

STIRLING COUNCIL

MINUTES of MEETING of the FINANCE & ECONOMY COMMITTEE held in the COUNCIL CHAMBERS, OLD VIEWFORTH, STIRLING on THURSDAY 12 NOVEMBER 2015 at 10.30 am

Present

Councillor John HENDRY (Vice Convener – in the Chair)

Councillor Martin EARL (Substitute)

Councillor Ian MUIRHEAD

Councillor Scott FARMER

Councillor Mike ROBBINS

Councillor Corrie McCHORD (Substitute)

In Attendance

Carol Beattie, Senior Manager – Economic Development, Chief Executive's Office

Jim Boyle, Chief Finance Officer, Corporate Operations

Michael Boyle, Education Business Manager, Children, Young People & Education

Paul Fleming, Senior Manager, Corporate Operations

Jane Menzies, Senior Manager – Community & Place, Communities & Partnerships

Stuart Oliver, Economic Development Project Manager, Chief Executive's Office

Gerard O'Sullivan, Director of Corporate Operations

Nicole Paterson, Senior Manager - Environment, Housing & Environment

Andrew Pont, Performance Team Leader, Chief Executive's Office

Liam Purdie, Assistant Head of Social Services (Child Care)

Val de Souza, Head of Social Services

Alex Ward, Business & Economy Officer, Chief Executive's Office

Gregor White, Communications Officer, Chief Executive's Office

Jean Houston, Committee Officer, Corporate Operations (Clerk)

Also In Attendance

Gordon Bell, Chief Executive, Stirling Enterprise Park Ltd

Caron Moodie, Development Manager, VALAD

Andy Richardson, Head of Scottish Office VALAD/Director, Stirling Development Agency Ltd

FE208 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were received on behalf of Councillor Neil Benny and Councillor Johanna Boyd. Councillor Martin Earl was in attendance as substitute for Councillor Benny and Councillor McChord as substitute for Councillor Boyd.

FE209 DECLARATIONS OF INTEREST

Councillor Hendry declared a non-financial interest in Minute item FE211 as a Director of Stirling Development Agency Ltd.

Agenda

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

The Chair agreed that a report by the Senior Manager, Economic Development concerning Business Improvement District – Stirling City Centre would be considered as a matter of urgency in terms of Standing Order 33 (d) due to legislative deadlines.

FE210 STIRLING ENTERPRISE PARK LTD (STEP) – ANNUAL ACTIVITY REPORT

Gordon Bell presented a half-year review of activity from April to September 2015 to the Committee. His report set out details of activity in relation to Business Gateway; the Specialist/HR Support Programme; Rural Support; Tourism Support; Funding streams; Property occupancy; and business engagement.

Whilst there had been a decline in attendance at start-up workshops, 184 businesses had benefitted from assistance via the Specialist/HR Support Programme, contributing to the creation of 79 jobs.

He reported a number of changes in hotel ownership, in particular in the rural area, which might be an indicator of increasing confidence in the tourism sector. STEP had co-ordinated a Stirling stand at VisitScotland's travel trade event.

Mr Bell reported that an ESIF loan had been approved resulting in the creation of 11 jobs. This Fund had now closed and would be succeeded by the new pan-Scotland Business Investment Fund (SBIF). There had been 93 enquiries to the SBIF – one loan had been approved and further applications were in the pipeline.

There had been 79 Property enquiries since April and occupancy levels had improved. However, in response to questions from Members, Mr Bell advised that some businesses needed slightly larger accommodation than STEP was able to offer and these enquiries were passed on to the property brokerage service with a view to alternative accommodation in the area.

He also provided clarification that the support provided to entrepreneurs on how to commercialise their ideas was marketing advice and not technological support.

The Chair thanked Mr Bell on behalf of the Committee members for his report.

Decision:

The Finance & Economy Committee noted the contents of the report.

(Reference: Report by Chief Executive, Stirling Enterprise Park Ltd, undated, submitted)

FE211 SDA – ANNUAL ACTIVITY REPORT

Andy Richardson and Caron Moodie presented an update on Stirling Development Agency activity and key successes. He set out the background to the Stirling Development Agency joint venture partnership with Stirling Council which he reported had created 2900 jobs since set up 19 years ago.

Key successes included the regeneration of Burghmuir Retail Park; completion of Castle Business Park; proposals to develop Kildean Business Park; affordable housing at Station Road; development of Broadleys Business Park; and development opportunities at Forthside including the site sale to Premier Inn.

Mr Richardson also reported on potential development and job creation at Kildean, Crookbridge and Millhall and gave details of the expected activity for the next 12 months. He described a marked improvement at Bandeath Industrial Estate, where the quality of units had considerably improved.

In response to Members' questions, he advised that there had been an upgrade of power capacity at Kildean, but that they were in continued dialogue with utility companies and would monitor that situation with regard to future capacity.

Members stated that it would be helpful to have discussions with ward members on specific developments as they progressed.

The Chair thanked Mr Richardson and Ms Moodie for their informative report to Committee.

Decision:

The Finance & Economy Committee noted the contents of the report.

(Reference: Report by Director, Stirling Development Agency Ltd, undated, submitted)

FE212 URGENT BUSINESS BROUGHT FORWARD BY THE CHAIR: BUSINESS IMPROVEMENT DISTRICT - STIRLING CITY CENTRE

On 6 March 2015, the result of the Stirling Business Improvement District (BID) ballot was announced. Traders had voted not in favour of the creation of the Stirling City Centre Business Improvement District.

The Stirling BID Steering Group was seeking the support of the Council to ballot traders in 2016; for financial support of £20,000 to recruit a BID Development Manager; and to progress the range of actions required to enable the development of a BID in Stirling City Centre. The anticipated ballot period was 6 May-17 June 2016. In order to meet legislative timescales, this matter needed urgent consideration.

The report by the Senior Manager, Economic Development, outlined the resource implications and actions required by the Council in its role as postal ballot administrator and collector of the BID levies for the Stirling City Centre Business Improvement District.

The report also highlighted the potential financial implications of a successful BID ballot for the Council as a non-domestic rates payer within the BID area.

Members were asked to note that the map appended to the report had been modified and would be recirculated.

Following the 'No' vote in Stirling in March 2015, a Critical Review and Report on the BID had been produced and this was appended to the report. A number of recommendations had been made actions proposed and these would be taken into account when developing the 2016 BID. Key changes included expanding the geographic area and removing the BID levies to businesses with a rateable value of £10,000 or less.

Members asked officers to consider any early benefits from the successful Dunblane BID and to communicate these to Stirling businesses.

Decision:

The Finance & Economy Committee agreed:

1. to note the progress of the development of the Stirling City Centre BID towards ballot in 2016;
2. to instruct officers to identify the method of BID levy collection, on the assumption of a successful BID ballot in Stirling City Centre;
3. to remit officers to conduct the BID postal ballot for Stirling City Centre and absorb the administrative cost within Council budgets;
4. that the Council remained supportive of the BID model and did not exercise the power of Veto on the Stirling City Centre BID going to ballot, as the BID had satisfied the regulatory requirements as set out in the report;
5. to support the Stirling City Centre BID by remitting the Chief Executive on behalf of the Council, as BID levy payer, to vote in favour of the Stirling City Centre BID during the BID ballot period;
6. to remit officers to conclude the BID Operating Agreement between Stirling City Centre BID and Stirling Council; and
7. to provide a financial contribution of £20,000 towards the development of the Stirling City Centre BID.

(Reference: Report by Senior Manager, Economic Development, undated, submitted)

FE213 MINUTES – 22 SEPTEMBER 2015

Decision

The Finance & Economy Committee approved the Minutes of the Meeting held on Thursday 22 September 2015 as a correct record of proceedings.

FE214 ECONOMIC DEVELOPMENT OPERATIONAL PLAN 2015-2018

An operating plan had been developed for the Economic Development team to deliver Stirling's ambitions for growth and a high wage economy.

The operating plan, contained in Appendix 3 to the report, set out key interventions to be delivered in partnership with the local business community and key agencies, to enable economic growth and provide employment opportunities. The Plan set out the economic context of Stirling and five priority areas that had been identified as the focus for the team, along with expected outcomes. These priority areas were inward investment, business growth, employability, growth and diversification of the rural economy, and investment in infrastructure.

The key sectors in Stirling which had been identified are providing the greatest opportunities for growth were Financial & Business Services; Food & Drink; Tourism; and Technology (Digital Health, Digital Media and Financial Technologies); Sector; and Sector. Prospectuses that had been developed for these sectors were attached to the report.

Members asked officers to update all Members on progress, for example via the Information Bulletin, and to provide an annual report.

The Senior Manager, Economic Development, responded to questions from Members. She explained that companies that already had successful international trade activity would be asked to assist younger companies improve their productivity. The Economic Development team would be working closely with Stirling Enterprise Park and the Chamber to energise businesses, increase their awareness of regulatory matters, and establish where opportunities were to create growth.

She confirmed that Economic Development would utilise the University and College to target international markets and communicate the benefits of what Stirling had to offer. However it was important to refine the key points of that message.

Work was still ongoing to identify potential to generate economic growth and employment in the rural economy. A Stirling rural action plan was being developed to ensure that there was an approach to supporting the rural economy that connected with the broader city development work.

Members asked whether work would be undertaken to develop a consistent approach to branding and marketing. The Senior Manager, Economic Development advised that there were a number of different "brands" associated with the Council and that a Communications Strategy was currently being developed. Members asked that a Marketing/Branding Strategy be submitted to either a future meeting of the Finance & Economy Committee or to full Council.

Decision:

The Finance & Economy Committee agreed:

1. to note the level of engagement with local business and key stakeholders in the Economic Development Operational Plan 2015-2018;
2. to approve the Economic Development Operational Plan 2015-2018; and

3. to receive an annual progress report on the actions in support of the Operational Plan.

(Reference: Report by Senior Manager, Economic Development, dated 2 November 2015, submitted)

FE215 GENERAL FUND RESERVES STRATEGY

This report provided details of the General Fund Reserves outlook for the current financial year and for the coming financial years, based on the known factors that were likely to influence the Council's financial strategy.

General Fund Reserves at the end of the financial year 2014/15 were £7.237m, being 3.5% of total General Fund budget. In addition to this general reserve, the Council also approved a Risk Fund for the mitigation of any Priority Based Budgeting (PBB) savings that were not met. At the end of 2014/15, the Risk Fund amounted to £1.211m. The General Fund Reserves projection for 2015/16, as reported to the Finance & Economy Committee on 22 September, was £8.5m or 4.4% of budget.

The report set out a strategy for the General Fund Reserves, in the light of the changing financial strategy and challenges, the introduction of PBB and the forthcoming national Spending Reviews. The current policy for the General Fund Reserves was to maintain the level at between 2% and 2.5% of budget, and this report examined the appropriateness of maintaining reserves at this level.

The Chief Finance Officer clarified that Stirling's level of useable reserves was at the mid-range for all Scottish councils as a percentage of the revenue budget.

He also responded to questions regarding proposals to review the Council's Organisational Change Policy and confirmed that consultation with trade unions was key to the process. The Council Management Team were considering a review sometime during the next financial year. In addition, the Council would be considering a range of employment options for the future workforce.

Decision

The Finance & Economy Committee agreed:

1. to note the forecast General Fund Reserves position, based on the known and anticipated factors that would affect the Council's financial outlook in the coming financial years; and
2. to approve the General Fund Reserves Strategy as set out in paragraphs 3.25 to 3.34 in the report submitted, including the continuation of a target level of General Fund Reserves of 2% to 2.5% of budget.

(Reference: Report by the Director of Corporate Operations, 2 November 2015, submitted)

FE216 GENERAL FUND REVENUE BUDGET AND PBB IMPLEMENTATION 2015/16

This report provided an update on the overall General Fund Revenue Budget position for the current year.

The previous report to Finance & Economy Committee on 22 September had noted a projected overspend on Service budgets of £762k, being 0.4% of total Service budgets. Most Services were reporting within or close to budget with the exception of Social Services, where budget pressures were resulting in projected overspends.

The current position showed an increase in Service budget overspends to £1.056m, representing 0.6% of total Service budgets. The main reason was the increased spending pressures within Children, Young People & Education and Social Services relating to residential placements for vulnerable children. The report also provided an update on corporate projections and showed that savings of £2m continued to be expected from loan charges with additional income of £250k from Council Tax income. A number of other corporate items were also affecting the revenue budget outturn position and these were outlined in paragraphs **Error! Reference source not found.5** to **Error! Reference source not found.6** on the report.

Projected uncommitted General Fund reserves at the end of the financial year were £8.427m, being 4.1% of General Fund budget and in excess of established target levels. This position took account of a potential transfer of £557k from balances to the earmarked Risk Fund to meet future budget growth pressures, in line with the previously approved financial strategy. It also took account of a transfer of £250k from equal pay provision to revenue balances, in line with the previously approved strategy.

The Assistant Head of Social Services (Child Care) responded to Members' questions regarding high cost children's care and the growth in demand for placements. He explained that other authorities were experiencing similar pressures. In future, the focus would be on early intervention with families as a whole and the Service was continually looking at ways to reduce costs.

The Head of Social Services provided clarification on the increase in Self-Directed Support packages and projected overspend. The Service was reviewing the operation of financial and management controls whilst ensuring consistency across packages and quality of care.

Decision

The Finance & Economy Committee agreed:

1. to note the outturn positions for Services and corporate areas of the budget; and
2. to note that uncommitted General Fund reserves at 31 March 2016 were projected to be £8.427m (4.1% of General Fund budget) after taking account of all expenditure commitments.

(Reference: Report by Chief Finance Officer dated 2 November 2015, submitted)

FE217 GENERAL SERVICES CAPITAL OVERVIEW REPORT 2015/16

The report set out the projected outturn for the General Services Capital Programme for 2015/16.

Expenditure on individual projects within the programme was progressing, with some projects being more advanced than others due to the nature of the projects and the timescales/phasing of intended expenditure.

Expenditure on the General Services Core Capital Programme was projected at £19.017m, a variance of £2.690m against a full year adjusted budget of £21.707m. Year to date expenditure was £5.805m, representing 27% of budget.

For Projects to be funded by Prudential Borrowing, expenditure was projected at £13.744m, with the budget phased to match this. Year to date expenditure was £0.857m, representing 6% of budget.

Services were working to ensure that the expected phasing of expenditure for projects would improve and were monitoring actual expenditure against this.

Decision

The Finance & Economy Committee agreed:

1. to note the General Services Capital Programme outturn based on current expectations, conditions and projections;
2. to note a budget virement of £0.070m from PBB Implementation Options: Creditors Invoice Matching & Scanning to Delivering on a safer, more sustainable Stirling: Additional funding for CCTV provision; and
3. the requests for additional capital funding detailed in paragraphs 3.24 and 3.25 (CCTV and Bus Station) and determined that these could be funded from the current projected underspend.

(Reference: Report by Director of Corporate Operations dated 2 November 2015, submitted)

FE218 PERFORMANCE AND STRATEGIC PRIORITIES PROGRESS REPORT

The report presented the latest information on the performance indicators, and on progress in implementing the strategic priorities, overseen by the Finance and Economy Committee.

Two indicators were below target and these were Year to Date Employee Absence and Percentage of Trainees and Apprentices. The Performance Team Leader confirmed that the absence in some service areas was higher than in others, however this was reported to Committees in more detail.

A new indicator on the Percentage Spend with Local Suppliers had now been included and this would be reported quarterly.

The Director of Corporate Operations provided an update on progress of delivery of high speed internet access across all areas and he confirmed that discussions were currently ongoing to create solutions for areas that had yet to achieve high speed internet access and these could be in place in December.

Decision:

The Finance & Economy Committee agreed:

1. to consider the performance of reported indicators at Appendix 2 – Section 1 and 2 and Appendix 3; and
2. to consider progress on the Service Objectives through which the Strategic Priorities and Projects overseen by the Finance and Economy Committee were being delivered.

(Reference: Report by Director of Corporate Operations dated 2 November 2015, submitted)

FE219 STIRLING COUNCIL OPEN DATA POLICY

Stirling Council aspired to be as open as possible with its citizens. This fundamental objective went beyond legal responsibilities. It takes the Council towards a culture where it shared data held by the Council in a way that allowed its citizens to discover, compare and interact with it.

Open Data was a way of achieving this. By working from the principles in this policy the Council would establish a new openness with its citizens, encourage improvement in its services and the building blocks for innovation to make life better for all.

The Open Data Policy committed Stirling Council to five core principles in relation to how it managed and shared its data for the benefit of all. These principles were detailed in the Stirling Council Open Data Policy attached as Appendix 3 to the report submitted.

Members welcomed the policy and commented that the Council could consider how it presented information on the website and looked forward to improvements.

Decision:

The Finance & Economy Committee agreed:

1. to adopt the Stirling Council Open Data Policy; and
2. that Stirling Council adopt the 5-star deployment scheme detailed in the Policy which committed the Council to reach 3-star level within one year of publication of the policy and 4-star within 2 years.

(Reference: Report by Director of Corporate Operations dated 4 November 2015, submitted)

FE220 COMMUNITY EMPOWERMENT ACT – POWER TO AMEND NON-DOMESTIC RATES

The Scottish Government recently announced that Scottish councils would be able to put in place schemes to reduce Non-Domestic Rates bills in their areas, under powers granted through the Community Empowerment (Scotland) Act 2015. The date from which these powers were available was 31 October 2015. This would be a discretionary power, rather than a statutory duty, and it would be for each council to determine if the power would be used and, if so, to what extent. The report set out the framework under which the new powers would be available for use, but did not at this stage set out proposals for their use. This would require a detailed exercise to be carried out by officers before being considered by Members.

The policy aim of this new power was to provide councils with the flexibility to provide economic stimulus and potentially attract new business investment in ways that best suited local circumstances. The report set out the background to the new powers granted under the Community Empowerment (Scotland) Act 2015, and set out the existing reliefs available to the Council.

The Chief Finance Officer advised that there had been no indication that any additional government funding would be available for this new relief, and the presumption would have to be that it would need to be funded entirely by individual councils. Officers had commenced preparatory work to analyse potential options to make use of the new powers.

Members commented that it would be difficult to identify advantages of using the powers that would outweigh the financial burden on the Council. A lot of questions remained unanswered and there was no guidance at this stage from the Scottish Government on how the provisions should be implemented.

In response to Members comments, the Chief Finance Officer confirmed that whilst the legislation allowed a large degree of flexibility, the Council had limited powers to influence rateable values and discussions would need to take place with the Assessor in this regard.

Decision:

The Finance & Economy Committee noted the new powers to reduce Non-Domestic Rates contained in the Community Empowerment (Scotland) Act 2015 and considered how this power may be exercised by Stirling Council.

(Reference: Report by Director of Corporate Operations dated 2 November 2015, submitted)

The Convener closed the Meeting at 12.30pm