013-16**

A report was submitted by the Executive Director of Infrastructure and Regeneration providing an update on the progress of the actions in the Economic Development Strategy Action Plan.

After discussion and having heard officers in further explanation of the report and in answer to Members' questions, the Committee agreed to note the progress made in implementing the Economic Development Strategy Action Plan.

## **MID YEAR PERFORMANCE REPORT**

A report was submitted by the Executive Director of Infrastructure and Regeneration providing details of the department's mid year progress in meeting departmental

objectives set out in the Housing, Environmental and Economic Development Strategic Plan 2014-18.

After discussion and having heard the Executive Director of Infrastructure and Regeneration and the Head of Regeneration and Economic Development in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report.

### **FINANCIAL REPORT 2014/15 AS AT PERIOD 7 (31 OCTOBER 2014)**

A report was submitted by the Executive Director of Infrastructure and Regeneration providing an update on the financial performance to 31 October 2014 (Period 7) of those services under the auspices of the Infrastructure, Regeneration and Economic Development Committee.

After discussion and having heard the Executive Director of Infrastructure and Regeneration, the Head of Regeneration and Economic Development and the Business Unit Finance Partner in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the contents of the report which shows the revenue budget forecast to overspend against budget by £0.195m (less than 1%) at the year-end;
- (2) to note the net projected annual capital underspend of £1.461m (6.0%), of which £2.403m (9.8%) relates to project rephasing and an in-year overspend of £0.942m (3.8%); and
- (3) to note the progress on savings incorporated into budgets for 2014/15.

### **OVERTOUN HOUSE, MILTON BRAE, MILTON, G82 2SH**

A report was submitted by the Executive Director of Infrastructure and Regeneration providing an update on progress in respect of the completion of the refurbishment and conversion works of Overtoun House by the tenant, Overtoun House Christian Centre, for the term 31 December 2012 to 31 December 2015.

After discussion and having heard the Head of Regeneration and Economic Development and the Estates Surveyor in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the progress made in terms of the works at Overtoun House, which will benefit the Council by providing the facility at Overtoun House;
- (2) that a site visit be arranged to allow all Member's to view the facilities at Overtoun House.

## **TENDER FOR A WATER QUALITY MANAGEMENT SERVICE (INCLUDING LEGIONELLA CONTROL)**

A report was submitted by the Executive Director of Infrastructure and Regeneration seeking approval for officers to issue a tender for water management services including legionella control within all council operational buildings.

The Committee agreed:-

- (1) to approve the issue of the tender;
- (2) that authority be delegated to the Executive Director of Infrastructure and Regeneration to award the contract to the most economically advantageous tender, on a price and quality basis; and
- (3) that West Dunbartonshire Council should act as lead authority for the collaborative tender.

The meeting closed at 11.34 a.m.

**WEST DUNBARTONSHIRE COUNCIL****Report by the Executive Director of Infrastructure and Regeneration**

**Infrastructure, Regeneration and Economic Development Committee:  
18 March 2015**

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**Subject: Business Gateway Integrated Service Delivery Model for Business Support - Efficiency Savings**

**1. Purpose**

- 1.1** The purpose of the report is to seek approval to bring delivery of the Business Gateway service in house from 1 October 2015, through the development and implementation of an integrated Business Support service delivery model which it is estimated will provide significant efficiency savings by 2016/17.

**2. Recommendations**

- 2.1** It is recommended that IRED Committee agrees:

- (i) to bring the Business Gateway service delivery in-house from 1 October, 2015; and
- (ii) the proposed integrated Business Support delivery model outlined in this report which it is estimated will provide significant efficiency savings in 2015/16, 2016/17 and 2017/18.

**3. Background**

- 3.1** The service delivered by Business Gateway falls into three broad categories:
- one to one services, providing face to face engagement with Business Gateway Advisors;
  - one to many services, providing workshops, training seminars and events and web based e-learning materials; and
  - local discretionary services, targeting advice and support to specific groups within the local area e.g. pre starts, under-represented groups like women, young people, and expert assistance for growing businesses.
- 3.2** In April 2008, responsibility for managing the Business Gateway service transferred to Local Authorities from Scottish Enterprise. Since then, West Dunbartonshire Council has held the role of Lead Local Authority for Business Gateway delivery in West Dunbartonshire, East Dunbartonshire and from 2008-2012 for the Helensburgh & Lomond district of Argyll and Bute.

- 3.3** The Business Gateway contract was renewed in October 2012, following a Best Value Review and Options Appraisal which determined at that time that the service delivery was best placed with an external contractor. The contract was awarded to Business Development Advisers Ltd following an OJEU tendering exercise for an initial three year period with a possible extension of two, one year periods. The contract also retained the option to bring the service in house after the initial three year period which is due to end in September 2015. The value of the current contract is £228,170 per year.
- 3.4** In 2012 agreement was reached with the Scottish Government for the annual budget to be transferred from West Dunbartonshire Council to Argyll and Bute Council. At this point, Argyll and Bute Council took full responsibility for delivery of the service and performance monitoring for the Helensburgh & Lomond district area.
- 3.5** East Dunbartonshire Council received Committee Approval in March 2012, to take the service in house and commenced delivery in October 2012. A Service Level Agreement was completed in May 2013, covering all aspects of service delivery by East Dunbartonshire Council and the role of West Dunbartonshire Council as Lead Local Authority where the Council will continue to monitor and allocate budget on delivery of services.
- 3.6** Additional external funding has been levered in through successful bids for European Regional Development Fund (ERDF), first under Fit for Growth and more recently through Business Gateway Plus. This has allowed an enhanced support to be offered to fragile start-up businesses and assisted business base companies to develop their growth plans. The current contractor delivers the advisory elements of Business Gateway Plus, while the local authorities provide grant and funding support.

#### **4. Main Issues**

- 4.1** The break clause in the Business Gateway contract, plus emerging opportunities to match the core funding with ERDF funding provides an opportunity to consider and evaluate our delivery model (see Appendix 1 Options Appraisal Summary). The preferred option would be to provide a fully integrated service, delivered by West Dunbartonshire Council Business Support Team from October 2015.
- 4.2** The Business Competitiveness theme of the new EU structural funds programme (2014-2020) offers significant opportunities to further develop the additional services piloted in the current Business Gateway Plus programme. An application is currently being developed by the SLAED (Scottish Local Authority Economic Development) Company Growth group, which would provide a menu of services, broadly consistent across the country but flexible enough to be tailored to changing local needs and delivered in West Dunbartonshire by an enhanced Business Support Service.

- 4.3** It is expected that this programme, if approved, will provide additional ERDF funding which is likely to increase the current budget for Business Gateway activity by 30-40% from 1<sup>st</sup> October 2015. Further external funding streams including European funding will be more accessible with a joined up business support offering being proposed.
- 4.4** Business Gateway delivery is currently based on a unit cost payment for performance against defined annual targets. It is expected that when the new Business Gateway Plus programme commences in October 2015 it will continue to use a similar unit cost based model for both the core programme and EU activity streams. This means that the challenging Business Gateway core targets will have to be met to allow both the core budget and EU funding elements to be maximised. This has been realistically reflected in the resources required to deliver on this heavily target driven model. (Table 1 and 1a below).
- 4.5** The Options Appraisal, shown at Appendix 1, determined that the in house delivery model offers greater operational efficiency and effectiveness, as well as best value for money. The main points highlighted in the Options Appraisal include:-
- in-house delivery allows full integration with other relevant council business services (such as estates);
  - in-house delivery provides a more flexible and responsive service to suit changing local economic conditions;
  - recent guidance on EU Procurement Regulations would preclude WDC from extending the existing Business Gateway contract as there are changes to the contract value, due to additional EU Funding being sought that exceeds the current contractual arrangements; and
  - in-house delivery option will reduce property, management and administration costs and streamline staffing.
- 4.6** In line with the council wide strategy of Delivering for the Future, the proposed fully integrated service delivery model will re-engineer the service bringing in additional income generation opportunities while strengthening the Council's overall focus on growing the local economy through its businesses and people. See Appendix 2 for the structure of the Economic Development Team with the additional officer positions.
- 4.7** The Officers currently employed within the Business Support team have a high level of experience and are well qualified to provide the majority of the advisory support currently provided by Business Gateway advisers. It is however, important to note that both of the current officers work part-time which equates to 1.4 FTE. This would not be deemed sufficient resource to deliver both Council work activity and work activity required through the Business Gateway core contract and Business Gateway Plus ERDF funded elements and thus meet the targets required to maximise revenue. An additional two officers (current provision through contractor equates to 3.5FTE) would therefore be essential to ensure the new integrated team could

continue to deliver a high quality service to local businesses and fully maximise all sources of funding.

- 4.8** There are also elements of the Business Gateway service which require specialist expertise. A Preferred Supplier Framework exercise would therefore be carried out in the transition period to cover these elements which would include workshops and seminars and the procurement of specialist advisors in areas such as Marketing, Intellectual Property, Business Strategy and Human Resource Management. This approach is consistent with the way these elements are currently delivered by the contractor.
- 4.9** The proposed estimated savings to be achieved can be seen in **Table 1 and 1a** below. The ERDF funding being sought is not yet known as Local Authority funding allocations for delivery of Business Gateway is being negotiated through SLAED and requires further clarification from Scottish Government. Current Business Gateway annual budget for West Dunbartonshire Council is £228,170. A detailed Savings Options (completed template) can be found in Appendix 3:-

**Table 1: Current Business Support and Business Gateway Budget**

	2014-15
	£
Establishment (Staff Costs)	£296,050
Local Discretionary Grants	£248,000
Strathleven Regeneration	£40,000
Tourism Grant Support	£25,010
Visit Scotland	£29,850
Business Gateway Budget (paid to contractor)	£228,170
BG Contingency	£29,525
BG Monitoring Officer	£44,175
<b>Total Business Support Budget</b>	<b>£940,780</b>

**Table 1a: Proposed Integrated Service Budget with Savings**

	2014-15	2015-16	2016-17	2017-18
	£	£	£	£
Establishment (Staff Costs)	£296,050	£251,874	£251,874	£251,874
Local Discretionary Grants	£248,000	£248,000	£210,000	£210,000
Strathleven Regeneration	£40,000	£30,000	-	-
Tourism Grant Support	£25,010	£25,010	-	-
Visit Scotland	£29,850	£20,000	-	-
Business Gateway Budget *	£228,170	£114,085		
BG Admin staff (2 x P/T 3+4 days per week)		£18,818	£37,636	£18,818
BG Growth Officer		£20,419	£40,838	£20,419
BG Start Up Officer		£20,419	£40,838	£20,419
BG Events and Expert Help		£25,000	£50,000	£25,000
Overhead Costs		£7,500	£15,000	£7,500
BG Contingency	£29,525	£29,525	£29,525	£29,525
BG Monitoring Officer	£44,175	£44,175	£44,175	£44,175
<b>Business Gateway/Support Budget</b>	<b>£940,780</b>	<b>£854,825</b>	<b>£719,886</b>	<b>£627,730</b>
<b>Savings**</b>		<b>£85,955</b>	<b>£220,894</b>	<b>£198,965</b>

\*Note: First 6 months of 2015-16 WDC are committed to external contractor.

\*\*Note: Business Gateway funding from Scottish Government only included for April – September 2017.

## 5. People Implications

- 5.1** The TUPE obligation related to bringing the Business Gateway service in house has been identified as limited to two part time administrators. In addition to the TUPE obligation, two new officer posts would be essential to assist with the delivery of start-up and growth advice to local businesses through the Business Gateway contract. Currently the contractor calls upon a flexible pool of self-employed advisors to deliver the service, ranging from full-time to a couple of days per week, which equates to 3.5 FTE of contracted advisors. (See Table 2 below)
- 5.2** The two new officers would be fully integrated with the current Business Support Team to provide a cross disciplinary team providing both advice and funding support to local businesses. This would offer the possibility of redeployment (although experience of SME support would be an essential requirement). Appendix 2 provides further detail of the structure of the Economic Development team.
- 5.3** The Posts listed below represent the additional staff that would require to be integrated into the Economic Development team. There is currently a Business Support Officer vacant post within the Business Support team which will not be filled and is being offered as part of the proposed savings.

**Table 2: Staffing Implications**

Post title	Number of posts			Grade/ SCP	Hourly Rate	Annual salary	Gross costs
	Existing	New	Difference use + and -				
Senior Administration	TUPE	0.8		N/A			Confidential
Administration	TUPE	0.6		N/A			Confidential
Business Support Officers (fixed term)	None	2		8			Confidential
							£119,312

## 6. Financial Implications

- 6.1** The proposed integration of Business Gateway service delivery into the Council Business Support Team will result in estimated efficiency savings totalling £220,894 by 2016/17 as outlined in 4.5, Table 1 above and detailed in Appendix 3. This would have no impact on funding from Scottish Government for delivery of Business Gateway.
- 6.2** The overheads associated with providing the Business Gateway service in-house, including any property costs associated with the possible relocation of the new team have been considered and are included within the integrated service budget and savings list in Table 1.
- 6.3** The integrated service budget and savings table provides a summary of both the efficiency savings and the proposed re-focusing of resources within the Business Support budget which includes a cessation of grant funding to both Strathleven Regeneration and VisitScotland by 2016/17 which would result in these organisations no longer being grant funded by the Council. It is not anticipated that this termination of funding would cause any significant deterioration in service related to the Council.

## 7. Risk Analysis

- 7.1** A Risk Assessment has been carried out (see Appendix 4) which indicates a low risk level attached to the preferred option to bring the Business Gateway service delivery in house from October, 2015.
- 7.2** Monthly performance monitoring will be undertaken to ensure targets are met and ERDF funding is maximised. Any necessary action will be taken as required to mitigate this risk.
- 7.3** The Business Gateway service is highly target driven with key indicators and payments on results. The current provider utilise 3.5 FTE Business Advisors to deliver the service. The additional two Business Support staff will contribute significantly to mitigating the risk of not delivering the targets; however any less personnel will place a high risk on this service not meeting its targets.

**7.4** An action plan will be developed to ensure a smooth transition of client management and work activity from the contractor. The action plan will include any staff development required to ensure there are no knowledge or skills gaps.

**7.5** There are reputational risks from the cancellation of an external contract, albeit at an agreed break point, and from the termination of funding to external bodies. Both can be mitigated by a planned communications programme explaining the financial and service benefits of the change.

## **8. Equalities Impact Assessment (EIA)**

**8.1** An Equalities Impact Assessment has been carried out (Appendix 5) which did not identify any significant issues.

## **9. Consultation**

**9.1** A full evaluation of Business Gateway Service delivery was published in 2011/12. The Business Gateway Management Group has carried out, through the Business Gateway National Unit, extensive consultation finding support for both contracted and in house delivery.

**9.2** The Business Gateway Strategy review October 2014 recommended that local authorities conduct thorough option appraisal work to determine the most effective delivery model for the service within their specific local context.

**9.3** Scottish Government guidance also states that the decision on the optimum structure for service delivery sits within Local Authorities which are best placed to determine local needs.

## **10. Strategic Assessment**

**10.1** This report contributes to the Council's Strategic Priorities and in particular towards:

- Improving economic growth and employability

**Richard Cairns**

**Executive Director of Infrastructure and Regeneration**

**Date: 01 March 2015**

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**Person to Contact:**

Michael McGuinness - Economic Development Manager,  
Council Offices, Garshake Road, Dumbarton, G82 3PU,  
telephone No.: 01389 737415, e-mail:  
[Michael.mcguinness@west-dunbarton.gov.uk](mailto:Michael.mcguinness@west-dunbarton.gov.uk)

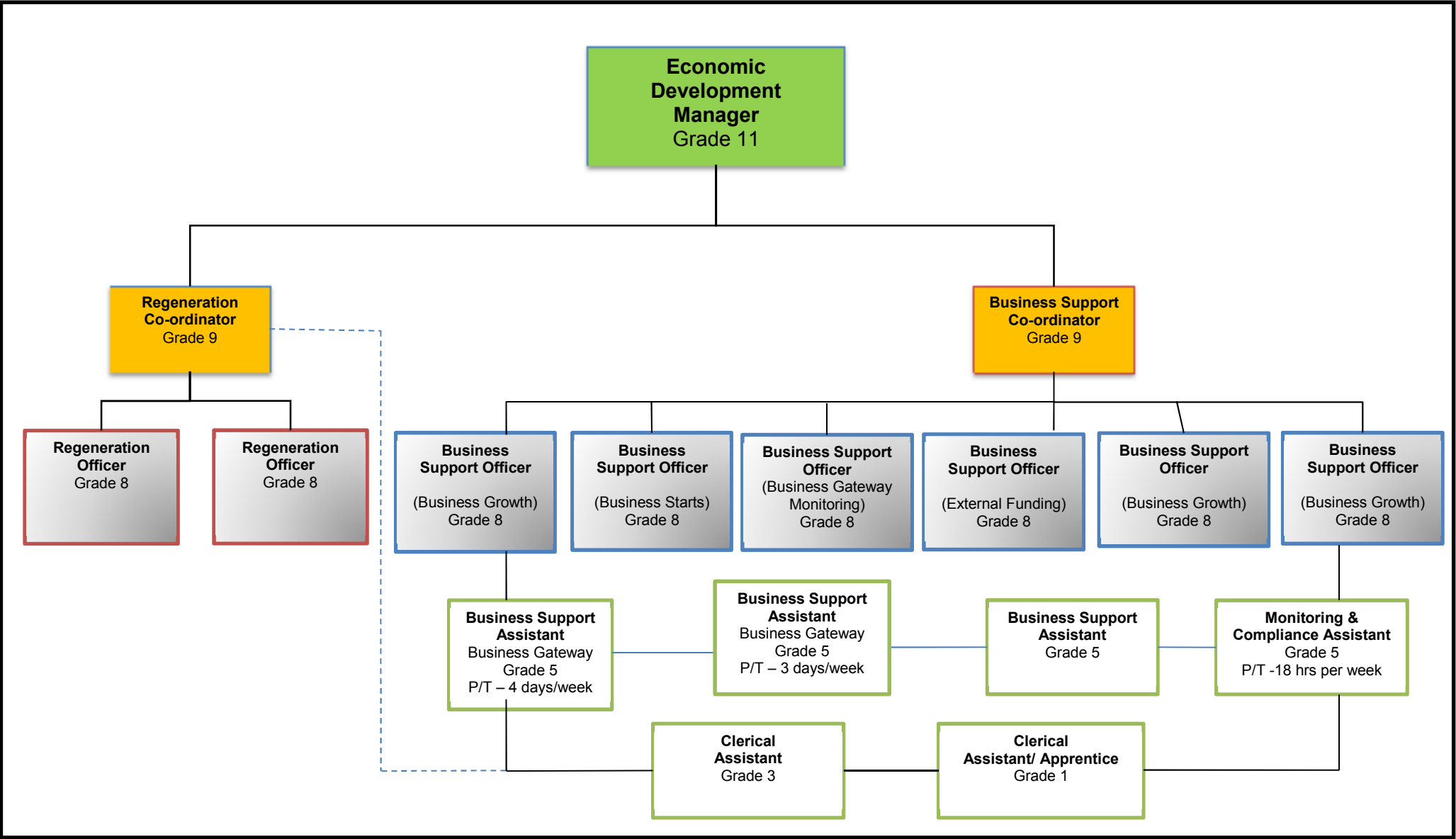
<b>Appendices:</b>	Appendix 1- Options Appraisal Summary Appendix 2- Economic Development Structure chart Appendix 3- Savings Options (Completed Template) Appendix 4- Risk Assessment Appendix 5- EIA Assessment
<b>Background Papers:</b>	Business Gateway Options Appraisal and Service Review
<b>Wards Affected:</b>	All wards

## Appendix 1 - Options Appraisal Summary

Option Criteria	Option 1 – ‘Do Minimum’- extend current contract	Option 2 – Re tender through OJEU	Option 3 – In House Delivery Model
<b>Achievability</b>	<p>Recent guidance on EU Procurement Regulations would preclude WDC from extending the Business Gateway contract..</p> <p>The bid to the EU Structural funds 2014-20 programme under the theme, ‘Business Competitiveness’ is being co-ordinated by SLAED and is expected to achieve a 35-45% activity uplift through matching the core Business Gateway contract funding.</p>	<p>This would allow Council to test the market, however, due to the value of the contract, reduced timescale (2 years) and expected outputs, the tender may not be attractive to third party contractors and quality and experience of contractor may not be guaranteed.</p> <p>A change of contractor could cause disruption to services and customer confusion.</p> <p>Although the Business Gateway Service Evaluation carried out in 2010-11 concluded that it was broadly ‘fit for purpose’, it highlighted 29 recommendations for service improvements.</p>	<p>In house delivery allows full integration with other relevant council business services.</p> <p>More flexible and responsive service to suit changing local economic conditions</p> <p>In House model has a good strategic fit with Scottish Government and Council aspirations for alignment of business support services and good practice in customer service</p> <p>A preferred model of in house delivery has developed in other local authority areas over the course of the current contract (2012-2017)</p> <p>Through closer integration with the current contractor, the intervening time has allowed WDC to thoroughly review delivery options and consider planning and transition requirements.</p>
<b>Cost Effectiveness</b>	<p>Service continuity would be maintained. From the customer perspective, this would represent ‘business as usual’.</p>	<p>Contract arrangements require payment triggers. It is felt that this can drive contractor behaviour towards income maximisation rather than offering a truly customer centred service.</p>	<p>Payment triggers would not be required, allowing a more flexible approach to delivery and a stronger focus to be maintained on council objectives of economic growth and job creation. There are however still significant payment by results targets that need to be achieved.</p> <p>In house delivery option will reduce property, management and administration costs and streamline staffing.</p> <p>TUPE responsibility is minimal; restricted to administration staff, both fully trained in all current</p>

			<p>Business Gateway systems and processed.</p> <p>A single point of contact would be offered for business customers.</p> <p>Bring delivery in house would allow for future development of a single point of access for all council business services.</p>
<b>Sustainability</b>	OJEU tender process covering the period 2012-17 would restrict Council's ability to explore additional external funding opportunities	<p>Additional procurement costs would be incurred.</p> <p>The Timescale would be tight for a full OJEU process</p>	<p>Expected savings of £220,894 per annum by 2016/17 are indicated by adopting an in house delivery model through the best value review.</p> <p>Future external funding opportunities would not be thwarted by procurement considerations.</p> <p>The council may terminate the current Business Gateway contract by providing three month's written notice to the contractor.</p>
<b>Equality</b>	A full Equalities screening was carried out in 2012 prior to the procurement of the current contract and covering the full project duration (2012-2017)	Full Equalities screening was carried out in 2012 prior to the procurement of the current contract and covering the full project duration (2012-2017). The delivery model would remain the same for the OJEU exercise should it be required.	Due to TUPE considerations a full Equalities' Impact Screening would be carried out and if necessary a full assessment exercise thereafter in accordance with Council policy
<b>Community Impact / Risk</b>	Anticipated new service activity opportunities would have to be tendered. This could result in duplication and confusion if current contractor was not the successful bidder	Potential disruption would result if the current contractor should be unsuccessful with bid. This would be significant given the residual contract duration (2 years).	<p>In house delivery offers optimum integration with relevant Council services and would help WDC to enhance its aim to become a business friendly organisation and raise its reputation and profile in the local community.</p> <p>There would be an opportunity through the developing network of One Stop shops to improve access to the service across the whole of West Dunbartonshire through better outreach facilities.</p>

Proposed Integrated Business Support  
Economic Development Team Structure



West Dunbartonshire Council - Project File

Project Code	
Project Name	Business Support+ Business Gateway Merge
Project Description	Proposal to bring in-house and deliver Busines Gateway through the Economic Development Business support team and re-evaluate the funding stream with objective of making savings from 2016/17 onwards.
Project Budget	£940,780.00
Project Budget Code	
Project Start Date	Budget period 2015/16

Project Contacts

Name	Telephone Number	Email Address	Project Board	Project Manager	Project Team
Michael McGuinness	01389 737415	<a href="mailto:michael.mcguinness@west-dunbarton.gov.uk">michael.mcguinness@west-dunbarton.gov.uk</a>			

West Dunbartonshire Council - Project Approval			
Service Area	WDC Business Support+ Business Gateway		
Total Budget 2014/15	Employee Costs	Fixed Costs	Variable Costs
£940,780.00	£340,225.00	£228,000.00	£372,555.00
Targeted/Expected Savings		Percentage of budget	
£220,894.00		23%	
Statutory Obligation: <i>please detail any statutory or minimum requirements within the service provision</i>			
There is no statutory obligation to provide Business Support activities.			
Current Service Provision		Any Gap in Provision	
<p>The Business Support provision is in-house with several officers and administrators providing grant support and discretionary funding to the Business Community. The Business Gateway contract is currently delivered externally and it is proposed to bring this in-house and make savings across the piece.</p> <ul style="list-style-type: none"><li>• Establishment £296,050</li><li>• Local Discretionary Grants £248,000</li><li>• Strathelvern Regeneration £40,000</li><li>• Tourism Grant Support £25,010</li><li>• Visit Scotland £29,850</li><li>• Business Gateway Contract £228,000</li><li>• Business Gateway Contingency £29,525</li><li>• Business Gateway Monitoring Officer £44,175</li></ul>		No current gap in provision.	
Areas of service for review, redesign, and/or reduction			

the Business Support provision is in-house with several officers and administrators providing grant support and discretionary funding to the Business Community. The Business Gateway contract is currently delivered externally and it is proposed to bring this in-house and reduce revenue budgets across the service. the proposed savings are from 2014/15- 2016/17:

<b>Current 2014/15:</b>	<b>Proposed (2016/17):</b>	<b>Savings:</b>
1. Establishment £296,050	Establishment £251,874	£44,176
2. Local Discretionary Grants £248,000	Local Discretionary Grants £210,000	£38,000
3. Strathleven Support £40,000	Strathleven Support £0	£40,000
4. Tourism Grants £25,010	Tourism Grants £0	£25,010
5. Visit Scotland £20,000	Visit Scotland £0	£29,850
6. Business Gateway Delivery £228,170	Business Gateway Delivery £184,312	£43,858
7. Business Gateway Contingency £29,525	BG Contingency £29,525	£0
8. BG Monitoring Officer £44,175	BG Monitoring Officer £44,175	£0
	<b>Total</b>	<b>£220,894</b>

#### Implications

1. In the current Establishment there is a vacancy for a Business Support Officer that will not be filled and offered as a savings from 2014/15 onwards.
2. The Scheme allocation is the budget for all grants that we provide the £38k savings will be made from completion of Energy Savings projects and terminate export grant (provided through others).
3. Strathleven support has been reduced to £30k for 2015/16 and the full amount will be offered as a saving in 2016/17 with no anticipated detriment to the service provision at Strathleven Regeneration.
4. Tourism grant funding amount will be offered as a saving from 2016/17 and funding from Local discretionary grants and potential EU funding will substitute funding activities in this sector.
5. Visit Scotland budget has been reduced year on year and will be fully offered as a saving for 2016/17. Unlikely to impact Tourism provision in the area.
6. The Business gateway contract funding will offer savings in 2016/17 and the funding available will be used to resource events/workshops and expert help together with administration TUPE revenue costs and two new officers to deliver with the Business Support team the full range of services sought.
7. Current contingency will be maintained as this is provided for both West and East Dunbartonshire in delivery of Business gateway.
8. The monitoring officer role provided to support both West and East Dunbartonshire shall be maintained.

The Savings being proposed through bringing the service in-house and making savings across the Business Support revenue budget amounts to £220,894 by 2016/17.

The savings in 2015/16 amount to £76,105 made up from Business Support officer vacancy a £10k reduction in Strathleven Regeneration support and reduced Business Gateway funding required.

#### Implications on Service Provision

There is no statutory requirement to provide business support within West Dunbartonshire, however Business support is an important element for Economic growth. There will be a TUPE requirement for two administration positions, however no obligation for the Business Advisors. It is recommended that two new Business Gateway Officers are employed on a two year contract basis.

#### **Interdependencies**

None

#### **Implication on Employees**

The Existing Business support advisors and the new Gateway advisors would perform the same duties and training is being provided during 2014/15 to enhance skills of existing Business Support Officers to take on the additional duties that a Gateway Advisor would typically perform. The training is not significant.

#### **Business Partner View**

This would fully integrate the services supporting Businesses in the area and have no direct impact on Business Partners.

#### **Legal, Finance and HR Sign-off**

#### **CMT/SLG Sign off**

#### **Consultation Process**

[Consultation Process](#)

**Timescale for Implementation**

Seeking Council/IRED approval to bring the Business Gateway Service in house will take place in Feb/March 2015 and the Gateway current contract can be terminated as of 30th September 2015.

**Communication Strategy - In Conjunction with PR**

[Communication Plan](#)

Appendix 4 – Risk Assessment											
West Dunbartonshire Council Strategic and Operational Risk Assessment											
Service: Economic Development			Department : HEED			Date of Assessment : 9/1/2015					
Business Objective: Business Gateway Service Delivery (2015-17)											
Responsible Person: Michael McGuinness					Date of Completion:						
Risk to Business Objective	Likeli- hood -L	Imp- act- I	Risk Scor e-RS	Risk Rating - RR	Risk Control Measurers	L	I	RS	Residu al RR	Outline Contingency Plan	
TUPE and Legal costs exceed estimates	1	2	2	LOW	Contractor has restructured contract management team resulting in reduced liability. Monitored annually.	1	1	1	LOW	Manage transition process should council approval be achieved	
Council budget constraints reduce available funding for Business Gateway Service	2	4	8	MED- IUM	SOA objectives place Economic Development and effective support for business creation, growth and sustainability as a top priority. (Based on Annual budget)	2	2	4	LOW	Maximise additional funding by matching Business Gateway budget through EU Structural Funds (2014-2020) Business Competitiveness bid to deliver local discretionary services	
Failure to achieve effective integration of the Business Gateway service within the council	1	4	4	LOW	WDC has been Lead Local Authority for service delivery since 2008 and has worked closely with contractor to align BG and Council business support services	1	2	2	LOW	Full Transition plan to be implemented from January to September 2015 should council approve in house delivery model	
Failure to deliver targets and thereby maximise Scottish Government and ERDF funding through under- resourcing delivery team	3	4	12	HIGH	The experienced current contractor utilises a flexible pool of self employed advisers equating to 3.5 FTE. 2 new council posts are very important to successful delivery and budget maximisation	2	3	6	MED- IUM	The two new officers would be fully integrated with the current Business Support Team to provide a cross disciplinary team providing both advice and funding support to local businesses.	
Scottish Government withdraw support for Business Gateway	1	4	4	LOW	Scottish Government Economic Strategy reaffirmed its commitment to Business Gateway to provide a national advice and support service to Scottish businesses at all stages of their development.	1	2	2	LOW	Look for new and additional funding sources	
Failure to retain the breadth of business experience developed within the current contractor team should in house delivery be approved	2	4	8	MED- IUM	The preferred model of in- house delivery would require a Supplier Framework tendering exercise to be instigated. Excellent communication exists is local and wider networks to ensure this brings forth the required skills.	1	2	2	LOW	Full Transition plan to be implemented from January to September 2015 should council approve in house delivery model	

Major changes to Business Gateway Service following the full evaluation of the current 2012 - 2017 programme.	3	3	9	MED-IUM	West Dunbartonshire Council holds Lead Local Authority status until 2017 and is fully represented at both Business Gateway Management and Operational group level.	2	3	6	MED-IUM	Representation on operational sub groups and management groups to be prioritised.

Risk Matrix					
Likelihood	4 Certain	4	8	12	16
	3 Very Likely	3	6	9	12
	2 Likely	2	4	6	8
	1 Unlikely	1	2	3	4
		1 Negligible	2 Insignificant	3 Significant	4 Critical
		Impact			

Risk Score	Risk Rating
12 - 16	High
6 - 9	Medium
1 - 4	Low

## Appendix 5

### EQUALITY IMPACT: SCREENING AND ASSESSMENT FORM

This form is to be used in conjunction with the Equality Impact Assessment Guidelines. Please refer to these before starting; if you require further guidance contact [community.planning@west-dunbarton.gov.uk](mailto:community.planning@west-dunbarton.gov.uk)

<b>Section 1: Policy/Function/Decision (PFD) Details</b>	
A <b>PFD</b> is understood in the broad sense including the full range of functions, activities and decisions the council is responsible for.	
Name of PFD:	The decision to bring the Business Gateway Service delivery in house and integrate within the council Business Support Section.
Lead Department & other departments/ partners involved:	Housing, Environment and Economic Development
Responsible Officer	<b>Michael McGuinness</b>
Impact Assessment Team	Gillian Scholes / Linda McCallum / Ricardo Rea
Is this a new or existing PFD?	<b>New</b>
Start date:      October 2015	End date: September 2017
Who are the main target groups/ who will be affected by the <b>PFD</b> ?	People who live, work, invest or trade within West Dunbartonshire
Is the PFD Relevant to the General duty to eliminate discrimination, promote equal opportunities or foster good relations? Please enter brief detail	The decision is relevant to all three General duties but relates particularly to ensuring that fairness and best value are pursued by fostering good relations with all those involved in the creation, operation, development and growth of businesses operating within West Dunbartonshire and citizens employed within or using the services of those businesses.
<b>Yes:</b>	If yes, complete all sections, 2-9
<b>No:</b>	If no, complete only sections 8-9
	If don't know, complete sections 2 & 3 to help assess relevance

<b>Section 2: Evidence</b> Please list the available evidence used to assess the impact of this PFD, including the sources listed below. Please also identify any gaps in evidence and what will be done to address this.	
<b>Available evidence:</b>	
Consultation/ Involvement with community, including individuals or groups or staff as relevant	The current Business Gateway Service delivery contract was awarded following a full OJEU tendering process to Business Development Advisers Ltd in 2012 for an initial period of 3 years, to September 2015, with the possibility of a further 1+1 year extension. The need to consider efficiency savings options in all relevant service areas has led to the production, by the Business Support Team, headed by Michael McGuinness, of a Best Value Review and Options Appraisal for future Business Support provision in West Dunbartonshire. This has been placed before the CMT to seek approval of the option to bring the Business Gateway service in house and fully integrate the service within the Business Support Section within HEED.
Research and relevant information	The current delivery model for Business Gateway implemented in 2012 was developed from a wide ranging consultation with service users, stakeholders and partner organisations culminating in the production of an independent evaluation report published in June 2012 (Ecorys / Ekogen), approved by SLAED, SOLACE, COSLA and Scottish Government. This document has recently been updated with an Interim evaluation of current delivery arrangements published in October 2014.
Officer knowledge	West Dunbartonshire Council has been Lead Local Authority for Business Gateway delivery across Dunbartonshire since 2008 and the responsible officer sits in the Business Support section. WDC has a senior place on the Business Gateway Management Group and officer representation on the Operational Network group.
Equality Monitoring information – including service and employee monitoring	The service provides a universal model of support, information and advice to both existing and new start businesses operating in West Dunbartonshire. The service is open, and through both national and local advertising, promoted to all equality groups. Since Business Gateway is a national programme, consistent information on legislative requirements of Equal Opportunities and Data Protection etc are gathered, stored and monitored at local level and monitored and collated by the Business Gateway National Unit. Service usage characteristics are monitored to ensure that uptake of the service by equalities

	groups is maintained at levels commensurate with expected levels relating to percentage of total population. Equality and Diversity training is carried out within the Induction process for all Business Gateway staff.		
Feedback from service users, partner or other organisation as relevant	Feedback was sought from all categories of service users, partners and stakeholder organisations through the independent evaluation and review carried out in 2011-12 and findings and recommendations incorporated in the current delivery model.  Quality Assurance is undertaken on an on-going basis by an external contractor and any negative comments are fed back to local managers for remedial action.  In house local authority delivery is subject to the same processes as external contracts.		
Other	N/A		
<b>Are there any gaps in evidence?</b> Please indicate how these will be addressed			
Gaps identified	N/A		
Measure to address these			
<i>Note: Link to Section 6 below Action Plan to address any gaps in evidence</i>			
<b>Section 3: Involvement and Consultation</b>			
Include involvement and consultation relevant to this PFD, including what has already been done and what is required to be done, how this will be taken and results of the consultation.			
Please outline details of any involvement or consultation, including dates carried out, protected characteristics. Also include involvement or consultation to be carried out as part of the developing and implementing the policy.			
<b>Details of consultations</b>	<b>Dates</b>	<b>Findings</b>	<b>Characteristics</b>

			Race
			Sex
			Gender Reassignment
			Disability
			Age
			Religion/ Belief
			Sexual Orientation
			Civil Partnership/ Marriage
			Pregnancy/ Maternity
Standard programme documentation captures all relevant information which is stored and monitored regularly at local level to ensure that equalities groups are proportionately represented in the service use.			Cross cutting
<i>Note: Link to Section 6 below Action Plan</i>			

#### Section 4: Analysis of positive and Negative Impacts

Protected Characteristic	Positive Impact	Negative Impact	No impact
Race			X
Sex			X
Gender Re-assignment			X
Disability			X
Age			X
Religion/ Belief			X
Sexual Orientation			X
Civil Partnership/ Marriage; this PC is not listed as relevant for Specific Duties; however under the General Duty we are required to eliminate any discrimination for this PC.			X

*Note: Link to Section 6 below Action Plan in terms of addressing impacts*

## Section 5: Addressing impacts

Select which of the following apply (you can choose more than one) and give a brief explanation – to be expanded in Section 6: Action Plan

1. No major change	In the 2012 OJEU tendering exercise, West Dunbartonshire Council reserved the right to bring the service delivery in house at the contract break point, 1 <sup>st</sup> October 2015. Working closely with the contractor since October 2012 has allowed for full consideration of all of the implications and responsibilities of fully integrating the service within council Business Support.
2. Continue the PFD	<p>A Best Value Review and Options Appraisal process has been carried out in accordance with Scottish Government and Local Authority best practice guidance.</p> <p>TUPE obligations have been considered and significant efficiency savings identified.</p> <p>Programme documentation has been developed with full consideration of Equality, Health &amp; Human Rights under the general and specific duties.</p> <p>No likely significant negative impacts were identified during the impact screening exercise.</p>
3. Adjust the PFD	
4. Stop and remove the PFD	

Give reasons:

*Note: Link to Section 6 below Action Plan*

**Section 6: Action Plan** describe action which will be taken following the assessment in order to; reduce or remove any negative impacts, promote any positive impacts, or gather further information or evidence or further consultation

Action	Responsible person	Intended outcome	Date	Protected Characteristic
				Disability
				Gender
				Gender Reassignment
				Race
				Age
				Religion/ Belief
				Sexual Orientation
				Civil Partnership/ Marriage
				Pregnancy/ Maternity
Monitoring of any complaints by any equality group	Monitoring and Compliance Officer	Ensure that services are being delivered fairly		Cross cutting

**Are there any negative impacts which cannot be reduced or removed?** please outline the reasons for continuing the PFD

**None Apparent**


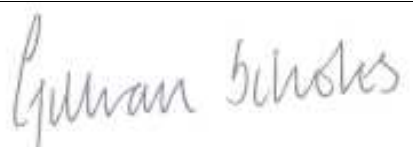
## Section 7: Monitoring and review

Please detail the arrangements for review and monitoring of the policy

How will the PFD be monitored? What equalities monitoring will be put in place?	Programme outcomes and data integrity are monitored on a monthly basis. There are annual targets for participation by minority groups. Any complaints will be monitored with regard to Equalities groupings. The policy will be monitored by reporting through departmental structures and on Covalent.
When will the PFD be reviewed?	The policy is scheduled to be reviewed in September 2017 when the current funding model is reviewed.
Is there any procurement involved in this PFD? If yes please confirm that you have read the WDC Equality and Diversity guidance on procurement	A preferred service provider framework agreement exercise will be carried out to deliver the one to many workshops and expert help service elements. WDC Equality and Diversity Guidance will be fully considered.

## Section 8: Signatures

The following signatures are required:

Lead/ Responsible Officer:	Signature: 	Date: 01/02/15
EIA Trained Officer:	Signature: 	Date: 01/02/15

## Section 9: Follow up action

<b>Publishing:</b> Forward to community Planning and Policy for inclusion on intranet/internet pages	Signature:	Date:
<b>Service planning:</b> Link to service planning/ covalent – update your service plan/ covalent actions accordingly	Signature:	Date:
Give details, insert name and number of covalent action and or related PI:		
<b>Committee Reporting:</b> complete	Signature:	Date:

relevant paragraph on committee report and provide further information as necessary		
<b>Completed form:</b> completed forms retained within department and copy passed to Policy Development Officer (Equality) within the CPP team	Signature:	Date:

**WEST DUNBARTONSHIRE COUNCIL****Report by the Executive Director of Infrastructure and Regeneration**

**Infrastructure, Regeneration and Economic Development Committee:  
18 March 2015**

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**Subject: Scottish Local Authority Business Loan Fund****1. Purpose**

- 1.1** The purpose of this report is to seek approval from Committee to participate in the formation of and implementation of a Scotland Wide Local Authority Loan Fund as a means of providing loan finance to small and medium sized local businesses.

**2. Recommendations**

- 2.1** It is recommended that the Committee:

- (i) Agree to participate in the formation and implementation of a new Scottish Local Authority Loan Fund as a means of providing loan finance to small and medium sized local businesses.
- (ii) Agree that the existing business and assets of West of Scotland Loan Fund be transferred to the new Scottish Local Authority Loan Fund company as of 1 April 2015.
- (iii) Provide delegated authority to Executive Director of Infrastructure and Regeneration to conclude and agree the Articles of Association and Members Agreement for the new Scottish Local Authority Business Loan Fund Company.
- (iv) Provide delegated authority to Executive Director of Infrastructure and Regeneration to nominate, as required Council officers to attend working groups on behalf of West Dunbartonshire Council.

**3. Background**

- 3.1** West Dunbartonshire Council is a participant in the delivery of the West of Scotland Loan Fund which is a consortium of 12 local authorities incorporated as a company limited by guarantee in June 1996. In this respect, each member Local Authority provides a level of loan finance for companies in their area and this is augmented by European Regional Development Funding (ERDF).
- 3.2** An opportunity exists to create a Scotland wide Local Authority Loan Fund modelled on the successful West of Scotland Loan Fund (WSLF) and East of Scotland Investment Fund (ESIF).

- 3.3** The Fund which is replenished as loans are re-paid provides loan finance of up to £100,000 to new and growing, small and medium-sized enterprises across the west of Scotland and has successfully operated over the last 18 years filling the “funding gap” for local companies where there is a difficulty in raising finance from more traditional commercial sources.
- 3.4** Since March 2010, the fund has assisted 12 local businesses with loan funding totalling £302,000. This loan funding has attracted private sector funding leverage of £1,028,400 which has assisted with sustaining 220 jobs and the proposed creation of an additional 107 jobs.
- 3.5** Scottish Government has committed £40million in total to the recapitalisation of the Scottish Investment Bank and the Local Authority Loan Fund for the first 3 years of the 2014-20 European Structural Programme. It should also be noted that a potential ERDF match of £40 million is being sought to match this commitment.
- 3.6** A working group has been established with representatives from the West of Scotland Loan Fund, East of Scotland Investment Fund, local authorities from Dumfries and Galloway, Scottish Borders, Highland and the Scottish Government to examine the opportunity for the creation of a Scotland wide Local Authority Business Loan Fund, operating along similar lines to the current WSLF, thereby retaining local control and decision making in order to reflect local priorities.

#### **4. Main Issues**

- 4.1** The Working Group has subsequently written to all local authorities setting out a prospectus and timetable for the establishment of the new Loan Fund which relates to proposed governance, operations and legal considerations. It is envisaged that the company’s Board of Directors will consist of two to three members from each operational areas and this will be determined once the new company is established and invitations to join the board are sent out.
- 4.2** The plan is that a new Scotland Local Authority Loan Fund Company will be operational by April 1st 2015. As with the West of Scotland loan Fund, each Member Authority will be responsible for delivery of the fund within its own area. This includes local promotion of the fund to eligible businesses and stakeholders, identification of potential applicants, supporting businesses through the application process, appraising and determining applications and maintaining contact with and providing after care to loan recipients.
- 4.3** The new Fund will offer loans of up to £100k, both on a secured and unsecured basis depending on risk to eligible companies currently at a fixed interest rate of 6% per annum with no additional fees or charges.
- 4.4** The fund will be delivered through a newly incorporated company, limited by guarantee which all 32 Scottish Local Authorities will be invited to join. The proposed delivery structure comprises three operational areas – East, West

and Highlands and Islands – each of which will essentially operate as a “fund within a fund”.

- 4.5** Each Local Authority’s financial contribution to the Fund and any ERDF match funding secured will be exclusively ring fenced for investing by that Local Authority solely in their area.

## **5. People Implications**

- 5.1** There are no people implications for West Dunbartonshire Council. However, it is anticipated that the 4 employees (3 staff on permanent contract and 1 on fixed term contract) of the West of Scotland Loan Fund and one employee (on a fixed term contract) of WSLF Management Services Ltd would transfer into the Scottish Local Authority Business Loan Fund under Transfer of Undertakings, Protection of Employment (TUPE) regulations.

## **6. Financial Implications**

- 6.1** The existing business and assets of West of Scotland Loan Fund and East of Scotland Investment Fund Limited will be transferred into the new company; however, the debtor books of WSLF and ESIF will remain with WSLF and ESIF respectively. Any cash contained within WSLF and ESIF, together with monies received from debtors in these companies will be transferred into the new company and remain ring-fenced for use by the respective member authority. It is envisaged that funds will be transferred on a phased basis annually, after all liabilities have been met.

- 6.2** The value of the fund as at 31 December 2014 is detailed below:

As at 31/12/2014	WDC	WSLF
Cash at bank	£337,033	£9,335,389
Investments (loans)	£139,225	£6,163,313
Overall	£476,258	£15,498,702
% of Fund	3.07	100.00

- 6.3** The value of the WSLF fund (cash at Bank) at 1 April 2015 will be approximately £288,000 as a loan of £49,000 has still to be drawn down. This amount will provide adequate resource to fund the new Loan fund. There will be no requirement for the Council to provide any additional funding for the new loan fund.

- 6.4** It is estimated the amount of lending across all 32 Local Authorities will be in the region of £6m per annum and as the ERDF funding is initially for a 3 year period this could create a fund valued at approximately £18m.

## **7. Risk Analysis**

- 7.1** The new Fund will implement a debt management policy to ensure a pro-active approach is taken in managing any arrears, bounced payments, defaulters and bad debts etc. Whilst the operating model for the Fund can

tolerate a bad debt ratio of up to 30%, the debt management policy would allow appropriate action to mitigate bad debt and will target a much lower rate. The aim will be to act swiftly to safeguard the interests of the fund.

- 7.2** In terms of protecting the investments, the new Fund will take security where ever it is appropriate and prudent to do so. Security will be taken in the form of standard security, bond & floating charge and personal guarantee. Each of the loan documents standard securities will be registered in the property registers (Land Register or sasine) at the Registers of Scotland first and then within 21 days in the Register of Companies, thereby allowing the 'contract' to be established from the outset with immediate legal action able to be taken to address arrears and defaulters much more speedily.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** An equalities impact screening assessment has been carried out and highlighted no issues.

## **9. Consultation**

- 9.1** As part of the development process for the new Scotland Local Authority Loan Fund a number of key stakeholders and partners have been consulted including the Scottish Government, Scottish Enterprise, SLAED and Business Gateway.

## **10. Strategic Assessment**

- 10.1** The new Scottish Local Authority Loan Fund would support the Council's strategic priority to improve economic growth and would assist with the implementation of the objectives through the Council's Economic Development Strategy for the local area.

***Richard Cairns***

***Executive Director of Infrastructure and Regeneration***

**Date: 04 February 2015**

**Person to Contact:** Michael McGuinness - Economic Development Manager,  
Council Offices, Garshake Road, Dumbarton, G82 3PU,  
telephone No.: 01389 737415, e-mail:  
[Michael.mcguinness@west-dunbarton.gov.uk](mailto:Michael.mcguinness@west-dunbarton.gov.uk)

**Appendices:** **Appendix 1:** Prospectus for the Creation of a Scottish  
Local Authority Business Loan Fund

**Background Papers:** None

**Wards Affected:** All Wards

# **Prospectus for the creation of a Scottish Local Authority Business Loan Fund**

## **Foreword**

Over the last 18 years, during some of the most challenging of economic circumstances, some 22 Local Authorities have worked together to support over 1,700 businesses with their most fundamental need: access to finance.

Between them, the West of Scotland Loan fund and latterly, the East of Scotland Investment Fund have provided over £36 million to new and growing businesses who would otherwise have been unable to grow and develop their business through a lack of access to finance. This has enabled an average increase in sales of over £400k per business supported, resulted in the creation of 10,000 new jobs and helped safeguard the employment of 19,000 existing employees.

These are remarkable outcomes and outputs for two Local Authority projects. Perhaps more remarkable has been the levels of commitment, partnership and collaboration which brought about the initiatives. Councils have worked tirelessly to secure agreement, pool resources and lever in additional funding through ERDF and the banks, all to the benefit of the local economy.

Through the continuing efforts of the member authorities of both the West and East of Scotland Loan Funds and with the support of SLAED, we have secured the confidence and support of the Scottish Government. We now have a unique opportunity to build upon the preceding work and establish a pan-Scotland Loan Fund as part of the new European Structural Funds Programme 2014-2020.

This prospectus has been prepared by a working group including board members from the two existing fund organisations, SLAED and the Scottish Government. The opportunity we have to pool resources and secure additional leverage makes sense. It offers, in my view, an excellent chance to achieve more with what is, for most authorities, reducing budgets.

Whilst the core principal that any resources invested are ring-fenced for exclusive use by the investing authority remains at the heart of these proposals, a pan-Scotland Loan Fund will demonstrate that Scottish Local Authorities can work together to achieve better outcomes for our local economies.

I thoroughly recommend it is considered by all 32 Scottish Local Authorities and look forward to you confirming your participation.

**Jim Galloway**

**Chair, Scottish Local Authority Economic Development Group.**

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## **Executive Summary**

An opportunity exists for all of Scotland's Local Authorities to be part of a pan-Scotland Local Authority Loan Fund modelled on the successful West of Scotland Loan Fund and East of Scotland Investment Fund.

A pan-Scotland Loan Fund is highly likely to be eligible to secure ERDF funding from the European Structural Funds Programme 2014–2020. A collective bid from Scottish Local Government is actively being encouraged by Scottish Government.

The Fund will offer loans of up to £100k, both on a secured and unsecured basis depending on risk to eligible companies at a fixed interest rate of 6% per annum with no additional fees or charges.

The fund will be delivered through a newly incorporated company, limited by guarantee which all 32 Scottish Local Authorities will be invited to join.

The proposed delivery structure comprises three operational areas – East, West and Highlands and Islands – each of which will essentially operate as a “fund within a fund”. It is envisaged that the company's Board of Directors will consist of two to three members from each operational area.

Each Local Authority's financial contribution to the Fund will be exclusively ring fenced for investing by that Local Authority solely in their area and as such will attract ERDF match funding.

It is estimated the amount of lending across all 32 Local Authorities will be in the region of £6m per annum and as the ERDF funding is initially for a 3 year period this could create a fund valued at £18m.

The target “go live” date for the new fund is 1<sup>st</sup> April 2015.

## 1. Background and the Opportunity for a Pan-Scotland Local Authority Loan Fund

An opportunity exists for all of Scotland's Local Authorities to be part of a pan-Scotland Local Authority Loan Fund modelled on the successful West of Scotland Loan Fund (WSLF) and East of Scotland Investment Fund (ESIF).

WSLF has operated since 1996 and ESIF since 2010. Together, these funds have invested a total of £36 million to date, supporting over 1,700 businesses, generating increased turnover of £680 million and helping to create and safeguard over 29,000 jobs.

The Scottish Government has committed £40 million to Financial Instruments for the first 3 years of the 2014-2020 European Structural Funds Programme.

- These funds are to be used to create an SME Fund specifically for;
  - Recapitalisation of Scottish Investment Bank and
  - Recapitalisation of Local Authority loan funds
- A further £40 million ERDF potentially available for 4 years thereafter.

A pan-Scotland Loan Fund is highly likely to be eligible to secure ERDF funding from this Programme and a collective bid from Scottish Local Government is actively being encouraged by Scottish Government.

## 2. What is the “Financial Product”

The new Pan-Scotland Fund will offer gap-funding to small and medium-sized enterprises (SMEs) within its geographic area of operation in the form of:

- Loans up to £100,000 (probably operating in the range £10k - £100k)
- Secured by Standard Security, Bond & Floating Charge and / or Personal Guarantee
- Some loans may be offered on an unsecured basis depending on circumstance
- Interest rate fixed at 6%\* per annum with no additional fees or charges

*\* It is expected the interest rate for financial instruments offering debt finance will be heavily influenced by the Ex-Ante assessment which should be available mid-December. Advice to date indicates an interest rate of 6% will not be unrealistic.*

## 3. Measuring Economic Impact

The success of the fund will ultimately be determined by its measurable economic impact. A range of indicators and targets will be agreed with the Scottish Government as part of the ERDF application and approval process, however, based on the current EU funding programme the key measures are likely to be:

Measure	Prospective Target
Number of enterprises receiving financial support	Circa 150 per annum
Number of new business starts receiving financial support (circa 60 per annum)	Circa 60 per annum (lend 40% by value to “new” businesses and 60% to “growing” businesses).
Value of loans invested (analysed by member authority area and by period)	£6m per annum
Leverage in terms of private and other public sector funding	1:3 public to private
Number of gross jobs created/supported	4 per supported enterprise
Increase in turnover in supported enterprises	Circa £250,000 per supported enterprise

#### **4. Membership**

From a legal perspective, it is proposed to set up a new company limited by guarantee (NEWCO) and to offer “Membership” to all 32 Scottish Local Authorities.

As a company limited by guarantee, the Members will be Scottish Local Authorities. The business and assets (except the loan books\*) of WSLF and ESIF would transfer up to NEWCO and WSLF Management Services\*\* would remain as a wholly owned subsidiary to carry on delivering specific contracts, administrative functions, Start Up Loans (SULCO) etc. thereby retaining its VAT registration for existing and future commercial opportunities.

The Company will apply for “Investment Company” status, thereby securing exemption from Corporation Tax, a position currently enjoyed by WSLF and ESIF.

*\* The lending activity of WSLF and ESIF will be replaced by NEWCO, with loan repayments for the existing loans continuing to be collected by both Funds during the remaining term of the outstanding loans to ensure a clean audit trail for future National and European Audits.*

*\*\* WSLF Management Services is a wholly owned subsidiary of WSLF which currently delivers fund management services on behalf of ESIF and holds the contract for the delivery of Start Up Loans.*

#### **5. Articles of Association and Members Agreement**

The Boards of WSLF and ESIF agreed a budget of £10,000 and instructed WSLF Management Services Ltd to engage solicitors to set up the new company and prepare a set of Articles of Association and Members Agreement to be adopted by the new Member Authorities.

The draft Articles of Association and Members Agreement have been circulated with this Prospectus for appraisal by the legal departments of all 32 authorities with a deadline for comments of 19<sup>th</sup> December.

#### **6. Name of Company / Fund**

The working group agreed on 1<sup>st</sup> October that the company should be incorporated under the name Scottish Local Authority Business Loan Fund Ltd, however, the option exists to trade under or be known by a different “trading” name and options for this are currently being considered by the group.

#### **7. Founding Principles**

It is proposed that the founding principles which work for WSLF and ESIF are adopted for the Member Authorities of NEWCO namely;

- Each Member Authority’s contribution to NEWCO is exclusively ring fenced to be invested by that LA in their area only
- Each Member Authority retains the right to determine the outcome of applications up to £50,000 at the local level following their own delegated authority procedures and
- Applications above £50,000 will be referred to a regional investment panel comprising a quorum of at least three people with appropriate skills and experience to appraise such loan applications

## 8. How To Deliver a Pan-Scotland Loan Fund

It is proposed that NEWCO from an operational perspective be organised regionally and that each region would effectively operate as a “Fund within a Fund” and be resourced accordingly.

The Local Authorities would fall within the regions identified in the Table below. In addition for comparative purposes the population, employment and business base statistics are highlighted;

### Local Authority Membership by Region

Regions			
East	West	Highland and Islands	Total
Aberdeen City	Dumfries & Galloway	Argyll & Bute	
Aberdeenshire	East Ayrshire	Eilean Siar	
Angus	East Dunbartonshire	Highland	
Clackmannanshire	East Renfrewshire	Moray	
Dundee	Glasgow	Orkney	
East Lothian	Inverclyde	Shetland	
City of Edinburgh	North Ayrshire		
Falkirk	North Lanarkshire		
Fife	Renfrewshire		
Midlothian	South Ayrshire		
Perth & Kinross	South Lanarkshire		
Scottish Borders	West Dunbartonshire		
Stirling			
West Lothian			
14	12	6	32

### Population Statistics by Region

Population			
East	West	Highland and Islands	Total
2,500,230	2,312,190	487,480	5,299,900

### Employment Statistics by Region

Employment			
East	West	Highland and Islands	Total
944,820	759,400	160,940	1,865,160

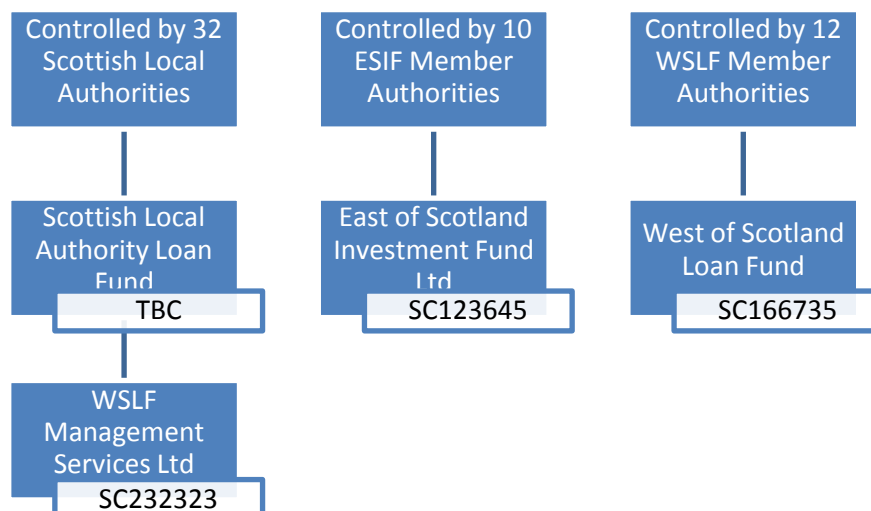
### Business Base Statistics by Region

Business Base			
East	West	Highland and Islands	Total
90,195	64,915	22,890	178,000

Source: Scottish Government, ONS (IDBR) March 2014

### **Company Structure**

West of Scotland Loan Fund Management Services Ltd will become a wholly owned subsidiary of the new company, and will likely undergo a name change to reflect this, while WSLF and ESIF will remain separate entities as indicated in the diagram below.



The existing business and assets of West of Scotland Loan Fund and East of Scotland Investment Fund Limited will be transferred to the new company, however, the debtor books of WSLF and ESIF will remain with WSLF and ESIF respectively. Any cash contained within WSLF and ESIF, together with monies received from debtors in these companies will be transferred up to the new company and remain ring-fenced for use by the respective member authority. It is envisaged that funds will be transferred annually, after all liabilities have been met.

### **Resourcing**

Consideration will need to be given to the staff requirements to deliver a pan-Scotland Fund. It is anticipated that the 4 employees (3 staff on permanent contract and 1 on fixed term contract) of the West of Scotland Loan Fund and the sole employee (on a fixed term contract) of WSLF Management Services Ltd would transfer into the Scottish Local Authority Business Loan Fund under TUPE and further investigation is required into the rights of existing employees to transfer to NEWCO as per TUPE regulations.

### **Base**

Both WSLF and ESIF are currently operationally managed from a base in Kilmarnock, hosted by East Ayrshire Council and it is anticipated that the new fund will also be hosted by a Local Authority although no discussions have yet taken place in this regard.

The base will primarily function as an office for the fund management team (meetings and training sessions will be held regionally) so, while a central location is desirable, accessibility to all member authorities will not be a major determining factor. Given the proposal to transfer current WSLF and WSLF MS staff to the new fund under TUPE, a base in the vicinity of central or south Glasgow would minimise travel/carbon impact.

## **9. Corporate Governance Structure**

The fund's governance structure will consist of five elements:

- The Board of Directors
- Corporate Governance Working Group
- Regional Management Groups
- Regional Investment Panels
- Regional Officers Groups

### ***Board of Directors***

With up to 32 Local Authorities as Members of NEWCO, it is not realistic or desirable to have each Member represented on the Board.

It is proposed to seek nominations from the 3 operational areas that will be set up, namely East, West and Highlands and Islands, to stand as Directors of NEWCO.

Each of the Local Authorities within each Region will be given the opportunity to agree amongst themselves to nominate 3 people to represent their "Region" on the Board of Directors thereby forming a Board of 9 directors. Each region will also put in place a structure or mechanism below board level to ensure Members Authorities not sitting on the Board of Directors are included in the decision making process.

The company's Articles of Association will include a clause stating that, in the case of a board vote, a minimum of one Director from each region must approve for an item to pass.

At the first meeting of the board, nominations for the position of Chair will be sought and a Chair appointed. It is anticipated that this will be a temporary fixed-term appointment and the Board will also determine a suitable duration for rotating the position of Chair at their first meeting. The fund's Auditors, Bankers, Solicitors, Accountants and Company Secretary will also be appointed at the first board meeting.

The board will meet 4 times a year.

Representation on the main board from other Stakeholders and the private sector should be considered in due course and the Articles of Association will contain provision for up to 3 additional Directors to accommodate this.

WSLF, ESIF and WSLF Management Services will continue to be governed by their own boards of Directors. In the case of WSLF and ESIF it is likely that no more than two board meetings per annum will be required following the transfer of new loan business to SLABLF. The board of WSLF Management Services will continue to meet four times per annum, primarily to provide governance for Start Up Finance Scotland.

### ***Corporate Governance Working Group***

The Corporate Governance Working Group (CGWG) will be established to support the board. The group will consist of a mix of board directors and officers from member authorities along with the Fund Manager. The CGWG will meet prior to Board meetings, and will be remitted to:

- Consider matters referred to it from the board
- Provide advice / recommendations to board
- Develop relevant policies and strategies
- Consider any item of business requiring a decision out with normal board meeting cycle

- Ensure compliance & resolve issues as required
- Consider measures to ensure sustainability of Fund
- Provide a sounding board for all matters relating to the fund

### ***Regional Management Groups***

It is envisaged that each region will have a “management group” comprising of one senior representative (either a Senior Manager or Elected Member) from each member authority within that region. These groups will be responsible for:

- Nominating 3 Directors to represent the Region on the Board of Directors and ensuring a suitable proxy is identified in the event of a Director being unable to attend a board meeting
- Identifying appropriate individuals to sit on the Regional Investment Panel
- Identifying appropriate individuals to represent the Member Authorities on the Regional Officers Group
- Monitoring and reviewing the Region’s performance in terms of investment spend, targets etc.

Meeting frequency will be at the discretion of each regional group, however, quarterly meetings in advance of Board meetings would allow this to be the mechanism through which Members Authorities not sitting on the Board of Directors can contribute to the decision making process.

### ***Regional Investment Panels***

The Regional Investment Panels will be responsible for the final appraisal and determination of any loan applications above £50,000 recommended for approval by a member authority. There will be a panel for each of the three regional delivery areas comprising a quorum of at least three people with financial appraisal skills and experience in determining applications for business finance. In addition, previous lending experience will be desirable.

Ideally, each region will have a pool of at least six people from which an investment panel can be called. Appointment to these pools will subject to board approval and will require submission of a CV. The authority from which the application under consideration originated cannot be represented on an investment panel.

### ***Regional Officers Groups***

The Regional Officers Groups (ROGs) will be the mechanism that ensures the Fund remains sensitive to the needs of local areas. There will be one group for each of the three regional delivery areas and membership will consist of an Officer from each member authority within the area, the regional Loan Fund Officer and the Fund Manager. The ROGs will meet quarterly in advance of both the CWG and Board meetings with crossover meetings, bringing together representatives from the three ROGs, scheduled as required. Out-with the meetings, the Regional Officers will also form an on line network. The ROGs will be responsible for:

- Member Authority performance and progress against ERDF targets
- Operational and compliance matters
- Sharing good / best practice

In addition, the ROGs will assist in identifying:

- Officers’ training needs, marketing & promotional opportunities as well as the
- Monitoring of investments, managing arrears and debt management.

## **10. Who Can Apply**

The Fund will be able to support any legally formed, trading business including the following:

- Sole Traders
- Partnerships
- Limited Companies
- Limited Liability Partnerships
- Co-operatives

The primary focus will be businesses engaged in the Business to Business (B2B) and Business to Consumer (B2C) categories. Generally the eligible sectors can be classified as;

- Manufacturing
- Service to manufacturing
- Construction
- Wholesale
- Transport and Distribution
- Software
- Agriculture linked to farm diversification
- Tourism & tourism infrastructure
- Service based (providing they are not one of the sectors not normally eligible for support)

Each applicant will be required to demonstrate the additionality that their business / project will achieve at the local or Scottish economy level. Certain business activities which may not strictly adhere to the above sectors may be considered, including:

- Restaurants which support the local tourism product
- Retail activities in isolated settlements where there is no suitable alternative provider within the area or with a specific tourism focus.
- Specialist B2C activities where key skills could be lost (e.g. specialist florists)

The following sectors are not normally eligible for support. However, some flexibility will exist to allow member authorities to target local priority sectors.

- Sale of Motor Vehicles
- Real Estate / Speculative Property Development
- Professional Services
- Social and Personal Services
- Local Services

## **11. Online Loan Application System**

It is proposed that version 2 of the existing WSLF Online Loan Application system be adopted and rolled out across Scotland allowing loan applications, appraisals, compliance checking, approval, drawdown, customer care and monitoring to be undertaken online.

## **12. The Role of Local Authority Economic Development Teams**

Each Member Authority will be responsible for delivery of the fund within its own area. This includes local promotion of the fund to eligible businesses and stakeholders, identification of potential applicants, supporting businesses through the application process, appraising and determining applications and maintaining contact with/providing after care to loan recipients.

Staff time for these activities will not be eligible for ERDF funding.

### **13. Operations Manual**

An Operations Manual will be written setting out the policies and procedures which each officer involved in the loan fund will be required to adhere to in order to ensure delivery of a consistent loan product and level of service across Scotland.

### **14. Appraisal at a Local Level**

Upon receipt, each completed loan enquiry will be assigned to an Appraiser who becomes the “case officer” for the company. Member Authorities will be responsible for ensuring there is no conflict of interest between advising, appraising and deciding on the outcome of the loan application. The target timescale for completion of the appraisal process, legal documentation and release the loan funds should be a maximum of 13 weeks from receipt of the completed application. Where complex applications and / or securities are involved the process may take longer.

All loans will be “compliance checked” by the dedicated Loan Fund Officer for the region around the time of approval with a brief follow up at drawdown stage. This will ensure that all documentation and processes are completed to a satisfactory and consistent level before any funds are released.

Currently, within WSLF and ESIF, the execution and maintenance all of legal documents are carried out by the legal team within the relevant Member Authority. It is proposed that the scale of the new fund may be sufficient to justify the recruitment of a dedicated fund Solicitor to perform this role for all loan applications, thereby removing any additional burden from Local Authority legal teams and helping ensure consistency of approach across the fund.

Any businesses whose applications are rejected or declined will be advised of the reason(s) in writing. The fund will also monitor reasons for rejection with a view to identifying any areas for improvement or additional business support needs.

### **15. Training**

Appropriate staff within each of the Member Authorities will require to be fully aware of the Fund’s Operations Manual and procedures and this will be achieved through training, seminars and workshops ahead of the lending commencing and will be delivered and organised by the fund management team.

### **16. Marketing**

Consideration will be needed to be given to how the fund will be promoted and marketed and further work/assessment is required in this regard.

### **17. Registrations / Licences / Insurances / Policies**

The following licenses and permissions will be required by NEWCO in order to operate legally and will be put in place by the fund management team:

#### **Licences**

- Consumer Credit Licence – issued by Financial Conduct Authority

#### **Insurances**

- Director and Officers Liability Insurance
- Employers Liability

#### **IT / Software licences**

- Loan Management system
- Online Loan Application system

- Credit checks
- New responsive website

#### Policies

- Bribery Act 2010
- Data Protection
- Freedom of Information
- Information Sharing Protocol with Police Scotland

### 18. Size of Fund

It is estimated the amount of lending across all 32 Local Authorities would be in the region of £6m per annum. As the ERDF funding is initially for a 3 year period this could create a fund valued at £18m.

The amount of match funding available from the Member Authorities will determine if any private sector match funding is required, e.g. bank loan. A bank loan is not a requirement of the ERDF programme but it is known that up to a 30% contribution to the value of the fund is viable. This would mean a bank loan of £5.4m, probably over a 3 year term.

The following options detail the level of match funding or contribution required from the Member Authorities **with** and **without** a bank loan.

#### Scenario A - Without bank loan

Member Authority contribution (60%)	£10,800,000
ERDF (40%)	£7,200,000
<b>Total</b>	<b>£18,000,000</b>

#### Scenario B - With bank loan

Member Authority contribution (30%)	£5,400,000
Bank loan (30%)	£5,400,000
ERDF (40%)	£7,200,000
<b>Total</b>	<b>18,000,000</b>

Therefore, the Member Authorities would require to contribute either £5.4m or £10.8m depending on whether a bank loan is required.

The working group is also currently investigating the potential for a non-commercial contribution from the banks under their Corporate Social Responsibility agenda.

### 19. The Financial Model

The Financial Model is based on;

- an £18 million fund (£6 million per annum net lend)
- 40% ERDF intervention rate\* = £7.2 million
- ERDF available in 5 tranches of 20% with the first ERDF tranche to be paid up front
- An average loan repayment period of 4 years and average capital repayment holiday of 3 months.

*\*For the purposes of this prospectus, a 40% ERDF intervention rate has been assumed in all calculations and applied to all Local Authorities, however, further advice is being sought from the*

*Scottish Government in relation to potential for the Highlands & Islands region to benefit from a 50% intervention rate..*

Based on an £18m Fund and in order to start lending, the following funding package needs to be evidenced;

Local Authority / Bank contribution	£2.16 million
ERDF	£1.44 million
<u>Total</u>	<u>£3.60 million</u>

When 75% of the value of the first tranche has been defrayed, i.e. legally committed, the next tranche of the funding package will need to be evidenced after which the next ERDF tranche would be released. This would then repeat for the third, fourth and fifth tranches respectively.

It should be noted that, although Scottish Local Authorities will be able to join the fund at any point in the future, only those authorities who are Members of the Fund at the time of the ERDF application will be able to benefit from the initial 3 year ERDF allocation. Any authorities joining at a later date would have to wait for the second ERDF allocation which the Fund expects to receive, subject to satisfactory performance, following the mid-point review of the EU funding programme in 2017/18.

### ***Projected Profit & Loss Statement***

	31/03/2016 £	31/03/2017 £	31/03/2018 £	31/03/2019 £	30/03/2020 £
Interest received	150,500	390,467	572,867	547,167	374,400
<b>INTEREST RECEIVED</b>	150,500	390,467	572,867	547,167	374,400
<b>COST OF SALES</b>					
Bad debts	75,000	310,000	550,000	715,000	715,000
Grant release	(2,400,000)	(2,400,000)	(2,400,000)	-	-
	(2,325,000)	(2,090,000)	(1,850,000)	715,000	715,000
<b>GROSS PROFIT</b>	2,475,500	2,480,467	2,422,867	(167,833)	(340,600)
<b>ADMINISTRATIVE EXPENSES</b>					
Overheads	540,000	540,000	540,000	540,000	540,000
Management fee	(150,000)	(150,000)	(150,000)	-	-
Depreciation	3,333	3,333	3,333	-	-
	393,333	393,333	393,333	540,000	540,000
<b>FINANCIAL OVERHEADS</b>					
Term Loan Interest	111,375	95,625	68,625	41,625	14,625
Bank interest received	(41,154)	(27,273)	(12,404)	(5,221)	(13,660)
Hire Purchase Interest	-	-	-	-	-
	70,221	68,352	56,221	36,404	965
<b>NET PRE TAX PROFIT</b>	2,011,946	2,018,781	1,973,313	(744,237)	(881,565)
Provision for corporation tax	-	-	-	-	-
<b>NET PROFIT AFTER TAX</b>	2,011,946	2,018,781	1,973,313	(744,237)	(881,565)
Dividends	-	-	-	-	-
<b>NET PROFIT</b>	2,011,946	2,018,781	1,973,313	(744,237)	(881,565)

## ***Projected Balance Sheet***

<b>Fixed assets</b>	6,667	3,334	1	1	1
	6,667	3,334	1	1	1
<b>Current assets</b>					
Loans	5,625,000	10,075,000	13,325,000	9,750,000	6,175,000
Other debtors	-	-	-	-	-
Prepayments	-	-	-	-	-
Cash at bank	6,580,279	3,552,393	239,039	1,989,802	3,603,237
	12,205,279	13,627,393	13,564,039	11,739,802	9,778,237
<b>Liabilities</b>					
Bank overdraft	-	-	-	-	-
Trade creditors	-	-	-	-	-
Corporation tax	-	-	-	-	-
PAYE & NIC	-	-	-	-	-
Bank loan accounts	4,320,000	3,240,000	2,160,000	1,080,000	-
Accruals	(1)	(2)	(2)	(2)	(2)
	4,319,999	3,239,998	2,159,998	1,079,998	(2)
	7,885,280	10,387,395	11,404,041	10,659,804	9,778,239
<b>Total assets less liabilities</b>	7,891,947	10,390,729	11,404,042	10,659,805	9,778,240
	7,891,947	10,390,729	11,404,042	10,659,805	9,778,240
<b>CAPITAL &amp; RESERVES</b>					
Capital introduced	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Reserve	480,000	960,000	-	-	-
Profit & loss account	2,011,947	4,030,729	6,004,042	5,259,805	4,378,240
	7,891,947	10,390,729	11,404,042	10,659,805	9,778,240

## **Assumptions Used in the Production of the Profit & Loss Statement and Balance Sheet**

1. £5,400,000 is introduced by the member authorities as an opening bank balance.
2. £7,200,000 is received from the European Regional Development Fund. This is drawn down over 5 instalments and is included as a reserve. This reserve is written back at an amount equal to 40% of the loans issued.
3. The fund secures bank lending of £5.4m. This is assumed to be repaid over 5 years. Interest has been included at 2.5% per annum. This is included monthly based on the outstanding balance at the start of the month.
4. The £18m fund is fully utilised in loans evenly over three years.
5. All loans to businesses are repaid over 5 years with a capital payment holiday of three months at the outset. Interest is charged at 6% on the balance outstanding at the start of the month. Interest repayments commence immediately.
6. Interest is assumed to be received at 0.5% per annum on the cash balance in the bank.
7. Interest rates are assumed to stay constant throughout the term of the projections.
8. Bad debts are assumed to be 20% of the repayments and are spread evenly over the year.
9. Fixed asset additions are included at £10k in the year ended 2016 to cover computer and office equipment.
10. Depreciation is provided at 33% straight line.
11. An estimate of rent, insurance, advertising and other overheads has been included based on 3% of the value of the fund annually.
12. All overheads are assumed to be paid in the month in which they arise other than payroll which is adjusted for the effect of Inland Revenue payments.
13. PAYE is paid the month after the liability falls due.

## **20. European Structural Investment Funds Management Costs and Fees**

The threshold for Management Costs and Fees under the European Structural Investment Funds Programme has been pre-determined based on a Base and Performance remuneration basis.

### **Base Remuneration**

Type of Financial Instrument	% Fee	Period
Loan	0.50%	Per annum until end of eligibility period

### **Performance Based Remuneration**

Type	% Fee
Loans	1.00%

Based on a £18 million Loan Fund:

- Annual base remuneration =  $0.50\% \times £18m = £90,000$
- Annual performance remuneration =  $1.00\% \times £6m = £60,000$

Therefore, if the Fund invests its annual allocation / target of £6 million the Management Fee would be £150,000 or equivalent to 0.833% of the value of the £18m Fund annually. This interpretation has been confirmed by the Scottish Government and Scottish Enterprise.

However, it is known that the annual overheads associated with delivering this type of fund are typically circa 3% of the value of the fund annually, therefore, a contribution of £150,000 per annum will not be enough to recover the full overheads. It is proposed the level of overheads appropriate to run an £18m fund will be agreed and a contribution from the

Member Authorities match funding be sought to offset the difference between the full cost and the level of management fees that can be earned. Further discussion is required with the Managing Authority / Scottish Enterprise.

A detailed breakdown of resource requirements and overhead costs and options is included in the Fund's Business Plan.

## 21. Potential Match Funding Required From Each Member Authority

The Table below identifies the range of match funding each Member Authority will require to contribute into NEWCO, matched with ERDF in order to lend to SME's.

Local Authority	Business Base	% Business Base	Annual Basis				3 Year Basis				Estimated Annual Fund Management Charge
			Proposed Local Authority Spend	Annual Match Funding w/o Bank Loan (60%)	Match Funding with Bank Loan (30%)	Local Authority Share of ERDF	Proposed Local Authority Spend	3 YR Match Funding w/o Bank Loan	3 YR Match Funding with Bank Loan	Local Authority Share of ERDF	
East of Scotland Area											
Aberdeen City	9,495	5.5%	325,000	195,000	97,500	130,000	975,000	585,000	292,500	390,000	21,125
Aberdeenshire	13,775	8.0%	470,000	282,000	141,000	188,000	1,410,000	846,000	423,000	564,000	30,550
Angus	3,900	2.3%	50,000	30,000	15,000	20,000	150,000	90,000	45,000	60,000	3,250
Clackmannanshire	1,155	0.7%	40,000	24,000	12,000	16,000	120,000	72,000	36,000	48,000	2,600
Dundee City	3,465	2.0%	75,000	45,000	22,500	30,000	225,000	135,000	67,500	90,000	4,875
East Lothian	3,015	1.8%	100,000	60,000	30,000	40,000	300,000	180,000	90,000	120,000	6,500
City of Edinburgh	16,960	9.9%	150,000	90,000	45,000	60,000	450,000	270,000	135,000	180,000	9,750
Falkirk	3,840	2.2%	200,000	120,000	60,000	80,000	600,000	360,000	180,000	240,000	13,000
Fife	8,930	5.2%	200,000	120,000	60,000	80,000	600,000	360,000	180,000	240,000	13,000
Midlothian	2,225	1.3%	175,000	105,000	52,500	70,000	525,000	315,000	157,500	210,000	11,375
Perth and Kinross	6,220	3.6%	100,000	60,000	30,000	40,000	300,000	180,000	90,000	120,000	6,500
Scottish Borders	5,185	3.0%	200,000	120,000	60,000	80,000	600,000	360,000	180,000	240,000	13,000
Stirling	4,000	2.3%	75,000	45,000	22,500	30,000	225,000	135,000	67,500	90,000	4,875
West Lothian	4,505	2.6%	325,000	195,000	97,500	130,000	975,000	585,000	292,500	390,000	21,125
Area Total	86,670	50.5%	2,485,000	1,491,000	745,500	994,000	7,455,000	4,473,000	2,236,500	2,982,000	161,525
Highlands and Islands Area											
Argyll & Bute	4,055	2.4%	100,000	60,000	30,000	40,000	300,000	180,000	90,000	120,000	6,500
Eilean Siar	1,155	0.7%	40,000	24,000	12,000	16,000	120,000	72,000	36,000	48,000	2,600
Highland	10,975	6.4%	375,000	225,000	112,500	150,000	1,125,000	675,000	337,500	450,000	24,375
Moray	3,320	1.9%	100,000	60,000	30,000	40,000	300,000	180,000	90,000	120,000	6,500
Orkney Islands	1,505	0.9%	50,000	30,000	15,000	20,000	150,000	90,000	45,000	60,000	3,250
Shetland Islands	1,425	0.8%	50,000	30,000	15,000	20,000	150,000	90,000	45,000	60,000	3,250
Area Total	22,435	13.1%	715,000	429,000	214,500	286,000	2,145,000	1,287,000	643,500	858,000	46,475
West of Scotland Area											
Dumfries & Galloway	6,640	3.9%	225,000	135,000	67,500	90,000	675,000	405,000	202,500	270,000	14,625

East Ayrshire	3,165	1.8%	<b>400,000</b>	240,000	120,000	160,000	1,200,000	720,000	360,000	480,000	26,000
East Dunbartonshire	2,785	1.6%	<b>50,000</b>	30,000	15,000	20,000	150,000	90,000	45,000	60,000	3,250
East Renfrewshire	2,435	1.4%	<b>25,000</b>	15,000	7,500	10,000	75,000	45,000	22,500	30,000	1,625
Glasgow City	16,885	9.8%	<b>600,000</b>	360,000	180,000	240,000	1,800,000	1,080,000	540,000	720,000	39,000
Inverclyde	1,710	1.0%	<b>50,000</b>	30,000	15,000	20,000	150,000	90,000	45,000	60,000	3,250
North Ayrshire	3,200	1.9%	<b>250,000</b>	150,000	75,000	100,000	750,000	450,000	225,000	300,000	16,250
North Lanarkshire	7,045	4.1%	<b>375,000</b>	225,000	112,500	150,000	1,125,000	675,000	337,500	450,000	24,375
Renfrewshire	4,605	2.7%	<b>175,000</b>	105,000	52,500	70,000	525,000	315,000	157,500	210,000	11,375
South Ayrshire	3,665	2.1%	<b>200,000</b>	120,000	60,000	80,000	600,000	360,000	180,000	240,000	13,000
South Lanarkshire	8,400	4.9%	<b>375,000</b>	225,000	112,500	150,000	1,125,000	675,000	337,500	450,000	24,375
West Dunbartonshire	1,845	1.1%	<b>75,000</b>	45,000	22,500	30,000	225,000	135,000	67,500	90,000	4,875
<b>Area Total</b>	<b>62,380</b>	<b>36.4%</b>	<b>2,800,000</b>	<b>1,680,000</b>	<b>840,000</b>	<b>1,120,000</b>	<b>8,400,000</b>	<b>5,040,000</b>	<b>2,520,000</b>	<b>3,360,000</b>	<b>182,000</b>
	<b>171,485</b>	<b>100%</b>	<b>6,000,000</b>	<b>3,600,000</b>	<b>1,800,000</b>	<b>2,400,000</b>	<b>18,000,000</b>	<b>10,800,000</b>	<b>5,400,000</b>	<b>7,200,000</b>	<b>390,000</b>

Note: The estimated annual Fund Management Charge is based on a share of a 3% management cost, net of any fees payable from the Managing Authority, pro-rated by each Member Authority's percentage share of the overall value of the Fund..

## **22. State Aid**

The European Commission has proposed an off the shelf model which can be used for financial instruments that offer loan, equity and guarantee funds.

Advice and information has been sought from SE/SG and further work is required here in order to better understand such a model and identify any differences in the product between what is currently available to that proposed by the off the shelf model. SG/SE advise a lot of the issues surrounding the criteria in the off the shelf model will be clarified in the Ex-Ante Assessment which is due for publication in mid-December.

If such a model is not appropriate for a local authority loan fund, it will be down to our interpretation and proposals to demonstrate how the Fund is State Aid compliant seeking State Aid Unit approval. Further Advice is awaited from SG.

## **23. Debt Management**

The Fund will implement a debt management policy to ensure a pro-active approach is taken in managing any arrears, bouncers, defaulters and bad debts etc. The aim will be to act swiftly to safeguard the interests of the fund.

In terms of protecting the investments, the Fund will look to take security where ever it is appropriate and prudent to do so. Security will be taken in the form of standard security, bond & floating charge and personal guarantee. Each of the loan documents will be registered for "Preservation and execution" at the Registrar of Companies thereby allowing the 'contract' to be established from the outset with immediate legal action able to be taken to address arrears and defaulters much more speedily. Whilst the operating model for the Fund can tolerate a bad debt ratio of up to 30%, the debt management policy would obviously target a much lower rate.

## **24. Next Steps**

In order to achieve the goal of delivering an operational pan-Scotland Local Authority Loan Fund by 1<sup>st</sup> April 2015 the following key milestones will have to be met:

**5<sup>th</sup> December 2014** Articles of Association, Members Agreement and Business Plan issued to all 32 Scottish LAs along with formal invitation to join.

**18<sup>th</sup> December 2014** Ex-Ante Assessment published (provisional date).

**31<sup>st</sup> January 2015** LA position known – all Scottish LAs intending to participate in the fund have secured necessary committee approval and indicated their annual lending targets for inclusion in the ERDF application.

**31<sup>st</sup> January 2015** Initial ERDF application deadline (provisional date).

**20<sup>th</sup> February 2015** Articles of Association and Members Agreement signed by participating LAs.

**6<sup>th</sup> March 2015** New members match funding and first tranche WSLF/ESIF match funding transferred to NEWCO bank account.

A Gantt chart containing a more detailed breakdown of the activity required between now and 1<sup>st</sup> April has been developed by the working group and can be provided on request.

**If you have any specific questions or comments please e-mail**  
[panscotlandloanfund@wslf.co.uk](mailto:panscotlandloanfund@wslf.co.uk)

## **APPENDIX 1 – Frequently Asked Questions**

### **Background and the Opportunity for a Pan-Scotland Local Authority Loan Fund**

#### **What is the background and remit of the Working/Transition Group and who is involved?**

The working group has evolved from initial discussions between WSLF/ESIF and the Scottish Government and contains representation from those parties along with Local Authorities not currently involved with WSLF/ESIF. The group's objective is to explore the opportunity to "create a pan-Scotland local authority loan fund which is open for business by 1st April 2015". Current membership is:

- The City of Edinburgh Council - Jim Galloway (Chair)
- Dumfries & Galloway Council - Ewan Green
- East Renfrewshire Council - Tony Buchanan
- Fife Council – Pamela Stevenson, Mike Gordon
- Highland Council - Andy McCann
- Inverclyde Council - Stuart Jamieson
- Perth & Kinross Council - Alison Seggie
- Scottish Borders Council - Jim Johnstone
- Scottish Government - Ian McCall
- Renfrewshire Council – Colette Saez
- West of Scotland Loan Fund - Andrew Dickson, Mark McClymont

#### **Membership**

#### **If a Local Authority chooses not to join the fund at this stage will there be an opportunity to join at a later date?**

Yes, the option will exist for authorities to join at any point in the future. However, it is unlikely that any authorities not involved at the time of the ERDF submission would be able to benefit from the initial 3 year ERDF allocation.

#### **How will the closure of WSLF/ESIF be managed?**

ESIF and WSLF will continue to exist as legal entities in order to deliver their investment targets under the 2007-2013 EU Structural Funds Programme. Once those targets have been achieved both funds will continue to exist as legal entities in order to collect the outstanding loan repayments due from the existing portfolios and a decision on closure will then be taken by their respective boards in consultation with the board of the new fund.

#### **Name of Company / Fund**

#### **Scottish Local Authority Business Loan Fund Ltd seems rather unwieldy. What are the other options under consideration as a trading name?**

"Business Loans Scotland" has been discussed by the working group. The corporate feel and fit with the "Team Scotland" style branding and the fact that it mirrors likely web search terms are seen as positives. On the negative side, it doesn't reflect the Local Authority driven nature of the support being provided. Other suggestions are welcome and will be considered by the working group at its next meeting on 25<sup>th</sup> November.

## How to Deliver a Pan-Scotland Loan Fund

### **Who will sit on the Regional Investment Panels and what are the “appropriate skills and experience”?**

The Regional Investment Panels would normally be drawn from senior staff/elected members from the member authorities within the region (other than the authority from which the application under consideration originated).

Panel members should have financial appraisal skills and experience in determining applications for business finance. In addition, any previous lending experience will be desirable.

### **Where will the new fund be based? Is it expected that a LA will host?**

It is anticipated that the fund will be hosted by a Local Authority although no discussions have yet taken place in this regard.

The base will primarily function as an office for the fund management team (meetings and training sessions will be held regionally) so, while a central location is desirable, accessibility to all member authorities will not be a major determining factor. Given the proposal to transfer current WSLF and WSLF MS staff to the new fund under TUPE, a base in the vicinity of central or south Glasgow would minimise travel/carbon impact.

**Can you explain a little more about the proposal to transfer existing WSLF and WSLF Mgmt Services staff to the new fund under TUPE? How many staff are concerned, what is their current employment status (temp or permanent), are they employed through the fund or a Local Authority and what advice has been sought on the application of TUPE under these circumstances?**

### **Transfer of Undertakings (Protection of Employment) (TUPE)**

It is anticipated that the 4 employees (3 staff on permanent contract and 1 on fixed term contract) of the West of Scotland Loan Fund and the sole employee (on a fixed term contract) of WSLF Management Services Ltd would transfer into the Scottish Local Authority Business Loan Fund.

Under a TUPE transfer, all of the transferor’s “rights, powers, duties and liabilities under or in connection with” the transferring employees’ contracts pass to the transferee. An employee on a fixed-term contract would be included in this and the contract would transfer to the transferee.

This means that WSLF and WSLF MS will be in a situation where TUPE will apply and there will be a requirement to consult with all of the potentially affected employees within both organisations. The appropriate time to do this will be when details are known in relation to the number of Local Authorities who wish to be involved in SLALF and the timescales that we are working towards.

## Corporate Governance Structure

***“It is proposed a structure will exist below board level in each operational area to ensure Members not sitting on the Board of Directors are included in the decision making process.” Can you explain what this structure will be?***

It is envisaged that the Regional Management Groups, which will be responsible for the selection of regional Directors and investment panel members, could serve this purpose. Rather than the fund imposing a particular structure, however, the frequency of Regional Management Group meetings will be left at the

discretion of each region along with the option to utilise existing regional communication networks as the avenue through which Directors consult the members within their area before taking a position on matters requiring a board decision.

#### **How/when will the Chair of the Board of Directors be appointed?**

At the first meeting of the board, nominations for the position of Chair will be sought and a Chair appointed. It is anticipated that this will be a temporary fixed-term appointment and the Board will also determine a suitable duration for rotating the position of Chair at their first meeting.

#### **Who Can Apply**

#### **Will the fund be able to support companies more than 5 years old?**

One of the conditions of the EU's off-the-shelf State Aid compliant model for financial instruments is that only companies up to 5 years old can be supported. This restriction does not currently apply to WSLF or ESIF. This is one of a number of points of clarification required before a decision is made on whether to adopt this model. It is expected the Scottish Government's ex-ante assessment (due before the end of December) will provide clarity on compliance with State Aid and the age of the business that can be supported.

#### **Would there be any consideration of lowering the starting value of a loan to £5 or 8k?**

There is technically no minimum value for loans. £10k-£100k is the normal operating range but a loan of £5k would be perfectly acceptable. We would probably question the value of a business applying for support at less than £5k, however, as the same robust application and appraisal process would apply as for higher value investments.

#### **The Role of Local Authority Economic Development Teams**

#### **Can ERDF be claimed on LA staff time?**

Further information on eligible activities will be available following conclusion of the Scottish Government's Ex-Ante Assessment, however, it is unlikely that staff costs, other than those included in the central fund management charges, will be eligible under this project.

#### **Appraisal at a Local Level**

***"It is proposed that the scale of the new fund will be sufficient to justify the recruitment of a dedicated fund Solicitor to perform this role for all loan applications, thereby removing any additional burden from Local Authority legal teams and helping ensure consistency of approach across the fund."*** Has the potential impact on WSLF/ESIF member Legal Teams of losing this work been considered?

This has been considered. Informal feedback suggests that some LA Legal Teams see this as a positive move and would welcome the reduction in workload while, for other authorities, the loss of work is a concern. Ultimately, the determining factor has to be the ability to deliver the highest quality, efficiency and consistency of service to customers of the fund, however, LA's will retain the right to use their own legal services should they wish to do so.

## The Financial Model

### **Will the new fund need to submit two ERDF applications as a result of the different intervention rates for the Highlands and Lowlands?**

For the purposes of this prospectus, a 40% ERDF intervention rate has been assumed in all calculations and applied to all Local Authorities, however, further advice is being sought from the Scottish Government in relation to this question.

## **European Structural Investment Funds Management Costs and Fees**

### **What happens if all 32 LAs choose not to participate or some of those who do participate choose to contribute less than the indicative amounts? Will 3% still be sufficient to cover the management costs associated with a fund operating across 3 regional areas if the value of the fund is significantly less than the proposed £18m?**

The fund will need to achieve a scale of at least £15m over the initial 3 year period to be financially viable. At that level 3% would still be sufficient to cover the overheads. There is also a requirement, in terms of eligibility under the 2014-2020 European Structural and Investment Funds Programme, for the fund to achieve sufficient participation (likely a minimum of 28 out of 32 authorities) to be considered a pan-Scotland intervention.

### **Can you provide more detail on the performance related element of the management fees available through ERDF? Will this be paid proportionately (e.g. achieving 50% of target results in 50% payment) or is it a case of all or nothing? Will failure to achieve the targets which trigger performance related pay result in increased costs for the member authorities?**

Discussions are on-going with the Scottish Government on a number of points including management fee, however, it has been confirmed that the performance related element of the fees will be paid on a pro-rata basis, for example:

Annual Lending	% Against Target	Performance Related Payment Rate	Performance Related Payment
£6,000,000	100%	1.00%	£60,000
£4,000,000	66.67%	1.00%	£40,000

### **Would the management cost thresholds still apply if we “tested the market” by procuring fund management services? Has this option been ruled out for any reason?**

Further guidance is required from Scottish Enterprise and the Scottish Government on this point, however, as the company will be wholly owned by Scottish Local Government there should be no legal requirement to tender.

Utilising existing the resources, expertise and structures of WSLF/ESIF and WSLF Management Services would also be the preferred option given the timescales and requirement to be in a position to make an ERDF submission in Q1 2015.

## **Potential Match Funding Required From Each Member Authority**

### **How was the management cost total of £390k arrived at and how was each member’s share of this calculated?**

This figure represents annual overheads at circa 3% of the fund's £18m value less the element of management costs recoverable from ERDF (£150k).

Members' shares were calculated by applying their percentage share of the £18m fund to the £390k total.

It should be noted that these figures are indicative at this stage and a full budget and breakdown of management costs is under development.

**If LAs who are currently involved in WSLF/ESIF want to contribute less than their current balance from those funds what will happen to the remainder?**

Any portion of a member authority's WSLF/ESIF balance that they choose not to transfer to the new fund will remain within WSLF/ESIF as an amount ring-fenced for use by that authority only. In the event of the closure of WSLF/ESIF following the fulfilment of ERDF obligations and collection of all outstanding loan repayments, the "Winding Up" clause in the Articles of Association of both companies states that remaining funds can only be transferred to a like-minded organisation.

**The Annual Spend and Match Funding figures in the table in section 21 don't seem quite right for my authority. Can I change these?**

Yes, all authorities are welcome to revise their investment targets and match funding amounts.

Members of the West of Scotland Loan Fund (WSLF) and East of Scotland Investment Fund (ESIF) have indicated their anticipated annual spend under the new Fund and their figures are based on this.

For those authorities who are not currently a member of either fund, the figures have been calculated by applying their percentage share of the national business base to a proposed 3 year total fund value of £18m.

## **Next Steps**

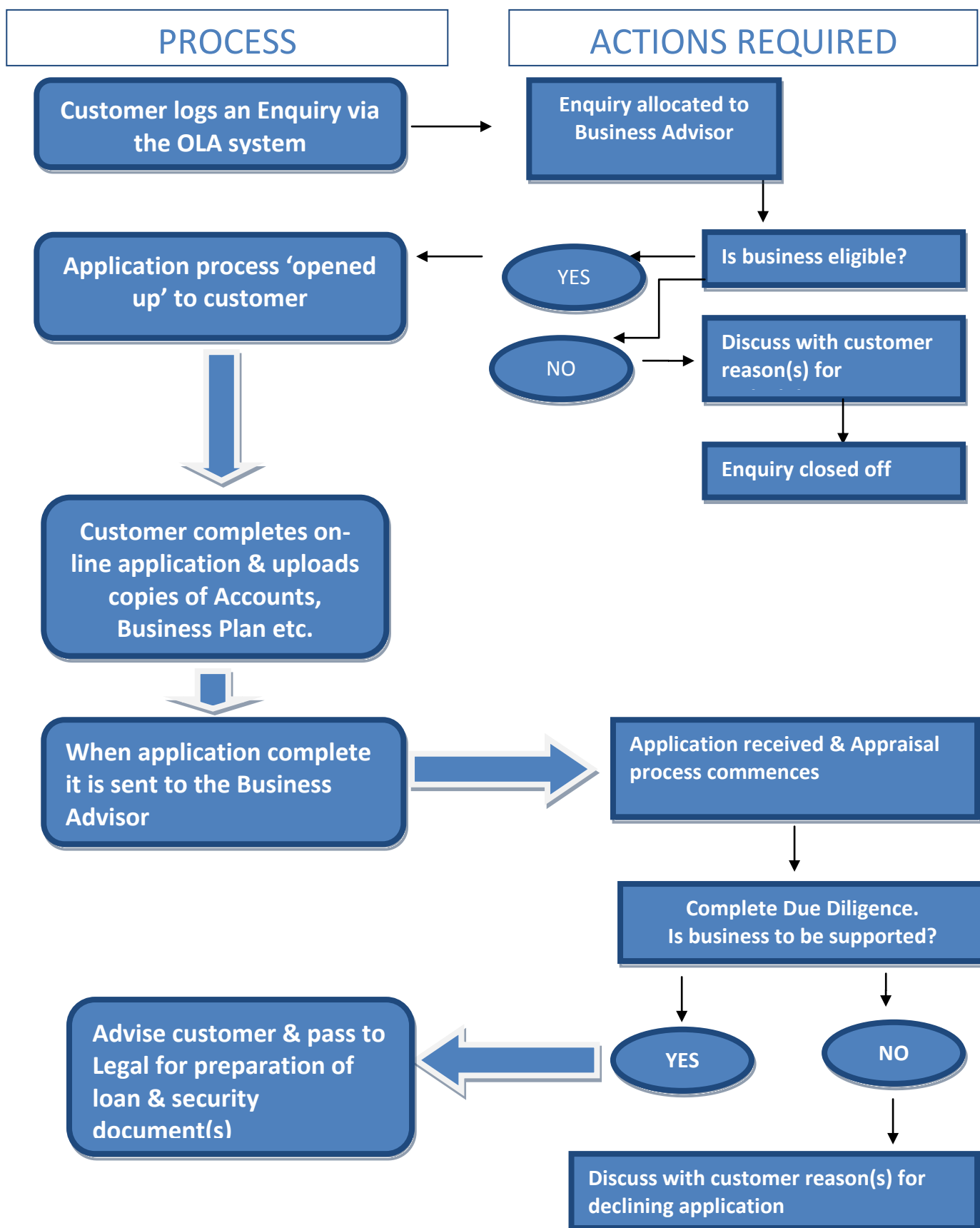
**My Local Authority is keen to participate in the new fund. What is required of us and by when?**

Along with this document you should also have received a Business Plan and draft Articles of Association and Members Agreement.

Your legal team is invited to appraise the draft Articles of Association and Members Agreement and feed any comments or suggested amendments back using the dedicated e-mail address ([panscotlandloanfund@wslf.co.uk](mailto:panscotlandloanfund@wslf.co.uk)) by Friday 19<sup>th</sup> December. Final version of these documents will then be issued in early January along with a formal invitation to join the Scottish Local Authority Business Loan Fund.

You should also utilise the information contained in this document and the Business Plan to prepare a report seeking committee approval for your participation in the fund and new company. Please use the dedicated e-mail address should you have any questions not addressed by these documents. A member of the working group will respond promptly. It would also assist the working group if you could advise us informally (again using the dedicated e-mail address) of your intention to seek approval to participate and whether you will be looking to amend the proposed annual spend for your authority from the figure listed in the table in section 21.

## APPLICATION & APPRAISAL PROCESS



# LEGAL & DRAWDOWN PROCESS

## PROCESS

## ACTIONS REQUIRED

Loan Approval Received

Summary Sheet detailing all loan terms & conditions passed to Legal

Legal prepare all loan & security documents

Customer signs & returns all loan & security documents

All loan & security documents sent to customer for signature

Documents received, checked & sent for recording as & where required

Legal send confirmation to advisor that all documentation received & confirming that loan can be released

PRF received at HQ  
Loan Management System (LMS) checked together with Payment Release Form

Payment Release Form (PRF) sent to HQ

If all the above found to be correct, funds released directly into customer's bank account

# Loan Maintenance

## PROCESS

Loan Issued

Direct Debit Mandate (DD)  
set up

NO.  
HQ will issue an unpaid /  
arrears letter & advise LA

Revised payment profile, if so  
agreed, to be recorded &  
actioned

## ACTIONS REQUIRED

Arrange regular monitoring  
meetings with customer

DD sent for collection on due date

DD Paid?

YES.  
No further  
action

NO.  
LA to contact customer to discuss  
reason(s) for non-payment &  
agree remedial action.

Agreed remedial action to be  
advised to HQ

If 2 or more repayments remain outstanding & remedial action cannot  
be agreed, refer to HQ for guidance.  
In consultation with HQ, LA & legal advisers, agree a recovery strategy

**WEST DUNBARTONSHIRE COUNCIL**

**Report by the Executive Director of Infrastructure and Regeneration**

**Infrastructure, Regeneration and Economic Development Committee:  
18 March 2015**

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**Subject: Clydebank Crematorium Procurement**

**1. Purpose**

- 1.1** The purpose of this report is to update the committee of progress with the phase 1 procurement exercise for the redevelopment of the Clydebank Crematorium project, and to seek approval to go out to tender and award for phase 2 of the project, i.e. the procurement of construction works.

**2. Recommendations**

- 2.1** The Committee is invited to:-

- (a) approve the tender and award of the procurement of construction works to deliver phase two of the redevelopment of Clydebank Crematorium; and.
- (b) delegate authority to the Executive Director of Infrastructure and Regeneration to approve the awarding of the contract to the most economically advantageous tenderer.

**3. Background**

- 3.1** As a result of the legal requirement placed on the Council, together with the fact that the three cremators at Clydebank Crematorium were approaching the end of their operational lifespan, officers from the Council's Greenspace section commissioned a feasibility report on mercury abatement to be developed.
- 3.2** The report recommends that to ensure that the Crematorium continues to operate at current levels (1500 cremations per annum) and meets Government legislation West Dunbartonshire Council require to proceed with the installation of new cremators and mercury abatement equipment as soon as possible - assuming there is the availability of necessary finance.
- 3.3** Capital funding was made available in the Capital Plan (2012-2013) to carry out the necessary improvements at the Crematorium. The project costs of £1.5million will be delivered over two financial years (2014/15 & 2015/16).

- 3.4** Since financial year 2013/14 WDC have participated in the “Crematoria Abatement of Mercury Emissions Organisation” (CAMEO) burden sharing scheme. Authorities who have abated more than 50% of cremations can sell the excess abated cremations to those that have abated less than the government target of 50%. Those that have abated derive an income, and those who have not share the financial burden.
- 3.5** As reported to the Housing, Environment and Economic Development Committee on 7 August 2013 the Council commissioned the services of HUB West Scotland to develop, design and project manage all aspects of the project. Due to legal contractual issues this role was novated over to Ramsay Project Management. The Council’s Greenspace and Procurement teams have worked with Ramsay to develop tender documentation for the purchase of the cremators and associated mercury abatement equipment.

#### **4. Main Issues**

- 4.1** The redevelopment project has been split into two procurement exercises. Phase 1 involved the purchase of 2 new cremators and associated mercury abatement equipment. This contract has been awarded to Facultatieve Technologies following approval at Tender Committee of 28<sup>th</sup> January 2015.
- 4.2** Phase 2 will deliver necessary construction and civil engineering works to enable the fitting and commissioning of the new equipment. Phase two will also deliver a refurbishment of public areas at the Crematorium that will provide a better visitor experience.
- 4.3** Indicative timetable for the delivery of this project are as follows:
- i. Cremator tender award concluded - end of January 2015
  - ii. Construction works procurement process commence - end of March 2015
  - iii. Construction works commence mid May 2015
  - iv. Cremator delivery to site - mid July 2015
  - v. Final commissioning/Handover - late November 2015

#### **5. People Implications**

- 5.1** Officers from the Greenspace section will work with Ramsay Project Management and specialist consultants to deliver this project.

#### **6. Financial Implications**

- 6.1** The cost of developing and delivering the project falls within the budget allocated from the Council’s ten year capital plan. The project costs of £1.5million will be delivered over two financial years (2014/15 & 2015/16).
- 6.2** Full abatement of all cremations will generate an income via the CAMEO scheme of potentially £33,750 per annum, with annual energy savings of £10,000.

- 6.3** The borrowing costs associated with this project will be £94k per annum. This cost will in some way be offset by the reduction in revenue costs of £43,750.

## **7. Risk Analysis**

- 7.1** The project has its own risk register that highlights risks within and out with the project teams control.
- 7.2** Failure to upgrade the cremators could lead to the Council being unable to provide a cremation service.
- 7.3** There is a reputational risk to the Council if excessive disruption to service delivery at the Crematorium is experienced. This risk will be mitigated by planning all construction works during the quieter summer months and maximising weekend and evening working.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** An equalities impact assessment has been prepared for this project and is attached.

## **9. Consultation**

- 9.1** All crematorium staff have been fully involved in the development of this project.

An information evening involving all stakeholders including funeral directors and clergy has been held at the Crematorium.

## **10. Strategic Assessment**

- 10.1** The crematorium upgrade project will contribute to ensuring that the Council continues to provide fit for purpose services at Clydebank Crematorium.

**Richard Cairns**

**Executive Director of Infrastructure and Regeneration**

**Date: 11 February 2015**

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### **Person to Contact**

Ian Bain - Greenspace Manager, Elm Road, Dumbarton,  
G82 2RH, telephone: 01389 608405, e-mail:  
[ian.bain@west-dunbarton.gov.uk](mailto:ian.bain@west-dunbarton.gov.uk)

### **Appendices:**

None

### **Background Papers:**

Equalities Impact Assessment

**Wards Affected:** All

**WEST DUNBARTONSHIRE COUNCIL****Report by the Executive Director of Infrastructure and Regeneration**

**Infrastructure, Regeneration and Economic Development Committee:  
18 March 2015**

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**Subject: Update on Property and Land Asset Disposal Strategy 2013-2018**

**1. Purpose**

- 1.1** The purpose of this report is to provide Committee with an update in respect of the 'Property and Land Disposal Strategy 2013-2018' for Council assets (the Strategy) as approved by the Housing, Environment and Economic Development Committee on 13 February 2013. An update report was submitted to the Committee on 18 June 2014 and it was agreed that the Land Asset Disposal Strategy would be updated and thereafter an annual update report be provided to Committee.

**2. Recommendations**

- 2.1** It is recommended that Committee:

- (i) acknowledge the progress made in meeting the aims and objectives of the approved West Dunbartonshire Council Property and Land Asset Disposal Strategy 2013 – 2018 and the resultant Strategy update as at February 2015 which is attached at Appendix 1;
- (ii) note the contents of the updated Surplus Assets list and Action Plan at Appendix 2; and
- (iii) note that a further annual update on the Strategy will be submitted to Committee in the first quarter of 2016.

**3. Background**

- 3.1** At the Housing Environment and Economic Development Committee on 13 February 2013, the Committee approved the Property and Land Disposal Strategy 2013 – 2018.
- 3.2** The Council holds each of its assets as a resource to be used in the delivery of services and to support and contribute to its corporate objectives. Once those assets have been declared surplus the properties are placed on the market for disposal.
- 3.3** The disposal of Property and Land Assets by the Council has been approached on the basis of achieving best value. The current financial climate has created particular problems for many public bodies. For example,

property assets cannot be so readily acquired, sold and, in some cases altered.

- 3.4** The Strategy therefore provides an improved platform from which Council officers and Elected Members can make informed and effective decisions in respect of Council property that will also support the Councils' strategic ambition and direction.
- 3.5** The development and ongoing nature of the Strategy will influence a more proactive approach in how surplus assets are considered and disposed of in the future.

#### **4. Main Issues**

- 4.1** The Housing, Environment and Economic Development Committee approved the Property and Land Asset Disposal Strategy 2013 – 2018 at its meeting on 13 February 2013 and agreed an annual update report on progress and review of the disposal plan be presented.
- 4.2** A report titled 'Progress Report and updating of Property and Land Asset Disposal Strategy 2013 – 2018' was therefore presented to the Infrastructure, Regeneration and Economic Development Committee at its meeting on 18 June 2014. This report included an update to the 2013 Strategy. However, Committee requested that the Strategy document was to be updated and this is attached as Appendix 1.
- 4.3** The ongoing purpose of the Strategy document is to set out the terms for a Property and Land Asset Disposal approach that will, in turn, support the Council's approved Corporate Asset Management Strategy and Property Asset Management Plan.
- 4.4** The ultimate aim of the Strategy is to release property and land assets that have been declared surplus in a prioritised manner which supports the Councils objectives.
- 4.5** Surplus property and land assets should contribute to the economic well-being of the area by, for example, increasing the supply of suitable houses in the area and / or assisting in reducing unemployment by making West Dunbartonshire an attractive place for business growth, employment creation and inward investment.
- 4.6** The role of the Asset Management Team, which sits within the Infrastructure, Regeneration and Economic Development directorate, is to challenge service departments to review their present and future property requirements and to strive continuously to ensure best value from the Councils property and land assets across each service area. The approach within the Strategy divides the land and property assets into 3 main categories as being:

- **Strategic sites** - Sites that could bring significant Economic impact;

- **Rationalisation Programme** - Land and buildings that are to be disposed of as part of any Council Rationalisation programme; and
- **Commercial and Private** - Those with commercial and/or private benefit to interested parties.

An updated Surplus Assets List and Action Plan for these three categories is attached at Appendix 2.

**4.7** The Council now holds a Geotechnical and Environmental Feasibility study for the former St Eunan's Primary School. This has identified that the site has identified a high prevalence of historic Asbestos Containing Material throughout the site. Further testing of groundwater continues and on receipt of this information remedial action will be taken to cap the site and make it safe. The site has therefore been removed from the list of Strategic Sites to be disposed of until an appropriate use can be established for its use.

**4.8** The next annual update of the Strategy will be brought to Committee in the first quarter of 2016.

## **5. People Implications**

**5.1** There are no significant people implications from this report other than the resources required by various services that are involved in the delivery of the strategy. There will be need for consideration of training and development requirements of the team in relation to delivering development briefs and associated reports, particularly in relation to the key strategic sites.

## **6. Financial Implications**

**6.1** The Strategy, particularly in relation to the proposed activity within key strategic sites, relies on access to the recurring capital funding for economic regeneration. Any financial implications will be considered on an asset by asset basis when they are reported to the appropriate committee. Asset Management will continue to liaise with Finance in relation to expected asset disposal values on an annual basis.

## **7. Risk Analysis**

**7.1** It was not necessary to carry out a risk assessment on the proposal contained within the report. Any risk assessment will be undertaken on an asset by asset basis when reporting to the appropriate committee.

## **8. Equalities Impact Assessment (EIA)**

**8.1** An equalities screening in terms of the originally approved Strategy was undertaken to determine if there is an equalities impact and it was found that there was no equalities impact at that time. This position has not changed. As before, individual EIA's will be completed on an asset by asset basis when reported to the appropriate committee.

## **9. Consultation**

- 9.1** Consultation was undertaken between officers of Regeneration and Asset Management; further consultation will take place with Forward Planning and Consultancy Services during the implementation of the Strategy. Further consultation will take place as appropriate.

## **10. Strategic Assessment**

- 10.1** Having considered the Council's strategic priorities, the proposal to implement a Property and Land Asset Disposal Strategy will contribute to improving growth and employment; improve local housing and environmental sustainable infrastructure; and improve the well-being of communities.

**Richard Cairns**

**Executive Director of Infrastructure and Regeneration**

**Date:**

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<b>Person to Contact:</b>	Stuart Gibson – Assets Co-ordinator, Council Offices, Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737157, e-mail: <a href="mailto:stuart.gibson@west-dunbarton.gov.uk">stuart.gibson@west-dunbarton.gov.uk</a>
<b>Appendices:</b>	Appendix 1 - Property and Land Asset Disposal Strategy 2013 – 2018 Update  Appendix 2 - Surplus Assets List and Action Plan
<b>Background Papers:</b>	Report by the Executive Director of Housing, Environmental and Economic Development to the Housing, Environment and Economic Development Committee on 13 February 2013: Property and Land Asset Disposal Strategy 2013 - 2018  Report by the Executive Director of Infrastructure and Regeneration to the Infrastructure, Regeneration and Economic Development Committee on 18 June 2014: Progress Report and updating of Property and Land Asset Disposal Strategy 2013 - 2018
<b>Wards Affected:</b>	All

# **WEST DUNBARTONSHIRE COUNCIL**

## **PROPERTY & LAND ASSET DISPOSAL STRATEGY 2013 - 2018**

**\*UPDATE AS AT FEBRUARY 2015\***

## 1. Introduction

West Dunbartonshire Council holds each of its assets as a resource to be used in the delivery of services and to support and contribute to its corporate objectives. This is the fundamental premise that underpins all the Council's actions in managing its assets.

The purpose of this document is to set out the terms for a Property and Land Asset Disposal Strategy that will, in turn, support the Council's approved Corporate Asset Management Strategy and Property Management Plan.

From the acquisition of new assets, their operation throughout their lifetime, right the way through to their eventual disposal, the overall way in which the Council deploys and accounts for its assets can be tested against the contribution they make to the overall Council's strategic vision.

All assets of the Council must contribute to the Council's strategic aims and ambitions. In particular property and land assets should contribute to the economic well-being of the area by increasing the supply of suitable houses in the area, assist in reducing unemployment by making West Dunbartonshire an attractive place for business and inward investment, thereby becoming the location of choice for businesses.

It is recognised that assets can make particular contributions in terms of:-

- Optimising asset portfolios to meet changing service needs;
- Stimulating the economic and physical regeneration of West Dunbartonshire through the release of key development sites onto the market;
- Reaping financial benefits from savings in running costs and enhancing capital receipts;
- Implementing corporate plans and strategies in areas such as carbon reduction and sustainability;
- Acting as a catalyst for partnership working with other public service providers; and
- Supporting the development and role of the Third Sector to acquire assets and to provide key services within communities, even if it means that assets are sold at less than market value.

Improved service delivery through effective asset management will be achieved when key assets are in the right location, are suitable, fit for purpose and in good condition. In particular, retained property and land assets will all need to be accessible and energy efficient.

The current financial climate has created particular problems for many public bodies. For example, property and land assets cannot be so readily acquired, sold and, in some cases altered. In addition, rising energy costs will impact significantly on property budgets.

The challenge for the Council will be to consider the changes taking place within the external environment such as new workplace practices, emerging legislation, the increasing influence of information and communications technology together with the growing importance of sustainability issues and to thereafter respond to these changes by implementing more innovative, aggressive and robust asset management policies. This approach will identify those property and land assets which are deemed surplus to services requirements which should be effectively disposed of.

## **2. Aim of Disposal Strategy**

West Dunbartonshire Council has a statutory responsibility under the Local Government (Scotland) Act 1973, to dispose of land at the best price that can be reasonably obtained in the market.

Historically in order to comply with this obligation asset disposal was, in the majority of instances, to seek to obtain market value for all surplus assets. However in a time of changing market and economic conditions there are circumstances where greater value can be realised by looking at the overall economic benefit to the community rather than the simple financial consideration for the property or land asset. This approach aligns with the Council's Strategic ambitions.

The ultimate aim is to release as many property and land assets that have been declared surplus in a prioritised basis that supports the Strategic Aims. The individual Property and Land assets that have been identified as surplus are included at Appendix 2. They have been prioritised into the following categories:

- Strategic Sites - Sites that could bring significant Economic Impact
- Rationalisation Programme - Land and buildings that are to be disposed of as part of any Council Rationalisation programme; and
- Commercial and Private - Those with commercial and/or private benefit to interested parties

Sites that have been identified as being capable of providing significant Economic Impact are as follows:

1. Dumbarton - St. James Retail Park
2. Balloch - Carrochan Road
3. Clydebank - former ATC Mountblow Road
4. Clydebank - former St. Andrews High School
5. Bonhill - former Bonhill Primary School
6. Jamestown - Levenbank Road/Milton Loan
7. Clydebank - former Braidfield High School
8. Alexandria - Heather Avenue
9. Dumbarton - land surrounding Crosslet House, Argyll Avenue
10. Clydebank – Playdrome
11. Clydebank – Rosebery Place (Council Offices)

Working in conjunction with the Regeneration team within Housing, Environmental and Economic Development, the Asset Management Team will:

- Enhance value wherever practicable and appropriate, and strive to maximise economic regeneration opportunities especially with strategic sites;
- This will be achieved through the preparation of comprehensive development briefs and undertake site investigation works, investigate servicing arrangements, consideration of taking to outline planning stage, prior to taking the asset to the market;
- Advertising on the open market to encourage competition from likely purchasers;
- Setting a closing date for offers;
- Support the transfer of certain assets at less than market value to the Third Sector, where appropriate, in return for wider community benefits;
- Generally recommending acceptance of the highest offer submitted in accordance with the above; and
- Report all potential disposals to the Housing, Environment and Economic Development Committee seeking approval to proceed.

The role of disposal within the Asset Management Team will therefore change to be more proactive working with Regeneration colleagues to invest in strategic sites to make them more marketable and more likely to drive on economic performance in the area. Any property and land to be disposed of through the rationalisation programme will be suitably prepared if appropriate and placed on the market for sale. Any commercial and private site will be sold in a similar fashion by the Asset Management team however the use of an external agent should be considered. The team will ensure arrangements are in place to:-

- Eliminate as far as possible the number of properties that are poorly used, not fit for purpose and in poor condition;
- Pursue disposal options that will maximise the return to the Council where possible and appropriate;
- Seek out more innovative methods to dispose of property. For example to examine the possibility of delayed payments for land purchases by housing developers, setting up joint venture Special Purpose Vehicles (SPV's), where appropriate, with private sector developers to unlock the latent value of the Councils assets;
- Fast-track disposal options whenever possible, where unique or significant beneficial opportunities may exist, or can be created;
- Deliver revenue savings to the Council through the prompt and successful disposal of property;
- Ensure the cost of managing the disposal process and surplus property portfolio remains competitive through benchmarking, market testing and regular review; and
- Contribute to the economic development and regeneration aspirations of the Council and its Community Planning Partners.

A report in respect of technical issues has been completed for the various strategic sites originally identified. This report advised on various aspects of each asset and their potential redevelopment and marketability.

As a result, it is therefore intended that Asset Management, in conjunction with the Regeneration team, will take forward the disposal process of the following three sites with immediate effect with a view to concluding a sale as soon as practicable in 2015/2016.

- Balloch – Carrochan Road
- Bonhill – former Bonhill Primary School
- Clydebank – former St Andrew's High School

For the remaining strategic sites currently identified, it is envisaged that the disposal process for these be taken forward from 2016/17 onwards, as appropriate. It is important to establish the Ground conditions for each of the sites as this has a significant bearing on potential capital receipts. A phase of re-assessment will be undertaken following a review of site investigations. Consideration will also be given to the possibility of obtaining Outline Planning Consent and/or undertake technical works for the sites where appropriate.

Within the 'Delivering New Housing in West Dunbartonshire – Strategic Housing Partnership' report approved by the Housing, Environment and Economic Development Committee on 7 May 2014, several of the strategic sites listed above were identified as housing development projects (via the Council's SHIP scheme) to be taken forward with a strategic housing partner to possibly deliver the social rented units on part of the sites which currently sit within the general fund.

In the event development of these sites was to be taken forward on this basis, this may have an adverse impact on capital receipts to the Council which might otherwise be obtained by a sale of the sites in the open market. Any resultant reduction in receipt will be dependent on the ratio of private housing to social rented delivered. The Asset Management Team, together with the Regeneration and Housing staff will work closely with the appointed Strategic Housing Partner to identify the most advantageous and Best Value use for each of these sites.

### **3. External Influences on Strategy**

This Disposal Strategy is a dynamic statement of how West Dunbartonshire Council expects to better manage the disposal of its property assets.

The Asset Management Team will continue to track and monitor the asset management landscape nationally. As such, it is intended that the Strategy, as in this instance, will be reviewed annually and updated, where appropriate, to reflect emerging best practice, altered priorities, changing market conditions and any new statutory obligations including relevant legislation.

The Team are committed to ensure that the Disposal Strategy and this Councils' approach to the disposal of all assets remains "fit for purpose".

A variety of 'External Influences' such as the Scottish Futures Trust, the Community Empowerment and Renewals Bill and Private Sector Developers which are likely to have an impact on this have been identified. The Asset Management team will continue to monitor this landscape and, where appropriate, update the Strategy to reflect emerging best practice, altered priorities, changing market conditions and any new statutory obligations including relevant legislation.

**a) The Scottish Futures Trust.**

A Place Review was facilitated by The Scottish Futures Trust during 2013 with local partners to establish whether there were any synergies between partners for property sharing.

It was established that the only public sector organisation which could benefit from a continued dialogue and/or co-location was Police Scotland. Discussions are continuing in relation to their ongoing commitment to share office accommodation as and when the Council commits to a new office building in Dumbarton.

**b) Community Empowerment and Renewals Bill.**

The Community Empowerment (Scotland) Bill was introduced to the Scottish Parliament on 11 June 2014 and has now been published. It will present significant implications for local authorities in terms of asset management and the potential for Communities to challenge how Councils use operational assets and dispose of those that are surplus to requirements.

There may be implications too for Common Good property and allotments, and there remains the possibility that an urban community right to buy might be introduced.

Asset Management planning between Community Planning Partners will therefore require to become more robust, especially in relation to disposal strategies. Local authorities will also require having in place a clear policy and process for dealing with Third Sector asset transfers.

In terms of the Council's response and action plan in respect of the Scottish Government's Community Empowerment (Scotland) Bill, good progress has been made. A draft asset transfer policy has been developed and was presented to the Infrastructure, Regeneration and Economic Development Committee on 18 June 2014 for noting.

A period of consultation will be undertaken by the Asset Management and Community Planning Partnership Teams with local community groups and agencies regarding potential asset transfers. It is intended that the resultant Policy following this consultation process will be taken to the appropriate committee for approval during fiscal year 2015/2016.

### **c) Private Sector Developers**

In this current economic climate little can be gained from simply attempting to market, in isolation, potentially key sites in the hope that demand may exist.

One of the Councils' Economic Development objectives is;

***“Creating a place where people choose to live, work and invest”***

The Team will engage with private sector developers to ensure that they are fully aware of market conditions and discuss potential release of surplus assets and explore the best possible transfer or sale of the assets to contribute to the economic development and regeneration aspirations of the Council.

Specifically, the Council supports the view that by adopting a more holistic approach to economic development and asset management it is more likely that demand, and returning commercial confidence, will be achieved.

By developing the centrally recurring message that West Dunbartonshire is a key destination for a range of potential business sectors, the Council can draw upon the expertise that exists within its Economic Development, Planning, Roads Infrastructure and Property Services to ensure that key sites and properties are identified and readied for disposal, and redevelopment, in a coordinated and effective manner.

This can be achieved not only through the implementation of a measured and consistent approach to disposals but also one which will allow the Council to react quickly and positively to any opportunities that may arise.

Through collaboration of this nature, and by demonstrating that all innovative supporting works and funding options will be explored, the Council can promote the message that opportunities will be created and obstacles removed thereby making West Dunbartonshire the first choice location for potentially interested parties.

This will ensure that the Council can not only exercise a measured and consistent approach to its disposals programme, but it will also be in a position to react quickly to opportunities that may arise.

The Asset Management team therefore intend to engage with private sector developers and the appointed Strategic Housing Partner to ensure that they are all fully aware of the release of the Councils surplus assets to the market and ensure the best possible lease or sale of the assets to contribute to the economic development and regeneration aspirations of the Council.

#### **d) Carbon Management Plan**

The first Carbon Management Plan (CMP) was approved by the Council in 2009. The Council has made good progress towards achieving its targets and achieved a 20% reduction in footprint between 2006/07 and 2012/13, which was based on a now historic method of calculation.

To continue with this work, and recognising that clearly the disposal of any asset will have an impact on the Councils' Carbon Reduction Commitment, it is proposed that the Strategic Asset Management Group will ensure that sufficient resources remain allocated, where possible, to undertake a Carbon profiling exercise across the surplus assets portfolio. This will strengthen the links between capital investment in assets and the disposals process, in addition to providing a valuable performance indicator.

The Council has since produced its second Carbon Management Plan. This second CMP has a wider scope and improved methodology to enable the Council to effectively manage its carbon emissions. The second CMP includes carbon and cost projections; a carbon emissions reduction target of approximately a further 15% between 2012/13 and 2019-20 and supporting project register.

#### **e) Regeneration and Funding**

Innovative asset management, and specifically a robust disposals strategy, can support the delivery of the Councils' approved Economic Development Strategy for 2011-16.

However the Strategic Asset Management Group recognises that this is a "two-way" street insofar as the Economic Development Strategy can also help drive asset management planning and underpin both a flexible and proactive disposals process.

The Asset Management team in collaboration with the Regeneration team will continue to explore alternative public and private sector methods of funding development opportunities including Joint European Support for Sustainable Investment in City Areas (JESSICA), European funds and private investors.

#### **f) Governance and Delivery**

The delivery of the asset management agenda within West Dunbartonshire Council will be undertaken by the Corporate Asset Management Team, under the direction of the Corporate Asset Manager.

The Corporate Asset Management Team will, in turn, be supported by the Strategic Asset Management Group. This Group is chaired by the Executive Director of Housing, Environment and Economic Development and comprises senior representation from all directorates.

Its role is to ensure that the Corporate Asset Management Strategy, and all asset management activities that flow from it, will remain effective and progressive.

The Strategic Asset Management Group has the responsibility to consult with, and make recommendations to, Elected Members.

A decision to dispose of any significant property and land asset will be based on a recommendation from Council officers and be taken by the Housing, Environment and Economic Development Committee once declared surplus by the appropriate service committee.

#### **4. Conclusion**

The economic pressures facing the public sector at this present time will continue to present all local authorities with significant financial challenges for the foreseeable future.

An imperative to continue re-focussing and refreshing a Corporate Asset Management Strategy to meet these challenges is recognised, as is the key role that an effective Disposals Strategy has to play in this process.

West Dunbartonshire Councils' Asset Disposal Strategy 2013-18 will provide an ongoing, improved platform from which Council officers and Elected Members can make informed and effective decisions in respect of Council property that will also support the Councils' strategic ambition and direction.

**February 2015**

## Appendix 2- Surplus Assets List & Action Plan

ASSET	Comments	Estimated Date of Sale	Action	Responsibility for action
<b>Strategic Sites</b>				
Site at Carrochan Road, Balloch	8,728 sqm (2.17 acres) of ground at Carrochan Road, Balloch adjacent to new National Park Headquarters. The site is zoned for residential use and was marketed for disposal in 2008. Preferred developer was unable to conclude missives.	2015-16	Potential issues with ground conditions. Possible capital outlay required in order for WDC to undertake any necessary remedial works. Site Investigation has been instructed and to be undertaken imminently. Site will generate interest from private residential developers. Commence marketing 2014-15.	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford
Former St Andrews High School, Clydebank	Site of former St Andrews High School extending to 7.03 acres (28,463 sqm). 6.74 acres is within the PPP project the remaining 0.29 acres is not Education ground. Demolished 2010. Any capital receipt to be received is already ringfenced to PPP.	2015-16	Acquisition of adjoining small area of land would improve boundary and marketability. Planning brief to be prepared. Site investigation undertaken late 2014, finalised report awaited.	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford
Former Bonhill Primary School, Bonhill	Site of former Bonhill Primary School extending to 1.42 acres (5,736 sqm). Area increased by inclusion of pitch extending to 3,781 sqm giving a total area of 9,517 sqm (2.35 acres).	2015-16	Maybe increased further if adjacent open space can be redesignated for housing. Potential transfer from GRA to HRA as compensation for HRA loss in Mitchell Way.	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford
Auchentoshan (Former ATC), Mountblow Rd, Clydebank	Former adult training centre within Auchentoshan Estate which was closed in February 2009. Property was marketed in 2010/11 with one offer received but never concluded. Property was demolished May 2013. Asset now comprises cleared site. Proposal to lease (with Option to Purchase) at market value for educational use rejected by IRED Committee 17/09/14. Committee instruction to re-market for care home use.	2015-16	Re-market site for care home use.	Asset Management - Stuart Gibson
Former Braidfield High School, Clydebank	Site of former Braidfield High School extending to 7.8 acres (31,576 sqm). Area increased due to inclusion of pitches. Demolition completed 2010. Any capital receipt to be received is already ringfenced to PPP.	2016-17	Undertake site investigations prior to marketing. Establish development brief for site. Consider obtaining outline planning consent. Commence marketing 2014-15. Site Investigation Report been instructed and to be undertaken imminently. Projected capital receipt dependant on extent of clean up costs to be revealed in SI Report.	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford
6.47 acre site at Levenbank Road, Jamestown (Milton Loan)	26,167 sqm (6.47 acres) of ground at Levenbank Road, Jamestown identified for residential use in finalised local plan. Local plan suggests 68 units for site based on 75 units for larger area. Likely purchaser to be a RSL.	2016-17	Obtain development brief. Check road access, power supply and drainage issues. Consider obtaining outline planning consent. Potential issues with contamination. Possible capital outlay required in order for WDC to undertake any necessary remedial works. Site Investigations being undertaken presently.	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford
St James Retail Park, Glasgow Road, Dumbarton. Phase 1 part disposal and Phase 2 complete disposal of 5.14 acre site	20,809 sqm (5.14 acres) of ground at St James Retail Park, Glasgow Road, Dumbarton. The site is zoned as a retail development opportunity in the finalised Local Plan. Planning consent for a retail development for 3 units totalling 35,000 sqft has been granted. Phase One receipt £1.0M, Phase Two receipt £1.5M.	2016-17	Discussions to be resurrected during 2014-15 with Henry Lax following recent sale of Retail Park from British Land to Legal & General.	Asset Management - Stuart Gibson
Council Offices, Rosebery Place, Clydebank	Council offices relocating from Rosebery Place to Aurora House in Mar/Feb 2015. Rosebery Place to put on the market for disposal once vacated.	2016-17	Potential capital outlay required in order for WDC to undertake demolition of the existing building. Costed and allowance included in Office Rationalisation Programme	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford
Playdrome, Clydebank	Leisure provision to be relocated to new facility at Queens Quay. Thereafter, potential disposal of 8.58 acre Playdrome site in town centre for mixed retail and leisure use.	2017-18	Potential capital outlay required in order for WDC to undertake demolition of the existing building. Included in Leisure Centre Replacement programme	Asset Management - Stuart Gibson
Site at Heather Avenue, Alexandria	17,281 sqm (4.27 acres) of ground at Heather Avenue, Alexandria identified for residential use in finalised local plan. Local plan suggests 160 units for whole development site (9.76 acres) therefore proportionate amount for WDC vacant site of 4.27 acres.	2017-18	Site investigations to be undertaken to establish what decontamination works would be required. Open discussions with adjoining owners regarding joint sale or joint venture. Negotiations required with adjoining owners to promote comprehensive redevelopment.	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford
Site at Crosslet House, Argyll Avenue, Dumbarton	Two options being assessed for the development of the site. A larger development of up to 120 units for the whole site which will require significant access improvements. Or a smaller development of 40 units (updated by Forward Planning) which can use the Site identified for 90 bed Council care home. Residual site established; site investigation instructed; development brief prepared.	2018-19	Site Investigation to be undertaken imminently. Forthcoming development of care home is likely to impact on access and roads to the subject site. Defer marketing until care home complete and established. Dense Japanese Knotweed on site will require continued treatment over the forthcoming five years.	Asset Management - Stuart Gibson Economic Development - Michael McGuiness Planning - Pamela Clifford

PROPERTY	General Comment	Date or Estimated Date of Sale	Action	Responsibility for Action
<b>Rationalisation Programme</b>				
Council Offices, Rosebery Place, Clydebank	Part of Office Rationalisation Proposal. Aim to have the property/site on the market once vacated.	2016-17	Potential capital outlay required in order for WDC to undertake demolition of the existing building. Costed and allowance included in Office Rationalisation Programme	Asset Management - Stuart Gibson
Council Offices, Garshake Road, Dumbarton	Part of Office Rationalisation Proposal.	2017-18	Consider alternative uses for building ; alternative uses for site and obtain site investigation survey if necessary and consider obtaining outline planning consent for alternative use. Discussions to be held with Police Scotland regarding disposal of the larger site (i.e. Garshake House and police offices).	Asset Management - Stuart Gibson
Former CLD offices 5 West Thompson Street Clydebank	Part of Office Rationalisation Proposal. Single storey office building.	2013-14	Asset sold to third sector organisation Y Sort-It in March 2014.	No further action required.
Gavinburn Branch Library, Old Kilpatrick	Declared Surplus by HEED - offered to community groups - no interest forthcoming	2013-14	No longer to be sold. Property Demolished. Returned to GSA.	No further action required.
Solum of Canal, Clydebank	Solum of canal adjacent to Clyde Shopping Centre, Clydebank. Committee approval to transfer to British Waterways for £1. Legal negotiations in hand.	2013-14	Transaction completed.	No further action required.
Bridge Street Ground Lease	Previous interest from tenant for purchase of WDC ground lease interest. Negotiations with building owner on going.	2013-14	Transaction completed.	No further action required.
147 High Street, Dumbarton	Part of Rationalisation Proposal. Sale to Dumbarton Credit Union at £112,500 completed early November 2014.	2014-15	None	No further action required.
Former Faifley Bowling Club, Abbeyland Road, Clydebank	Potential Housing Association site. Knowes Housing Association have registered interest and discussions on-going.	2015-16	Knowes to instruct SI report.	Asset Management - Stuart Gibson
Former Scout Hall, 104 East Barnes Street, Clydebank	Been Marketed. Closing Date Friday 12th December 2014.	2015-16	Two offers received - currently under consideration.	Asset Management - Stuart Gibson
Former Drumry Bowling Club, Kirkoswald Drive, Clydebank	Declared Surplus by HEED.	2015-16	In the first instance, the site will require to be marketed to community groups to establish if any interest.	Asset Management - Stuart Gibson
Library Offices Poplar Road Dumbarton	Part of Office Rationalisation Proposal.	TBC	When vacated seek to declare surplus and market property on open market.	Asset Management - Stuart Gibson
Balloch Castle Balloch	Part of Office Rationalisation Proposal. Historic Castle leased from GCC.	As soon as practicable	Seek alternative uses for facility.	Asset Management - Stuart Gibson
Various Units Leven Valley Enterprise Centre Dumbarton	Part of Office Rationalisation Proposal.	TBC	Vacate and return to non operational portfolio.	Asset Management - Stuart Gibson
30 Church Street Alexandria	Part of Office Rationalisation Proposal. Purpose built office building with carparking.	TBC	Title investigation required	Asset Management - Stuart Gibson
85 Kilbowie Road Clydebank	Part of Office Rationalisation Proposal. Purpose built office building with carparking.	TBC	New tenant to be found - place on letting market.	Asset Management - Stuart Gibson
4/6 and 10 Elm Road Dumbarton	Part of Depot Rationalisation Proposal. Former workshops and office buildings.	TBC	Properties vacant - seek committee approval to declare surplus and place on open market.	Asset Management - Stuart Gibson
Ground at 83 Fullers Gate	Remedial conveyance of land which should have been sold previously to Faifley Housing Association.	2015-16	FHA to contact WDC	Asset Management - Stuart Gibson
264 Glasgow Road	Shop.	2015-16	Application from tenant required to action disposal	Asset Management - Stuart Gibson
276 Glasgow Road	Shop.	2015-16	Application from tenant required to action disposal	Asset Management - Stuart Gibson
3 Upper floor flats at 153 Main Street, Renton	Committee approval to sell to Cordale H.A. Lengthy delay in concluding agreement.	2015-16	discussions to be reopened with Cordale.	Asset Management - Stuart Gibson

PROPERTY	General Comment	Date or Estimated Date of Sale	Action	Responsibility for Action
<b>Rationalisation Programme</b>				
Site at 5/13A Lennox Drive, Fairley	Ground at 5/13A Lennox Drive, Clydebank which is required for development of the adjacent residential site by Fairley Housing Association. .	2015-16	Negotiations ongoing.	Asset Management - Stuart Gibson
Ground at Grant Crescent, Renton, Alexandria	1,211 sqm (0.3 acres) of ground at Grant Crescent, Renton proposed to be sold to Cordale Housing Association.	2015-16	Title rectification following initial disposal. Two areas of ground involved.	Asset Management - Stuart Gibson
73 sqm site at Tontine Crescent, Renton	Disposal to Cordale Housing Association of 3,161 sqm (0.78 acres) required to be split. Remaining 73 sqm to be sold on same basis.	2015-16	Negotiations ongoing.	Asset Management - Stuart Gibson
Ground at rear of 167-173 Main Street, Renton, Alexandria	Ground at the rear of 167-173 Main Street, Renton proposed to be sold to Cordale Housing Association.	2015-16	None required.	Asset Management - Stuart Gibson
1.73 acres of ground Bellsmyre - 3 sites	7,001 sqm (1.73 acres) of ground at 11-15 Muir Road, 11-15 Aitkenbar Drive and 2-4 Penniecroft Avenue, Bellsmyre, Dumbarton. Three sites included in valuation as proposed to sell as part of single transaction	2015-16	None required.	Asset Management - Stuart Gibson
50sq m site at Halkett Crescent, Alexandria (Lesser Boll of Meal)	50 sqm (0.01 acres) of ground at Halkett Crescent, Alexandria (adjacent to Lesser Boll of Meal park) which forms part of an access to a proposed care home development.	2015-16	Negotiations ongoing with developers on the basis of ransom value.	Asset Management - Stuart Gibson
759 sq m site adjoining 3 Auchinleck Terrace, Fairley	Former lock-up garages to rear of former local authority residential units	2015-16	None required.	Asset Management - Stuart Gibson
54 sqm of ground at John Street	54 sqm of ground at John Street, Renton. Landscaped area proposed to be sold to Cordale Housing Association for 3 car parking spaces.	2015-16	None required.	Asset Management - Stuart Gibson
Wayleave at Brown Street, Haldane	Development of 16 housing units by Cube HA Ltd. Surface water sewer. Discussions in hand.	2015-16	None required.	Asset Management - Stuart Gibson
Yard 62/64 Clyde Street Clydebank	Previously considered for sale to sitting tenant - negotiations did not progress to completion.	2015-16	None required.	Asset Management - Stuart Gibson
Land adjoining Leven Cottage, Main street, Alexandria	Proposed sale to Cordale HA for access to Leven Cottage redevelopment. Committee approval to sell required. Title Report and land services approval requested. Discussions ongoing with RSL.	2015-16	None required.	Asset Management - Stuart Gibson
Grazing Land, Castlehill	Previously a proposed sale to tenant farmer.	2015-16	Action by Legal Services may allow WDC to secure rent or sale.	Asset Management - Stuart Gibson

PROPERTY	General Comment	Estimated Date of Sale	Action	Responsibility for Action
<b>Commercial and Private</b>				
Renton EE&CC Building	Former Renton EECC vacated and surplus to requirements. Previously valued at £125,000 based on residential development value. Council decision on 7th September 2011 to sell the property to Renton Community Development Trust at less than market value.	2015-16	Vale of Leven Autism and Aspergers Forum be given use of Asset for one year at a peppercorn rent while it develops business case options for either purchase or long term lease of the building.	Asset Management - Stuart Gibson
Carman Centre, Renton	Property returned to Council by Renton Development Community Trust.	2014-19	Sold to Cornerstone; Settlement on 28th November 2014. Purchase price £120,000 payable in six installments of £20,000 payable at Date of Entry and thereafter on 28th November 2015, 2016, 2017, 2018 and 2019.	Asset Management - Stuart Gibson
82 Main Street Alexandria	Former office extending to 863 sqft on the first floor with access at the rear. Declared surplus and marketed for sale in 2011/12. Offer of £46,000 received but not concluded as issues over access remain unresolved.	2015-16	Resolve access issues.	Asset Management - Stuart Gibson
Ladyton Library, Bonhill	Declared Surplus by HEED - offered to community groups - no interest forthcoming.	2014-15	Marketed for sale on open market during October 2014; closing date set at 24 October 2014. Under offer at £28,500. Offer conditional upon receipt of planning permission for retail use.	Asset Management - Stuart Gibson
102 Main Street, Alexandria	Former offices extending to 1,406 sq ft on the first floor and attic with access at the rear. Declared surplus but not yet marketed for sale.	2015-16	To be marketed. Fire safety issue with timber staircase at upper level. Staircase may require to be replaced.	Asset Management - Stuart Gibson
Ground at Parkhall Road	Surplus Status to be clarified. Possibility of 1-2 residential developments plots.	2015-16	Japanese Knotweed identified to rear of site which any preclude development/sale of part of land. Spraying regime to eradicate infestation to be monitored.	Asset Management - Stuart Gibson
Levenford Gatelodge and Coachhouses	Vacant house (coach house) and derelict gatelodge. Declared surplus on 30th March 2005. Inspection during 2010 found property to be in a poor condition.	2015-16	Possible disposal to adjoining owner.	Asset Management - Stuart Gibson
Former Public Toilet - Quay St, Dumbarton	410 sqm (0.01 acre) site at Quay Street, Dumbarton. Formerly public toilets demolished in 2009. Site value based on part commercial and part residential uses.	2015-16	Site investigations and planning brief.	Asset Management - Stuart Gibson
0.576 acre site 193 Dumbarton Rd. Clydebank-Site	Development is limited by main sewer at the rear of the site and its irregular shape. Additional costs from Network Rail reduced value further and may preclude development.	2015-16	Site investigations and planning brief	Asset Management - Stuart Gibson
32 sqm of ground at Glasgow Road, Hardgate, Clydebank	32 sqm of ground at Glasgow Road, Hardgate currently used as a flower bed. Forms part of a larger potential residential development site.	2015-16	Planning investigation required to establish alternative use	Asset Management - Stuart Gibson
Kilbowie Road roundabout, Clydebank	Development site opposite fire station. May suit licensed/public house use.	2015-16	Site investigation and potential planning brief.	Asset Management - Stuart Gibson
8 Elm Road Dumbarton - Vacant	Surplus property pending committee approval to market/sell	2015-16	Decision on sale delayed for Depot Rationalisation Programme Review to be completed	Asset Management - Stuart Gibson
10a Elm Road, Dumbarton - Window factory	Surplus property pending committee approval to market/sell	2015-16	Decision on sale delayed for Depot Rationalisation Programme Review to be completed	Asset Management - Stuart Gibson
365 sq m site at Hardie Street, Alexandria	461 sqm (0.11 acres) of ground at 7 Hardie Street, Alexandria within an existing residential area. Considered suitable for development of a single house plot. Site forms amenity ground at present.	2015-16	Title investigation required	Asset Management - Stuart Gibson
0.576 acre site 193 Dumbarton Rd. Clydebank-Site	Development is limited by main sewer at the rear of the site and its irregular shape. Additional costs from Network Rail reduced value further and may preclude development.	2015-16	Negotiating sale with adjoining owner.	Asset Management - Stuart Gibson
404 Glasgow Road, Clydebank	2 areas of ground 1,975 sqm (0.49 acres) and 282 sqm (0.07 acres) at 404 Glasgow Road, Clydebank. Ground adjacent to site of former church which was demolished. Planning permission for mixed use development refused in 2008/09.	2014-15	Adjoining owner has offered price of £18,000 and seeking planning consent for redevelopment.	Asset Management - Stuart Gibson

PROPERTY	General Comment	Estimated Date of Sale	Action	Responsibility for Action
<b>Commercial and Private</b>				
0.16 acres of ground at 44-46 Gaitskill, Alexandria	454 sqm (0.11 acres) of ground at 44-46 Gaitskill Avenue, Alexandria. Former playground with potential as a single house plot. Value reduced to reflect generally falling market. Area amended as error in previous assessment.	2015-16	Planning investigation required to establish alternative use	Asset Management - Stuart Gibson
5 acre site at Lomond Industrial Estate, Alexandria	20,235 sqm (5 acres) of ground at Strone Road, Lomond Industrial Estate, Alexandria zoned for industrial use. The site is subject to flooding and is on the route of the proposed Lomond Canal.	2015-16	Future Review.	Asset Management - Stuart Gibson
2.34 acre site at Castle Street, Dumbarton (Includes OAB façade)	Building which has been partially demolished with only the facade retained. Development would require the relocation of the Burgh Hall. Additional area acquired from Vico in 2008/09.	2015-16	Future Review.	Asset Management - Stuart Gibson
0.34 acres of ground at Meadowbank	1,394 sqm (0.34 acres) of ground at Meadowbank Street, Dumbarton. Occupied by Inland Revenue but owned by WDC. Proposed to be sold to remedy title. Land currently used by occupier of bulding for carpark and access. Should be sold at same time when building sold by owner.	Unknown at this stage	Mapeley have offered £60,000. WDC to confirm price.	Asset Management - Stuart Gibson
Brown Ave. Clydebank-Ground	Rectangular flat grassed site in established residential area which could accommodate several residential units subject to Title and Planning.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
0.2 acres of ground at 1 Carmona Drive, Haldane, Alexandria	Sloping grass verge site in existing residential area.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
5A Colquhoun Dr. Alexandria- LAND	Flat regular shaped corner site in existing residential area. Currently used as gardens by adjoining residents. Could support an apartment block subject to Title and Planning although likely resistance from residents.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
500 sqm of ground at 118 Roman Crescent, Old Kilpatrick, Clydebank	Site comprises lock ups and hard surfaced flat ground within established residential area. Possible House plot(s) sale(s) - subject to Title and Planning.	Unknown at this stage	Verify with Housing if lock-ups currently leased out.	Asset Management - Stuart Gibson
Beardmore Place (E of Duntocher Burn), Clydebank	Linear, sloping part woodland site.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
Braes Ave, Whitecrook, Clydebank	Flat plot of land off Braes Avenue. Main services/utilities should be readily available.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
Dumbarton Rd (opposite Foto One), Clydebank	Public open space, mature trees and footpath over narrow linear site.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
Grnd Lawmuir Cres and Whitehill Rd, Duntocher, Clydebank	Steeply sloping site - appears to be green belt land - Planning discussions required.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
Grnd, Boulevard (North), Clydebank	Triangular area of ground on northern side of Great western Road - to east of access road of Bouelvard Hotel. Currently overgrown. Enquiry received by Forward Planning to purchase/lease - to be investigated.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
Grnd, Douglas Muir St, Faifley, Clydebank	Steeply sloping site adajacent to existing residential units - worthy of further investigation with planning dept.	Unknown at this stage	Further investigation required.	Asset Management - Stuart Gibson
Grnd, Glasgow Rd, Hardgate, Clydebank	Linear narrow grass verge.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
Grnd, Gran St and Davidson St, Clydebank	Open space area adjacent to Canal - restricted access	Unknown	Further investigation required.	Asset Management - Stuart Gibson
Land - Glenhead Road - 20 units	Flat linear site used for lock up garages	Unknown	Further investigation required.	Asset Management - Stuart Gibson

PROPERTY	General Comment	Estimated Date of Sale	Action	Responsibility for Action
<b>Commercial and Private</b>				
Land at Onslow Road (West) - 20 units	Open flat grassed area adjacent to scout hall and railway line	Unknown	Further investigation required.	Asset Management - Stuart Gibson
North of Breval Cres, Clydebank	Grassed corner verge site adjacent to housing. Forms part of larger Title. To be further investigated with WDC planning.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
North of Craigielee Road, Clydebank	Steeply sloping grassed site in residential area.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
Parkhall Rd (South of Manse), Clydebank	Steeply sloping grassed site in residential area.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
Site - Durban Ave. Clydebank	Landscaped public open space area.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
Site - Talisman Ave, Dumbarton	Grassed verge in existing residential area.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
Site South of Breval Cres, Duntocher, Clydebank	Grassed corner verge site adjacent to housing. Forms part of larger Title. To be further investigated with WDC planning.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
South behind Duntocher Hotel, Clydebank	Site could accommodate development however currently used as open space and footpath. Recent residential development adjacent - if it could have been sold or developed likely to have been included within that development. Clarify position with WDC Planning.	Unknown	Further investigation required.	Asset Management - Stuart Gibson
Westernmost part of Beeches Rd, Duntocher, Clydebank	Linear public open space in established residential area with two existing points of access. However, plot depth, layout of land and vehicle access may prove problematic. To be further investigated with WDC planning.	Unknown	Further investigation required.	Asset Management - Stuart Gibson

**WEST DUNBARTONSHIRE COUNCIL****Report by the Executive Director of Infrastructure and Regeneration****Report to Infrastructure, Regeneration and Economic Development  
Committee: 18 March 2015**

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**Subject: Appointment of Strategic Services to Support West  
Dunbartonshire Council's City Deal Project**

**1. Purpose**

- 1.1** The purpose of this report is, in accordance with the requirements of Standing Order (39.d), to notify the Infrastructure, Regeneration and Economic Development Committee of the decision taken by the Chief Executive to relax the procedures for tender.

**2. Recommendations**

- 2.1** It is recommended that the Committee notes the content of the report.

**3. Background**

- 3.1** The Council has committed to be part of the Glasgow and Clyde Valley City Deal project. Twenty initial Clyde Valley City Deal projects have been identified, of which the Council has one, the Exxon Site project. At the highest level, this project will require a £27.89M funding to develop, design and deliver a new access road to the site between Dunglas Roundabout and the intersection leading to Dumbarton at the A82 together with associated development platforms.
- 3.2** The governance of City Deal is currently being formed and each project requires well prepared and informed; Strategic, Outline and Detailed Business Case submissions for review internally within each Council prior to submission to the City Deal Programme Management Office, Chief Executive Group and City Deal Cabinet.
- 3.3** Because of the urgent need to progress the appointment of an advisor to take forward the Council's City Deal project, on 4th February 2015 and in accordance with Standing Orders Relating to Contracts (39.d), the Chief Executive approved a recommendation to relax the procedures for tender in order to expedite the appointment of strategic services to support delivery of the Council's City Deal project.

**4. Main Issues**

- 4.1** The Council requires Strategic Services to develop the required Business Cases for submission and approval at each stage of the City Deal process; to

assist in securing the required funding; and to develop a package of works which can then be procured and delivered by the Council.

- 4.2** Standing Orders Relating to Contracts require that a contract notice, inviting tenders, is advertised on the Public Contracts Scotland web portal. This process would normally see a number of tender submissions being received which would require to be assessed in accordance with the published evaluation criteria. The timescales to appoint strategic services could therefore take several weeks.
- 4.3** To meet the timescales prescribed by City Deal for the submission of the Strategic Business Case (being the end of March 2015), it was recommended to the Chief Executive, in accordance with Standing Orders Relating to Contracts (39.d), that tendering procedures be relaxed.
- 4.4** The detail of the recommendation was that a contract opportunity would not be published via Public Contracts Scotland web portal and instead, up to five suitably experienced firms would be invited to tender. All other tendering standards and procedures would remain unchanged. It is believed that this relaxed application of tendering procedures will reduce the timescales to appoint strategic services by around three weeks.
- 4.5** The recommendation to relax the procedures for tender in accordance with Standing Orders Relating to Contracts (39.d) was approved by the Chief Executive on 4<sup>th</sup> February 2015.
- 4.6** Future procurement activity arising from the City Deal project is currently being mapped to ensure that the Council continues to prepare proactively to meet the ambitious timescales for delivery of the City Deal project.

## **5. People Implications**

- 5.1** None

## **6. Financial Implications**

- 6.1** The cost of these strategic services has been capped at £150K but is anticipated to be considerably lower. These costs will be funded through the Regeneration capital budget.

## **7. Risk Analysis**

- 7.1** This procurement exercise falls below the EU Procurement Thresholds for services. As such, the relaxation of normal tendering procedures in this instance represents a very low level of risk.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** An initial screening exercise undertaken has confirmed that there are no direct EIA implications as a result of this paper.

## **9. Consultation**

- 9.1** The Head of Regeneration and Economic Development, the Head of Finance and Resources and the Head of Legal, Democratic and Regulatory Services have all been consulted on the content of this report.

## **10. Strategic Assessment**

- 10.1** The early engagement of strategic services is critical in meeting the timescales for submission of the Strategic Business case, as prescribed by City Deal.

**Richard Cairns**

**Executive Director of Infrastructure and Regeneration**

**Date: 12 February 2015**

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**Person to Contact:** Annabel Travers - Corporate Procurement Manager,  
Garshake Road, Dumbarton, G82 3PU, e-mail:  
[annabel.travers@west-dunbarton.gov.uk](mailto:annabel.travers@west-dunbarton.gov.uk)

**Appendices:** None

**Background Papers:** Equalities Impact Assessment

**Wards Affected:** All

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Executive Director of Infrastructure and Regeneration

**Infrastructure, Regeneration & Economic Development Committee:  
18 March 2015**

**Subject: Infrastructure, Regeneration & Economic Development Budgetary  
Control Report 2014/15 to Period 10 (31 January 2015)**

#### **1. Purpose**

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance to 31 January 2015 (Period 10) of those services under the auspices of the Infrastructure, Regeneration & Economic Development Committee.

#### **2. Recommendations**

**2.1** Members are asked to:

- i) consider and note the contents of this report which shows the revenue budget forecast to underspend against budget by £0.434m (1.4%) at the year-end;
- ii) consider and note the net projected annual capital underspend of £2.427m (9.9%), of which £3.660m (14.9%) relates to project rephasing and an in-year overspend of £1.233m (5.0%); and
- iii) note the progress on savings incorporated into budgets for 2014/15.

#### **3. Background**

##### Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 6 February 2014, Members agreed the revenue estimates for 2014/2015 and a total budget of £30.028m for the services being reported to this committee. Subsequent virements – specifically additional sums for the provision of free school meals from January 2015 for primaries 1 to 3 - have increased the net budget to £30.232m.

##### Capital

- 3.2** At the meeting of Council on 6 February 2014, Members also agreed the updated Capital Plan for 2014/15 and a total planned budgeted spend of £103.682m, for those projects being reported to this committee. Since then there have been a number of agreed amendments to this programme such that the revised programme is now £106.399m.

#### **4. Main Issues**

##### Revenue Budget

- 4.1** The current budgetary position is summarised in Appendix 1 with a graphical representation given in Appendix 2. Of the 25 services monitored 18 (72%) are showing either a favourable or a nil variance; of the remaining 7 services showing an adverse variance (28%), 3 are above the £50,000 reporting threshold. A more detailed analysis by service is given in Appendix 3. Comments are shown in Appendix 4 when there are projected annual variances greater than £0.050m. Appendix 5 shows progress on the achievement of saving options adopted as part of the 2014/15 budget.
- 4.2** Appendix 1 shows the probable outturn for the services at £29.798m. As the annual budget is £30.232m there is currently a projected favourable variance for the year of £0.434m.
- 4.3** The variance has moved from an adverse variance of £0.195m at period 7 – the last period reported to Council in December 2014 – to a favourable variance of £0.474m. The change in the variance occurred mainly as a result of the following :-
- i) Roads Operations – reduction in expenditure on materials (£150k)
  - ii) Roads Services – continuing vacancies (£22k) and reduced expenditure on winter maintenance materials (£130k)
  - iii) Clydebank Town Hall – reduced expenditure on utilities (£16k) and an increase in income (£40k).
  - iv) Outdoor Services – continuing vacancies (£16k) and reduced expenditure on utilities (£33k)
  - v) Corporate Assets – reduced expenditure on utilities (£25k) and a reduction in employee costs (£13k)
  - vi) Planning – continuing vacancies (£11k) and increased income from building warrants (£30k)
  - vii) Catering – reduced expenditure on food purchases (£30k) and additional hospitality income (£13k)
  - viii) Facilities Assistants – reduced overtime (£18k) and associated employee costs (£10k).

#### Capital Budget

- 4.4** The overall programme summary report is shown in Appendix 6 and a graphical analysis is shown in Appendix 7. Information on projects that are highlighted as being within the red and amber categories for probable underspends or overspends in-year and in total is provided in Appendix 8 . This includes additional information on action being taken to minimise or mitigate slippage and/or overspends where possible. The analysis shows that for the in-year planned spend there is currently a projected annual favourable variance of £2.427m with £3.660m relating to project underspending against profile in-year and an in-year overspend of £1.233m. Officers review regularly the in-year position to consider options to maximise the effective use of capital resources.

**4.5** The variance has moved from a favourable variance of £1.461m at period 7 – the last period reported to Council in December 2014 - to a favourable variance of £2.427m. The change in the variance occurred mainly as a result of the following :-

- i) Knowleburn Flooding – rephasing of additional costs (£508k) as a result of a number of unanticipated costs (e.g. additional diversion works) arising during construction; and
- ii) Clydebank Crematorium – initially this was scheduled to be procured via HUB. However, when this method of procurement changed the project was required to be reapproved at Tender Committee on 28th January 2015. This has inevitably resulted in a delay in the project commencing.

## **5. People Implications**

**5.1** There are no people implications.

## **6. Financial Implications**

**6.1** Other than the financial position noted above, there are no financial implications of the budgetary control report. Officers are currently reviewing budgets and projections with a view to improving the position by financial year end and progress will be highlighted in future reports to committee.

**6.2** Agreed savings and management adjustments for 2014/15 are monitored with current indications showing that of the total target being monitored (£1.337m), the majority of actions are currently on target to be achieved. However it indicates that £0.132m (9.8%) is currently not on target (see Appendix 5). It should be noted that any variances are included within the service information and variances identified within this report.

## **7. Risk Analysis**

**7.1** The main financial risks to the ongoing financial position relate to unforeseen costs being incurred between now and the end of the financial year. This can affect all service areas. Virements will be considered where in-year capital underspends become apparent and regular reviews to minimise in-year underspends will continue.

## **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.

**Richard Cairns**  
**Executive Director of Infrastructure and Regeneration**  
**Date: 23 February 2015**

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<b>Person to Contact:</b>	Joe Reilly - Business Unit Finance Partner (HEED), Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737707, e-mail <a href="mailto:joe.reilly@west-dunbarton.gov.uk">joe.reilly@west-dunbarton.gov.uk</a>
<b>Appendices:</b>	Appendix 1 - Summary Budgetary Position (Revenue) Appendix 2 – Graphical Representation (Revenue) Appendix 3 – Detailed Budgetary Position (Revenue) Appendix 4 – Variance Analysis (Revenue) Appendix 5 – Monitoring of Savings Options Appendix 6 – Budgetary Position (Capital) Appendix 7 – Graphical Representation (Capital) Appendix 8 – Variance Analysis (Capital)
<b>Background Papers:</b>	None
<b>Wards Affected:</b>	All

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2014/2015  
IRED SUMMARY

APPENDIX 1

MONTH END DATE

31 January 2015

PERIOD

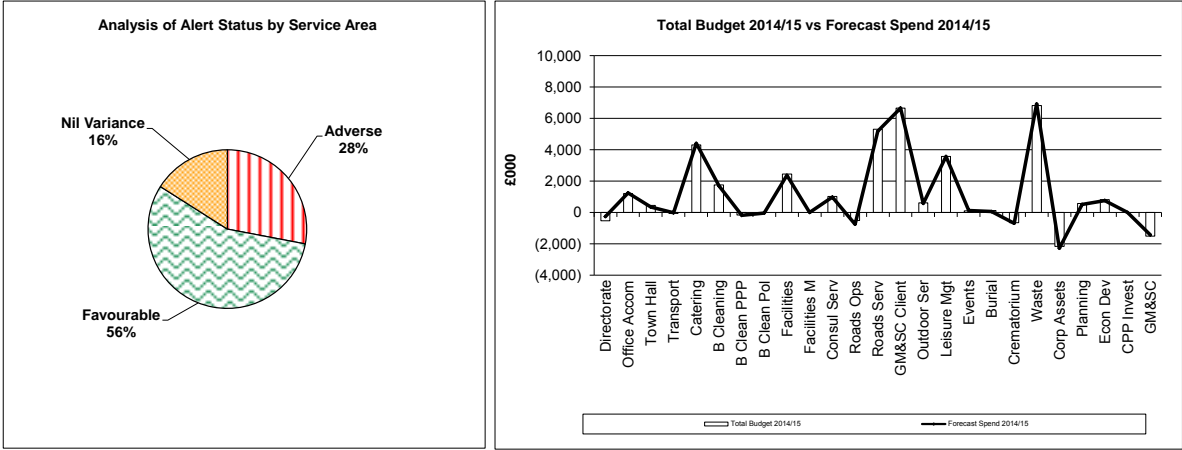
10

Actual Outturn 2013/14	Department Summary	Total Budget 2014/15	Spend to Date 2014/15	% Spend to Date of Total Budget	Forecast Spend 2014/15	Forecast Variance 2014/15	RAG Status	
£000		£000	£000	%	£000	£000	%	
(275)	Director & Administration	(530)	421	-79%	(253)	277	-52%	↓
1,253	Office Accommodation	1,200	1,049	87%	1,246	46	4%	↓
339	Clydebank Town Hall	446	271	61%	343	(103)	-23%	↑
(7)	Transport, Fleet & Maintenance Services	(57)	(16)	28%	(15)	42	-74%	↓
4,049	Catering Services	4,306	3,366	78%	4,404	98	2%	↓
1,750	Building Cleaning	1,758	1,322	75%	1,691	(67)	-4%	↑
(154)	Building Cleaning PPP	(160)	(141)	88%	(186)	(26)	16%	↑
(21)	Building Cleaning Police Contract	0	(26)	0%	(28)	(28)	0%	↑
2,284	Facilities Assistants	2,452	1,904	78%	2,365	(87)	-4%	↑
(1)	Facilities Management	0	0	0%	0	0	0%	→
977	Consultancy Services	1,021	725	71%	976	(45)	-4%	↑
(359)	Roads Operations	(511)	(640)	125%	(742)	(231)	45%	↑
4,651	Roads Services	5,311	3,477	65%	5,185	(126)	-2%	↑
6,774	Grounds Maintenance & Street Cleaning Client	6,663	5,553	83%	6,663	0	0%	→
631	Outdoor Services	626	458	73%	584	(42)	-7%	↑
3,739	Leisure Management	3,568	2,973	83%	3,568	0	0%	→
120	Events	100	124	124%	122	22	22%	↓
85	Burial Grounds	129	(312)	-242%	60	(69)	-53%	↑
(724)	Crematorium	(654)	(511)	78%	(685)	(31)	5%	↑
6,642	Waste Services	6,823	5,667	83%	6,922	99	1%	↓
(2,688)	Corporate Assets	(2,151)	(1,582)	74%	(2,277)	(126)	6%	↑
531	Planning	580	359	62%	515	(65)	-11%	↑
1,347	Economic Development	824	667	81%	767	(57)	-7%	↑
6	CPP Investments	0	67	0%	0	0	0%	→
(1,263)	Ground Maintenance & Street Cleaning Trading A/c	(1,512)	(1,513)	100%	(1,427)	85	-6%	↓
29,686	Total Net Expenditure	30,232	23,662	78%	29,798	(434)	-1%	↑

MONTH END DATE      31 January 2015

PERIOD                      10

Housing Environmental and Economic Development IRED Graphs



MONTH END DATE

31 January 2015

PERIOD

10

Actual Outturn 2013/14	Service Summary	Total Budget 2014/15	Spend to Date 2014/15	% Spend to Date	Forecast Spend 2014/15	Forecast Variance 2014/15	RAG Status
<b>£000</b>	<b>All Services</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
23,692	Employee	23,922	18,904	79%	23,557	(365)	-2%
2,749	Property	2,826	1,978	70%	2,726	(100)	-4%
4,354	Transport and Plant	4,508	3,303	73%	4,377	(131)	-3%
12,979	Supplies, Services and Admin	12,552	9,152	73%	13,211	659	5%
16,170	Payments to Other Bodies	15,851	11,773	74%	15,878	27	0%
154	Other	3	(60)	-2000%	225	222	7400%
<b>60,098</b>	<b>Gross Expenditure</b>	<b>59,662</b>	<b>45,050</b>	<b>76%</b>	<b>59,974</b>	<b>312</b>	<b>1%</b>
<b>(30,412)</b>	<b>Income</b>	<b>(29,430)</b>	<b>(21,388)</b>	<b>73%</b>	<b>(30,176)</b>	<b>(746)</b>	<b>3%</b>
<b>29,686</b>	<b>Net Expenditure</b>	<b>30,232</b>	<b>23,662</b>	<b>78%</b>	<b>29,798</b>	<b>(434)</b>	<b>-1%</b>
<b>£000</b>	<b>Director &amp; Administration</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
698	Employee	663	467	70%	571	(92)	-14%
0	Property	0	1	0%	1	1	0%
3	Transport and Plant	2	1	50%	2	0	0%
28	Supplies, Services and Admin	42	12	29%	26	(16)	-38%
1	Payments to Other Bodies	0	0	0%	0	0	0%
(236)	Other	(442)	(60)	14%	(212)	230	-52%
<b>494</b>	<b>Gross Expenditure</b>	<b>265</b>	<b>421</b>	<b>159%</b>	<b>388</b>	<b>123</b>	<b>46%</b>
<b>(769)</b>	<b>Income</b>	<b>(795)</b>	<b>0</b>	<b>0%</b>	<b>(641)</b>	<b>154</b>	<b>-19%</b>
<b>(275)</b>	<b>Net Expenditure</b>	<b>(530)</b>	<b>421</b>	<b>-79%</b>	<b>(253)</b>	<b>277</b>	<b>-52%</b>
<b>£000</b>	<b>Office Accommodation</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
109	Employee	103	78	76%	94	(9)	-9%
972	Property	960	825	86%	975	15	2%
0	Transport and Plant	0	0	0%	0	0	0%
175	Supplies, Services and Admin	151	147	97%	178	27	18%
0	Payments to Other Bodies	0	0	0%	0	0	0%
0	Other	0	0	0%	0	0	0%
<b>1,256</b>	<b>Gross Expenditure</b>	<b>1,214</b>	<b>1,050</b>	<b>86%</b>	<b>1,247</b>	<b>33</b>	<b>3%</b>
<b>(3)</b>	<b>Income</b>	<b>(14)</b>	<b>(1)</b>	<b>7%</b>	<b>(1)</b>	<b>13</b>	<b>-93%</b>
<b>1,253</b>	<b>Net Expenditure</b>	<b>1,200</b>	<b>1,049</b>	<b>87%</b>	<b>1,246</b>	<b>46</b>	<b>4%</b>
<b>£000</b>	<b>Clydebank Town Hall</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
216	Employee	289	187	65%	240	(49)	-17%
156	Property	193	145	75%	175	(18)	-9%
5	Transport and Plant	0	0	0%	0	0	0%
66	Supplies, Services and Admin	60	34	57%	64	4	7%
0	Payments to Other Bodies	0	0	0%	0	0	0%
0	Other	0	0	0%	0	0	0%
<b>443</b>	<b>Gross Expenditure</b>	<b>542</b>	<b>366</b>	<b>68%</b>	<b>479</b>	<b>(63)</b>	<b>-12%</b>
<b>(104)</b>	<b>Income</b>	<b>(96)</b>	<b>(95)</b>	<b>99%</b>	<b>(136)</b>	<b>(40)</b>	<b>42%</b>
<b>339</b>	<b>Net Expenditure</b>	<b>446</b>	<b>271</b>	<b>61%</b>	<b>343</b>	<b>(103)</b>	<b>-23%</b>
<b>£000</b>	<b>Transport, Fleet &amp; Maintenance Services</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
1,864	Employee	1,786	1,378	77%	1,748	(38)	-2%
85	Property	100	73	73%	92	(8)	-8%
1,931	Transport and Plant	1,868	1,537	82%	1,956	88	5%
536	Supplies, Services and Admin	707	424	60%	556	(151)	-21%
0	Payments to Other Bodies	0	0	0%	0	0	0%
0	Other	0	0	0%	0	0	0%
<b>4,416</b>	<b>Gross Expenditure</b>	<b>4,461</b>	<b>3,412</b>	<b>76%</b>	<b>4,352</b>	<b>(109)</b>	<b>-2%</b>
<b>(4,423)</b>	<b>Income</b>	<b>(4,518)</b>	<b>(3,428)</b>	<b>76%</b>	<b>(4,367)</b>	<b>151</b>	<b>-3%</b>
<b>(7)</b>	<b>Net Expenditure</b>	<b>(57)</b>	<b>(16)</b>	<b>28%</b>	<b>(15)</b>	<b>42</b>	<b>-74%</b>
<b>£000</b>	<b>Catering Services</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
2,540	Employee	2,638	2,072	79%	2,598	(40)	-2%
45	Property	56	48	86%	58	2	4%
127	Transport and Plant	127	117	92%	128	1	1%
1,397	Supplies, Services and Admin	1,536	1,186	77%	1,694	158	10%
1	Payments to Other Bodies	0	0	0%	0	0	0%
0	Other	0	0	0%	0	0	0%
<b>4,110</b>	<b>Gross Expenditure</b>	<b>4,357</b>	<b>3,423</b>	<b>79%</b>	<b>4,478</b>	<b>121</b>	<b>3%</b>
<b>(61)</b>	<b>Income</b>	<b>(51)</b>	<b>(57)</b>	<b>112%</b>	<b>(74)</b>	<b>(23)</b>	<b>45%</b>
<b>4,049</b>	<b>Net Expenditure</b>	<b>4,306</b>	<b>3,366</b>	<b>78%</b>	<b>4,404</b>	<b>98</b>	<b>2%</b>

MONTH END DATE

31 January 2015

PERIOD

10

Actual Outturn 2013/14	Service Summary	Total Budget 2014/15	Spend to Date 2014/15	% Spend to Date	Forecast Spend 2014/15	Forecast Variance 2014/15	RAG Status
<b>£000</b>	<b>Building Cleaning</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
1,653	Employee	1,603	1,193	74%	1,531	(72)	-4% ↑
41	Property	38	34	89%	42	4	11% ↓
2	Transport and Plant	2	2	100%	2	0	0% →
121	Supplies, Services and Admin	177	140	79%	172	(5)	-3% ↑
0	Payments to Other Bodies	0	0	0%	0	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>1,817</b>	<b>Gross Expenditure</b>	<b>1,820</b>	<b>1,369</b>	<b>75%</b>	<b>1,747</b>	<b>(73)</b>	<b>-4%</b> ↑
<b>(67)</b>	<b>Income</b>	<b>(62)</b>	<b>(47)</b>	<b>76%</b>	<b>(56)</b>	<b>6</b>	<b>-10%</b> ↓
<b>1,750</b>	<b>Net Expenditure</b>	<b>1,758</b>	<b>1,322</b>	<b>75%</b>	<b>1,691</b>	<b>(67)</b>	<b>-4%</b> ↑
<b>£000</b>	<b>Building Cleaning PPP</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
559	Employee	522	470	90%	540	18	3% ↓
19	Property	21	21	100%	22	1	5% ↓
0	Transport and Plant	0	0	0%	0	0	0% →
45	Supplies, Services and Admin	74	41	55%	60	(14)	-19% ↑
0	Payments to Other Bodies	0	0	0%	0	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>623</b>	<b>Gross Expenditure</b>	<b>617</b>	<b>532</b>	<b>86%</b>	<b>622</b>	<b>5</b>	<b>1%</b> ↓
<b>(777)</b>	<b>Income</b>	<b>(777)</b>	<b>(673)</b>	<b>87%</b>	<b>(808)</b>	<b>(31)</b>	<b>4%</b> ↑
<b>(154)</b>	<b>Net Expenditure</b>	<b>(160)</b>	<b>(141)</b>	<b>88%</b>	<b>(186)</b>	<b>(26)</b>	<b>16%</b> ↑
<b>£000</b>	<b>Building Cleaning Police Contract</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
100	Employee	113	67	59%	83	(30)	-27% ↑
2	Property	1	3	300%	3	2	200% ↓
0	Transport and Plant	0	0	0%	0	0	0% →
11	Supplies, Services and Admin	12	9	75%	12	0	0% →
0	Payments to Other Bodies	0	0	0%	0	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>113</b>	<b>Gross Expenditure</b>	<b>126</b>	<b>79</b>	<b>63%</b>	<b>98</b>	<b>(28)</b>	<b>-22%</b> ↑
<b>(134)</b>	<b>Income</b>	<b>(126)</b>	<b>(105)</b>	<b>83%</b>	<b>(126)</b>	<b>0</b>	<b>0%</b> →
<b>(21)</b>	<b>Net Expenditure</b>	<b>0</b>	<b>(26)</b>	<b>0%</b>	<b>(28)</b>	<b>(28)</b>	<b>0%</b> ↑
<b>£000</b>	<b>Facilities Assistants</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
2,026	Employee	2,202	1,700	77%	2,122	(80)	-4% ↑
89	Property	77	64	83%	74	(3)	-4% ↑
2	Transport and Plant	2	1	50%	1	(1)	-50% ↑
167	Supplies, Services and Admin	171	139	81%	168	(3)	-2% ↑
0	Payments to Other Bodies	0	0	0%	0	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>2,284</b>	<b>Gross Expenditure</b>	<b>2,452</b>	<b>1,904</b>	<b>78%</b>	<b>2,365</b>	<b>(87)</b>	<b>-4%</b> ↑
<b>0</b>	<b>Income</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b> →
<b>2,284</b>	<b>Net Expenditure</b>	<b>2,452</b>	<b>1,904</b>	<b>78%</b>	<b>2,365</b>	<b>(87)</b>	<b>-4%</b> ↑
<b>£000</b>	<b>Facilities Management</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
556	Employee	585	477	82%	585	0	0% →
0	Property	0	0	0%	0	0	0% →
9	Transport and Plant	15	6	40%	9	(6)	-40% ↑
16	Supplies, Services and Admin	12	21	175%	23	11	92% ↓
0	Payments to Other Bodies	0	0	0%	0	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>581</b>	<b>Gross Expenditure</b>	<b>612</b>	<b>504</b>	<b>82%</b>	<b>617</b>	<b>5</b>	<b>1%</b> ↓
<b>(582)</b>	<b>Income</b>	<b>(612)</b>	<b>(504)</b>	<b>82%</b>	<b>(617)</b>	<b>(5)</b>	<b>1%</b> ↑
<b>(1)</b>	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b> →
<b>£000</b>	<b>Consultancy Services</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
1,039	Employee	1,025	759	74%	946	(79)	-8% ↑
2	Property	1	0	0%	1	0	0% →
15	Transport and Plant	13	5	38%	6	(7)	-54% ↑
60	Supplies, Services and Admin	73	1	1%	64	(9)	-12% ↑
9	Payments to Other Bodies	7	0	0%	7	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>1,125</b>	<b>Gross Expenditure</b>	<b>1,119</b>	<b>765</b>	<b>68%</b>	<b>1,024</b>	<b>(95)</b>	<b>-8%</b> ↑
<b>(148)</b>	<b>Income</b>	<b>(98)</b>	<b>(40)</b>	<b>41%</b>	<b>(48)</b>	<b>50</b>	<b>-51%</b> ↓
<b>977</b>	<b>Net Expenditure</b>	<b>1,021</b>	<b>725</b>	<b>71%</b>	<b>976</b>	<b>(45)</b>	<b>-4%</b> ↑

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Actual Outturn 2013/14	Service Summary	Total Budget 2014/15	Spend to Date 2014/15	% Spend to Date	Forecast Spend 2014/15	Forecast Variance 2014/15	RAG Status
<b>£000</b>	<b>Roads Operations</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
1,010	Employee	1,085	767	71%	1,067	(18)	-2% ↑
26	Property	32	7	22%	25	(7)	-22% ↑
585	Transport and Plant	672	412	61%	618	(54)	-8% ↑
2,429	Supplies, Services and Admin	2,047	1,406	69%	2,316	269	13% ↓
0	Payments to Other Bodies	0	0	0%	0	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>4,050</b>	<b>Gross Expenditure</b>	<b>3,836</b>	<b>2,592</b>	<b>68%</b>	<b>4,026</b>	<b>190</b>	<b>5% ↓</b>
<b>(4,409)</b>	<b>Income</b>	<b>(4,347)</b>	<b>(3,232)</b>	<b>74%</b>	<b>(4,768)</b>	<b>(421)</b>	<b>10% ↑</b>
<b>(359)</b>	<b>Net Expenditure</b>	<b>(511)</b>	<b>(640)</b>	<b>125%</b>	<b>(742)</b>	<b>(231)</b>	<b>45% ↑</b>
<b>£000</b>	<b>Roads Services</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
1,372	Employee	1,428	1,098	77%	1,370	(58)	-4% ↑
94	Property	104	90	87%	100	(4)	-4% ↑
70	Transport and Plant	69	51	74%	74	5	7% ↓
2,001	Supplies, Services and Admin	1,996	1,284	64%	1,824	(172)	-9% ↑
2,317	Payments to Other Bodies	2,558	1,224	48%	2,559	1	0% →
0	Other	0	0	0%	0	0	0% →
<b>5,854</b>	<b>Gross Expenditure</b>	<b>6,155</b>	<b>3,747</b>	<b>61%</b>	<b>5,927</b>	<b>(228)</b>	<b>-4% ↑</b>
<b>(1,203)</b>	<b>Income</b>	<b>(844)</b>	<b>(270)</b>	<b>32%</b>	<b>(742)</b>	<b>102</b>	<b>-12% ↓</b>
<b>4,651</b>	<b>Net Expenditure</b>	<b>5,311</b>	<b>3,477</b>	<b>65%</b>	<b>5,185</b>	<b>(126)</b>	<b>-2% ↑</b>
<b>£000</b>	<b>Grounds Maintenance &amp; Street Cleaning Client</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
0	Employee	0	0	0%	0	0	0% →
0	Property	0	0	0%	0	0	0% →
0	Transport and Plant	0	0	0%	0	0	0% →
0	Supplies, Services and Admin	0	0	0%	0	0	0% →
6,774	Payments to Other Bodies	6,663	5,553	83%	6,663	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>6,774</b>	<b>Gross Expenditure</b>	<b>6,663</b>	<b>5,553</b>	<b>83%</b>	<b>6,663</b>	<b>0</b>	<b>0% →</b>
<b>0</b>	<b>Income</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0% →</b>
<b>6,774</b>	<b>Net Expenditure</b>	<b>6,663</b>	<b>5,553</b>	<b>83%</b>	<b>6,663</b>	<b>0</b>	<b>0% →</b>
<b>£000</b>	<b>Outdoor Services</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
388	Employee	404	301	75%	379	(25)	-6% ↑
229	Property	218	114	52%	169	(49)	-22% ↑
0	Transport and Plant	0	0	0%	0	0	0% →
30	Supplies, Services and Admin	29	11	38%	30	1	3% ↓
122	Payments to Other Bodies	124	119	96%	123	(1)	-1% ↑
0	Other	0	0	0%	0	0	0% →
<b>769</b>	<b>Gross Expenditure</b>	<b>775</b>	<b>545</b>	<b>70%</b>	<b>701</b>	<b>(74)</b>	<b>-10% ↑</b>
<b>(138)</b>	<b>Income</b>	<b>(149)</b>	<b>(87)</b>	<b>58%</b>	<b>(117)</b>	<b>32</b>	<b>-21% ↓</b>
<b>631</b>	<b>Net Expenditure</b>	<b>626</b>	<b>458</b>	<b>73%</b>	<b>584</b>	<b>(42)</b>	<b>-7% ↑</b>
<b>£000</b>	<b>Leisure Management</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
0	Employee	0	0	0%	0	0	0% →
0	Property	0	0	0%	0	0	0% →
0	Transport and Plant	0	0	0%	0	0	0% →
0	Supplies, Services and Admin	0	0	0%	0	0	0% →
3,998	Payments to Other Bodies	3,568	2,973	83%	3,568	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>3,998</b>	<b>Gross Expenditure</b>	<b>3,568</b>	<b>2,973</b>	<b>83%</b>	<b>3,568</b>	<b>0</b>	<b>0% →</b>
<b>(259)</b>	<b>Income</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0% →</b>
<b>3,739</b>	<b>Net Expenditure</b>	<b>3,568</b>	<b>2,973</b>	<b>83%</b>	<b>3,568</b>	<b>0</b>	<b>0% →</b>
<b>£000</b>	<b>Events</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
0	Employee	0	0	0%	0	0	0% →
0	Property	0	0	0%	0	0	0% →
0	Transport and Plant	0	0	0%	0	0	0% →
177	Supplies, Services and Admin	141	180	128%	178	37	26% ↓
10	Payments to Other Bodies	9	9	100%	9	0	0% →
0	Other	8	0	0%	0	(8)	-100% ↑
<b>187</b>	<b>Gross Expenditure</b>	<b>158</b>	<b>189</b>	<b>120%</b>	<b>187</b>	<b>29</b>	<b>18% ↓</b>
<b>(67)</b>	<b>Income</b>	<b>(58)</b>	<b>(65)</b>	<b>112%</b>	<b>(65)</b>	<b>(7)</b>	<b>12% ↑</b>
<b>120</b>	<b>Net Expenditure</b>	<b>100</b>	<b>124</b>	<b>124%</b>	<b>122</b>	<b>22</b>	<b>22% ↓</b>

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Actual Outturn 2013/14	Service Summary	Total Budget 2014/15	Spend to Date 2014/15	% Spend to Date	Forecast Spend 2014/15	Forecast Variance 2014/15	RAG Status
<b>£000</b>	<b>Burial Grounds</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
66	Employee	71	57	80%	70	(1)	-1% ↑
30	Property	60	26	43%	50	(10)	-17% ↑
0	Transport and Plant	0	1	0%	1	0	0% ↓
2	Supplies, Services and Admin	1	0	0%	1	0	0% →
443	Payments to Other Bodies	443	0	0%	443	0	0% →
0	Other	0	0	0%	0	0	0% →
<b>541</b>	<b>Gross Expenditure</b>	<b>575</b>	<b>84</b>	<b>15%</b>	<b>565</b>	<b>(10)</b>	<b>-2% ↑</b>
<b>(456)</b>	<b>Income</b>	<b>(446)</b>	<b>(396)</b>	<b>89%</b>	<b>(505)</b>	<b>(59)</b>	<b>13% ↑</b>
<b>85</b>	<b>Net Expenditure</b>	<b>129</b>	<b>(312)</b>	<b>-242%</b>	<b>60</b>	<b>(69)</b>	<b>-53% ↑</b>
<b>£000</b>	<b>Crematorium</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
140	Employee	137	121	88%	148	11	8% ↓
189	Property	179	146	82%	177	(2)	-1% ↑
0	Transport and Plant	0	0	0%	0	0	0% →
18	Supplies, Services and Admin	18	13	72%	18	0	0% →
52	Payments to Other Bodies	47	82	174%	130	83	177% ↓
0	Other	0	0	0%	0	0	0% →
<b>399</b>	<b>Gross Expenditure</b>	<b>381</b>	<b>362</b>	<b>95%</b>	<b>473</b>	<b>92</b>	<b>24% ↓</b>
<b>(1,123)</b>	<b>Income</b>	<b>(1,035)</b>	<b>(873)</b>	<b>84%</b>	<b>(1,158)</b>	<b>(123)</b>	<b>12% ↑</b>
<b>(724)</b>	<b>Net Expenditure</b>	<b>(654)</b>	<b>(511)</b>	<b>78%</b>	<b>(685)</b>	<b>(31)</b>	<b>5% ↑</b>
<b>£000</b>	<b>Waste Services</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
2,278	Employee	2,267	1,836	81%	2,302	35	2% ↓
34	Property	36	32	89%	38	2	6% ↓
828	Transport and Plant	967	655	68%	836	(131)	-14% ↑
4,238	Supplies, Services and Admin	4,063	3,498	86%	4,562	499	12% ↓
510	Payments to Other Bodies	476	335	70%	408	(68)	-14% ↑
0	Other	0	0	0%	0	0	0% →
<b>7,888</b>	<b>Gross Expenditure</b>	<b>7,809</b>	<b>6,356</b>	<b>81%</b>	<b>8,146</b>	<b>337</b>	<b>4% ↓</b>
<b>(1,246)</b>	<b>Income</b>	<b>(986)</b>	<b>(689)</b>	<b>70%</b>	<b>(1,224)</b>	<b>(238)</b>	<b>24% ↑</b>
<b>6,642</b>	<b>Net Expenditure</b>	<b>6,823</b>	<b>5,667</b>	<b>83%</b>	<b>6,922</b>	<b>99</b>	<b>1% ↓</b>
<b>£000</b>	<b>Corporate Assets</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
920	Employee	1,031	829	80%	1,036	5	0% ↓
445	Property	496	313	63%	470	(26)	-5% ↑
7	Transport and Plant	9	3	33%	5	(4)	-44% ↑
198	Supplies, Services and Admin	129	67	52%	159	30	23% ↓
301	Payments to Other Bodies	430	422	98%	440	10	2% ↓
0	Other	0	0	0%	0	0	0% →
<b>1,871</b>	<b>Gross Expenditure</b>	<b>2,095</b>	<b>1,634</b>	<b>78%</b>	<b>2,110</b>	<b>15</b>	<b>1% ↓</b>
<b>(4,559)</b>	<b>Income</b>	<b>(4,246)</b>	<b>(3,216)</b>	<b>76%</b>	<b>(4,387)</b>	<b>(141)</b>	<b>3% ↑</b>
<b>(2,688)</b>	<b>Net Expenditure</b>	<b>(2,151)</b>	<b>(1,582)</b>	<b>74%</b>	<b>(2,277)</b>	<b>(126)</b>	<b>6% ↑</b>
<b>£000</b>	<b>Planning</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
867	Employee	895	674	75%	849	(46)	-5% ↑
0	Property	0	0	0%	0	0	0% →
8	Transport and Plant	8	5	63%	7	(1)	-13% ↑
103	Supplies, Services and Admin	119	36	30%	95	(24)	-20% ↑
99	Payments to Other Bodies	139	128	92%	159	20	14% ↓
0	Other	0	0	0%	0	0	0% →
<b>1,077</b>	<b>Gross Expenditure</b>	<b>1,161</b>	<b>843</b>	<b>73%</b>	<b>1,110</b>	<b>(51)</b>	<b>-4% ↑</b>
<b>(546)</b>	<b>Income</b>	<b>(581)</b>	<b>(484)</b>	<b>83%</b>	<b>(595)</b>	<b>(14)</b>	<b>2% ↑</b>
<b>531</b>	<b>Net Expenditure</b>	<b>580</b>	<b>359</b>	<b>62%</b>	<b>515</b>	<b>(65)</b>	<b>-11% ↑</b>
<b>£000</b>	<b>Economic Development</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
498	Employee	547	404	74%	507	(40)	-7% ↑
0	Property	0	0	0%	0	0	0% →
3	Transport and Plant	3	3	100%	3	0	0% →
569	Supplies, Services and Admin	506	119	24%	498	(8)	-2% ↑
531	Payments to Other Bodies	418	152	36%	419	1	0% ↓
0	Other	0	0	0%	0	0	0% →
<b>1,601</b>	<b>Gross Expenditure</b>	<b>1,474</b>	<b>678</b>	<b>46%</b>	<b>1,427</b>	<b>(47)</b>	<b>-3% ↑</b>
<b>(254)</b>	<b>Income</b>	<b>(650)</b>	<b>(11)</b>	<b>2%</b>	<b>(660)</b>	<b>(10)</b>	<b>2% ↑</b>
<b>1,347</b>	<b>Net Expenditure</b>	<b>824</b>	<b>667</b>	<b>81%</b>	<b>767</b>	<b>(57)</b>	<b>-7% ↑</b>

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Actual Outturn 2013/14	Service Summary	Total Budget 2014/15	Spend to Date 2014/15	% Spend to Date	Forecast Spend 2014/15	Forecast Variance 2014/15	RAG Status
£000	CPP Investments	£000	£000	%	£000	£000	%
28	Employee	27	23	85%	27	0	0% →
0	Property	0	0	0%	0	0	0% →
1	Transport and Plant	3	1	33%	1	(2)	-67% ↑
15	Supplies, Services and Admin	6	14	233%	9	3	50% ↓
55	Payments to Other Bodies	61	33	54%	61	0	0% →
0	Other	0	0	0%	0	0	0% →
99	Gross Expenditure	97	71	73%	98	1	1% ↓
(93)	Income	(97)	(4)	4%	(98)	(1)	1% ↑
6	Net Expenditure	0	67	0%	0	0	0% →
£000	Ground Maintenance & Street Cleaning Trading A/c	£000	£000	%	£000	£000	%
4,765	Employee	4,501	3,946	88%	4,744	243	5% ↓
291	Property	254	36	14%	254	0	0% →
758	Transport and Plant	748	503	67%	728	(20)	-3% ↑
577	Supplies, Services and Admin	482	370	77%	504	22	5% ↓
947	Payments to Other Bodies	908	743	82%	889	(19)	-2% ↑
390	Other	437	0	0%	437	0	0% →
7,728	Gross Expenditure	7,330	5,598	76%	7,556	226	3% ↓
(8,991)	Income	(8,842)	(7,111)	80%	(8,983)	(141)	2% ↑
(1,263)	Net Expenditure	(1,512)	(1,513)	100%	(1,427)	85	-6% ↓

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2014/2015  
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 4

MONTH END DATE 31 January 2015

PERIOD 10

Budget Details	Project Life Financials			
	Budget	Forecast Spend	Forecast Variance	RAG Status
	£000	£000	£000	%

**Housing Environmental and Economic Development**

Director & Administration (Richard Cairns)	(530)	(253)	277	-52%	↓
Service Description	This service area covers HEED directorate and the Strategy & Improvement Team. In addition, asset management utility savings are captured here.				
Main Issues / Reason for Variance	Asset management savings, principally from lower utility costs within departmental budgets, have not been as high as was anticipated in 2014/15. Although there is a favourable variance against employee costs as a result of vacancies this will be offset by a lower reallocation of costs to other HEED accounts.				
Mitigating Action	Scrutiny of departmental budgets where savings have been made has been undertaken.				
Anticipated Outcome	Asset management savings are anticipated to be £212k, some £230k less than the target of £442k.				
Clydebank Town Hall (Ronnie Dinnie)	446	343	(103)	-23%	↑
Service Description	The service provides Civic accommodation and facilities within Clydebank				
Main Issues / Reason for Variance	The favourable variance is due to careful management of staff vacancies; the successful generation of additional income; and further efficiencies in property costs (primarily gas and water)				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	It is anticipated that an underspend will continue to the year end				

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2014/2015  
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 4

MONTH END DATE 31 January 2015

PERIOD 10

Budget Details	Project Life Financials					RAG Status
	Budget	Forecast Spend	Forecast Variance			
	£000	£000	£000	%		
Transport, Fleet & Maintenance Services (Ronnie Dinnie)	(57)	(15)	42	-74%		↓
Service Description	This service provides transport services across the Council					
Main Issues / Reason for Variance	There is a favourable variance within employee costs as 3 part time operatives have replaced full time operatives. As a consequence of recent investment, our fleet repairs are less than budgeted. As overall expenditure is less than budgeted, there is an offsetting reduction in income recharges to other users. VTU income is lower than budgeted following a change to the MOT cycle for taxis.					
Mitigating Action	Scrutiny of departmental budgets where savings have been made has been undertaken.					
Anticipated Outcome	Small adverse variance anticipated					
Catering Services (Ronnie Dinnie)	4,306	4,404	98	2%		↓
Service Description	This service area provides catering services across the authority					
Main Issues / Reason for Variance	The principal reason for the adverse variance is the increase in food prices which was not reflected in the budget (£167k). This has been partly offset by vacancies (£40k) and additional hospitality income (£24k).					
Mitigating Action	There is limited scope for action as there are government guidelines which have to be adhered to regarding nutritional standards. Prices for the supply of fruit and milk were determined after competitive tender. Notwithstanding this corrective action was put in place from April 2014 to minimise the effect of increased food and milk prices. This has had some favourable impact on our level of expenditure. Some £187k (to period 10) has been spent stocking the vending machines in the secondary schools though this income is credited to Education accounts.					
Anticipated Outcome	An overspend on purchases would still appear likely					

**WEST DUNBARTONSHIRE COUNCIL**  
**REVENUE BUDGETARY CONTROL 2014/2015**  
**ANALYSIS FOR VARIANCES OVER £50,000**

**APPENDIX 4**

**MONTH END DATE** **31 January 2015**

**PERIOD** **10**

Budget Details	Project Life Financials				RAG Status
	Budget	Forecast Spend	Forecast Variance		
	£000	£000	£000	%	
Building Cleaning (Ronnie Dinnie)	1,758	1,691	(67)	-4%	↑
Service Description	This service area provides cleaning services across all Council buildings				
Main Issues / Reason for Variance	The principal reason for the favourable variance is the number of vacancies and the time taken to fill vacancies following PVG checks				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	It is anticipated that there will be an underspend against employee costs				

Facilities Assistants (Ronnie Dinnie)	2,452	2,365	(87)	-4%	↑
Service Description	This service area covers both janitorial and cleaning supervisors across the authority				
Main Issues / Reason for Variance	The principal reason for the favourable variance is the number of vacancies and the time taken to fill vacancies following PVG checks				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	It is anticipated that there will be an underspend against employee costs				

Consultancy Services (Jim McAloon)	1,021	976	(45)	-4%	↑
Service Description	This service area provides professional consulting services relating to building projects within the Council's capital budgets .				
Main Issues / Reason for Variance	There have been a number of vacancies over the year. This favourable variance is partly offset by a reduced direct recharge to HRA Capital.				
Mitigating Action	Vacancies now filled				
Anticipated Outcome	Underspend anticipated				

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2014/2015  
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 4

MONTH END DATE **31 January 2015**

PERIOD **10**

Budget Details	Project Life Financials				
	Budget	Forecast Spend	Forecast Variance	RAG Status	
	£000	£000	£000	%	
Roads Operations (Ronnie Dinnie)	(511)	(742)	(231)	45%	↑
Service Description	This service area covers the direct labour operations				
Main Issues / Reason for Variance	Internal transport hires, fuel and materials have been less than budgeted. Although work by contractors has been greater than budget it has been recovered in greater recharges to capital.				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	Favourable variance anticipated				
Roads Services (Ronnie Dinnie)	5,311	5,185	(126)	-2%	↑
Service Description	This service area covers design & maintenance, traffic management, street lighting and road safety				
Main Issues / Reason for Variance	Efficient management of other costs means that a favourable variance is anticipated despite a current year loss of £103k in income following the retender of the bus shelter income contract. The current contract ended in November and provided annual income of £244k; the new contract will provide income of only £13k. This adverse variance has been more than offset by lower street lighting costs (£40k), various vacancies (£58k) and anticipated lower expenditure on winter maintenance (£130k).				
Mitigating Action	Bus shelter income covered almost half the costs of Traffic Management. A review has commenced to identify whether offsetting cost reductions can be identified.				
Anticipated Outcome	The sharp decline in income is unavoidable but reduced winter maintenance costs should offset this				
Burial Grounds (Ronnie Dinnie)	129	60	(69)	-53%	↑
Service Description	This service area manages the burial grounds across the authority				
Main Issues / Reason for Variance	There has been a small favourable variance against electricity costs (£9k) and additional income (£59k).				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	Favourable variance anticipated				

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2014/2015  
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 4

MONTH END DATE 31 January 2015

PERIOD 10

Budget Details	Project Life Financials			
	Budget	Forecast Spend	Forecast Variance	RAG Status
	£000	£000	£000	%

Crematorium (Ronnie Dinnie) (654) (685) (31) 5% ↑

Service Description This service area manages the crematorium service

Main Issues / Reason for Variance The budget assumed a drop in income as a result of improvement works commencing. However, these works will not commence until 2015/16. Income forecast to be £123k greater than budgeted. This will offset the increased CAMEO charges (£76k).

Mitigating Action No mitigating action is required as the variance is favourable

Anticipated Outcome Small favourable variance anticipated

Waste Services (Ronnie Dinnie) 6,823 6,922 99 1% ↓

Service Description This service area provides refuse collection and disposal services across the authority

Main Issues / Reason for Variance Although the budget was increased by £200k for additional landfill tax the number of tonnes going to landfill has been greater than budgeted. This has been partly offset by a reduction in payments to contractors and by increased income from HMTA and government grants.

Mitigating Action A remedial action plan has been implemented to identify additional sources of income and the forecast adverse variance has declined by £173k since period 4.

Anticipated Outcome There will be a likely overspend on tonnage of about £436k. Additional income of £238k from grants and recharges is anticipated.

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2014/2015  
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 4

MONTH END DATE 31 January 2015

PERIOD 10

Budget Details	Project Life Financials				
	Budget	Forecast Spend	Forecast Variance	RAG Status	
	£000	£000	£000	%	
Corporate Assets (Jim McAloon)	(2,151)	(2,277)	(126)	6%	↑
Service Description	This service area deals with the Council's commercial and industrial property portfolio				
Main Issues / Reason for Variance	Income from commercial and industrial lets is anticipated to be £114k higher than budgeted. In addition transfers to capital are expected to be £20k greater than budgeted. This has more than offset adverse variances arising from greater energy management system costs (£30k).				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	Income should exceed budget				
Planning (Jim McAloon)	580	515	(65)	-11%	↑
Service Description	This service provides a planning and building standards service across the authority				
Main Issues / Reason for Variance	There have been a number of vacancies throughout the year (£46k) and an anticipated additional £15k from planning application fees				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	A favourable variance at the year end is anticipated				
Economic Development (Jim McAloon)	824	767	(57)	-7%	↑
Service Description	This service provides business support and regeneration activities to assist with the growth of the local economy				
Main Issues / Reason for Variance	The principal reasons for the favourable variance are vacancies (£40k) and some additional income for fit for growth (£11k)				
Mitigating Action	No mitigating action is required as the variance is favourable				
Anticipated Outcome	Favourable variance anticipated				

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2014/2015  
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 4

MONTH END DATE 31 January 2015

PERIOD 10

Budget Details	Project Life Financials				
	Budget	Forecast Spend	Forecast Variance		RAG Status
	£000	£000	£000	%	
Ground Maintenance & Street Cleaning Trading A/c (Ronnie Dinnie)	(1,512)	(1,427)	85	-6%	↓
Service Description	This service area provides the street cleaning and grounds maintenance services across the authority				
Main Issues / Reason for Variance	Employee costs are likely to be higher due to essential overtime and higher basic and superannuation. .Some of this additional cost is covered by additional income. However, the impact of unbudgeted holiday pay (£41k) is not and,in addition ,there has been a successful job evaluation appeal (£20k). Income has increased in recent weeks as more gritting has been undertaken.				
Mitigating Action	A review of seasonal staffing levels has been undertaken				
Anticipated Outcome	Small adverse variance anticipated				

**WEST DUNBARTONSHIRE COUNCIL**  
**MONTHLY REPORT: MONITORING OF SAVINGS OPTIONS**

**APPENDIX 5**

**Department: HEED**

**31 January 2015**

Description	Annual Target 2014/15	Forecast Variance 2014/15		Comments
		£000	%	
CS4 - long service awards	(2)	0	0%	
HEED1 - LGV overtime	(37)	7	-19%	overtime due to client demands
HEED3 - MOT tests	(5)	0	0%	
HEED4 - WEEE	(20)	0	0%	
HEED5 - skip service	(25)	0	0%	
HEED6 - kitchen caddies	(60)	0	0%	
HEED7 - grass cutting	(45)	0	0%	
HEED8 - biodiversity areas	(10)	0	0%	
HEED9 - golf course	(30)	0	0%	
HEED10 - stand on mowers	(42)	0	0%	
HEED11 - greenspace	(20)	0	0%	
HEED12 - memorial walls/trees	(15)	0	0%	
HEED13 - winter maintenance - care of garden	(100)	0	0%	
HEED14 - advertising space	(10)	10	-100%	advertising hoardings on A82 disallowed
HEED15 - office cleaning 5-3 days	(40)	0	0%	
HEED16 - cleaning specification	(15)	0	0%	
HEED17 - mobile catering units	(15)	0	0%	
HEED18 - leisure trust	(180)	0	0%	
HEED19 - catering town hall	(8)	0	0%	
HEED20 - municipal buildings	(20)	0	0%	
HEED23 - clydebank rebuilt	(30)	0	0%	
HEED24 - clyde waterfront	(30)	0	0%	
HEED26 - capitalise salaries	(106)	0	0%	
HEED29 - structure plan core team	(20)	20	-100%	will not be achieved until 2015/16
HEED35 POB	(23)	0	0%	
HEED36 - other S&S	(6)	0	0%	
HEED37 - other admin	(5)	0	0%	
HEED38 - capitalised costs	(122)	0	0%	

**WEST DUNBARTONSHIRE COUNCIL**  
**MONTHLY REPORT: MONITORING OF SAVINGS OPTIONS**

**APPENDIX 5**

**Department: HEED**

**31 January 2015**

Description	Annual Target 2014/15	Forecast Variance 2014/15		Comments
		£000	%	
HEED39 - POB	(4)	0	0%	
HEED40 - P&S	(4)	0	0%	
HEED41 - S&S	(1)	0	0%	
HEED42 - minor review of roads	(31)	0	0%	
GEN 1 - overtime	(129)	129	-100%	Most overtime worked is either demand-led or income
GEN2 - travel & subsistence	(40)	(25)	63%	
GEN3 - training	(29)	(9)	31%	
HEED2 waste services	(22)	0	0%	
HEED5 school cleaning arrangements	(20)	0	0%	
HEED6 school catering arrangements	(6)	0	0%	
ADMIN2 maintenance bowling greens	(10)	0	0%	
	<b>(1,337)</b>	<b>132</b>	<b>-10%</b>	

WEST DUNBARTONSHIRE COUNCIL  
GENERAL SERVICES CAPITAL PROGRAMME  
OVERALL PROGRAMME SUMMARY

APPENDIX 6

MONTH END DATE 31 January 2015

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
<b>Red</b> Projects are forecast to be overspent and/or experience material delay to completion	6	15%	5,374	25%	6	15%	3,225	28%
<b>Amber</b> 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	6	15%	1,938	9%	6	15%	1,658	14%
<b>Green</b> 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	28	70%	13,917	66%	28	70%	6,796	58%
<b>TOTAL EXPENDITURE</b>	<b>40</b>	<b>100%</b>	<b>21,228</b>	<b>100%</b>	<b>40</b>	<b>100%</b>	<b>11,678</b>	<b>100%</b>

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
<b>Red</b> Projects are forecast to be overspent and/or significant delay to completion	26,142	5,374	31,062	4,920	5,985	3,225	4,576	(1,409)	(2,588)	1,179
<b>Amber</b> 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	43,318	1,938	42,540	(778)	5,434	1,658	4,679	(755)	(755)	0
<b>Green</b> 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	36,939	13,917	36,402	(537)	13,182	6,796	12,919	(263)	(317)	54
<b>TOTAL EXPENDITURE</b>	<b>106,399</b>	<b>21,228</b>	<b>110,004</b>	<b>3,605</b>	<b>24,601</b>	<b>11,678</b>	<b>22,174</b>	<b>(2,427)</b>	<b>(3,660)</b>	<b>1,233</b>

WEST DUNBARTONSHIRE COUNCIL  
GENERAL SERVICES CAPITAL PROGRAMME  
OVERALL PROGRAMME SUMMARY

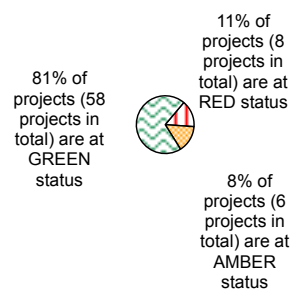
APPENDIX 7

MONTH END DATE **31 January 2015**

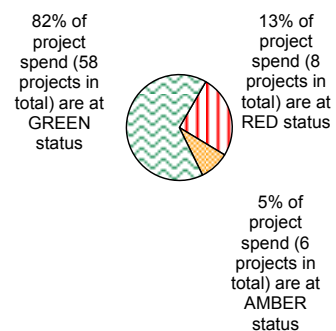
PERIOD **10**

Project Life Graphs

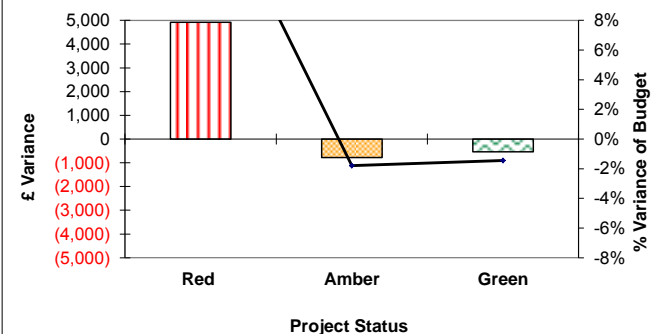
Analysis of Alert Status by Project Number



Analysis of Alert Status by Project Spend

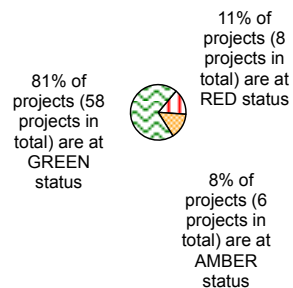


Variance Analysis for each Status

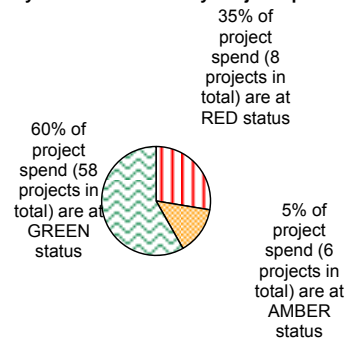


Current Year Graphs

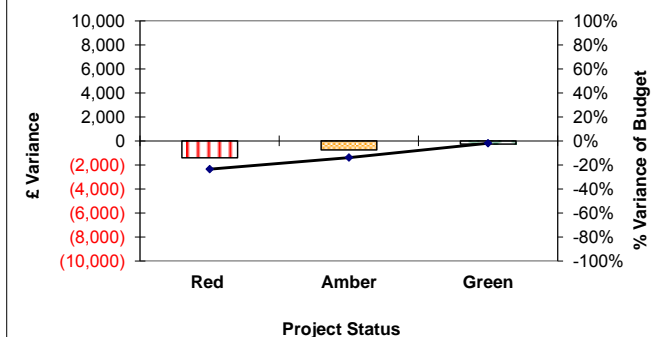
Analysis of Alert Status by Project Number



Analysis of Alert Status by Project Spend



Variance Analysis for each Status



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

APPENDIX 8

MONTH END DATE

31 January 2015

PERIOD

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
<b>Regeneration/Local Economic Development (Michael McGuinness)</b>						
Project Life Financials	1,857	396	21%	1,857	0	0%
Current Year Financials	1,857	396	21%	857	(1,000)	-54%
Project Description	Budget to facilitate the delivery of the Infrastructure Investment Plan as noted by HEED Committee March 2012 - external funding will be sought to maximise opportunities for redevelopment of these sites					
Project Lifecycle	Planned End Date	31-Mar-15	Forecast End Date	31-Mar-16		
<b>Main Issues / Reason for Variance</b>						
The main reason for the programme slippage is due to the Vale of Leven Workshops. Site works will commence in March 2015. It has been identified that additional external works at site are required costing an additional £150k which will be funded from the £1m 2015/16 Regeneration capital budget. The project has attracted grant funding of £900k which requires to be spent prior to the Council contribution with grant claims to be submitted as the project progresses. Initial grant claim of around £175k was submitted to RCGF on 30th December 2014 and was received in January 2015.						
<b>Mitigating Action</b>						
Officers meet every two weeks to monitor the programme and review the risk management framework to ensure progression against schedule with HubWest.						
<b>Anticipated Outcome</b>						
Delivery of workshops at the Vale of Leven Industrial Estate is anticipated by the end of 2015.						
<b>New Clydebank Leisure Centre (Craig Jardine)</b>						
Project Life Financials	18,800	322	2%	22,500	3,700	20%
Current Year Financials	800	322	40%	560	(240)	-30%
Project Description	Budget to facilitate the delivery of the Infrastructure Investment Plan as noted by HEED Committee March 2012 - external funding will be sought to maximise opportunities for					
Project Lifecycle	Planned End Date	31-Mar-15	Forecast End Date	31-Jul-17		
<b>Main Issues / Reason for Variance</b>						
Following the results of the market testing it is now anticipated that the actual costs are higher than the stage E cost plan. Officers are currently working through a value engineering exercise to reduce the anticipated cost where possible however the required budget at this point in time is £22.5m due to design changes including change in guidelines issued by Sports Scotland and construction inflation. The time required for the value engineering exercise to be carried out has resulted in a current year forecast variance. The anticipated increase to the budget will be contained within the Capital Plan Refresh report which will be reported to Members in February 2015. Construction is expected to commence April 2015 and be complete by July 2016 with final retention due July 2017.						
<b>Mitigating Action</b>						
Officers are currently working through a value engineering exercise to reduce the anticipated cost where possible						
<b>Anticipated Outcome</b>						
Project will complete on time but additional budget required as detailed above.						
<b>Auld Street Bond (Jack McAulay)</b>						
Project Life Financials	400	113	28%	400	0	0%
Current Year Financials	287	0	0%	0	(287)	-100%
Project Description	Completion of roadworks associated with Auld Street housing development					
Project Lifecycle	Planned End Date	31-Mar-14	Forecast End Date	31-Mar-16		
<b>Main Issues / Reason for Variance</b>						
These works are being undertaken following the failure of the developer to complete the necessary roadworks associated with this housing development and are being funded through a road bond. Remaining works currently delayed awaiting finalised details of stage 2 development of this site. Early indications from developer indicate that these works will now proceed in 2015/16.						
<b>Mitigating Action</b>						
Discussions currently ongoing between Roads Services and the Developer to finalise design of stage 2. Ongoing discussions will continue to ensure regular update of the status of this project, however it is anticipated that no further actions can be undertaken to accelerate this as it is out with WDC control.						
<b>Anticipated Outcome</b>						
Revised planning application not expected to be submitted for approval until 2015 - if granted, we will be able to complete outstanding works associated with original bond.						

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

APPENDIX 8

MONTH END DATE

31 January 2015

PERIOD

10

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
Knowleburn Flood Prevention Scheme (Jack McAulay)						
Project Life Financials	3,559	4,420	124%	4,809	1,250	35%
Current Year Financials	1,550	2,419	156%	2,759	1,209	78%
Project Description	Commission of Knowleburn Flood Prevention Scheme					
Project Lifecycle	Planned End Date	31-Mar-16	Forecast End Date	31-Jan-16		
Main Issues / Reason for Variance						
The project is currently anticipated to overspend by approximately £1.250m, however there is a risk that the final overspend could be as much as £1.525m subject to ongoing negotiations with the contractor. The reported overspend of £1.250m is due to a number of unanticipated costs arising during construction, mainly additional diversion works £0.525m at Round Riding Road, culvert installation £0.182m, road works £0.100m and other infrastructure works £0.443m. In addition to financial impact, the expected physical completion date has been revised to the end of January 2015 compared to contractors original expected completion date of August 2014. A one year period of retention will then apply with a final payment of £49k due then.						
Mitigating Action						
While an overspend is un-avoidable, ongoing negotiations are taking place to minimise the additional impact						
Anticipated Outcome						
The scheme will be fully commissioned as planned and within revised forecast spend.						
Mobile Catering Van (Lynda McLaughlin)						
Project Life Financials	30	0	0%	0	(30)	-100%
Current Year Financials	30	0	0%	0	(30)	-100%
Project Description	Provision of a mobile catering van					
Project Lifecycle	Planned End Date	31-Mar-14	Forecast End Date	31-Mar-15		
Main Issues / Reason for Variance						
Vehicles quotes considerably higher than anticipated, business case now not viable therefore project not feasible and budget available for re-allocation						
Mitigating Action						
No mitigating action available as project now deemed unaffordable						
Anticipated Outcome						
Project not feasible therefore not proceeding						
Clydebank Crematorium (Ian Bain)						
Project Life Financials	1,496	123	5%	1,496	0	0%
Current Year Financials	1,461	88	2%	400	(1,061)	-38%
Project Description	Installation of two new cremators with associated mercury abatement equipment. Equipment costs approx £900k, installation and building works £400k and professional fees £50k.					
Project Lifecycle	Planned End Date	30-Sep-14	Forecast End Date	30-Nov-16		
Main Issues / Reason for Variance						
Project was approved at Tender Committee on 28th January 2015. There is now a 2 week stand still period prior to contract being awarded and it expected that the first payment of £300k will be made by 31st March 2015. The remaining £600k equipment costs will be payable in 2 installments in 15/16. Report being submitted to IRED committee for review in March 2015 regarding procurement of the construction works attached to the project.						
Mitigating Action						
Report to be completed and submitted to IRED Committee to allow procurement of construction works						
Anticipated Outcome						
Final project completion date of 30th November 2015, with final retention due November 2016						
TOTAL PROJECTS AT RED STATUS						
Project Life Financials	26,142	5,374	21%	31,062	4,920	19%
Current Year Financials	5,985	3,225	54%	4,576	(1,409)	-24%