
Report to: Clackmannanshire Council

Date of Meeting: 21 October 2021

Subject: Be the Future Update

Report by: Strategic Director (Transformation)

1.0 Purpose

- 1.1. The purpose of this report is to provide Council with an update on progress in the Be the Future Programme.

2.0 Recommendations

It is recommended that Council notes:

- 2.1. The work on the budget strategy and the position that the Be the Future programme will have within the strategic narrative for the budget (paragraph 3.1).
- 2.2. The work on developing fully-costed business cases for the priority projects associated with the budget strategy which provides the context for the resource requests that are outlined in paragraphs 3.2 – 3.5
- 2.3. The progress in completing work on establishing the governance and delivery model approved at the June Council meeting, including the progress on setting up the first three working groups in the Be the Future programme (paragraphs 3.42 - 3.44).
- 2.4. The progress on the Capacity analysis and Skills Audit tender and the next steps in the process as outlined at paragraph 3.12.
- 2.5. The work with Scottish Futures Trust (SfT) to develop the rapid scoping assessment and associated 'prospectus' for the Transformation Zones in Alloa (paragraphs 3.13 - 3.14).
- 2.6. The opportunity to accelerate the development of Scotland's International Environment Centre to maximise the impact of the Transformation Zones (paragraphs 3.9 - 3.31).
- 2.7. The direction of travel for future funding bids and grants that relate to the Be the Future programme as outlined at paragraphs 3.34 – 3.37.

It is recommended that Council approve:

- 2.8. Repurposing the £467k previously approved budget from the Transformation Fund as set out in paragraph 3.8;
- 2.9. Subject to approval of 2.8 above, that £203k of the £467k repurposed funds are used to fund the resources outlined in paragraph 3.7 and the remaining balance be added to the delegated flexible resourcing fund (paragraphs 3.8-3.10).
- 2.10. The repurposing of £300k from the approved 2021/22 Capital Plan to accelerate Scotland's International Environment Centre as outlined in paragraph 3.30; and
- 2.11. The principle of spending up to £145,500 at risk for two City Region Deal Skills and Inclusion projects relating to Digital and Active travel skills which would be met from uncommitted reserves if funding was not approved (para 3.33).

3.0 Be the Future summary update

Budget strategy and business cases

- 3.1. As set out in the budget strategy papers presented to Council the 2022/23 budget will build on the themes already core to the Be the Future programme with an increasing focus on the outcomes that can be achieved through a collective and coordinated approach to our investment to support people and place alongside our green recovery. This is most clearly evidenced in the work that is progressing on the Alloa Transformation Zones as outlined below.
- 3.2. To support the 2022/23 budget we need to develop fully-costed business cases for Be the Future activity and identify where there are opportunities to bring forward other cases. Fully costed business cases make the case for change and provide the plan, identify the resource and articulate the financial benefits. This provides underpinning information in support of the 2022/23 budget.
- 3.3. In addition to the priority projects outlined in 3.5 the Senior Leadership Group have identified potential opportunities through Digital Transformation and automation to address efficiencies, manage failure demand and make savings. Business cases associated with this will come forward through the Be the Future governance and onwards to Council over the coming months.
- 3.4. To support development of the fully costed business cases for existing priority projects in the Be the Future programme, the Strategic Oversight Group requested Strategic Directors to identify the resource that would be required.
- 3.5. The Programme Management Office worked with the sponsors and owners of the projects and identified the resource that is required to support the following projects to reach fully-costed business cases:
 - STRIVE

- Social care replacement system
 - Well-being hub
 - Learning Estate Strategy
 - Digital transformation
 - Transformation Zones
 - City Region Deal programme
- 3.6. In addition consideration was given to the areas of Corporate Services where development of the business cases would create additional demands and pressures – Finance, HR and Legal in particular, and resource was identified to support those areas.
- 3.7. The resource required for projects differed based on the complexity of the project and the stage of definition that it is in. However there has been a focus on ensuring that project managers are secured and that roles to support the capital programme, in particular Learning Estate and Well-being hub developments, were identified.
- 3.8. The Chief Finance Officer reviewed the resource requests and sought resolutions from the delegated Flexible Resourcing Fund (June 2021 Council meeting) or by capitalisation. Most of the resource requirements were able to be met through the Flexible Resourcing Fund and capitalisation, however a balance of £203k is required to fund the remaining resources as set out below:
- Climate Change Support - £26k;
 - Finance Support - £167k;
 - Consultancy support - £10k.
- 3.9. To fund these resources, Council is asked to approve the request to repurpose previously approved commitments from the Transformation Fund as outlined below:
- £150k from repurposing 2 of the proposed roles previously committed from the Transformation Fund which have been reviewed and are no longer required.
 - £317k (subject to any further staff costs relating to the 2 staff members who have recently vacated these roles) from repurposing the previously approved 2 Project Manager and 2 Business Analyst roles.
- 3.10. If approved, this would create a balance of £467k, £203k of which would be used to fund the resource requirements set out in paragraph 3.8.
- 3.11. We are experiencing labour market challenges which appear to be consistent with other organisations leading to recruitment and retention issues. The above request to repurpose the previous commitments will allow us to reshape the investment to create attractive proposition for good quality, experienced candidates targeted to the priority areas to take forward the Be the Future Programme. On this basis Council is asked to approve that the remaining balance of £264k be added to the delegated

flexible resourcing fund to reshape the resource requirements to take forward the Be the Future Programme. Proposals would be presented to the Be the Future Strategic Oversight Group to whom the Flexible Resource Fund is delegated.

- 3.12. The Capacity analysis and skills audit tender has progressed to an open tender process. The tender process closed 20 September 2021 and following evaluation, we are in the process of making an award. Work will commence in October and likely to take 12 weeks. Outcomes will be released for consideration throughout that 12 week period and will be used to inform thinking on resources needed for the Be the Future programme moving forward.

Transformation Zones

- 3.13. Work to progress the Alloa Transformation Zones has gathered pace. Scottish Futures Trust (SfT) has provided their full proposal on how they will support the development of the 'prospectus' that articulates how the capital plan when brought together with other investment can elicit change that will benefit all of the people of Alloa and Clackmannanshire.
- 3.14. Ahead of the workshops that will develop the single strategic narrative, we are undertaking the mapping exercise of all assets, activities and stakeholders. SfT will do analysis of this before the first workshops take place.
- 3.15. The development of a new Wellbeing Hub for Alloa is progressing through Strategic Definition (RIBA Stage 0) to detailed Preparation and Brief and Concept Design (RIBA Stage 1 and 2). This follows considerable community and stakeholder engagement. Along with a new pool, the Hub will add a significant asset for the community in sport, leisure and wellbeing, with a key focus on improving health outcomes that connects to the wider Be the Future agenda.
- 3.16. We have been informed that we are one of 4 Local Authorities in Scotland to be selected for the full support package for the Shaping Places for Well-being programme led by Public Health Scotland and The Improvement Service. This programme and SfT are now working with us jointly to articulate the forward plan.
- 3.17. The Investment Working Group will look at how our grant capture activity will align to the Transformation Zone developments to maximise investment into Clackmannanshire.

Member induction

- 3.18. As the Council moves into 2022, and towards the May elections, we recognise the need to ensure that Elected Members are inducted (and re-inducted) in a way that both prepares and skills them for the important and nuanced role of local Councillor. As such, Officers are currently developing an approach to Elected Member induction which seeks to:
 - Prepare new Elected Members for the scale and breadth of local authority service delivery;

- Provides insight, and opportunities for upskilling in the quasi-judicial functions of the Council, and the Elected Member role within this;
- Create a resource toolkit for Elected Members covering roles and responsibilities, community leadership, governance, and managing effective relations with Officers and other Elected Members;
- Establishes a local framework for Elected Member development, applicable to all members regardless of tenure or seniority; and
- Provides opportunities for networking with both Elected Member colleagues (across party lines) and Senior Council Officers in order to build rapport, understanding of local contexts, and a collegiate approach to service delivery across Clackmannanshire.

City Region Deal

Scotland's International Environment Centre (SIEC)

- 3.19 On 5 October, the Stirling and Clackmannanshire City Regional Deal Joint Committee approved the Full Business Case for **Phase 1** of the SIEC project, which now moves into the implementation phase.
- 3.20 As previously reported to Council, Phase 1 consists of a full scale development of the Forth Environmental Resilience Array (Forth-ERA), including data analytics centre and visualisation hub; the first key components of the Centre of Excellence that will drive the SIEC innovation community; and fast start of the Business Accelerator to stimulate business innovation and support Green Recovery post COVID-19.
- 3.21 Full scale development of the Forth-ERA will take place over two years commencing in 2021/22 and concluding in 2023. The Low Carbon Business Accelerator service supporting business innovation within the city region activity will commence in late 2021.
- 3.22 **Phase 2** of SIEC is envisaged to involve the creation of a large scale physical headquarters in Alloa, together with further research and development capabilities (adding to Forth-ERA), a business incubator to support innovation & enterprise, and skills training facilities. Given the decisions already made by partners in relation to Phase 1, the presumption for Phase 2 is likely to favour repurposing an existing site and/or building and a location among or closely adjacent to the communities where the need for economic inclusion is greatest. Planning Phase 2 in conjunction with the Council's development of proposals for transformation zones in Alloa would, therefore, make sense.
- 3.23 The current implementation plan for SIEC envisages commencing the next phases of the project from April 2022, running through to 2029/30. However, in the light of the rapidly developing Be the Future programme – including the availability of Greenfield House as a potential site - the

question has been raised of the possibility of accelerating development and implementation of Phase 2 of the project.

- 3.24 There are a broad range of leveraged opportunities from SIEC and the Council's *Be The Future* transformation programme in the pipeline that have the potential to secure additional funding from a range of Scottish and UK Government current and forthcoming sources. Examples include the Green Growth for Recovery project at Forthbank and the potential for innovative geothermal energy generation. Accelerating Phase 2 SIEC, and planning it within the wider context of place-making, social and economic innovation, and the transformation zones, would provide a prospectus of such projects and opportunities that could form the basis for a co-ordinated approach to pursuing additional funding.

Intergenerational Living Innovation Hub (ILIH)

- 3.25 A further consideration is the proposed Intergenerational Living Innovation Hub. The ILIH is a centre that will focus on tackling the demands of an ageing population. Formal confirmation of the offer of £7.25m investment support towards the cost of this project from the Clackmannanshire Capital Fund was made and accepted by the University in October 2021.
- 3.26 The Clackmannanshire Capital Fund is currently flat profiled across the Deal from 2022-23. However, as things stand, it would be unlikely that the ILIH project could begin until approximately 2024-25 since the cost of the project is expected to be in excess of £18m and therefore substantial additional investment would need to be secured before a business case could be approved. Co-developing ILIH and SIEC Phase 2 would offer the potential for a more cost-effective approach and acceleration of the project.

The Potential to Accelerate

- 3.27 There is an opportunity for the Council and the University of Stirling to work together to commence the planning and business case development for SIEC Phase 2 and ILIH as early as November 2021, provided certain conditions are met:
- Resources are confirmed to undertake the planning and business development work. The associated costs would be recoverable at the point of FBC approval, but cash flowing the expenditure to that point will be required. There is no resource available at present within the University City Region Deal programme team to undertake this work, nor governance authority to incur additional expenditure on it.
 - The delivery partners have agreed the broad parameters and scope of the work required for development to FBC, the timeline for that work, and the respective roles and responsibilities within the work programme.
- 3.28 An indicative accelerated timeline for the planning and business case development for SIEC Phase 2/ILIH is set out below:

	Milestone/Activity	Date
1	Commencement of Planning and Business Case Development	Nov 21
2	Site Options Appraisal and Technical Evaluation	Nov 21-Feb 22
3	Commencement of business and stakeholder engagement; pipeline development; “prospectus” development	Jan 22
4	Confirmation of preferred option	Mar 22
	Decision Point milestone (Council/University)	Mar 22
5	RIBA Stage 1 – Preparation and Brief	Apr 22
6	RIBA Stage 2 – Concept Design	Jul 22
7	RIBA Stage 3 – Detailed Design	Oct 22
8	RIBA Stage 4A – Technical Design	Feb 23
9	RIBA Stage 4B – Technical Design and Procurement	Jun 23
10	OBC submitted to RPMO	Oct 22
11	OBC submitted to Scottish and UK Governments	Nov 22
12	OBC endorsed by Scottish and UK Governments	May 23
13	OBC submitted to Chief Officers’ Group for consideration	May 23
14	OBC submitted to Joint Committee for approval	Jun 23
15	FBC submitted to RPMO	Jun 23
16	FBC submitted to Scottish and UK Governments for review and agreement	Jun 23
17	FBC submitted to Chief Officers’ Group for consideration	Aug 23
18	FBC submitted to Joint Committee for approval	Sept 23
19	Commencement of work	Oct 23

3.29 It is proposed that the Council takes responsibility for stages 2-4 of the business case development, i.e. the site options appraisal and technical evaluation; business and stakeholder development; and confirmation of the preferred site. This would involve commissioning the resources and providing the associated funding. The investment required for this activity is estimated to be £295,000. As stated earlier, this would be recoverable once the Full Business Case is approved by both governments and the City Region Deal Joint Committee.

- 3.30 The Council's approved Capital Plan for 2021/22 has an allocation of £250,000 to support the development of the SIEC innovation hub. There is a further £50,000 in 2021/22 allocated for City Region Deal associated land purchase. It is proposed that these sums be re-purposed to support the business case development activity described above.
- 3.31 A further report would come to the Council and the University at stage 4 to confirm the preferred site and present recommendations for the next steps.

Skills and Inclusion Programme

- 3.32 Work is progressing on Business Justification Cases (BJCs) for both projects within the Skills and Inclusion Programme although this process is taking longer than originally envisaged. A second set of comments have been received from Scottish Government and third iteration BJCs are currently being prepared by the Skills and Inclusion team. The points that Scottish Government has raised are relatively minor in nature and the risk of approval not being given is low.
- 3.33 However, funds cannot be drawn down through the City Region Deal governance process until the BJCs are approved. For 2021/22 there is profiled revenue spend of £174,388. Approval is therefore being sought to spend at risk on two projects for digital and active travel skills which both meet the terms of the approved Outline Business Case and the draft BJCs. The value of these projects is up to £145,500 and could be spent in the current financial year. If, in the unlikely event that funds are not received from Scottish Government, this revenue spend would require to be funded from uncommitted reserves.

Funding and investment

- 3.34 As reported previously, our conversion rate for funding applications is approximately 80% which is above the average (conversion rates are typically 50-60%). Whilst the current activity has been driven by the funds available there is an opportunity to align grant and funding activity more closely to our strategic priorities.
- 3.35 The Be the Future Strategic Oversight Group is now receiving regular updates on the major funds connected to activity within the Be the Future programme.
- 3.36 There is now a focus on developing proposals for the Levelling Up funding. The second round is likely to open in early January 2022. The Levelling Up Fund capacity building money (£125k) has been deposited with the Council and is now available to us to develop the approach to our levelling up bids and we will focus our capacity building on the opportunities afforded by the Transformation Zones developments. We will come forward with proposals to Council and a recommendation on whether we progress to the second round of the fund or wait for future rounds to be announced.
- 3.37 Weir Multicons is an example where funding has been awarded and used for transformation. This project is to retrofit substantial environmental

efficiency measures to 15 socially rented houses in Alva, known as Weir Multicons. The project is now nearly complete, with most houses finished. The retrofit provided new windows and doors, new roof, full external wall insulation, solar panels and a Tesla battery to maximise the use of the energy created. The total project cost was set as £775,000 and we received a £310,000 grant from the UK Government's Business, Energy and Industrial Strategy department towards these works. We are told that very few of the successful applicants are likely to complete their projects in time and most will incur clawback. Our project is seen as highly innovative and successful and, as a result, a Ministerial visit is being planned.

Structuring the programme

- 3.38 At the June Council meeting we indicated that the governance arrangements for the Be the Future programme would be refreshed to support the increased pace and scale of the delivery. The Be the Future Board that met 23 September is the second stage of that refresh.
- 3.39 The Strategic Oversight Group has convened and met three times. This officer led group is, along with the reconstituted Board, increasing the scrutiny and challenge within the programme.
- 3.40 With refreshed governance in place, the overall Communication and engagement plan for the Be the Future programme is being developed. The key aim is to re-engage our staff with the benefits that the transformation will deliver and to develop further the compelling narrative on the transformation for our key stakeholders.
- 3.41 As part of this engagement plan, there will be regular briefings for Elected Members' on the key Be the Future developments to ensure that all our members' are provided with the opportunity to develop capacity in their role as leaders and advocates of the Be the Future programme with the communities they represent.
- 3.42 To support this, the Communications and Engagement Corporate Working Group Terms of Reference will go forward to the Strategic Oversight Group 25 October.
- 3.43 Two other working groups will also take Terms of Reference forward to the Strategic Oversight Group – the Investment Group and the Organisational development and service redesign group. All three of these groups are critical to supporting the increased pace and scale we are now seeing with the transformation programme.
- 3.44 The newly appointed Senior Manager (Transformation) Fiona Grinly joined the Transformation team 4 October. Fiona has 20 years experience within the Council and will bring the knowledge and skills that has led to the success of the STRIVE pilot and Police integration project.

4 Sustainability Implications

- 4.1 Environmental and financial sustainability are key priorities of the Be the Future programme and business cases for individual programmes/projects will require to demonstrate clear links to related outcomes.

5 Resource Implications

5.1 *Financial Details*

- 5.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes X

- 5.3 Finance has been consulted and have agreed the financial implications as set out in the report. Yes X

5.4 *Staffing*

6.0 Exempt Reports

- 6.1 Is this report exempt? Yes (please detail the reasons for exemption below) No X

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all X
Our families; children and young people will have the best possible start in life
Women and girls will be confident and aspirational, and achieve their full potential X
Our communities will be resilient and empowered so that they can thrive and flourish X

- (2) **Council Policies** (Please detail)

8.0 Equalities Impact

- 8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes No X

9.0 Legality

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes **X**

10.0 Appendices

- 10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

11.0 Background Papers

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

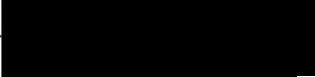
Yes **X** (please list the documents below) No

Be the Future Update papers to Council – September 2020, December 2020, March 2021, June 2021, August 2021

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