A. PURPOSE OF REPORT

The purpose of the report is to advise the Council Executive of the proposed submission in response to the call for evidence in relation to the Scottish Futures Trust.

B. RECOMMENDATION

It is recommended that Council Executive:

1. approves the proposed submission as part of the call for evidence on the Scottish Future Trust; and

2. notes the current activities the council undertakes that involves the Scottish Futures Trust.

C. SUMMARY OF IMPLICATIONS

I Council Values

- Being honest, open and accountable.
- Making best use of our resources.
- Working in partnership.

II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)

- None.

III Implications for Scheme of Delegations to Officers

- None.

IV Impact on performance and performance Indicators

- None.

V Relevance to Single Outcome Agreement

- None.

VI Resources - (Financial, Staffing and Property)

- None.

VII Consideration at PDSP

The call for evidence was issued at the beginning of August 2015 with a response deadline of 2 October 2015. As such there
was not time to report the proposal to a Scrutiny Panel.

VIII Other consultations

None.

D. TERMS OF REPORT

D1 BACKGROUND / INTRODUCTION

The role of the Scottish Parliament Finance Committee is to consider the Scottish Government’s revenue-raising and spending plans, both through the annual budget process and examining the cost implications of proposed statutory legislation. To inform its consideration of the draft 2016/17 budget, the Committee has agreed to invite written evidence on the Scottish Futures Trust (SFT).

The SFT was established by the Scottish Government in 2008. Its current mission states its role is “to improve the efficiency and effectiveness of infrastructure investment and use in Scotland by working collaboratively with public bodies and industry, leading to better value for money and ultimately improved public services”.

As part of the call for evidence, which was issued at the start of August 2015, the Committee is specifically seeking views on the success of the SFT in achieving this aim. Submissions are required by Friday 2 October 2015.

D2 QUESTIONS AND PROPOSED RESPONSES

The specific questions and proposed responses are as follows:

1. The SFT’s role in securing additional investment.

Proposed Response – West Lothian Council has limited experience of the SFT securing additional investment to support our property or other projects. The Council has secured funding from the Schools for the Future Programme which is administered by the SFT on behalf of Government. It is likely that this funding would have been available and administered by the Scottish Government in the absence of the SFT.

2. The SFT’s role in securing better value for money and improved public services.

Proposed Response – Whilst West Lothian Council has been involved in a number of SFT initiatives to varying degrees relating to smarter offices (SFT place), smarter storage and research on the public sector estate, there is, in our opinion, no clear demonstrable evidence that these initiatives have resulted in improved public services for West Lothian residents.
3. The SFT’s role in fostering innovation to improve outcomes.

Proposed Response – The council is aware of a number of innovation initiatives being progressed by the SFT but has limited experience or knowledge of these to advise whether these have been successful in improving outcomes. On the basis that none of the initiatives have been undertaken in West Lothian, then there has been no visible local impact.

4. The SFT’s role in encouraging collaboration to improve efficiency.

Proposed Response – West Lothian Council through our existing relationships with our community planning partners has undertaken a number of projects which have been delivered in collaboration with partners. These include the partnership centres at Broxburn, Fauldhouse and Bathgate together with those proposed at Blackburn, East Calder, Armadale and Whitburn. It should also be noted that the Civic Centre is Scotland’s largest public partnership facility. This collaboration to improve efficiency has occurred outwith any involvement of the SFT.

5. The SFT’s efficacy in securing better outcomes including job creation, training and apprenticeships, environmental sustainability, broader community benefits and digital connectivity.

Proposed Response – Through our own effective procurement processes and policies the council has been successful in securing a wide range of community benefits including those identified above. Whilst the SFT may have procured these desired benefits elsewhere there has been no activity by them on these matters in West Lothian.

6. Any comments you might have on the SFT’s work toward achieving its key aims.

Proposed Response – West Lothian Council has for a number of years been at the forefront of proactive Asset Management with a high performing school estate, effective office and operational buildings modernisation programmes, innovative partnership working and the effective alignment of resources to outcomes that benefit our communities. As a consequence of this whilst engagement has occurred with the SFT, there has been limited opportunity for improvement given the already high levels of performance. The council has been supported the SFT in disseminating best practice to other authorities by proving information on our experiences and projects undertaken.

The council has been advised of ongoing discussions between the Scottish Futures Trust and the Office of National Statistics (ONS) on the interpretation of Design Build Finance Maintain (DBFM) agreements under Eurostat technical guidance on National Statistical Accounts (the European System of Accounts - ESA10) and how these are reflected in public borrowing figures. Following a review of the Aberdeen Western Peripheral Route (AWPR) by the ONS the project has been classified as an “on balance” sheet asset to the public sector rather than “off balance” sheet. The SFT are therefore reviewing contractual
arrangements, to assess what options exist to amend the AWPR contract to allow a reclassification. It is anticipated that these changes will have a direct impact on the contractual arrangements for other DBFM projects. At present we understand that a number of projects across Scotland are currently being delayed as a consequence of this matter and that DBFM standard contracts will require to be amended.

The council notes that this matter has remained unresolved by the SFT for some time and that this now represents a significant risk to projects across Scotland in terms of both delivery timescales and potentially costs. The council notes that delivery off-balance sheet projects was a core objective for the SFT and express concern at the ongoing failure for a solution to be found that allows projects to progress without uncertainty.

E. CONCLUSION

The council welcomes the opportunity to provide comment on the role of the SFT and its success in achieving its aims. There has been limited activity by the organisation in West Lothian and therefore there has been no local evidence to substantiate the achievement or otherwise of its aims.

F. BACKGROUND REFERENCES

None

Appendices/Attachments:

None

Contact Person:

Jack Orr Estates Manager, Finance and Estates
Tel: 01506 281829
Email: jack.orr@westlothian.gov.uk,

Donald Forrest
Head of Finance and Estates
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