

# STIRLING COUNCIL

**MINUTES of MEETING of the FINANCE & ECONOMY COMMITTEE held in the COUNCIL CHAMBERS, OLD VIEWFORTH, STIRLING on TUESDAY 17 JUNE 2014 at 10.30 am**

## **Present**

Councillor Neil BENNY (Convener)

Councillor Johanna BOYD  
Councillor Scott FARMER  
Councillor John HENDRY

Councillor Ian MUIRHEAD  
Councillor Mike ROBBINS

## **In Attendance**

Jim Boyle, Chief Finance Officer, Governance & Resources  
Michael Boyle, Education Business Support Manager, Education  
Stewart Carruth, Depute Chief Executive  
Liz Duncan, Chief Governance Officer, Governance & Resources  
Kristine Johnson, Chief HR Officer, Assets & Support  
Anne-Michelle Ketteridge, Forth Valley and Lomond LEADER Programme  
Manager, Economy, Planning & Regulation  
Alistair Macleod, Accountant, Governance & Resources  
Debra Murray, Service Manager, Culture Events & Tourism,  
Economy, Planning & Regulation  
Andrew Pont, Performance Team Leader, Chief Executive's Office  
John Risk, Head of Assets & Support  
Kevin Robertson, Head of Economy, Planning & Regulation  
Val de Souza, Acting Head of Social Services  
Willie Watson, Head of Governance & Resources  
Alex Ward, Business & Economy Adviser, Economy, Planning & Regulation  
Joyce Wighton, Business Standards & Licensing Manager,  
Economy, Planning & Regulation  
Joyce Allen, Team Leader, Governance & Resources (Clerk)

## **Also in Attendance**

Gordon Bell, Chief Executive, Stirling Enterprise  
Alan Storker, Legal Adviser to Stirling Enterprise

## **Agenda**

The Convener intimated his intention to alter the order of the Agenda. The items were taken in the order minuted below.

## **FE111 APOLOGIES AND SUBSTITUTIONS**

There were no apologies or substitutions.

## **FE112 DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

## **FE113 URGENT BUSINESS**

There was no urgent business brought forward by the Chair.

## **FE114 MINUTES – 27 MARCH 2014**

### **Decision**

The Committee agreed to approve the Minutes of the Meeting held on Thursday 27 March 2014 as an accurate record of the proceedings.

## **FE115 GENERAL FUND REVENUE BUDGET FINAL OUTTURN 2013/2014**

A report by the Chief Finance Officer outlined the 2013/14 General Fund Revenue Budget final outturn position.

General Fund revenue balances at the end of the financial year were £5.887m, being 2.9% of total General Fund budget for 2013/14 and an improvement of £374k from the position reported to the Committee in March.

The revenue balances position took account of sums released from balances to fund various corporate items, the more significant of these being £4m of staff severance costs and a potential transfer of £772k from balances for the creation of an earmarked Risk Fund to meet future budget growth pressures, as set out in the budget report approved by the Council on 20 February 2014. This would require a decision of the Council at the end of June when the final outturns were reported.

It was expected that further costs arising from staff severances would require to be met from available revenue balances in 2014/15. The underlying level of balances from normal budget management activities, excluding the Risk Fund transfer and a transfer of £329k from the equal pay provision was £6.330m or 3.1% of budget.

Services were reporting a small aggregate overspend of £57k against budget with Corporate areas of the budget showing favourable outturns. All Services with the exception of Environment and Social Services were reporting final outturns either within or close to budget. The reported revenue outturns were expected to represent the final positions for 2013/14, although the figures remained subject to audit.

The Committee noted the improving budget position of Social Services as a result of the continued drive to improve budget management and the consistency and quality of care planning.

## **Decision**

The Committee agreed to note the final outturns for Services and corporate areas of the budget, and that year-end balances would be £5.887m (2.9% of General Fund budget).

(Reference: Report by Chief Finance Officer dated 3 June 2014, submitted)

## **FE116 GENERAL SERVICES CAPITAL FINAL OUTTURN REPORT 2013/14**

A report by the Chief Finance Officer set out the actual outturn for the General Services Capital Programme for 2013/14.

For the total General Services capital programme overall, expenditure was £25.681m, representing an expenditure rate of 94% and an underspend of £1.656m against a full year adjusted and re-profiled programme of £27.337m.

Appendices 1 and 2 to the submitted report set out the programme expenditure and resources and the main variances were commented on in the remainder of the report.

## **Decision**

The Committee agreed:-

1. to note the outturn of the General Services Capital Programme for 2013/14; and
2. to recommend that Council approve the capital budget carry forwards into 2014/15 for both project slippage and overspends as detailed in Appendix 1, the requirements for Forthside as detailed in Appendix 3 and the re-phased profile of prudential borrowing as detailed in Appendix 4 to the submitted report.

(Reference: Report by Chief Finance Officer dated 22 May 2014, submitted)

## **FE117 STIRLING COUNCIL DRAFT ACCOUNTS 2013/14**

Stirling Council's Draft Accounts for the year to 31 March 2014 were currently being prepared for audit. Presentation of the Draft Accounts to the Council was in accordance with the Local Authority Accounts (Scotland) Regulations 1985 which required them to be laid before the Council and submitted to the Controller of Audit by the statutory deadline of 30 June 2014.

A report by the Chief Finance Officer outlined the key features of the financial position displayed in the 2013/14 Draft Accounts, incorporating a brief overview of the final outturns for General Fund and the General Services Capital Programme.

The draft accounts showed the Council ending the year with General Fund balances of £5.887m (2.9% of the 2013/14 budget). Although the reported outturn was expected to represent the final position for 2013/14, the figures remained subject to audit.

The Committee noted the aspiration to have the final accounts submitted to the Committee in 2014/2015.

### **Decision**

The Committee agreed:-

1. to note that the Draft Accounts for 2013/14 were currently being prepared in accordance with the Local Authority Accounts (Scotland) Regulations 1985, and would be submitted to the Controller of Audit by the statutory deadline of 30 June 2014;
2. to note that available General Fund balances at 31 March 2014 would be £5.887m (2.9% of 2013/14 budget);
3. to recommend to Council that a Risk Fund be created as set out in paragraph 3.5 of the submitted report;
4. to recommend to Council that the 2014/15 General Services capital programme budget be updated to reflect the carry forward of commitments from 2013/14; and
5. to note the position in terms of the Council's share of the net pension liability of the Local Government Pension Scheme.

(Reference: Report by Chief Finance Officer dated 28 May 2014, submitted)

### **FE118 STIRLING'S ECONOMIC STRATEGY**

Stirling's Economic Strategy had been reviewed and refreshed in consultation with local business and key agencies, to reflect the shared ambitions for growth and diversification of the local economy. A report by the Head of Economy, Planning & Regulation presented the refreshed Economic Strategy for approval.

The key objectives of the Strategy were set out in five strategic themes:

- Promoting Stirling's Advantage – creating confidence in Stirling's economy, marketing the area's unique advantages and advancing investment opportunities.
- Supporting Business – ensuring a high level of tailored support for all businesses in the area.
- Skills Development and Access to Jobs – enabling people to access sustainable employment through up-skilling.
- Supporting the Rural Economy – growing thriving and diverse economic opportunities.
- Investing in Infrastructure – accommodating growth through investment in infrastructure.

## Decision

The Committee agreed:-

1. to note the level of engagement with local business and key stakeholders in the review and re-fresh of Stirling's Economic Strategy;
2. to approve the refreshed Economic Strategy as set out in Appendix 1 to the submitted report;
3. to receive an annual progress report on the actions in support of the Economic Strategy; and
4. to note the progress in implementing the review of Economic Development and Business Support, as summarised at paragraph 3.11 of the submitted report.

(Reference: Report by Head of Economy, Planning & Regulation dated 7 May 2014, submitted)

### **FE119 BUSINESS SUPPORT: STIRLING ENTERPRISE – QUARTERLY PERFORMANCE REPORT FOR JANUARY – MARCH 2014 AND ANNUAL REVIEW 2013/14**

The Chief Executive of Stirling Enterprise presented a report on Stirling Enterprise Park Ltd (STEP) performance in the delivery of business support services during period January – March 2014 and a review of annual performance for 2013/14 (attached at Appendix 1 to the report).

The report provided performance information under four main areas: Business Support, Funding, Commercial Activity and Marketing. The Chief Executive confirmed that nearly all targets had been met with the Business Gateway having a particularly good performance over 2013/14.

At the request of the Committee an additional appendix had been included in the report setting out the range of rural business support available.

In response to a question on governance, the Chief Executive explained that there were two vacancies remaining on the new Board and it was hoped to attract a young entrepreneur to fill at least one of the vacancies.

It was noted that up to sixty people had attended the last Business Club event with the next session on 27 June now fully subscribed.

## Decision

The Committee agreed:-

1. to note the performance of Stirling Enterprise Park Ltd in the delivery of business support services during the quarter from January to March 2014 and the year from 1 April 2013 to 31 March 2014, as shown in Appendix 1 to the submitted report; and
2. to note the provision of rural business support by Stirling Enterprise Park Ltd, as shown in Appendix 2 to the submitted report.

(Reference: Report by Head of Economy, Planning & Regulation dated 26 May 2014, submitted)

**The Committee resolved under Section 50A (4) of the Local Government Scotland Act 1973 that the public be excluded from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraph 6 of Part 1 of Schedule &A of the Local Government (Scotland) Act 1973.**

## FE120 STIRLING ENTERPRISE PARK LIMITED: REVISED ARTICLES OF ASSOCIATION

Stirling Enterprise Park Limited (STEP) had been re-launched to deliver integrated support for local businesses. The Board of STEP has been re-formed with increased private sector membership.

The Committee on 14 November 2013 recommended changes to the membership of the STEP Board through amendments of the company's Articles of Association, which was subsequently approved by Stirling Council on 12 December 2013.

STEP shareholders at their Annual General Meeting on 14 January 2014 postponed the decision to adopt the amendments to the company's Articles of Association, after STEP's legal advisers had identified other deficiencies in the Articles of Association.

A report by the Chief Executive of STEP set out further proposed revisions to STEP's Articles of Association incorporating the changes approved by the Committee on 14 November 2013, and resolving the further deficiencies identified by STEP's legal advisers.

Members of the Committee expressed the view that the Board should be representative of the community and to that end a formal statement of intent on gender balance and diversity would be appropriate in the Articles of Association.

## Decision

The Committee agreed to approve the changes to the Articles of Association of Stirling Enterprise Park Limited (STEP), as set out in Appendices 1 and 2 to the submitted report subject to consideration by the Committee at a future meeting of a subsequent amendment to the Articles of Association to include

a statement of intent on gender balance and diversity in the governance arrangements of STEP.

(Reference: Report by Head of Economy, Planning & Regulation dated 26 May 2014, submitted)

## **FE121 PERFORMANCE AND STRATEGIC PRIORITIES PROGRESS REPORT**

The joint report by the Chief Executive and Heads of Assets & Support, Governance & Resources and Economy, Planning & Regulation presented the latest information on the performance indicators, and on progress in implementing the strategic priorities and projects, overseen by the Committee.

### **Decision**

The Committee agreed:-

1. to note the performance of reported indicators (Appendix 1 – Section 1 to 2 and Appendix 2 to the submitted report);
2. to note the revised Senior Management Objectives for 2014/15 onwards through which the Strategic Priorities and projects overseen by the Finance and Economy Committee would be delivered. (Para 3.8, Appendix 1 – Section 3 to the submitted report); and
3. to note the progress on the Senior Management Objectives through which the Strategic Priorities and projects overseen by the Finance and Economy Committee were being delivered (Appendix 1 – Section 3 to the submitted report);

(Reference: Joint Report by Depute Chief Executive, Head of Assets & Support, Head of Governance & Resources and Head of Economy, Planning & Regulation dated 4 June 2014, submitted)

## **FE122 TREASURY MANAGEMENT FINANCIAL STRATEGY 2014/15**

The Council was required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2013/14.

A report by the Chief Finance Officer provided details of the 2013/14 treasury management performance, presented the actual prudential indicators for this period and highlighted compliance with the Council's previously approved treasury management policies, practices and strategy and the requirements of the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

In accordance with the approved strategy for 2013/14, treasury management activity during the year maintained the Council's loan portfolio on a strong, low-risk, long-term basis with due consideration of budget requirements to minimise the cost of debt. Prudent cash-flow management with on-going short-term investment of cash surpluses together with the phasing of capital expenditure, favourable terms for temporary borrowing and the deferring of new long-term borrowing, resulted in a loans fund pooled rate of 4.89%

(5.22% in 2012/13) and resulted in savings against loan charges budgets of £0.408m for General Services and £0.252m for the Housing Revenue Account.

It was noted that Elected Member training on treasury management would be organised as soon as possible after the recess.

### **Decision**

The Committee agreed to note the treasury management performance, including prudential indicators, for 2013/14.

(Reference: Report by Chief Finance Officer dated 27 May 2014, submitted)

## **FE123 STIRLING'S ECONOMY: TOURISM STRATEGY FOR STIRLING A PARTNERSHIP APPROACH TO 2020**

Tourism was a key business sector in Stirling, contributing over £400 million to the local economy, and supporting a range of jobs and a wider supply chain. In recognition of this, and to grow the visitor economy across the Stirling Council area, a Tourism Strategy for Stirling had been developed in partnership with Destination Stirling, the local tourism businesses and agencies.

A report by the Head of Economy, Planning & Regulation presented the Tourism Strategy for Stirling and accompanying Action Plan (2014-2020) to the Committee for approval.

The key objectives of the Tourism Strategy were to enhance all aspects of the visitor experience and raise the profile of Stirling as a quality destination of choice.

### **Decision**

The Committee agreed:-

1. to approve the Tourism Strategy for Stirling and Action Plan (2014–2020), as detailed in Appendix 1 to the submitted report; and
2. to receive annual reports on the progress of the Tourism Strategy for Stirling – Action Plan.

(Reference: Report by Head of Economy, Planning & Regulation dated 12 May 2014, submitted)



## **FE124 PRIORITY BASED BUDGETING UPDATE**

The Council launched the Priority Based Budgeting process in September 2013 and at its meeting on 20 February 2014, set its budget for 2014-15.

The Priority Based Budgeting process would continue to be used this financial year to support the setting of the 2015-16 budget and indicative position for the subsequent 4 years to 2019/2020.

A report by the Depute Chief Executive outlined the progress to date and the key activities planned for the current financial year. It was noted that a Communications Strategy and a Community Engagement Plan for Priority Based Budgeting were currently being developed.

### **Decision**

The Committee agreed to note the progress to date on the Priority Based Budgeting process and the key activities planned for the current financial year, as outlined in the submitted report and summarised in Appendix 1

(Reference: Report by Depute Chief Executive, dated 26 May 2014, submitted)

## **FE125 HR POLICIES**

A report by the Head of Assets & Support presented a number of updated HR Policies to the Committee for approval. The proposed changes had been discussed with the trade unions at a series of meetings held from January until the end of May.

### **Decision**

The Committee agreed to approve the following updated HR Policies:-

Supporting Attendance Policy  
Disciplinary Policy  
Attendance Capability Procedure; and  
Recruitment and Selection Policy (including Probationary Period Guidance).

(Reference: Report by Head of Assets & Support dated 27 May 2014, submitted)

## **FE126 SCOTTISH CITIES ALLIANCE – ANNUAL REPORT 2013/14**

A report by the Head of Economy, Planning & Regulation presented the Scottish Cities Alliance - Annual Report for 2013/14, which reviewed the achievements and progress over the past 12 months, and the future focus of the Cities Alliance.

The report also set out the focus for the Cities Alliance in 2014/15.

## **Decision**

The Committee agreed to note the progress made by the Scottish Cities Alliance as described in the Annual Report for 2013/14 and the focus for 2014/15 as set out in Appendix 1 to the submitted report.

(Reference: Report by Head of Economy, Planning & Regulation dated 23 May 2014, submitted)

## **FE127 FORTH VALLEY & LOMOND LEADER – UPDATE ON NEXT PHASE OF LEADER PROGRAMME**

The Committee on 18 June 2013 noted the successful implementation of the 2007-2013 Forth Valley & Lomond LEADER Programme and agreed that Stirling Council should continue in its Lead Partner role for the 2014 – 2020 LEADER Programme.

The Committee authorised officers to develop a Forth Valley & Lomond LEADER Local Development Strategy and business plan to include the whole of rural Stirling, in partnership with the community and other rural stakeholders, and present the strategy to the Committee for endorsement prior to final submission to the Scottish Government. This process was underway with the initial draft submitted to Scottish Government on 31 March 2014 and the final draft to be submitted by the end of September 2014.

Local discussions regarding the next programme had resulted in a number of boundary changes for the proposed new Forth Valley & Lomond LEADER area, including the removal of rural Falkirk and increased coverage in rural West Dunbartonshire and Clackmannanshire (Sauchie). In the Stirling Council area, there was the possibility of including Cambusbarron and Bannockburn.

In response to a question on priorities, officers undertook to provide Members of the Committee with information on the list of Stakeholder Members and the draft priorities for the next Programme.

## **Decision**

The Committee agreed:-

1. to note the progress with the preparations for the next Forth Valley & Lomond LEADER Programme;
2. to note there might be options to draw in other funds to the area through the LEADER Local Development Strategy once in place;
3. to approve the inclusion of the whole of Cambusbarron in the LEADER area; and
4. to approve the inclusion of Bannockburn in the Forth Valley & Lomond LEADER area.

(Reference: Report by Head of Economy, Planning & Regulation dated 19 May 2014, submitted)

## **FE128 CREDIT UNION GROWTH STRATEGY**

There were five credit unions operating in the Stirling Council area with a significantly lower than average membership (less than half the UK average and less than 25% of the Scottish Average). A report by the Chief Executive proposed a three year Credit Union Growth Strategy and Action Plan to increase membership and improve collaboration across the credit unions operating in the Stirling Council area.

### **Decision**

The Committee agreed:-

1. to approve the Credit Union Growth Strategy and Action Plan attached as Appendices 1 and 2 to the submitted report;
2. to task officers with the implementation of the Strategy and Action Plan; and
3. to receive reports on progress at six monthly intervals.

(Reference: Report by Chief Executive dated 3 June 2014, submitted)

**The Committee resolved under Section 50A (4) of the Local Government Scotland Act 1973 that the public be excluded from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraph 9 of Part 1 of Schedule &A of the Local Government (Scotland) Act 1973.**

## **FE129 STIRLING'S ECONOMY: REVIEW OF STIRLING UNIVERSITY INNOVATION PARK**

A review of the focus and structure of Stirling University Innovation Park Limited (SUIP) had been undertaken by the shareholding partners, the University of Stirling and Stirling Council, following shareholder acknowledgement that SUIP as it was currently resourced and structured was no longer fit for purpose.

A report by the Head of Economy, Planning & Regulation set out the findings of the review of SUIP as set out in Appendix 1 to the submitted report.

## **Decision**

The Committee agreed:-

1. to note progress with the review of Stirling University Innovation Park Limited (SUIP), as set out in Appendix 1 to the submitted report; and
2. to endorse the recommendations of the review of SUIP, subject to further work being undertaken as outlined in paragraph 3.38 of the submitted report.

(Reference: Report by Head of Economy, Planning & Regulation dated 28 May 2014, submitted)

The Convener closed the Meeting at 1.05 pm