



City Chambers
DUNDEE
DD1 3BY

23rd November, 2012

TO: ALL MEMBERS OF THE POLICY
AND RESOURCES COMMITTEE

Dear Sir or Madam

POLICY AND RESOURCES COMMITTEE - 26TH NOVEMBER, 2012

I refer to the agenda issued in respect of the above meeting and would advise you that the undernoted item will also fall to be considered.

Yours faithfully

DAVID K DORWARD

Chief Executive

16 DUNDEE ENERGY RECYCLING LTD (DERL) - BALDOVIE WASTE TO ENERGY PLAN

(Report No 483-2012 enclosed).

The Committee may resolve under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 6, 8 and 9 of Part I of Schedule 7A of the Act.

17 DUNDEE ENERGY RECYCLING LTD (DERL)

REPORT TO: POLICY AND RESOURCES COMMITTEE – 26 NOVEMBER 2012

REPORT ON: DUNDEE ENERGY RECYCLING LTD (DERL) - BALDOVIE WASTE TO ENERGY PLANT

REPORT BY: CHIEF EXECUTIVE

REPORT NUMBER: 483-2012

1. PURPOSE OF REPORT

The purpose of this report is to update Committee on the current situation with the plant following the fire in May 2012 and to seek approval for the medium term investment required in the plant to ensure operating availability is maintained at an acceptable level.

2. RECOMMENDATIONS

- 2.1 Committee is asked to note the contents of this report and agree to authorise the investment of £7.94m in the DERL Plant to undertake improvement works outlined in Option 3.

3. FINANCIAL IMPLICATIONS

- 3.1 The Director of Corporate Services advises that the capital expenditure of £7.94m will be financed by Prudential Borrowing. This will require an additional 5 year lease with an annual payment of £1.809m to be made by DERL to the City Council.
- 3.2 A cash forecast has been prepared by DERL covering the period August 2013 to December 2018 which shows that DERL will be able to finance the additional annual lease costs of £1.809m and remain in a positive cash position throughout this period.

4. BACKGROUND

4.1 Insurance and Reinstatement of Fire Damage

- 4.1.1 Reference is made to agenda note AN152-2012 to the Policy and Resources Committee of 10 September 2012, which confirmed the council's agreement to the continued financial support to DERL in the aftermath of the fire at the plant, as noted in Option 1 of the report to the Waste to Energy Working Group on 21 August 2012. In September, DERL was advised that the insurers had agreed to meet the full costs of reinstating the fire damage to the plant and the associated business interruption costs subject to the limits of cover in the policy.
- 4.1.2 Initial cleaning works have commenced to remove the contaminated smoke deposits from the structural steelwork following the fire and to prevent corrosion. A project management company (Fichtner) has been appointed by DERL to plan and manage the reinstatement works. Fichtner now have a team resident on-site.
- 4.1.3 It has been agreed in principle with the loss adjusters that the specialist contractor Metso Power AB be appointed by DERL to undertake a major part of the reinstatement works, subject to acceptable quotations being received. Metso hold a significant knowledge of the plant and have access to all original documentation and drawings.
- 4.1.4 Metso have been contacted and have visited the site with a view to providing quotes for two options. The first option is to replace the damaged equipment on a like for like basis and the second option is to provide a modified fuel feeding system, which will negate the requirement for a return conveyor. This second option was identified within the Parsons Brinkerhoff report as an improvement which would help improve the operational availability of the plant.

- 4.1.5 Indicative budget quotes and timescales have been received from Metso for the two options. These have been compared with the initial plan and option 1 is showing a delay in returning the facility back to operation which is beyond the liability period of the business interruption (BI) insurance. Option 2 is showing that the plant can be returned to operation prior to the BI period finishing but is a more expensive option by approximately £500k. Meetings continue to be held with the loss adjusters to keep them abreast of progress.
- 4.1.6 The current estimated restart of the Waste to Energy Plant is July/August 2013 if a modified fuel feed system is chosen. If the original system configuration is chosen then current estimations are late September/early October. This is primarily due to the lead time for manufacture and delivery of the main conveying equipment including the return conveyor and distribution conveyor.
- 4.1.7 DERL has concluded the statutory discussions with the trade unions in respect of potential redundancies. Due to the natural wastage of staff who have left voluntarily following the fire it is not envisaged at this stage that any further staff reductions are required. Agreement was reached at a recent meeting with the trade unions to halt the redundancy process. All the staff have received a letter informing them of that decision.

4.2 Plant Improvement Works

- 4.2.1 Prior to the fire in May 2012, the WtE plant had been suffering from a reduction in "On Waste Availability" (OWA) as a consequence of the declining condition of the plant and a series of recurring breakdowns. Immediately before the fire OWA had reduced to below 65% and was declining.
- 4.2.2 A technical appraisal of the plant was undertaken in 2011 by the specialist company Parsons Brinckerhoff (PB) which recommended a number of improvements to restore the plant to its target level of 85% OWA. The PB report noted that in order to undertake many of these improvements, it would be necessary to either close the plant or to restrict its operation.
- 4.2.3 Whilst the plant is currently out of commission, there is therefore a window of opportunity to undertake the most critical improvement works without impacting upon plant operation. The loss adjusters acting on behalf of the insurers stated that in principle they saw no reason to object to these works being undertaken in parallel with the reinstatement works, providing they do not interfere with or delay the reinstatement of the plant following the fire.
- 4.2.4 DERL has recently undertaken a review of the recommendations of the PB report to identify the most critical improvements which would have the greatest impact on improving OWA. In addition, work has been undertaken by DERL to update the cost estimates previously provided by PB for the various elements of work. A cost benefit analysis has been undertaken in considering whether these works should be undertaken at this stage. Three options have been considered:
- Option 1 – Do minimum essential works;
 - Option 2 – Improvement works to one boiler; and
 - Option 3 – Improvement works to both boilers.
- 4.2.5 Option 1 – The do minimum option does not include any improvements to the boilers but simply allows for undertaking works that are necessary to satisfy legislative requirements or are considered prudent to be undertaken during the closure. These works are essential and would require to be undertaken within the very near future and would result in closure of the plant if undertaken at a later date. Table 1 lists the works proposed at a total value of £1.075m. The OWA for the plant would be at the pre-fire level of 64.5% and based upon the PB report, it is likely that OWA would be reduced by 2.5% per annum due to on-going deterioration of the plant.

Table 1 – Essential Works

Option Number (PB Report)	Option Description	Area of Plant	Capital Expenditure £k	Capital Expenditure £k
	Essential Works			
22	Control System refurbishment	General	200	
	Continuous Emissions Monitoring Equipment	Both boilers	400	
	Tipping Hall Floor Upgrade	Waste reception	125	
	Sub-Total Essential Works			725
	Provisional Sums (various works)			250
	Professional Fees (5%)			50
	Contingencies (5%)			50
	Total			1,075

The £1.075m capital expenditure will require to be funded by prudential borrowing which will be supported by an annual lease payment of £245,000 from DERL.

- 4.2.6 Option 2 – This option allows for undertaking the same level of essential works as above and the recommended boiler tube improvements to Boiler 1 only. Table 2 identifies the improvement works which have been targeted amounting to some £4.689m. It is estimated that these works will result in an increase in OWA of around 5% taking OWA back up to around 70%. As only one boiler has been improved OWA would be expected to reduce in future years by 1.9% per annum.

Table 2 – Refurbishment of Boiler 1 Plus Essential Works

Option Number (PB Report)	Option Description	Area of Plant	Capital Expenditure £k	Capital Expenditure £k
	Boiler Tube Improvements			
14	Tube bank wall replacements 2013	Boiler 1	2,813	
19	Furnace wall and roof tube replacements	Boiler 1	375	
35	Acid cleaning of boilers	Boiler 1	100	
	Sub- Total Boilers			3,288
	Essential Works			
22	Control System refurbishment	General	200	
	Continuous Emissions Monitoring Equipment	Both boilers	400	
	Tipping Hall Floor Upgrade	Waste reception	125	
	Sub-Total Essential Works			725
	Provisional Sums (250
	Professional Fees (5%)			213
	Contingencies (5%)			213
	Total			4,689

The £4.689m capital expenditure will require to be funded by prudential borrowing which will be supported by an annual lease payment of £1,068,000 from DERL.

- 4.2.7 Option 3 – allows for undertaking the same works as option 2 but including the boiler tube improvements to both Boiler 1 and Boiler 2. Table 3 identifies the improvement works which have been targeted amounting to some £7.94m. It is estimated that these works will result in an increase in OWA of around 10% taking OWA back up to around 75%. With both boilers improved, OWA would be expected to reduce in future by 1.25% per annum.

Table 3 – Refurbishment of Boilers 1 & 2 Plus Essential Works

Option Number (PB Report)	Option Description	Area of Plant	Capital Expenditure £k	Capital Expenditure £k
	Boiler Tube Improvements			
14	Tube bank wall replacements 2013	Boiler 1 & 2	5,293	
19	Furnace wall and roof tube replacements	Boiler 1 & 2	750	
35	Acid cleaning of boilers	Boiler 1 & 2	200	
	Sub- Total Boilers			6,243
	Essential Works			
22	Control System refurbishment	General	200	
	Continuous Emissions Monitoring Equipment	Both boilers	400	
	Tipping Hall Floor Upgrade	Waste reception	125	
	Sub-Total Essential Works			725
	Provisional Sums (250
	Professional Fees (5%)			361
	Contingencies (5%)			361
	Total			7,940

The £7.940m capital expenditure will require to be funded by prudential borrowing which will be supported by an annual lease payment of £1,809,000 from DERL.

- 4.2.8 Boiler tube failures have been by far the single biggest cause of the plant breakdowns and the rate of deterioration of the tubes has been increasing significantly. The boiler tube improvement works proposed in options 2 and 3 involve the replacement of the sections of boiler tubes where the highest level of failures are occurring. The new tubes will be treated using a specialist coating material (Inconel) to protect against future erosion and damage.
- 4.2.9 The tube improvement works identified within option 3 will require the replacement of approximately 14km of tubing. Due to the scale of this project, there is a significant lead-in time in the order of the tubing of approximately 28 weeks due to a combination of demand for such tubing and the process of applying the Inconel coating. This length of lead-in means that early decisions are required.
- 4.2.10 DERL have worked closely with Metso to review the programme and have confirmed that if an immediate order is placed it would be possible to have one boiler complete and operational by the time the plant is ready for commissioning in August 2013. This would enable all of Dundee City Council's waste to be treated before the BI insurance period expires in mid-August. The second boiler would be completed a few weeks later at which stage DERL would recommence taking Angus Council's waste and selling spare capacity to the market.
- 4.2.11 A cost benefit analysis has been undertaken on the three options identified above

£000s	<u>Capital Outlay</u>	<u>Lease Payment p.a.</u>	<u>DERL Cash (shortfall) /Surplus in 2018</u>
Option 1	1,075	245	(4,153)
Option 2	4,689	1,068	(1,999)
Option 3	7,940	1,809	891

- 4.2.12 The above cost benefit analysis shows that Option 3 – Refurbishment of both boiler 1 and boiler 2 plus essential works results in a positive cash balance of £891,000 at December 2018.

Options 1 and 2 result in negative cash balances of £4.153m and £1.999m respectively and are therefore not considered to be viable options.

4.3 Waste Mitigation Measures

- 4.3.1 Domestic refuse collection routes continue to be serviced as normal with all collected material being delivered to DERL. DERL in turn continue to arrange for the transfer & diversion of this material to landfill at Binn Farm, Glenfarg. All non-domestic RCV material (civic amenity, special collection etc) continues to be processed at the Councils recycling facility at Baldovie. This process has been modified to increase the amount of materials extracted for recycling resulting in a 90% increase in recyclate collected at this facility.
- 4.3.2 It is proposed to introduce an additional ten Neighbourhood Recycling Points to collect glass and paper to complement the existing facilities in place across the city. In addition it is proposed to install a number of communal glass and possibly paper recycling facilities at a number of multi-storey and multi occupancy blocks. This would involve the siting of additional large euro-type containers and work is currently on-going to identify suitable locations with Housing and City Development.
- 4.3.3 Zero Waste Scotland have agreed to provide additional funding for a small number of temporary staff, to assist with further promotion of all recycling initiatives and improved sorting of recyclate at the civic amenity sites. It is likely that the funding will enable the temporary employment of 4-6 full time posts until March 2013.

4.4 Procurement of Future Waste Contract

- 4.4.1 The current residual waste contract with DERL expires in 2020. At that point in time the plant would be returned to Dundee City Council and decisions would require to be made on the letting of the required follow-on waste contracts in compliance with relevant European procurement legislation.
- 4.4.2 The Parsons Brinkerhoff (PB) report confirmed the need for further significant investment over a twenty year period, in addition to the improvements outlined in 3.2 above. This investment is required to achieve a profitable and sustainable long term level of OWA and to comply with future legislative requirements. There is no prospect of DERL being able to raise the funding to undertake this level of investment and nor is it considered appropriate or feasible for DCC to seek to make such a significant investment.
- 4.4.3 It is therefore proposed to commence a procurement exercise for the long term contract to circa 2035, for the treatment of DCC's residual waste utilising the WtE facility at Baldovie.
- 4.4.4 The future waste contract will provide a mechanism for DCC to recover its current debt with DERL and its investment in the existing plant, whilst seeking to secure an attractive and sustainable long term gate fee. The procurement exercise will also give DCC the opportunity to reduce its exposure to future risk associated with the operation of a WtE facility.
- 4.4.5 In order to optimise the potential benefit of any such long term contract, it is recommended that a partnership approach be adopted with other local authorities through the procurement of a regional residual waste contract. Angus Council have confirmed in principle that they would support such an approach and would wish to be considered a strategic partner in the project. The larger the scale of the project, the greater the potential benefit for partner authorities.
- 4.4.6 Given the scale of the new 20 year regional waste contract it will be necessary to fully comply with OJEU procurement legislation and it is intended to follow the "Competitive Dialogue" process. Experience on other similar procurement projects within the UK would suggest that this process will likely take something in excess of two years before letting of the contract. Every effort will be made to accelerate this process.

5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. There are no issues in this regard to report on.

6. **CONSULTATIONS**

The Director of Corporate Services, Director of Environment and Head of Democratic and Legal Services have been consulted with regard to this report.

7. **BACKGROUND PAPERS**

None.

David K Dorward
Chief Executive

23 November 2012



City Chambers
DUNDEE
DD1 3BY

21st November, 2012

TO: ALL MEMBERS OF THE POLICY
AND RESOURCES COMMITTEE

Dear Sir or Madam

POLICY AND RESOURCES COMMITTEE - 26TH NOVEMBER, 2012

I refer to the agenda issued in respect of the above meeting and shall be grateful if you will substitute the undernoted report for the one previously issued.

Yours faithfully

DAVID K DORWARD

Chief Executive

14 ESTABLISHMENT OF PROJECT BOARDS - MENZIESHILL, COLDSIDE AND STRATHMARTINE

(Report No 411-2012 enclosed).

REPORT TO: POLICY & RESOURCES COMMITTEE – 26 NOVEMBER 2012

REPORT ON: ESTABLISHMENT OF PROJECT BOARDS - MENZIESHILL, COLDSIDE AND STRATHMARTINE

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 411-2012

1. PURPOSE OF REPORT

The purpose of this report is to establish Project Boards to ensure the delivery of the proposed new school and community campuses at Menzieshill, Coldside and Strathmartine.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 The Policy & Resources Committee approves the establishment of Project Boards each comprising Elected Members (Convener of Education and Ward Councillors), a Catholic Church representative for the Coldside Project Board only, the Chief Executive, Director of Education, City Architect, Director of Corporate Services, Head Teachers, one Parent Council member from each of the schools, one Teacher Union Representative, Communities Officer, Capital Projects Director, Capital Projects Finance Manager, Capital Projects Education Adviser and Senior Project Manager (Architectural Services). Head of Transportation (as required), and for the Menzieshill Project Board a representative of the Menzieshill Community Centre Management Group.
- 2.2 That the Project Boards for Menzieshill, Coldside and Strathmartine be chaired by the Chief Executive, Director of Corporate Services and Director of Education respectively.

3. FINANCIAL IMPLICATIONS

None

4. BACKGROUND

- 4.1 At the meetings of the Policy & Resources and Education Committees on 25 June 2012, it was agreed that the City Council would commit to the development of school and community campuses in Menzieshill and Coldside, and schools replacements in Strathmartine.
- 4.2 Consequently, given the scope and complexity of these projects, the need has arisen to establish Project Boards.
- 4.3 It should be noted that a Project Board was established in 2001 to oversee the development of the Dundee Schools PPP Project. This structure proved invaluable and was subsequently replicated for the Kingspark School replacement. Currently Boards are in operation for the Balgarthno Road and Harris Academy projects.

5. **PROPOSAL**

It is proposed that a Project Board for the three school and community campuses at Menzieshill, Coldside and Strathmartine be established in line with the recommendation in paragraph 2.1 above. The Boards will be chaired by the following senior officers

Menzieshill - David Dorward, Chief Executive
Coldside - Marjory Stewart, Director of Corporate Services
Strathmartine - Michael Wood, Director of Education

6. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. There are no major issues.

7. **CONSULTATIONS**

The Director of Corporate Services, Head of Democratic & Legal Services, Director of Education and Director of Leisure & Communities have been consulted in the preparation of this report.

8. **BACKGROUND PAPERS**

None.

David K Dorward
Chief Executive

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21/11/2012



City Chambers
DUNDEE
DD1 3BY

16th November, 2012

Dear Sir or Madam

You are requested to attend a MEETING of the **POLICY AND RESOURCES COMMITTEE** to be held in the City Chambers, City Square, Dundee on Monday, 26th November, 2012 following the meetings of the Education and City Development Committees called for 6.00 pm.

Yours faithfully

DAVID K DORWARD

Chief Executive

AGENDA OF BUSINESS

1 DECLARATION OF INTEREST

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

2 DUNDEE DANCE PARTNERSHIP (AN198-2012)

Dundee City Council established the Dundee Dance Partnership in 1998. In the intervening period, the Dance Partnership has been fundamental to securing external funding for The Space - the home of the Scottish School of Contemporary Dance. It has assisted the development of the Scottish Contemporary Dance Company at Dundee Rep, and it has promoted integration and networking between public voluntary sector and charitable organisations that support dance in the City.

Earlier this year, the Dundee Dance Partnership successfully applied to Creative Scotland for two projects which will use dance to work with off-site pupils and which will make a significant contribution to their personal social development and to their confidence-building. The total value of these projects is £52,000 and a £6,750 contribution is being sought from Dundee City Council on behalf of the Dundee Dance Partnership.

Creative Scotland have indicated their willingness to fund the programme for a second year, and a similar level of funding will be required as local authority match funding.

The Dundee Dance Partnership has applied to Dundee City Council for support in order that it can take forward this programme and continue to develop dance in the City. It is recommended that an award of £14,000 be made to cover the match funding element for the years 2012 and 2013.

This expenditure can be met from the Non-Recurring Revenue Grants Fund managed by the Communities and Policy Division of the Chief Executive's Department.

3 CITY OF CULTURE - BID

(Report No 112-2012 enclosed).

4 DEVELOPMENT OF SOCIAL ENTERPRISES IN DUNDEE

(Report No 440-2012 enclosed).

5 CONSULTATION ON THE LIVING WAGE (SCOTLAND) BILL

(Report No 454-2012 enclosed).

6 SAVINGS FROM CHANGING FOR THE FUTURE PROJECTS

(Report No 439-2012 enclosed).

7 VOLUNTARY EARLY RETIREMENT/VOLUNTARY REDUNDANCY SCHEME

(Report No 441-2012 enclosed).

8 VOLUNTARY EARLY RETIREMENT SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS OUTCOME 2011/2012

(Report No 447-2012 enclosed).

9 FIRE AND RESCUE SERVICES REFORM - LOCAL SCRUTINY AND ENGAGEMENT

(Report No 437-2012 enclosed).

10 HIGH INTEREST RATE LENDERS

(Report No 436-2012 enclosed).

11 COLDSIDE - NEW PRIMARY SCHOOLS AND PRE-SCHOOL CENTRE INCORPORATING COMMUNITY FACILITIES

(Report No 443-2012 was issued with the agenda and papers for the Education Committee).

12 MENZIESHILL - NEW PRIMARY SCHOOL AND NURSERY SCHOOL AND OPTIONS FOR MENZIESHILL COMMUNITY CENTRE

(Report No 445-2012 was issued with the agenda and papers for the Education Committee).

13 NEW SCHOOL BUILD PROGRAMME IN THE STRATHMARTINE AREA TO INCLUDE BALDRAGON ACADEMY, SIDLAW VIEW PRIMARY SCHOOL AND JESSIE PORTER NURSERY SCHOOL

(Report No 446-2012 was issued with the agenda and papers for the Education Committee).

14 ESTABLISHMENT OF PROJECT BOARDS - MENZIESHILL, COLDSIDE AND STRATHMARTINE

(Report No 411-2012 enclosed).

15 REPLACEMENT OF CIVIC CARS (AN199-2012)

REPLACEMENT OF CIVIC CARS

The City Council currently leases two civic cars, one of which is used predominantly for the civic duties carried out by the Lord Provost. Both cars have been leased since November/December 2008 and, as the initial lease period of three years has expired, the leases on both civic cars now operate on a month to month basis. The existing cars and lease costs are as follows:-

CURRENT VEHICLES

<u>VEHICLE</u>	<u>TYPE</u>	<u>COSTS PER ANNUM</u>
TS1	VOLKSWAGEN PHAETON 3.0 TDI	£8,460.10
CIVIC CAR	VOLVO S80 2.4	<u>£5,682.30</u>
		<u>£14,142.40</u>

Council officers have investigated a variety of options for replacement of the existing two civic cars and have obtained the following quotations:

REPLACEMENT OPTIONS

TS1	VOLKSWAGEN PHAETON 3.0 TDI	£12,409.00
	VOLVO S80 2.4	£6,695.88
	JAGUAR XF 2.2	£6,439.68
CIVIC CAR	VOLVO S80 2.4	£6,695.88
	JAGUAR XF 2.2	£6,439.68
	VW CARAVELLE 2.0 (PEOPLE CARRIER)	£6,223.56

The cost to replace TS1 on a like for like basis has risen considerably and it is recommended that a lease be entered into for the cheapest option namely the Jaguar XF 2.2 Diesel and that the existing civic car be replaced with the VW Caravelle 2.0 people carrier as this can accommodate more passengers than the current vehicle (The Volvo S80 2.4) meaning the number of journeys where more than one car is needed will be reduced. The Caravelle is also cheaper than a like for like replacement.

PROPOSED OPTION

TS1	JAGUAR XF 2.2	£6,439.68
CIVIC CAR	VW CARAVELLE 2.0	<u>£6,223.56</u>
		<u>£12,653.24</u>

If the proposed option is approved this will result in an annual revenue saving of £1,489.

REPORT TO: POLICY AND RESOURCES COMMITTEE - 26 NOVEMBER 2012

REPORT ON: CITY OF CULTURE - BID

REPORT BY: DIRECTOR, LEISURE AND COMMUNITIES

REPORT NO: 112-2012

1.0 PURPOSE OF REPORT

- 1.1 This report provides the Committee with background information on the European Capital of Culture and the UK City of Culture and seeks approval from the City Council to begin the process of preparing to bid for City of Culture status for Dundee.

2.0 RECOMMENDATIONS

The Committee is asked to:

- 2.1 Note the background to the UK and European City of Culture bid process.
- 2.2 Note the benefits accrued in previous years, both from the bidding process and of securing this prestigious designation.
- 2.3 Approve the proposal that Dundee should bid for UK City of Culture status.
- 2.4 Instruct the Director, Leisure and Communities to invite senior representatives from Dundee Partnership agencies to form a Bid Development Group.
- 2.5 Appoint Creative Services Scotland to provide support for the co-ordination of Dundee's bid.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Much has already been written as available on the internet in relation to the economic impact of European and UK City of Culture bids.
- 3.2 The economic and social impacts reported for both Glasgow and Liverpool as a result of achieving European Capital of Culture are dramatic.
- 3.3 The final outcome for Derry which has UK City of Culture status for 2013 has yet to be assessed but it has already yielded significant benefits which will continue to be built upon.
- 3.4 In practical terms, bid making at this level requires a time commitment at a senior level from the agencies who would form the bid preparation group.
- 3.5 The initial work in 'making the case', presenting the opportunity and aligning existing cultural and community provision will be done by the partners supported by Leisure & Culture Dundee and the City Council.
- 3.6 There will be a requirement for investment in consultancy support to co-ordinate the final bid preparation. The estimated costs for this are £15,000 spread over 2012/13 and 2013/14 financial years.
- 3.7 Implementation of a successful bid would require additional financial support for the year's programme 2016/17 and the City would look to the Scottish and UK Governments to support this, and to funders such as the National Lottery.
- 3.8 The City's financial commitment to cultural provision is already in place. It is contained within the base budgets of the City Council, its two universities, the FE College, and their cultural partners at a local and national level. It is this existing investment that places Dundee in a strong position to bid for City of Culture status.

4.0 BACKGROUND

4.1 Each year, cities chosen as European Capitals of Culture - in 2011 Tallinn and Turku - provide living proof of the richness and diversity of European cultures. Started in 1985, the initiative has become one of the most prestigious and high-profile cultural events in Europe.

More than 40 cities have been designated European Capitals of Culture so far, from Stockholm to Genoa, Athens to Glasgow, and Cracow to Porto.

4.2 The European Capitals of Culture initiative was set up to:

- highlight the richness and diversity of European cultures;
- celebrate the cultural ties that link Europeans together;
- bring people from different European countries into contact with each other's culture and promote mutual understanding;
- foster a feeling of European citizenship.

In addition, studies have shown that the event is a valuable opportunity to:

- regenerate cities;
- raise their international profile and enhance their image in the eyes of their own inhabitants;
- give new vitality to their cultural life;
- raise their international profile and enhance their image in the eyes of their own inhabitants.

4.3 From 2011, two cities - from two different EU countries - are European Capitals of Culture each year. The procedure for choosing a city starts around six years in advance - though the order of Member States entitled to host the event is fixed before then and is organised in two stages.

4.4 Following the success of the Liverpool European Capital of Culture 2008 the UK Government launched its own City of Culture Award which will take place for the first time in 2013.

4.5 The press announcement which accompanied the launch of the bidding process stated "The UK needs a step change in its cultural life and to engage with the whole country. The idea that we give up on arts and culture in the regions at this very point because of the economic downturn... I think the opposite is what we should be doing. The evidence shows that people want it and need it more." (Ben Bradshaw, the Culture Secretary).

4.6 The Department of Culture, Media and Sport stated ambition for the embryonic UK City of Culture programme was to encourage the use of culture as a catalyst of change with bidding areas required to clearly set out their own vision for how they would use the award of City of Culture status to mark a step change in their area. The first competition, which closed in December 2009, was open to the whole of the UK, other than London. Cities bidding for UK City of Culture 2013 needed to demonstrate how they would propose to:

- Deliver a high quality cultural programme that builds and expands on local strengths and assets, reaches a wide variety of audiences over the course of the year and is a fitting follow-on from Liverpool Capital of Culture and the Cultural Olympiad.

- Deliver a programme that uses culture to lead to lasting social regeneration through engagement, widening participation and supporting cultural diversity and cohesion.
 - Lead to a demonstrable economic impact from the programme.
 - Maximise the legacy from being UK City of Culture.
- 4.7 It is argued that the tourism, economic, social and cultural benefits reach out across all parts of the UK and like a number of initiatives these should continue to be supported regardless of the outcome of any referendum on independence. This approach is consistent with Dundee's partnership with the V&A.
- 4.8 Dundee has already developed a strong reputation as a city which has invested in cultural-led urban renewal. Over the last decade its commitment to interagency cultural-led regeneration has been applauded at a national level. The City's Cultural Strategy "Creative Dundee 2009-2014" highlighted successes over the past decade and opportunities for the period ahead.
- 4.9 The City has developed a commitment to community engagement and participation in civic affairs which is second to none in Scotland, combined with support for a portfolio of cultural organisations underpinned by the City Council but which operate in partnership as strong independent players contributing both nationally and internationally within their own sectors.
- 4.10 DCA is viewed as the most successful contemporary art centre in Scotland, welcoming over 300,000 people each year to a diverse and challenging programme of visual art, cinema, workshops, education and research. DCA has been successful in profiling new and emerging talent in Scottish art and has helped to launch the careers of many Turner Prize winners and nominees. The centre has a very active production facility focused on traditional and digital printmaking offering both workshops for beginners alongside professional artists producing high quality editions. The building is the home of a number of academic research projects in art and design. DCA also runs Discovery - Scotland's International Film Festival for Young Audiences and in 2011 was the joint recipient of an international award for youth cinema given by the body responsible for promoting European cinema.
- 4.11 Dundee Rep is a leading Scottish cultural institution. Comprising Dundee Rep Ensemble, Scottish Dance Theatre and Rep Creative Learning, this diverse and award-winning company has earned an international reputation for the breadth and quality of its work. Dundee Rep Ensemble, now in its twelfth year, is Scotland's only permanent acting company, and creates a wide repertoire of work in Dundee as well as on tour.
- 4.12 The company has been nominated for and won more Critics Awards for Theatre in Scotland than any other Scottish theatre. Rep Creative Learning works with over 25,000 people every year both within the theatre and out in communities around the city. The Rep also presents a diverse programme of visiting works including drama, dance, music and comedy.
- 4.13 Scottish Dance Theatre is part of Dundee Rep and is Scotland's leading contemporary dance company. Over the last decade, SDT has evolved a leadership role for dance in Scotland, whilst continuing to develop and tour dance theatre of the highest quality, bring artists and audiences closer together, leading on equalities and investing in partnerships that build and strengthen the dance network. A growing overseas reputation is testimony to the quality of the company's work
- 4.14 Leisure & Culture Dundee brings together a portfolio of culture, heritage and library resources including gems such as:
- The Mills Observatory (one of the very few fulltime municipal observatories in the UK).

- Broughty Castle which is managed in partnership with Historic Scotland and which is an icon at the mouth of the Tay estuary.
 - The Caird Hall which for the last two years has hosted the finale of the BBC Scotland Proms is a popular venue for a very wide range of classical and contemporary concerts, conferences and other civic events.
 - The McManus: Dundee's Art Gallery and Museum which has recently gone through a major refurbishment and which has won a wide range of accolades for the sensitive representation of its collection and for the quality of the architectural work carried out in the refurbishment of this Grade A listed building. In 2008, both its Fine and Decorative Art and Whaling collections were designated as being of national importance. It's 2012 programme has been exceptional with exhibitions from The Scottish Colourist Series: FCB Cadell; Queen Elizabeth II Portraits by Cecil Beaton: A Diamond Jubilee Exhibition and Selling Dreams: One Hundred Years of Fashion Photography from V&A London; and Ten Drawings by Leonardo da Vinci: A Diamond Jubilee Celebration From The Royal Collection.
- 4.15 The University of Dundee has accredited museum collections showcased in an exciting programme of public exhibitions and in permanent facilities including the D'Arcy Thompson Zoology Museum and the Tayside Medical History Museum. The University also runs an award-winning Botanic Garden, stages an ambitious programme of music concerts, and hosts major public events, including the UK's longest running Saturday Evening Public Lecture Series and the Dundee Literary Festival.
- 4.16 Duncan of Jordanstone College of Art and Design, University of Dundee has established a reputation for being at the forefront of contemporary research in art and design. Research at DJCAD extends far beyond traditional strengths in art and design disciplines, encompassing a large portfolio of collaboratively driven, externally funded research.
- 4.17 This innovative capacity created the conditions for the establishment of the V&A at Dundee partnership, where the university has led the city's initiative, building complex relationships with the wider cultural infra-structure both within the UK and Europe; bringing together the partnership that has delivered the project for a transformational change in perception of the city and its cultural standing.
- 4.18 Duncan of Jordanstone covers a wide spectrum of creative practices from the traditional disciplines of Fine Art, to areas of interactive processes and services, including engagement with medicine, life sciences, philosophy, forensic identification, cell modelling, and knowledge exchange.
- 4.19 University of Abertay, Dundee has recently invested in the creation of the Hannah Maclure Centre to exhibit the work of artists and designers working with digital media and information in Innovative ways. Abertay University has developed an international reputation for its role in digital games and digital media, is the UK Centre for Excellence in Computer Games Education and is host of the acclaimed international computer games design and development competition "Dare to be Digital". Abertay University organises the annual ProtoPlay event that promotes new talent for the computer games industry to a public audience which attracted 9000 visitors in 2011.
- 4.20 Dundee Heritage Trust is responsible for the internationally famous Royal Research Ship *Discovery*, Discovery Point Antarctic Museum and Scotland's Jute Museum @ Verdant Works, an award-winning industrial museum. The Trust has achieved Accredited status for both museums and holds two Recognised Collections of National Significance.
- 4.21 The City itself boasts some of the finest parks in the country. It has been a medal winner in Britain in Bloom and Scotland in Bloom and the refurbishment of Baxter Park, which includes the parks centre and pavilion, has created an award-winning destination at the heart of the City.

- 4.22 The cultural riches of the City are enhanced by the local authority's commitment to the maintenance of high quality community based provision. It is one of the best networks of community libraries and community centres of any local authority in Britain. Its Central Library is the busiest public library in Scotland and it boasts some of the highest levels of participation per capita in the use of libraries in the UK.
- 4.23 As if this was not a strong enough portfolio in itself, the commitment to the Waterfront Project and to the V & A at Dundee single out Dundee for the way in which it has set itself distinctive, ambitious and stretching targets.
- 4.24 The City has a reputation for effective partnership working which is second to none and which is underpinned by its successful development of the proposal for the Waterfront Project and the V & A at Dundee which has been a defining feature of the cultural sector over the last decade.
- 4.25 This cultural sector is made up of organisations whose standard of artistic talent and professional expertise have been attested by peer review and popular acclaim.
- 4.26 The City's ability to reach out to non-traditional audiences and to under represented groups is something which Dundee can be rightly proud of and something which was expected of those organisations which were short listed for 2013.
- 4.27 There is no better period in the recent past and foreseeable future for Dundee to put forward a bid for City of Culture Status.
- 4.28 The last bidding UK round involved a two stage process. The long list announced by the Minister of Culture identified 14 cities which on the basis of their submissions met the criteria for success.
- 4.29 The second stage then involved four finalists which in the minds of the assessment panel explicitly guaranteed a lasting step change in their bid documentation.
- 4.30 The successful UK winner for 2013 was Derry and this was on the basis of:
- the quality of its cultural programme;
 - the genuine support from the wider business and residential communities;
 - the full endorsement and commitment from the political authorities to ensure that the title of UK City of Culture was embedded as part of a long-term strategy to shape and define the city as a place to live, work, invest and to visit.
- 4.31 The specific timetable and bid requirements for 2017 UK City of Culture have yet to be announced.

5.0 BID DEVELOPMENT

- 5.1 To put forward a strong bid for Dundee under the auspices of the Dundee Partnership will require a bid development team which brings together key leaders from the cultural sector, the community sector, the academic sector and the business community.
- 5.2 Each of the key partner agencies will need to commit unreservedly to support the bid development process and implementation of the progression should the bid succeed.
- 5.3 Initial discussions have suggested that a bid champions group be formed, with an invitation to leading figures globally who have an association with the City to give the proposal their endorsement.
- 5.4 In order that the strongest possible bid can be presented, additional consultancy support has been sought via Creative Services Scotland who have worked closely with cultural agencies in Dundee over a number of years.

5.5 Support will be provided by Dundee City Council and Leisure & Culture Dundee.

6.0 POLICY IMPLICATIONS

6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. No major issues have been identified.

6.2 An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundeecity.gov.uk/equanddiv/equimpact/> .

7.0 CONSULTATION

7.1 The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services have been consulted on this report.

7.2 The proposal to bid for City of Culture status has been discussed by the Cultural Agencies Network and Dundee Partnership, and is enthusiastically endorsed.

7.3 The formal support of Dundee University, University of Abertay Dundee, and Dundee College has been noted.

7.4 The proposal has also been discussed with community partners and they too have given the proposal their full backing.

7.5 Key private sector parties in the City – DC Thomson, Bright Solid, and Unicorn Properties – have indicated their full support for the proposal, and their willingness to contribute to the bid and its implementation. DC Thomson have indicated a willingness to act as media partner.

8.0 BACKGROUND PAPERS

8.1 <http://ec.europa.eu/culture/our-programmes-and-actions/>
<http://www.insights.org.uk/>
<http://www.culture.gov.uk/culture/index.aspx>
[http://www.culture.gov.uk/what we do/communities and local government/6015.aspx](http://www.culture.gov.uk/what_we_do/communities_and_local_government/6015.aspx)

8.2 Equality Impact Assessment.

Stewart Murdoch
14 November 2012

DUNDEE CITY COUNCIL

REPORT TO: POLICY AND RESOURCES COMMITTEE - 26 NOVEMBER 2012

**REPORT ON: CHANGING FOR THE FUTURE IMPROVEMENT PROJECT 42:
DEVELOPMENT OF SOCIAL ENTERPRISE IN DUNDEE**

REPORT BY: DIRECTOR, LEISURE AND COMMUNITIES

REPORT NO.: 440-2012

1. PURPOSE OF REPORT

- 1.1 This report summarises the outcome of work done to date to investigate how Dundee City Council could enhance its support or the future development of social enterprises in Dundee.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 The Social Enterprise Development Strategy (Appendix 1) and Action Plan (Appendix 2) are approved;
- 2.2 The Council further explore potential opportunities from the Scottish Government's Developing markets for the Third Sector Programme via the Ready for Business Consortium.
- 2.3 An Implementation Board with a membership based on Appendix 3 be established;
- 2.4 The Committee's advice on Elected Member representation on the Implementation Board is requested.
- 2.5 The Committee is asked to approve the appointment of consultants to support implementation of the strategy and development of the child care social enterprise initiative.
- 2.6 A report on progress be brought back to the Changing For The Future Project Board in twelve months' time.

3. FINANCIAL IMPLICATIONS

- 3.1 Implicit in the Strategy and the Action Plan is a commitment to supporting social enterprise development where the objectives of these developments are compatible with the City Council's priorities and community interests.
- 3.2 There may be some indirect costs of driving forward the policy, but this can be contained with existing resources and reflects the commitment of the City Council to the development of social enterprise through its use of mainstream budgets and resources.
- 3.2 The estimated cost of providing the proposed consultancy support over a 52 week period is £30,000. This can be met from projected underspend in the Childcare Subsidy Fund operated by Discover Opportunities and the Early Years Change Fund.

4. BACKGROUND

- 4.1 As part of Phase 2 of the CFTF Programme, a Project Team was charged with developing a Social Enterprise Strategy for Dundee.

- 4.2 The Project Team undertook research to explore the latest findings in this area from across the UK.
- 4.3 In addition to reviewing various sources of information, the Project Team met with representatives from Rocket Science, the Dundee Social Enterprise Network, Tayside Procurement Consortium, the Ready for Business Consortium and the Social Value Lab.
- 4.4 When developing the strategy and action plan links were made to other policies that the Council was developing, in particular around Asset Transfer and Community Benefits, to ensure that these complement the approach the Council wishes to take forward.

5. POLICY IMPLICATIONS

- 5.1 This report and the papers attached have been screened for policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. No major issues have been identified.
- 5.2 The policies, if approved and implemented, will have a positive impact on a number of indicators. The development of a robust social economy within Dundee has the potential to assist the Council and its partners to address poverty and produce more sustainable local solutions. Implementation of this strategy should assist in delivering the Council's Fairness and Equalities commitments.
- 5.3 An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>

6. CONSULTATION

- 6.1 The Chief Executive, Director of Corporate Services, and the Head of Democratic and Legal Services have been consulted in the preparation of this report.
- 6.2 The report has been discussed and approved by the City Council Strategic Management Team.
- 6.3 The Social Enterprise Development Strategy and Action Plan has also been the subject of consultation with the Dundee Social Enterprise Network (DSEN).
- 6.4 The Changing For The Future Project Board approved the Strategy and recommendations contained in this report at its meeting on 6 November 2012.

7. BACKGROUND PAPERS

- 7.1 Equality Impact Assessment.

Stewart Murdoch
14 November 2012

APPENDIX 1

SOCIAL ENTERPRISE DEVELOPMENT STRATEGY

Developing Social Enterprise in Dundee

1. Foreword

Dundee's industrial heritage is characterised as the story of jute, jam and journalism and the epic adventures of 19th century arctic exploration. Post industrial decline presented Dundee with significant social and economic challenges but also new horizons. Dundee is now recognised for its knowledge and creative industries, the excellence of its higher and further education sectors and as a regional retail and service centre. Dundee has not been immune to the effects of the economic downturn in recent years but can look forward with confidence.

The Dundee Waterfront Project, including the flagship V&A at Dundee, is an ambitious 21st century £1 billion development which is forecast to generate up to 7000 jobs. It will help to position Dundee as a modern vibrant city and as a leading Scottish centre for visitors and businesses in the modern era. With deepwater port facilities, available land and renewable energy enterprise zone status Dundee is well positioned to attract significant numbers of marine renewables jobs over the next few years.

Dundee has always been a city of enterprise and work and it has a long and respected tradition as a city with a social conscience. Social enterprise, with its ability to contribute to economic prosperity alongside broader social and environmental benefits, has a vital role to play in continuing this vision, as Dundee moves forward into the next phase of its economic regeneration.

Dundee has many excellent established social enterprises that already make an important contribution towards overcoming the challenging economic circumstances and societal effects of this recession. They have been resilient and endured the worst, driven by successful social entrepreneurs who possess the drive, innovation, creativity and commitment to deliver alternative business approaches that challenge convention.

The Social Enterprise Development Strategy has been developed by Dundee Social Enterprise Network and Dundee City Council, working together to produce a strategy that will help inform strategic decision making, support the development of social enterprises as a key part of the economic and social fabric of the city.

2. What is Social Enterprise?

The term 'social enterprise' has existed for at least a century, its origins traced back to the days of mutuals, as well as philanthropic businessmen and industrialists who shared a genuine concern for the welfare of their employees.

In the intervening years, definitions have emerged that encapsulate the unique blend of entrepreneurial methods to achieve social change and innovation and the requirement to see profits reinvested back in to the business or the community to create social benefit rather than private profit.

Social enterprises trade products and services in the market place and exist to make a profit similar to any private sector business. Without making a profit, social enterprises cannot meet their financial and social objectives. They must trade in order to be sustainable. The more profit made, the more that can be reinvested in the enterprise to pursue its business, social and environmental goals.

Social enterprises are businesses first and foremost, where social, community or environmental purpose are the key motivations and most important factor. In 2002, the Department of Trade & Industry defined social enterprise as:

'... businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders or owners'.

Towards the end of 2011, the European Commission produced the first ever EU definition of social enterprise, one which is likely to be used for the next seven years:

'Social enterprise' means an enterprise whose primary objective is to achieve social impact rather than generate profit for owners and stakeholders. It operates in the market through the production of goods and services in an entrepreneurial and innovative way, and uses surpluses mainly to achieve social goals. It is managed in an accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activity'.

The EU definition is very compatible with the DTIs. Both definitions making reference to the requirement to make profit but adopt socially beneficial ways of recycling surpluses.

Both definitions are useful snapshots but definitions are perhaps best left to those working and delivering social enterprise. Senscot, a debating chamber for the social enterprise network in Scotland and working collaboratively with its members, has taken this further with its Five Criteria that outline the defining characteristics that organisations must demonstrate to be considered social enterprises. More detail can be found at Appendix A but for the sake of brevity, the criteria are:

- Social enterprises have social and/or environmental objectives;
- Social enterprises are trading businesses aspiring to financial independence;
- Social enterprises have an 'asset lock' on both trading surplus and residual assets;
- Social enterprises cannot be the subsidiary of a public sector body;
- Social enterprises are driven by values - both in their mission and business practices.

These Five Criteria have now been aligned to a Voluntary Code of Practice for Social Enterprise in Scotland that Senscot has drafted in consultation with the Scottish social enterprise community. This sets out the values and behaviours by which the social enterprise or not for profit sector recognise each other. The Voluntary Code is reproduced at Appendix B.

For the purposes of this strategy, Dundee City Council and Dundee Social Enterprise Network (DSEN) will adopt Senscot's Five Criteria alongside the Voluntary Code when referring to social enterprise. The strategy will also recognise the role of larger social enterprise such as housing associations and will seek to build on their capacity to support the sector and meet the Council's strategic objectives.

3. Context

The Scottish Government Economic Strategy (2007) identified the important contribution of social enterprise to sustainable economic growth. They are regarded as vital to increasing the number of successful businesses in Scotland that create labour market opportunities.

The Scottish Government Enterprising Third Sector Action Plan 2008-2011 provided a programme of activity to create an environment in which enterprising social enterprises can excel. Considerable resources have been provided, including direct funding for business support and a package of investment and business support.

Social enterprise is clearly at the forefront of the Scottish Government's thoughts, occupying an important role in helping the Scottish Government achieve its purpose of creating a more successful country with opportunities for all to flourish, through achieving sustainable economic growth. To further support these ambitions, the Scottish Government launched the Enterprise Growth Fund in 2011.

The Enterprise Growth Fund complements a number of other Scottish Government initiatives to support sustainable, capable and enterprising social enterprises across Scotland.

The Fund made strategic investments in ambitious and enterprising third sector organisations enabling them to develop, grow and become more sustainable. The fund invested £6m in 60 organisations that demonstrated the greatest potential for growth and sustainability, specifically investing in:

- Organisational services and structures in order to support long term organisational sustainability, and
- Development of sustainable income streams leading to long term financial sustainability.

Three of Dundee's social enterprises were awarded Enterprise Growth Fund support totalling £262,200:

- *Clean Close Co received £37,000 for a new carpet recycling venture*
- *Craigowl Communities awarded £111,700 for a recruitment enterprise*
- *Wooden Spoon Catering received £113,500 to expand their curry production business*

The Enterprise Growth Fund aims to support organisations to realise their full potential to make a key contribution to the National Outcomes of the Scottish Government.

Social enterprise is identified as potentially of great importance in improving social and economic conditions in Dundee and this strategy explores what the current state of play is and what more can be done to ensure that social enterprises flourish in the city.

Dundee is a vibrant city, with a resident population of 145,570 and over 300,000 living within a 30 minute drive time of the city centre. Dundee's higher and further education sectors support 22,000 full time equivalent students per annum. In 2010, the city was home to 3,200 businesses which supported 72,681 jobs.

As outlined in the foreword, exciting new developments at the City Waterfront will transform the city into a world-class destination for visitors and businesses. It is the aim of this strategy to ensure that social enterprises can take advantage of the opportunities emerging from the City Waterfront and other developments in the city. The City Council is committed to doing all it can to enable them to develop and deliver their full potential, having a positive impact on the growth of social enterprises and the local economy as a whole.

Dundee City Council is committed to working with its community planning partners to deliver better social, economic and environmental outcomes for the people of Dundee. Social enterprises have a key role to play in helping to deliver the Single Outcome Agreement for Dundee 2012-2017. In particular social enterprise can contribute to:

- Outcome 1 - Dundee will be an internationally recognised city at the heart of a vibrant region with more and better employment opportunities for our people;
- Outcome 8 - Dundee will be a fair and socially inclusive city;
- Outcome 9 - Our People will live in strong, popular and attractive communities;

- Outcome 10 - Our communities will have high quality and accessible local services and facilities;
- Outcome 11 - Our people will live in a low carbon, sustainable city.

4. Strategic Challenges

Dundee City Council acknowledges the important contribution of social enterprises to sustainable economic growth and in particular identifies social enterprise as a way of delivering a broad range of social, environmental and financial benefits.

This strategy sets out a path towards the creation of an environment in which social enterprise can thrive, contributing to a fairer economy and society and creating employment and training opportunities for those who are most marginalised. In such challenging economic times, this is an important contribution and in the context of the current economic downturn, the role and ability of social enterprises to create solutions which tackle the most pressing needs of Dundee's communities is to be encouraged.

Social enterprises include those organisations that have a social, community, ethical or environmental purpose and who trade products and services in the market place using creative and innovative business models, solutions and practices. Social enterprises are acknowledged as a vital resource in generating economic growth and creating employment in disadvantaged communities, the 'more than profit' way of engaging with employees, consumers, communities and stakeholders ensuring an ethical way of doing business that has at its heart a passion for social change.

The vision is to develop an enabling strategy that does not control what happens but creates a more supportive enterprise environment which encourages greater social entrepreneurial activity and is supportive of those social enterprises that want to grow and develop their own capacity.

Achievement of this vision will require the co-operation and partnership of a wide range of existing and potential stakeholders including public, private, social economy and the wider voluntary and community sectors.

Dundee City Council recognises the potential for local social enterprises to make a significant contribution to both social and economic regeneration and create opportunities for those who are most marginalised. In the context of the current economic downturn, the role and ability of social enterprises to soften the impact, achieve growth and sustain and create jobs is more important than ever.

Successful development of social enterprises in Dundee could greatly contribute to the implementation of the Council's Fairness Strategy and its policies for promoting equality. There are many areas in Dundee where social enterprise could contribute to both service delivery and job creation. The Council will prioritise its support into enterprises which respond to market failure, create employment opportunities, and provide services which will help to drive forward its commitment to the promotion of fairness.

This strategy, 'Developing Social Enterprise in Dundee', lays the foundations for social enterprise to become better known and more widely accepted and supports activity to develop them over the next 5 years. The strategy recommends improvements to areas where barriers and constraints were identified:

- Limited awareness on the part of elected members and across Council departments of what a social enterprise is;
- No detailed database of the size/scale of the sector;
- Procurement processes are complex, time consuming and hard to access (especially for smaller enterprises);

- The majority of social enterprises in Dundee do not own their own premises or have robust balance sheets;
- Established social enterprises have limited access to specialised business development support;
- Skills shortage within organisations and Boards - capacity issues as opposed to competence;
- Enterprises looking to expand or grow often have a requirement to remain in the community that they serve and/or to employ local people.

5. Social Enterprise in Dundee

An environment has been created that encourages new social enterprise activity with integrated support to assist the growth and expansion of existing enterprises. Much has been achieved in the past five years, but with more resources and greater investment, their profile, capacity, scale and impact on the local economy could be transformed.

Dundee Social Enterprise Network (DSEN) is a member led network that aims to support, promote, develop and represent social enterprises in Dundee. The network acts as a meeting point that brings together the leaders of Dundee's social enterprises to share and exchange information, build understanding, explore opportunities to trade and voice concerns at local and national levels.

Representatives from DSEN Management Group meet bi-annually with the Chief Executive of Dundee City Council, the meetings providing a forum for information exchange and development opportunities. These meetings ensure that the Chief Executive is kept briefed and informed by an independent group capable of providing a collective voice for social enterprise locally.

Since its formation in 2011, DSEN has seen its membership increase to 18 organisations. Combined Network statistics for 2010/11 are:

Employees	Volunteers (excluding Committee Members)	Directors & Committee Members	Traded Income £m	Grants £m	Other £000's	Total Turnover £m	Value of assets owned £m	% traded income
423	168	113	£7.29m	£3.05m	£229	£10.579m	£2m	75.5%

For comparison purposes of member organisations of DSEN, the full table is reproduced in Appendix C.

Dundee is home to social enterprises whose combined income exceeds £10.5m, creating and sustaining over 700 employment, training and volunteering opportunities and making a direct contribution to the growth of Dundee's economy and the wellbeing of its residents. The portfolio comprises a variety of business types and structures with a mix of income streams, a healthy 75.5% of income generated through trading that reduces dependency on grants in favour of more sustainable sources of income.

The above table compares favourably with DSEN Network statistics for the previous year. In 2009/10, DSEN reported a combined turnover of £6.5m compared to £10.579m for 2010/11, an impressive 62.75% increase. The number of employees more than doubled to 423 from 202 in 2009/10, an increase of 109% with volunteer numbers rising by 49% from 112 to 168. These figures defy current trading and employment trends and suggest that at least some of Dundee's social enterprises are successful businesses first and foremost, applying commercial skills to balance the inherent trade-offs between social and commercial goals to overcome societal challenges and deliver on their social impact in a financially sustainable way.

What separates social enterprises from typical businesses is that their performance is based not only on their financial results but also their social performance and the measurable difference to people's lives and the environment by creating social as well as financial capital.

Social enterprises should be encouraged and supported to increase trading activity, overcome barriers and constraints to growth, reduce dependency on grant support and capitalise on opportunities to achieve scale.

The City Council acknowledges the impact that social enterprises have in creating training and employment opportunities and wants to do more to improve the landscape for the growth and expansion of enterprises that can, in particular, create jobs.

6. The Scale of Local Social Enterprises

Local social enterprises play an important role in meeting social, economic and environmental needs and in contributing to the right conditions to generate innovative solutions that achieve fair, inclusive and sustainable wealth creation. The majority of profits are reinvested and so resources are recycled in communities.

Most enterprises are reasonably adept at securing and combining a mix of income streams to meet their social and business objectives, achieved through:

- Trading - providing goods and services through trading outlets or providing commercial services;
- Contracts - Procurement and Community Benefit Contracts;
- Service Level Agreements - informal arrangements with public agency;
- Grants - variety of funders and occasional funding programmes from Scottish Government.

The table at Appendix C shows the income mix of DSEN members. Although a helpful guide, it would be useful for future research to ascertain whether social enterprises have an overdependence on one source of income such as a single funder or large contract. To date housing associations and other larger social enterprises such as Leisure & Culture Dundee have not been included in the data gathered. Going forward, a more inclusive approach will be adopted to encourage the active involvement of these organisations in developing the sector and meeting the Council's objectives for social enterprise development in Dundee.

The DSEN table shows the Traded Income of individual organisations, perhaps a better measure of the journey towards sustainability and shift towards earned income. Of the 14 organisations that reported income figures, some £5.8m Traded Income is attributable to just four organisations - Claverhouse Group, Craigowl Communities, Helm and Positive Steps. Another four organisations - Childcare at Home, Transform, Clean Close Co and Factory Skatepark account for £1m, with the remaining 6 organisations accounting for £445,000. These figures suggest that DSEN has 4 high growth enterprises, 4 potential high growth enterprises and 6 emerging enterprises.

Lack of scale has affected the ability of social enterprises to deliver even greater social outputs, although it is recognised that achieving scale is not the ambition of every enterprise. However, there is evidence to support a case for greater business support to assist established enterprises and those with high growth potential to achieve scale.

As social enterprises continue to grow in size, diversity and experience, the potential for even greater advances remains untapped, though they remain a fertile landscape for driving innovation and tackling some of our biggest societal challenges. It is the challenge of this strategy to provide a framework to exploit the potential of Dundee's social enterprises to become more influential and dynamic participants in Dundee's future.

7. Stages of Development

Social enterprises require support at several stages in their development from pre-start advice to investment readiness:

- Pre-start: enterprises at this early stage would benefit from clear information about sources of support, information and guidance on legal structures, business planning, service and product development, operations management, funding and opportunities to network and learn from others such as DSEN members.
- Start-up: having come through the pre-start phase, start-up can be arduous as the enterprise juggles the complexity of delivering its aims and objectives and running an enterprise. This is a fragile phase where support is crucial to nurture the enterprise through the transition.
- Established: more established enterprises often require guidance to achieve scale and reach a stage of investment readiness that requires the intervention of specialist consultancy advice to focus on the strategic planning and growth potential of the business - enterprises that show growth potential are likely to deliver the greatest social impacts.

Advice and mentoring at these three stages requires different types, and levels of business support, perhaps an overlap with pre-start and start-up activity but for established enterprises intent on developing greater scale, more specialised support is required.

8. What has been achieved with existing resources?

Significant advances have been made over recent years. The formation of DSEN 2011 provides a point of contact for social enterprise activity where experienced practitioners can provide encouragement, support and mentoring. But, these practitioners are busy people, managing their own businesses with demands and pressures that mean time implications restrict their capacity to give the intensive support required at all three stages.

Support across all three stages is provided by a Council staff member in the E-Zone project, but this staff member's time is not exclusive to social enterprise development. Nevertheless, a valuable contribution has been made over the years and this staff member has been highly active in supporting social enterprises by:

- Ensuring high level and quality of support for social enterprises;
- Providing practical support with business plans, financial forecasts, funding applications, ideas development and supporting Boards;
- Securing finance and funding to enable enterprises to grow;
- Recognising success and promoting social enterprise;
- Strengthening links with DSEN.

A great deal has been achieved, the social enterprise leaders and champions have driven their own enterprises onwards and battled hard to preserve and grow their enterprises in the face of the longest and deepest recession since the second world war. It is because of their commitment, hard work, passion and resilience and by building their own markets in a difficult business environment that Dundee's social enterprises have survived relatively unscathed and can look ahead with optimism and continue to deliver services in an effective, efficient and innovative way.

Our social enterprises have in place good governance, strong financial management, sound strategic planning and although not risk averse, have learned to avoid taking on flawed ventures, carrying on loss making activities for too long and growing too quickly. Much has been learned over the years; the most successful social enterprises have adopted effective business practices and are clear how their organisations can earn income to drive the social mission.

9. Driving Social Enterprise Forward in Dundee

9.1 Barriers and Constraints

It is recognised that for social enterprises to achieve their ambitions, barriers to growth have firstly to be identified, and measures to overcome these and other constraints put in place to ensure greater cohesion, integration and impact. Discussions with DSEN identified the following barriers:

- Limited awareness on the part of elected members and across Council departments of what social enterprise is and how it benefits the local economy, communities and people and how it contributes to local wealth creation in deprived areas.
- There is no detailed database of the size/scale of the sector and services and products supplied by social enterprises. Their contribution, value and strength across a range of social, environmental and economic indicators is unknown, making it difficult to assess and quantify their overall impact.
- Procurement processes are complex, time consuming and hard to access - social enterprises are challenged by the level of specialised knowledge and resources required to complete tender documents.
- The majority of social enterprises in Dundee do not own their own premises and cannot borrow against collateral to raise development funding or lever in additional resources. The ownership and control of physical assets can be critical to the sustainability (financial security) and growth of social enterprises and related development opportunities.
- The majority of social enterprises also have weak balance sheets, making them both fragile and lacking their own funds to invest in development.
- Established social enterprises have limited access to specialised business development support to reach a scale and capability where they are investment ready: the nature of their needs and numbers having expansion plans out growing the advice and support that is available.
- Skills shortage in organisations and Boards limits the capacity of enterprises to grow more rapidly, achieve scale and become investment ready.
- Enterprises looking to expand or grow often have a requirement to remain in the community that they serve (funding requirements sometimes stipulate this) or a desire to remain close to their community roots.

9.2 Developing social enterprise and increasing its business strength

No one organisation, business, social enterprise (or indeed local authority) operates in a vacuum. There are a variety of political, economic and social forces that determine the priority given to competing needs and, in these challenging economic times, the limited resources allocated to these. These forces can have a positive or negative impact and in the current economic climate, the effect has been more negative, with social enterprises facing increased competition for a smaller market share, tighter margins, lower contract prices, and rising costs as operating costs increase.

Developing local social enterprises and increasing their business strength is a priority of the Council, the barriers and constraints identified earlier providing opportunities to turn these negatives into positives through improving awareness of social enterprise and establishing its value, impact and contribution to the local economy:

9.3 Improving awareness

Engage Council staff:

- Raising the profile of social enterprises, through engagement with DSEN, to ensure that Council staff are aware of, and fully supportive of, the Council's strategy for developing the social economy. This will include initiatives to develop a promotional strategy to raise awareness across all Council departments and will include visits, case study examples and awareness sessions with Directors and senior management.

Briefing Elected members:

- All Councillors to be briefed to improve understanding and notified of key social enterprises in their wards. It would be particularly informative for new Councillors to meet with DSEN members for an informal briefing and tour of local social enterprises aimed at raising the profile of social enterprise as part of, and integral to, the local economy.

Involving DSEN:

- Consult with DSEN to explore opportunities to integrate social enterprise into Council departmental planning and policy documents to enable social enterprises to fully participate in Community Planning Partnerships and other local forums to ensure greater partnership co-operation and good practice.

Biennial social enterprise conference:

- Host a major biennial conference in the city for social enterprises, with presentations, exhibitions, workshops and forums drawing on experience in Dundee, Scotland and beyond. Aimed at attracting a broad audience of those interested in social enterprise, the conference should appeal to leaders and managers and respond to the needs and interests of those people creating, running and growing social enterprises.

9.4 Establish the scale of social enterprise in Dundee

Support DSEN to evaluate the strength of social enterprise to establish baseline data that forms part of an on-going programme of evaluation to measure social, economic and environmental impacts and make best use of qualitative and quantitative data to promote social enterprise and inform strategy. Baseline indicators would include:

- Turnover (% split of grants, other and trading income);
- Numbers - employed, training programmes, volunteers and Board members;
- Business activities;
- Products and services;
- Property/land assets value;
- Legal status;
- Number of years in business.

9.5 Procurement

The efficient and effective delivery of public services in a cost effective way remains a priority and challenge in the city. The Council's Sustainable Procurement Policy is now complimented by a Community Benefits Policy that integrates social, economic and environmental aspirations to support the Council's decision making process in the delivery of its key policy objectives when carrying out purchases of supplies, services and works. Community Benefits in this context are contractual requirements which seek to deliver wider social benefit within a procurement contract, making it easier for social enterprises to access and compete effectively for contracts.

- Meet the Buyers Events:

To open up access to procurement contracts a series of 'Meet the Buyers' events will be organised, the events themed to ensure that contractors, procurement specialists and social enterprises can meet to discuss opportunities and develop a procurement approach which maximises exposure to procurement opportunities. Areas for discussion and benefits include:

- The need to parcel contracts into a size that social enterprises are capable of tendering for, by for example, breaking down larger contracts using a geographical lotting approach;
- The opportunity of sub-contracting to other main contractors;
- A supplier consortia approach to tendering from members of DSEN;
- Increasing the level of spend in communities where major infrastructure works are located or impacted;
- Developing a checklist to allow an open assessment of the state of readiness of enterprises to apply for contracts.

- City Waterfront Development:

- The Dundee Waterfront Project is an ambitious 30 year scheme that will transform Dundee into a world class destination for visitors and businesses. Opportunities for social enterprises to participate pre and post development in the supply chain process will be supported (Meet the Buyers events) to deliver social change and added value through buying products and services from social enterprises.

- Social Return on Investment:

- Research methodology and options for the introduction of management tools such as Social Return on Investment (SROI) as an agreed system of measuring social value/benefit and factor the results into decisions over Council procurement contracts to assess the social, environmental and economic outcomes that flow from contracts.

SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated e.g. a ratio of 3:1 indicates that an investment of £1 delivers £3 of social value.

- Directory of Social Enterprises:

- To support social enterprises supply services to the public sector, the Council will assist DSEN to prepare a Directory of social enterprises with a product/service to sell. The Directory together with a database of potential procurement opportunities will help identify enterprises with actual and potential capability to meet tendering requirements and confirm the state of readiness of enterprises.

9.6 Developing the Council's Vacant Property Assets

The majority of social enterprises in Dundee do not own their own premises. The DSEN Table (Appendix C) reports Value of Assets Owned at just under £2m, owned mostly by three organisations that account for £1.9m of asset values.

The City Council will consider the feasibility and potential to transfer property assets where evidence indicates beneficial outcomes for the Council, social enterprises and neighbourhood areas through the sale/transfer/lease of buildings that are 'operationally surplus', including land assets, to encourage the growth of social enterprise and employment opportunities in neighbourhood areas. Where social enterprises have the capacity to take on these roles and, in particular, can demonstrate or adequately project significant job outcomes enabled by sale/transfer/lease of property assets, the Council will work with individual enterprises or a consortium of enterprises to investigate sustainable asset development. A range of positive outcomes emerge for:

- Social Enterprises:
 - Affordable rent and tenancy terms from a trusted landlord;
 - Removes a significant stumbling block to growth and expansion;
 - Local provision reduces travel time to work - reduces carbon footprint;
 - Enterprises looking to expand or grow can access premises in the community that they serve;
 - Ownership of property/land assets has the potential to create stronger, more sustainable enterprises with greater financial security and the ability to lever in additional resources.
- Neighbourhood Areas (breathing life into communities):
 - Contributes to the economic revitalisation of a particular community;
 - Combats social exclusion through building business networks in an area and strengthens capacity building;
 - Improves the physical appearance and surrounding environment of a community by investing in affordable workspace for social enterprises;
 - Catalyst to inspire and encourage further entrepreneurial and commercial activities in areas underrepresented in business activity;
 - Contributes to a gradual change in the buoyancy and vitality of an area and an area of need will become an area of opportunity.
- City Council:
 - Vacant premises brought back in to use and matched to clients needs;
 - Addresses the gap in the market for more community based business premises;
 - Supply side opportunity to meet demand for affordable premises;
 - Capital and revenue investment over the long term by social enterprises to refurbish and maintain properties;

- The trading activities of social enterprises that are stimulated or protected by sale/transfer/lease arrangements generally feed directly in to Council objectives and also support the outcomes in the Single Outcome Agreement.
- Access funding:
 - Council support from City Development, Policy & Europe Section to investigate the potential to apply for BIG Lottery and other grant funding that assists with the purchase and development costs associated with the sale/transfer of assets.

The Council's Asset Transfer Policy will require social enterprises and community groups to present a business case to enable an assessment to be made of their ability to manage the asset in a way that fits with the aspirations of this strategy, particularly the need to ensure that the value of the asset being transferred maximises community value.

9.7 Improve business support services

Review current support structure and align mainstream business support services to provide pre-start, start-up and more focused business planning support targeted at enterprises evidencing greater potential for growth and sustainability:

- Improve current mainstream provision to focus on developing the business strength of existing social enterprises to target support at key stages of development and growth. A diversity of provision is required to engage with the three stages identified earlier. Business support needs to be accessible, specific and responsive to needs and would benefit from a review to assess the capability of the Business Gateway and Scottish Enterprise to become more involved with, in particular, enterprises with more local and national growth ambitions.
- The Council has one social enterprise adviser, at times, dealing with all three stages of development. This is increasingly proving inadequate as more enterprises explore growth opportunities and new enterprises emerge.

This position is complemented by a 0.5 post (Council's E-Zone project) to support pre-start and start-up social enterprises.

- To support and enable the delivery of social enterprise in the city, the Council will strengthen its links with DSEN to ensure that it is consulted, has a genuine voice in Council decision making, and can fully participate in effective Community Planning Partnerships and other related forums.
- Consult with DSEN members to identify resource intensive processes such as payroll, personnel and other administrative functions that could be outsourced and perhaps provide opportunities for a new 'business support services' social enterprise.

9.8 Addressing skills shortage in organisations and Boards

Private sector support through Corporate Social Responsibility has played a significant role in funding and mentoring social enterprises, the mentoring element providing key personnel to work alongside enterprises to provide business support. This support is mostly targeted towards established social enterprises with growth ambitions and serves as a good example of mainstream corporate businesses and social enterprises working effectively to deliver mutual value.

There are opportunities to replicate the effective way that private sector organisations have engaged with and supported social enterprises. The Council has a vast resource of employees with skills that could be used as extra resources to support established social enterprises with their development plans and growth ambitions. Taking this forward, Council employees could be offered the opportunity to support enterprises by:

- Volunteering to support social enterprises;

- Allocating one day per month of their time, during normal Council hours, to support enterprises in need of an employees' specific skills over a day or period of days;
- Short-term secondment based approach over a period to be determined by the needs of the enterprise and resources of the Council;
- Providing employees in the final stages of their employment the opportunity to apportion at least half of their time supporting social enterprises with larger development plans.

10. Shaping up for Success - Developing Social Enterprise in Dundee

The recommendations and actions in this Strategy set out the next steps in a process of change to create the conditions in Dundee where social enterprises can thrive, grow and prosper, with a support strategy that fully engages the sector.

The strategy will focus on the current membership of DSEN but will seek to reach out and encourage the involvement of larger social enterprises such as housing associations and other organisations which meet the definition of a social enterprise as advanced by SENSCOT (Appendix A).

By establishing a strong, comprehensive growth strategy, conditions will be created where social enterprises can shape and co-design the delivery of local services through the use of innovative business solutions to improve social, environmental and economic challenges in our communities. Developing social enterprise and increasing its profile, business strength and scale will create the economic conditions and entrepreneurial climate where innovative social entrepreneurs can showcase social enterprise as a dynamic business model woven into the fabric of mainstream community life, work and enterprise in the City.

The FIVE Criteria developed by Senscot

Criterion 1 – Social Enterprises have social and/or environmental objectives.

As one of the defining characteristics, a social enterprise must be able to demonstrate its social mission. This will be evidenced in its constitutional documents but the production of other (externally verified) evidence is encouraged – to provide transparency of purpose and accountability to stakeholders. Tools and techniques to measure social and environmental impact are becoming more effective and user friendly.

Criterion 2 – Social enterprises are trading businesses aspiring to financial independence.

This second defining characteristic is demonstrated by an enterprise earning 50% or more of its income from trading. This will be evidenced by the accounts of the business over a reasonable period. A high level of income from the public sector is acceptable in the form of contracts – but not grants.

Criterion 2 is intended to mark the boundary between social enterprise and much of the voluntary sector. (Many Voluntary orgs trade over 50% without calling themselves social enterprises).

Criterion 3 – Social enterprises have an ‘asset lock’ on both trading surplus and residual assets.

Whether or not it's a charity, a social enterprise re-invests all its distributable profit for the purpose of its social mission. Where the business has shareholding investment (very few in Scotland) no more than 35% of profit may be distributed in dividends (*). In addition, the constitutional documents of a social enterprise must contain a clause to ensure that, on dissolution of the business, all residual assets go to social/environmental purposes.

Criterion 3 is intended to mark the boundary between social enterprise and the private sector.

Criterion 4 – A Social Enterprise cannot be the subsidiary of a public sector body.

Whilst a social enterprise can be the trading subsidiary of a charity, it must be constitutionally independent from the governance of any public body. Additional evidence of this would be required from Public Sector externalisations.

Criterion 4 is intended to mark the boundary between social enterprise and the public sector.

Criterion 5 – Social Enterprises are driven by values – both in their mission and business practices.

Social enterprises operate in competitive – often fierce – markets but there is an expectation that their dealings will be ethical and that they will offer their people satisfactory wages, terms and conditions. Enterprises of a reasonable size are expected to have clear human relations and environmental policies. Transparency would be achieved through the voluntary adoption in the sector of a maximum ratio between highest and lowest paid – of say 1:5 – investing a culture of equality.

Senscot - June 2010

The Code

Senscot Voluntary Code of Practice for Social Enterprise in Scotland

1. The Basics

This section details the essential elements of a social enterprise (SE). It would be exceptional for any business which does not meet these criteria to be considered a SE.

- 1.1. SEs are businesses operating in markets - usually selling goods and services - whose primary objective is to achieve social and environmental benefit.
- 1.2. Regardless of its legal form, the constitution of a SE will include the requirement that profits are reinvested in the business or in the beneficiary community - and not distributed to owners/shareholders/investors. * (see below)
- 1.3. The constitution will always require that on dissolution, the assets of the SE are redirected appropriately - this could include SEs with similar aims and objectives.
- 1.4. Taken together these two provisions are referred to as the 'asset lock' - which is the defining characteristics of a SE.
- 1.5. SEs are distinguished from the private sector by virtue of the asset lock.
- 1.6. SEs are differentiated from those charities and voluntary organisations in the third sector which do not aspire to financial independence through trading.
- 1.7. SEs are distinct from the public sector and cannot be the subsidiary of a public body.

** This Code does not exclude that certain types of social enterprise could be 'honourable exemptions' to the zero dividend norm. But this number is very small.*

2. Values/Behaviours

SE is a relatively recent terms (10 years) but it comes out of values developed throughout the history of our social economy. Its core principle is that economic activity should work for the common good - rather than the unlimited private gain of a few.

This locates SE within the wider objective of changing the way society operates. Various social movements have contributed their DNA to SE practice. These are some of the Values/Behaviours we have come to expect from each other.

- 2.1 Values: SEs are businesses founded on fundamental core values - that social fairness and the protection of the planet should be pre-conditions of all economic activity - with all business practices expected to be honest and fair.
- 2.2 Good employers: SEs are good employers - trying to offer a good workplace experience; aiming to pay a 'living wage'; and having flatter pay structures than the private sector. A maximum ratio of 1:5 between lowest and highest is a useful guide.
- 2.3 Democratic: From Co-ops and Mutual's, SEs have learned about common ownership and democratic governance.
- 2.4 Empowerment: From Development Trusts and the community business movement, SEs have learned about bottom up responses to social problems and how they empower local communities.
- 2.5 Collaboration: Within the common sense of running a business - SEs try to help and support one another - in the spirit of the Open Source IT community. SEs should also, where possible, encourage the practice of intra-trading i.e. procuring from within the sector itself.

Appendix C

Organisation name	Legal Status	Date incorporated	Employees	Volunteers (Excluding Committee Members)	Directors / Committee Members	Trade Income	Grants	Other	Total Turnover	Value of property/land	% of traded income
Childcare at Home (One Parent Families Scotland)	CLG		40			210,000	30,000		240,000	0	87.5%
Circles Around Dundee	Charity	1999	5	1	12		104,836	24,040	128,876	0	0.0%
Claverhouse Group	CLG with charity status	01/01/1987	99	3	8	3,157,449	673,239		3,830,688	0	82.4%
CraigOwl Communities	CLG with charity status	01/10/2004	32	9	7	733,282	36,159	17,207	786,648	0	93.2%
Discovery Credit union	IPS	Sep-03	4	32	9	83,075	95,257	41,149	219,481	0	37.9%
Dundee Carers Centre	CLG	1995	40	38	8	118,000	675,000	0	793,000	19,599	14.9%
Transform	CLG	2007	10	4	2	262,156			262,156	0	100.0%
DIWC	CLG with charity status	2004	57	55	15	73,476	310,980		384,456	7,000	19.1%
DVA	CLG with charity status	1952	15	4	9	148,612	439,984	36,520	625,116	486000	23.8%
Helm	CLG with charity status	03/07/1986	30	2	10	985,697	73,291	0	1,058,988	500000	93.1%
Hillcrest*											
Maxwelltown IC	CLG with charity status	1990	5	5	9	7,768	178,287	3,411	189,466	0	4.1%
Positive Steps	CLG, charity status and trading co with shares	03/08/1987	29	1	5	950,540	11,084	164	961,788		98.8%
The Clean Close Company	CLG and IPS	31/03/2005	26	0	6	336,035	0	0	336,035	86000	100.0%

Organisation name	Legal Status	Date incorporated	Employees	Volunteers (Excluding Committee Members)	Directors / Committee Members	Trade Income	Grants	Other	Total Turnover	Value of property/land	% of traded income
The Factory Skatepark	CLG, charity status and trading co with shares	08/04/2004	21	10	4	213,639	300,816		514,455	900,000	41.5%
VCD	CLG with charity status	01/03/1997	9	4	4	14,270	127,641	106,184	248,095	0	5.6%
White Yoga Room	Sole trader aspire to CIC	2009	0	0	1						
Dundee Social Enterprise Network	IPS	12/08/2010	1	0	4	0		22	22	0	0.0%
Total			423	168	113	7,293,999	3,056,574	228,697	10,579,270	1,998,599	75.5%
	* figures not included as the large scale of Hillcrest would distort statistics										

Action Plan 2012-2014
Developing Social Enterprise in Dundee

Improving awareness

Raising awareness and demonstrating the value of social enterprise.

Action	By whom/other resources	Date by	Outputs	Outcomes
1. Develop a communications strategy to promote the role and value of social enterprise to the local economy: <ul style="list-style-type: none"> • Elected members • Senior Council officers • DSEN • Procurement officers • General public • Private sector 	Eric Peebles/Les Roy	Jan 2013 On-going	<ul style="list-style-type: none"> • Launch and promotion of approved strategy • Communications strategy that raises awareness of social enterprises and targets key partners 	<ul style="list-style-type: none"> • Greater awareness of social enterprise activity within City and the support channels that are available to social enterprises • Improved engagement with current and potential key partners
2. Biennial social enterprise conference	Eric Peebles/DSEN	First event by end of May 2013	<ul style="list-style-type: none"> • Conference for social enterprises with presentations, exhibitions, workshops and forums drawing on experience in Dundee, Scotland and beyond 	<ul style="list-style-type: none"> • Raise the profile of social enterprises • Dundee recognised as a centre of excellence and innovation
3. Develop and maintain a database of social enterprises in Dundee	IT Support Eric Peebles/DSEN	Dec/Jan 2013 Feb 2013 onwards	<ul style="list-style-type: none"> • On-going record and measure of turnover, jobs, trainees, volunteers, business activities, products and services, assets, years trading, economic and social impact 	<ul style="list-style-type: none"> • Baseline data to assess the value and strength of social enterprises across a range of social, environmental and economic indicators • Up to date information for current and potential trading partners • Increase purchasing of services from social enterprises

Procurement

Improve access to procurement contracts to develop new market opportunities.

Action	By whom/other resources	Date by	Outputs	Outcomes
4. Develop greater opportunities for social enterprises to tender for Council procurement contracts	Alan Harrow/Karen Lawson/Rachael Thomas/DSEN Just Enterprise Consortium	Dec 2012 To be confirmed April 2013	<ul style="list-style-type: none"> • Directory of social enterprises with a product/service to sell • Database of procurement opportunities • Deliver capacity building to social enterprises enabling them to prepare for procurement opportunities 	<ul style="list-style-type: none"> • Improve purchases of services from the sector • Increase in number of social enterprises winning tenders to deliver services • Opportunities for consortia approach to tendering • Number of social enterprises participating in training
5. Meet the Buyers Events	Karen Lawson/John Scott	October 2012 (on-going)	<ul style="list-style-type: none"> • Social enterprises aware of procurement opportunities and procurement officers can identify enterprises with actual and potential capacity to meet tendering criteria 	<ul style="list-style-type: none"> • Social enterprises better informed • Improved relationship with procurement officers • Increased opportunities to deliver Council contracts and enter new markets • Number of social enterprises attending events • Number of social enterprises included on tender lists • Number of contracts awarded

Action	By whom/other resources	Date by	Outputs	Outcomes
6. Research methodology and options for measuring social value/benefit in Council procurement contracts	Andrea Calder	March 2013	<ul style="list-style-type: none"> • Process for measuring the social change and related added value from procurement contracts 	<ul style="list-style-type: none"> • Evidence of wider social benefits delivered by social enterprises
7. Develop and maintain a database of social enterprises with a product and service to sell	Eric Peebles/DSEN	Dec 2013	<ul style="list-style-type: none"> • Identify and promote social enterprises • Baseline data of social enterprises with capacity to deliver procurement contracts 	<ul style="list-style-type: none"> • Reference guide for procurement officers purchasing products and services from social enterprises

Property

Feasibility and potential to transfer property assets where evidence indicates beneficial outcomes for the Council, social enterprises and neighbourhood areas through the sale/transfer/lease of buildings/land assets that are 'operationally surplus'.

Action	By whom/other resources	Date by	Outputs	Outcomes
8. Produce an Asset Transfer Strategy	Colin Craig	Sept 2012	<ul style="list-style-type: none"> • Register of 'operationally surplus' land and property assets • Process and procedures for sale/transfer/lease of property/land assets • Potential to create stronger, more sustainable social enterprises with property assets 	<ul style="list-style-type: none"> • Improve use of vacant property by social enterprises • Established and high growth social enterprises access/acquire assets • Ownership of assets facilitates growth and expansion of social enterprises • Contributes to the economic revitalisation of communities, strengthens capacity building and improves the physical appearance of communities • Supports the outcomes in the Council's Single Outcome Agreement
9. Implement Asset Transfer Strategy	Colin Craig	On-going Review progress by Sept 2013	<ul style="list-style-type: none"> • Report produced on the effectiveness of the strategy 	<ul style="list-style-type: none"> • Baseline information on the overall impact of the strategy

Action	By whom/other resources	Date by	Outputs	Outcomes
10. Identify and promote links to funders and financial institutions to offer an integrated package of financial support	Eric Peebles/Diane Milne	On-going	<ul style="list-style-type: none"> • Potential for social enterprises to attract loan/grant funding to support purchase and development costs of assets • Local private corporate social responsibility contribution 	<ul style="list-style-type: none"> • Social enterprises successfully accessing the right type and range of funding to support and promote growth

Improve business support services

Review current support structure and align mainstream business support services to provide pre-start, start-up and more focussed business planning support targeted at enterprises evidencing greater potential for growth and sustainability.

Action	By whom/other resources	Date by	Outputs	Outcomes
11. Strengthen links with DSEN	Eric Peebles	On-going	<ul style="list-style-type: none"> • Supports and enables the delivery of social enterprise in the city • Social enterprises are aware of and ready for asset transfer and procurement opportunities 	<ul style="list-style-type: none"> • Partnership to facilitate growth and raise the profile of social enterprises • Includes social enterprise in Council plans and policies
12. Review public sector mechanisms for supporting social enterprises: - pre-start - start-up - growth and sustainability	Eric Peebles/DSEN/DVA/ Community and Policy Stan Ure/Business Gateway/Eric Peebles Eric Peebles/DSEN/ Scottish Enterprise	On-going	<ul style="list-style-type: none"> • Strengthen current support services • Target support to enterprises at key stages of development • Support enterprises to identify market opportunities • Build organisational capacity 	<ul style="list-style-type: none"> • Fill vacant 0.5 adviser post in E-Zone project • Increased business turnover of existing social enterprises and creation of new ones • Increased job creation, training and volunteering opportunities • Development of new markets, products and services • More efficient and sustainable enterprises • Improve opportunities for social enterprise staff to develop new and improve business development skills

Action	By whom/other resources	Date by	Outputs	Outcomes
13. To develop a pre-school/social enterprise strategy for regeneration priority areas.	Allan Millar, Eric Peebles, Bert Sandeman, Charlotte Macrimmond Consultancy Support	End of 2012	<ul style="list-style-type: none"> Pilot Project in Lochee area to support delivery of child care provision linked to employability objectives and training opportunities. 	<ul style="list-style-type: none"> Increased availability of affordable child care provision. Increase in the number of parents accessing employability support. Increase in the number of parents gaining and sustaining work. Increase in the number of child care training places and qualifications achieved.

Addressing skills shortage in organisations and Boards

Develop a framework to support key skills shortages in social enterprises that have the capacity to grow more rapidly, achieve scale and become more investment ready.

Action	By whom/other resources	Date by	Outputs	Outcomes
14. Explore the opportunity to attract external funding from the Lottery/EU to put in place a support mechanism for emerging social enterprises	Implementation Board/ DSEN/Eric Peebles/Policy and Funding Team	Jan 2013 (on-going)	<ul style="list-style-type: none"> • HR Advice • Payroll service • IT support • Marketing • Research • Business planning 	<ul style="list-style-type: none"> • New social enterprise (possibly linked to DSEN) • Sustainable support for social enterprise development
15. Engage with other Community Planning Partners (including private sector) to seek their support for capacity building and secondment to social enterprises	Stan Ure/Ian Martin	On-going	<ul style="list-style-type: none"> • Pool resources and expertise from Council and Corporate Social Responsibility partners to support social enterprises 	<ul style="list-style-type: none"> • Development of new markets, products and services • Increased business activity and growth • Build capacity and develop business skills of social enterprise staff and seconded employees • In-kind support from Council as part of their Corporate Social Responsibility
16. Develop a policy for Council staff to support social enterprises through volunteering/mentoring	Personnel Department	March 2013	<ul style="list-style-type: none"> • Support to create stronger, more sustainable social enterprises 	<ul style="list-style-type: none"> • Increase in organisational and skills capacity of organisations

DRAFT

APPENDIX 3

SOCIAL ENTERPRISE DEVELOPMENT BOARD

Membership:

Dundee City Council Chief Executive's Department:

Stewart Murdoch, Director, Leisure and Communities (Chair)

Dundee City Council Economic Development Department

Rory Young, Team Leader, Policy and Funding

Dundee City Council Corporate Services:

Karen Lawson, Corporate Procurement Manager

Dundee City Council (Property Services)

Colin Craig, Head of Property

Elected Member Representatives:

1 SNP

1 Labour

Dundee Social Enterprise Network:

Susan Smith, DSEN Development Officer

Chair or nominee of DSEN Management Group

Private Sector Representatives:

Chamber of Commerce nominee

Officer Support:

Eric Peebles, Senior Policy Officer, Business Development

Remit:

The main purpose of the Project Board will be to champion the development of social enterprise in Dundee.

Specifically, the Board will be responsible for supporting and monitoring implementation of the approved action plan and the work of consultants appointed to support implementation.

It should meet no less frequently than quarterly, and should be responsible for reporting back to the Changing for the Future Board in November 2013 and, as required, to Dundee City Council Strategic Management Team on issues impacting on the implementation of the approved policy.

REPORT TO: Policy and Resources Committee – 26 November 2012

REPORT ON: Consultation on the Living Wage (Scotland) Bill

REPORT BY: Head of Human Resources

REPORT NO.: 454-2012

1 PURPOSE OF REPORT

- 1.1 To seek approval for the proposed response from Dundee City Council on the consultation document on the Living Wage (Scotland) Bill.

2 RECOMMENDATION

- 2.1 It is recommended that the proposed response on the Living Wage (Scotland) Bill is approved and submitted by the Council.

3 FINANCIAL IMPLICATIONS

- 3.1 None.

4 MAIN TEXT

- 4.1 At a meeting on 29 October 2012 the Policy and Resources Committee approved Report 368-2012 and an additional recommendation which instructed officers to consider the Living Wage (Scotland) Bill Consultation issued by John Park MSP in August 2012, together with the Procurement Reform Bill Consultation issued by Alex Neil MSP in August 2012 and any other relevant proposals, and report back to a Special Policy and Resources Committee on 26 November so that the Council can agree its response to the Living Wage (Scotland) Bill Consultation before the closing date of 3 December 2012.

Part of the wider consultation on the Procurement Reform Bill, which closed on 2 November 2012, invited stakeholders' views on using procurement activity as a means of encouraging contractors to pay their employees a living wage.

The main objective of John Park's proposal is to increase the numbers of workers in Scotland who are paid the Living Wage and outlines two approaches, detailed below, which could be pursued independently, in their own right, or together as a package –

- 1 require private sector employees working on public sector contracts to be paid the Living Wage (the proposed Bill seeks to deliver the Living Wage for private sector employees contracted to work on public sector contracts, by ensuring that within the public procurement process, contract performance clauses stipulate that successful bidders pay the Living Wage to their employees working on that contract) and/or;
- 2 require the Scottish Ministers to prepare and report to the Parliament on a strategic plan to promote the Living Wage.

The consultation questions and proposed responses are –

- **Question 1**

Do you support the general aims of the proposed Bill? Please indicate “yes/no/undecided” and explain the reasons for your response.

Response - The Council supports the main aim of the Bill to increase the numbers of workers in Scotland who are paid the Living Wage. Support is subject to the proposals complying with Scottish, UK and European law and further economic and financial analysis.

- **Question 2**

Do you envisage any issues for public sector bodies when including the Living Wage as a contract performance condition of a contract? Please explain the reasons for your answer.

Response - No.

- **Question 3**

What do you consider will be the advantages or disadvantages for employers and employees if public sector performance clauses stipulate the payment of the Living Wage?

Advantages

The Living Wage would assist in tackling poverty, including child poverty, and increase spending power.

Employers paying the Living Wage would potentially benefit from reduced turnover and improved morale.

Disadvantages

Private sector employers might be required to pay different rates of pay depending on whether their employee was working on a public or private sector contract.

The creation of two levels of employers in the economy – those that pay the Living Wage and those that do not pay the Living wage – and the impact on morale of employees etc.

Cost of services/contracts to the Council could increase as contractors raise charges to pay for Living Wage.

- **Question 4**

Which public sector bodies should use contract performance clauses to deliver the Living Wage? Please include the reasons for your choice.

Response - Public sector bodies should make their own case for or against inclusion in the proposed Bill. However, in the interests of consistency and fairness, it would seem reasonable to include all public sector bodies.

- **Question 5**

Which bodies should be mandatory consultees? Please include the reasons for your choice.

Response -
COSLA
Trade unions
Employers' organisations
Relevant professional bodies

- **Question 6**

What information must be included in the Scottish Ministers' report to the Scottish Parliament? Please explain the reasons for your answer.

Response – Assuming that the Scottish Ministers agree to report to the Scottish Parliament, they should include the potential positive and negative social and economic impacts of the proposals.

Confirmation of compliance with Scottish, UK and European law of the proposal to include the Living wage as a contract performance condition of a contract.

- **Question 7**

What is your assessment of the likely financial implications of the proposed Bill to you or your organisation; if possible please provide evidence to support your view? What (if any) other significant financial implications are likely to arise?

Response - COSLA is currently collating information in terms of the cost of implementing the Living wage to Scottish Authorities.

If the Council made a commitment to encourage contractors to pay Living Wage to their employees the costs to service dominated areas such as care, construction, catering and cleaning are likely to be significant.

A complex financial analysis would be required to establish the degree to which the revenue and capital budgets would be impacted. The high number of factors to be considered in this projection makes it particularly challenging to provide clarity on how affordable the introduction of the Living Wage in service contracts will be.

- **Question 8**

Is the proposed Bill likely to have any substantial positive or negative implications for equality? If it is likely to have a substantial negative implication, how might this be minimised or avoided?

Response – Whilst payment of the Living Wage would assist families that suffer from in-work poverty the impact of requiring private sector employers working on public sector contracts to pay the Living Wage has not been sufficiently analysed.

- **Question 9**

Do you have any other comments on or suggestions relevant to the proposal?

Response – We would encourage the UK Government to raise the level of the National Minimum Wage to that of the Living Wage.

5 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, and Risk Management. An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundecity.gov.uk/equanddiv/equimpact/>

6 CONSULTATIONS

6.1 The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services.

7 BACKGROUND PAPERS

7.1 An Equality Impact Assessment has been conducted in relation to this Report.

I M M Martin
Head of Personnel

17 November 2012

REPORT TO: POLICY & RESOURCES COMMITTEE – 26 NOVEMBER 2012

REPORT ON: SAVINGS FROM CHANGING FOR THE FUTURE PROJECTS

REPORT BY: DIRECTOR OF CORPORATE SERVICES

REPORT NO: 439-2012

1 PURPOSE OF REPORT

- 1.1 To provide an update for the Policy & Resources Committee on the savings arising from projects undertaken as part of the Changing for the Future programme.

2 RECOMMENDATIONS

The Policy & Resources Committee is asked to note:

- 2.1 the savings totalling £10.478m arising from projects undertaken as part of the Changing for the Future programme, as shown in Appendix 1.
- 2.2 that £8.265m of the savings shown in Appendix 1 have been reflected in the approved 2012/2013 Revenue Budget and that further savings will be reflected in future years' Revenue Budgets.
- 2.3 that further regular update reports will be submitted to future meetings of the Policy & Resources Committee.

3 FINANCIAL IMPLICATIONS

- 3.1 The full-year savings arising from projects undertaken as part of the Changing for the Future programme total £10.478m. The majority of these savings (£8.265m) have been reflected in the approved 2012/2013 Revenue Budget and further savings will be reflected in future years' Revenue Budgets.

4 BACKGROUND

- 4.1 The Policy & Resources Committee on 23 August 2010 approved report 441-2010 on Changing for the Future, including a schedule of individual reviews to be undertaken. A programme of further reviews (Phase 2) was agreed by the Changing for the Future Board on 22 November 2011. A number of reviews have now been completed and reported to the Changing for the Future Board and to the Policy & Resources Committee. The revenue budget savings identified in these completed reviews are shown at Appendix 1 and total £10.478m in a full financial year. The majority of these savings (£8.265m) have been reflected in the approved 2012/2013 Revenue Budget. Due to timing considerations, some savings are not reflected in the approved 2012/2013 Revenue Budget but will be reflected in future years' Revenue Budgets as appropriate.
- 4.2 In addition, a number of reviews have identified potential future budget savings, which will be firmed up in due course through the preparation of Benefits Realisation Plans.
- 4.3 Further regular update reports will be submitted to future meetings of the Policy & Resources Committee, incorporating the savings arising from reports which have previously been approved.

5 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, and Equality Impact Assessment.

There are no major issues.

6 CONSULTATION

6.1 All Chief Officers have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

7.1 Various reports to previous meetings of the Changing for the Future Board and the Policy & Resources Committee.

MARJORY M STEWART

DIRECTOR OF CORPORATE SERVICES

15 November 2012

DUNDEE CITY COUNCIL

CHANGING FOR THE FUTURE PROGRAMME

Savings Monitoring Report

<u>Date of</u> <u>CFIF Board</u>	<u>Item</u>	<u>Report Title</u>	<u>Identified</u> <u>Saving</u> <u>Full Year</u> <u>£000</u>	<u>Saving</u> <u>Reflected in</u> <u>2012/13</u> <u>£000</u>	<u>Comments</u>
13/12/10	1b	Operating Model Redesign - Departmental IT Provision	(117)	(117)	
	1c	Operating Model Redesign - Centralisation of Payroll Services	(22)	(22)	
7/3/11	4	Property Utilisation	(352)	(285)	Additional costs and infrastructure.
	5	Organisational Structure	(380)	(380)	
23/5/11	2	Operating Model Redesign - Postal Services	(98)	(82)	Part year effect 2012/13.
	3	Operating Model Redesign - Review of Health & Safety Function	(40)	(42)	
	4	Fleet Strategy & Integration of Fleet Management	(425)	(40)	Future years savings, one-off costs in 2012/13.
	5	Voluntary Early Retirement / Voluntary Redundancy Scheme	(6,633)	(6,633)	
23/8/11	3	Discretionary Expenditure Review	(196)	(216)	Additional savings approved at Policy & Resources Committee.
	4	Corporate Review of Staff Travel - Car Lease Scheme	(163)	(130)	Part year effect 2012/13.
22/11/11	2	Education Establishment Income Collection & Banking	(83)	0	Time-releasing saving.
	3	Income Collection, Banking & Cash Management for PPP Schools	(15)	0	Time-releasing saving.
	4	Maximising Utilisation of Cashiering Resource	(47)	(47)	
	5	Review of Architect Fees	(70)	(70)	
20/12/11	2	Employability Services Within Dundee City Council	(27)	(27)	
	3	Operating Model Redesign - Mail Handling & Distribution / Courier Service	(40)	(40)	
14/3/12	2	Operating Model Re-design - Review of Clerical, Word Processing and Data Input Functions	(1,043)	0	Annual savings of £550k - £650k by 2015/16.
	4	Corporate Maintenance of Land - Benefit Realisation Plan	(600)	(100)	Saving relates to Outsource Option. Time-releasing saving if In-House Option.
25/6/12	2	Operating Model Re-design - Payment Collection Activities Within Environment Department	(9)	0	
	3	Operating Model Re-design - Payment Collection Activities Within Leisure & Culture Dundee	(13)	0	
	4	Internal Charging Review - Third and Final Update	(34)	(34)	Further time-releasing savings.
	5	Centralisation of Payroll Services - Third and Final Update	(54)	0	Includes £10k time-releasing saving.
	6	Operating Model Redesign - Research & Information	(17)	0	
			(10,478)	(8,265)	

REPORT TO: Policy and Resources Committee - 26 November 2012

REPORT ON: Voluntary Early Retirement/Voluntary Redundancy Scheme

REPORT BY: Director of Corporate Services

REPORT NO: 441-2012

1 PURPOSE OF REPORT

- 1.1 To advise the Committee of the uptake by employees of the reintroduction of the Council's Voluntary Early Retirement/Voluntary Retirement Scheme in November 2011, and other targeted applications..

2 RECOMMENDATION

- 2.1 It is recommended that the Committee notes the information contained within the report regarding the uptake of the scheme.

3 FINANCIAL IMPLICATIONS

- 3.1 The total net salary savings, relating to posts approved to date under the reintroduced scheme, are estimated to be £1.569m in 2013/14 and beyond. In terms of the Council's revenue budget, the full financial impact of the reintroduced scheme does not accrue until 2013/14 due to initial "one-off" severance costs and part-year effects. The costs and savings by department are detailed in Appendix 2.

4 MAIN TEXT

- 4.1 Approval was given to reintroduce the Voluntary Early Retirement/Voluntary Redundancy Scheme (AN180-2011) at a meeting of the Policy and Resources Committee on 14 November 2011 and the closing date for applications was 14 December 2011.
- 4.2 In addition, the Recess Sub Committee, on 1 August 2011, approved 120-2011 which, in order to facilitate the implementation of the Changing for the Future Projects in other appropriate circumstances, the Chief Executive was given delegated authority to consult relevant heads of departments and apply the provisions in Report No 227-1010 as an incentive, order to facilitate departmental reviews, restructurings, rationalisations and efficiency savings, etc.
- 4.3 Applications were made following the same process as when the Scheme was introduced and, as before, these were considered by the employee's Head of Department in the first instance and thereafter given final consideration by the Chief Executive, Director of Corporate Services and the Head of Human Resources. The final decision was to take account of cost and impact on service provision.
- 4.4 A number of applications were deferred where a review was pending.
- 4.5 The trade unions have been kept informed of the number of approved applications by regular updates from the Head of Human Resources.

4.6 The table below shows the breakdown of the applications received:-

Applications progressed and considered by the Chief Executive, Director of Finance, Head of Personnel	243
Approvals*	67
Refusals	138
Deferrals	35
Declined Offer	1
No further action - employee resigned	2

* includes 5 approvals of applications deferred from first Scheme.

5 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, and Risk Management. An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>

There are no major issues.

6 CONSULTATION

6.1 The Chief Executive, Head of Democratic and Legal Services have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

7.1 Equality Impact Assessment.

Marjory M Stewart
Director of Corporate Services

5 November 2012

DUNDEE CITY COUNCIL**VOLUNTARY EARLY RETIREMENT/VOLUNTARY REDUNDANCY SCHEME**

Where efficiencies can be achieved through improved methods of working or restructuring of services, eligible employees, who apply, may be allowed to leave their employment early with added years pension entitlement or a statutory redundancy payment.

Scheme Principles

In considering applications, the following principles will apply:-

- There is no entitlement to early retirement/redundancy and it may not be possible to approve all applications.
- Approval will be subject to the retention of sufficient numbers of employees with the necessary skills to maintain an effective level of service to the citizens of Dundee and all decisions will also take account of the financial implications for the Council.
- Approval will be required from the Head of Department, Chief Executive and Director of Finance. There will be no right of appeal against their decisions.
- The closing date for applications under this scheme will be 14 December 2011.

Eligible Employees

- A Members of the Local Government Pension Scheme aged 50 and over but under 65.
- B Members of the Local Government Pension Scheme aged under 50.
- C Non members of the Local Government Pension Scheme.
- D Members of the Local Government Pension Scheme aged 65 and over.

Entitlements

- 1 Pension with added years of service - option applicable to A. above.
- 2 Statutory redundancy payment and pension without added years - option applicable to D and option applicable to A above
- 3 Statutory redundancy payment - applicable to B and C above.

ENTITLEMENTS EXPLAINED:-**Entitlement 1**

- Approved applicants opting for added years will be required to sign a compromise agreement/COT3 agreeing to their redundancy payment entitlement being incorporated

into added years of service and will receive their pension immediately, with added years as follows:-

Number of years pensionable service	Number of added years
Less than 10	1
10 but less than 15	2
15 but less than 20	3
20 but less than 30	4
30+	5

Added years are subject to maximum service not exceeding 40 years or the total service that could be attained by age 65. The Council will arrange and pay for the provision of independent legal advice to employees on their rights and options.

Entitlement 2

- Approved applicants opting for a statutory redundancy payment without added years (eg if they already have 40 years' service) will be entitled to a statutory redundancy payment of up to 30 weeks' pay (limited to statutory maximum £400 per week), depending on age and length of service, as detailed in the Ready Reckoner for Statutory Redundancy Payments. (See Appendix 1.)
- In addition, they will receive their pension entitlement immediately with no added years.

Entitlement 3

- Approved applicants will be entitled to a statutory redundancy payment of up to 30 weeks' pay (limited to statutory maximum £400 per week), depending on age and length of service, as detailed in the Ready Reckoner for Statutory Redundancy Payments. (See Appendix 1.)

NB Depending on departmental circumstances, approved applicants may be offered an early termination date, or be required to continue working pending the introduction of alternative arrangements and/or restructuring. However, it is anticipated that the majority would be released by the end of financial year 2011/12.

ADDITIONAL INFORMATION

Applications for the above scheme will not be accepted after 14 December 2011 and, thereafter, should the Council consider further applications for early retirement/redundancy, the number of added years offered would be reduced as below. These enhancements will also be applied to all early retirements in the interests of the efficiency of the service and voluntary redundancies in future.

Number of years pensionable service	Number of added years
Less than 15	1
15 but less than 30	2
30+	3

REDUNDANCY READY RECKONER FOR CALCULATING THE NUMBER OF WEEKS' PAY DUE

Read off your age and number of complete years' service. The table will then show how many weeks' pay you are entitled to.

Service (years)	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age (years)																			
20	1	1	1	1	-														
21	1	1½	1½	1½	1½	-													
22	1	1½	2	2	2	2	-												
23	1½	2	2½	3	3	3	3	-											
24	2	2½	3	3½	4	4	4	4	-										
25	2	3	3½	4	4½	5	5	5	5	-									
26	2	3	4	4½	5	5½	6	6	6	6	-								
27	2	3	4	5	5½	6	6½	7	7	7	7	-							
28	2	3	4	5	6	6½	7	7½	8	8	8	8	-						
29	2	3	4	5	6	7	7½	8	8½	9	9	9	9	-					
30	2	3	4	5	6	7	8	8½	9	9½	10	10	10	10	-				
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11	11	11	-			
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12	12	12	-		
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13	13	13	-	
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14	14	14	-
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15	15	15
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16	16
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30
62	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30
63	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30
64	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

Dundee City Council
Voluntary Early Retirement / Voluntary Redundancy Scheme
Summary of Financial Implications

<u>2011/12</u>	<u>Strain on</u> <u>Fund</u> <u>£</u>	<u>Added</u> <u>Years</u> <u>£</u>	<u>Statutory</u> <u>Redundancy</u> <u>£</u>	<u>Sub-Total</u> <u>£</u>	<u>Salary</u> <u>Savings</u> <u>£</u>	<u>Net (Cost)/</u> <u>Savings</u> <u>£</u>
Education	0	0	0	0	0	0
Social Work	(38,852)	(12,873)	0	(51,725)	0	(51,725)
City Development	0	0	0	0	0	0
Environment	(371,976)	(36,369)	(79,273)	(487,618)	0	(487,618)
Chief Executive	(4,317)	0	(4,737)	(9,054)	0	(9,054)
Corporate Services	(14,464)	0	(9,347)	(23,811)	6,255	(17,556)
Housing	0	0	(18,285)	(18,285)	7,908	(10,377)
Total	(429,608)	(49,242)	(111,642)	(590,492)	14,163	(576,330)
<u>2012/13</u>	<u>Strain on</u> <u>Fund</u> <u>£</u>	<u>Added</u> <u>Years</u> <u>£</u>	<u>Statutory</u> <u>Redundancy</u> <u>£</u>	<u>Sub-Total</u> <u>£</u>	<u>Salary</u> <u>Savings</u> <u>£</u>	<u>Net (Cost)/</u> <u>Savings</u> <u>£</u>
Education	(89,775)	(7,882)	(33,033)	(130,689)	116,882	(13,807)
Social Work	(162,023)	(36,783)	(27,110)	(225,916)	276,194	50,278
City Development	(109,781)	(16,258)	(21,675)	(147,714)	125,411	(22,303)
Environment	(40,709)	(22,731)	0	(63,440)	545,324	481,884
Chief Executive	(16,682)	0	(3,602)	(20,284)	16,886	(3,398)
Corporate Services	(265,605)	(39,576)	(12,900)	(318,081)	201,198	(116,882)
Housing	(90,162)	(5,099)	(40,692)	(135,953)	89,118	(46,835)
Total	(774,736)	(128,328)	(139,012)	(1,042,077)	1,371,013	328,936
<u>2013/14 onwards</u>	<u>Strain on</u> <u>Fund</u> <u>£</u>	<u>Added</u> <u>Years</u> <u>£</u>	<u>Statutory</u> <u>Redundancy</u> <u>£</u>	<u>Sub-Total</u> <u>£</u>	<u>Salary</u> <u>Savings</u> <u>£</u>	<u>Net (Cost)/</u> <u>Savings</u> <u>£</u>
Education	0	(2,106)	0	(2,106)	149,454	147,348
Social Work	0	(15,733)	0	(15,733)	372,338	356,605
City Development	0	(4,190)	0	(4,190)	148,571	144,381
Environment	0	(14,865)	0	(14,865)	611,278	596,414
Chief Executive	0	0	0	0	19,059	19,059
Corporate Services	0	(6,149)	0	(6,149)	209,286	203,137
Housing	0	(1,330)	0	(1,330)	103,120	101,790
Total	0	(44,374)	0	(44,374)	1,613,106	1,568,732

**REPORT TO: POLICY AND RESOURCES COMMITTEE -
26 NOVEMBER 2012**

**REPORT ON: VOLUNTARY EARLY RETIREMENT SCHEME FOR TEACHING
STAFF AND ASSOCIATED PROFESSIONALS - OUTCOME -
2011/2012**

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO: 447-2012

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide feedback on the Voluntary Early Retirement Scheme (VER) Report No 507-2011 refers, agreed by the Policy and Resources Committee held on 12 December 2011.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:-

- i. Notes the costs and savings arising from the Voluntary Early Retirement scheme for financial years 2011-12 and 2012-13.

3.0 FINANCIAL IMPLICATIONS

3.1 Appendix 1 provides a summary of the costs and savings arising from both the previous schemes that have run during 2011-12 and 2012-13.

4.0 MAIN TEXT

4.1 The VER Scheme for Teaching Staff and Associated Professionals, has resulted in, the Education Department maintaining teacher numbers in line with pupil numbers and also allowing the department to manage the teaching resource more effectively.

4.2 Within the secondary sector, this has resulted in schools having the subject specialists required to deliver the curriculum in the most effective way.

4.3 The Scheme has allowed the department to manage the retirement of members of staff. In addition, the department has secured employment for newly qualified teachers.

4.4 Arising from the report agreed at the Policy and Resources Committee on 12 December 2011, 120 teachers expressed an interest in voluntary early retirement, 57 received an offer and 51 accepted and left employment in August 2012.

- 4.5 The estimated cost of releasing a teacher under the 2011-12 scheme was £7,000 in year one with ongoing annual costs of £2,000. The average net salary savings, after taking account of estimated replacement teacher costs amounts to £9,700 per post. This means on average each post subject to Voluntary Early retirement scheme has achieved a saving of £7,700. It should be noted that this saving reduces each year as replacement teachers progress through the salary scale.
- 4.6 As a guide to the estimated cost, the average cost of releasing a teacher under the 2012-13 scheme was £5,500 in year one with ongoing annual costs of £1,500. The average net salary savings, after taking account of the replacement teacher costs amounted to £11,800 per post. This means on average each post subject to Voluntary Early Retirement scheme has achieved a saving of £10,300. It should be noted that this saving reduces each year as replacement teachers progress through the salary scale.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any implications in respect of sustainability, strategic environment assessment, anti-poverty, equality impact assessment and risk management. An equality impact assessment has been carried out and will be placed on the Council website: www.dundecity.gov.uk/equanddiv/equimpact.
- 5.2 There are no major issues.

6.0 CONSULTATION

- 6.1 This report has been subject to consultation with the Chief Executive, Director of Corporate Services and the Head of Democratic and Legal Services. The trade unions have also been consulted.

7.0 BACKGROUND PAPERS

- 7.1 Equality Impact Assessment.
- 7.2 Report No 507-2011 Voluntary Early Retirement Scheme for Teaching Staff and Associated Professionals.

Michael Wood
Director of Education

MW/JR/DD

7 November 2012

Appendix 1

SUMMARY OF EARLY RETIREMENT FINANCIAL COSTS AND SAVINGS

	Number	Salary saving £'000	Less lump sum costs £'000	Less on-going pension costs £'000	Less Replacement salary costs £'000	Net savings £'000
2011-12 Early Retirement scheme						
Financial year 2011-12 - retirements August 2011 - part year	49	1,878	285	59	1,581	(47)
Full year 2012-13 onwards		3,004		95	2,529	380
2012-13 Early Retirement scheme						
Financial year 2012-13 - retirements August 2012 - part year	53	1,286	235	49	864	138
Full year 2013-14 onwards		2,058		78	1,383	597

REPORT TO: POLICY AND RESOURCES COMMITTEE – 26 NOVEMBER 2012

REPORT ON: FIRE AND RESCUE SERVICE REFORM – LOCAL SCRUTINY AND ENGAGEMENT

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 437-2012

1. PURPOSE OF REPORT

To recommend that Committee agree a process to allow consideration of the Dundee Local Fire and Rescue Plan and reports on the performance of the Fire and Rescue Service.

2. RECOMMENDATIONS

It is recommended that members:

- a) note that a similar process of reform is underway in the Fire and Rescue Service as in the Police Service, and that similar arrangements require to be put in place for scrutiny and engagement involving local authorities and the new national Fire and Rescue Service
- b) agree that, in line with the pathfinder arrangements for scrutiny and engagement with the Police, the remit of the Policy and Resources Committee should be extended to include approval of the Local Fire and Rescue Plan and scrutiny of Fire and Rescue Service performance reports
- c) agree that Fire and Rescue reports between now and March 2013 be considered in line with the timetable for Police reports, as detailed in paragraph 4.4 of this report
- d) note that, as agreed in the report on the Police pathfinder, the Chief Executive will bring forward a report evaluating these pilot arrangements to inform a decision on the longer-term structures for scrutiny and engagement with both the Police and Fire and Rescue services

3. FINANCIAL IMPLICATIONS

None.

4. BACKGROUND

4.1 The Police and Fire Reform (Scotland) Act provides for the establishment of new Scottish Police and Fire and Rescue Services and includes a framework for local scrutiny and engagement arrangements involving local authorities and the new national services.

4.2 In the case of the Fire and Rescue Service, these scrutiny and engagement arrangements include:

- designation of a Local Senior Officer
- production of a Local Fire and Rescue Plan, to be approved by the Council

- creation of a strong formal relationship between the Council and the Fire and Rescue Service to provide opportunities for increased local democratic scrutiny
- 4.3 Members have previously agreed to pilot local scrutiny and engagement arrangements as part of a pathfinder project with the Police Service, which involve extending the remit of the Policy and Resources Committee to include responsibility for approving the Local Policing Plan and scrutinising Police performance. A timetable has been agreed for special meetings of the Policy and Resources Committee, with meetings scheduled for January and March 2013.
- 4.4 Although not formally part of the pathfinder project, the local Fire and Rescue Service are keen to begin the process of engagement with Dundee City Council and, in particular, to consult on and ultimately seek approval for the new Local Fire and Rescue Plan before the new national service is established in April. It is therefore recommended that:
- the remit of the Policy and Resources Committee should be extended to include approval of the Local Fire and Rescue Plan and scrutiny of Fire and Rescue Service performance reports
 - the Fire and Rescue Service should be invited to submit reports to the special meetings of the Policy and Resources Committee scheduled for 21 January and 18 March 2013, including consultation on a draft Fire and Rescue Plan, performance reports based on current plans and formal submission of the Local Fire and Rescue Plan for approval by the Council
- 4.5 As agreed in the report on the Police pathfinder, the Chief Executive will bring forward a report evaluating these arrangements (and reporting on the evaluation of pilot arrangements in other authorities) in order to inform a decision on the longer-term structures for scrutiny and engagement with both of the services.

5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Risk Management. There are no major issues.

6. **CONSULTATIONS**

The Director of Corporate Services and the Head of Democratic and Legal Services along with the Area Manager from Tayside Fire and Rescue, have been consulted in the preparation of this report.

7. **BACKGROUND PAPERS**

Police Reform – Pathfinder Project for Local Scrutiny and Engagement
Report 175-2012 to Policy and Resources Committee on 11 June 2012.

David K Dorward
Chief Executive

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19/11/2012

REPORT TO: POLICY AND RESOURCES COMMITTEE – 26 NOVEMBER 2012
REPORT ON: HIGH INTEREST RATE LENDERS
REPORT BY: CHIEF EXECUTIVE
REPORT NO: 436-2012

1. PURPOSE OF REPORT

This report is for the purpose of informing members about the effects of easy access to high interest rate loans and credit, and to greater regulation of that industry.

2. RECOMMENDATIONS

It is recommended that Committee instructs the Chief Executive to:

- a) write to the UK Government recommending that it introduces regulations to cap the interest rates charged to borrowed by high interest lenders
- b) write to the Scottish Government requesting that it investigates whether there is any action it can take within its existing powers to assist people in debt due to the policies of high interest lenders
- c) write to both Governments encouraging them to maximise support and investment in the expansion of the credit union movement

3. FINANCIAL IMPLICATIONS

There are no financial implications.

4. BACKGROUND

4.1 Credit and lending has long been an established element of the fabric of society and how it functions. It has put homes, holidays, university education and so on within the reach of people who would otherwise not have had the capital to pay for them. It has enabled people to achieve better standards of living and can contribute to economic growth. Responsible lending can serve the common good.

4.2 Money advice agencies in Dundee are reporting escalating levels of personal debt experienced by their clients, and in particular the impact of easily accessed loans at high interest rates. See Appendix 1.

4.3 High interest rate lending falls into two main categories - Doorstep lending, where payments tend to be via collectors calling at borrowers' homes, and un-secured short term loans, commonly called 'Payday' loans.

a) Doorstep Lending

Loan amounts are typically small, £100-£500, and are usually paid in cash with loan repayments also in cash over a period of around a year or less. Interest rates typically exceed 250% APR. One well-known company's website currently shows that a £200 loan repaid over 32 weeks would cost £320 (399.75% APR)

b) Payday Loans

These lenders advance short-term loans to be repaid on the borrower's next pay day by means of a post-dated cheque or authorisations for a direct debit on the borrower's bank account. Charges tend to be typically anything from £15-£30 per hundred borrowed.

Some payday loan companies, many of whom are currently investing in high profile advertising campaigns, can charge interest at over 4000% APR.

One leading Pay Day Loan company's website includes a loan calculator which shows that a £400 loan, the maximum allowed for a first time borrower, to be repaid in 30 days, will cost £525.48 if paid back on time – an APR of 4,214%. However, elsewhere on the website borrowers are advised that if the pay back date is missed, interest will be added at 1% per day for up to 60 days, adding an extra £315 in interest plus a £20 penalty – a total owed at the end of 3 months of £860.48. It is estimated that as many as 16% of their customers miss pay back dates.

Debt advice agencies have expressed concern that not only are these cost implications not made clear, but the speed of processing these loans and depositing them in customers' accounts is such that they have doubts about whether adequate checks are carried out on customers' income and ability to repay. In January 2012 Citizens Advice Scotland and Shelter jointly issued a statement expressing concern about the huge number of people taking out payday loans and other credit to pay rent or mortgages.

- 4.4 Addressing these practices would require action at a UK and Scottish Government level. This would require the UK Government to introduce greater regulation of the high interest rate lending and credit industry. In addition, the Scottish Government may be able to make a positive contribution by investigating whether it can take action within its existing powers to create mechanisms to support people facing the result of rapidly increasing costs associated with an inability to repay loans within the required period.
- 4.5 Dundee City Council, through its Financial Inclusion policies and strategy, has encouraged the development and expansion of the credit union movement in the city, and with support credit unions could achieve the scale of penetration into the savings and loans market that can make them self-sustaining and a long term source of affordable credit for people who might otherwise be excluded from the benefits of modern financial products. Further encouragement and support from UK and Scottish Governments could accelerate the success and expansion of the credit union movement.

5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. The recommendations in this report aim to secure legislative protection for financially excluded people and will therefore support the Council's anti-poverty objectives.

6. **CONSULTATIONS**

The Director of Corporate Services and the Head of Democratic and Legal Services have been consulted in the preparation of this report.

7. **BACKGROUND PAPERS**

None.

David K Dorward
Chief Executive

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19/11/2012

Appendix 1

A recent Dundee Citizens Advice Bureau Case Study

The past 12 Months have seen a noticeable increase in debt clients needing help with payday loans. The following case highlights one example:

Joe (not client's real name) found himself struggling with his credit card payments. His credit rating became impaired due to missed payments; default notices and his debts were increasing with ongoing interest.

He then found out about payday loans, after applying for one he was instantly approved and the money was granted almost straight away. He then faced the problem of paying back the loan. Each payday the loan was rolled over leaving him with even less money every month due to the charges applied - £425 to payback £300. Joe became reliant on payday credit but he soon found he was facing debt repayment at the month end which exceeded his net wages.

Joe then became ill and was off work sick (with depression and anxiety). He advised that when he could not sleep he used to go online and open his online bank account up, open gambling websites up and he would open 2 or 3 payday loan websites up also.

He would apply for the payday loans, then check that they had been put into his bank account and then he would use the money on the gambling websites, (this goes to show how accessible and readily available these loans are)

In desperation Joe applied for a loan through a broker who took an upfront payment of £80 and assured him that they would find him a loan suited towards his circumstances. After two weeks of silence the broker rang to say his application had been declined and that the administration charge was non-refundable, it was then that Joe realised the difference between loan brokers and actual loan companies.

Joe contacted the Citizens Advice Bureau to speak with a money adviser, and completed income expenditure calculations before discussing different debt options. It became apparent during the interview that 8 out of his 10 creditors were in fact payday loan companies. Joe favoured a pro rata debt management plan and this was put into action. Initial holding letters were sent out introducing us and advising his creditors that we would be managing his accounts for the foreseeable future.

The majority were more than happy to supply all the relevant information so that a pro rata repayment plan could be put together, however 3 of the payday loans were very uncooperative.

One payday loan company refused to deal with us directly and instead opted to call the client 6 or 7 times daily threatening him and demanding payments they also advised the clients that they do not discuss or negotiate with any debt management companies and they also threatened to send Sheriff Officers to Joe's address.

The payday loan company was called advising that their phone calls breached Clause 1.20 of the Office of Fair Trading guidelines on debt management, which quotes:

"Where payments are tendered, not by the debtor personally, but by someone acting on his behalf, it is a principle of law that creditors cannot refuse to accept those payments. The practice of creditors returning payments, or not crediting payments to consumers' accounts, purely because they are received through a DMC, therefore, is not acceptable and is a matter which the OFT regards as seriously detrimental to the fitness of the creditor. This is so even in circumstances where a creditor has indicated that it will not negotiate with a DMC acting as a representative of the debtor".

The payday loan company was also reminded that the threat to send representatives to his address was a breach of clause 2.12 of the OFT guidelines on debt collection.

Joe is now making inroads into his debts and hopefully it won't be long before he has cleared all of his debts. He is now back at work and his wages have increased and he has regained some quality of life. He has also been advised that Discovery Credit Union as a good source of saving and low interest borrowing.

It is the experience of the debt adviser that when dealing with payday loan companies negotiations to get interest and charges frozen are more difficult. When telephoning a payday loan company, the call is dealt with in either South Africa or Illinois in the USA. It is often easier and more effective to communicate with payday day loan companies via email and cc the client into emails (and vice versa) It is not uncommon for clients calling into the CAB with debt problems to have payday loans included in their debts.

REPORT TO: EDUCATION COMMITTEE AND POLICY & RESOURCES COMMITTEE - 26 NOVEMBER 2012

REPORT ON: COLDSIDE – NEW PRIMARY SCHOOLS AND PRE-SCHOOL CENTRE INCORPORATING COMMUNITY FACILITIES

REPORT BY: DIRECTOR OF EDUCATION AND DIRECTOR OF LEISURE AND COMMUNITIES

REPORT NO: 443-2012

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to advise the Education Committee of the outcome of the informal consultation undertaken during the period August to October 2012 and to seek approval to formally consult on the preferred option under the terms of the Schools (Consultation) (Scotland) Act 2010.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- i) note the content of this report;
- ii) approve in principle the proposals to build 2 x 1 stream primary schools with additional classrooms which can be allocated to either school as individual school rolls dictate to replace Our Lady's RC Primary School and Rosebank Primary School. Community facilities will also be incorporated within the new build programme. A new replacement facility for Frances Wright Pre-School Centre would also be included on this site which is that of the former Alexander Street multis (precise location to be determined); and
- iii) instruct the Director of Education to formally consult on the proposals contained in recommendation (ii) above in terms of the Schools (Consultation) (Scotland) Act 2010 and report back to Committee in due course on the outcome of the consultations so that a final decision on the proposals can be made.

3.0 FINANCIAL IMPLICATIONS

3.1 The estimated cost of building 2 x 1 stream primary schools with additional classrooms which can be allocated to either school as individual school rolls dictate, together with a separate pre-school centre totalling approximately 5,000m² is £10.5m based on a start date of January 2015 and a completion date during spring of 2016. Community facilities totalling approximately 500m² and at an additional cost of approximately £1m have also been included giving a total project cost of £11.5m. An indicative allowance of £9m was introduced into the Capital Plan in February 2012. It will be necessary to adjust the Capital Plan at its next review to reflect the revised cost and phasing of the project.

3.2 The capital costs will be funded from borrowing and the resultant annual loan charges of £557,000 (full year effect from 2017-18) will be contained within future years Revenue Budgets. It will be necessary to adjust the Education Departments Revenue Budget to reflect the estimated increased property costs of £33,000 per annum with effect from 2016-17.

4.0 BACKGROUND - COMMUNITY FACILITIES

- 4.1** Reference is made to Article I of the Policy and Resources Committee of 9 February 2012 at which it was agreed that, within the forward Capital Plan, provision should be made for the replacement of primary school provision serving the Coldside area of the City, and a new community facility for the area. There has been ongoing consultation in the area in recent months (257-2012 refers) to consider developmental options and the need for a new community facility remains a permanent agenda item for the Local Community Planning Partnership. Recent consultation with residents and service providers has reinforced the need for a purpose built space in a prominent Hilltown location that meets the needs of both new and established members of the community.
- 4.2** The Hilltown area of Coldside forms one of the City's priority regeneration areas and has been the subject of significant regeneration activity over recent years. As part of the clearance of the central area, the Highwayman Community Centre was demolished. Although programmes operating out of the Highwayman were reallocated to alternative community facilities throughout the area, there remains a sense of loss within the community and a desire to re-establish a broad-based community facility with no particular allegiance to any one neighbourhood or group.
- 4.3** Within the Hilltown area generally, there are three independently run facilities - each has a clearly differentiated role.
- 4.4** Grey Lodge operates on a city wide basis and works in partnership with Dundee City Council. They provide a variety of services for various target groups including older people, children and young people. Over one third of users of Grey Lodge come from outwith the local area. Grey Lodge see these services continuing to be delivered independently.
- 4.5** Maxwelltown Information Centre is located in St Salvador's Church. Currently they provide a venue for advice and information. The Management Group are open to being involved in discussions on the future of facilities and services in the area.
- 4.6** Mark Henderson Centre is a facility run by Signpost International. The building also acts as an office for Signpost International and some voluntary organisations, although Signpost can carry out their functions anywhere. The facility provides space for local and city wide community groups, but does not provide direct services to the community.
- 4.7** Having consulted widely and reviewed existing provision, the need which is not satisfied by existing provision and which would be the purpose of the community facility is to provide:
- an accessible facility which can act as a community focal point (the community café);
 - kitchen facilities to support the community café;
 - a base for community work staff serving the area;
 - a venue which can be used by other service providers on a bookable basis;
 - a bookable venue for community and family events;
 - a venue capable of being used by youth work;
 - capacity for adult learning (eg IT);
 - an outside safe play area;
 - storage;
 - car parking, including disabled parking spaces

A key advantage of a joint facility would be that, in addition to the provision within the community facility, the design could facilitate community access to a shared gym hall after school hours. This might allow the additional benefit of rates savings.

5.0 BACKGROUND - EDUCATION

5.1 There is an identified need to provide new accommodation for Our Lady's RC Primary School, Rosebank Primary School and Frances Wright Pre-School Centre. Although the projected rolls for these schools is stable (see para 4.3 below) all the existing buildings are more than 30 years old and it is anticipated that the rolls will increase given that the Coldside area is one of the City's priority regeneration areas and has been the subject of significant regeneration activity over recent years. As a result, significant sums of money would require to be spent to keep them at a reasonable standard

5.2 Our Lady's Primary School has a roll of 110 pupils including from P1 to P7 and this includes a number of pupils in the school's Enhanced Provision unit. It has an occupancy rate of 39%. Rosebank Primary School has a roll of 131 pupils including the pupils in the Enhanced Provision unit. It has an occupancy rate of 43%. None of the primary schools in the Hilltown area has nursery provision. The provision within the Hilltown area is contained within Frances Wright Pre-School Centre. The Centre provides nursery education for mainstream children and for an increasingly significant number of children with additional support needs of a profound and complex nature.

5.3 Current and recent rolls for the two primary schools in the proposal are detailed below.

	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013
Our Lady's RC Primary School	101	102	101	106	110
Rosebank Primary School	112	120	130	131	131
Total	213	222	231	237	241

5.4 Frances Wright Nursery provides 90 FTE places and is currently full to capacity.

5.5 In terms of travel distances from home to the location of the proposed new shared site schools, the Council's Geographical Information System (GIS) identifies that 82% of the total primary pupil population live within 0 – 1 miles of the proposed new site area. 63 pupils currently live outwith the existing catchment area although a significant number of these pupils will have been placed within the Enhanced Provisions in Our Lady's RC Primary School and Rosebank Primary School. Travel distances have not been included for children attending Frances Wright Pre-School Centre because a significant number of children with Additional Support Needs live outwith the immediate area and are transported to and from the Centre on a daily basis.

6.0 INFORMAL CONSULTATIONS

6.1 During the period August to October 2012, there has been informal consultation with each school community involving staff, pupils, parents and carers through Parent Councils; relevant stakeholders including the Catholic church in relation to Our Lady's Primary School; the Local Community Planning Partnership; the Coldside Forum; the local community; community centre users and key community stakeholders. The Director of Education undertook a programmed series of meetings as part of the informal consultation process. This involved meetings with:

- a group of parents and carers from each establishment;
- staff associated with each establishment; and
- the Local Community Planning Partnership.

The Parish Priest attended the meeting with the group of parents and carers in Our Lady's Primary School. Members of each Pupil Council were also consulted with at school level. There was strong support for the proposal. Consequently it is now necessary to move to the formal consultation stage as determined by the Schools (Consultation) (Scotland) Act 2010.

7.0 OPTION APPRAISAL (EDUCATION)

7.1 A detailed option appraisal has been undertaken by the Director of Education before arriving at the recommendations included in this report. The options considered were:

Option 1

Do minimum to maintain Our Lady's RC Primary School, Rosebank Primary School and Frances Wright Pre-School Centre to present standards – major capital maintenance works will require to be carried out over the medium to long term to keep the schools operational with consequential disruptive effects on Education.

Option 2

Build a shared campus to include Our Lady's RC Primary School, Rosebank Primary School and Frances Wright Pre-School Centre,

Option 3

Build a shared campus to include Rosebank Primary School and Frances Wright Pre-School Centre, leaving Our Lady's RC Primary School in its existing building, and

Option 4

Build a shared campus to include Our Lady's RC Primary School and Frances Wright Pre-School Centre, leaving Rosebank Primary School in its existing building.

7.2 Expenditure for each option

The capital costs (including life cycle capital maintenance) at outturn prices for each option are –

£000	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 to 2037/38	TOTAL
Option 1	0	0	572	17	1,066	1,444	3,099
Option 2	200	450	2,250	7,300	300	220	10,720
Option 3	100	200	1,394	3,713	553	1,097	7,057
Option 4	100	200	1,288	3,700	617	457	6,362

7.3 Annual Property Costs of Each Option (at Current Prices)

Option 1	£270,000
Option 2	£303,000
Option 3	£260,000
Option 4	£253,000

It is anticipated there would be no material changes to staff costs or any other budget heads for all of these options.

7.4 Net Present Values

The net present values for each option over 25 years at a discount rate of 3.5% are as follows:-

Option 1	£7,290,000
Option 2	£14,875,000
Option 3	£10,838,000
Option 4	£10,161,000

7.5 The table below shows in summary how each option "scores" against the non-monetary objectives for the project.

	Option 1	Option 2	Option 3	Option 4
1 Meets short term needs	√	√	√	√
2 Satisfies long term demand (education)	X	√	X	X
3 Satisfies long term demand (property)	X	√	X	X
4 Deliverable while schools operational	X	√	X	X

7.6 Conclusion

- 7.6.1 Option 1 produces the lowest Net Present Value, but only meets one of the non-monetary objectives. Overall this option does not offer the best solution.
- 7.6.2 Option 3 and 4 produce lower Net Present Values compared to Option 2 but again only meet one of the non-monetary objectives. These options do not present the best option.
- 7.6.3 Option 2 has the highest Net Present Value, but it is the only option that meets all the non-monetary objectives. This is the preferred option.

8.0 PROPOSAL

- 8.1 It is proposed to build a 2 x 1 stream primary schools with additional classrooms which can be allocated to either school as individual school rolls require, together with a separate pre-school centre.
- 8.2 The new schools will offer purpose – built learning and teaching environments for the delivery of a “Curriculum for Excellence” and state of the art nursery facilities.
- 8.3 The community facilities would provide a community focal point with flexible provision to meet the varying needs of service providers, families and groups.

9.0 ACCOMMODATION SCHEDULES FOR THE CAMPUS

- 9.1 It is proposed to build 2 x 1 stream primary school with additional “floating” classrooms which will be allocated to either school as individual school rolls dictate, together with a separate pre-school centre, in a school campus on the site of the former Alexander Street multis (precise location to be determined). The overall accommodation schedule for the education campus is expected to total approx. 5500m² in area and will include –

- Classrooms for 2 one stream primary schools with additional “floating” classrooms which can be allocated to either primary school as demand dictates
- 90 FTE place pre-school centre
- dining/assembly hall
- production kitchen
- double size gym hall
- stage and drama/music room
- group rooms
- staffrooms
- administration areas and associated accommodation
- community facilities and support accommodation.

10.0 DESIGN SOLUTION

10.1 Following the development of the finalised schedules of accommodation, the design proposals will incorporate well-defined adjacencies, creative use of circulation space and ideas for construction techniques. The designs will ensure that the buildings are flexible and responsive to current and future teaching methodologies and space requirements for both the schools and the nursery. It will include community facilities designed to provide accommodation for use by members of the community and groups.

11.0 EDUCATION SERVICE IMPROVEMENTS

11.1 The new shared site schools would enable the Education Department to:

- create flexible learning and teaching spaces which will enhance the delivery of a "Curriculum for Excellence"
- promote increased opportunities for integration at pre-school and mainstream level; and
- provide future - proofed IT infrastructure to support and enhance curricular and management functions.

11.2 A shared campus would have a number of advantages:

- It would replace traditional buildings with 21st century accommodation;
- It would be designed to ensure improved vehicular access;
- It would minimise capital costs by replacing three old buildings with one new build; and
- It would be more energy efficient and would improve our carbon footprint.

12.0 FORMAL PROPOSAL PAPER

12.1 A formal proposal paper will be published and advertised in due course.

13.0 POLICY IMPLICATIONS

13.1 This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. There are no major issues. An Equality Impact Assessment has been carried out and will be available on the Council Web Site at <http://www.dundee.gov.uk/equanddiv/equimpact/>.

14.0 CONSULTATIONS

- 14.1** The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services have been consulted in the preparation of this report.
- 14.2** It will be necessary to carry out statutory consultation procedures in terms of the Schools (Consultation) (Scotland) Act 2010 in respect of the proposals to build a shared campus to include Our Lady's RC Primary School, Rosebank Primary School and Frances Wright Pre-School Centre.
- 14.3** The statutory consultation procedures will apply to the parents/carers of every pupil in attendance at both primary schools and the pre-school centre, all staff, trade union representatives and Parent Councils where they are established.
- 14.4** The Scottish Hierarchy of the Roman Catholic Church will also be formally consulted in respect of this proposal.

15.0 BACKGROUND PAPERS

- 15.1** Equality Impact Assessment.

MICHAEL WOOD
Director of Education

14 November 2012

STEWART MURDOCH
Director of Leisure and Communities

14 November 2012

REPORT TO: EDUCATION COMMITTEE AND POLICY & RESOURCES COMMITTEE –
26 NOVEMBER 2012

REPORT ON: MENZIESHILL – NEW PRIMARY SCHOOL AND NURSERY SCHOOL AND
OPTIONS FOR MENZIESHILL COMMUNITY CENTRE

REPORT BY: DIRECTOR OF EDUCATION AND DIRECTOR OF LEISURE AND
COMMUNITIES

REPORT NO: 445-2012

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to advise the Education Committee of the outcome of the informal consultation undertaken during the period August to October 2012 and to seek approval to formally consult on the preferred option under the terms of the Schools (Consultation) (Scotland) Act 2010.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- i) note the content of this report;
- ii) approve in principle the proposals to merge Hillside and Gowriehill Primary Schools and build a new 3 stream primary school on the site of the former Menzieshill multis (precise location to be determined), incorporating a nursery provision to replace Menzieshill Nursery School
- iii) instruct the Director of Education to formally consult on the proposals contained in recommendation (ii) above in terms of the Schools (Consultation) (Scotland) Act 2010 and report back to Committee in due course on the outcome of the consultations so that a final decision on the proposals can be made.
- iv) In the case of the Policy and Resources Committee, instruct the Director of Leisure and Communities to report back on the option appraisal on Menzieshill Community Centre.

3.0 FINANCIAL IMPLICATIONS

3.1 The estimated cost of building a new 3 stream primary school together with a separate pre-school centre totalling approximately 5,500m² is £11.5m based on a start date of January 2015 and a completion date during spring of 2016. An indicative allowance of £11m was introduced into the Capital Plan in February 2012. It will be necessary to adjust the Capital Plan at its next review to reflect the revised cost and phasing of the project.

3.2 The capital costs will be funded from borrowing, with an element being “prudential” ie funded by the estimated revenue savings in staff and property costs. The estimated revenue savings of £71,000 per annum will fund total prudential borrowing of £1.5m leaving £10m to be funded from corporate borrowing. The resultant annual loan charges on the corporate borrowing of £10m will be £486,000 (full year effect from 2017-18) which will be contained within future years’ Revenue Budgets.

4.0 BACKGROUND - THE COMMUNITY CENTRE

4.1 Reference is made to Article I of the Policy and Resources Committee of 9 February 2012 at

which it was agreed that, within the forward Capital Plan, provision should be made for the replacement of primary school provision serving the Menzieshill area of the City, and improvements to community facilities.

- 4.2** Following approval of this report, the Chief Executive met with the Management Committee of Menzieshill Community Centre and it was agreed that, as far as possible, the existing accommodation and facilities within Menzieshill Community Centre would be replicated within any new build option or the existing building would be improved to ensure that it tied in to the new building and was fit for purpose.
- 4.3** Following these meetings, and in consultation with the Local Management Group, a project specification has been drawn up to describe the existing facilities, the objects of the projects, roles and responsibilities for the Project Team, and notes the current governance arrangements which it is recommended should continue beyond the project itself.

5.0 BACKGROUND - EDUCATION

- 5.1** There is an identified need to provide new accommodation to replace Hillside Primary School, Gowriehill Primary School and Menzieshill Nursery School. The existing buildings are more than 30 years old and significant sums of money would require to be spent to keep them at a reasonable standard.
- 5.2** Hillside Primary School has a current roll of 295 pupils from P1 to P7 and this includes a number of pupils in the school's Enhanced Provision unit. It has an occupancy rate of 80%. The number of pupils who attend Hillside Primary School and live outwith the designated catchment area is 186. Gowriehill Primary School has a roll of 130 pupils including the pupils in the Enhanced Provision unit. It has an occupancy rate of 32%. The number of pupils who attend Gowriehill Primary School and live outwith the designated catchment area is 60. Neither school has nursery provision. The nursery provision within the Menzieshill area is contained within Menzieshill Nursery School and St Ninian's Primary School.
- 5.3** Current and recent rolls for the two primary schools in the proposal are detailed below.

	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013
Gowriehill Primary School	192	173	142	139	130
Hillside Primary School	273	269	282	291	295
Total	465	442	424	430	425

- 5.4** Menzieshill Nursery School provides 70 FTE places and is currently full to capacity.
- 5.5** In terms of travel distances from home to the location of the proposed new site schools, the Council's Geographical Information System (GIS) identifies that 82% of the total primary pupil population for Hillside Primary and Gowriehill Primary Schools live within 0-1 miles of the proposed new site area. Travel distances have not been included for children attending Menzieshill Nursery because a significant number of the children who attend come from a variety of areas across the city given the high level of choice when selecting a pre-school place.

6.0 INFORMAL CONSULTATIONS

- 6.1** During the period August to October 2012, there has been informal consultation with each school community involving staff, pupils, parents and carers through Parent Councils; the Local Community Planning Partnership; the local community; community centre users and key community stakeholders. The Director of Education met with the Local Community Planning Partnership. The Head of Primary Education undertook a programmed series of meetings as part of the informal consultation process. This involved meetings with:

- a group of parents and carers from each establishment; and
- staff associated with each establishment;

Members of each Pupil Council were also consulted with at school level. Following the outcome of the informal consultation process, it is now appropriate to move to the formal consultation stage as determined by the Schools (Consultation) (Scotland) Act 2010.

7.0 OPTION APPRAISAL (EDUCATION)

7.1 A detailed option appraisal has been undertaken by the Director of Education before arriving at the recommendations included in this report. The options considered were:

Option 1

Do minimum to maintain Hillside Primary School, Gowriehill Primary School and Menziesshill Nursery School to present standards – major capital maintenance works will require to be carried out over the medium to long term to keep the schools operational with consequential disruptive effects on Education.

Option 2

Build one new 3 stream primary school to replace Hillside and Gowriehill Primary Schools, leaving Menziesshill Nursery School in its existing building.

Option 3

Build one new 3 stream primary school to replace Hillside and Gowriehill Primary Schools and also build a new Menziesshill Nursery School on the same site.

Option 4

Build one new 3 stream primary school to replace Hillside and Gowriehill Primary Schools and incorporate a mainstream nursery provision to replace Menziesshill Nursery School.

7.2 Expenditure for each option

The capital costs (including life-cycle capital maintenance) at outturn prices for each option are –

£000	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 to 2037/38	TOTAL
Option 1	0	0	262	14	1,076	1,456	2,808
Option 2	200	450	2,250	7,300	346	308	10,854
Option 3	200	500	2500	8,000	300	255	11,755
Option 4	200	500	2500	8,000	300	255	11,755

7.3 Revenue Costs

7.3.1 Annual Property Costs of Each Option (at Current Prices)

Option 1	£311,000
Option 2	£304,000
Option 3	£307,000
Option 4	£307,000

7.3.2 Management Teacher Staff Savings (at Current Prices)

Based on the current management structure within the primary schools it is anticipated there would be management teacher staff savings for each of these options as follows:

Option 1	Nil
Option 2	£67,000
Option 3	£67,000
Option 4	£81,000

7.4 Net Present Values

The net present values for each option over 25 years at a discount rate of 3.5% are as follows:-

Option 1	£7,759,000
Option 2	£14,292,000
Option 3	£15,161,000
Option 4	£14,981,000

7.5 The table below shows in summary how each option "scores" against the non-monetary objectives for the project.

	Option 1	Option 2	Option 3	Option 4
1 Meets short term needs	√	√	√	√
2 Satisfies long term demand (education)	X	X	√	√
3 Satisfies long term demand (property)	X	X	√	√
4 Deliverable while schools operational	X	X	√	√

7.6 Conclusion

7.6.1 Option 1 produces the lowest Net Present Value, but only meets one of the non-monetary objectives. Overall this option does not offer the best solution.

7.6.2 Option 2 produces a lower Net Present Values compared to Option 3 but only meets one of the non-monetary objectives. This option does not present the best option.

7.6.3 Option 4 has a lower Net Present Value compared to Option 3 and does meet all the non-monetary objectives, however following informal consultation this was not the preferred option since this did not include a separate nursery school.

7.6.4 Option 3 has the highest Net Present Value and does meet all the non-monetary objectives. Following the outcome of the information consultation this was the preferred option.

8.0 OPTION APPRAISAL (COMMUNITY CENTRE)

8.1 Option 1

Refurbish the existing community centre.

Option 2

Construct a new community centre in close proximity to the existing site (precise location to be determined).

9.0 PROPOSALS

9.1 It is proposed to build a 3 stream primary school together with a separate pre-school centre. The new school and nursery will offer purpose – built learning and teaching environments for the delivery of a “Curriculum for Excellence” and state of the art nursery facilities.

9.2 It is proposed to retain and refurbish the existing community centre or to include the community centre within the new build programme. The Director of Leisure and Communities will bring a report back to the Policy and Resources Committee at the end of the consultation period.

10.0 ACCOMMODATION SCHEDULES FOR THE CAMPUS

10.1 It is proposed to build 3 stream primary school on the site of the former Menzieshill multis (precise location to be determined) with a separate nursery school. The overall accommodation schedule for the education campus is expected to total approx. 5500m² in area and will include –

- classrooms for three stream primary school
- 70 FTE place nursery school
- dining/assembly hall
- production kitchen
- double size gym hall (or two smaller gyms)
- stage and drama/music room
- group rooms
- staffrooms
- administration areas and associated accommodation

11.0 DESIGN SOLUTION

11.1 Following the development of the finalised schedules of accommodation, the design proposals will incorporate well-defined adjacencies, creative use of circulation space and ideas for construction techniques. The designs will ensure that the buildings are flexible and responsive to current and future teaching methodologies and space requirements for both the schools and the nursery.

12.0 EDUCATION SERVICE IMPROVEMENTS

12.1 The new shared site schools would enable the Education Department to:

- create flexible learning and teaching spaces which will enhance the delivery of a "Curriculum for Excellence"
- promote increased opportunities for integration at pre-school and mainstream level; and
- provide future - proofed IT infrastructure to support and enhance curricular and management functions.

12.2 A shared campus would have a number of advantages:

- it would replace traditional buildings with 21st century accommodation;
- it would be designed to ensure improved vehicular access; and
- it would be more energy efficient and would improve our carbon footprint.

13.0 FORMAL PROPOSAL PAPER

13.1 A formal proposal paper will be published and advertised in due course.

14.0 POLICY IMPLICATIONS

14.1 This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. There are no major issues. An Equality Impact Assessment has been carried out and will be available on the Council Web Site at <http://www.dundee.gov.uk/equanddiv/equimpact/>.

15.0 CONSULTATIONS

15.1 The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services have been consulted in the preparation of this report.

15.2 It will be necessary to carry out statutory consultation procedures in terms of the Schools (Consultation) (Scotland) Act 2010 in respect of the proposals to build a new 3 stream primary school to replace the merged Hillside Primary School and Gowriehill Primary School and a new Menzieshill Nursery School.

15.3 The statutory consultation procedures will apply to the parents/carers of every pupil in attendance at both primary schools and the nursery school, all staff, trade union representatives and Parent Councils where they are established.

16.0 BACKGROUND PAPERS

16.1 Equality Impact Assessment.

MICHAEL WOOD
Director of Education

14 November 2012

STEWART MURDOCH
Director of Leisure and Communities

14 November 2012

REPORT TO: EDUCATION COMMITTEE AND POLICY & RESOURCES COMMITTEE – 26 NOVEMBER 2012

REPORT ON: NEW SCHOOL BUILD PROGRAMME IN THE STRATHMARTINE AREA TO INCLUDE BALDRAGON ACADEMY, SIDLAW VIEW PRIMARY SCHOOL AND JESSIE PORTER NURSERY SCHOOL

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO: 446-2012

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to advise the Education Committee of the outcome of the informal consultation undertaken in the Strathmartine area during the period August to October 2012 and to seek approval to formally consult on the preferred new build option for Sidlaw View Primary and Jessie Porter Nursery School under the terms of the Schools (Consultation) (Scotland) Act 2010. (Agenda note AN104-2012 refers)

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- i) note the content of this report;
- ii) note the outcome of the Scottish Futures Trust bid as detailed at the Education Committee meeting on 29 October 2012;
- iii) approve in principle the proposals to build a community campus on the site of the existing Baldragon Academy on a phased basis to include Baldragon Academy, Sidlaw View Primary School and Jessie Porter Nursery School as described at paragraph 3 below.
- iv) instruct the Director of Education to formally consult on the proposals contained in recommendation (iii) above in terms of the Schools (Consultation) (Scotland) Act 2010 and report back to Committee in due course on the outcome of the consultations so that a final decision on the proposals can be made.

3.0 FINANCIAL IMPLICATIONS

3.1 Following a successful Scottish Futures Trust (SFT) bid for the building of a new Baldragon Academy on the same site area as the existing school, the estimated financial contribution for Dundee City Council of building an 1,100 place secondary school to replace Baldragon Academy is £10.6m. This is based on a start date of November 2014 and completion date during summer 2016. The school will total approximately 13,750m². It will be necessary to include this project in the Capital Plan at its next review.

3.2 The Council's net capital contribution of £10.6m will be funded from borrowing and the resultant annual loan charges of £514,000 (full year effect from 2017-18) will be contained within future years Revenue Budgets. It will be necessary to adjust the Education Department's Revenue Budget to reflect the estimated increased property costs of £148,000 per annum with effect from 2016-17.

- 3.3** Although the SFT bid to build a new Sidlaw View Primary and Jessie Porter Nursery School was not successful, it will be possible to accommodate this project within the Council's Capital Plan at its next review. The estimated cost of building a 2-stream primary school together with a separate nursery school totalling approximately 4,000m² is £8m. This is based on a start date of April 2016 with a completion date during summer of 2017.
- 3.4** The capital costs will be funded from borrowing and the resultant annual loan charges of £388,000 (full year effect from 2018-19) will be contained within future years Revenue Budgets. It will be necessary to adjust the Education Departments Revenue Budget to reflect the estimated increased property costs of £67,000 per annum with effect from 2017-18.

4.0 BACKGROUND - EDUCATION

- 4.1** There is an identified need to provide new accommodation for Baldragon Academy, Sidlaw View Primary and Jessie Porter Nursery School. The projected roll trend for these schools is rising (see para 4.3 below) and it is anticipated that the rolls will increase further in future years due to new housing developments and the impact of the Western Gateway on school rolls in the Strathmartine area. All the existing buildings are more than 30 years old and as a result, significant sums of money would require to be spent to keep them at a reasonable standard. The proposal would be to build the new schools and pre-school centre on the site area of the existing Baldragon Academy.
- 4.2** Baldragon Academy has a current roll of 706 pupils and a current occupancy rate of 71%. Sidlaw View Primary School has a roll of 156 pupils and an occupancy rate of 37%. It does not have nursery provision. The provision within the Strathmartine area includes Jessie Porter Nursery school. The centre provides 70 FTE places and is currently full to capacity.
- 4.3** Current and recent rolls for the schools in the proposal are detailed below.

	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013
Sidlaw View Primary School	124	126	137	161	156
Baldragon Academy	595	646	668	666	706

- 4.4** In terms of travel distances from home to the location of the proposed new shared site schools, the impact on pupils attending Baldragon Academy and Sidlaw View Primary School would be minimal since both schools would be built in close proximity to their existing settings. Travel distances have not been included for children attending Jessie Porter Nursery School because the children who attend come from a variety of areas across the city given the high level of choice when selecting a pre-school place.

5.0 INFORMAL CONSULTATIONS

- 5.1** During the period August to October 2012, there was informal consultation with each school community and the pre-school centre involving staff, pupils, parents and carers through Parent Councils; relevant stakeholders the Local Community Planning Partnership and the local community. The Head of Secondary Education undertook a programmed series of meetings as part of the informal consultation process. This involved meetings with:

- a group of parents and carers from each establishment;
- staff associated with each establishment; and

- the Local Community Planning Partnership.

Members of the Pupil Councils in Baldragon Academy and Sidlaw View Primary were also consulted with at school level to ascertain the support for the proposal. Consequently it is now appropriate to move to the formal consultation stage as determined by the Schools (Consultation) (Scotland) Act 2010 for both Sidlaw View Primary and Jessie Porter Nursery School. It should be noted that for Baldragon Academy it is not necessary to enter into formal consultation under the terms of the 2012 Act, since the proposed new school will be built on the same site area as the current school.

6.0 OPTION APPRAISAL

- 6.1 A detailed option appraisal has been undertaken by the Director of Education before arriving at the recommendations included in this report. The options considered were:

Option 1

Do minimum to maintain Baldragon Academy, Sidlaw View Primary School and Jessie Porter Nursery School to present standards. However, major capital maintenance works will require to be carried out over the medium to long term to keep the schools operational with consequential disruptive effects on Education.

Option 2

Build a new 1,100 place secondary school to replace Baldragon Academy on the existing Baldragon Academy site and leave Sidlaw View Primary School and Jessie Porter Nursery School in their existing buildings.

Option 3

Build a new 1,100 place secondary school to replace Baldragon Academy on the existing Baldragon Academy site, followed by building a new Sidlaw View Primary School and a new Jessie Porter Nursery School also on the existing Baldragon Academy site.

6.2 Expenditure for each option

The capital costs (including life-cycle capital maintenance) at outturn prices for each option are –

£000	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 to 2037/38	TOTAL
Option 1	0	0	762	73	2,483	3,143	6,461
Option 2	50	150	412	166	10,618	1,448	12,844
Option 3	50	250	300	450	15,950	2,811	19,811

6.3 Annual Property Costs of Each Option (at Current Prices)

Option 1	£717,000
Option 2	£865,000
Option 3	£932,000

It is anticipated there would be no material changes to staff costs or any other budget heads for all of these options.

6.4 Net Present Values

The net present values for each option over 25 years at a discount rate of 3.5% are as follows:-

Option 1	£17,876,000
Option 2	£25,446,000
Option 3	£32,320,000

6.5 The table below shows in summary how each option "scores" against the non-monetary objectives for the project.

	Option 1	Option 2	Option 3
1 Meets short term needs	√	√	√
2 Satisfies long term demand (education)	X	X	√
3 Satisfies long term demand (property)	X	X	√
4 Deliverable while schools operational	√	√	√

6.6 Conclusion

6.6.1 Option 1 produces the lowest Net Present Value, but only meets two of the non-monetary objectives. Overall this option does not offer the best solution.

6.6.2 Option 2 produces lower Net Present Values compared to Option 3 but again only meet two of the non-monetary objectives. This option does not present the best option.

6.6.3 Option 3 has the highest Net Present Value, but it is the only option that meets all the non-monetary objectives. This is the preferred option.

7.0 PROPOSAL

7.1 It is proposed to build a 1,100 place secondary school to replace Baldragon Academy on part of the existing Baldragon Academy site in conjunction with the Scottish Futures Trust. In addition, it is also proposed to build a 2-stream primary school with a separate pre-school centre using Capital funding.

7.2 The new schools and pre-school centre will offer purpose-built learning and teaching environments for the delivery of a "Curriculum for Excellence" and will include state of the art nursery facilities.

8.0 ACCOMMODATION SCHEDULES

8.1 It is proposed to build an 1,100 place secondary school to replace Baldragon Academy on part of the existing Baldragon Academy site (precise location still to be determined). The overall accommodation schedule for the new school is expected to total approx. 13750m² and will include –

- classrooms, workshops, laboratories, etc as required to deliver the curriculum
- production kitchen/dining facilities
- assembly hall
- support for learning and guidance accommodation
- swimming pool, games hall, gymnasium and dance studio
- administration areas and associated accommodation

- 8.2** It is also proposed to build a new 2 stream primary school to replace Sidlaw View Primary School and also build a new Jessie Porter Nursery School on the same campus on part of the current site of Baldragon Academy (precise location to be determined).

The overall accommodation schedule is expected to total approx. 4000m² and will include -

- classrooms for two stream primary school
- 70 FTE place nursery school
- dining/assembly hall
- production kitchen
- double size gym hall
- stage and drama/music room
- group rooms
- staffrooms
- administration areas and associated accommodation

9.0 DESIGN SOLUTION

- 9.1** Following the development of the finalised schedules of accommodation, the design proposals will incorporate well-defined adjacencies, creative use of circulation space and ideas for construction techniques. The designs will ensure that the buildings are flexible and responsive to current and future teaching methodologies and space requirements for both the schools and the nursery. It will include community facilities designed to provide accommodation for use by members of the community and groups.

10.0 EDUCATION SERVICE IMPROVEMENTS

- 10.1** The new schools would enable the Education Department to:

- create flexible learning and teaching spaces which will enhance the delivery of a "Curriculum for Excellence"
- promote increased opportunities for integration at pre-school and mainstream level; and
- provide future - proofed IT infrastructure to support and enhance curricular and management functions.

- 10.2** The new build programme would have a number of advantages:

- It would replace traditional buildings with 21st century accommodation;
- It would be designed to ensure improved vehicular access; and
- It would be more energy efficient and would improve our carbon footprint.

11.0 FORMAL PROPOSAL PAPER

- 11.1** A formal proposal paper will be published and advertised in due course.

12.0 POLICY IMPLICATIONS

- 12.1** This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk

management. There are no major issues. An Equality Impact Assessment has been carried out and will be available on the Council Web Site at <http://www.dundee.gov.uk/equanddiv/equimpact/>.

13.0 CONSULTATIONS

- 13.1** The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services have been consulted in the preparation of this report.
- 13.2** It will be necessary to carry out statutory consultation procedures in terms of the Schools (Consultation) (Scotland) Act 2010 in respect of the proposals to build a new Sidlaw View Primary School and Jessie Porter Nursery School. However under the terms of this act there is no requirement to undertake a formal consultation in respect of Baldragon Academy.
- 13.3** The statutory consultation procedures apply to the parents/carers of every pupil in attendance at the primary school, nursery school, all staff, trade union representatives and Parent Councils where they are established.

14.0 BACKGROUND PAPERS

- 14.1** Equality Impact Assessment.

MICHAEL WOOD
Director of Education

14 November 2012

REPORT TO: POLICY & RESOURCES COMMITTEE – 26 NOVEMBER 2012

REPORT ON: ESTABLISHMENT OF PROJECT BOARDS - MENZIESHILL, COLDSIDE AND STRATHMARTINE

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 411-2012

1. PURPOSE OF REPORT

The purpose of this report is to establish Project Boards to ensure the delivery of the proposed new school and community campuses at Menzieshill, Coldsid e and Strathmartine.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 The Policy & Resources Committee approves the establishment of Project Boards each comprising Elected Members (Convener of Education and Ward Councillors), a Catholic Church representative for the Coldsid e Project Board only, the Chief Executive, Director of Education, City Architectural Services Officer, Director of Corporate Services, the Head Teachers and Parent Council members of the schools, 1 Teacher Union Representative, Communities Officer, Capital Projects Director, Capital Projects Finance Manager, Capital Projects Education Adviser and Senior Project Manager (Architectural Services).
- 2.2 That the Project Boards for Menzieshill, Coldsid e and Strathmartine be chaired by the Chief Executive, Director of Corporate Services and Director of Education respectively.

3. FINANCIAL IMPLICATIONS

None

4. BACKGROUND

- 4.1 At the meetings of the Policy & Resources and Education Committees on 25 June 2012, it was agreed that the City Council would commit to the development of school and community campuses in Menzieshill and Coldsid e, and schools replacements in Strathmartine.
- 4.2 Consequently, given the scope and complexity of these projects, the need has arisen to establish Project Boards.
- 4.3 It should be noted that a Project Board was established in 2001 to oversee the development of the Dundee Schools PPP Project. This structure proved invaluable and was subsequently replicated for the Kingspark School replacement. Currently Boards are in operation for the West End, Balgarthno Road and Harris Academy projects.

5. **PROPOSAL**

It is proposed that a Project Board for the three school and community campuses at Menzieshill, Coldside and Strathmartine be established in line with the recommendation in paragraph 2.1 above. The Boards will be chaired by the following senior officers
Menzieshill - David Dorward, Chief Executive
Coldside - Marjory Stewart, Director of Corporate Services
Strathmartine - Michael Wood, Director of Education

6. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. There are no major issues.

7. **CONSULTATIONS**

The Director of Corporate Services, Head of Democratic & Legal Services, Director of Education and Director of Leisure & Communities have been consulted in the preparation of this report.

8. **BACKGROUND PAPERS**

None.

David K Dorward
Chief Executive

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19/11/2012