

**CLACKMANNANSHIRE COUNCIL**

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**Report to Special Meeting of Clackmannanshire Council**

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**Date of Meeting: 23<sup>rd</sup> February 2016**

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**Subject: General Services and HRA Revenue and Capital Budget  
2016/17**

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**Report by: Depute Chief Executive**

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**1.0 Purpose**

- 1.1. The purpose of this report is to present the Council's Budget for 2016/17. This report covers revenue and capital expenditure budgets for both General Services (GS) and Housing Revenue Accounts (HRA). In addition this budget seeks approval and/or provides information for further actions which will contribute to the Council's aim of improving medium term financial planning and financial sustainability.
- 1.2 This report also builds on the regular *Making Clackmannanshire Better (MCB)* and Budget Strategy Update reports and briefings presented to Council and Resources and Audit Committee throughout the year as well as the regular MCB Forum meetings which have been held for both elected members and trade union representatives.

**2.0 Recommendations**

- 2.1. It is recommended that the Council **approves:**
  - 2.1.1 the proposals for demand pressures (Appendix C)
  - 2.1.2 the General Services Revenue Budget for 2016/17 (Appendix B)
  - 2.1.3 the indicative budget savings targets and the underpinning assumptions for 2016- 2020 (Table 2 and paragraph 5.5)
  - 2.1.4 the savings set out in Appendix D as additionally explained in Appendix F
  - 2.1.5 a 0% increase in the level of Council Tax for 2016/17, resulting in Band D remaining at £1,148 (paragraph 5.5)
  - 2.1.6 the utilisation of £1.379m of uncommitted General Services Revenue reserves

(paragraph 6.9)

- 2.1.7 the utilisation of £2.0m of anticipated uncommitted revenue reserves and £2.0 from the Capital Receipts reserve to 'top up' the Employment Fund in 2016/17 which can be used to meet any costs associated with the continuing managed contraction of service delivery and associated costs (paragraphs 6.10 to 6.13)
  - 2.1.8 the Cluster model framework comprising locality hubs detailed in paragraphs 3.5 to 3.9 and Appendix A
  - 2.1.9 the Summary Revenue Budget based on the HRA Business Plan (Appendix I)
  - 2.1.10 a housing rent increase of 3.5% for 2016/17 in line with the Business Plan (Appendix J)
  - 2.1.11 rent increases of 3.5% to Lock-up and Garage Pitch Sites and the weekly rent for the travelling persons site (paragraph 7.16 and Appendix J)
  - 2.1.12 the financing limits placed on capital investment for 2016/17-2020/21 based on the underpinning assumptions in Table 5
  - 2.1.13 the General Services Capital Budget for 2016-2021 (Appendix L)
  - 2.1.14 the HRA Capital Budget for 2016-20 based on the HRA Financial Business Plan (Appendix M)
  - 2.1.15 acceptance of the Scottish Government's specified commitments as detailed in the letter from the Depute First Minister dated 27th January 2016 (Appendix H)
  - 2.1.16 net resource transfer of £15.322m in respect of Adult Social Care to the Clackmannanshire/ Stirling Partnership (Appendix N).
- 2.2 It is also recommended that Council **notes:**
- 2.2.1 previously agreed *Making Clackmannanshire Better* service delivery model (Paragraph 3.6)
  - 2.2.2. the feedback from recent consultation and engagement activity detailed in section 4 and the further staff consultation sessions planned for 4th and 10th March 2016 (paragraph 4.7)
  - 2.2.3 consultation responses received following HRA Business Plan consultation activity during November and December 2015 (paragraphs 7.12 and 7.13)
  - 2.2.4 the 2016/17 Schedule of Funding to Voluntary Organisations (Appendix G)
  - 2.2.5 the MCB areas for further consideration and development during 2016/17 (Appendix E)
  - 2.2.6 the financial flexibilities afforded by Local Government Finance Circular 4/2015

(paragraphs 6.12 and 6.13)

- 2.2.7 the anticipated level of uncommitted reserves of £8.519m by 31 March 2016, prior to setting this budget (paragraph 6.7)
- 2.2.8 the anticipated level of General Services uncommitted reserves of £5.140m (4.2%) following setting this budget (paragraph 6.11)
- 2.2.9 The cumulative indicative gap of £18.119m to 2019/20 following setting this budget and a funding gap of £7.618m in 2017/18 (Table 4)
- 2.2.10 that the budget proposed for 2016/17 includes provision to deliver across all of the specified commitments (paragraph 6.17 and 6.18)
- 2.2.11 that a report on the uptake of targeted Voluntary Redundancy will be brought back to Council once the indicative uptake has been confirmed (paragraphs 3.4 and 9.2)
- 2.2.12 the balance of £377k in the Capital Receipts Reserve, after setting this budget, which is available to invest in new capital projects or repay existing debt (paragraph 6.11 and 6.13)
- 2.2.13 the balance of HRA uncommitted reserves will be maintained at 4% of rental income in line with the Business Plan (paragraph 8.15)
- 2.2.14 that a paper will be prepared for Council to augment the details of the governance arrangements and eligibility criteria in respect of the Ward Community Investment Grants embedded within the Capital Programme (paragraph 8.9 and Appendix L).

### 3.0 Strategic Framework

- 3.1. The Council's approved Budget Strategy is regularly reviewed and updates are reported to Council on a regular basis. The Budget Strategy sets out the planning assumptions and indicative savings figures for a rolling four year period, currently 2016/17-2019/20. The Strategy focuses on a framework which aims to:
- *reduce expenditure*
  - *maximise income*
  - *redesign service provision, and*
  - *implement other targeted initiatives to deliver high quality services from a sustainable cost base.*
- 3.2. This 2016/17 Budget, incorporating both General Services and Housing Revenue Accounts' planned expenditure, aims to comply with both the objectives and framework set out within the Council's Financial and Budget Strategies respectively. The HRA budget proposals, including the rent levels, also remain in line with the previously approved Business Plan.
- 3.3 Given ongoing fiscal uncertainty, as well as the potential for cash reductions in future years' funding levels, a strong focus on financial sustainability continues to underpin the preparation of Council Budgets. Specifically, the 2016/17 Budget builds on the MCB service delivery model approved in February 2015. Both the proposed Revenue and Capital Budgets take the next steps in rolling out the new Community Investment Strategy which incorporates the Cluster model and locality based hubs. Paragraphs 3.6 to 3.9 set out further details. The proposed Budget also sets out a number of Business cases/ areas for further consideration and development during 2016/17 to assist the Council in setting future years' budgets (Appendix E). This approach seeks to assist the Council in bridging the indicative funding gap for future years which averages £7m annually, from 2016 to 2020 (Table 2).
- 3.4 A key strand of the Council's transformation work relates to workforce planning. In October 2015, Council approved a Workforce Strategy which set out the Council's approach to the recruitment, retention and support and development of its staff. The strategy also provided an indicative figure by which the Council needs to reduce its workforce (350FTEs). The savings proposed in Appendix D result in a reduction of 106.58FTEs of which 25.9FTEs are currently vacant. The balance of 80.68FTEs would be approached to accept Voluntary Redundancy. Given that this approach is, by its nature ,voluntary, it is possible that not all staff will accept. On this basis, it is proposed that in parallel with the targeted Voluntary Redundancy, there will be a further corporate voluntary severance trawl and/or further targeted voluntary redundancy. It is intended that a report will be brought back to Council to update on progress with this key strand of activity as soon as the indicative uptake can be confirmed.

## **Making Clackmannanshire Better (MCB)**

3.5 The agreed aim of MCB was stated in setting the 2014/15 Budget and is to *'transform how we do our business so that we maintain the required level of provision for statutory services and ensure that other services we may deliver reflect overall Council priorities'*.

3.6 In February 2015, Council approved a new service delivery model framework, comprising the following key features :

- a strong geographical focus.
- community based 'hubs' to deliver better integrated more joined up and customer focussed services.
- A core range of services to be delivered at hubs augmented to reflect local variations where possible
- peripatetic models of delivering certain services, e.g. specialist social work or preventative services to augment core local service delivery and target areas of greatest need.
- increased accessibility of services using a range of 'enablers'. Key enablers were identified as Safe Routes for Communities, ICT Infrastructure , Workforce Planning, Partnership working, maximising the use of physical assets, and Targeted capital investment.

3.7 During 2015/16, work has been taken forward in preparing a number of MCB Business cases in line with Council approval of the Budget in February 2015. A core of 4 Business cases have been developed and consolidated to create the Strategic operating (Cluster) model set out in paragraph 3.8. These core Strategic Business cases are:

- School estate (and wider utilisation of council assets)
- Community Hubs Model
- Leisure Review
- Workforce Planning.

3.8 The Cluster Model is defined as a hierarchy of locally based hubs as follows:

- **3 Community clusters:** Service delivery clustered around academies and serving local settlements groupings of 15 to 20k residents (Appendix A shows the proposed clusters and the indicative community investment strategy over the next 10 years ). Each cluster has a **community campus**

where the academy provides access to a range of integrated community and leisure services for its cluster area.

- **Leisure Hub:** a strategic leisure facility which serves the whole County or is provided as part of a community campus
- **Locality Hub:** an integrated community and/or leisure facility which serves a minimum population of 2,500 residents.

3.9 In line with framework set out paragraph 3.6, Locality Hubs will have a Local Minimum Service Standard which comprises:

- Community library, wifi and Web4U computer access
- Bookable meeting/ activity space
- Bookable small meeting/consultation space
- Bookings (card payments only)
- Enquiry and information services
- Cash payments at a range of local convenience stores (no transaction charge for customers)
- Core opening with the facility for communities to extend access or the range of services provided.

3.10 This model provides the context for 2016/17 budget setting. Proposals for savings as well as capital investment are consistent with the model outlined. Subject to the approval of this refined model and Budget, implementation will be managed through the MCB Programme Co-ordinator. Progress will be reported to elected members as part of routine financial performance reporting to Service Committees and Council and through the regular MCB Forum briefings.

## **4.0 Budget consultation and engagement process**

4.1 As in previous years, consultation activity is an important part of the Budget process. For 2016/17, the approach sought to build on previous engagement with communities, communities of interest, partners, staff and Trade Union representatives. Feedback from this engagement is summarised over two broad headings:

- public and stakeholder engagement
- staff and Trade Union consultation.

### **Public and stakeholder consultation**

4.2 The public consultation on the budget setting for 2016/17 ran from the 26th November 2015 to the 24<sup>th</sup> January 2016.

4.3 Public feedback was received via a variety of methods:

- An on-line public survey (64 responses received)
- A dedicated email address was set up [mcb@clacks.gov.uk](mailto:mcb@clacks.gov.uk) (15 representations received)
- 130 responses on Budget Simulator Tool
- 8 consultation events were held involving 130 participants:
  - 1 with tenants and residents federation
  - 2 Partnership forums
  - 1 Equalities Forum (Older People/Disability Groups)
  - 1 with joint parent councils
  - 1 with Third Sector Forum
  - 1 with Youth Forum
  - 1 with Clacks business representatives.

4.4 Responses and analysis from all consultations have been made available in full to elected members as background information prior to setting this Budget. Key themes highlighted to be pursued are as follows:

- asset management including disposal of assets to deliver savings
- income maximisation, including consideration of raising Council tax
- workforce planning (including several comments that redundancies must be looked at to preserve services)
- prioritisation of core (statutory) service delivery
- community empowerment: role for communities to take on some services
- avoid duplication in service provision across, public, voluntary and private sectors.

### **Staff and Trade Union Consultation**

4.5 The process of consultation with Trade Union representatives is longstanding

and takes place year round. As in previous years, trade union representatives received full details of all Business cases and the 10% and 15% modelling exercise undertaken by chief officers. Like elected members, trade union representatives also made use of the opportunity to obtain clarification from chief officers on their respective service savings proposals through formal briefing sessions conducted in December 2015 and January 2016.

4.6 In January 2016, six open meetings were held by the Executive Team for staff to attend. Presentations were given by the Executive Team, followed by the opportunity for discussion and questions. Over six hundred staff attended the briefings held over two days. A number of staff also participated in the wider public consultation activities detailed at paragraph 4.3. Key themes from the staff discussions and questions were:

- staff require feedback on when and how reduction in the workforce will be delivered
- further clarification on how the funding gap is derived was requested and provided
- income maximisation (including Council Tax freeze), sale and utilisation of council assets and Council income collection performance were common question themes
- clarification was sought over the Scottish Government's commitments and how they impact Council funding
- information on the impact and implications of the ending of Shared Services was raised and discussed.

4.7 Details of the questions and answers have been prepared and these will be available to Staff through CONNECT as in previous years. In addition, the Executive Team have also committed to additional staff briefing sessions on the 4th and 10th March at the Bowmar Centre and Alloa Town Hall to further engage with staff on the planned changes arising from the Budget.

4.8 As part of Business Case preparation, all services were required to complete an initial Equalities Impact Assessment (EQIA Stage One). Review of these, indicated that 7 Business cases require a stage 2 EQIA. The 7 Business cases identified have identified potential impacts on Older People and Disabilities Groups. Stage 2 EQIAs have now been completed and are available for elected members on the elected member portal. Stage 2 EQIAs will also be made available publicly as part of the overall 2016/17 budget consultation.



## 5.0 Budget funding 2015/16

5.1 Based on Finance Circular 7/2015 , the total funding assumed for the 2016/17 General Services Revenue Budget is as follows:

**Table 1: General Services Funding 2016/17**

	2015/16 £m
General Revenue Grant	73.257
Ring fenced Revenue Grants	0.928
Non-Domestic Rates Income	16.269
<b>Total Grant Funding</b>	90.454
Council Tax Income	18.758
Council Tax Reduction Scheme	3.520
<b>Total Revenue Funding</b>	112.732

Source: Finance Circular 7/2015

5.2 This position assumes an increase in Council Tax Income which relates to growth in the council tax base as a consequence of projected increases in the number of properties that will be subject to the tax. For 2016/17, this is estimated to be approximately 120 properties. The assumed collection rate is 97.9% which is in line with the previous year's assumptions.

5.3 In the event of any changes to grant funding, these would be reported to Council during the year as part of the regular Budget Strategy Update reports.

## Rollover Revenue Budget

5.4 Each year, the base budget is reviewed to ensure that any adjustment that is required to meet expected costs and demands is properly considered. Table 2 below details the budget for 2016/17 compared to the anticipated level of Government Grant and Council Tax Funding. This results in a cumulative budget 'gap' of £27.994m up to March 2020 and £11.254m in 2016/17.

**Table 2: General Services Budget 2016/17-2019/20 Indicative funding gap**

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Net expenditure	123,986	128,496	132,949	137,364
Net Funding	112,732	111,005	109,314	109,370
Cumulative indicative Funding Gap	11,254	17,491	23,635	27,994
Indicative Annual Gap	11,254	6,237	6,144	4,359

5.5 The main assumptions included within Table 2 are:

- 0% increase in the level of Council Tax for 2016/17

- Pay inflation at 1.25% for 2017/18 and 2018/19 and 1.5% for 2019/20
- an annual allowance for utility increases and contractual inflation (£1.2m) but not general inflationary pressures
- general demand pressures of £1.059m (Appendix C) in 2016/17 with an estimate of £1.3m each year thereafter for further budget pressures
- the ending of contracted out National Insurance contributions estimated at £1.1m in 2016/17
- Cash reduction on general fund grant of 2% in financial years 2017/18 and flat cash thereafter
- recurrent additional social care funding of £250m each year
- maintenance of the commitment to implement Minimum Living wage (currently £7.97 rising to £8.33 from the 1<sup>st</sup> April 2016)
- reprioritisation of £50k from Development and Environment existing budget to support the establishment of a Small Business Grants scheme.

5.6 This settlement is a challenging one for local government with a reduction in local government's share of the Scottish Budget of 1.7%, equating to an on average reduction in grant funding of 3.5% for Scottish councils. However, analysis undertaken by the Scottish Parliament Information Centre (SPICe), suggests that there is a wide variation in the level of reduction at individual council level from -2.6% to -6.2%. Clackmannanshire Council is sitting mid range at -5%. This highlights how significant the challenge is and how sustained reductions of this level require the Council to sustain and embed its transformation activity and deliver a managed contraction in its costs of employment.

## 6.0 General Services and Housing Revenue Accounts

6.1. This section of the report sets out the revenue budgets for both General Services and Housing Revenue Accounts.

### General Services 2016/17

6.2 The 2016/17 General Services Revenue Budget is summarised at Appendix B. The budget proposes expenditure of £114.111m against income of £114.111m providing a balanced position.

6.3 Each year demand pressures are advised by services which reflect any increasing demand for mandatory services, new duties and responsibilities, the demographic change affecting the area and specific provisions for inflation. For 2016/17, these total £1.577m (£1.059m for general pressures, and £518K for contract and other inflation) and these are set out in Appendix C for approval as part of this Budget.

6.4 The 2016/17 budget proposes savings of £7.645m. These are set out at Appendix D with the key MCB areas for review during 2016/17 detailed in Appendix E. Additional detail is provided in respect of the revised Income and Charging Policy (Appendix F). In addition, as agreed with the Council's External Auditors, the Budget also includes a schedule of Funding to voluntary organisations in 2016/17 (Appendix G).

6.5 Table 3 below shows how the combined savings are distributed across services:

**Table 3: General Services Revenue Budget 2016/17: Distribution of planned savings by service.**

Service	Current 2015/16 Budget (£000)	Service savings Proposals 2016/17 (£000)	Savings as % reduction in service expenditure
Housing and Community Safety	3,083	481	15.6
Strategy and Customer Services	6,562	898	13.7
Education	36,005	773	2.2
Development and Environment	11,678	1,130	9.7
Social Services	27,659	1,920	6.9
Resources and Governance	26,278	2,443	9.3
<b>TOTAL</b>	<b>111,265</b>	<b>7,645</b>	<b>7.0</b>

## Balances and reserves

- 6.6 The un-earmarked reserves at the start of 2015/16 were £6.379m. The current outturn suggests that there is an expected net contribution of £1.282m by 31 March 2016. This, along with released earmarked reserves of £1.008m and new earmarked items of £150K results in total anticipated uncommitted reserves of £8.519m by 31 March 2016.
- 6.7 The Council's approved Finance Strategy is to retain uncommitted non HRA reserves of a minimum of 3% of net expenditure. The anticipated total reserves of £8.519m by 31 March 2016 is £4.799m above the minimum threshold of the Council's approved Reserves Strategy of £3.720m.
- 6.8 The Capital Receipts Reserve opening balance at the start of the year was £2.946m. During 2015/16, £1.898m of Capital Receipts Reserve was utilised to allow the full costs of the PPP increase to be met. An additional £681K of receipts have been received during the year, with a further £648k of capital receipts being anticipated before the end of March 2016. This results in a total anticipated Capital receipts Reserve of £2.377m by 31 March 2016.
- 6.9 After taking account of the planned savings of £7.645m detailed at Appendix D, there is a residual budget gap of £1.379m. In order to propose a balanced budget, it is therefore recommended that the Council approves the utilisation of £1.379m of the anticipated uncommitted revenue reserves of £8.519m. Based on the most up to date outturn position, this would result in a revised sum of £7.140m of anticipated uncommitted reserves by 31 March 2016 which exceeds the minimum threshold stipulated by the Council's approved Reserves Strategy by £3.420m.
- 6.10 In setting the 2014/15 Budget, Council approved the establishment of an Employment Fund. This initiative aimed to recognise the fact that a significant proportion of the Council's operating costs relate to the cost of employment and that to ensure future financial sustainability, these costs need to reduce. The report highlighted an ongoing commitment to deliver a managed contraction in staffing levels and costs of employment.
- 6.11 In 2015/16, the Employment Fund was topped up to £1.0m from Uncommitted General Services reserves in order that planned severances could be financed. For the 2016/17 Budget, it is proposed that the Employment Fund is increased by £4m to £4.868m in order that savings included within proposals at Appendix D, which relate to the voluntary release of staff, can be financed. This will be financed by £2m from uncommitted revenue reserves and £2m from the Capital Receipts Reserve, leaving revised anticipated closing balances by 31 March 2017 of £5.140m (4.2%) and £377K for uncommitted revenue reserves and the Capital Receipts Reserve respectively. Given the challenging context of this Budget setting round and the need for the Council to continue to reduce its costs of employment in line with the Workforce Strategy, this is considered to be a prudent application of Council reserves, giving rise to sustainable budget savings.
- 6.12 Local Government Finance Circular 4/2015 sets out the financial flexibilities

which are currently available to local authorities in funding Equal Pay and Severance. Scottish Ministers have clearly expressed reservations about the use of capital receipts to fund severance costs whilst at the same time acknowledging the pressure on the public sector to reduce costs and that severance schemes by their nature, give rise to savings. There are certain technical restrictions on the use of capital receipts for this purpose, however, those elements not covered by these flexibilities would be legitimately covered through application of the revenue reserve portion of the Council's Employment Fund.

- 6.13 The Circular states that there is no application or approval process required by the Scottish Government. However, the Circular requires the utilisation of capital receipts for this purpose to be explicitly reported and approved through the Council's Committee reporting structure. Council is, therefore, asked to approve this proposed treatment, noting the closing balance of £377k on the Capital Receipts Reserve after making available the sum of £2m to the Employment Fund.
- 6.14 On the 16<sup>th</sup> December 2015, Local Government Finance Circular 7/2015 was issued setting out the local government settlement for 2016/17. COSLA and the Scottish Government continued to discuss a number of settlement matters through January 2016, including the Scottish Government's commitments in respect of teacher numbers and the additional £250m funding for social care which is to be routed via the Integration Joint Boards. On the 20<sup>th</sup> January, in recognition of the ongoing discussions, the Depute First Minister indicated he no longer expected a response from councils indicating their acceptance or otherwise of the terms of the settlement by 22<sup>nd</sup> January. He also indicated that a revised offer would be put to councils shortly.
- 6.15 On the 27<sup>th</sup> January 2016, the Depute First Minister wrote to COSLA's President to set out the final details of the Local Government Finance settlement for 2016/17. The measures set out are a package, therefore, in order to access the £408m associated with the Scottish Government commitments, local authorities must deliver all of the measures and not select elements of the package. The full details of this are set out at Appendix H.
- 6.16 Any council which does not sign up to the complete package will not receive their share of the Integration Funding (£250m), support for teachers (£88m) and the council tax freeze support (£70m). Should that be the case, the Scottish Government would recover the relevant councils' share of the latter two elements which have been distributed within the Council's grant settlement. In the event that a council signs up but does not deliver any of the specific commitments on council tax freeze, social care spend, including delivery of the £8.25 Living Wage or national teacher targets, the Scottish Government has reserved its position to take action to remove access to or recover that element of the additional funding.
- 6.17 The Depute First Minister required that Council Leaders intending to take up the offer and agree the full package of measures should write to him by 9<sup>th</sup> February 2016. The Council Leader responded to the Depute First Minister within this timeline, setting out the position with regards the Administration's Draft Budget but also making it clear that Council has not yet approved this for 2016/17.

- 6.18 This budget has sought to make adequate provision for meeting these assumptions, and we are able to provide assurance that we are planning to deliver across all of the specified commitments referred to above.
- 6.19 Subject to the approval of this budget, the indicative funding gap for 2017/18 and beyond is set out in Table 4 below:

**Table 4: General Services Budget 2017/18-2019/20 Indicative funding gap**

	2017/18	2018/19	2019/20
	£000	£000	£000
Net expenditure	118,623	123,076	127,489
Net Funding	111,005	109,314	109,370
Cumulative indicative Funding Gap	7,618	13,762	18,119

### Health and Social Care Integration

- 6.20 On 15th August 2015, an update report on the activity of the Finance Workstream was presented to Council following a briefing on the key issues under consideration. The report indicated that a further update would be provided once the due diligence process had concluded.
- 6.21 The pan Forth Valley Finance workstream group has worked collaboratively and effectively through the due diligence process. A number of issues have been explored and areas that were not immediately resolved were tracked through an issues log in order that all were addressed and resolved. The key areas of further review were in respect of:
- Mental Health Officers
  - Community Hospitals
  - Medical Staffing
  - Alcohol and Drug Partnership (ADP).
- 6.22 All of these issues have been discussed with the council and NHS chief executives, the directors of finance from each organisation, the IJB's Chief Officer and the IJB's Chief Financial Officer. Appropriate allocations of in scope and out of scope expenditure have been agreed with the exception of ADPs which has been superseded by funding and governance revisions announced as part of the NHS funding settlement. Having agreed the treatment of these issues, the 2015/16 indicative baseline was agreed at the start of February 2016.

- 6.23 Elected members will recall that a separate issue was raised during the due diligence process by the Clackmannanshire/ Stirling Partnership in respect of the distribution of health resources across Forth Valley. It has not been possible to resolve this matter for 2016/17. However, there is a commitment to a full review and consideration of the matter with a view to resolution. The matter has been raised with both IJBs in the Forth Valley area during February. Further detail of this was discussed at the briefing which took place for elected members on the 22<sup>nd</sup> February 2016.
- 6.24 In order to propose the Resource Transfer figure for 2016/17, it was necessary to adjust the 2015/16 indicative baseline for the planned savings required by the Council's General Services revenue budget. This establishes the 2016/17 baseline budget figure for resource transfer purposes.
- 6.25 In addition, further adjustment has then been made to reflect the council's anticipated share of the additional £250m which is to be authorised by the IJB's Chief Financial Officer. This carries with it the requirement for the Council to deliver the Scottish Government commitments set out in Appendix H, notably the Living Wage.
- 6.26 This results in a proposed resource transfer of £15.322m (Appendix N), which Council is asked to approve.

## **7.0 Housing Revenue Account 2015/16**

- 7.1 The HRA Financial Business Plan which was approved by Council in June 2013 provides the basis for HRA financial planning and budget setting. This Plan was agreed with the Tenants and Residents Association. The HRA Financial Business Plan and the Housing and Community Safety Service's Business Plan reflect the strategic priorities set out in the Clackmannanshire Housing Strategy 2012-17 which was approved by Council on 20th December 2012.
- 7.2 The key strategic priorities highlighted within the Housing Strategy 2012-17 and reflected in the HRA Financial Business Plan are as follows:
- New Housing Supply,
  - Making Best Use of Existing Housing,
  - Homelessness,
  - Support for Independent Living,
  - Specialist Housing,
  - Energy Efficiency and Fuel Poverty,
  - Improving Neighbourhoods and Communities and
  - Housing Investment.
- 7.3 The HRA Revenue Budget proposes expenditure of £13.570m for 2016/17. This is an increase of £325k compared with the original Business Plan projection. In comparison with the original Business Plan, income is also £188k less due to the delay in the completion of the new build housing.
- 7.4 In the current year (2015/16) the HRA is expected to underspend by £313k. Any revenue under spend or savings in the HRA are used to increase the amount of capital financed by current revenue (CFCR) and reduce the requirement for borrowing. The HRA Reserve at the end of 2015/16 will be kept at £711k (4%) of Rental Income as agreed in the Business Plan.
- 7.5 A rent increase in line with the Business Plan of 3.5% is recommended for approval. The impact on rents is set out at Appendix J.
- 7.6 The current business plan ends in 2018. However, in view of the variances noted below, service restructuring, and the ongoing wider economic challenges, it is recommended that the Plan is fully reviewed and discussed with tenant representatives in financial year 2016/17.
- 7.7 The key features of proposed income and expenditure incorporated in the Draft HRA Budget are set out below.

## **Repairs and Maintenance**

- 7.8 Summary information on budgeted income and expenditure is set out in Appendix I. The overall draft budgeted expenditure on repairs and maintenance for 2016/17 highlights a variance of £866k against the Business Plan assumptions. This is due to increased staff costs as a result of the Craft Agreement. The work with Vanguard Scotland is delivering some tangible benefits in this area to offset these costs. For example at the end of December



2015 only 28 properties were vacant and the void rent loss budget has been reduced by £143K.

## **Supervision and Management**

7.9 Supervision and management costs are lower than the Business Plan assumptions due to the reduction of the working week in 2014. When compared with the Business Plan, Supervision and Management is projecting an underspend of £250k by 31st March 2016. The 2016/17 budget includes an allowance for the increase in employers National Insurance contributions and other employee related costs.

## **Income**

7.10 The projected base rental charges and other income are estimated at £18.488m. This represents a reduction of £188k against the Business Plan, primarily due to delays in completion of new build units. The HRA income projections are also set out in Appendix I.

7.11 In 2014/15, 99.1% of all rent due was collected in Clackmannanshire, compared with an average collection rate of 99.5% for all Scottish Social Landlords. Income maximisation is a key strand of the Council's Budget Strategy, therefore work to improve collection rates will continue to be prioritised.

## **Consultation**

7.12 During November and December 2015 public consultation was carried out on the Business Plan proposed 3.5% rent increase. The consultation was available on Citizen Space through Clacksweb, advertised on Facebook and Twitter and directly distributed to tenant groups and interested individuals. A total of 59 responses were received. The feedback received included:

- 54% agreed rent represented good value for money
- 56% agreed rent was affordable
- 76% said we should review rent charges for different sizes of properties.

7.13 Service performance, investment and income proposals were also discussed with a focus group consisting of tenants and representatives from Clackmannanshire Tenants' and Residents' Federation. These consultation responses also indicated general support for the proposed level of rent increase for 2016/17.

## **Rent Proposals**

7.14 The current HRA Financial Business Plan sets out the rental structure for the five year period, and investment and contracts since then were based on this income stream. As noted above, costs have increased, and income is less than projected. However, it is felt that this can be recovered over the remaining years of the current plan, and the recommended rent increase for 206/17 is, therefore, 3.5%, in line with the Business Plan.

- 7.15 The average weekly rent based on 52 weeks will be £70.01. The average weekly rents published by the Scottish Housing Regulator for 2015/16 and the proposed rent increases for Local Authorities in 2016/17 are set out in Appendix K.
- 7.16 The Guidance on the Operation of the Local Authority Housing Revenue Account (HRAs) in Scotland indicates that assets must provide a financial return or benefit to existing tenants, so the income generated from lock ups with an estimated return to the HRA, forms part of the financial viability of the Business Plan. It is, therefore, recommended that a 3.5% rent increase for lock-ups and Garage Pitch Sites and the Travelling Person Site at West Haugh is approved, in line with the increase in the Housing Stock rents (Appendix J).

## **8.0 Capital Budget 2015/16- 2019/20**

### **Considerations**

- 8.1 This section of the report sets out the capital programmes and associated budgets for General Services and HRA.

### **General Services**

- 8.2 The revised General Services Capital Programme and associated budget in respect of financial years 2016/17- 20/21 is set out at Appendix L.
- 8.3 General Services and HRA budgets continue to be presented alongside each other rather than separately. This approach aims to reinforce the ongoing embedding of better aligned and integrated service delivery and financial planning in support of *MCB*. Specifically, officers have sought to better co-ordinate activity and investment in distinct geographical localities in line with the Community Investment Strategy and Cluster Model defined in section 3.

### **Borrowing and Investment Strategy**

- 8.4 The current General Services Capital Programme has been developed within a financial strategy of minimising new borrowing. This strategy is underpinned by the Council's Treasury Management Strategy Statement (June 2012). The Council's strategy continues to be to reduce the level of debt (relative to our revenue) closer to the Scottish Average. In 2015/16, the total external debt repaid to 30 September 2015 was £16m with no further payments to be made by the end of this financial year. No additional borrowing is expected to be undertaken during the year resulting in a net reduction in external debt of £16m in 2016/17.
- 8.5 The Prudential Indicators paper, also on this Special Council meeting agenda, sets out the effect of this strategy in more detail. In terms of the General Services capital programme it is recommended that the new borrowing requirement is restricted to under £5.501m in 2016/17. This is in line with the sum budgeted for annual repayment of debt thus ensuring that there is no requirement to incur further external debt. This strategy will ensure that capital financing costs do not increase over the programme period.

### **General Services Capital Programme 2015/16**

- 8.6 The general capital grant allocated to Clackmannanshire Council in 2016/17 is £5.356m. This includes a sum of £0.921m which will be reprofiled over the course of the next Spending Review period. This results in a general capital grant in 2016/17 of £4.435m. There is also a further capital funding allocation in 2016/17 from the £30m available in respect of meeting the Children and Young People (Scotland) Act 2014. This has not yet been distributed to councils.

8.7 Restricting new borrowing in line with the strategy set out in paragraph 8.4 results in a recommended gross programme limit for each year. Table 5 below sets the current programme against the gross programme limits. The programme is managed within the limits set to ensure that no new external debt is incurred.

**Table 5: General Services Capital Funding 2016/17-2020/21**

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000
General Capital Grant	4,435	5,611	5,734	5,734	5,384
Gross Programme Limit	10,236	11,112	11,235	11,235	10,885
Current revised approved budgets	7,950	10,815	10,987	13,301	5,985
C/F from 2013/14 approved programme	2,092	0	0	0	0
Balance below/ (above) Gross Programme limit	194	297	248	(2,066)	4,900

8.8 Table 5 also indicates that over the period to 20/21, there is a total of £54.703m for capital investment. The Council's currently approved projects account for £51.130m of this sum, leaving £3.573m available for investment in new projects or to deliver a cumulative revenue saving in loans charges of approximately £250K over the 5 years..

8.9 The General Services Capital Programme covering the period 2016/17-2020/21 is set out at Appendix L. This programme reflects committed projects, recurrent infrastructure investment and proposed new projects presented together for each geographical cluster. Residual cyclical and programmed capital works are presented within their relevant asset plan classifications. In addition there are several investment projects which cover all of Clackmannanshire. The summarised investment over these three categories is set out in Table 6 below. This programme includes a proposed change to the existing Community Investment Grants arrangements to become Ward Community Investment Grants and a paper will be brought back to Council with the details on the Ward governance arrangements and eligibility criteria.

**Table 6:Community Investment Strategy Summary Investment 2016/17-2020/21**

<b>Proposed Community Investment by Cluster</b>		
<b>Cluster</b>	<b>2016/17-2020/21 £000</b>	<b>2016/17 £000</b>
Alloa	7,638	698
Lornshell	21,518	1,434
Hillfoots	6,042	2,094
<b>Sub total</b>	<b>35,198</b>	<b>4,226</b>
<b>Proposed Community Investment: All Clackmannanshire</b>		
	<b>2016/17-2020/21 £000</b>	<b>2016/17 £000</b>
<b>All Clackmannanshire</b>	2,096	1,021
<b>Sub total</b>	<b>2,096</b>	<b>1,021</b>
<b>Proposed Investment by Asset Plan</b>		
<b>Asset Plan</b>	<b>2016/17-2020/21 £000</b>	<b>2016/17 £000</b>
Property	1,190	1,030
Roads	12,466	2,464
Lands	150	30
Fleet	2,860	726
IT	1,850	620
<b>Sub total</b>	<b>18,516</b>	<b>4,870</b>
<b>GRAND TOTAL</b>	<b>55,810*</b>	<b>10,117</b>

\* This planned expenditure level takes account of an additional £4.6m of ring fenced grant funding, therefore the total is above the Gross Programme Limit for the five year period.

### **Housing Revenue Account Capital Programme**

- 8.10 The HRA Capital programme is detailed at Appendix M.
- 8.11 During the 2016/17, the total investment in capital works required by the HRA will be £7.6m including a carry forward of £0.157m from 2015/16.
- 8.12 At the end of January 2016, attainment of the Scottish Housing Quality Standard (SHQS) was 97.2%, with 142 properties remaining to be upgraded. Of these, 97

tenants had refused the required kitchen replacement. A budget is in place to complete the works when the situation changes. The other 45 properties require secure door entry replacement. These are located in 32 blocks of flats where the Council is not in majority ownership. Grant funding has been offered to encourage owners to participate in this work from the earmarked Private Sector Housing Grant budget reserve. It is proposed that this budget is carried forward for 2016/17 and that grant funding is also made available to owners where existing door entry systems have reached the end of their serviceable life.

8.13 The Clacks Standard is now complete. The focus of the capital investment will now be in accordance with the elemental life cycle replacements in the approved HRA business plan.

8.14 Key changes proposed to the previously approved Programme include:

- a provision of £250k has been added to take advantage of opportunities through the Scottish Government's Home Energy Efficiency Programmes for Scotland (HEEPS) programme. This helps to prepare non traditional housing stock to meet the new Energy Efficiency Standard for Social Housing (ESSH).
- the housing development planned for The Orchard Tullibody has been deferred until 2017/18 pending the outcome of the Tullibody South Campus Development Consultation.

8.15 The HRA Capital Programme will be funded by the budgeted surplus from revenue of £4.9m, house sales of £240k and £2.7m of borrowing. This will leave the HRA unallocated reserve balance of £736k (4%) at the end of 2016/17.

8.16 Debt at the end of 2015/16 is projected to be £30.7m. This is lower than the £32M Business Plan projection. HRA borrowing is expected to peak at £33.5m in year 5 of the business plan, two years earlier than projected. This is in line with the approved corporate financial strategies to reduce debt.

8.17 The original plan included new build throughout, assumed 3% inflation, and envisaged that by 2043 the HRA would still have total borrowing of £7m. Removal of new build (£47M) after 2018 reduces outstanding borrowing to £0.8m and by 2032/33 the HRA will hold more in reserves than outstanding debt. This will mean Council will need to make future decisions on managing its cash flow and the level of reserves it is comfortable with the HRA holding.

## **9.0 Financial monitoring**

- 9.1 As in previous years, work continues to improve the financial and management information available within the Council. It is hoped that significant improvements will be seen during 2016/17, given the phased implementation of the Council's new finance system. A significant focus will be on ensuring that timely, accurate and relevant financial monitoring is undertaken. This will allow potential slippage in planned savings activities to be identified at an early stage and remedial action to be implemented as required.
- 9.2 In paragraph 3.4, both the importance and challenges of delivering the necessary reduction in staffing are referenced. It is important that progress with delivering the reduction in the Council's costs of employment is closely monitored. Paragraph 3.4 also indicates that progress will be reported to Council as soon as the indicative uptake of Voluntary Redundancy is available.

## 10.0 Sustainability Implications

10.1. The Council's budget and its approval will allow services to deliver against sustainable outcomes.

## 11.0 Resource Implications

### 11.1. *Financial Details*

11.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. **Yes**

11.3. Finance have been consulted and have agreed the financial implications as set out in the report. **Yes**

### 11.4. *Staffing*

Staffing implications have been considered within individual service savings proposals and there is an ongoing dialogue with HR, Service Managers and trades union representatives as appropriate.

## 12.0 Exempt Reports

12.1. Is this report exempt? **No**

## 13.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

### (1) **Our Priorities**

The area has a positive image and attracts people and businesses  
Our communities are more cohesive and inclusive  
People are better skilled, trained and ready for learning and employment  
Our communities are safer  
Vulnerable people and families are supported  
Substance misuse and its effects are reduced  
Health is improving and health inequalities are reducing  
The environment is protected and enhanced for all  
The Council is effective, efficient and recognised for excellence

### (2) **Council Policies** (Please detail)

Financial Regulations

Scheme of Delegation

## 14.0 Equalities Impact



14.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? **Yes**

## **15.0 Legality**

15.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. **Yes**

## **16.0 Appendices**

16.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- Appendix A - Making Clackmannanshire Better: Cluster model
- Appendix B - General Services Revenue Budget
- Appendix C - Demand Pressures
- Appendix D - Making Clackmannanshire Better Savings proposals
- Appendix E - Key MCB areas for consideration and development in 2016/17
- Appendix F - Income & Charging Register and Strategy
- Appendix G - Funding to Voluntary Organisations 2016/17
- Appendix H - Local Government Settlement Letter (Depute First Minister)
- Appendix I - HRA Revenue Budget
- Appendix J - Rent levels
- Appendix K - Scottish Local Authority Rent levels
- Appendix L - General Services Capital Programme
- Appendix M - HRA Capital Programme
- Appendix N - HSCI Resource Transfer

## **17.0 Background Papers**

17.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

**Yes**

Financial Strategy June 2012

Budget Strategy August 2010

Consultation November 2015 to February 2016

General Services Revenue Budget 2015/16

Budget Update reports to Council

Finance Circular No 7/2015, February 2016

Spend to Save Fund

EQIA

**Author(s)**

<b>NAME</b>	<b>DESIGNATION</b>	<b>TEL NO / EXTENSION</b>
Murray Sharp	Service Manager	
Lindsay Sim	Acting Chief Accountant	01259 452078
Nikki Bridle	Depute Chief Executive	01259 452373

**Approved by**

<b>NAME</b>	<b>DESIGNATION</b>	<b>SIGNATURE</b>
Nikki Bridle	Depute Chief Executive	Signed: N Bridle
Elaine McPherson	Chief Executive	Signed: E McPherson

## COMMUNITY INVESTMENT STRATEGY (Phase 1 : 2016-2021)

Community	Leisure Hub	Locality Hub	School Estate	Village & Small Town Project
<b><i>Alloa Cluster</i></b>	Alloa Community Campus Alloa Town Hall Leisure Bowl	Speirs Centre	Alloa Community Campus - Park Primary School - St. Mungo's Primary School  Redwell Primary School	
<b><i>Lornshill Cluster</i></b>	Lornshill Community Campus	Sauchie Hall  Tullibody South  Clackmannan Primary School	Sauchie West - Craigbank Primary School  Sauchie East - Deerpark Primary School  Lornshill Community Campus  Tullibody South - Abercromby Primary School - St. Bernadette's Primary School  Clackmannan Primary School	Sauchie   Tullibody  Clackmannan
<b><i>Hillfoots Cluster</i></b>	Alva Community Campus  Cochrane Hall	Alva Community Campus  Menstrie PS/Dumyat Centre  BenCleuch Centre  Strathdevon Primary School  Forestmill Primary School	Alva Community Campus - Alva Primary School  Menstrie Primary School   Strathdevon Primary School  Forestmill Primary School	Alva   Tillicoultry  Dollar



CLACKMANNANSHIRE COUNCIL SUMMARY

APPENDIX B

Service	2015/16	2016/17	Final	Funded Pressures	Budget Pressures	Contract Inflation Pressures	2016/17 Budget	HSCI	2016/17 Final Budget	2017/18 Indicative Budget	HSCI	2017/18 Final Budget	2018/19 Indicative Budget	HSCI	2018/19 Final Budget	2019/20 Indicative Budget	HSCI	2019/20 Final Budget
	Base Budget	Opening Budget	Savings					Anticipated Additional Funding			Anticipated Additional Funding			Anticipated Additional Funding				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Resources & Governance	23,532	23,762	(2,443)		195	63	21,577		21,577	21,722		21,722	21,859		21,859	22,019		22,019
Strategy & Customer Services	6,562	6,696	(898)		87		5,885		5,885	6,007		6,007	6,105		6,105	6,221		6,221
Less Allocated to Non General Fund Services	30,095	30,458	(3,341)	0	282	63	27,462	0	27,462	27,729	0	27,729	27,964	0	27,964	28,241	0	28,241
	(1,544)	(1,305)					(1,305)		(1,305)	(1,305)		(1,305)	(1,305)		(1,305)	(1,305)		(1,305)
Development & Environment	28,551	29,153	(3,341)	0	282	63	26,157	0	26,157	26,424	0	26,424	26,659	0	26,659	26,936	0	26,936
Social Services	11,678	11,875	(1,130)		235	5	10,985		10,985	11,147		11,147	11,279		11,279	11,434		11,434
Education	27,659	28,212	(1,920)		507	450	27,249	(2,230)	25,019	27,601	(2,230)	25,371	27,963	(2,230)	25,733	28,377	(2,230)	26,147
Housing & Community Safety	36,005	37,393	(773)				36,620		36,620	37,421		37,421	38,283		38,283	39,267		39,267
Executive Team	3,083	3,092	(481)		35		2,646		2,646	2,712		2,712	2,782		2,782	2,861		2,861
Corporate Adjustments	421	430					430		430	436		436	441		441	447		447
Misc Services - Non Distributed Costs	1,110	1,168					1,168		1,168	3,668		3,668	6,168		6,168	8,668		8,668
	1,215	1,215					1,215		1,215	1,215		1,215	1,215		1,215	1,215		1,215
<b>Service Expenditure</b>	<b>109,721</b>	<b>112,539</b>	<b>(7,645)</b>	<b>0</b>	<b>1,059</b>	<b>518</b>	<b>106,471</b>	<b>(2,230)</b>	<b>104,241</b>	<b>110,624</b>	<b>(2,230)</b>	<b>108,394</b>	<b>114,791</b>	<b>(2,230)</b>	<b>112,561</b>	<b>119,206</b>	<b>(2,230)</b>	<b>116,976</b>
add Requisition from Joint Board	0	0					0		0			0			0			0
Central Scotland Valuation	351	321					321		321	381		381	373		373	373		373
	<b>110,072</b>	<b>112,860</b>	<b>(7,645)</b>	<b>0</b>	<b>1,059</b>	<b>518</b>	<b>106,792</b>	<b>(2,230)</b>	<b>104,562</b>	<b>111,005</b>	<b>(2,230)</b>	<b>108,775</b>	<b>115,164</b>	<b>(2,230)</b>	<b>112,934</b>	<b>119,579</b>	<b>(2,230)</b>	<b>117,349</b>
Add/(Deduct)																		
Interest on Revenue Balances	(52)	(52)					(52)		(52)	(52)		(52)	(52)		(52)	(52)		(52)
Loan Charges	9,401	9,401					9,401		9,401	9,699		9,699	9,992		9,992	9,992		9,992
Contribution to Bad Debt Provision	200	200					200		200	200		200	200		200	200		200
Contribution to Invest to Save Fund	0	0					0		0	0		0	0		0	0		0
	<b>119,621</b>	<b>122,409</b>	<b>(7,645)</b>	<b>0</b>	<b>1,059</b>	<b>518</b>	<b>116,341</b>	<b>(2,230)</b>	<b>114,111</b>	<b>120,852</b>	<b>(2,230)</b>	<b>118,622</b>	<b>125,304</b>	<b>(2,230)</b>	<b>123,074</b>	<b>129,719</b>	<b>(2,230)</b>	<b>127,489</b>
<b>Sources of Funding</b>																		
General Fund Revenue	(93,189)	(89,926)					(89,926)		(89,926)	(88,143)		(88,143)	(86,396)		(86,396)	(86,396)		(86,396)
Funding for Free school meals	(528)	(528)					(528)		(528)	(528)		(528)	(528)		(528)	(528)		(528)
Council Tax	(18,278)	(18,758)					(18,758)		(18,758)	(18,814)		(18,814)	(18,870)		(18,870)	(18,926)		(18,926)
Council Tax Reduction Scheme	(3,588)	(3,520)					(3,520)		(3,520)	(3,520)		(3,520)	(3,520)		(3,520)	(3,520)		(3,520)
Contribution from Reserves - budget amend	(1,781)	0					(1,379)		(1,379)	0		0	0		0	0		0
Application of unapplied capital receipt	(1,936)	0					0		0	0		0	0		0	0		0
Contribution from Uncommitted Reserves	0	0					0		0	0		0	0		0	0		0
Contribution from earmarked Reserves	(321)	0					0		0	0		0	0		0	0		0
	<b>(119,621)</b>	<b>(112,732)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(114,111)</b>	<b>0</b>	<b>(114,111)</b>	<b>(111,005)</b>	<b>0</b>	<b>(111,005)</b>	<b>(109,314)</b>	<b>0</b>	<b>(109,314)</b>	<b>(109,370)</b>	<b>0</b>	<b>(109,370)</b>
<b>Projected (Surplus)/Shortfall</b>	<b>0</b>	<b>9,677</b>					<b>2,230</b>	<b>(2,230)</b>	<b>(0)</b>	<b>9,847</b>	<b>(2,230)</b>	<b>7,617</b>	<b>15,990</b>	<b>(2,230)</b>	<b>13,760</b>	<b>20,349</b>	<b>(2,230)</b>	<b>18,119</b>



Description of Pressure	2016/17 £	Narrative
<b>Housing &amp; Community Safety</b>		
NDR Discretionary Relief	35,000	25% Discretionary Relief to be funded by the Council.
	<b>35,000</b>	
<b>Social Services</b>		
Fostering Legal Expenses	60,000	Legal costs for Foster Carers adopting children. Estimation based on 5 children.
Woodside Residential Child Care Unit increase to Living Wage for Sleepovers	34,000	Cost of bringing the sleepover rate in line with the Living Wage.
Care Leavers Agenda	391,000	From April 2015, teenagers in residential, foster or kinship care who turn 16 will be entitled to remain looked after until the age of 21 under new provisions proposed for the Children and Young People Bill. Clackmannanshire Child Care Service currently fund the care provision up to the age of 18 years. This demand is for the additional cost of care from 18 to 21 years.
Care at Home - Quality of Care	22,500	Tripartite agreement with Scottish Government, Local Authority and NHS. Amount advsed by Scottish Government.
	<b>507,500</b>	
<b>Strategy &amp; Customer Services</b>		
Internal charge for Elected Member Surgeries	1,200	As a result of decision in Leisure Management Review to ensure full internal charging for bookings and lets for member services
Internal Charges for Community Council lets	1,300	As a result of decision in Leisure Management Review to ensure full internal charging for bookings and lets
Internal charge for all other council services	19,500	As a result of decision in Leisure Management Review to ensure full internal charging for bookings and lets. This demand pressure is submitted on behalf of all council services who will now require a funding allocation to cover internal charging.

Leisure Income target	59,000	To align external income target with expected income after expected impact of price increases and proposals to improve usage and income by targeted marketing through a new micro website and social media.
COSLA	5,593	Budget realignment
	<b>86,593</b>	
<b>Resources &amp; Governance</b>		
Delivery of the Scottish Local Government Elections in 2017	10,000	2016/17 anticipated Council Contribution
Unachievable income budget	28,160	Budget Realignment
Loss of income	22,000	Loss of rental income due to CCTV vacating Kilncraigs. Area to be utilised for future Council use no income will be achieved.
Asset valuations	17,500	Professional Asset valuations required by external audit, not previously budgeted
Increased Pensions Costs associated with VS/VR/CR	97,500	Estimated cost of revised severance policy were Compensated Added Years are increased from 3 to 5.
Solicitor costs for VS	20,000	Council obligation to pay upto £200 per agreement.
	<b>195,160</b>	
<b>Development &amp; Environment</b>		
E-Building standards	3,500	Requirement to have e-building standards software. Annual cost for IT connection to the national system including licence & maintenance / support costs.
Unachievable income	60,000	Reduced workload for Roads impacting on level of achievable income.
Land registry searches	2,500	Costs incurred from land registry searches
Contract re-pricing: – Co-mingled Dry Recyclate - ReGen	168,750	Contract re-tendered October 2015 resulting in large increase in gate fees due to market conditions and tightening recyclate quality demands.
	<b>234,750</b>	
<b>TOTAL UNAVOIDABLE PRESSURES</b>	<b>1,059,003</b>	



Description of Pressure	2016/17 £	Narrative
<b>Social Services</b>		
National Care Home contract	390,845	Rate being negotiated through COSLA. Assumed uplift 5.5% to cover living wage, staff retention and recruitment.
Free Nursing care	8,000	Assumed uplift 1.2%
Free Personal care	7,000	Assumed uplift 1.2%
Contract Inflation for Scotland Excel contracts - Residential Schools and External Foster Care Placements	43,000	Assumed uplift 1% on budget of £4.3m
Stirling/Clacks contracts for Child Care - Care at Home framework	1,000	Assumed uplift of 1% in line with Council pay inflation
	<b>449,845</b>	
<b>Resources &amp; Governance</b>		
Scotland Excel Requisition	4,185	10% increase on Scotland Excel fee of £40k
PPP Annual RPI increase	56,000	Assumed uplift of 1%
Skanska Facilities Services	3,200	Skanska - 3rd year of 4 year Property Maintenance contract. 2% annual inflationary increase as per contract.
	<b>63,385</b>	
<b>Development &amp; Environment</b>		
Kerbside Collection Contract - ACE Contract inflation increase	4,610	Assumed 1% inflation. 2015-16 outturn projected at £461k for ACE, 1% = £4,610.
	<b>4,610</b>	
<b>TOTAL CONTRACT INFLATION</b>	<b>517,840</b>	



## MAKING CLACKMANNANSHIRE BETTER SAVINGS PROPOSALS 2016-2020

Ref.	Saving Description	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Total Saving
<b>Prevention and Early Intervention</b>						
MCB001	Review of High Value Care Packages	£214,000				£214,000
MCB002	Review of Day Care Provision and Community Supports for Older People	£416,000				£416,000
MCB003	Re-design of Intermediate and Residential Care Services for Older People	£142,000	£164,000	£163,000		£469,000
MCB005	Residential Child Care Facility				£409,000	£409,000
MCB074	Implementation of Multi-Systemic Therapy	£0	£47,000	£287,000	£497,000	£831,000
<b>Integrated and Sustainable Services</b>						
DAE018	Review of supplies and services across D&E	£55,000				£55,000
DAE008	Delete vacancy in Clackmannanshire Works	£38,000				£38,000
DAE020	Transfer of ranger service to third party with alternative means of funding	£23,333	£16,666			£39,999
DAE021	Redesign of Roads traffic Management & Signage Service.	£22,166	£15,833			£37,999
DAE026 DAE028	Economic Development Underspend & Accrual	£54,500				£54,500
EDU013 EDU016 EDU021 EDU022 EDU029	Reduction in establishment of non-statutory support staff in education	£14,058 £41,875 £71,563 £12,500 £49,375	£10,042 £25,125 £42,938 £7,500 £29,625			£24,100 £67,000 £114,501 £20,000 £79,000
EDU025	Review Music Tuition	£118,125	£70,875			£189,000
MCB008	Redesign Sport and Youth Services	£100,000				£100,000
MCB016	Review of School Crossing Patrols	£27,500	£16,500			£44,000
HCS006	Reduce maintenance on CCTV to essential repairs only.	£70,000				£70,000
MCB029	Review of Community Meal Service	£19,016	£13,583			£32,599
R&G002	Catering Efficiencies	£37,000				£37,000
MCB024	Review of Social Services Equipment	£52,000	£28,000			£80,000
SW13	New Model for Learning Disability Respite	£10,000				£10,000
SW17	Review of EDT (Out of Hours) Service hosted by Stirling.	£9,000				£9,000
SW18	Misc Supplies & Services Socials Services	£50,000				£50,000
SW28	Review Integrated Mental Health	£49,980				£49,980

Ref.	Saving Description	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Total Saving
	Service					
SW34	Redesign MECS service to realise 15% efficiency	£57,000				£57,000
MCB006	Development of settlement hubs (inc. utilisation of CAPs)	£61,706	£146,894	£104,317		£312,917
SCS017	Reduction in CAPS Opening Hours (as of 1.10.15)	£25,000				£25,000
<b>Best Use of Assets and Resources</b>						
MCB022a	Review of Fleet: Fleet Utilisation	£60,000				£60,000
MCB022c	Review of Fleet: Reduced Fuel Cost	£9,000				£9,000
MCB022h	Budget Realignment: Pool Vehicle/Grey Mileage based on 2014/15 Actual	£20,000				£20,000
MCB065	Roads & Street Lighting Capitalisation	£154,241				£154,241
		£34,971				£34,971
MCB066	Roads Advertising Hoardings	-£1,000	£4,000	£4,000		£7,000
DAE012	Public Transport Unit - reduction in SLA requirement	£35,000				£35,000
DAE013	Cemetery Strategy	£3,750	£3,750	£3,750	£3,750	£15,000
DAE015	Increase income through additional rental income in Council properties where full market rent is not currently being achieved.	£15,000				£15,000
DAE001	Total D&E savings approved for 2016/17 by Council in February 2015.	£309,500	£57,432			£366,932
DAE003	Reduction in street lighting energy costs.	£60,000				£60,000
DAE004	Development Planning - Professional Fees Budget	£100,000				£100,000
DAE006	Additional income through Criminal Justice grant claim including fleet costs.	£11,000				£11,000
DAE007	Winter Maintenance budget reduced to average winter cost over the last 4 years.	£60,000				£60,000
DAE029	Alloa Tower: Staged reduction in funding	£5,000	£5,000	£5,000		£15,000
MCB051	Homelessness Security and Access	£40,000				£40,000
MCB058	ABC Nursery Income Generation		£30,000	£20,000		£50,000
MCB061	Home to school transport move to statutory limits		£139,375	£84,000		£223,375
EDU001 SCS030	Removal of Long Service Financial Awards	£4,900				£4,900
EDU002	Reprofile ABC Nursery Budget	£30,000				£30,000
EDU005	Removal of CPD budgets	£10,000				£10,000

Ref.	Saving Description	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Total Saving
EDU006	10% reduction CFE budget	£5,000				£5,000
EDU009 EDU010 EDU011 EDU012	Budget reduction in schools' and additional support needs supplies and services	£31,100				£31,100
EDU019	Review of ASN transport	£12,638	£7,583			£20,221
EDU027	Savings arising from Change Fund	£37,500	£22,500			£60,000
EDU045	Other Education savings approved for 2016/17 by Council in February 2015.	£95,019				£95,019
HCS001	Transfer aids and adaptations budget for private housing to Integrated Body at average of last three year spend	£21,000				£21,000
HCS002	End Use of 'Andis' homeless software	£12,000				£12,000
HCS003	Additional budget realignment	£10,000				£10,000
HCS007	Stop funding Unison ft post	£26,505				£26,505
HCS010	Reduce funding available for external QS support	£6,500				£6,500
HCS015	Budget reduction for B&B costs	£41,935				£41,935
HCS016	Pursuit of General Fund Debtors	£46,000				£46,000
R&G001	Reduction in Gas and electricity budget to match 2014/15 outturn	£271,000				£271,000
R&G005	Remove Gartmorn Dam budget no longer required.	£11,000				£11,000
R&G010	Budget realignment: active property	£117,457				£117,457
R&G028	Budget realignment: administrative budgets	£6,058	£3,041			£9,099
R&G036	Increased Income From Registrar's Building	£5,340				£5,340
R&G037	Remove Rates Budget For Emergency Planning	£545				£545
R&G038	Budget Reduction on Vacating Greenfield	£101,229	£2,470			£103,699
R&G042	Budget Reduction on Vacating Limetree	£12,000				£12,000
R&G045	Implement dynamic power management features in Data Centre.	£8,000				£8,000
R&G047	Reduce hardware maintenance budget	£8,000				£8,000
R&G048	Renegotiation of GIS provision and use of Open source technologies to bring some functionality in-house	£40,000				£40,000
R&G049	Cancel Spikes Cavell Subscription	£1,080				£1,080
R&G057	Transfer pavilions as community assets	£23,276	£9,720			£32,996

Ref.	Saving Description	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Total Saving
R&G062	Remove property costs from relocation of Centrespace to other Council Building	£86,600				£86,600
R&G066	Reduce or remove unnecessary building lease costs	£32,220				£32,220
R&G069	Rates Relief for Completely Vacant Council Offices - 15 Mar Street	£8,671				£8,671
R&G070	Budget Realignment for CAP Tillicoultry	£4,400				£4,400
R&G097	Change pricing strategy to increase income from Firpark	£25,000				£25,000
R&G111	Income and Charging Increase	£100,000				£100,000
MCB050	Review of Social Services Commissioning	£131,000				£131,000
SW14	Reduce External Care Home Provision by 3% pa for 3 years	£200,000				£200,000
SW41	Review Externally Commissioned Advocacy Services.	£14,000				£14,000
SW43	Increase charge to service users for care & support by 10%	£64,000				£64,000
SW24a	Reduce 3rd party payments/funding of Family Support Service to Falkirk Council by 15%	£3,000				£3,000
SW24b	Reduce 3rd party payments/funding Signpost Service to FVNHS by 15%	£8,076				£8,076
SW24c	Reduce 3rd party payments/funding of Time 4 us Service to FVNHS by 15%	£1,500				£1,500
SW24d	Reduce 3rd party payments/funding of Alcohol Support Service to FVNHS by 15%	£1,242				£1,242
SW39	Reduce costs of staff absence (i.e. agency and supply) in social services	£30,000				£30,000
SW50	Total Social Services' savings approved for 2016/17 by Council in February 2015.	£14,872				£14,872
SW1	Budget Removal: Legacy CCSF	£8,000				£8,000
MCB014	Reduce 3rd Sector Commissioning (grant-funded) to voluntary sector organisations	£94,810				£94,810
SCS001	Reduce Children's Panel Budget	£8,000				£8,000
SCS002	Surplus from Mail	£15,000				£15,000
SCS003	Reduce Professional Fees	£4,000				£4,000
SCS006	Increase Registrars Income	£84,000				£84,000
SCS016	Reduction in the Corporate Training Budget	£50,000				£50,000
SCS018	Reduction in Library Book Budget	£5,000				£5,000
SCS031	Reduction in Member Services' Catering, Hospitality and	£4,000				£4,000

Ref.	Saving Description	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Total Saving
	Expenses					
SCS032	Savings from ParentPay	£9,416	£11,577	£11,420	£11,256	£43,669
SCS025	Reduce Financial Support for Community Capacity Building	£6,000				£6,000
<b>Making Our Organisation Stronger</b>						
MCB019	Roads and Transportation Future Delivery Model		£200,000			£200,000
DAE010	Winter Maintenance on call cover period reduced.	£5,000				£5,000
DAE022	Review and redesign of GIS posts across the Council.	£16,333	£11,666			£27,999
DAE023	Rationalisation and remodelling of the Sustainability Team		£21,505			£21,505
DAE024			£33,345			£33,345
DAE025		£11,170	£7,979			£19,149
DAE033	Remove from establishment Estate Surveyor Vacancy	£29,500				£29,500
MCB057	Secondary Management Review	£37,500	£22,500		£160,000	£220,000
EDU003	Replace Head of Sauchie Nursery with Single Status post	£9,375	£5,625			£15,000
EDU007	50% reduction in school library posts	£20,625	£12,375			£33,000
EDU008	Stop internal school mail delivery	£7,000	£5,000			£12,000
EDU018	Reduction of staffing within the central education team	£27,500	£16,500			£44,000
HCS004	Further reduction in staff travel	£4,000				£4,000
HCS008	Combine roles in Support Services (housing)	£78,617				£78,617
HCS009	Restructure of Revenues Service	£24,094	£17,210			£41,304
HCS013		£7,511	£5,365			£12,876
HCS011	Remove Senior Officer Vacancy from Establishment	£43,884				£43,884
HCS012	Reduce Team Leader establishment	£33,740	£24,100			£57,840
HCS014	Restructure Senior Officer Roles	£15,149	£10,820			£25,969
MCB018	R&G Delivery Model	£447,529	£228,084			£675,613
MCB067	Assets Review: Cleaning Efficiencies	£80,000	-£1,000	-£1,000		£78,000
R&G099	Reduce Cleaning Service by 25%	£100,000	£150,000			£250,000
MCB035	Workforce Planning					£0
MCB037	Reviewing Telephone Provision and Digital Transactions	£40,000				£40,000
MCB039	Review of working week, role flexibility and other terms and conditions	£363,000				£363,000
MCB054	Energy Costs and Awareness Raising	£13,300	£13,300	£13,300		£39,900
MCB055	Review of Printing	£24,000	£24,000			£48,000

Ref.	Saving Description	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Total Saving
R&G051	Non-renewal of external employee counselling contract	£7,000				£7,000
R&G112	Family Friendly Savings	£60,000				£60,000
R&G113	Corporate Voluntary Redundancy & Severance (inc chief officers)	£400,000				£400,000
MCB036	Social Services Workforce Strategy Review	£68,000				£68,000
SW4	Reconfiguration of support roles in social services (absorption of roles and targeted voluntary redundancy)	£12,833	£9,166			£21,999
SW5		£14,583	£10,416			£24,999
SW6		£15,166	£10,833			£25,999
SW7		£15,166	£10,833			£25,999
SW26		£16,916	£12,083			£28,999
SW8	Remove from establishment Appropriate Adult Co-ordinator (vacancy) and mainstream	£15,000				£15,000
SW32	Vacancy Management in Social Services	£156,000				£156,000
SW27	Absorb Youth Justice Team Functions into CJS & Childcare	£33,345				£33,345
SW36	Alloa Family Centre Vacancies Reconfiguration	£97,195				£97,195
SCS004	Reduce establishment - Business Support Reconfiguration	£15,000				£15,000
SCS005	Efficiency - Business Support Reconfiguration	£6,000				£6,000
SCS007	Reduce establishment - Business Support Reconfiguration	£28,185				£28,185
SCS008		£26,837				£26,837
SCS009		£8,792				£8,792
SCS010		£20,615				£20,615
SCS011		£28,322	£20,230			£48,552
SCS027		£28,583	£20,416			£48,999
SCS012	Reduce establishment - Strategy & Performance Reconfiguration	£5,174				£5,174
SCS013		£56,091				£56,091
SCS014		£33,342				£33,342
		£21,996				£21,996
SCS015	Efficiency - Customer Services Reconfiguration	£77,000				£77,000
SCS026	Reduce establishment - Customer Services	£61,296	£43,783			£105,079
SCS029	Reduce establishment - Strategy & Performance	£113,176	£80,840			£194,016
		<b>£7,645,488</b>	<b>£1,958,003</b>	<b>£694,787</b>	<b>£1,081,006</b>	<b>£11,379,284</b>



### Current Planned MCB Business Cases

- Council-wide organisation-redesign
- Workforce Reductions in line with Council policies
- Development of cluster model in Education
- Review of services for children and families
- Management Review (all tiers)
- Rented-out Council property (disposal or full cost recovery)
- Assets Disposal
- Supported Transport, Non-Commercial Bus Services and Demand Responsive Transport
- Full cost recovery options
- Alternative Service Delivery Models (community empowerment commercialising in-house activities, outsourcing options )
- Business Process Efficiency reviews
- ICT Supporting Transformational Change





**Clackmannanshire  
Council**

[www.clacksweb.org.uk](http://www.clacksweb.org.uk)

### **Charging Policy**

**This policy sets out Clackmannanshire's policy regarding service fees and charges for services for the 2016/17 financial year.**

#### Introduction

Clackmannanshire Council has a statutory duty to provide certain services to the public. There are no charges for these services except where charges are set by statute. (e.g. planning applications, building control, licensing).

The Council provides other, discretionary services, some of which are provided at a cost to the customer. Others have, historically, been provided free of charge.

#### Principles

- 1: The Council must provide services which are defined as a statutory duty.
- 2: The Council may also choose to provide discretionary services, depending on the identified needs of the population of Clackmannanshire.
- 3: The Council will agree the charges for each discretionary service provided as part of the budget process each year and these are published annually in the Council's Register of Charges.
- 4: The Council will benchmark the charges it makes against other Scottish Councils to ensure fees and charges are reasonable and affordable.
- 5: Services identify and aim to recover the full cost of providing discretionary services to ensure that such costs are covered by the charges made.
- 6: The Council consults with the public and identified stakeholders each year through a Budget Consultation process covering the provision of Services incorporating any changes to fees and charges.

- 7: The Council can choose to provide services through a third party supplier or provider. Any such arrangement will be procured through the agreed procurement arrangements and in compliance with Council Standing Orders.
- 8: The ability of those in receipt of services to pay proposed rates is taken into account as a factor when proposals for increased charges are being considered. Consideration is also given to the competitive environment in which particular services operate.
- 9: The cost of invoicing and recovering income due is taken into account when considering fees and charges for services. Low volume activity will cost the Council more to process than the income generated. This figure will reduce as more transactions are carried out electronically.
- 10: The Council encourages customers to pay for services, in advance and electronically or through on-line facilities.

### Summary

The Council seeks to ensure best value for all residents of Clackmannanshire.

Statutory services will be provided free of charge to residents of Clackmannanshire, except where statute or legislation requires a charge to be made.

Discretionary services will be provided on a full cost recovery basis subject to financial assessment where appropriate.

Fees and charges are reviewed on an annual basis as part of the budget setting process.

## **Income and Charging 2016/17**

### Rationale for changes in 2016/17

The annual review of the Council's Income and Charging Policy has taken place as part of the budget challenge process. All aspects of the Council's income and expenditure were taken into account including comparison with other councils, discussion with Services and consideration of service proposals to introduce a service charge or increase charges in some areas.

### Charges for 2016 - 2017

A general increase in fees and charges of 2.3% is proposed in line with the previous years increase taking account of cost pressures. Some charges have been rounded to simplify the charging process.

### Exceptions

#### School Meals

School meals income will increase from £1.70 to £1.80. This equates to an increase in income of £39k. An increase of £0.10 per meal will also be applied in 2017/18, providing additional income of c£39k in that year.

#### Leisure Services

A comprehensive review of leisure charges has been carried out, taking account of current prices, budgetary constraints and contractual arrangements. The review compared leisure prices in Clackmannanshire against other local authorities. National benchmarking data published by SportsScotland shows Clackmannanshire's prices to be significantly lower than the national average in key areas. Clackmannanshire prices are also lower than neighbouring authorities in the majority of areas.

Higher than inflation increases are planned in order to address historically lower prices and to meet the Council's stated requirements of ensuring that charges are based on the full cost of delivering services. The number of charging rates have also been simplified and rationalised, helping making things clearer to customers. Charges have been rounded up and simplified to the nearest £1/£10. These price changes form part of wider changes in the Leisure Strategy to focus on fewer, high quality sport and leisure facilities based around the three Community Schools, maximising use of these facilities, increased marketing through a new website and proposals for a new booking system to improve the overall customer experience and service delivery.

#### Secondary Support Service

Recharges to other local authorities to continue on a full cost recovery basis.

### Social Services

In 2015/16 Mobile Emergency Care Services charges were increased by 10%. It is proposed that these will increase by a further 10% in 2016/17 generating additional income of around £15k in that year.

### Development & Environmental

Some fees are set by statute and cannot be increased by the Council. Where this is the case, the Council charges the maximum charge.

Other charges made within Development and Environmental Services will continue to be made on a commercial basis taking account of affordability and elasticity of demand.

Burial charges will be increased by 25% to facilitate moving towards full cost recovery which will generate additional income of £55k.

### Other charges

Where the Council recharges customers for works these are levied based on actual costs plus an administration fee of £30 to cover the cost of invoicing and debt collection. Where the Council identifies surplus asset capacity these can in certain circumstances be made available for hire on a full cost recovery basis plus an administration fee of £30. Similarly any surplus materials that the Council identifies can be sold and these will be on the basis of full cost plus 5% for cash sales and £30 for any sales requiring an invoice to be raised.

### General Comments

A full charging register for 2016/17, updated to reflect the above increases, will be available on the Council's website after the budget has been approved.

### Summary

The Schedule of Charges will be set out on the Council's website following approval of the Budget and will include those to be charged for fees and services from April 2016 to March 2017.

An annual review of fees and charges will take place as part of the 2017/18 budget challenge process.

### Disclosure of Funded Organisations 2016/17

In September 2014, the Council's External Auditor recommended that the Council should disclose annually details of each individual voluntary organisation it funds including the Council role, the Council contribution and the type of services delivered.

The table below outlines this information for the financial year 2016/17. All funding arrangements are subject to Contract Standing Orders and the Council's Code of Practice for Funding External Bodies and Following the Public Pound.

Funding for 2016/17 represents a proposed reduction of 7.1% based on 2015/16 allocations. Given the general requirement for a 3 month notice period, implementation of new SLAs/contracts will commence from 1 June 2016. To avoid uncertainty for funded organisations, 1st Quarter payments will be made at 2015/16 rates. Payments after 1 June however should be adjusted to ensure that total annual allocations are in line with Council approval as outlined below. A route of representation is in place for organisations who can demonstrate evidence of serious, adverse impacts.

As part of Making Clackmannanshire Better and wider public sector reforms, the Council recognises that transformational change is required in relation to future 3rd sector commissioning. This is a three-year process which will include a larger consultation in collaboration with the Third Sector, using the Ready for Business initiative. Facilitated by Clackmannanshire Third Sector Interface, the process, commencing in March 2016, brings senior decision-makers from public bodies and the third sector together as equal partners, enabling greater understanding of and focus on major collective challenges, leading to sensible action-focused decisions, which will support sustainable change.

Description	Category	Council Role	Value
Funded Halls and Trusts - Clackmannan, Coalsnaughton, Devonvale	Community Development/Resilience	Funder via SLA/Contract	£13,587
Clackmannanshire Sports Council	Health & Wellbeing	Funder via SLA/Contract	£6,432
Sauchie Active 8	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£32,354
The Gate: Soup Pot	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£2,787
The Gate: Foodbank	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£4,645
Clackmannanshire Women's Aid	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£166,436
Reachout with Arts in Mind	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£43,848
SAMH	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£148,454
Barnardo's (Freagarrach)	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£59,456

<b>Description</b>	<b>Category</b>	<b>Council Role</b>	<b>Value</b>
Barnardos (Youth Substance)	Supporting Vulnerable Adults/Families	Contract Administrator	£67, 027
Central Carers Association	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£54, 056
People First (Clackmannanshire)	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£20, 597
Cafe Society	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£20, 434
Central Scotland Rape Crisis and Sexual Abuse Centre	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£13, 303
Artist in Residence Project	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£4,440
Clackmannanshire Healthier Lives	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£178, 154
Addictions Support and Counselling	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£8,026
Clackmannanshire Citizens Advice Bureau	Supporting Vulnerable Adults/Families	Funder via SLA/Contract	£119, 562
Who Cares?	Supporting Vulnerable Adults/Families Adults	Funder via SLA/Contract	£7,088
Play Alloa	Supporting Vulnerable Children & Young People	Funder via SLA/Contract	£16, 738
Action for Children (Tullibody Families)	Supporting Vulnerable Children & Young People	Funder via SLA/Contract	£149, 452
Action for Children (Tayvalla)	Supporting Vulnerable Children & Young People	Funder via SLA/Contract	£86, 777
Homestart	Supporting Vulnerable Children & Young People	Funder via SLA/Contract	£76, 907
Community House	Supporting Vulnerable Children & Young People	Funder via SLA/Contract	£35, 469



Deputy First Minister and Cabinet Secretary for Finance, Constitution and  
Economy  
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Councillor David O'Neill  
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COSLA  
Verity House  
19 Haymarket Yards  
Edinburgh  
EH12 5BH



Copy to: The Leaders of all Scottish local authorities

27 January 2016

Dear David

I write now to confirm the final details of the Local Government Finance settlement for 2016-17, following the conclusion of our partnership discussions to consider the package of measures contained in my initial letter of 16 December 2015.

This funding package is focussed on delivery of our joint priorities to deliver sustainable economic growth, protect front-line services and support the most vulnerable in our society.

I have considered the representations made to me by COSLA and this is reflected in the detail of the settlement and the package of measures included in this letter. My aim throughout our extensive discussions has been to reach an agreement with councils around the implementation of these commitments. I invite local authorities to agree the terms of the settlement.

The measures set out in the settlement offer must be viewed as a package to protect shared priorities and intensify a journey of reform. In order to access all of the funding involved, of £408 million, local authorities must agree to deliver all of the measures set out below and will not be able to select elements of the package.

#### Integration Fund

The offer being made is that £250 million will be provided from the Health budget to integration authorities in 2016-17 for social care:

That of the £250 million, £125 million is provided to support additional spend on expanding social care to support the objectives of integration, including through making progress on charging thresholds for all non-residential services to address poverty. This additionality reflects the need to expand capacity to accommodate growth in demand for services as a consequence of demographic change.

That of the £250 million, £125 million is provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services in the context of reducing budgets. This includes our joint aspiration to deliver the Living Wage for all social care workers as a key step in improving the quality of social care. The allocation of this resource will enable councils to ensure that all social care workers including in the independent and third sectors are paid £8.25 an hour. This assumes that private and third sector providers will meet their share of the costs. The Government would prefer implementation on the 1 April but we accept COSLA's point that preparatory work will be required to ensure effective implementation. We therefore agree to an implementation date of 1 October. In 2016-17, Councils can allocate up to £125 million of their 2015-16 costs of providing social care services to Integrated Joint Boards including the uprating of staff to the Living Wage. This will ensure an overall benefit to the provision of health and social care of £250 million. To ensure transparency for the flow of funding support for local authorities and delivery of the Living Wage commitment the arrangements will be signed off at a local level by the appropriate Integration Authority Section 95 Officer.

### Teacher Numbers

The Scottish Government has been consistent that the protection of teacher numbers is a central part of our priority to raise attainment. Following our discussions and the further representations COSLA has made, the Scottish Government have agreed that the measure for the implementation of that target, against a forecast that pupil numbers will increase over the coming academic year, will be the maintenance at a national level of the pupil teacher ratio.

The objective will be to maintain the pupil teacher ratio nationally at a value of 13.7 (the same level as in 2015) in local authority schools as shown in the Teacher and Pupil Census published in December 2016 and the teacher and probationer commitments in 2016-17. In order to support delivery, the Scottish Government will continue to monitor these commitments throughout the year.

### Council Tax Freeze

The Scottish Government was elected on a commitment to freeze the council tax for the entirety of this Parliamentary session and is committed to delivering this policy. Many local authorities have a commitment to freeze the Council Tax over a similar timescale. Against the questions of the wider revenue-raising challenges raised in the Budget the Scottish Government believes that it is important to provide protection for household incomes in what has been a very financially challenging period for many households.

The Scottish Government has now received the report from the Commission on Local Tax Reform and the Government believes now is not the time to dispense with the protection the freeze offers. Looking ahead we will be bringing forward plans for reform of the present Council Tax, reflecting the principles of the report, and we are committed to working in partnership with local government on the implementation of that.

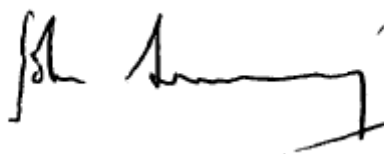
For 2016-17 individual local authorities will again require to agree to work with the Scottish Government to deliver a council tax freeze for the ninth consecutive year.

Any council that does not sign up to the complete package will not receive their share of the Integration Funding (£250 million), support for teachers (£88 million) and the council tax freeze support (£70 million). Should that be the case, steps will be taken to recover the latter two elements that have been distributed from the individual council's allocations in the local government finance settlement in-year.

If in the event, however, a council that does sign up then does not deliver any of the remaining specific commitments on council tax freeze, social care spend, including delivery of the £8.25 per hour Living Wage or national teacher targets then the Scottish Government reserves its position to take action to remove access to or recover that element of the additional funding support earmarked to deliver each of the remaining specific measures. In the case of pupil teacher ratio not being maintained nationally then the Scottish Government reserves its position to recover monies allocated to individual authorities whose pupil teacher ratio rises. This action will be proportionate and apply only to that element of the funding for a specific measure that a local authority subsequently does not deliver as set out in the paragraph above.

I will require those Council Leaders who intend to take up the offer and agree the full package of measures to write to me to set out their position, including on the council tax. Given that I am setting out changes to the proposals we previously discussed, I want to give local authorities every opportunity to consider these issues in full. Leaders should therefore provide their response to me by no later than Tuesday 9 February 2016.

I fully understand the pressures on budgets, which is being felt across the whole of the public sector, but I firmly believe that the funding proposals I have set out for local government protects our shared priorities and delivers practical financial support to intensify the pace of reform. I hope you and your fellow Council Leaders can agree that in the circumstances the proposals deliver a strong but challenging financial settlement. The key to addressing this challenge is reform and local government is a key partner in our programme to reform and improve public services.

A handwritten signature in black ink, appearing to read 'John Swinney', with a stylized flourish at the end.

**JOHN SWINNEY**



## Appendix I: Housing Revenue Account Budget 2016/17

Summary Cashflow	VARIANCE OUTTURN vs ORIGINAL BUSINESS PLAN 2015/16 £'000	ORIGINAL BUSINESS PLAN 2016/17 £'000	DRAFT BUDGET 2016/17 £'000	VARIANCE DRAFT BUDGET vs ORIGINAL BUSINESS PLAN 2016/17 £'000
<b>HOUSING REVENUE ACCOUNT</b>				
Repairs & Maintenance	331	4,908	5,774	866
Supervision & Management	(245)	3,814	3,564	(250)
Capital Financing Costs	(159)	3,238	3,130	(108)
Other Expenses	(329)	1,286	1,102	(184)
<b>Total Expenditure</b>	<b>(403)</b>	<b>13,245</b>	<b>13,570</b>	<b>325</b>
Income (Dwellings, Lock-ups, Garage sites, shops & interest)	203	(18,676)	(18,488)	188
<b>Net / Surplus for year</b>	<b>(199)</b>	<b>(5,431)</b>	<b>(4,918)</b>	<b>513</b>



## Appendix J

### Proposed Rent Charges 2016/17

House	Rent 2015/16	Proposed Increase for 2016/17 3.5%	Proposed Revised Charge 2016/17
1 Apartment	£70.02	£2.45	£72.47
2 Apartment	£71.72	£2.51	£74.23
3 Apartment	£73.46	£2.57	£76.03
4 Apartment	£74.94	£2.62	£77.56
5 Apartment	£76.80	£2.69	£79.49
6 Apartment	£78.68	£2.75	£81.43
<b>Flat</b>			
1 Apartment	£68.74	£2.41	£71.15
2 Apartment	£70.38	£2.46	£72.84
3 Apartment	£72.13	£2.52	£74.65
4 Apartment	£73.69	£2.58	£76.27
5 Apartment	£75.53	£2.64	£78.17
Average Rent (48 week)	£73.28	£2.57	£75.85
Average Rent (52 week)	£67.65	£2.36	£70.01
Lock-up weekly charge	£6.96	£0.24	£7.20
Lock-up plus VAT	£8.35	£0.29	£8.64
Garage Pitch site annual charge	£78.93	£2.76	£81.69
Garage Pitch site annual charge (inc VAT)	£94.72	£3.31	£98.03
Travelling Person Site	£85.00	£2.98	£87.98





**Appendix K: Average weekly rent based on information published by Scottish Housing Regulator.**

	<b>Average rent for 2015-16</b>	<b>Proposed % increase for 2016-17*</b>
<b>Stirling Council</b>	£68.68	1
<b>Orkney Islands Council</b>	£71.80	1.4
<b>Aberdeen City Council</b>	£76.14	1.7
<b>City of Edinburgh Council</b>	£95.61	2
<b>Dundee City Council</b>	£71.55	2
<b>East Dunbartonshire Council</b>	£72.05	2
<b>North Ayrshire Council</b>	£65.58	2
<b>South Ayrshire Council</b>	£69.57	2
<b>The Highland Council</b>	£73.05	2
<b>Ochil View Housing Association</b>	£74.84	2.5
<b>Kingdom Housing Association</b>	£73.47	2.5
<b>Fife Council</b>	£65.96	2.5
<b>Renfrewshire Council</b>	£73.86	3
<b>West Lothian Council</b>	£67.62	3
<b>Angus Council</b>	£59.54	3.4
<b>Clackmannanshire Council</b>	£69.81	3.5
<b>East Ayrshire Council</b>	£66.27	3.6
<b>Falkirk Council</b>	£58.91	3.6
<b>Aberdeenshire Council</b>	£71.61	3.75
<b>South Lanarkshire Council</b>	£61.61	4
<b>East Renfrewshire Council</b>	£66.32	4.9
<b>Midlothian Council</b>	£63.40	5
<b>The Moray Council</b>	£59.81	5
<b>West Dunbartonshire Council</b>	£70.38	5.5
<b>East Lothian Council</b>	£56.30	-
<b>North Lanarkshire Council</b>	£57.62	-
<b>Perth &amp; Kinross Council</b>	£64.91	-

*\* this information is from a survey of local authorities carried out by ALACHO in January 2016. As such, the proposals are subject to change.*



APPENDIX L: GENERAL SERVICES CAPITAL PROGRAMME 2016/17 - 2020/21

No.	Project	Settlement	Asset Management Plan	Total Budget	Year				
					16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
<b>(A)</b>	<b>Community Investment Strategy :</b>								
<b>Alloa Cluster</b>									
A1	Schools ICT Replacement	Alloa Academy	I.T.	232	46	47	46	47	46
A2	ABC Nursery	Alloa	Property	148					148
A3	Park Primary School	Alloa	Property	532	248	284			
A4	CCTV Equipment	Alloa	Property	75		75			
A5	St Mungo's Primary School	Alloa	Property	338				260	78
A6	Park, Play Area & Open Space Improvements	Alloa	Land	100	50				50
A7	3-12 School Development	Alloa	Property	555	24	153	70	150	158
A8	School Interactive Display Replacement	Alloa Academy	I.T.	267				133	134
A9	Heritage Improvements	Alloa	Land/Property	341	330	11			
A10	Sunnyside Cemetery Extension	Alloa/Sauchie	Land	150					150
A11	Kilncraigs BPRA	Alloa	Property	4,900				4,900	
<b>TOTAL Alloa Cluster</b>				<b>7,638</b>	<b>698</b>	<b>570</b>	<b>116</b>	<b>5,490</b>	<b>764</b>
<b>Lornshill Cluster</b>									
A12	Schools ICT Replacement	Lornshill Academy	I.T.	233	47	46	47	46	47
A13	Sauchie Hall Locality Hub	Sauchie	Property	81	81				
A14	Deerpark Primary School Refurbishment	Sauchie	Property	338		118	220		
A15	Craigbank Primary School Refurbishment	Sauchie	Property	1,010		728	282		
A16	Safer Routes to School	Sauchie / Lornshill	Property	155					155
A17	St Serfs Primary School	Tullibody	Property	295	173	76	30	16	
A18	School Estate - Tullibody South Campus	Tullibody	Property	11,250	125	2,575	5,600	2,950	
A19	Village and Small Town Initiative including safer routes to communities	Tullibody	Land/Property/Roads	290	190	100			
A20	Network Infrastructure Improvement	Tullibody	I.T.	200		200			
A21	School Interactive Display Replacement	Lornshill Academy	I.T.	267				134	133
A22	3-12 School Development	Tullibody / Sauchie	Property	900	120	93	276	227	184
A23	Park, Play Area & Open Space Improvements	Tullibody / Clackmannan	Land	50		50			
A24	Street Lighting Improvements	Tullibody/ Clackmannan	Roads	450		225		225	
A25	Clackmannan Primary School Refurbishment/Locality Hub	Clackmannan	Property	1,374	623	751			
A26	Village and Small Town Initiative including safer routes to communities	Clackmannan	Land/Property/Roads	450		70	280	100	
<b>TOTAL Lornshill Cluster</b>				<b>17,343</b>	<b>1,359</b>	<b>5,032</b>	<b>6,735</b>	<b>3,698</b>	<b>519</b>
<b>Hillfoots Cluster (Alva/Tillicoultry/Dollar)</b>									
A27	Village and Small Town Initiative including safer routes to communities	Tillicoultry	Land/Property/Roads	550	70	480			
A28	Hillfoots Glen - Upgrading	Tillicoultry	Land	300	300				
A29	Allotment Extension	Tillicoultry	Land	12	12				
A30	Flood Prevention Generator	Tillicoultry	Roads	25	25				
A31	Street Lighting Improvements	Tillicoultry / Alva	Roads	1,850	975	650	225		
A32	Schools ICT Replacement	Alva Academy	I.T.	235	47	47	47	47	47
A33	Alva Community Campus/Locality Hub/ Primary school	Alva	Property	433	240	193			
A34	Village and Small Town Initiative including safer routes to communities	Alva	Land/Property/Roads	650		70	480	100	
A35	Hillfoot Glens - Upgrading	Alva	Land	103				73	30
A36	School Interactive Display Replacement	Alva	I.T.	266				133	133
A37	Park, Play Area & Open Space Improvements	Hillfoots	Land	100			50	50	
A38	Menstrie Primary School	Menstrie	Property	243	36	8	1	136	62
A39	New Cemetery	Dollar	Land	200	200				
A40	Village and Small Town Initiative including Playing field development & Temporary Changing facilities	Dollar	Land/Property/Roads	135	125				10
A41	3-12 School Development	Hillfoots	Property	940	64	141	9	315	411

APPENDIX L: GENERAL SERVICES CAPITAL PROGRAMME 2016/17 - 2020/21

No.	Project	Settlement	Asset Management Plan	Total Budget	Year				
					16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
<b>TOTAL Hillfoots Cluster (Alva/Tillicoultry/Dollar)</b>				<b>6,042</b>	<b>2,094</b>	<b>1,589</b>	<b>812</b>	<b>854</b>	<b>693</b>
<b>All Clackmannanshire Areas - not seperated into a Cluster</b>									
A42	Schools ICT Replacement - All primaries	All Clackmannanshire	I.T.	500	100	100	100	100	100
A43	Ward Community Investment Grants	All Clackmannanshire	Corporate	775	100	125	150	200	200
A44	2yr Old School Development	All Clackmannanshire	Property	514	514				
A45	3yr Old School Development	All Clackmannanshire	Property	307	307				
<b>TOTAL All Clackmannanshire Areas - not seperated into a Cluster</b>				<b>2,096</b>	<b>1,021</b>	<b>225</b>	<b>250</b>	<b>300</b>	<b>300</b>
<b>Total (A)</b>	<b>Total Community Investment Strategy</b>			<b>33,119</b>	<b>5,172</b>	<b>7,416</b>	<b>7,913</b>	<b>10,342</b>	<b>2,276</b>
<b>(B) Property Asset Management Strategy :</b>									
B1	Statutory Compliance DDA Schools	All Clackmannanshire	Property	100	20	20	20	20	20
B2	Compliance - Asbestos Removal (Schools)	All Clackmannanshire	Property	100	20	20	20	20	20
B3	Childcare Residential Unit	tbc	Property	990	990				
<b>Total (B)</b>	<b>Total Property Asset Management Strategy :</b>			<b>1,190</b>	<b>1,030</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>(C) Roads Asset Management Strategy :</b>									
C1	- A907 Braehead	Alloa	Roads	50	50				
C2	- Flood Prevention	All Clackmannanshire	Roads	350	100	100	50	50	50
C3	- Cycle Routes	All Clackmannanshire	Roads	145	65	80	-	-	-
C4	- Carriageways	All Clackmannanshire	Roads	6,850	1,450	1,350	1,350	1,350	1,350
C5	- Footways	All Clackmannanshire	Roads	500	100	100	100	100	100
C6	- Surface Treatment	All Clackmannanshire	Roads	500	100	100	100	100	100
C7	- Bridge Improvements	All Clackmannanshire	Roads	250	50	50	50	50	50
C8	- Road Safety	All Clackmannanshire	Roads	500	100	100	100	100	100
C9	- Lighting Replacement	All Clackmannanshire	Roads	1,250	250	250	250	250	250
C10	Road & Footpath Improvements	All Clackmannanshire	Roads	771	154	155	154	154	154
C11	Road Safety (Claremont/Kellie Place)	Alloa	Roads	45	45				
C12	Cycle Route	Alva/Fishcross/Alloa	Roads	350					350
C13	Street Lighting LED Programme	tbc	Roads	400					400
<b>Total (C)</b>	<b>Total Roads Asset Management Strategy :</b>			<b>11,961</b>	<b>2,464</b>	<b>2,285</b>	<b>2,154</b>	<b>2,154</b>	<b>2,904</b>
<b>(D) Lands Asset Management Strategy :</b>									
D1	SWF/Wheeled Bins	Various	Lands	150	30	30	30	30	30
<b>Total (D)</b>	<b>Total Lands Asset Management Strategy :</b>			<b>150</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>(E) Fleet Asset Management Strategy :</b>									
E1	Vehicle Replacement	N/A	Fleet	2,860	726	634	500	500	500
<b>Total (E)</b>	<b>Total Fleet Asset Management Strategy :</b>			<b>2,860</b>	<b>726</b>	<b>634</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>(F) IT Asset Management Strategy :</b>									
F1	IT Infrastructure	tbc	I.T.	800	160	160	160	160	160
F2	Telecare	tbc	I.T.	375	75	75	75	75	75
F3	Social Services Integrated System	N/A	I.T.	115	55	60			
F4	Digital Transformation	N/A	I.T.	135	135				
F5	e-Building Standards	N/A	I.T.	20	20				
F6	Managed Wi-fi	N/A	I.T.	370	140	115	115		
F7	Financial Management System Replacement	N/A	I.T.	35	35				
<b>Total (F)</b>	<b>Total IT Asset Management Strategy :</b>			<b>1,850</b>	<b>620</b>	<b>410</b>	<b>350</b>	<b>235</b>	<b>235</b>
<b>TOTAL CAPITAL PROGRAMME</b>				<b>51,130</b>	<b>10,042</b>	<b>10,815</b>	<b>10,987</b>	<b>13,301</b>	<b>5,985</b>



Housing Revenue Account Capital Programme Budget APPENDIX M	Approved Budget 16/17 Feb 2015	C/fwds from 2015/16 (Oct 2015)	New projects funded by additional grant	2016/17 Approved Budget Oct 15 including additional c/fwds	Proposed Amendments	Amended Budget 16/17	Approved Budget 17/18 Feb 2015	Proposed Amendments	Amended Budget 17/18	Approved Budget 18/19 Feb 2015	Proposed Amendments	Amended Budget 18/19	Approved Budget 19/20 Feb 2015	Proposed Amendments	Amended Budget 19/20	Indicative Budget 20/21 Feb 2015	Proposed Amendments	Amended Budget 20/21	
<b>Scottish Housing Quality Standards</b>																			
<b>Primary Building Elements</b>																			
Structural Works	150,000			150,000		150,000	150,000		150,000	6,800,000	(6,650,000)	150,000	7,004,000	(6,854,000)	150,000	7,200,000	(7,050,000)	150,000	
<b>Total Primary Building Elements</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>6,800,000</b>	<b>(6,650,000)</b>	<b>150,000</b>	<b>7,004,000</b>	<b>(6,854,000)</b>	<b>150,000</b>	<b>7,200,000</b>	<b>(7,050,000)</b>	<b>150,000</b>	
<b>Secondary Building Elements</b>																			
Damp Proof Course and Rot Works	100,000			100,000	(30,000)	70,000	100,000	(30,000)	70,000			70,000			100,000	100,000		100,000	100,000
Roof, Rainwater & External Walls	2,303,000			2,303,000	0	2,303,000	2,100,000		2,100,000	2,590,000		2,590,000	2,774,000		2,774,000	2,800,000		2,800,000	2,800,000
External Doors	10,000			10,000	0	10,000	10,000		10,000	20,000		20,000	20,000		20,000	100,000		100,000	100,000
Windows	1,819,000			1,819,000	0	1,819,000	1,800,000		1,800,000	1,800,000		1,800,000	1,800,000		1,800,000	1,910,000		1,910,000	1,910,000
<b>Total Secondary Building Elements</b>	<b>4,232,000</b>	<b>0</b>	<b>0</b>	<b>4,232,000</b>	<b>(30,000)</b>	<b>4,202,000</b>	<b>4,010,000</b>	<b>(30,000)</b>	<b>3,980,000</b>	<b>0</b>	<b>4,480,000</b>	<b>4,480,000</b>	<b>0</b>	<b>4,694,000</b>	<b>4,694,000</b>	<b>0</b>	<b>4,910,000</b>	<b>4,910,000</b>	
<b>Energy Efficiency</b>																			
Fuel Efficient Central Heating	1,854,000			1,854,000		1,854,000	800,000		800,000	1,000,000		1,000,000			1,000,000	1,000,000		1,000,000	1,000,000
Bowmar Community Energy Savings Programme		97,000		97,000		97,000			0			0			0			0	0
Home Energy Efficiency Measures					250,000	250,000		250,000	250,000			0			0				
<b>Total Energy Efficiency</b>	<b>1,854,000</b>	<b>97,000</b>	<b>0</b>	<b>1,951,000</b>	<b>250,000</b>	<b>2,201,000</b>	<b>800,000</b>	<b>250,000</b>	<b>1,050,000</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	
<b>Modern Facilities &amp; Services</b>																			
Kitchen Renewal	600,000			600,000	(500,000)	100,000	50,000		50,000			65,000	65,000		70,000	70,000		70,000	70,000
Bathroom Renewal	50,000			50,000	0	50,000	20,000	30,000	50,000			65,000	65,000		50,000	50,000		50,000	50,000
<b>Total Modern Facilities &amp; Services</b>	<b>650,000</b>	<b>0</b>	<b>0</b>	<b>650,000</b>	<b>(500,000)</b>	<b>150,000</b>	<b>70,000</b>	<b>30,000</b>	<b>100,000</b>	<b>0</b>	<b>130,000</b>	<b>130,000</b>	<b>0</b>	<b>120,000</b>	<b>120,000</b>	<b>0</b>	<b>120,000</b>	<b>120,000</b>	
<b>Health Safe &amp; Secure</b>																			
Safe Electrical Systems	250,000			250,000	50,000	300,000	250,000	50,000	300,000			350,000	350,000		350,000	350,000		350,000	350,000
External Works: Fencing, Gates & Paths	30,000			30,000	95,000	125,000	20,000	105,000	125,000			125,000	125,000		125,000	125,000		125,000	125,000
Secure Door Entry Systems	60,000			60,000	65,000	125,000	20,000	105,000	125,000			145,000	145,000		145,000	145,000		125,000	125,000
<b>Total Health Safe &amp; Secure</b>	<b>340,000</b>	<b>0</b>	<b>0</b>	<b>340,000</b>	<b>210,000</b>	<b>550,000</b>	<b>290,000</b>	<b>260,000</b>	<b>550,000</b>	<b>0</b>	<b>620,000</b>	<b>620,000</b>	<b>0</b>	<b>620,000</b>	<b>620,000</b>	<b>0</b>	<b>600,000</b>	<b>600,000</b>	
<b>NON SHQS ELEMENTS</b>																			
Disabled Adaptation Conversions	50,000			50,000		50,000	50,000		50,000			50,000	50,000		50,000	50,000		50,000	50,000
Construction Design Management	0			0	20,000	20,000	0	20,000	20,000			20,000	20,000		20,000	20,000		20,000	20,000
Feasibility Work	20,000			20,000	(20,000)	0	20,000	(20,000)	0			0	0		0	0		0	0
Fairfield, Sauchie 19 Units	50,000			50,000	0	50,000			0			0	0		0	0		0	0
The Orchard, Tullibody 12 Units		1,380,000		1,380,000	0	1,380,000			0			0	0		0	0		0	0
Lock Up Site Redevelopment for Affordable Housing				0	0	0	2,450,000		2,450,000			0	0		0	0		0	0
MCB Tenant Community Improvement Fund	200,000			200,000	0	200,000	200,000		200,000	200,000		200,000	200,000		200,000	200,000		200,000	200,000
Community Hub Enablement Works (Ex Streetscape)	125,000	60,000		185,000	(125,000)	60,000	125,000	(125,000)	0			0	0		0	0		0	0
Miscellaneous Conversions & Adaptations	150,000			150,000	(100,000)	50,000	100,000	(50,000)	50,000			50,000	50,000		50,000	50,000		50,000	50,000
HRA Roads & Footpath Improvements	100,000			100,000	0	100,000	100,000		100,000	100,000		100,000	100,000		100,000	100,000		100,000	100,000
Housing Business Management Enhancements	60,000			60,000	0	60,000			0			0	0		0	0		0	0
<b>Total NON SHQS ELEMENTS</b>	<b>755,000</b>	<b>1,440,000</b>	<b>0</b>	<b>2,195,000</b>	<b>(225,000)</b>	<b>1,970,000</b>	<b>3,045,000</b>	<b>(175,000)</b>	<b>2,870,000</b>	<b>0</b>	<b>420,000</b>	<b>420,000</b>	<b>0</b>	<b>420,000</b>	<b>420,000</b>	<b>0</b>	<b>420,000</b>	<b>420,000</b>	
<b>TOTAL CAPITAL PROGRAMME</b>	<b>7,981,000</b>	<b>1,537,000</b>	<b>0</b>	<b>9,518,000</b>	<b>(295,000)</b>	<b>9,223,000</b>	<b>8,365,000</b>	<b>335,000</b>	<b>8,700,000</b>	<b>6,800,000</b>	<b>0</b>	<b>6,800,000</b>	<b>7,004,000</b>	<b>0</b>	<b>7,004,000</b>	<b>7,200,000</b>	<b>0</b>	<b>7,200,000</b>	
<b>Income</b>																			
House Sales	(240,000)			(240,000)	0	(240,000)	0		0			0	0		0	0		0	0
Scottish Government Housing Supply Grant	0	(552,000)		(552,000)	0	(552,000)	(920,000)		(920,000)	0		0	0		0	0		0	0
<b>Total Income</b>	<b>(240,000)</b>	<b>(552,000)</b>	<b>0</b>	<b>(792,000)</b>	<b>0</b>	<b>(792,000)</b>	<b>(920,000)</b>	<b>0</b>	<b>(920,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CAPITAL PROGRAMME</b>	<b>7,741,000</b>	<b>985,000</b>	<b>0</b>	<b>8,726,000</b>	<b>(295,000)</b>	<b>8,431,000</b>	<b>7,445,000</b>	<b>335,000</b>	<b>7,780,000</b>	<b>6,800,000</b>	<b>0</b>	<b>6,800,000</b>	<b>7,004,000</b>	<b>0</b>	<b>7,004,000</b>	<b>7,200,000</b>	<b>0</b>	<b>7,200,000</b>	

	Indicative Budget Approved Feb 2015
	Carry forwards & Additional Grant Funded Projects
	Indicative Budget Approved Feb 2015 including carry forwards and additional grant funded projects
	Proposed Amendments
	Amended Budgets with proposed amendments





**PROPOSED AMENDMENTS**

**APPENDIX M**

Description of Project	Year 1 2016-17 £	Year 2 2017- 18 £	Year 3 2018-19 £	Year 4 2019-20 £	Year 5 2020-21 £	Narrative
<b>SECONDARY BUILDING ELEMENTS</b>						
Damp Proof Course and Rot Works Roof, Rainwater & External Walls	(30,000)	(30,000)				Reduction due to having an agreed tender with rates fixed for 3 year period . Accurate inspection and stringent contract management of overall works has considerable delivered savings
External Doors						
Windows						
<b>TOTAL SECONDARY BUILDING ELEMENTS</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>ENERGY EFFICIENCY</b>						
Home Energy Efficiency Measures	250,000	250,000				Increase to maximise opportunities through the Scottish Governments HEEPS programme for HRA Assets
<b>TOTAL ENERGY EFFICIENCY</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>MODERN FACILITIES &amp; SERVICES</b>						
Kitchen Renewal	(500,000)					Reduction due to tenant refusals and tenants own upgrades carried out . Surveys carried out to ensure SHQS Compliance .
Bathroom Renewal		30,000				Increase to fund bathroom replacement for previous house refusals within bathroom programme 2007-2015. Captured during void periods. Works carried out by PCU
<b>TOTAL MODERN FACILITIES &amp; SERVICES</b>	<b>(500,000)</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>HEALTH SAFE &amp; SECURE</b>						
Safe Electrical Systems	50,000	50,000				Increase required due to changes in compliance recommendations with properties now due a full electrical test every 5 years as opposed to every 10 or change of tenancy. Changes in the Electrical regulations .
Fencing, Gates & Paths	95,000	105,000				Budget increase to capture backlog of works in fencing and common areas back programmed to fund Local Clacks Standard target .
Secure Door Entry Systems	65,000	105,000				Budget increase to capture backlog of works to upgrade common areas . Previously back programmed to fund SHQS
<b>TOTAL HEALTH SAFE &amp; SECURE</b>	<b>210,000</b>	<b>260,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>NON SHQS ELEMENTS</b>						

Construction Design Management	20,000	20,000	20,000	20,000	20,000	Requirement for use of External Companies for capital projects.
Feasibility Studies	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	Now funded through HRA Revenue
CommunityHub Enablement Works	(125,000)	(125,000)				No longer funded via HRA
Miscellaneous Conversions & Upgradings	(100,000)	(50,000)				Limited opportunity for upgradings resulting in budget reduction
<b>TOTAL NON SHQS ELEMENTS</b>	<b>(225,000)</b>	<b>(175,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>House Sales Income</b>						
<b>TOTAL PROPOSED AMENDMENTS</b>	<b>(295,000)</b>	<b>335,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	



## APPENDIX N

## DRAFT 16/17 Resource Transfer to IJB

Total In Scope Service Budgets	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Service Area	15/16 Budget	16/17 Savings	16/17 Payroll Inflation	16/17 Salary Increments	16/17 Salary Variations	16/17 Excl Pressures	16/17 Pressures	Draft 16/17 Budget
Adult Provision	4,656	(660)	47	29	98	4,170	0	4,170
Elderly & Physical Disability Care Management	5,414	(549)	18	35	60	4,977	1,867	6,845
Housing	319	(21)	0	0	0	298	0	298
Management Support	148	0	3	2	1	154	49	203
Mental Health & Learning Disability Care Management	5,878	(319)	11	13	55	5,638	264	5,902
Strategy	82	0	0	0	1	84	50	134
<b>Draft 16/17 Budget</b>	<b>16,497</b>	<b>(1,549)</b>	<b>79</b>	<b>80</b>	<b>215</b>	<b>15,322</b>	<b>2,230</b>	<b>17,552</b>
Pressures funded from additional £250m							(2,230)	(2,230)
<b>Draft Resource Transfer</b>	<b>16,497</b>	<b>(1,549)</b>	<b>79</b>	<b>80</b>	<b>215</b>	<b>15,322</b>	<b>0</b>	<b>15,322</b>

