
Report To:	Inverclyde Council	Date:	29 November 2012
Report By:	Corporate Director – Environment, Regeneration and Resources	Report No:	IC/05/12/AF
Contact Officer:	Aubrey Fawcett	Contact No:	01475 712762
Subject:	Riverside Inverclyde Business Plan 2012-17: Alterations to Spend Profile and Mid Term Review.		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval in respect of alterations to spend profile and mid term review as referred to in the Riverside Inverclyde Business Plan 2012-17, which was approved by the Environment and Regeneration Committee on 25th October 2012. Due to this request to alter a Council decision within six months of the original decision, Council is requested to suspend Standing Orders to enable this report to be considered.

2.0 SUMMARY

- 2.1 Riverside Inverclyde has been progressing with the implementation of the ri Business Plan 2012-17, however, following a request from the Scottish Government ri was asked to submit bids for advancing future years' funded projects. As a result of being successful in its bid, the Council has been asked to re-profile its allocated funding in 2012-13 to 2016-17.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members:
1. approve the re-profiling of ri's Business Plan projections as outlined in this report; and,
 2. delegate authority to the Corporate Director Environment, Regeneration and Resources to tender for and appoint appropriately qualified consultants in collaboration with Scottish Enterprise to undertake ri's mid term review and that a report is brought back for Members' consideration in due course.

4.0 BACKGROUND

- 4.1 At its meeting of 25th October 2012 the Environment and Regeneration Committee:
- endorsed the Riverside Inverclyde Business Plan 2012-17, subject to clarification of the property income and appropriate management/operating costs and confirmation that all funding awarded to the private sector is in accordance with state aid rules; and,
 - noted that in accordance with the Members' Agreement a mid term review will be undertaken of ri's activities and the wider delivery of regeneration services in Inverclyde and once completed a report will be submitted to Committee for consideration.
- 4.2 Subsequent to the presentation of the Business Plan 2012/13 to 2016/17 Riverside Inverclyde was requested by Scottish Government to consider submitting bids to accelerate capital funding for spend on shovel ready projects, if possible.

5.0 PROPOSAL

- 5.1 Following ri's successful bid, Officers have been working alongside representatives from RI, Scottish Government and Scottish Enterprise to reassess ri's Business Plan 2012-17. Acceleration of 3 projects totalling £2.4m have been identified as noted below:

Custom House Refurbishment	£950,000
Kelburn Business Park Development	£1,050,000
ri Commercial Portfolio	£400,000

The potential outcome from advancing projects is possible efficiency savings being gained by awarding larger contracts values as well as speeding up activity on the ground.

- 5.2 The acceleration of these projects would involve drawing down the full Scottish Government allocation for FY 2013/14 of £1.5m in full with the balance of £900k drawn down from future years' allocation, which still requires to be approved.
- 5.3 The effect on the Business Plan of drawing down the Scottish Government funding early is that monies originally allocated to the above projects out of Inverclyde Council funds would need to be redistributed as per the table outlined in Appendix A.
- 5.4 In simple terms the two main effects of the changes are -
- £500k of Inverclyde Council funds allocated in FY 2012/13 to Kelburn would be spread over years 2013/14 to 2016/17
 - £400k of funding for Commercial Property Improvements would be switched from Inverclyde Council Funding to Scottish Government with the £400k of Council funding being allocated to Management and Administration Costs, Creative Industries and Custom House.
- 5.5 Members were also advised in October 2012 that ri is now just over half way through its original 10 year life span and in accordance the Members' Agreement a mid term review is required to be undertaken by the Member organisations, Inverclyde Council and Scottish Enterprise. It is intended that this will also include a wider review of the delivery of regeneration services in Inverclyde. It is proposed that appropriately qualified consultants are appointed in collaboration with Scottish Enterprise to undertake this review and that a report is brought back for Members' consideration.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Port Glasgow Regeneration Gourock Pier and Railhead Development Area ER&R Directorate Budgets		2011/14	£1,000,000		Allocations included within existing budgets
		2011/14	£4,700,000		
		2012/13	Up to £7,500		Council's contribution towards mid term review, contained within Directorate's budgets

Financial Implications – Annually Recurring Costs/ (Savings) – none in addition to those previously advised.

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Riverside Inverclyde		2013-15 2015-17	£1,600,000 p.a. £1,500,000 p.a.		Allocations included within existing budgets

6.2 Human Resources and Legal Implications: The Heads of Legal & Democratic Services and Organisational Development, HR & Communications have been consulted on this report.

6.3 Equalities: All related equality issues will be appropriately considered in relation the proposals identified above.

6.4 Repopulation: The regeneration plans of RI should positively contribute to the repopulation of Inverclyde.

7.0 CONSULTATION

7.1 Consultation has taken place with ri, Scottish Government and Scottish Enterprise.

8.0 LIST OF BACKGROUND PAPERS

8.1 None.

APPENDIX A

Inverclyde Council Funding	<i>2012 - 13</i>	<i>2013 - 14</i>	<i>2014 - 15</i>	<i>2015 - 16</i>	<i>2016 - 17</i>	<i>TOTAL</i>
As per Original Plan	£4,950,000	£5,290,000	£1,600,000	£1,500,000	£1,500,000	£14,840,000
Defer Kelburn spend	-£500,000	£250,000	£90,000	£270,000	-£110,000	£0
Reallocation of Custom House		£50,000				£50,000
Reallocation of Creative Industries		£25,000				£25,000
Reallocation of Management and Administrative		£225,000	£115,000			£340,000
Reallocation of riph Commercial improvements		-£200,000	-£100,000	-£100,000	-£15,000	-£415,000
	£4,450,000	£5,640,000	£1,705,000	£1,670,000	£1,375,000	£14,840,000
Revised drawdown	£4,450,000	£5,640,000	£1,705,000	£1,670,000	£1,375,000	£14,840,000