

## **STIRLING COUNCIL**

**MINUTES of MEETING of the FINANCE & ECONOMY COMMITTEE held in the COUNCIL CHAMBERS, OLD VIEWFORTH, STIRLING on THURSDAY 14 NOVEMBER 2013 at 10.30 am**

### **Present**

Councillor Neil BENNY (Convener)

Councillor Johanna BOYD  
Councillor Scott FARMER

Councillor John HENDRY  
Councillor Ian MUIRHEAD

### **In Attendance**

Jim Boyle, Chief Finance Officer, Governance & Resources  
Tony Cain, Head of Housing & Customer Service  
Phil Cummins, Team Manager, Older People, Social Services  
Stewart Carruth, Depute Chief Executive  
Paul Davison, Programme Manager, Chief Executive's Office  
Liz Duncan, Chief Governance Officer, Governance & Resources  
Sheila Graham, Acting Assistant Head of Social Services  
Bob Jack, Chief Executive  
Lesley Malkin, Strategic Asset Manager, Assets & Support  
John Risk, Head of Assets & Support  
Kevin Robertson, Head of Economy, Planning & Regulation  
Willie Watson, Head of Governance & Resources  
Alex Ward, Business & Economy Adviser  
Joyce Allen, Team Leader, Governance & Resources (Clerk)

### **FE68 APOLOGIES AND SUBSTITUTIONS**

An apology for absence was submitted on behalf of Councillor Mike Robbins.  
There were no substitutions.

### **FE69 DECLARATIONS OF INTEREST**

Councillors Boyd and Hendry declared a non-financial interest in item FE79 as Council appointed Trustees/Directors of Raploch URC.

Councillors Farmer and Hendry declared a non-financial interest in item FE77 as Council appointed Directors of STEP.

## **FE70 URGENT BUSINESS**

The Convener indicated that a report on the Wolfcraig Building would be considered as an urgent item under exempt business on the grounds that it was economically advantageous to the Council to complete the transaction for the sale of the property as soon as possible.

## **FE71 MINUTES – 24 SEPTEMBER 2013**

### **Decision**

The Committee agreed to approve the Minutes of the Meeting held on 24 September 2013 as a correct record of the proceedings.

## **FE72 STIRLING'S ECONOMY: FUNDING INVESTMENT IN BUSINESS**

A fundamental review of Economic Development and Business Support services in Stirling was undertaken during 2012/13. The Finance & Economy Committee on 28 March 2013 approved 'A Growth Plan for Stirling's Economy – Way Forward for Economic Development and Business Support', which set out the structure for integrated support for businesses through Stirling Enterprise (STEP) and the need for additional funding to proactively support growth in the local economy.

The Growth Plan recommended that a local business investment fund be established, backed by the Council and delivered through STEP, to support ambitious local companies to further develop and grow. A joint report by the Head of Economy, Planning & Regulation and Head of Governance & Resources outlined the proposed principles for establishing a Stirling Business Fund. It was recommended that the proceeds from the winding-up of the Council's existing redundant arms-length companies, which previously provided forms of economic support or managed business property, contribute to the funding of the local business investment scheme.

In response to a question on the winding-up of the existing arms-length companies, the Chief Finance Officer confirmed that a confidential briefing paper would be circulated to Elected Members in the near future.

### **Decision**

The Committee agreed:-

1. to the establishment of a Stirling Business Investment Fund;
2. that the proceeds from the winding-up of the Council's existing redundant arms-length companies, including Stirling Business Centre Limited (SBC), Stirling Enterprise & Economic Development Company Limited (SEEDCO) and Venture Forth Limited, be used to directly support investment in the local economy;

3. to request that procedures for the operation of a Stirling Business Investment Fund be developed by Stirling Enterprise (STEP) in consultation with the Council;
4. to commend the work of officers in progressing the key actions from the review of Economic Development and Business Support;
5. to note that in future the Committee would receive quarterly performance updates from Stirling Enterprise (STEP).

(Reference: Joint Report by Head of Economy, Planning & Regulation and Head of Governance & Resources dated 4 November 2013, submitted.)

### **FE73 GENERAL FUND REVENUE BUDGET MONITORING 2013/14**

A report by the Chief Finance Officer provided an update on the overall General Fund Revenue Budget position for the current year. The current position showed an increase in Service budget overspends to £1.758m, representing 1% of total Service budgets. Although all four Significant Trading Operation activities continued to anticipate a statutory break-even position or better for the year, the Significant Trading Operation cash position represented a deficit against budget.

The report also provided an update on corporate projections and showed that savings of £300k continued to be expected from loan charges with additional income of £250k from Council Tax income. A number of other corporate items of which the most significant was the cost of severances, were also affecting the revenue budget outturn position. After taking account of all expenditure commitments, balances at the end of the financial year were currently anticipated to be £4.958m, being 2.4% of General Fund budget and in line with established target levels.

The Convener expressed concern that there were no representatives from Education or Environment at the meeting to answer questions on the service outturn positions even though Heads of Service had been specifically requested to attend or send a substitute.

In relation to the Wellgreen multi storey car park, it was suggested that the contracts referred to in the submitted report required further scrutiny.

#### **Decision**

The Committee agreed:-

1. to note the General Fund Revenue Budget outturn positions for Services (including Significant Trading Operations) and corporate areas of the budget; and
2. to note that balances at 31 March 2014 were projected to be £4.958m (2.4% of General Fund budget) after taking account of all expenditure commitments.

(Reference: Report by Chief Finance Officer dated 5 November 2013, submitted.)

#### **FE74 GENERAL SERVICES CAPITAL OVERVIEW REPORT 2013/14**

A report by the Chief Finance Officer set out the projected outturn for the General Services Capital Programme for 2013/14. For the total Programme overall, expenditure was projected at £25.395m, representing an underspend of £0.562m against a full year adjusted and re-profiled programme of £25.957m.

Expenditure on individual projects was progressing, with some projects being more advanced than others due to the nature of the works and the timescales and phasing of intended expenditure. Expenditure to the end of October stood at £13.924m, representing 54% of a full year programme of £25.957m.

Appendix 1 to the submitted report set out the programme expenditure and resources and the main variances were commented on in the remainder of the report. Details of the Community Services Properties budget were set out in Appendix 2 to the submitted report as requested at the last meeting of the Committee.

In answer to a question from the Opposition Spokesperson on the current level of progress against a full year programme, the Chief Finance Officer confirmed that the Council's Management Team recognised the importance of good project management and continued to keep a close eye on the progress of the Capital Programme.

#### **Decision**

The Committee agreed:-

1. to note the General Services Capital Programme 2013/14 projected outturn based on current expectations, conditions and projections; and
2. to note the projected expenditure on Community Services Properties for 2013/14.

(Reference: Report by Chief Finance Officer dated 5 November 2013, submitted.)

#### **FE75 PERFORMANCE AND STRATEGIC PRIORITIES – PROGRESS REPORT**

A report by the Chief Executive presented the latest information on the performance indicators and on progress in implementing the strategic priorities and projects, overseen by the Committee.

It was noted that even though the employee absence rate continued to increase the Council had actually improved in the rankings compared to other Councils. The Head of Assets & Support confirmed that a number of employee support policies were currently being updated.

## **Decision**

The Committee agreed:-

1. to note the performance of reported indicators (Appendix 1 – Section 1 to 2 of the submitted report);
2. to note the progress on the development of appropriate targets for the economic development performance indicators as outlined in Paragraph 3.4 of the submitted report;
3. to note 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 of the submitted report); and
4. to note progress on the Fundamental Service Reviews (Paragraph 3.10 and Appendix 1 – Section 4 of the submitted report).

(Reference: Report by Chief Executive dated 7 November 2013, submitted.)

## **FE76 STIRLING COUNCIL – HEALTH & SAFETY POLICY**

Under the Health & Safety at Work etc Act 1974 every organisation with more than five employees must have a Health & Safety Policy Statement and a Health & Safety Policy. The Policy document must detail the Council's commitment to Health & Safety and the arrangements that the organisation had in place to protect employees from harm while undertaking their work duties.

A report by the Head of Assets & Support presented a revised Health & Safety Policy which took account of changes in Regulations and organisational reviews.

## **Decision**

The Committee agreed to approve the Council's updated Health & Safety Policy to ensure continued compliance with the Health & Safety at Work legislation and to support the Council's commitment to improving workplace safety.

(Reference: Report by Head of Assets & Support dated 5 November 2013, 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 items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraphs 6; 6, 8 and 9; 6 8 and 9 and 6 and 9 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973**

## **FE77 STIRLING ENTERPRISE PARK LIMITED: BOARD MEMBERSHIP**

The Finance & Economy Committee on 28 March 2013 (Paragraph FE6 refers) approved 'A Growth Plan for Stirling's Economy – Way Forward for Economic Development and Business Support'. The Plan set out the structure for integrated support for businesses through Stirling Enterprise (STEP), with the Board of STEP to be reformed with an increased membership and chaired by the private sector, to provide a focus on supporting growth of businesses and the local economy.

A report by the Head of Economy, Planning & Regulation set out the changes to the membership of the Board of STEP, which included the Council reducing its membership from three Directors to one. Changes to the Council's membership of the Board of STEP would require the approval of the Council and it was proposed that this matter be referred to the next Council meeting on 12 December 2013.

It was noted that STEP would be accountable to the Finance & Economy Committee for its delivery of economic development and business support services on behalf of the Council, and the Committee would receive for consideration quarterly performance updates, including progress on implementing Council priorities and policies, from the Chief Executive of STEP, as well as an annual report.

### **Motion**

"The Committee agrees:-

1. to note the changes to the membership of the Board of Stirling Enterprise;
2. to recommend to Council on 12 December 2013 that the Council reduce its membership of the Board of Stirling Enterprise from three Directors to one Director and to seek nomination of the Director and alternate."

Moved by Councillor Neil Benny, seconded by Councillor John Hendry.

### **Direct Negative**

Councillor Scott Farmer, seconded by Councillor Ian Muirhead moved the Direct Negative.

On the roll being called, the Members present voted as follows:

#### For the Motion (3)

Councillor Neil Benny  
Councillor Johanna Boyd  
Councillor John Hendry

#### Against the Motion (2)

Councillor Scott Farmer  
Councillor Ian Muirhead

## **Decision**

The Motion was carried by 3 votes to 2 and accordingly the Committee agreed:-

1. to note the changes to the membership of the Board of Stirling Enterprise;
2. to recommend to Council on 12 December 2013 that the Council reduce its membership of the Board of Stirling Enterprise from three Directors to one Director and to seek nomination of the Director and alternate.

(Reference: Report by Head of Economy, Planning & Regulation dated 4 November 2013, submitted.)

## **FE78 URGENT ITEM - WOLFCRAIG BUILDING, DUMBARTON ROAD, STIRLING**

In December 2012 the Council agreed to delegate to the Head of Assets & Support negotiations for the purchase of the Wolfcraig Building up to a stated total acquisition cost. The negotiations failed to reach an agreement.

At the end of October 2013, the owners contacted the Council to recommence negotiations and confirmed that they would be prepared to sell the building as long as the sale was concluded by 28 November 2013. A report by the Head of Assets & Support recommended that the Head of Service be delegated to finalise detailed negotiations for the purchase of the Wolfcraig Building, up to a stated total acquisition cost, subject to the Council approving the prudential borrowing case.

The Head of Assets & Support confirmed that the owners of the property had been made aware that it was likely to take until December 2013/January 2014 to conclude the transaction.

## **Decision**

1. to delegate to the Head of Assets & Support to finalise detailed negotiations for the purchase of 5/7 and 9/15 Dumbarton Road from Dumbarton Road Limited, to be funded through prudential borrowing, up to the total acquisition cost detailed in the submitted report, subject to the prudential borrowing case being approved at the next available Council meeting;
2. to note that a further report would be submitted to a future meeting of the Finance & Economy Committee with recommendations for the reuse of the building.

(Reference: Report by Head of Assets & Support dated 8 November 2013, submitted.)

## **FE79 UPDATE ON THE DISPOSAL OF BACK O'HILL INDUSTRIAL ESTATE, STIRLING**

A report by the Head of Assets & Support provided options for a high level masterplan for the redevelopment of the Council land at the Back O'Hill Industrial Estate, in conjunction with the land owned by the Raploch Urban Regeneration Company (RURC). In addition, the report provided an update on the discussions with the three bidders for site 14/15 Back O'Hill Industrial Estate.

Members acknowledged that the Industrial Estate provided a valuable location for tertiary industrial activity and sustained employment and business in the Stirling Area. They also expressed concern about any possibility of land banking if the sites were not developed timeously.

### **Decision**

The Committee agreed:-

1. to note progress with Equinox regarding the undeveloped land;
2. to progress the disposal of the car park to the owners of Unit 9/10 once the common rights covering the car park had been relinquished;
3. to note the preliminary work on options that have been prepared and accept that further work on servicing costs for the Raploch Urban Regeneration Company land/resolving the car parking/adoptions issues were being worked on;
4. to proceed with the disposals to the three parties as shown in Option 1, Appendix 2 to the submitted report, subject to the detailed terms for each disposal being agreed by the Head of Assets & Support under his delegated powers;
5. to instruct the Head of Assets & Support to impose appropriate title restrictions on the Equinox site/Units 14/15 to ensure that the sites were developed timeously and not land banked and not developed and note that the Council might require to buy back these sites via a right of pre-emption and that appropriate funding would require to be available.

(Reference: Report by Head of Assets & Support dated 5 November 2013)

## **FE80 DISPOSAL OF INVERRNAID PRIMARY SCHOOL**

The Council closed Inverrnaid Primary School at the end of session 2011 and various issues had to be resolved by Assets & Support Services to allow the property to be marketed. A report by the Head of Assets & Support outlined the investigations undertaken in relation to a range of issues including, planning permission, legal and title matters and water and drainage arrangements.

Officers circulated a submission from Strathard Community Council indicating its support for a course of action which would bring community benefit. The

Head of Service confirmed that three expressions of interest had come to light during the period since closure and discussions had taken place with these parties to confirm the nature of their interest.

### **Decision**

The Committee agreed:-

1. to note the various issues in relation to the former Inversnaid Primary School;
2. to instruct officers to advise the Trossachs Search and Rescue Team and other relevant community groups that the Council notes their interest but that they must demonstrate to the Council that they have a viable financial and sustainable plan for the property to allow the Council to consider whether it would be prepared to progress to a Less than Best Price transfer;
3. to agree that they would have to satisfy the Head of Assets & Support that they had a viable financial and sustainable plan for the property by 31 December 2013 or the property would be placed on the open market.

(Reference: Report by Head of Assets & Support dated 5 November 2013)

The Convener closed the Meeting at 12.05 pm