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Stirling Council is committed to working in partnership with our communities to deliver the best possible services for all who live, work and visit the Stirling area.

We are guided in this by the 18 key priorities agreed by the Administration in 2012, covering areas such as Education, Families, Housing and Regeneration.

In order to achieve these priorities and become more efficient and responsive, we are improving the organisation and culture of the Council. We have restructured the services we offer into core service areas, and we have introduced new ways of working to be more able to focus on the outcomes we can achieve for Stirling.

The Council is also committed to improving the way it engages with employees, residents and other key stakeholders from the public, private and voluntary sectors, and to developing and modernising the way we deliver services which better meet the needs of our communities.

Overall, the Council will invest in the region of £200m per annum across services throughout Stirling city and surrounding area.

The rolling five-year plan also identifies the different factors that impact on the development and delivery of services. It outlines the activities and initiatives the Council plans to undertake to achieve our strategic vision for the Stirling area.

We are ambitious for Stirling and have put in place a number of strategies and plans designed to support sustainable growth and diversification of Stirling’s economy, and deliver high-impact projects. Key to this will be the recently formed Stirling City Commission which will play a pivotal role in building on and progressing these goals to help position Stirling as a vibrant economic centre.

The five-year business plan will be reviewed every year and updated in line with changes in the Council’s priorities and any relevant external factors. It is supported by our priority-based approach to budgeting and a five-year strategic workforce plan. Progress on the delivery of the business plan will be regularly reported to the Council and relevant committees and will form a key part of the Council’s public performance reporting from 2015/16 to 2019/20.
Vision and strategic priorities

A Single Outcome Agreement (SOA) for Stirling

With our community planning partners, Stirling Council is committed to ensuring the best possible outcomes for everyone who lives, works and visits the Stirling area. We do this through the 18 key priorities which, in turn, reflect the national priorities set by the Scottish Government, the Concordat and the Single Outcome Agreement (SOA). The SOA has been jointly developed by the Council and our partners and aims to provide the framework the seven key outcomes are delivered against. These are:

- Improved outcomes in children’s early years.
- Improved support for disadvantaged and vulnerable families and individuals.
- Communities are well served, better connected and safe.
- Reduced risk factors that lead to health and other inequalities.
- Improved opportunities for learning, training and work.
- A diverse economy that delivers quality local jobs.
- Improved supply of social and affordable housing.

A list of the community planning partners is included in Appendix 1.
To deliver these seven key outcomes, the Council has set out a number of key priorities. These are:

**Partnership**
Building a community planning partnership that is democratically led with an engaged community and that works towards positive outcomes for Stirling.

**Welfare Reform**
Developing advice services that are fit to support people through the current round of welfare changes by establishing an integrated service with voluntary sector leadership.

**Families**
Increasing the focus on early intervention to help families in need.

**Service Delivery**
Examining and delivering more opportunities for improved models of service delivery.

**Regeneration**
Regenerating our most in-need communities to deliver a full range of positive social, environmental and economic outcomes.

**Environment**
Adopting a pragmatic approach to sustainability that protects and enhances the local environment.

**Education**
Improving the outcomes for the lowest performing 20 per cent of children in nurseries and schools.

**Education**
Providing additional nursery and out of school care places throughout the Stirling area to support working families.

**Roads**
Making resurfacing roads, paths and pavements the service priority across the whole Stirling area.

**Housing**
Building more socially rented housing.
Social Services
Being a good corporate parent.

Digital Connectivity
Delivering and improving upon access to and speed of internet access across the Stirling area.

Elderly
Improving care for our vulnerable people at home.

Economy
Streamlining business support under the leadership of the business community.

Sport
Promoting opportunities and supporting access to physical activity and sport for all.

Business
Pursuing a diverse high wage economy that delivers local jobs for people across Stirling and a procurement policy that supports this.

Enforcement
Ensuring enforcement action is taken across all areas of Council activity and making full use of Council policy to combat anti-social behaviour.

Finance
Our financial strategy will reflect the current economic challenges by making savings while ensuring the delivery of quality services.

...our Key Priorities
Stirling Council will face significant changes and challenges over the next five years that will impact the way the Council operates. These changes will be driven by financial, policy, legislative and demographic factors.

The Council will continue to respond to an increasingly challenging economic environment by seeking innovative and effective ways of delivering high-value services in partnership with our residents and communities. Funding will be prioritised and allocated as outlined on pp19-22.

Capital investment by the Council is important in facilitating further investment in the area, thereby contributing to economic growth. The Council intends to broaden its outlook on alternative means of financing and funding investment, and aims to leverage additional investment where appropriate.

Alternative models of service delivery may emerge that complement and enhance what we currently do. Any developments will be considered in the context of current service provision and delivery, the requirements of the people who use the services and the changing expectations of the wider public. It is important that the Council is clear about how services will be structured and managed.

The Council should also recognise the different roles that our urban and rural communities play, acknowledge that there isn’t a “one size fits all” approach, and tailor services to better meet these different needs.

The Council needs a more tailored approach to deliver this opportunity, acknowledging that the scope for refining services may be more limited for some than others. The Council will be structured and managed accordingly and will operate with a new set of values and ways of working, and our employees will play a key part in this.

The rolling five-year plan allows us the flexibility to adapt to these changes and taking this strategic approach enables us to continue to deliver high quality services, and ensure that only the most appropriate savings are made.

How we deliver this plan reflects the Council’s priorities, political imperatives and local circumstances. Councillors will determine the principles and direction of this plan, and the Chief Executive and Corporate Management Team are accountable for its detail and delivery.
To meet the agreed priorities of Stirling Council, we have created a set of key messages and goals to focus our work.

The key messages are:

Be Community Led
- Design and deliver services that respond to the needs and priorities of our diverse communities, and empower them to play a greater role in service delivery.

Be One Council: One Team
- Address service provision in a collaborative manner, with no artificial or perceived boundaries.

Be a Learning Council
- Work with and learn from each other and our partners, sharing knowledge and best practice to meet current and future challenges.

Be Risk Aware: Not Risk Averse
- Take innovative and new approaches to service delivery, being aware of risks rather than being risk averse.

Be Open and Responsive
- Engage and communicate effectively and meaningfully with communities, employees and partners.

the next five years...
Financial Influences

- It is anticipated that there will be continued financial pressure on our government grant.
- It is expected there will be a continued Council Tax freeze, limiting our ability to raise additional funds.
- There will be increasing service delivery costs.
- Pension and salary costs will increase.
- The protection of teacher numbers in the national agreement will limit savings potential.

Technological Influences

- Stirling has one of the highest levels of internet connectivity in Scotland and will benefit from the roll-out of basic broadband to 94% of households and super-fast broadband to many areas.
- Around 18% of households in the Stirling Council area remain disconnected from the internet.
- There will be more flexible and mobile ICT solutions as well as greater security and infrastructure demands of the national Public Service Network.
Political Direction and Public Policy

- Public service reform will place expectations on the public sector to share budget and resources.
- There will be integration of adult health and social care services with the NHS in 2015. Child health will also be subject to review and closer integration.
- The Community Empowerment (Scotland) Bill enacted on 11 June 2014 aims to recognise communities’ talents and allow them to be more involved in shaping and delivering better outcomes.
- Other significant developments are expected in self-directed support, children and young people, community learning, early years and community justice.

Local Partnership and Community Planning

- Effective community planning arrangements will be at the heart of public service reform.
- Stirling’s 10 year Single Outcome Agreement commits our community planning partners to an evidence-based approach to determining priorities, matched with a long term, outcomes focused delivery.
- Early intervention over the long term will achieve both financial stability and improved outcomes and will be challenging.

Major influences over the next five years
Background to our approach to Community Engagement

The Council’s approach to communication and community engagement has been shaped by "Increasing Engagement and Participation: A Framework for Change," which was published by the Council in April 2013.

The framework identifies the following ways to improve our knowledge, skills and practice:

• Share our beliefs and understanding about good engagement and participation in practice across the organisation and with communities and with community planning partners, with a view to seeking endorsement of this framework by all partners to the Single Outcome Agreement.

• Review the organisation and support arrangements for our strategic engagement process, including community councils and Area Community Planning forums, to create more collaborative partnerships between the Council and the community and its community planning partners.

• Enhance our collective leadership, facilitation and negotiation skills, by developing and implementing a modular training programme for all key staff, services, community organisations and community planning partners.

• Promote and enhance opportunities to increase engagement and communication between people, communities and the Council through the use of new technologies and social media.

• Implement the whole authority approach that is designed to support opportunities for volunteering, a key way in which we can increase engagement and participation with and between people and groups.
Priority Based Budgeting: putting principles into action

Priority Based Budgeting has given us an opportunity to put into practice the principles contained within “Increasing Engagement and Participation: A Framework for Change”. The five-year budget that supports this business plan takes account of extensive communication and community engagement including:

- The publication of a draft report with an improved format based on Engagement Sounding Board input, which allowed greater time for comment and feedback.
- A corporate stakeholder briefing with around 40 key stakeholders.
- Whole Council and service-led workforce briefings, informal drop-in sessions and colleague conversations with employees.
- Seven community conversations in November 2014 to share options and gather comments, questions and suggestions.
- Two additional community conversations on the theme of Education and Children initiated by communities.
- A public survey that asked people what they thought the Council could do differently.
- A contact point at shapingstirlingsfuture@stirling.gov.uk, where people could provide comment, questions and suggestions on our budget process.
- The production of a comprehensive communication and engagement report.

The desire throughout the community engagement exercise has been to connect with communities and to ensure they have sufficient opportunity to influence the budget process.

The Council will continue to have open and meaningful dialogue with employees, residents and key stakeholders throughout this process. We will also work hard to improve awareness and understanding of all of the Council’s activities and services and encourage increased participation and engagement across the board.

The Council will build on this engagement with city and rural communities, our partner organisations and staff.

The Council has a wide range of stakeholders and some of these are outlined in Appendix 2.
A total of 4097 staff members (3465 full time equivalent) are employed across the Council’s six service areas. These are:

- Children, Young People and Education.
- Social Services.
- Corporate Operations.
- Housing and Environment.
- Communities and Partnerships.
- Chief Executive’s Office.

Stirling and Clackmannanshire Councils jointly deliver Education and Social Services, with Stirling taking the lead authority role on Education, and Clackmannanshire on Social Services.

The Council services manage the following annual budgets (2013/14 figures):

- General Fund - Revenue Budget: £204.629m
- General Fund - Capital Programme: £21.523m
- Housing Revenue Account - Revenue Budget: £19.460m
- Housing Revenue Account – Capital Programme: £22.151m

The Housing Revenue Account is a ring fenced budget covering the Council’s management of its housing stock and is funded through rental income.

The General Fund covers all other services.
Over the next five years, the shared Education Service will see considerable development in order to provide the best possible educational outcomes for all our children, young people and adult learners. Building on existing strategies and further developing the innovative shared service approach, we will work to provide high-quality education in all establishments; deliver effective youth and adult services; and promote health and wellbeing in our communities.

The vision of the Children, Young People and Education Service is one of high achievement, attainment, excellence and ambition for all. This vision will be realised through a continued focus and commitment to the principles that underpin Curriculum for Excellence, Getting it Right for Every Child and the Early Years Framework.

Our strategic priorities reflect the national priorities set out by the Scottish Government, the Concordat and the Single Outcome Agreements. They encompass the activities and initiatives that we will undertake in order to achieve the Council’s key strategic objectives.


The immediate priorities for the service are: early learning and childcare; raising attainment for all; developing the young workforce and improving the positive destinations for our school leavers; getting it right for every child, and reviewing our school estate.
Social Services

Social Services aims to transform the way care is delivered over the next five years, in line with national priorities and Stirling Council’s strategic objectives.

We provide high quality, equitable and responsive services. The service has a statutory responsibility to assess risks and to ensure that the rights of those who are most vulnerable are protected. We will keep children safe, healthy and prepare them well for adulthood.

The service is focused both on people with acute and complex needs, and on promoting the wellbeing of the wider population through partnership working with universal services. We will work with people who use the services, carers and stakeholders in the design and delivery of services. This will ensure that services are personalised and deliver what people need to fulfil their potential.

A priority is to support adults to lead independent and fulfilled lives. By assisting people to have as much independence, choice and control as possible over their lives, we will use all of the resources available to best effect. We will ensure that wherever possible, support is available within local communities and in a person’s own home or in a homely setting.

These activities will be underpinned by the development of joint commissioning strategies that will set out for each service user group how we will work with all Council services and in partnership with NHS Forth Valley, communities and the third and independent sector to put the right services and supports in place for the next five years.
Housing and Environment delivers a broad range of services which impact directly on everyone who lives and works in Stirling. Over the next five years, these services will be developed to become more efficient and responsive, and to adapt to the needs of our communities. Where appropriate, services will be tailored to meet the differing local demands across the urban and rural areas served by the Council.

Our services include the provision of housing management and maintenance services to our tenants; planning and investing to meet future housing needs and the prevention of homelessness; and protecting and enhancing our natural and built environment through our Roads, Land, Waste and Regulatory services in a sustainable manner. We recognise the key role of our services in promoting and supporting the economic development of Stirling.

In developing an effective business strategy for the next five years, Housing and Environment will aim to better integrate these services to improve service delivery, and to regularly review strategic and operational outcomes as the demands on each service area evolve. This will require a clear focus on delivering the Council’s priorities within a challenging financial climate.

Housing and Environment will consider innovative and alternative ways of delivering our services. We will work closely with communities, our employees, and internal and external services and partners to identify, evaluate and deliver service change. We will develop our services through the Priority Based Budgeting process to better reflect the priorities of communities, and will promote and support community initiatives to deliver and commission services.
Corporate Operations

Corporate Operations brings together HR, Finance, Audit, Legal, IT, Planning & Development Management, Property, Asset and Infrastructure Management, Energy Management, Transport Development and FM Cleaning & Catering Services. Corporate Operations is also responsible for the management of the Priority Based Budgeting process. Our focus is to modernise, deliver and transform.

There are two clear areas within Corporate Operations – Infrastructure Delivery and Corporate Services.

The Infrastructure Delivery Service provides a co-ordinated approach to Planning, Transport Development and Property Asset Management, ensuring we can maximise opportunities for inward investment and economic growth. We will focus on developing assets to maximise their potential and deliver infrastructure improvements to support Stirling to grow in a sustainable and integrated way. We will continue to improve the efficiency of our buildings, and review how we use them, to reduce our energy usage and our impact on the environment.

Corporate Services provides advice, support and expertise in a range of areas to help services achieve operational effectiveness and to deliver Stirling Council’s key objectives. We will work to identify and source financial, human and technical resources to ensure the Council’s long term success whilst safeguarding its interests.

In HR, we will work to a Strategic Workforce Plan designed to embrace developments in employee engagement and skill development, adopting behaviours and attitudes that fit with a progressive Council.

In Finance, we will continue to be proactive in managing our budgets and dynamic in our use of Priority Based Budgeting. We will demonstrate best practice, explore options to improve our income generation capabilities, and optimise our assets and professional skills to create new services with a market value.
Communities and Partnerships

Communities and Partnerships manages and leads the delivery of a wide range of services spanning libraries, archives, customer services, registrars, culture and the arts, sport and leisure, community safety, transport, engagement and procurement.

Over the next five years, the service aims to transform the way the Council works with localities and communities across Stirling so that it is known as a great place to live, work, visit and do business.

We will work with partners to lead the design and delivery of services and programmes promoting and enhancing quality of life, wellbeing and economic prosperity.

Strategic Procurement and Commissioning will play a fundamental role in this by setting out the process and policy that the Council follows to buy goods and services. This will help the Council make best use of funds, spending in a way that is transparent, compliant with legislation and helps us to achieve the Council's key objectives. This includes enabling local businesses and ensuring that communities directly benefit from Council spend, e.g. through apprenticeships and job creation.

Community and Place will drive the changes needed to give our communities the information and support they need to shape the development and delivery of Council services locally, tackle the big issues they are facing and where feasible deliver and commission services. There will be a strong focus on community safety and combating anti-social behaviour. Access to advice, support and opportunities to find employment and prevent debt will underpin this, along with activities to ensure that any enquiries, complaints and suggestions are responded to openly and used to continuously improve our services.

Sport, libraries and cultural programmes will also be developed, generating employment and encouraging business investment, nurturing and developing talent and excellence, and promoting health and wellbeing.
In addition to Economic Development and Communications, Marketing and Events, the Chief Executive’s Office provides support in a number of key areas.

We promote an approach that focuses on engagement and participation in the Council and with citizens, communities and partners, to support the delivery of more effective local outcomes. We are also designing and implementing a range of initiatives, programmes and approaches to support the Council’s business needs, including the modernising and best value agendas.

The Economic Development service is working to achieve sustainable expansion of the Stirling economy. Stirling Council collaborates closely with partners, stakeholders and communities to support key sectors, invest in innovation and participate internationally, creating high quality jobs.

Building on the key objectives and aspirations of our refreshed economic strategy and action plan, we will continue to work in collaboration with our local business community to jointly develop, fund and implement projects and initiatives to promote diversification and sustainable growth of Stirling’s economy.

A City Commission has been established as an advisory board to support Stirling’s economic progress, through infrastructure investment, business growth and skills development. Economic Development services have been reshaped to meet the needs of residents, communities, visitors and businesses within the Stirling area.

Our Communications, Marketing and Events service supports Stirling Council in its commitment to the development and delivery of a comprehensive, multi-channel communication strategy to reach and engage with all our employees, citizens, communities and partners. This will ensure that everyone has a clear understanding of our vision, aims, values, services and achievements.
How we are funded

The Council receives funding through a number of sources, which include:

- General Revenue Grant from the Scottish Government.
- Non-Domestic Rate income levied on local businesses and other organisations.
- Council Tax income from local residential properties.
- Fees and Charges from a range of services where a direct charge is made at the point of use.

The split between the various main sources of funding is shown in the figure below.

The figure shows the percentage of Council funding by source for 2015/16. For 2015/16 the Council aims to raise a total of £216 million from the above four main sources.

The Council’s income from central Government, including the non-domestic rates income that is levied nationally, equates to 78% of overall income. The remaining 22% is generated from local residents, visitors to our area and others who consume services within the Stirling Council area.
Financial assumptions

The following financial assumptions have been made (and are by no means exhaustive) within the five-year business plan.

- The grant from central Government, which accounts for almost 80% of the Council’s funding, is likely to fall in cash terms from 2016/17 onwards. This is due to the UK Government’s intention to reduce the overall level of national borrowing over the coming years, and the consequent reduction on public spending that will be necessary to achieve that aim. The business plan has factored in an assumed cash grant reduction of 1% per year from year two onwards.

<table>
<thead>
<tr>
<th>Year</th>
<th>General Revenue Grant &amp; Non-Domestic Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>No change</td>
</tr>
<tr>
<td>2016/17</td>
<td>-1%</td>
</tr>
<tr>
<td>2017/18</td>
<td>-1%</td>
</tr>
<tr>
<td>2018/19</td>
<td>-1%</td>
</tr>
<tr>
<td>2019/20</td>
<td>-1%</td>
</tr>
</tbody>
</table>

- Council tax continues to be assumed frozen at 2014/15 levels for the duration of the five-year planning period. This is in line with the Scottish Government’s policy of freezing tax since the financial year 2008/09. Should that policy change in future years, then this assumption could be revised. A small increase in the number of council tax properties is assumed of approximately 200 per annum.

- It is assumed that the funding being made available to the Council for 2015/16 is in line with the settlement letter received from the Scottish Government in December 2014, which sets out the funding for 2015/16 only. Funding for subsequent years is based on assumptions that are derived from the UK Government’s economic strategy, as well as academic and practitioner analysis of the likely impact on public spending in the coming years. Spending reviews at UK and Scottish level are likely to have a bearing on these assumptions, and they will be adjusted as further information becomes available.

- Pay awards have been built into the business plan at 1.5% per annum for all staff groups (teaching and non-teaching staff) for 2015/16 and 2016/17, with an assumed rise of 2% per annum for the years 2017/18 to 2019/20. Pay awards are currently subject to a national bargaining and negotiating process, and progress on those discussions will inform future pay award assumptions.

- Demographic changes in the population have been included within the model.
• Additional cost pressures and reductions for additional waste disposal costs and landfill allowance / tax net impact are estimated based on current legislation.

• A cost increase has been factored in from 2016/17 relating to the increase in the employer's National Insurance contribution rate, resulting from the UK Government's reform of the state second pension. This will result in the removal of the current rebate for those employers that opt out of the state second pension, as all Scottish councils do, and will result in an increase in the National Insurance bill of 3.4% from 2016/17 onwards.

• Like all employers, the Council now has a statutory duty to provide for auto-enrolment of employees into the pension scheme and a provision of approximately £1 million has been made for this from 2016/17.

• The Government has begun the roll out of the Welfare Reform Bill, which will potentially impact on the Council and a provision has been made for the estimated cost of this.

• Provisions and specific allowances are captured within the model for items such as non-domestic rates, capital financing charges, utility bills etc.

• The Council has taken a risk-based approach to setting the 2015/16 budget such that a risk fund will be set to mitigate against future cost pressures which services will, in the first instance, be expected to try to meet before any call is made on the risk fund.

• An average loans pool rate of approximately 4.9% has been used over the period of the business plan.

Providing a future projection of the financial requirements of an organisation that provides wide-ranging public services, at a time of economic uncertainty within the Scottish, UK and world economies, requires a great deal of estimation. The business plan balances the fact that some of the key factors are uncertain at present against the need to take a responsible view of planning for what will undoubtedly be a very tough set of economic circumstances for councils. However, should any of the key economic assumptions change, the business plan will be updated accordingly.
**Funding, spend and savings**

The Council’s expected funding, spending and savings, based on these assumptions, are:

<table>
<thead>
<tr>
<th></th>
<th>Year 1 2015/16</th>
<th>Year 2 2016/17</th>
<th>Year 3 2017/18</th>
<th>Year 4 2018/19</th>
<th>Year 5 2019/20</th>
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</thead>
<tbody>
<tr>
<td>Funding</td>
<td>(£208,706)</td>
<td>(£207,270)</td>
<td>(£205,850)</td>
<td>(£204,447)</td>
<td>(£204,716)</td>
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<tr>
<td>Net Cost of Service</td>
<td>208,434</td>
<td>211,834</td>
<td>216,149</td>
<td>220,445</td>
<td>225,951</td>
</tr>
<tr>
<td>(Surplus) / Gap</td>
<td>(272)</td>
<td>4,564</td>
<td>10,299</td>
<td>15,998</td>
<td>21,235</td>
</tr>
</tbody>
</table>

**Service Options Proposed in PBB 2:**

<table>
<thead>
<tr>
<th>Service Options Proposed in PBB 2:</th>
<th>Year 1 2015/16</th>
<th>Year 2 2016/17</th>
<th>Year 3 2017/18</th>
<th>Year 4 2018/19</th>
<th>Year 5 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive’s Office</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Communities &amp; Partnerships</td>
<td>(111)</td>
<td>(134)</td>
<td>(134)</td>
<td>(134)</td>
<td>(134)</td>
</tr>
<tr>
<td>Corporate Operations</td>
<td>(32)</td>
<td>(47)</td>
<td>(52)</td>
<td>(72)</td>
<td>(72)</td>
</tr>
<tr>
<td>Children, Young People &amp; Education</td>
<td>(103)</td>
<td>(696)</td>
<td>(1,171)</td>
<td>(1,396)</td>
<td>(1,481)</td>
</tr>
<tr>
<td>Housing &amp; Environment</td>
<td>(264)</td>
<td>(339)</td>
<td>(461)</td>
<td>(537)</td>
<td>(597)</td>
</tr>
<tr>
<td>Social Services</td>
<td>(23)</td>
<td>(23)</td>
<td>(23)</td>
<td>(23)</td>
<td>(23)</td>
</tr>
<tr>
<td>Total Proposed Service Options</td>
<td>(533)</td>
<td>(1,239)</td>
<td>(1,841)</td>
<td>(2,162)</td>
<td>(2,307)</td>
</tr>
<tr>
<td>One-Off Investment</td>
<td>30</td>
<td>940</td>
<td>270</td>
<td>210</td>
<td>0</td>
</tr>
<tr>
<td>Total Net Proposed Options</td>
<td>(503)</td>
<td>(299)</td>
<td>(1,571)</td>
<td>(1,952)</td>
<td>(2,307)</td>
</tr>
<tr>
<td>Revised (Surplus)/ Gap</td>
<td>(775)</td>
<td>4,265</td>
<td>8,728</td>
<td>14,046</td>
<td>18,928</td>
</tr>
</tbody>
</table>
Risk-based approach: risk fund

The Council operates a policy in the General Fund Revenue Budget of maintaining a level of reserves of at least 2% of budget, and preferably 2.5% of budget. At the end of the last full financial year, 2013/14, there were reserves of 2.9% of budget, and the latest forecast for the current financial year, 2014/15, is for reserves to be 3.2% of budget.

With this in mind, the Corporate Management Team has applied a risk-based method to the 2015/16 Priority Based Budget approach for future years. While some additional funding has been put in place within the base budget for 2015/16 and in subsequent years, there will still be other potential cost pressures. The Council will therefore create a risk fund to meet these potential cost pressures. The risk fund will be set aside from any service under-spends or other contributions to reserves, but access to the funding will be subject to strict governance arrangements.
Sensitivity analysis

The table below illustrates how the cost base would vary annually given a different set of assumptions (16/17 onwards):

<table>
<thead>
<tr>
<th></th>
<th>2015/16 £000</th>
<th>2016/17 £000</th>
<th>2017/18 £000</th>
<th>2018/19 £000</th>
<th>2019/20 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Position –</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget (Surplus) / Gap</td>
<td>(272)</td>
<td>4,564</td>
<td>10,299</td>
<td>15,998</td>
<td>21,235</td>
</tr>
<tr>
<td>Improvement of 1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per year in grant assumption</td>
<td>(272)</td>
<td>2,944</td>
<td>7,059</td>
<td>11,138</td>
<td>14,755</td>
</tr>
<tr>
<td>Grant assumption</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Deterioration of 1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per year in grant assumption</td>
<td>(272)</td>
<td>6,184</td>
<td>13,539</td>
<td>20,858</td>
<td>27,715</td>
</tr>
<tr>
<td>Grant assumption</td>
<td>0%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
</tr>
<tr>
<td>Pay award assumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>reduced by 1% (years 2-5)</td>
<td>(272)</td>
<td>3,464</td>
<td>8,099</td>
<td>12,698</td>
<td>16,835</td>
</tr>
<tr>
<td>Pay award assumption</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Non-pay inflation assumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>reduced to 2% per annum</td>
<td>(272)</td>
<td>4,064</td>
<td>9,099</td>
<td>14,498</td>
<td>19,235</td>
</tr>
<tr>
<td>Non-pay inflation assumption</td>
<td>1.5%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Variations to other assumptions could be made, but the above would have the greatest impact on the overall financial scenario.
How do we manage risks that might impact on the delivery of the business plan?

The Service Risk Registers contain operational risks and are managed by each Service Management Team. A copy of each Service Risk Register is submitted to the Resilience and Risk Manager quarterly, or when amendments are made. Significant risks can be escalated to the Council Risk Register.

The Council Risk Register contains strategic risks and is managed by the Corporate Management Team. The Corporate Management Team provides assurance through scrutiny and challenge at a senior level and ensures that the significant risks facing the Council have been identified and effective treatment actions implemented that reduce these risks to acceptable levels. It is maintained by the Resilience and Risk Manager and submitted to the Corporate Management Team, prior to Audit Committee, for discussion and monitoring.

The Council Risk Register is reported to each Audit Committee (currently five times a year), which provides effective scrutiny and challenge as part of the Council’s corporate governance arrangements.

managing risks that impact the Business Plan
List of Community Planning Partners

• NHS Forth Valley

• Scottish Fire and Rescue Service: Stirling and Clackmannanshire Division

• Police Scotland: Forth Valley Division

• Stirlingshire Voluntary Enterprise

• Forth Valley College

• Scottish Government

• TACTRAN

• Loch Lomond and the Trossachs National Park

• Scottish Environmental Protection Agency

• Scottish Natural Heritage

• University of Stirling

• Skills Development Scotland

• Department of Work and Pensions

• Scottish Enterprise

• Historic Scotland

• A range of third sector and community partners.
## Stirling’s Performance Management Framework

### Planning & Prioritising

<table>
<thead>
<tr>
<th>Single Outcome Agreement</th>
</tr>
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<tbody>
<tr>
<td>Long term outcomes for residents relating to quality of life and opportunities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stirling Council Business Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic objectives and priorities covering delivery of:</td>
</tr>
<tr>
<td>• The Council’s elements of the Single Outcome Agreement</td>
</tr>
<tr>
<td>• The Council’s 18 Key Priorities from ‘Serving Stirling’</td>
</tr>
<tr>
<td>• Agreed Priority Based Budgeting projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service level priorities and actions – activities that support the delivery of long term outcomes and strategic objectives</td>
</tr>
</tbody>
</table>

### Reporting & Managing

<table>
<thead>
<tr>
<th>Single Outcome Agreement Progress Report</th>
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<tbody>
<tr>
<td>Annual report on outcome indicators and progress made across the partnership</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Council Annual Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public facing report on progress towards strategic objectives as well as overall council performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Council Scorecard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key indicators reflecting progress on the strategic outcomes and priorities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate Scorecard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key indicators relating to operational management of the organisation considered by Council Management Team</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Committee Scorecards</th>
</tr>
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<tbody>
<tr>
<td>Regular reporting on performance in relation to Committee responsibilities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Scorecards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service level scorecard used in management of services</td>
</tr>
</tbody>
</table>
Reviewing & Improving

Best Value 2
External audit focusing on the difference the council and its partners are making for local communities

Community Planning Partnership Self-Assessment
Assessment of the partnerships strengths and area for improvement

Corporate Self Assessment
Internal review to identify strengths and areas for improvement

Stirling Council Improvement Plan
Improvement priorities reflecting the Assurance and Improvement Plan compiled by the external inspection bodies and also the improvement actions arising from self-assessment activities.

- Service Self Assessments
- Inspections
- Audits
- Scrutiny Panels
- Service Improvement Plans
- Benchmarking
Formats
Copies of our leaflets are available by request in a range of other languages, large print and on audio tape. To request articles in any of these formats please email or call 0845 277 7000.