

# STIRLING COUNCIL

**MINUTES of MEETING of the FINANCE & ECONOMY COMMITTEE held in the COUNCIL CHAMBERS, OLD VIEWFORTH, STIRLING on THURSDAY 14 JUNE 2018 at 10.00am**

## **Present**

Councillor Margaret BRISLEY (in the Chair)

Councillor Martin EARL  
Councillor Scott FARMER  
Councillor Alison LAURIE

Councillor Ross OXBURGH  
Councillor Jim THOMSON

## **In Attendance**

Jim Boyle, Chief Officer – Finance  
David Crighton, Land Services Manager (Environment & Place)  
Judy Edwards Early Years & Early Intervention Service Manager (Schools & Learning)  
Anne Ferguson, Senior Manager - Economic Development, Culture & Tourism  
Kristine Johnston, Chief Officer HR & OD  
Drew Leslie, Infrastructure Development Manager (Infrastructure)  
Nicole Lochhead, Management Graduate (Infrastructure)  
Maria Lucey, Roads & Land Services Team Leader (Environment & Place)  
Steven McDonald, Economic Development Team Leader (Economic Development, Culture & Tourism)  
Isabel McKnight, Chief Officer – Strategic Commissioning & Customer Development  
Tracey Mills, Assets Team Leader (Infrastructure)  
George Murphy, Accounting Operations Manager (Finance)  
Nicole Paterson, Senior Manager Environment & Place  
Simon Payne, Procurement Specialist (Strategic Commissioning & Customer Development)  
Heather Robb, Technology & Information Manager (Strategic Commissioning & Customer Development)  
Brian Roberts, Senior Manager Infrastructure  
Karen Swan, Committee Officer (Governance)  
David McDougall, Governance Officer (Governance) (Clerk)

## **Also in Attendance**

Blyth Deans, Audit Scotland, External Auditor

## **FE64 APOLOGIES AND SUBSTITUTIONS**

Apologies were received on behalf of Councillor Neil Benny. Councillor Martin Earl was in attendance as a substitute for Councillor Benny.

## **FE65 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **FE66 URGENT BUSINESS**

### **Free Parking – Weekend of 30 June 2018**

The Convener indicated her intention to take Free Parking for the weekend of 30 June 2018. She noted that due to the impact on Stirling Council's parking charges/income, she would take the item as Urgent Business.

The Senior Manager Infrastructure reported that The Thistles (shopping centre) and Stirling's Business Improvement District (BID) had approached Stirling Council asking if they would support free parking in the city centre on the weekend of Armed Forces (30 June 2018) to encourage more footfall for the event and shopping.

It was estimated that Stirling Council would lose an estimated £4k - £4.5K which could be accommodated within the existing budget, along with The Thistles and Stirling BID who would incur loss of income.

The meeting was informed that the Enforcement Officers would still monitor the Town Centre to ensure appropriate parking and that an approach to private car parking companies and Network Rail would be initiated to aid support in the proposal.

The Convener of Environment & Housing Committee, Councillor Thomson confirmed that they were in the process of consulting on the parking strategy and work on underutilised areas.

### **Decision**

The Finance & Economy Committee agreed to free parking within the Stirling City Centre for the weekend of the 30 June 2018, to coincide with the Armed Forces weekend.

## **FE67 MINUTES – 19 APRIL 2018**

### **Decision**

The Minutes of the Meeting held on Thursday 19 April 2018 were approved as an accurate record of proceedings.

## **FE68 GENERAL FUND REVENUE BUDGET FINAL OUTTURN 2017/18**

This report provided the final outturn position on the overall General Fund revenue budget position for 2017/18. It also asked the Finance and Economy Committee to recommend that Council approve the updating of the 2018/19 General Services Capital Programme budget to reflect additional carry forward commitments and virements.

Service budgets were reporting a net underspend of £1.122M, representing a favourable movement of £974k from the April report.

The favourable movement arose primarily as a result of the Clackmannanshire & Stirling Integrated Joint Board (IJB) cost sharing arrangement, whereby Stirling Council received a further £491k of commissioning income from the IJB. Also, following an announcement on 6 April 2018, that the Scottish Government made extra funding available to Scottish Local Authorities to assist with additional pressures on the winter maintenance budgets, resulting from the severe weather. Stirling Council's share was £247K, and both the Scottish Government and Audit Scotland indicated they regarded it as 2017/18 funding.

The most significant Service budget variance were within adult social care (£321k overspend), children's social care (£959K underspend) and waste services (£494k overspend).

Uncommitted General Fund reserves at the end of the financial year were £9.822M being 4.7% of General Fund budget and in excess of established target levels.

The Chief Officer – Finance confirmed that the first monitoring report on General Fund Revenue Budget Final 2018/19 would be submitted to the September meeting of Finance & Economy Committee.

In response to a Members' question, the Senior Manager Environment & Place would confirm to Members the breakdown of the three main areas of overspend in the Waste budget.

Members noted the hard work of the Waste Services and how efficiently they resolved Members queries.

### **Decision**

The Finance & Economy Committee agreed:

1. the final outturn positions for Service and Corporate areas of the budget;
2. the final uncommitted General Fund reserves of £9.822M at 31 March 2018 (4.7% of General Fund budget); and
3. to recommend that Council approve the updating of the 2018/19 General Services Capital Programme budget to reflect additional carry forward commitments and virements of £1.424M as set out in Appendix 2 to the submitted report.

(Reference: Report by Chief Finance Officer, dated 5 June 2018, submitted)

## **FE69 GENERAL SERVICES CAPITAL PROGRAMME 17/18 PROGRESS REPORT**

The purpose of the report was to provide committee with an update on the delivery of the capital programme for 2018/19. The paper also aimed to increase the governance, scrutiny and visibility of the programme to elected members, and to improve the implementation of the programme.

The General Services Core Capital Programme delivered significant investment in Stirling's infrastructure, enabling key projects which were required to support economic growth, support and develop our communities and improve the services which the Council deliver.

The allocated budget for 2018/19 was £27.845m. It was based on the original budget set in February and amended to reflect finalised carry forward from 2017/18 and external grant awards as report at the April Committee.

The delivery of the 2018/19 Capital programme was progressing well with overall implementation progressing in line with project delivery programme and profiled budget spend.

In response to Members' questions, Roads & Land Services Team Leader confirmed that Stirling Council progress on certain flood schemes were due to a delayed data return from SEPA and clarification on procurement. She would also update Members on the costings and the financial impact on the terminated ground penetrating radar project.

The Senior Manager Infrastructure advised Members that a report on the Draft 10 Year Capital Plan would be submitted to the next scheduled meeting of the Finance & Economy Committee.

#### **Decision**

The Finance & Economy Committee agreed to note the progress being made on the delivery of the 2017/18 programme.

(Reference: Report by Senior Manager, Infrastructure, dated 6 June 2018, submitted)

### **FE70 PERFORMANCE AND STRATEGIC PRIORITIES PROGRESS REPORT**

The report presented the recommended performance indicators to be reported to Finance & Economy Committee, in line with new Council Priorities.

Following discussion on target levels, the Members agreed that once a target had been met, the target level would be reviewed at the next Finance & Economy Committee. The Senior Manager Infrastructure also noted when the target was not met, a narrative would be included to explain the reasons.

Following a question raised in connection to MP/MSP enquires, the Chief Officer Strategic Commissioning & Customer Development confirmed further discussions would take place with Members of the Finance & Economy Committee on how the breakdown of data should be recorded within the progress report.

The Chief Officer Strategic Commissioning & Customer Development also confirmed a new customer service platform was being introduced that would be more efficient.

#### **Decision**

The Finance & Economy Committee agreed:

1. the recommended indicators (Appendix 2 to the submitted report); and

2. to approve the recommended indicators for future reporting, in line with Council Priorities A, B, C, D, E, F.

(Reference: Report by Senior Manager, Economic Development Culture & Tourism, dated 6 June 2018, submitted)

#### **FE71 TREASURY MANAGEMENT PERFORMANCE REVIEW 2017/18**

The report provided details of the 2017/18 Treasury Management performance and presented the actual prudential indicators for this period. It served to evidence compliance with the Council's approved Treasury Management Strategy for 2017/18, prepared in accordance with the Local Government in Scotland Act 2003, the revised Chartered Institute of Public Finance & Accountancy (CIPFA) Treasury Management in the Public Services Code (2011 edition), the CIPFA Prudential Code for Capital Finance in Local Authorities (2011 edition), the Local Government Investment Regulations (Scotland) 2010 and the Local Authority (Capital Financing and Accounting)(Scotland) Regulations 2016.

The expectation for interest rates within the 2017/18 strategy anticipated that the Bank of England Base Rate, cut to 0.25% in August 2016, would remain unchanged at this level with an increase expected by June 2019. In November 2017, the Bank of England's Monetary Policy Committee voted to increase the Base rate from 0.25% to 0.50%.

In response to questions raised by Members, the Chief Officer – Finance clarified the banking services contract tender process and the timescales involved. It was noted that the market for Council banking services contracts was a restrictive one.

The Convener thanked the Chief Officer – Finance and his staff for the excellent work over the last year for the stewardship of the council finances.

#### **Decision**

The Finance & Economy Committee agreed:

1. the treasury management performance, including prudential indicators, for 2017/18; and
2. the undertaking of new Public Works Loan Board loans totalling £10.0m with an average rate of 2.31%.

(Reference: Report by Chief Officer - Finance, dated 6 June 2018, submitted)

#### **FE72 "TOWARDS COMMERCIAL EXCELLENCE": COMMISSIONING & PROCUREMENT ANNUAL REPORT 2018**

The purpose of the report was to seek approval for Stirling Council's first Commissioning & Procurement Annual Report which would enable Stirling Council to comply with mandatory requirements as laid out in the Act.

Section 15 of the Procurement Reform (Scotland) Act 2014 (hereinafter referred to as “the Act”) required any public organisation which had an estimated regulated spend of £5m or more in any financial year to develop, publish and review a procurement strategy annually. The Act also required public organisations, from 2018 onwards, to publish an Annual Report on its regulated procurement activity in the previous financial year as soon as reasonably practicable after the financial year end.

Stirling Council’s external spend was in excess of £100m each year on goods, services and works.

The Council’s Strategic Commissioning Team (SCT) provided advice, support and tendering services to internal customers to ensure the Council’s purchasing, legal and commercial requirements were met.

### **Decision**

The Finance & Economy Committee agreed to note the content of the report and approve Stirling Council’s “Towards Commercial Excellence” Commissioning & Procurement Annual Report 2018.

(Reference: Report by Chief Officer – Strategic Commissioning & Customer Development, dated 4 June 2018, submitted)

## **FE73 APPRENTICESHIP CHARTER**

Stirling Council agreed annually in February, the rolling five year Strategic Workforces Plan, which was our plan to ensure we had the right people with the right skills, in the right place, at the right time to deliver our services to the diverse communities of the Stirling Council area.

As part of the plan, apprenticeship and training opportunities were created to provide young people with opportunity to start out in their career and join the workforce under a training arrangement, which would lead to a qualification. Apprentices were able to learn skills through working alongside experienced colleagues and it was generally observed that our established workforce, also develop their skills, through working with an apprentice.

Adopting the Apprenticeship Charter would raise the profile of the good work undertaken within Stirling Council and demonstrate that as an employer, we lead by example and set exceptional standards in employer practice.

Following a Members’ question, the Chief Officer HR confirmed that the apprenticeships were for all age groups and that an official launch would take place with the Unions to promote the Charter.

### **Decision**

The Finance & Economy Committee agreed that Stirling Council adopts the Apprenticeship Charter.

(Reference: Report by Chief Officer – HR, dated 6 June 2018, submitted)

**FE74 PROPERTY ASSET MANAGEMENT STRATEGY & DELIVERY PLAN (INCL COMMUNITY PROPERTY TRANSFORMATION PROGRAMME)**

The purpose of the paper set out the proposed Stirling Council Property Asset Management Strategy and Delivery Plan for 2018 to 2028, with a focus on the activities of the next three financial years. The strategy provided details on asset management key themes, the activities which would enable the programme and the outline plan for delivery.

The Property Asset Management Strategy set out the strategic themes for managing Stirling Council's property portfolio which included operational and commercial buildings, covering a wide range of corporate offices and depots, education, culture and community facilities and a wider range of associated non-housing property.

The development of the Asset Management Strategy and Delivery Plan, had been aligned through the Priority Based Budgeting Programmes of COP004 Community Property Transformation Programme, COP003 HQ Office and Depots Programme and provided opportunities for COP003 HQ Commercial Property Income. The Community Property Transformation Programme was designed around a variety of localised property rationalisation projects, working in partnership with other bodies and driven by the principles of the effective asset management. Over a five year period it must deliver savings of £1.6 million revenue and an increased income of £150,000.

In response to Members' questions, the Assets Team Leader confirmed that for both community access throughout the school day and the reduction in net floor area of non-school's estate by 40% by 2021 would not impact on the core teaching or social spaces within the school. Discussion had already taken place with communities and would continue.

The Committee noted that Appendix 3 to the submitted report would be reformatted to ensure it was readable and recirculated to the Members of the Committee.

**Decision**

The Finance & Economy Committee agreed:

1. to approve the Draft Property Asset Management Strategy and Delivery Plan for 2018 to 2028;
2. to note the establishment of Culture Change Programme, including full adoption of Agile and Smarter Working Policies, led by HR & OD teams; and
3. to note the work required to review charging and lets policies, and shared property agreements; and requested a report on Less than Best Value, and Booking and Charging was brought back to Finance and Economy.

(Reference: Report by Senior Manager - Infrastructure, dated 6 June 2018, submitted)

## **FE75 PATERNITY LEAVE**

The report highlighted developments taken by another public sector employer to increase Paternity Leave from two weeks to four weeks and explored whether there was interest to adopt this arrangement, within our terms and conditions in Stirling Council.

The statutory entitlement for Paternity Leave was two weeks at the statutory rate of £145.18 per week, around the time of birth or adoption. However, within Stirling Council, the first week was classified in our terms and conditions as maternity support leave which was at full pay, and the 2<sup>nd</sup> week was statutory paternity leave at the statutory rate.

Fathers and Partners took the first full paid week, however not all took the 2<sup>nd</sup> week, (7 out of 24) which was at the statutory rate, and if that was increased to full pay, the additional cost was estimated £13, 532 based on average salaries.

Various international studies had found a link between longer paternity leave and greater involvement of fathers in the early lives of their children; greater maternal well-being; reduced incidence of postnatal depression in both mother and father; better outcomes for children, including better peer relationships, literacy and fewer behavioural problems; increased sharing of household work; and a strong link between taking paternity leave and breastfeeding.

### **Decision**

The Finance & Economy Committee agreed:

1. to the proposal to increase Paternity Leave from two to four weeks;
2. that the cost of the additional leave would be absorbed within existing resources; and
3. that the new entitlement to Paternity Leave applied in the first year of child's birth or adoption.

(Reference: Report by Chief Officer – HR, dated 6 June 2018, submitted)

## **FE76 FOOTWEAR AND CLOTHING GRANT**

Currently, the level of school clothing grant paid by Stirling Council was £50 per child. COSLA Leaders recently approved a proposal by the Scottish Government to increase this to £100 per child, with the additional funding provided by the Scottish Government.

There had been ongoing discussion around school clothing grants for a number of years between COSLA and the Scottish Government. The Education (Scotland) Act 2016 allowed that Scottish Ministers could require an education authority to pay a minimum grant of a specified amount (s.23) but this provision had never been enacted.

The report sought approval by the Committee to pay the higher amount, prior to applications being invited before the school summer holidays began.

## **Amendment**

“1. that Stirling Council would pay the school clothing grant of £130 per eligible child”

Proposed by Councillor Margaret Brisley and seconded by Councillor Scott Farmer.

The Amendment was unanimously agreed.

The Committee also requested that work on the eligibility criteria be progressed for future review.

## **Decision**

The Finance & Economy Committee agreed:

1. that Stirling Council would pay the school clothing grant of £130 per eligible child;  
and
2. work on the eligibility criteria be progressed for future review.

(Reference: Report by Chief Officer – Finance, dated 7 June 2018, 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 they involved the disclosure of exempt information as defined in Paragraph 8 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973.**

## **FE77 PENSION FUND – PROPOSAL IN RELATION TO ADMISSION BODIES**

The report provided the Committee with details of a proposal to enable small Pension Fund employers, who were struggling financially to sustain Scheme membership, to leave the Fund without incurring substantial exit costs.

Under the statutory terms of the Local Government Pension Scheme (LGPS), Falkirk Council had a dual role as both the administrator of the Falkirk Council Pension Fund and as an employer who participates in the Fund.

Around 35 other employers participate in the Fund including Clackmannanshire and Stirling Councils, the Scottish Environmental Protection Agency (SEPA), the Scottish Children’s Reporters Administration (SCRA) and various other smaller organisations mainly of a charitable or non-profit making nature.

A similar report was being considered by both Clackmannanshire and Falkirk Councils.

In response to a Members’ questions, the Chief Officer – Finance confirmed that Stirling Council had completed a liability evaluation, which had been report through Audit Committee and that each external organisations would be expected to complete the same.

## **Decision**

The Finance & Economy Committee agreed:

1. subject to agreement being given by both Clackmannanshire and Falkirk Councils, to act as joint guarantors of the pension liabilities of those admission bodies who meet the criteria set out in paragraph 2.12 of the submitted report; and
2. where one or more of the other two Councils do not agree to the joint guarantee being extended, to act as guarantors of the pension liabilities of those admission bodies who meet the criteria set out in paragraph 2.12 of the submitted report and who were based in or serve the community in the Stirling Council area.

(Reference: Report by Chief Officer – Finance, dated 5 June 2018, submitted)

The Convener closed the Meeting at 12.25 pm