

## **STIRLING COUNCIL**

**MINUTES of MEETING of the FINANCE & ECONOMY COMMITTEE held in the COUNCIL CHAMBERS, OLD VIEWFORTH, STIRLING on THURSDAY 30 JANUARY 2014 at 10.30 am**

### **Present**

Councillor Neil BENNY (Convener)

Councillor Scott FARMER  
Councillor John HENDRY

Councillor Steven PATERSON (substitute)  
Councillor Mike ROBBINS

### **In Attendance**

Jim Boyle, Chief Finance Officer, Governance & Resources  
Tony Cain, Head of Housing & Customer Service  
Liz Duncan, Chief Governance Officer, Governance & Resources  
Sandy Frickleton, Business Liaison Executive, Stirling Enterprise  
Les Goodfellow, Head of Environment  
Andy Kennedy, City Centre Manager, Environment  
David Leng, Head of Education  
Val de Souza, Acting Head of Social Services  
Andrew Pont, Performance Team Leader, Chief Executive's Office  
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)

### **FE81 APOLOGIES AND SUBSTITUTIONS**

Apologies for absence were submitted on behalf of Councillors Johanna Boyd and Ian Muirhead. Councillor Steven Paterson was in attendance as substitute for Councillor Muirhead.

### **FE82 DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

### **FE83 URGENT BUSINESS**

There was no urgent business brought forward by the Convener.

## **FE84 MINUTES – 14 NOVEMBER 2013**

### **Decision**

The Committee agreed to approve the Minutes of the Meeting held on Thursday 14 November 2013 as an accurate record of the proceedings.

## **FE85 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 £1.776m, being 1% of total Service budgets and including a potential shortfall of £950k in the overall savings from cost of employment, principally due to the delay in implementing the terms and conditions package. 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 increased savings of £400k were expected from loan charges with additional income of £300k 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 and were outlined in paragraphs 3.39 to 3.48 of the submitted report.

After taking account of all expenditure commitments, balances at the end of the financial year were currently anticipated to be £4.993m, being 2.4% of General Fund budget and in line with established target levels.

Heads of Service were present to answer questions and provide additional information on the service outturn positions.

In response to a question on the likely subsidy for the Hogmanay event, the Head of Economy, Planning & Regulation undertook to bring back a report to the Committee giving an evaluation of the economic benefit of the Hogmanay event 2013.

Members were pleased to note that Housing & Customer Service was on budget.

In relation to increased vacancy management savings in Education, the Head of Service confirmed that the Service had experienced some difficulty in supply cover. He added that the limited supply of teachers in certain subjects was a national issue, which was being addressed at a national and local level.

It was noted that following recent meetings with Council officers and the new NCP manager the operators of the Wellgreen multi storey car park appeared to be taking a more pro active approach to the operation of the car park which was likely to improve future income levels. The Head of Environment explained that officers were working with legal colleagues on both the Development Agreement and the Management Agreement and Members would be briefed on progress.

The Acting Head of Social Services gave a brief update on the action being taken to manage the budget pressures.

In conclusion the Chief Executive confirmed that the Council Management Team was committed to bringing spend within budget.

### **Decision**

The Committee agreed:-

1. to note the 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 £4.993m (2.4% of General Fund budget) after taking account of all expenditure commitments.

(Reference: Report by Chief Finance Officer dated 21 January 2014, submitted)

## **FE86 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 expenditure was projected at £28.505m, an underspend of £1.100m against a full year adjusted and re-profiled programme of £29.605m.

Expenditure on individual projects within the programme 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 mid-January stood at £16.018m, representing 54% of a full year programme of £29.605m.

The updated prudential borrowing position in respect of the HQ Office Rationalisation Project was summarised in Appendix 2 to the submitted report.

In response to a question on flood prevention works, the Head of Environment explained that in addition to the works in the capital programme, officers were working with community Flood Forums in Aberfoyle, Bridge of Allan, Callander and the City Centre to look at measures to protect communities within the limited financial resources available. He undertook to keep Members updated with progress.

### **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 updated prudential borrowing position in respect of the HQ Office Rationalisation project, as summarised in Appendix 2 to the submitted report.

(Reference: Report by Chief Finance Officer dated 20 January 2014, submitted)

## **FE87 PERFORMANCE AND STRATEGIC PRIORITIES PROGRESS REPORT**

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

In addition to those indicators that were updated on a quarterly basis the Committee had previously agreed that it should receive updates on a range of information that was updated annually. These indicators were reported to the Committee as they became available. Updated information was shown at Appendix 2 to the submitted report in relation to the age profile of the Council workforce; broadband access, speed and uptake; tourism; business survival rates and GVA (Gross Value Added).

As discussed at the last meeting, indicators had been reviewed and targets were under development for the economic development indicators with the proposed changes set out in paragraphs 3.6 and 3.7 of the submitted report.

In addition to the proposed changes to indicators and the development of targets, it was suggested that the Committee receive a more in-depth review of performance indicators and related information on a regular basis. This would generally involve a short presentation to the Committee on a specific topic at each meeting.

It was suggested that an indicator on the annual growth rate of the Stirling economy would be helpful. Officers undertook to look at the possibility of including an indicator on the annual economic growth rate for Stirling in terms of GDP.

The availability of business premises (various classes) and, in particular, the lack of small business units in rural areas was identified as of interest in terms of performance reporting. In response, the Head of Economy, Planning & Regulation confirmed that indicators of this nature would be considered in the context of the Economic Strategy.

### **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 progress on the development of appropriate targets for the economic development performance indicators and approve the proposed changes and targets set out in 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) to the submitted report; and
4. to note progress on the Fundamental Service Reviews (Paragraph 3.14 and Appendix 1 – Section 4) to the submitted report.

(Reference: Report by Depute Chief Executive dated 20 January 2014, submitted)

## **FE88 STIRLING'S BROADBAND STRATEGY - PROGRESS IN IMPROVING INTERNET CONNECTIVITY**

Improving internet connectivity across Stirling was a key Council priority. The Committee on 28 March 2013 approved Stirling's Broadband Strategy - Improving Internet Connectivity across Stirling. The Broadband Advisory Group was formed in June 2013 and actively assisted the Council in the implementation of the actions of Stirling's Broadband Strategy.

A report by the Head of Economy, Planning & Regulation set out progress of the key actions of Stirling's Broadband Strategy and the Step Change programme.

The Council's commitment to provide £0.6M additional funding to increase Stirling's Superfast Broadband coverage over and above the Scottish Government's Step Change programme had ensured that a minimum of 93.4% of premises would receive Superfast Broadband. The first phase of the Step Change programme was underway, with communities in Stirling to benefit from the roll-out of Superfast Broadband infrastructure from summer 2014. The Scottish Government had originally intended that all phases of the Step Change programme would be completed by 2015, but it had become evident through discussion with the Step Change Delivery Team that 2017 was a more realistic date, and details would become clearer as the surveys continued and announcements were made.

The Broadband Advisory Group was currently investigating and considering alternative solutions, including satellite broadband, for the harder to reach premises that were out with Stirling's 93.4% of premises that would receive Superfast Broadband. Community members of the Group had been designated Community Council areas to support the Council deliver the recommendations from Stirling's Broadband Strategy.

Members commended the work of officers and the Broadband Advisory Group on the excellent progress made to date.

### **Decision**

The Committee agreed:-

1. to note the progress made by Stirling's Broadband Advisory Group in taking forward the key actions of Stirling's Broadband Strategy - Improving Internet Connectivity across Stirling; and

2. to note the progress of the Scottish Government's Step Change programme, and the increased coverage of Superfast Broadband across Stirling as result of the Council's contribution of £0.6M.

(Reference: Report by Head of Economy, Planning & Regulation dated 21 January 2014, submitted)

## **FE89 SCOTTISH CITIES ALLIANCE – PROGRESS REPORT**

The Finance & Economy Committee on 18 June 2013 endorsed the actions and activities contained within the Scottish Cities Alliance's Strategic Implementation Plan for 2013-2016, and requested six-monthly progress reports. A report by the Head of Economy, Planning & Regulation summarised the progress of the Scottish Cities Alliance over the period July – December 2013.

The Head of Service confirmed that working with WASPS, a feasibility study was being commissioned into expanding their network of artists' studio to Stirling, Inverness and Perth. Members welcomed the plans for permanent artists' space in Stirling.

### **Decision**

The Committee agreed:-

1. to note the progress made by the Scottish Cities Alliance as described in the submitted report; and
2. to receive an annual report on the activities of the Scottish Cities Alliance in June 2014.

(Reference: Report by Head of Economy, Planning & Regulation dated 21 January 2014, submitted.)

## **FE90 CITY CENTRE & HIGH STREETS MEMBER/OFFICER WORKING GROUP**

On 18 June 2013 (Paragraph FH25 refers), the Committee approved the City Centre Strategy and Action Plan, with the key objective of improving the economic, environmental and social well being of the City Centre. The Strategy set out a collaborative and prioritised framework for action, encouraging public and private sector partners to develop and deliver a range of improvements within Stirling City Centre.

A report by the Head of Economy, Planning & Regulation recommended the establishment of a City Centre & High Streets Member/Officer Working Group to provide guidance in relation to the implementation of the City Centre Strategy actions and consider further interventions to improve the economic, environmental and social well being of the City Centre. The Group would also consider the prioritisation and alignment of resources required to deliver the key outcomes.

### **Decision**

The Committee agreed:-

1. to recommend to Council the establishment of a City Centre & High Streets Member/Officer Working Group to consider, prioritise and take forward the key actions of the City Centre Strategy and Action Plan;
2. to recommend to Council the proposed remit for the City Centre & High Streets Member/Officer Working Group as set out in Appendix 1 to the submitted report;
3. to recommend to Council the appointment of up to five Elected Members to the City Centre & High Streets Member/Officer Working Group; and
4. that the Finance and Economy Committee receive reports from the City Centre & High Streets Member/Officer Working Group and make further recommendations to the Council as appropriate.

(Reference: Report by Head of Economy, Planning & Regulation dated 21 January 2014)

#### **FE91 ASSOCIATED BODIES: WIND UP PROGRESS REPORT**

Following previous formal decisions to wind up Venture Forth Limited and Stirling Enterprise & Economic Development Company Limited (SEEDCO), and the use of their residual financial resources, the process for winding up of those arms-length companies was well underway. A report by the Head of Governance & Resources set out the key steps involved in achieving this objective. Appendix 1 to the submitted report provided a schematic overview of the relationships between the various parties from both an ownership point of view and from a property relationship point of view for SEEDCO, STEP and Stirling Business Centre Limited (SBC).

In response to a question from an Elected Member, the Chief Finance Officer confirmed that Directors would receive appropriate support and guidance at Board/General meetings.

It was noted that although the actual wind up of the companies might not be completed by the end of the financial year, the resultant funds would be available.

#### **Decision**

The Committee agreed to note the progress with the wind up of Venture Forth Limited and Stirling Enterprise & Economic Development Company Limited (SEEDCO).

(Reference: Report by Head of Governance & Resources dated 21 January 2014, submitted)

#### **FE92 IMPLEMENTATION OF LIVING WAGE INCREASE**

Stirling Council first implemented payment of the Living Wage on 1 April 2012, in line with an agreement reached between COSLA and the Scottish

Government. This was an agreement in principle that Scottish Councils would introduce the Living Wage, but it left the detail of the implementation to be developed locally. There were variations between each scheme of implementation, although the Living Wage hourly rate was the same for all councils, and it was updated annually across the country.

A report by the Head of Governance & Resources set out the implications of implementing the increase that was due to be paid in April 2014 at an earlier date. Officers had been requested by the Administration to consider the financial and other implications of an early updating of the Living Wage.

The Living Wage was currently paid to around 160 employees within the Council, the majority of whom worked in Assets & Support. It was anticipated that an earlier implementation of the Living Wage increase could be accommodated within existing budgets.

The Chief Executive confirmed that he had authorised the early release of a press statement on the proposed Living Wage increase.

### **Decision**

The Committee noted the financial and other implications of applying the updating of the living wage to £7.65 per hour earlier than the planned date of 1 April 2014, and agreed to an earlier implementation date of 16 November 2013.

(Reference: Report by Head of Governance & Resources dated 23 January 2014, submitted)

The Convener closed the Meeting at 11.45 am