



Agenda Item

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**Following the Public Pound – Falkirk
Towns Ltd and Falkirk Environment
Trust**

Falkirk Council

Title: Following the Public Pound – Falkirk Towns Ltd and Falkirk Environment Trust
Meeting: Scrutiny Committee (External)
Date: 11 January 2018
Submitted By: Director of Development Services

1. Purpose of Report

- 1.1 This report provides information under the Following the Public Pound arrangements for the period 1 April 2016 to 31 March 2018 for Falkirk Towns Ltd and Falkirk Environment Trust.

2. Recommendation(s)

- 2.1 The Committee is invited to consider each organisation's report and select from the following options for each external organisation:
- 1) Approve the report and acknowledge progress by the external organisation in meeting Council priorities;
 - 2) Request that further information be provided by them on specific aspects of the service provided; or
 - 3) Request a follow-up report for subsequent Member consideration on specific aspects of the organisation's performance or on the organisation as a whole.

3. Background

- 3.1 External organisations which receive funding from Falkirk Council are subject to formal monitoring, scrutiny and reporting. The organisations that receive funding to support our outcomes on economic development and the environment include Falkirk Towns Ltd and Falkirk Environment Trust (FET). FET is a charitable organisation which provides a service to enable local groups to access funds for environmental works. Falkirk Towns Ltd is a company limited by guarantee which provides town centre management services and runs the Falkirk Business Improvement District (BID).
- 3.2 These organisations are funded on the basis that they are able to provide services which could not readily be provided by the Council or have not been provided by the Council in the past.
- 3.3 As with other organisations, some were subject to a reduction in funding last year. Whilst the long term value of the services provided by these organisations is acknowledged, reducing budgets for the Council require a critical examination of how much support the Council can afford now and in future years.

- 3.4 The Committee has sought to understand the contribution that various organisations are making to achieve the priorities and outcomes that are of importance to the Council. Monitoring by officers takes the form of regular reports, meetings and attendance on each organisation's Board. The monitoring statements attached as appendices, provide an overview of the service funded by the Council, the agreed objectives or outcomes, performance information during the period and a financial overview.
- 3.5 The activities of both organisations connect with services provided by Development Services to meet priorities and outcomes of the Council and its partners within the key SOLD plan outcomes of:
- Grow our economy
 - Improving the neighbourhood we live in
 - Promoting vibrant town centres

In supporting Falkirk Towns Ltd the Council additionally helps to meet key corporate priorities of:

- Thinking differently about what our town centres can be
 - Promoting town centres as places to live, socialise and participate
 - Expanding our approach to safer streets
- 3.6 The organisations funded or monitored by the Council that support this outcome include:

| Organisation | Monitoring Service | Annual Funding 2017/18 |
|---------------------------------|---------------------------|-------------------------------|
| Falkirk Environment Trust (FET) | Development Services | £23,587 |
| Falkirk Towns Ltd | Development Services | £78,309 |

4 Implications

Financial

- 4.1 The funding allocated to each group is agreed by Council at its budget meeting in February each year. The information set out in this report will help inform future decisions.

Resources

- 4.2 Nil.

Legal

- 4.3 Nil.

Risk

- 4.4 Following the Public Pound processes are designed to assess and mitigate risks to the Council of funding external organisations.

Equalities

- 4.5 The funding of each organisation will be subject to an EPIA over the course of the coming months.

Sustainability/Environmental Impact

- 4.6 Nil.

5 Conclusions

- 5.1 Members are asked to consider the projects reported and to determine any future reports or information they require in relation to the work of Falkirk Towns Ltd and FET.

Director of Development Services

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Date – 22 December 2017

Appendices

Appendix 1- Monitoring Statement for Falkirk FET
Appendix 2 – Monitoring Statement for Falkirk BID

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

None

APPENDIX 1

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| <p align="center">FALKIRK COUNCIL DEVELOPMENT SERVICES FOLLOWING THE PUBLIC POUND ANNUAL REPORTING STATEMENT 2017/18</p> |
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| | |
|----------------------|--|
| Organisation Name | Falkirk Environment Trust |
| Project | Falkirk Environment Trust Main Grant and Small Grants Management |
| Agreement Dates | 1 April 2016 – 31 March 2018 |
| Name of Lead Officer | Ian Edwards |

A OVERALL ORGANISATION AIMS**Summary of Key Aims & Objectives**

The principal aims of Falkirk Environment Trust (FET) are to:

Provide a management service to organisations applying for grant aid from the Scottish Landfill Community Fund (SLCF). The process is overseen by EB Scotland which administers that part of the fund which applies in the Falkirk Council area. This is FET's 'main grants' scheme.

Operate a 'small grants' scheme focussed on community sustainability, resilience and environmental improvements.

Organisational objectives:

- Ensure funded projects align with the Council's corporate and environmental strategies.
- Assist groups and charities in developing projects aimed at making communities more sustainable and resilient.
- Enable communities to actively participate in the enhancement of their local environment.
- Support and facilitate partnership working involving funding agencies and local groups.
- Encourage active citizenship.

What is the purpose of the funding provided by the Council?

The Council provides a contribution of £23,587 per annum to FET. This funding is the Council's contribution towards employing the Falkirk Environment Trust Development Manager full time for 35 hours per week plus travel expenses. The Council also provides office accommodation, including heating and lighting, office furniture, provision of a telephone, postage and stationery, administrative support and day to day management and supervision to support this agreement. The financial equivalent of this resource is £6,000. The balance of funding required for this post (£17250 + VAT) is derived from fee income charged for the administration of main grants.

Why Does the Council Fund this?

Through FET's expertise community groups are empowered and supported to deliver projects which make communities more sustainable, more self-reliant and which improve the natural and built heritage.

**How Long has the Council Funded this Organisation to Deliver this Service?
When did the Council agree to fund this?**

Nineteen years. FET was registered as a Scottish charity limited by guarantee (SC 28253) in August 1998.

Set out the funding provided by the Council for the last five years.

| Year | Annual Funding | Support in Kind | One Off Support |
|---------|----------------|-----------------|-----------------|
| 2017/18 | £23,587.00 | £6,000 | |
| 2016/17 | £23,587.00 | £6,000 | |
| 2015/16 | £27,750.00 | £6,000 | |
| 2014/15 | £27,750.00 | £6,000 | |
| 2013/14 | £27,750.00 | £6,000 | |

B SERVICE DELIVERY**What does the organisation deliver and to whom?**

FET provide a management service to constituted community groups, charities or trusts applying for grant aid from the Scottish Landfill Community Fund (SLCF). These organisations include: regional and national charities, local community groups, sports associations, tenants and residents associations, parent teacher associations, church groups, community councils, youth groups, Falkirk Council and Falkirk Community Trust.

FET operates a small grants scheme focussed on community sustainability and resilience, and environmental improvements. This is run through donations from Falkirk Council and Callendar Estate. This is targeted at eligible organisations carrying out project work in the Council area.

Who and how many people directly benefit from the organisation

All projects funded are fully accessible to the public. Since 2013 FET has provided management for 79 main grant projects to a wide range of organisations. The total grant associated with this is just under £2million. Total project value has been in excess of £10million.

Awards made in the period 2016-17 (to date) are as follows:

| Project | Applicant | Grant (£) |
|------------------------------|------------------|-----------|
| Falkirk Heritage Trails | Bespoke CIC | 20,000 |
| Trinity Arch | Falkirk Council | 26,500 |
| Invasives on the Carron | RFFT | 10,000 |
| Greenhill Open space project | Falkirk Council | 38,000 |
| BFRC Pitch Improvements | Bo'ness Rugby FC | 27,933 |
| D&B Mens Shed Development | D& B Mens Shed | 20,000 |
| Callendar Play Frame | FCT | 60,000 |

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|--|----------------------------------|-----------|
| Re-growing the Sensory Garden | FV Sensory Centre | 23,900 |
| Muiravonside Reed Bed Project | FCT | 42,632 |
| Ash Park Improvements Project | BHL Community Council | 20,423 |
| Falkirk Old Kirk Heating Scheme | Falk. Trinity Church | 19,350 |
| Falkirk CAB Refurbishment | Falkirk CAB | 9,600 |
| Camelon Pollinator Park | Buglife | 5,480 |
| Princes Pollinator Park | Buglife | 4,980 |
| Jupiter Community Recycling Pilot | TCV | 38,117.16 |
| Jennies Park Play again | Bonnybridge Comm. Coun | 6,500 |
| Carron Dams Access & Amenity | CSGNT | 35,000 |
| Charlotte Dundas Heritage Trail | FoCD - Reapplication | 38,500 |
| Dobbie Hall Enhancements | Friends of Dobbie Hall | 48,900 |
| Mariner Centre Project | FCT | 58,929 |
| Kinneil Foreshore Invasives | TCV | 21,600 |
| Carron Invasives Project | RFFT | 10,000 |
| FELkirk Project | FEL -Reapplication | 36,000 |
| Bothkennar Church Windows | Bothkennar Parish Church | 16,420 |
| Camelon Park Access | Falkirk Council | 30,000 |
| Dig In Falkirk | FEL | 14,915 |
| Grangemouth Park Improvements | Falkirk Council | 45,000 |
| Helix Biodiversity Project | Falkirk Comm Trust | 4,471 |
| The Kinneil Green Gym | TCV Scotland | 32,000 |
| Avon Glen Quarry Project | Falkirk Wildlife Group | 16,200 |
| Battle of Falkirk Heritage Trail | Bespoke | 48,251 |
| Bo'ness Buoy | Boness Comm Council | 30,000 |
| Bo'ness phases 4. 5 and 6 | Bo'ness Comm Council | 37,000 |
| Falkirk Heritage Project | Falkirk Council | 80,000 |
| Jupiter Nature Connections Programme | TCV | 33,360 |
| Torwood Core Path Upgrade | Torwood Community Woodland Group | 5,904 |
| Kinneil Cycle Training and Pump Tracks | White Lady Mountain Bike CIC | 22,298 |
| Carron Rope Walk | Friends of Charlotte Dundas | 24,402 |

Set out what other similar and or complementary services are provided which are similar in function or support the same client communities.

There are no comparable services that provide the function or level of support that FET does.

How does this organisation support the Council achieve its priorities?

When referenced to the Corporate Plan 2017-2022 FET's activities contributes to its outcomes through:

Improving the neighbourhoods and estates our citizens live in

Enabled and empowered communities

More self-reliant communities

Are there any areas of improvement and efficiency that could be achieved?

The income generated from management fees on main grants will increase if the number of successful grant applications increases. This could be achieved through a more vigorous and sustained marketing campaign targeted at community groups, charities and other organisations.

Which areas does this service/organisation cover within the Council area – Be Specific

FET will support projects located anywhere within the Council area as long as these are publicly accessible for a minimum of 140 days per annum.

C ASSESSMENT OF PERFORMANCE

Set out current agreed performance information alongside previous years and future years. If there is any benchmarking information provide that.

The FET Development Manager presents the following documents to the FET Board of Directors:

Quarterly – Summary of eligible projects with costs and grant claim amount.

Annually – Annual Report and Audited Accounts for the previous financial year.

Operational performance is dependent on volunteers and groups coming forward with eligible projects that qualify for Landfill Tax funding.

Are there any aspects of performance that are causing concern or need to be improved? If so what are they and what are the plans for improvement.

There are no issues of concern at present.

When was the last time the service was reviewed and what plans are there to review this?

The last Joint Working Agreement is dated 1 April 2014 to 31 March 2015. This has been reviewed December 2017 with a view to preparing an updated agreement in January 2018.

C FINANCIAL / RISK ASSESSMENT OVERVIEW

Set out Falkirk Council funding as a % of the organisations budget. Including financial and in kind contributions.

Falkirk Council funding for the FET Manager's post is £23,587.00

The balance of costs associated is generated through fee income. Management fees are charged on main grant applications. A minimum fee income of £17250.00 needs to be generated to cover the salary and overhead costs of the Council employing the FET Manager.

Financial – there is a risk that additional budget savings will lead to the loss of the FET Development Manager's post as the income from management fees will not be sufficient to cover the salary and overhead costs. This is considered likely as funding from the fund is diminishing and to increase the administration fee for supporting a reducing number projects would place a higher burden on these remaining projects. This would need to be sanctioned by EB Scotland as the approved body for the landfill fund.

Risk - Medium

List other sources of funding the organisation has and how much is provided by source.

Some fee income can be 'top sliced' from the main grant monies to meet the balance of costs of the FET manager's post. FET is an administrative body which helps assess and support applications for grant, other than the above, it holds no funds on its own behalf.

Small Grants - £1000.00, Callander Estate

What is the amount of uncommitted reserves held by the organisation?

Not applicable

What proportion of operation cost do reserves represent?

Not applicable

Last Period of Submitted Audited Accounts

2016/17

What other services does the Council fund that are similar to this organisation including Council provision and to what level are those activities funded?

None

Future sustainability - Are there ways in which the organisation can improve resilience and decrease the money required from the Council?

The FET Development Manager and Board is looking into the feasibility of generating higher fee income from Main Grant applications. No fees are charged for administering Small Grant applications and it would not be feasible to do so as the maximum award is £2000.00. This approach is in recognition that future funding settlements from Falkirk Council are likely to be constrained and even removed.

What is the risk to the Council if these services are not funded?

If they are not funded by the Council, the organisation would require to fund the FET manager's post via a management fee to each of the successful main grant applications otherwise, some voluntary groups and organisations would find it significantly more difficult to raise funds for community focussed project work. Direct application to EB Scotland would still be available but a challenging process for these type of applicants.

Overall Risk Rating (Low/Medium/High) Please note this should note the risk to the Council not the organisation.

Medium

D CONCLUSIONS

Summary of the future activities of the organisation that will allow services to continue to be delivered.

Maintenance of the current level of Council funding towards the FET Manager's post would allow the trust to continue to provide advice and management services to organisations seeking SLCF support.

Since 1998 FET has supported a wide range of organisations and funded a diverse range of projects. A basic requirement of funding is that any projects that secure funding must be readily accessible to the public. Consequently the overall benefits of the work supported by FET are very widely used and appreciated.

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| E SUBMITTED BY | |
| Name | Ian Edwards |
| Designation | Projects and Development Co-ordinator |
| Date | January 2018 |

APPENDIX 2

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| <p align="center">FALKIRK COUNCIL DEVELOPMENT SERVICES FOLLOWING THE PUBLIC POUND ANNUAL REPORTING STATEMENT 2016/18</p> |
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|----------------------|--|
| Organisation Name | Falkirk Towns Ltd on behalf of the Falkirk Delivers BID |
| Project | Falkirk Business Improvement District (BID) Delivery & Promotion of Town Centres |
| Agreement Dates | 1 April 2016 – 31 March 2018 |
| Name of Lead Officer | Jacquie McArthur |

A OVERALL ORGANISATION AIMS

Summary of Key Aims & Objectives

The principal aim of Falkirk Towns Ltd is to deliver projects and services that improve the economic performance of the Falkirk BID area and to a much reduced level the district town centres (Falkirk, Grangemouth, Denny, Bo'ness and Stenhousemuir) to benefit businesses, customers and visitors to the area. Primarily this involves partnership working with a number of key agencies such as Police Scotland, Keep Scotland Beautiful and services within Falkirk Council.

Organisational objectives:

- Promote Falkirk as an exciting and dynamic place to shop, live and work
- Maintain and enhance attractiveness and cleanliness throughout the town centre
- Work with relevant partners to deliver a safe and vibrant town centre
- Ensure Falkirk meets and exceeds expectations as a visitor destination
- Identify additional funding streams, including establishing a social enterprise
- Inspire visitors to enjoy the town centre from day to night
- Create an environment in which businesses are informed, integrated and represented

The operation of a separate company for town centre management enables a range of town centre businesses, as Members of the company, to play a direct part in the management of the company and to direct activities which best benefit the town centres.

What is the purpose of the funding provided by the Council?

The Council provided a funding contribution to Falkirk Towns Ltd of £181,618 for the period 2016-18, (£103,309 for April 2016 – 31 March 2017 and £78,309 1 April 2017 – 31 March 2018). During the year 2017/18 the organisation undertook and supported a number of initiatives which contributed to the overall vitality of Falkirk and district towns.

A Business Improvement District (BID) has broadly been defined as a geographically defined area, where businesses come together and agree to invest collectively in projects and services that the businesses believe will improve their trading environment for local businesses. BID projects are new and additional projects and services; they do not replace services that are already provided by Falkirk Council and other public bodies within that area, qualifying businesses require to pay a levy for these additional services.

The BID was successful for a third term in Falkirk winning national accolades from Bid Scotland and ATCM.

Why Does the Council Fund this?

The agreed outcomes of the BID Business Plan support the Council's corporate vision that is making Falkirk the 'place to be'.

We will promote vibrant town centres. We will do this by:

- Thinking differently about what our town centres can be
- Promoting town centres as places to live, socialise and participate.
- Expanding our approach to safer streets

These outcomes are achieved through the Falkirk Business Improvement District (BID). Business Plan and other projects relating to the district town centres.

How Long has the Council Funded this Organisation to Deliver this Service? When did the Council agree to fund this?

The model of town centre management has been replicated in many Scottish towns following its introduction in the 1980's in Falkirk by the then Falkirk District Council to support and promote Falkirk and the district town centres. The operation of a separate company for town centre management enabled a range of town centre businesses, as members of the company, to play a direct part in the management of the company and to direct activities which best benefit the town centres. A strong partnership between the Council and the organisation has been evident during this time.

Core operating costs have been covered in full by the Council, enabling all monies invested in the BID levy to be used to deliver additional projects and services in the BID area.

The delivery of the BID is managed separately from Council operations and the company provides the vehicle for doing this. The Falkirk BID generates additional income of £184,000 for town centre management activities through a business rates levy as well as being a recognised organisation and structure which can apply for external funding opportunities to the benefit of the area.

Set out the funding provided by the Council for the last five years.

| Year | Annual Funding | Support in Kind | One Off Support |
|---------|----------------|-----------------|-----------------|
| 2017/18 | £78,309 | | |
| 2016/17 | £103,309 | | |
| 2015/16 | £178,309 | | |
| 2014/15 | £188,305 | | |
| 2013/14 | £188,305 | | |

B. SERVICE DELIVERY

What does the organisation deliver and to whom?

The company has undertaken a wide range of activities to deliver the agreed outcomes of the Joint Working Agreement. The company has historically worked closely with the Council's Growth & Investment Unit in supporting delivery of town centre regeneration initiatives. The company's activities are summarised below.

Cleanliness and attractiveness of town centres - The company has a handyman under contract to carry out small repairs, maintenance and clean-ups, including the prompt removal of any graffiti and fly posters. The company is a Keep Scotland Beautiful Gold Award member. The organisation leads on the Falkirk Town Centre Waste Management Group.

Safety and security of town centres – The company operates a radio link schemes with 78 businesses in Scotland – enabling businesses to keep abreast of any security issues as they happen. It also operates a Child Safe Scheme (now including vulnerable people) for lost children in the town centre. The company employs street ambassadors who are on regular patrol in the town centre to help the public, give information and liaise with businesses. Taxi Marshals and Safe Base are covered by another report to the Committee.

Promoting town centres – to increase footfall, spend and customer loyalty. The organisation supported (in kind or financially) Glebe Street Charity Event, Cow Wynd Festive Fayre and Callendar Square Christmas Launch event, Falkirk Live, Falkirk Story Telling Festival, Hippodrome Silent Film and other smaller town centre events. It continues to promote Free After 3 car parking. Eat Local and Play Local campaigns including quarterly Falkirk Herald supplement and the hashtag #keepitlocal were used extensively on marketing and advertising. The company works collaboratively with Falkirk THI and planning officers to administer the Business Grants Scheme. The organisation has a long standing relationship with the Falkirk Herald promoting the area. In collaboration with partners, the company continues to deliver projects which stimulate visitor numbers and projects which link the town centre with other local attractions like the Kelpies and the Falkirk Wheel. Falkirk Towns Ltd works collaboratively with the Growth and Investment Unit, Visit Falkirk, to deliver a number of tourism initiatives for the area.

Additional Services -

Currently managing the Growth Fund campaign for Visit Falkirk, working with Falkirk Council on the Locate in Falkirk brochure, support to the THI project and leading on a safer streets daytime programme.

Who and how many people directly benefit from the organisation

In managing town centres, the company faces considerable difficulties arising from the loss of town centre footfall and trade which has been prevalent nationally in recent years. In common with the rest of the UK, the continuing drift to internet shopping and the popularity of out-of-town retail presents the company with many challenges. Nevertheless, the company's very active presence and operations have addressed many of these challenges and has helped engage many town centre operators in ensuring the town centre sustains its scale of trading and performance to the best possible degree. The Council's Growth & Investment Unit including Business Gateway and the town centres regeneration and tourism teams work with Falkirk Towns Ltd to support new and existing businesses.

Set out what other similar and or complementary services are provided which are similar in function or support the same client communities.

There are no comparable services that provide a similar function or level of support. A new Healthy High Street group has recently been established in the town and is supported by a number of small independent businesses, the Howgate Shopping Centre and the Falkirk BID.

How does this organisation support the Council achieve its priorities?

In economic and environmental planning terms support for the organisation and delivery of its outputs as set out in this report are identified and articulated as key priorities in the Corporate Plan 2017-2022 with significant focus on Place.

The activities of Falkirk Towns Ltd aligns with services that are provided by Development Services to meet priorities and outcomes of the Council and its partners within the key SOLD plan outcomes of:

- Grow our economy
- Improving the neighbourhood we live in
- Expanding our approach to safer streets.

In addition, the service provided by Falkirk Towns Ltd contributes towards the Council's Priorities for 2018 to promote vibrant town centres:-

- Thinking differently about what our town centres can be
- Promoting town centres as a place to live, socialise and participate
- Expanding our approach to safer streets.

Are there any areas of improvement and efficiency that could be achieved?

In January 2017, EKOS, a economic consultancy, was commissioned by the Board of Falkirk Delivers to undertake an interim review of the company, focusing on current governance/management arrangements and identifying issues and potential opportunities for improvement.

Areas identified under governance and management as follows:

- Review the core purpose of the organisation
- Agree future priorities and introduce KPI's to measure progress
- Identify clear strategic principles
- Strengthen board membership and procedures for election
- Set clear performance targets
- Tighten decision making processes

Under BID focus and activities the following areas were identified:-

- Review of company's aims and objectives
- Focus effort on agreed key issues
- Agree remit for District Centres
- Explore adoption of commercial operation approach

Under issues and opportunities the main points arising were:-

- Development of marketing and communication between stakeholders.
- Preparation of long term funding forecast focusing on project delivery
- Considerable issues and concerns raised by consultees around governance

In October 2017, three board members tendered their resignation from the board. The remaining board members are taking forward the EKOS recommendations.

Which areas does this service/organisation cover within the Council area – Be Specific

The Falkirk Delivers BID area comprises the historical town centre and was originally defined to ensure the effective concentration of resources on that area.

Following the significant reduction in budget support from the Council, the organisation has a limited role within the areas district town centres of Stenhousemuir, Denny, Bo'ness and Grangemouth. Primarily support is focused on festive events and low cost campaigns.

C ASSESSMENT OF PERFORMANCE

Set out current agreed performance information alongside previous years and future years. If there is any benchmarking information provide that.

The activity undertaken by Falkirk Delivers fits within the Council's key objectives. Over and above the projects and services contained in the Business Plan and each year, the BID Board develops and monitors the annual project plan.

Operational performance is to a great extent dependent on the economic climate.

Structural performance– the company has faced significant challenges around the reduction in Council funding which resulted in the loss of an experienced key member of staff charged with covering the district centres.

A strategic requirement exists to establish and implement a number of key KPI's to demonstrate performance of the organisation against the priorities set by Falkirk Council and wider communities within the Falkirk area.

Are there any aspects of performance that are causing concern or need to be improved? If so what are they and what are the plans for improvement.

In recent months, some criticism has been directed at the BID company by local stakeholders in the town. These criticisms, some of which not completely attributable to the BID company, were around the perceived decline in the physical environment within Falkirk town centre. Other comments raised included communications between the company and town centre businesses, project evaluation, funding and effectiveness of initiatives. These replicate the findings of the EKOS BID review commissioned by the Board of Falkirk Delivers. The outcomes of the report are being reviewed by the BID Board and measures introduced to address the concerns raised.

When was the last time the service was reviewed and what plans are there to review this?

As outlined in this report, in January 2017, EKOS was commissioned by the Board of Falkirk Delivers to undertake an interim review of the company, focusing on current governance/management arrangements and identifying issues that need to be addressed to ensure potential opportunities can be addressed. The outcomes of the report are being progressed by the BID Board.

C FINANCIAL / RISK ASSESSMENT OVERVIEW

Set out Falkirk Council funding as a % of the organisations budget. Including financial and inkind contributions.

Falkirk Council funding for the BID (£78,980 for the 2017/18 financial year) amounts to 30% of the organisation's budget. The remainder (£184,000) is comprised of BID levies.

Financial – there is a risk that additional budget savings proposals may lead to the potential collapse of the BID company. The board are actively considering this risk.

Occupancy rates and reputational issues may affect future leverage of funds. These issues are being actively considered by the company's Board.

Risk Med/High

List other sources of funding the organisation has and how much is provided by source.

Falkirk Council: Safer Streets - Specialised Security Taxi Marshalling Service & Safe Base (6th May 2016 - 29th April 2017)

Total Funding:

£35,824 (52 weeks provision of taxi marshal service commencing 6th May 2016 to 29th April 2017)

£10,000 (SafeBase contribution)

BID levies as described above

What is the amount of uncommitted reserves held by the organisation?

£16,000 is currently held company reserves to retain the solvency of the organisation. In April 2017 Falkirk Delivers Board took the decision to grow the reserves by £10,000 within the next financial year in order to improve the solvency of the organisation.

What proportion of operation cost do reserves represent?

6%.

Last Period of Submitted Audited Accounts

2016/17

What other services does the Council fund that are similar to this organisation including Council provision and to what level are those activities funded?

-N/A-

Future sustainability - Are there ways in which the organisation can improve resilience and decrease the money required from the Council?

The organisation is exploring the opportunity to adopt a commercial approach to its operational goals and objectives. This approach is in recognition that future funding settlements from Falkirk Council are likely to be constrained and perhaps removed. Furthermore, the Council, in line with other BIDS may wish to charge Falkirk Delivers for the collection of the levy income. Further work is required to demonstrate impact and value for money.

What is the risk to the Council if these services are not funded?

The Council's priority for vibrant town centres will be compromised if funding is withdrawn completely. Options for in-house delivery of reduced key areas of delivery could be considered.

Overall Risk Rating (Low/Medium/High) Please note this should note the risk to the Council not the organisation.

Med/High

D CONCLUSIONS

Summary of the future activities of the organisation that will allow services to continue to be delivered.

The Falkirk Delivers Business Plan 2016-2021 shows that total funding of £279,000 is committed each year with a total fund of £1,395,000 anticipated to deliver on the business plan over the five year period.

Falkirk Towns Ltd has delivered a wide range of activities and contributed greatly to sustaining town centre activity and trading in very challenging circumstances.

While a number of areas of improvement are identified primarily around the management and governance, Falkirk Council's commitment to the concept of a Falkirk BID is considered to be working well for the benefit of the local economy, providing value for money and is recognised as national best practice in BID delivery outputs.

Future risks relating to the performance of the town centre and the availability of future funding from the Council and BID are being actively considered by the Company's Board.

E SUBMITTED BY

| | |
|--------------------|-------------------------------------|
| Name | Jacquie McArthur |
| Designation | Economic Development Officer |
| Date | January 2018 |