Planning and Environment Services

Service Review

Economic Development

Service Review Team
November 2013
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**Appendix 1 Scoping report**

**Appendix 2 Service Reviews:**

- Business & Enterprise                                                | 1    |
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- Employability & Skills                                               | 200  |
- Strategic Projects                                                   | 261  |
1. Introduction

This report is the outcome of a Service Review process carried out within the Economic Development Service, one of 4 such reviews undertaken across the whole of the Planning and Environment Services Department.

The Service Review was carried out during the period between June and November 2013 and covered all functions of the Service (Business & Enterprise, Countryside & Access, Employability & Skills and Strategic Projects).

Our Council is facing unprecedented reductions in its financial resources, with year on year reductions on revenue budgets and increasing needs and demands for services. To be able to address the challenges this presents it is important that Planning and Environment Services review current service provision to achieve financial efficiencies and savings and also to prioritise outcomes for individuals and our communities ensuring our services are able to meet their needs.

During 2011/12 and continuing into early 2012/13, Planning and Environment Services underwent a major change process following a downsizing of some 15% in the establishment resource across the Department. This change programme has been completed and a period of consolidation has continued, during which a Public Service Improvement Framework (PSIF) strategic assessment was completed.

When presenting the Planning and Environment Service Business Plan 2012/15 to Planning, Housing and Environment Services Committee, on 18 October 2012, Members were advised that a service review would be carried out for each of the services within Planning and Environment Services to inform the 2014/15 budget development process and beyond.

On 09 July 2013 Planning, Housing and Environment Services Committee considered the report ‘Service Review – Planning and Environment Services’ and:

- reviewed and agreed the detailed scope of the service reviews; and
- agreed the desired outcomes of the service reviews.

The agreed scope of the service review for the Infrastructure and Commissioning Service is included at Appendix 1.

The Economic Development Service Review Team was led by the Head of Service, Ewan Green along with Service Managers – Chris Brown, Simon Fieldhouse, Dawn Redpath and Jason Syers.
2. Current Service Provision

2.1 Service Overview

Economic Development is based on four core teams that deliver activities which support new and growing businesses, develop regional economic sectors (e.g. tourism), support clients who are far removed from the labour market into training and employment, maximise economic opportunities arising from countryside and natural assets and lead delivery of regeneration strategies for Dumfries, Stranraer and the CoReS (M74 corridor).

The overall main aims of the service are to play a role in maximising the value of the region’s natural assets through delivering Countryside Access projects, statutory access functions, strategic countryside projects and Ranger Services; to deliver the council’s Core Path Planning; to deliver the council’s responsibilities in respect of the Regional Economic Strategy (focusing on business support and key economic sectors); to deliver employability support for young people and the unemployed and to deliver the regeneration priorities for Dumfries Regional Capital, Stranraer Waterfront and CoReS (the Regeneration Strategy for Gretna, Lockerbie and Annan).

The Service delivers a wide range of activities which promote economic development across the region and on a wider South of Scotland area (with Scottish Borders Council and Scottish Enterprise) where appropriate. The South of Scotland Competitiveness Strategy and the Dumfries and Galloway Regional Economic Strategy are the main two strategic drivers for the business. The Service also leads on a number of corporate priorities such as South of Scotland Broadband and the development of the Crichton Quarter.

The service is split into the following core activities and a number of economic initiatives, such as the LEADER funding programme and South of Scotland Alliance.

Business and Enterprise

The main focus of the team is to support the region’s small to medium sized enterprises (SME’s) which form the majority of the Dumfries & Galloway business base. The service operates support programmes such as Business Gateway and Financial Assistance to Small Business (FASB) grant schemes. A key focus for the service is to support the development of key economic sectors such as tourism and food and drink, and working with the private sector/industry leads to do this. Creative Industry support and Screen Commission are also part of this sectoral approach linking into tourism and food & drink. The team also provides economic strategy and performance services which support external funding, identify future opportunities for intervention and monitor progress against the business plan targets.

Countryside

The Service is made up of two teams delivering a broad range of countryside services across the region - The Access Team and The Ranger Team. The Access Team is responsible for the development and delivery of the capital investment for core paths plans and access projects to support the enhancement of key access routes across the region. The Access Team manages the Council’s statutory access enforcement duties by investigating and resolving access issues and disputes through the delivery of the statutory duties under the Land Reform (Scotland) Act 2003 and Countryside (Scotland) Act 1967. The team also provides advice and guidance on access rights and responsibilities to land managers, recreational user groups, communities and members of the public.
The Ranger Service takes forward environmental projects and initiatives which develop and enhance nature based tourism and supports Advisory Management Committees, established to help provide community input and ownership at sites across the region (including Loch Ken, Castle Loch and Wigtown Bay) where the service provides management and enforcement activities. In addition the Ranger Service works closely with partners and stakeholders to deliver a range of strategic countryside projects to improve habitat and biodiversity across the region and is responsible for the delivery of environmental education to the region’s schools.

**Employability and Skills**
The team focuses service delivery on three strands; direct employability support for young people and adults, strategic planning for employability and employer engagement. The development of the Employability Partnership for Dumfries and Galloway is also being taken forward through the team. The team provides these services on a region-wide basis but also recognises that each area within the region needs locally tailored solutions.

**Strategic Projects**
The team works on a region-wide basis to develop and deliver physical regeneration projects and capital investment priorities. It leads the regeneration of Dumfries Regional Capital, Stranraer Waterfront and Loch Ryan and Masterplans for the priority areas in the CoRES (Gretna, Lockerbie, and Annan) corridor. Town centre regeneration programmes are a core activity for the team, which includes the region-wide Shopfront Improvement initiative targeted at improving the High Streets of our smaller Towns. Central to delivering the capital programme is the co-ordination of other services within the council and external partners, including community council’s and other bodies as part of the regeneration Action Plans for the priority areas.

**Economic Initiatives**
The Economic Development Service leads on the development of the Crichton Quarter, including supporting the Crichton Trust to deliver its aims and objectives. A senior manager from the Service is currently seconded to lead the Crichton Trust. In addition the Service manages the LEADER and EFF (European Fisheries Fund) programmes which provide grant funds to support economic, social and environmental projects across the region.

The LEADER core team of 4 FTE temporary staff is based in Kirkbank House, Dumfries. The fund disbursed is European Grant support provided via a Service Level Agreement between the Council and the Scottish Government. The current programme runs from 2008 to 2014 and this will amount to £3.9m of grants being provided across the region. The LEADER team also develops and delivers a range of community development programmes using external funding.

The EFF is managed through the Countryside Service, with the aid of 1 FTE administrative post. The funding disbursed is European Grant support provided via a Service Level Agreement between the Council and the Scottish Government. The current programme runs from 2012 to 2015 and this will amount to £1.2m of grants being provided across the region.

The Service is also the asset owner of the Council’s Industrial Portfolio, which is managed on a daily basis by Strategic Property Services. The net income from this is part of the overall Service budget.
2.2 Service Delivery

The Economic Development Service primarily delivers services in support of the region’s Single Outcome Agreement and Council’s stated priorities:

- We will provide a good start in life for all our children
- We will prepare our young people for adulthood and employment
- We will care for our older and vulnerable people
- We will support and stimulate our local economy
- We will maintain the safety and security of our region
- We will protect and sustain our environment

The South of Scotland Competitiveness Strategy and the Dumfries and Galloway Regional Economic Strategy are two key drivers for the business. Specifically, the Countryside Service works within defined legislation and has a range of statutory powers and duties to facilitate the delivery of Countryside Access (e.g. The Land Reform (Scotland) Act 2003 and the Countryside (Scotland) Act 1967).

The annual service revenue budget of £3.1m is applied across the teams to deliver services and projects across the region. The Teams all proactively seek external funding and this has been used successfully to add value to service levels and bring forward innovative economic environmental programme:

The activities of the Economic Development Service are delivered by the service’s own staff with dedicated teams for each of the core activities. The establishment of these teams includes a range of project specific, temporary posts. A major concern is the high reliance on externally funded but temporary posts within the Business & Enterprise and Employability & Skills teams.

- **Business and Enterprise** services are delivered by the Service’s own staff of 15 (of whom 8 are employed on fixed term contacts through external funding) working closely with the private sector and industry leads. Contracts and commissions are in place to deliver specific services for business and sectoral support by external organisations

- **Countryside and Access** services are delivered by the Service’s own staff complement of 15 (including a Modern Apprentice Administrator of whom one is employed on fixed term contacts through external funding) who work across the region. This includes ranger and access services delivering site and path maintenance and enforcement and strategic countryside projects.

- **Employability and Skills** services are delivered by the Service’s own staff of 15 (including two Modern Apprentices and 5 whom are employed on fixed term contracts through external funding) to ensure that the unique labour market needs of each area are understood and addressed. Staff are located in five communities across the region.

- **Strategic Projects** services are delivered by 7 officer posts (of whom one employed on fixed term contacts through external funding) and delivery is focused on the delivery of key regeneration priorities of Dumfries, Stranraer and CoRES (Gretna, Lockerbie and Annan).
All teams work closely with partners in the private and third sector to ensure the successful delivery of their objectives across the region. Externalised services are delivered by the teams or via service level agreements with third party organisations, either at national or local level.

2.3 Links to Council Priorities

The Service is tasked with both leading and / or supporting the delivery of the following of the Council’s Priorities:

- promote and support our young entrepreneurs.
- invest in re-training to get more unemployed people back to work
- provide targeted support to small businesses across the region to take on extra workers and bid for council contracts
- work to secure adequate government funding for Dumfries and Galloway College and the Barony College Campus
- work with the Crichton Campus to secure a sustainable future for the site
- maximise sustainable employment throughout Dumfries and Galloway by working with local businesses and business organisations.
- provide support and training for businesses to succeed in their bids for public sector contracts and ensure process is fully open and transparent
- make economic development a top priority, in particular supporting
  - investment in Stranraer and Loch Ryan Waterfront
  - a rejuvenated regional capital in Dumfries,
  - the strategic business locations in the Gretna, Lockerbie and Annan corridor.
  - the regeneration of Upper Nithsdale
- sponsor festivals, community arts and events across the region
- maximise the tourism potential, economic benefit and legacy from major events, including the Commonwealth Games, Ryder Cup and Year of the Homecoming 2014.
- improve connectivity to benefit our communities including leading Scotland’s development of superfast rural broadband.
- maximise developer contributions as part of our planning process.

2.4 Performance Indicators and Projects

To achieve the above the Service has the following Key Performance Indicators and Projects:

- Ensure 270 unemployed clients reach a positive destination (education, training or employment)
- Create 400 new start-up businesses per year
- 90 clients per year accessing the Local Advisory Service
- Create 5 new start-up businesses per year under the Young Entrepreneurs programme
In addition to the above outputs the service leads the delivery of a number of key projects:

<table>
<thead>
<tr>
<th>Business &amp; Enterprise</th>
<th>Employability &amp;Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapelcross (CX) Project.</td>
<td>Community Benefits within new NHS Hospital Build.</td>
</tr>
<tr>
<td>South of Scotland Business Competitiveness Project.</td>
<td>Young Recruits Programme.</td>
</tr>
<tr>
<td>Business Gateway Plus (Council funded additional support)</td>
<td>Total Access Point (TAP) for Employment.</td>
</tr>
<tr>
<td>Regional Tourism Annual Action Plan</td>
<td>Employability Partnership Action Plan</td>
</tr>
<tr>
<td>Regional Food and Drink Action Plan</td>
<td>Public Sector Workplace Initiative</td>
</tr>
<tr>
<td>Financial Assistance to Small Business Grant Programme.</td>
<td></td>
</tr>
<tr>
<td>Supplier Development Programme.</td>
<td></td>
</tr>
<tr>
<td>LEADER Funding Programme.</td>
<td></td>
</tr>
<tr>
<td><strong>Countryside &amp; Access</strong></td>
<td><strong>Strategic Projects</strong></td>
</tr>
<tr>
<td>Galloway and Southern Ayrshire Biosphere</td>
<td>Stranraer Regeneration Action Plan</td>
</tr>
<tr>
<td>Core Paths Plan.</td>
<td>Dumfries Town Centre Action Plan</td>
</tr>
<tr>
<td>Countryside Strategy</td>
<td>Shopfront Improvement Initiative</td>
</tr>
<tr>
<td>European Fisheries Funding Programme.</td>
<td>Crichton 2020+.Business Plan</td>
</tr>
<tr>
<td></td>
<td>South of Scotland Broadband</td>
</tr>
</tbody>
</table>

All Key Performance Indicators and Projects form part of the Planning & Environment Services Business Plan and performance against targets is monitored through the COVALENT system. This is reported at Planning, Housing and Environment Committee and at Area Committee. Performance against Revenue and Capital budget is also monitored.
3. Customer, Staff and Stakeholder engagement

3.1 Customer Engagement

Customer engagement is carried out in different ways across all four teams. This is recognised as an area for development for the Service as a whole but is improving. Each Team does ensure that customer evaluations and feedback are used to development programmes and projects:

**Business and Enterprise**
- **Business Gateway:** In addition to the national evaluation of Business Gateway, our Council undertook an independent evaluation, including clients who use the service, start-ups who hadn’t used BG, Chambers of Commerce, FSB, existing clients with growth aspirations, Scottish Enterprise, WRDC.

- **Business Gateway –** Quarterly customer satisfaction audits, Monthly mystery shopper audits, Aftercare and customer satisfaction surveys are undertaken.

- **Financial Assistance to small Business (FASB):** a full independent evaluation was undertaken of FASB in 2011 with existing clients, BG Advisers, intermediaries including banks, accountants etc, potential growth business, Chambers of commerce, FSB.

- **Tourism:** Twice yearly Marketing Interest group is held to invite business and stakeholders to be involved in the development of marketing campaigns through the Councils MOA with VisitScotland

- **Tourism:** Annual Business Performance Monitor – 100 Business are engaged with to assess business performance by direct phone engagement, includes any additional service DGC could provide and satisfaction with service support.

- **Workshops:** All workshops held include a customer feedback form which is evaluated to ensure support is being targeted appropriately, course/workshop development includes business engagement through direct contact with business and key partners.

**Countryside Services**
- **Both the Ranger Team and Access Team** respond directly to enquiries and issues raised by our customers directly through engagement on site and formal responses.

- **Countryside Service** has established stakeholder groups to engage consult and seek advice from on operational issues. These are the Advisory Management Committee’s (Loch Ken, Wigtown Bay and Castle Loch) the Outdoor Access Forum the Fisheries Local Action Group and the Biosphere Partnership Board. Each group consists of key stakeholders representing communities, partners and agencies.

- **In addition the Countryside Service utilises local media, publications and social media to engage with customers providing information on events activities and opportunities locally.**
Employability and Skills Services

- Feedback from employers has been collected through formal evaluation forms collected ‘post event’ and meetings to consider ‘lessons learned from specific activities (for example the Engineering Apprenticeship Programme). Employers are also consulted via discrete research projects, for example research undertaken in 2013 with hospitality employers on their perceived skills gaps.

- Service Providers and wider stakeholders attend our annual employability events which focus on consulting to improve service delivery and target resources. Training Providers are consulted through feedback forms post Training Provider forums as well as e-mail requests for feedback.

- The Service is about to undertake a refreshed customer feedback survey with clients. Historically it has proven difficult to get feedback responses from clients after they have left the service as they generally disconnect very quickly however, on an individual basis, Link Workers regularly receive words of thanks from clients for the support they have provided.

Strategic Projects

- The work of the Strategic Projects Team includes high degree of consultation and engagement across a broad spectrum of project partners and cross-cutting themes, in the implementation and delivery of regeneration projects.

- The Team now uses Charrette methodology to deliver complex masterplans and individual projects that require careful planning and design solutions. The process facilitates wide engagement with other Council departments, Scottish Government Agencies, Statutory bodies, businesses and community organisations. This approach enables the council to generate a high level of customer engagement on key strategic projects, such as, Whitesands, Lockerbie, Gretna, Annan and Stranraer Waterfront.

- The Team also undertakes on-going strategic engagements with its customers including coordinating key stakeholder groups. These groups include a range of external and internal partners critical to the delivery of projects in these areas. The works of these groups facilitates the delivery current projects, such as, Whitesands, Burns Statue, Annan Gateway projects and Lockerbie Town Square. They also essentially assist in the evolution of a pipeline programme and continuity of the forward regeneration programme.
3.2 Staff Engagement

Staff engagement was carried out in a workshop format with each Team and was based on working through a standard question set for grouped areas of work. An example of the question set used is provided below:

<table>
<thead>
<tr>
<th>Council Priority 4</th>
<th>Work Area: Business Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why do we provide this service?</td>
<td></td>
</tr>
<tr>
<td>What are the key influences that are currently affecting the service?</td>
<td></td>
</tr>
<tr>
<td>What would happen if the service was not provided?</td>
<td></td>
</tr>
<tr>
<td>What would happen if the service was reduced?</td>
<td></td>
</tr>
<tr>
<td>Who else provides the exact or similar service?</td>
<td></td>
</tr>
<tr>
<td>What are the key legislative economic or social changes that are likely to affect the need or demand for the service in the future? What are their likely impacts?</td>
<td></td>
</tr>
<tr>
<td>How could the service be delivered differently?</td>
<td></td>
</tr>
<tr>
<td>Which areas of our work are critical/core business?</td>
<td></td>
</tr>
<tr>
<td>What opportunities are there for External Funding to support Service delivery?</td>
<td></td>
</tr>
<tr>
<td>Can our Services create new income streams for the Council?</td>
<td></td>
</tr>
</tbody>
</table>

The detailed responses from each workshop can be found in the Appendix with reference to:

- Business & Enterprise Page 27
- Countryside & Access Page 171
- Employability & Skills Page 208
- Strategic Projects Page 263

The headline considerations arising from the staff engagement workshops are outlined below:

- positive role of all teams supporting delivery of all council priorities, the cross cutting nature of economic development brings added value
- negative downstream impacts if service delivery is reduced resulting in increased draw on other public sector services (e.g. health, social work)
- unique/bespoke rural services for businesses and communities means that activities can’t generally be externally commissioned to the same level
- access to our services is free and equitable – region wide approach
- reduced capacity to attract external funding leading to fewer projects being delivered and less added value return from budgets
- options exist to review services on a corporate basis to ensure efficient and identify areas for improvement
- better online presence, better communication would improve access to services and reach wider customer base
- further coordination of partnership working would improve efficiency & add value
3.3 Stakeholder Engagement

As part of the service review process our teams have carried out a number of engagement exercises and national, regional and local stakeholders have been engaged using a combination of Survey Monkey questionnaires and interview.

The detailed responses from each workshop can be found in the Appendix with reference to:

- Business & Enterprise Page 44
- Countryside & Access Page 176
- Employability & Skills Page 217
- Strategic Projects Page 273

3.3.1 The headline considerations arising from the stakeholder engagement workshops are outlined below:

- **Business & Enterprise**: recognition that business and sectoral support are critical for the regional economy. Strong views that our focus on support for existing business growth should continue. Relationships with partners have led to innovation and D&G being at the forefront of new developments. Links to employability are essential.

- **Countryside & Access**: strong view that the service is under resourced and under valued. The most important areas of work were highlighted as Biosphere and strategic landscape projects, core path infrastructure, management of sites and environmental education.

- **Employability & Skills**: partners strongly support the strategic leadership role for the Council and the benefits that this has already brought to the region. Some duplication of activity was recognised as being unavoidable but was seen to be minimised by good working relationships. Enhanced employer engagement approach very well received.

- **Strategic Projects**: role to focus on development and delivery of strategic regeneration projects highly valued. Capital investment and opportunity to attract external grant support for projects seen as key. Good practice being delivered in relation to design and delivery collaboration, consultation and engagement in new projects (e.g. Charette approach).

4. Benchmarking, Performance and Trends

4.1 Benchmarking

Benchmarking with other local authorities has been undertaken but this has been on a bespoke ‘team by team’ basis. This is because local authorities do not general have exactly the same structures for economic development and adds complexity to a benchmarking exercise. In effect the teams were not always comparing services delivered on a ‘like for like’ basis.

To ensure that a robust level of benchmarking data was collected and used effectively each team chose a selection of local authorities from CoSLA Benchmarking families.
Business & Enterprise  (Scottish Borders, Argyll & Bute, East Ayrshire, North Ayrshire, South Ayrshire, South Lanarkshire)

Countryside & Access  (East Ayrshire, Fife, Highland and Scottish Borders)

Employability & Skills  (Clackmannanshire, Falkirk, South Lanarkshire, Perth and Kinross)

Strategic Projects  (Scottish Borders, Argyll & Bute, East Ayrshire Council).

The detailed responses from benchmarking can be found in the Appendix with reference to:

- Business & Enterprise  Page 58
- Countryside & Access  Page 178
- Employability & Skills  Page 222
- Strategic Projects  Page 276

The headline considerations arising from the benchmarking are outlined below:

- In general all teams deliver comparable service priorities to those of other Local Authorities:
  - Countryside focus on access rights, core path management and strategic countryside projects.
  - Employability focus on youth employment
  - Business focus on small business start up, growth and sustainability.
  - Regeneration focus on strategic employment sites and town centres

- CiPFA Rating highlights that our Council spends £29.64 per head of population compared to the Scottish average of £37.85

- Business Gateway contracts are evenly split between external and ‘in house’ providers. The contracts are developed very much on a local, needs basis. There is a potential opportunity to grow services through re-designing certain elements of activity.

- D&G focus on bespoke programmes for business and employability is innovative (retail support, young entrepreneurship, front line employability workers located in schools, Beyond Chapelcross).

- Local Authorities are increasingly taking a lead role in the commissioning of employability programmes and this is currently an area of development for our Council.

- Employer engagement resource for employability is increasingly important to local authorities given the role to deliver or facilitate national employability initiatives.

- D&G resources for countryside is lower pro-rata in terms of staff number and value of investment.
• Regeneration programmes are identified well but could benefit from greater co-ordination and adoption of structured project development processes.

4.2 Trends and Performance

Local performance data is captured on a project by project basis and used to support the development and design of future service delivery. National performance data is also collected via the Scottish Local Authorities Economic Development (SLAED) Indicators Framework 2012-2013, which has been developed with the Improvement Service and Scottish Government.

In general, outputs have been achieved on or above target for the three years since the Service was established. The following headline trends have been sustained by the Service:

• Key Performance Indicators have all been on or above target:
  – Business Start Up
  – Business Growth Supports
  – Financial Assistance for Small Business Grants (FASB)
  – Unemployed Clients into a Positive Destination

• On an annual basis the Service works with:
  – 750 businesses
  – 1200 adults (16+) who are not employed
  – 200 young people moving into training or employment.

• Business Start Up & Business Survival rates are on a par with national averages.

• Rental levels from the Industrial Property Portfolio is at 95% giving grown from 83% in 2011

• External funding ratio is a £1.03 return for every £1 of Council budget invested.

• Return on Investment from VisitScotland marketing has improved and is above national average.

• Inward investment into the area is weak.

• Capital Programme spend performance has improved in 13-14 as a result of increasing staff resources and improving project management processes.

• Utilising the Charrette methodology has resulted in key projects being advanced more quickly than previously (e.g. Lockerbie Masterplan). This has supported improved delivery of both the capital programme and the associated spend profile.

• On an annual basis we deliver 160+ school sessions to support the delivery of Curriculum for Excellence.
5. Challenges

The options set out in Section Six of this report have been developed following consideration of the service review outcomes, feedback from the Challenge Panel process and the following underpinning issues:

• A review of the Payments to Other Bodies budget has identified opportunities for reviewing commissions and external payments to ensure efficient delivery

• A review of the Payments to Other Bodies budget has identified the option to save unallocated funds for 2014-15 and the need for ongoing project funding support.

• No staff have taken up the offer of Voluntary Early Retirements and the age profile of the service means that this will not be a significant factor in achieving savings

• There is limited potential for new income generation – the income derived from the industrial property portfolio has limited scope for increase as rental levels have been assessed as being at market rates.

• A commitment to re-focus all service delivery to assess the need for current vacant posts

• Capitalisation of FTE posts associated with capital investment is an appropriate option to consider

• There are a high number of key posts that are being funded through short term external funding, achieving longer term security for these posts is essential if we are to continue to deliver the current level of services.

• There is an opportunity to re-engineer the Employability & Skills Service delivery through a corporate review of all employability related activities to maximise return on investment for the Council

• There is an opportunity to re-engineer Countryside and Access Service delivery through corporate review of all countryside maintenance and access management activities to maximise return on investment for the Council
6. Options for Future Service Delivery and Savings

The impact of a range of options has been assessed in detail by each Team on the basis of a 5%-20% reduction in resources. Outlined below in the table is the range of options put forward for consideration arising from this process.

The detailed assessment of the potential options and impacts can be found in the Appendix with reference to:

- Business & Enterprise Page 103
- Countryside & Access Page 184
- Employability & Skills Page 250
- Strategic Projects Page 283

<table>
<thead>
<tr>
<th>Option A</th>
<th>Team</th>
<th>Saving Option</th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B&amp;E</td>
<td>Re-engineer Food &amp; Drink Initiative</td>
<td></td>
<td></td>
<td></td>
<td>This is a commission which has been re-engineered in 13/14 and will continue at this level on a recurring basis. Impact on service delivery has been mitigated by refocus of team roles internally to ensure no loss of service.</td>
</tr>
<tr>
<td></td>
<td>B&amp;E</td>
<td>Review of project funding - Tour of Britain</td>
<td></td>
<td></td>
<td></td>
<td>This funding is yet to be allocated after 13/14 as the project requires no further funding. No impact on service delivery.</td>
</tr>
<tr>
<td></td>
<td>B&amp;E</td>
<td>Review of project funding - 7 Stanes</td>
<td></td>
<td></td>
<td></td>
<td>This is funding which is to support a specific one year project in 13/14. The project requires no further funding. No impact on service delivery.</td>
</tr>
<tr>
<td></td>
<td>C&amp;A</td>
<td>Vacancy Management - 1 FTE Access Officer Post</td>
<td></td>
<td></td>
<td></td>
<td>This post is currently vacant and represents a 33% reduction in the Team. Activities can be refocused to mitigate this reduction and statutory access role would be maintained. The Statutory access role would be maintained but at a reduced capacity with an impact on service delivery across the region.</td>
</tr>
<tr>
<td></td>
<td>E&amp;S</td>
<td>Redesign Employer Engagement contract to 'in house'</td>
<td></td>
<td></td>
<td></td>
<td>This activity is currently contacted externally</td>
</tr>
</tbody>
</table>
Currently this is delivered via an external contract to the value of £40,000 up to end of 13/14. A review of this has determined it would be better value to bring the activity ‘in-house’ and that a saving would be made in doing so. **Positive impact on service delivery.**

<table>
<thead>
<tr>
<th>SP</th>
<th>Fund 1 x existing Service Manager from Capital Programme.</th>
<th>£61,500</th>
<th>£61,500</th>
<th>£61,500</th>
<th>The Service Manager; Strategic Projects leads the delivery of capital investment for Economic Development and salary costs can be allocated against capital. <strong>No impact on service delivery but will require allocation of capital funding.</strong></th>
</tr>
</thead>
</table>
| Total | 5.6% reduction | £174,000 | £174,000 | £174,000 | |}

**Option B**

<table>
<thead>
<tr>
<th>B&amp;E</th>
<th>Review of VisitScotland Commission - Visitor Centres 13-14 funding level is £x</th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>This forms part of the overall Service Level Agreement with VisitScotland. A review of visitor centres is underway and indications are that this is an area of activity that requires to change to meet current and future user needs. <strong>Positive impact on service delivery and best value outcomes from the Service Level Agreement.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>B&amp;E</td>
<td>Review of Destination Dumfries &amp; Galloway Commission 13-14 funding level is £5,000</td>
<td>£0</td>
<td>£35,000</td>
<td>£35,000</td>
<td>This is a commission which could be re-engineered in 15/16. <strong>Impact on service delivery would be mitigated by refocus of team roles internally to ensure no loss of service.</strong></td>
</tr>
<tr>
<td>B&amp;E</td>
<td>Review of events funding - Dumfries &amp; Stranraer Programmes 13-14 funding level is £30,000</td>
<td>£0</td>
<td>£20,000</td>
<td>£20,000</td>
<td>This is a commission which could be re-engineered in 15/16 and represents a reduction of 15%. <strong>Impact on service delivery would be minimal and options for external funding could be pursued.</strong></td>
</tr>
<tr>
<td>B&amp;E</td>
<td>Review of project funding - Castle Douglas Food Town 13-14 funding level is £10,000</td>
<td>£0</td>
<td>£10,000</td>
<td>£10,000</td>
<td>This is a commission which could be re-engineered in 15/16 or earlier as the project should be moving to greater sustainability. Potential Area Committee grant funding. <strong>Minimal impact on project as has merged with another local project, and increased membership, to improve sustainability.</strong></td>
</tr>
<tr>
<td>Option</td>
<td>Department</td>
<td>Description</td>
<td>Current Funding</td>
<td>Proposed Funding</td>
<td>Impact</td>
</tr>
<tr>
<td>--------</td>
<td>------------</td>
<td>-------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>--------</td>
</tr>
<tr>
<td>E&amp;S</td>
<td>Delete research budget</td>
<td>13-14 funding level is £5,000</td>
<td>£0</td>
<td>£5,000</td>
<td>This is small budget used to undertake research or feasibility into new service activities. This can be deleted with minimal impact on service delivery.</td>
</tr>
<tr>
<td>SP</td>
<td>Review project development budget</td>
<td>13-14 funding level is £109,000</td>
<td>£0</td>
<td>£25,000</td>
<td>This budget is used to develop new regeneration projects or initial feasibility studies for capital projects. Reduction in this budget will have a major impact on the development of ‘shovel ready’ projects and capital spend.</td>
</tr>
<tr>
<td></td>
<td>Total = 8.7% reduction</td>
<td></td>
<td>£174,000</td>
<td>£274,000</td>
<td>£274,000</td>
</tr>
<tr>
<td>Option C</td>
<td>E&amp;S</td>
<td>Review programme administration costs</td>
<td>13-14 funding level is £10,401</td>
<td>£0</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td>SP</td>
<td>Review project development budget</td>
<td>13-14 funding level is £109,000</td>
<td>£0</td>
<td>£25,000</td>
</tr>
<tr>
<td></td>
<td>Total = 12.6% reduction</td>
<td></td>
<td>£174,000</td>
<td>£299,000</td>
<td>£393,401</td>
</tr>
<tr>
<td>Option D</td>
<td>Staff</td>
<td>Reduce Service Delivery (redundancy) by 5 x FTE posts</td>
<td></td>
<td>£0</td>
<td>£178,000</td>
</tr>
<tr>
<td></td>
<td>Total = 16.7% reduction</td>
<td></td>
<td>£174,000</td>
<td>£299,000</td>
<td>£571,401</td>
</tr>
</tbody>
</table>
6.2 Impacts of Options

The headline considerations arsing from the impact of the options presented are outlined below:

- **Option A (5.6%)** is achievable in year one with a minimal impact - based on reducing non allocated budget, vacancy management and capitalisation of staff costs.

- **Option B (8.7%)** is achievable over two years with a moderate impact – based on reviews of tourism and events commissions, and reduction in development funds for regeneration projects.

- **Option C (12.6%)** is achievable over three years with major impact on the development and future delivery of regeneration programmes - option based on 100% reduction in feasibility / development budget.

- **Option D (16.7%)** is achievable over three years with a major impact - based on reducing service delivery by staff redundancy on either a geographic or thematic basis by 20%.

The following are detailed potential impacts which may arise from the implementation of options. These are outlined to provide an overview of considerations which Stakeholders and Officers have identified should options to reduce economic development budgets for Options B, C&D specifically be implemented:

- downstream consequential impact on public services and budgets as the focus on prevention agenda will be lessened - increased draw on partners and other Council services.

- negative region-wide socio economic impact on ‘people, business and place’ - significant consequential impacts on community and business confidence,

- reduced service delivery including frontline services - longer timescales to deal with enquiries and less accessible services for existing and new customers.

- ability to lever external funding will be limited due to lack of match funding and staff resource – lost investment into the region.

- less forward planning and limited proactive development of economic interventions - inability to react effectively and take up new initiatives / funding opportunities from UK and Scottish Governments.

- any reduction will have significant consequential impacts for specific economic sectors and businesses – bespoke sectoral start up support available from Council only.

- loss of innovation through reduced discretionary budget for employability will lead to weakened response to business and community needs.

- Countryside Ranger Service deliver key elements of *Curriculum for Excellence* - potential impact on educational attainment.

- definite reduction in delivery of regeneration priorities through less feasibility work - ‘shovel ready’ projects not in place, further deterioration of strategic locations and town centres.
• no opportunity to support new additional regeneration priorities.
• provision of strategic employment sites will be limited and inward investment potential will remain minimised – market failure and low new job creation.

7. Conclusions and Action Plan

7.1 Conclusions

The main conclusions to draw from the service review and options for savings are:

• Overall the Service delivers well against targets and key projects.
• The priorities for service delivery, and configuration of resources for this, are in line with the Service remit and consistent with other local authorities.
• The Service is ‘lean’ - the level of spend on economic development is demonstrably lower for our Council than the Scottish average.
• Partnership working is strong, brings added value but more could be achieved through this approach.
• Stakeholders value our services highly.
• External funding plays a key role in supporting the delivery of services for both revenue and capital projects and programmes.
• A high percentage of staff (18FTE or 33%) funded on a temporary basis through external funding.
• Opportunities for improving efficiency and effectiveness have been identified from the service review and are reflected in the savings options presented.
• Opportunities for a corporate re-engineering of Countryside & Access and Employability & Skills are recommended as key to areas or work to be progressed.
• Savings options presented are achievable:
  ➢ up to an 8% reduction with minimal / moderate impacts on service delivery.
  ➢ year one options are achievable with minimal impact on service delivery
  ➢ above an 8% reduction will have major impact on service delivery
  ➢ above a 12% reduction will require staff redundancies
7.2 Action Plan

The following actions could be progressed to support the delivery of the options presented, with a focus on delivering year one savings and also progressing the various reviews of corporate service delivery to support new ways of delivering these activities which would be required to confirm future options:

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-engineer Food &amp; Drink Initiative</td>
<td>Economic Development</td>
<td>Completed</td>
</tr>
<tr>
<td>Delete vacant Access Officer post</td>
<td>Economic Development</td>
<td>April 1st 2014</td>
</tr>
<tr>
<td>Recruit Employer Engagement post</td>
<td>Economic Development</td>
<td>April 1st 2014</td>
</tr>
<tr>
<td>Agree mechanism for capitalisation of staff costs</td>
<td>Finance</td>
<td>April 1st 2014</td>
</tr>
<tr>
<td>Reduce base budget to reflect Year One options</td>
<td>Finance</td>
<td>April 1st 2014</td>
</tr>
<tr>
<td>Agree corporate review of employability &amp; skills services</td>
<td>CMT / Economic Development</td>
<td>April 1st 2014</td>
</tr>
<tr>
<td>Complete Review of VisitScotland Commission</td>
<td>Economic Development</td>
<td>April 1st 2015</td>
</tr>
<tr>
<td>Agree corporate review of countryside &amp; access services</td>
<td>CMT</td>
<td>April 1st 2015</td>
</tr>
<tr>
<td>Review Project Development Budget</td>
<td>Economic Development</td>
<td>April 1st 2015</td>
</tr>
<tr>
<td>Review Staffing Structures</td>
<td>Economic Development</td>
<td>April 1st 2016</td>
</tr>
</tbody>
</table>