



**Clackmannanshire
Council**

www.clacksweb.org.uk

Kilncraigs, Alloa, Scotland, FK10 1EB (Tel.01259-450000)

Special Meeting of the Clackmannanshire Council

**Tuesday 23 February 2016 at 10.30 am
or following the conclusion of the earlier Special Meeting of
the Clackmannanshire Council (*whichever is the later*)**

**Venue: Council Chamber, Patons Building,
Kilncraigs, Greenside Street, Alloa, FK10 1EB**

Date	Time
------	------

Clackmannanshire Council

There are 32 Unitary Councils in Scotland. Clackmannanshire Council is the smallest mainland Council. Eighteen Councillors are elected to represent the views of the residents and businesses in Clackmannanshire. The Council has approved Standing Orders that detail the way the Council operates. Decisions are approved at the 9 weekly meetings of the full Council and at Committee Meetings.

The Council is responsible for approving a staffing structure for the proper discharge of its functions, approving new policies or changes in policy, community planning and corporate governance including standards of conduct.

The Council has further responsibility for the approval of budgets for capital and revenue expenditure, it also has power to make, alter or cancel any scheme made under statute and to make, alter or cancel any orders, rules, regulations or bye-laws and to make compulsory purchase orders. The Council also determines the level of Council Tax and approves recommendations relating to strategic economic development.

Members of the public are welcome to attend our Council and Committee meetings to see how decisions are made.

Details of all of our Council and Committee dates and agenda items are published on our website at www.clacksweb.org.uk

If you require further information about Council or Committee meetings, please contact Strategy and Customer Services by e-mail at customerservice@clacks.gov.uk or by telephone on 01259 452106 or 452004.

15 February 2016

A SPECIAL MEETING of the CLACKMANNANSHIRE COUNCIL will be held within the Council Chamber, Patons Building, Kilncraigs, Alloa, FK10 1EB, on TUESDAY 23 FEBRUARY 2016 at 10.30 am or following the conclusion of the earlier Special Meeting of the Clackmannanshire Council (*whichever is the later*).

**ELAINE McPHERSON
Chief Executive**

B U S I N E S S

	Page No.
1. Apologies	--
2. Declaration of Interests Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Officer.	--
3. Workforce Planning Update - report by the Head of Resources and Governance (Copy herewith)	07
4. Prudential Indicators 2016/17 to 2018/19 - report by the Depute Chief Executive (Copy herewith)	53
5. General Services and HRA Revenue and Capital Budget 2016-17 - report by the Depute Chief Executive (Copy herewith)	63

Clackmannanshire Council – Councillors and Wards

Councillors

Wards

Provost	Tina Murphy	1	Clackmannanshire West	SNP
Councillor	George Matchett, QPM	1	Clackmannanshire West	LAB
Councillor	Les Sharp	1	Clackmannanshire West	SNP
Councillor	Jim Stalker	1	Clackmannanshire West	LAB
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	Archie Drummond	2	Clackmannanshire North	INDP
Councillor	Walter McAdam, MBE	2	Clackmannanshire North	SNP
Councillor	Bobby McGill	2	Clackmannanshire North	LAB
Councillor	Derek Stewart	3	Clackmannanshire Central	LAB
Councillor	Graham Watt	3	Clackmannanshire Central	LAB
Councillor	Gary Womersley	3	Clackmannanshire Central	SNP
Councillor	Janet Cadenhead	4	Clackmannanshire South	LAB
Councillor	Kenneth Earle	4	Clackmannanshire South	LAB
Councillor	Ellen Forson	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	SNP
Councillor	Alastair Campbell	5	Clackmannanshire East	CONS
Councillor	Irene Hamilton	5	Clackmannanshire East	SNP
Councillor	Kathleen Martin	5	Clackmannanshire East	LAB

Report to Council

Date of Meeting: 23rd February

Subject: Workforce Planning Update

Report by: Head of Resources and Governance

1.0 Purpose

- 1.1. To present to Council revised policies in regard to Severance and Redeployment outlining the changes that have been agreed since the Council's October meeting.

2.0 Recommendations

- 2.1. It is recommended that the Council approves the Severance Policy and Redeployment Policy.

3.0 Considerations

- 3.1. At its October meeting the Council considered a report from the Depute Chief Executive on the Making Our Organisation Stronger work stream of the MCB programme comprising four workforce related policies:
- Interim Workforce Strategy
 - Organisational Change Procedure
 - Severance Policy
 - Redeployment Policy.
- 3.2. The Council agreed the Interim Workforce Strategy and Organisational Change Procedure but wanted more time to consider, on a cross party basis, the Severance and Redeployment Policies and to engage directly with Trade Unions to consider the proposed policies.
- 3.3. Following these discussions, elected members have now agreed the terms on which the Council's voluntary severance and voluntary redundancy compensatory packages will be offered and these are set out in the revised Severance Policy at Appendix A. The revised Severance Policy proposes that:

- in voluntary severance and voluntary redundancy situations where an employee is eligible to receive Compensatory Added Years the maximum amount payable will be 5 years, and
 - where an employee is eligible to receive a severance payment the maximum offered will be the equivalent of 52 weeks pay subject to a variety of qualification criteria.
- 3.4. Should the Council ever choose to invoke the compulsory redundancy element of the Severance Policy, the Policy provides scope to the Council to offer a package ranging from the equivalent to the terms of VR outlined in paragraph 3.3 to simply fulfilling its obligations to pay the statutory minimum. It is suggested such a decision would need to be made by Council with regard to the prevailing policy and financial circumstances.
- 3.5. The revised Redeployment Policy is set out at Appendix B. Since October, changes have been made to the opening policy statement to emphasize that the termination of a staff member's contract will only be an option when the Council has exhausted all appropriate options to redeploy a member of staff and in the event that a no compulsory redundancy policy no longer applies, or as is currently the case, when the termination is due to disability, ill health or capability.

4.0 Sustainability Implications

- 4.1. None

5.0 Resource Implications

5.1. Financial Details

- 5.2. 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

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

5.4. Staffing

6.0 Exempt Reports

- 6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

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

- (1) **Our Priorities** (Please double click on the check box)

- 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)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
 Yes No **Not Required**

9.0 Legality

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

10.0 Appendices

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

Appendix A - Severance Policy

Appendix B - Redeployment Policy

11.0 Background Papers

11.1 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 (please list the documents below) No

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stephen Coulter	Head of Resources & Governance	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources & Governance	Signed: S Coulter
Nikki Bridle	Depute Chief Executive	Signed: N Bridle



SEVERANCE POLICY AND PROCEDURE

Date: February 2016

Version: Draft

SEVERANCE POLICY AND PROCEDURE

This policy is one of the key tools that support the Council's workforce strategy and should be read in conjunction with it.

The Council's operating environment will dictate the requirements of the its establishment. Should there be a requirement to reduce the establishment this policy sets out the mechanisms which will be used to suit a variety of circumstances.

1. Policy Statement

- 1.1. Clackmannanshire Council is committed to maintaining, as far as possible, the security of employment for its employees and to avoiding compulsory redundancies.
- 1.2. The aim of this Policy is to ensure that all employees will be treated fairly and that the process applied is transparent and objective. This Policy will be applied to all severance situations.

2. Introduction

- 2.1. The Severance Policy covers all employees of the Council who cease employment where:
 - on the grounds of business efficiency, it is in the interest of the Council that an employee should leave the Council's employment; or
 - an employee is dismissed by reason of redundancy.
- 2.2. For the purposes of this Policy, the key definitions are as follows:

- **Severance** – where an employee leaves the Council’s service on a voluntary basis and is awarded compensation for loss of future employment. Any termination is by agreement and may be in response to a corporate exercise or to an individual expression of interest.
- **Voluntary Redundancy** - voluntary redundancy can be requested and considered where a pool has been identified as part of a compulsory redundancy process. Where a compulsory redundancy exercise occurs, voluntary redundancy will, where appropriate, be requested and considered in the first instance from within the identified pool.
- **Compulsory Redundancy** - the Employment Rights Act 1996 defines a redundancy situation (see section 6.1). This will arise where the employee is dismissed on the grounds of compulsory redundancy in accordance with the agreed criteria noted within this Policy.

2.3. This document constitutes the statement of published policy required by Regulation 51A of the Local Government (Discretionary Payments and Injury Benefits)(Scotland) Regulations 1998.

3. Scope

3.1. This policy covers all employees of the Council. The policy may be implemented in whole or in part in response to different circumstances facing the Council.

4. Procedure General Principles and Considerations

4.1. Nothing in this Policy can take precedence over the statutory provisions that authorise the Council to pay pension scheme benefits, statutory redundancy benefits or compensatory benefits. The final decision regarding any discretionary payment lies with Clackmannanshire Council.

4.2. Where an employee has received a benefit under the Severance Policy, they cannot be re-employed by the Council, including as a casual worker or on a

consultancy basis. In specific circumstances and to meet service requirements, Heads of Service in consultation with the Head of Resources and Governance may authorise a short term arrangement which must be time limited.

- 4.3. If an employee holds a casual post at the time of accepting severance they must resign from this post.
- 4.4. Where a employee, with more than 1 post, is successful in their application for Voluntary Severance they are unable to remain in any additional post and their employment with the Council will cease.
- 4.5. Where an employee, with more than 1 post, is made redundant from a particular post they may remain in this additional post but they cannot, from the date of severance, accept an increase in hours in their current post, an offer of employment for any additional post or accept any casual work in any capacity.

5. Voluntary Severance

- 5.1. From time to time, the Council may seek expressions of interest in voluntary severance. Alternatively, employees may request that they be considered for voluntary severance at any time in their employment. In these situations the termination date will be by mutual agreement. As the reason for the termination itself is by mutual agreement, no notice period nor notice pay need be given as the termination date itself will be agreed by both parties. Voluntary Severance requests should be submitted using the VS Application Form (Appendix 1).
- 5.2. Voluntary severance must not be used to encourage poor performers to leave the employment of the Council. Such cases should be dealt with by using the appropriate training and development techniques to improve the employee's performance, or ultimately, by using the Council's Capability Policy & Procedure or Disciplinary Policy. Similarly, employees with ill health should be managed in accordance with the Maximising Attendance Policy and where appropriate the Redeployment Policy & Procedure/Capability Policy & Procedure.

Assessing Applications for Voluntary Severance

- 5.3. When considering an application for severance under the scheme, the appropriate Chief Officer must:
- Prepare a comprehensive assessment of service delivery implications, including the implications of not replacing the post and the restructuring of the work and the financial implications of any offer being considered;
 - Consult with the Service Accountant regarding the financial implications of the severance package.
- 5.4. There is no guarantee that a request for voluntary severance will be approved or agreed.
- 5.5. If an applications is rejected the member of staff will be invited to attend a meeting with their line manager and provided with full feedback regarding the reasons why the application was not approved.

Replacement Strategy/Financial Implications

- 5.6. If an employee is to be granted severance, the appropriate Chief Officer must clearly identify the savings and any operational improvements that will ensue. Generally any proposal should include the deletion or redesign of the employee's or a related post. This could include techniques such as job re-design and/or alternative service delivery methods. The list below is not exhaustive but provides an indication of the type of situations that could be considered to achieve the necessary savings:
- The employee will not be replaced and the post will be deleted;
 - The employee will be replaced, but an alternative vacant post in the structure will be deleted;
 - Work will be re-designed and the post filled at a lower grade;
 - The vacant post will be filled on a part time basis;

- 5.7. A voluntary severance proposal can normally only be approved where financial savings of 100% of the employment costs can be recovered over a period of up to 2 years.
- 5.8. Where a financial saving cannot be made over 2 years the cost will be reviewed and a determination made whether costs can be recovered over 3,4 or 5 years. Only with the approval of the Section 95 Officer will any proposal be agreed in these circumstances.

Approval Process

- 5.9. The Council's Executive Team will consider each application including the costs and savings to the Council and the impact on the existing team.
- 5.10. Whilst decisions on severance should be based on financial benefit, consideration must also be given to operational implications and on-going service delivery.
- 5.11. Only where it can be demonstrated that financial savings of normally 100% of the employment costs will be recovered over a period of no more than 2 years and that the proposal is in the interests of the Council will an offer be approved.
- 5.12. Where a severance request is approved on the basis of the post being deleted or amended, the Service Accountant will ensure the necessary changes are made to the Service's budget and establishment.
- 5.13. There is no right of appeal against a refusal to grant a voluntary severance request. If an employee considers that their request has not followed policy or has been dealt with unfairly, the matter will be dealt with as part of the normal grievance process.
- 5.14. All documentation relating to severance applications (whether granted or not) will be retained by Human Resources for future audit purposes.

6. Redundancy (to include Voluntary and Compulsory)

Definition of Redundancy

6.1. The Employment Rights Act 1996 outlines that a redundancy situation arises where a dismissal is wholly or mainly because the Council:

- Has ceased, or intends to cease, to carry on a particular function or role of its business for the purposes of which the employee was so employed or;
- Has ceased, or intends to cease, to carry on a particular function or role of its business in the place where the employee was so employed or;
- Requirements for employees to carry out work of a particular kind has ceased or diminished or are expected to cease or diminish or;
- Requirements for the employees to carry out work of a particular kind, in the place where they were so employed, has ceased or diminished or are expected to cease or diminish.

6.2. Employees who have less than 2 years service and who are on a temporary contract will be managed in line with their contract of employment.

Consultation

6.3. The Trade Union & Labour Relations (Consolidation) Act 1992 (TULR(C)A & (Amendment Order 2013) requires the Council to formally consult "in good time" with recognised Trade Unions.

6.4. The aim of collective consultation is to avoid the termination of employment contracts, minimise the number of workers affected and mitigate the consequences of any proposed redundancies. This consultation process will enable Trade Unions to formulate constructive proposals for consideration and work with the Council to achieve the above objectives. Collective consultation will be undertaken with a view to reaching an agreement.

6.5. Although as much time as practical will be provided, the Council will abide by the statutory minimum timelines for consultation which are as follows:

- Where it is proposed that 19 or fewer employees could potentially be made redundant from one establishment no collective consultation is

required, however in accordance with good practice, the Council will consult with relevant Trade Unions at least 30 days prior to notification of the first dismissal. The requirement for individual consultation with those affected will still apply. This will not include the end of a temporary project or on individual contract which necessitates a redundancy payment, due to the length of the contract.

- Where it is proposed that between 20-99 employees could potentially be made redundant from one establishment within a 90 day period, collective consultation will commence at least 30 days before the date of implementing any dismissals;
- Where it is proposed that 100 or more employees could potentially be made redundant from one establishment within a 90 day period, collective consultation will commence at least 45 days before the date of implementing any dismissals.

6.6. Whilst the above indicates the minimum collective consultation period, the Council will endeavour to provide earlier notice where possible. The collective consultation process may end before the expiry of these periods. Consultation will be meaningful and allow time for considered responses to be received.

6.7. In accordance with legislation, the Council will initially provide the following information to the main Trade Union contacts of the recognised Trade Unions:

- The reason/s for potential redundancy;
- The number and descriptions of employees proposed for redundancy;
- The total number of employees of any such description employed at the establishment in question or where more appropriate, by the Council in general;
- The proposed method of selection for redundancy;
- How the redundancy dismissals are to be carried out including the time period;
- The method of calculating the amount of redundancy payments to be made to those who are dismissed.

- 6.8. Information will also be provided to relevant Trade Unions where there are implications for employees not directly affected by the redundancies, for example, those employees whose roles or working arrangements may differ as a result of the redundancies being made. Employees who are absent from the workplace during the consultation process such as on a career break, long term sick or maternity/adoption leave will be provided with the relevant notification and information.
- 6.9. The Council will also notify the relevant Government Department when there is a proposal to make 20 or more employees redundant at one establishment over a period of 90 days, as is the statutory requirement.
- 6.10. The Council recognises certain Trade Unions for collective bargaining purposes and will fully consult with these Trade Unions on potential redundancies. Information will also be provided directly to affected employees where necessary and appropriate. Following the commencement of the formal consultation process with Trade Unions, information will be provided to affected employees as quickly as possible thereafter.

Alternative Measure to Redundancy

- 6.11. Where the need for redundancies has been identified, attempts in the first instance will be made to avoid compulsory redundancies by considering a number of options including;
- Restrictions on Recruitment/vacancy management;
 - Voluntarily reduced hours;
 - Reduction in overtime;
 - Short time working;
 - Redeployment, including retraining of employees;
 - Career breaks/sabbaticals;
 - Discontinuing temporary employees;
 - Natural turnover;
 - Voluntary Severance;
 - Any other cost/saving initiative which may be available.

- 6.12. Once a pool of employees has been identified, no vacancy will be automatically advertised for recruitment. Where possible, each post will be considered for redeployment against the pool of employees, with the aim of reducing the numbers that may require to be made redundant.

Identifying potential pools for redundancy

- 6.13. The Council will in the first instance determine the pool of employees from which the compulsory redundancies will be made. For consultation purposes, each site is usually a separate “establishment”, however it may be more appropriate in some cases to identify an organised group of staff across different sites, eg SJC employees or a particular job title. The pool will be determined by the service or function reducing or ceasing.
- 6.14. The selection pool will be discussed with Trade Unions and where possible agreed in line with legislative requirements. Employees across more than one location or Service can be classed as ‘one pool’ for the purpose of calculating the minimum periods of collective consultation.
- 6.15. If a unique post is identified for redundancy affecting a single employee, depending on the tasks of the role there may not be a need to identify a pool.
- 6.16. Where necessary, support will be provided by Human Resources to identify the suitable pool of employees.

Voluntary Redundancy

- 6.17. Before a situation arises where there is a potential for a compulsory redundancy exercise, a voluntary redundancy option will be considered to enable all employees with over 2 years service, within the specific pool identified (See 6.14 - 6.17), to apply to be considered for voluntary redundancy.
- 6.18. There is no right to voluntary redundancy and CMT will make the final decision on which volunteers to accept based on the selection principles outlined below.

Assessing Applications for Voluntary Redundancy

- 6.19. When considering an application for voluntary redundancy, the Head of Service must:
- Prepare a comprehensive assessment of service delivery implications, including the operational and financial implications of any offer being considered;
 - Consult with CMT on the proposal and proposed service delivery;
 - Consult with the Chief Accountant on the financial implications of the severance package. This must include discussions with the relevant Service Accountant.
 - Where more than one employee from the same pool/unit requests voluntary redundancy, and where necessary, the selection process will be used to determine the employees who may be further considered. Whilst this will provisionally determine the selection process, consideration must also be given to the financial cost of any offer(s) being assessed before any final determination is made.

Replacement Strategy/Financial Implications for Voluntary Redundancy

- 6.20. If an employee is to be granted voluntary redundancy, the Head of Service must clearly identify efficiency savings and/or operational improvements that will be implemented. Generally any proposal will be expected to delete the

employee's or a related post. However where more than one employee is involved, in some circumstances this may require the team to be redesigned resulting in the creation of a post at a lower level.

- 6.21. Taking this into account, a voluntary redundancy proposal will only be approved where financial savings of normally 100% of employment costs will be recovered over a period of no more than 2 years and it is in the interests of the Council.
- 6.22. Where a financial saving can not be made over 2 years the cost will be reviewed and a determination made whether costs can be recovered over 3,4 or 5 years. Only with the approval of the Section 95 Officer will any proposal be agreed in these circumstances.

Approval Process for Voluntary Redundancy

- 6.23. The CMT will consider all relevant factors, including the cost and savings to the Council and the operational implications.
- 6.24. Whilst decisions on voluntary redundancy should be based on the financial benefit, consideration must also be given to on-going service delivery to ensure it is in the interests of the Council.
- 6.25. Only where it can be demonstrated that financial savings of normally 100% of the employment costs will be recovered over a period of no more than 2 years and that the proposal is in the interests of the Council, will the offer be approved.
- 6.26. Where a financial saving can not be made over 2 years the cost will be reviewed and a determination made whether costs can be recovered over 3,4 or 5 years. Only with the approval of the Section 95 Officer will any proposal be agreed in these circumstances.
- 6.27. Once approved, the Service Accountant will ensure the necessary changes are made to the Service's budget and establishment.
- 6.28. There is no right of appeal against any refusal to grant a voluntary redundancy request. However, where an employee considers that their request has not followed policy or has been dealt with unfairly, the matter will be dealt with as part of the normal grievance process.

- 6.29. All documentation relating to voluntary redundancy applications (whether granted or not) will be retained by Human Resources for future audit purposes.

Compulsory Redundancy

- 6.30. Where all alternatives have been explored and a situation arises where a compulsory redundancy exercise is required and approved by Council the following processes will apply.

Selection Criteria - Compulsory Redundancy

- 6.31. Where there remain more employees than jobs in the identified pool (see 6.14 - 6.17), selection criteria will have to be applied in order to select the required number of employees for redundancy. Selection criteria must be as objective as possible, measurable and justifiable in order to ensure the fair and transparent selection of employees for redundancy.
- 6.32. The redundancy selection criteria should be objective, precisely defined and capable of being applied in an independent and consistent manner to all employees. This is to ensure that the process is conducted fairly. The criteria that will be used can include:
- Qualifications;
 - Essential skills, experience, knowledge and competencies to undertake the post;
 - Standards of work and performance;
 - Disciplinary Record;
 - Sickness and attendance.
- 6.33. The scoring for each criteria will be as per Appendix 2. Weighting may be applied to the criteria which will be developed at the time of each redundancy exercise to meet the prevailing needs of the Council. This information will not be available to managers making the assessments to ensure objectivity. Those employees with the lowest scores will be selected for redundancy.

- 6.34. Where a situation arises, where all other criteria measures have been exhausted and the employee scores are even, then length of service with Clackmannanshire Council or its predecessor organisations will be used, on a Last in First Out (LIFO) basis. If an individual has broken service, the periods of employment will be aggregated to allow a fair comparison to be made.
- 6.35. The blend or matrix of criteria used may differ between each selection exercise undertaken by the Council and this will be discussed with Trade Unions as part of the consultation process.

Implementation Process

Stage 1 – Information Meeting

- 6.36. A brief meeting will be held with all affected employee/s and the relevant manager with a representative from Human Resources. The purpose of the meeting will be to advise the employee/s that they are at risk of redundancy. At this meeting the manager will provide brief reasons for the redundancy and the process to be followed along with the appropriate timescales. This meeting should be a consultative meeting only and is an opportunity to provide information on the reasons and process to be used along with exploring options to reduce the need for redundancies. It should be made clear to the employees that no decision has been made at this stage as to whether they will be made redundant. Employees can be asked to consider their position with regards to suitable alternative employment at this stage.
- 6.37. The manager will also write to all employees within the pool to confirm that they are at risk of redundancy and outline the selection process and timescales to be applied.
- 6.38. Before Stage 2 the affected employees should have the opportunity to comment on the proposed selection criteria.

Stage 2 – Scoring

- 6.39. The employees contained in the established 'pool' will be scored using the agreed criteria by the relevant manager. The manager must consult Human Resources for assistance in completing this. Once all scoring is completed the scoring sheet will be issued to the relevant employee for their consideration. No weighting will be applied at this stage.

Stage 3 – Individual Meetings.

- 6.40. A meeting will be arranged with each employee, providing at least 5 days notice, to discuss and assess the scoring. This is an opportunity for employees to challenge the scoring, raise concerns or any specific matter that arises from their own assessment. The Service Manager and a representative from Human Resources will be present and each employee will have the right to representation of their choice at this meeting.
- 6.41. Employees should be allowed enough time to reasonably consider their individual scoring and the redundancy proposal in general, for example alternative actions that could be considered to avoid the redundancy. Management should give consideration to any reasonable representations the employee makes.

Stage 4 – At Risk – Redeployment & Re-Training

- 6.42. Those at risk of redundancy will have an opportunity to meet with a representative(s) from Human Resources, or other advisers where appropriate. This will help facilitate the redeployment process and will also provide an opportunity to discuss and consider any possible re-training opportunities.

Stage 5 - Notice of redundancy

- 6.43. After consideration of any representations and where there is no alternative to redundancy, a meeting should be convened with each employee to advise them of the outcome of the scoring process. The relevant Manager and a representative from Human Resources should be present to confirm the

decision in relation to whether the employee has been selected for redundancy. The employee will have the right to representation at this meeting.

- 6.44. An employee who is made redundant is entitled to written notice. Where the employee has been selected, they will be issued with written notice of redundancy and will be placed on the redeployment list for the purposes of seeking suitable alternative employment. Employees who are given notice must be paid during the notice period even if they are unable to work eg through sickness. The minimum periods of notice employees are entitled to is based on their length of continuous service and will be as per the contract of employment.
- 6.45. Information will also be provided in relation to the proposed termination date and entitlement to payments including outstanding annual leave, all of which will be confirmed in writing. Generally, employees will be required to work their full notice period, although in specific circumstances, pay in lieu of notice may be more appropriate. During the notice period, employees are entitled to reasonable time off to assist in the search for other employment.
- 6.46. The appropriate Chief Officer will write out within 5 working days confirming their decision and provide information on the appeal process.

Stage 5: Appeal Process

- 6.47. Any employee who has been selected for redundancy and who is dissatisfied with the way in which the Council has applied the redundancy selection criteria, or who believes that he/she has been unfairly disadvantaged by the selection criteria or not given a fair opportunity to put forward representations, can request a formal review of his/her selection for redundancy.
- 6.48. The review should be lodged within five working days of the formal notification of redundancy being given. The request for a review should be submitted to the Head of Resources and Governance, who will arrange for a review hearing to be heard within 5 days of receipt of the request, or as soon as possible thereafter. The review hearing will be chaired by an independent Chief Officer. The same Chief Officer will consider all review cases received from the same pool, unless this is impractical.

- 6.49. The outcome of the review process will be communicated to the employee in writing within five working days of the review hearing. The decision of the review hearing will be final.
- 6.50. The process to be adopted at the review hearing is outlined in Appendix 3.

Alternative Employment

- 6.51. In compulsory redundancy situations employees will be added to the redeployment list and considered for posts in accordance with this Policy.
- 6.52. Trial periods will be offered in accordance with the Redeployment Policy.
- 6.53. Employees will be made aware of the consequences of accepting or refusing an offer of suitable alternative employment. For example, should the employee unreasonably refuse an offer of suitable alternative employment, the employee may lose the right to a redundancy payment. Suitable Alternative Employment will be a post at a similar level, grade and status.
- 6.54. Consideration will also be given to reasonable adjustments that can be made to posts in line with the Disability Provisions of the Equality Act 2010.
- 6.55. Employees selected for redundancy will also be afforded reasonable time off to look for work or to arrange training. The employee should submit their request in writing to their Line Manager, outlining the reason for the time they require, within a reasonable time frame for the manager to consider the request.
- 6.56. If an employee finds alternative employment external to the Council and wishes to leave before the end of their notice period they will lose the right to any outstanding period of notice. If the employee wishes to leave prior to their termination date they must submit their request in writing to their Head of Service and consideration will be given to this.
- 6.57. If a redundant member of staff is offered alternative employment with another local authority or organisation detailed within The Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order , whether in writing or not, before the date of the redundancy and the termination of his/her contract, and the new job starts within 4 weeks of the date of redundancy payment, no redundancy payment is due and continuity of service for statutory redundancy purposes is preserved.

Employee Support

6.58. The Council will offer appropriate support to employees at risk of redundancy which may include;

- Classes for dealing with Stress;
- Financial/welfare benefits advice;
- Job Search techniques – Self marketing skills, C.V. writing, networking skills & opportunities, interview skills & techniques;
- Computer and internet access.

7. Compensatory Payments

7.1. Where eligible and approved, the package may consist of a combination of components. Some elements are mandatory and some discretionary. Levels of compensation vary depending on whether the termination of employment is voluntary or the employee has been dismissed on the grounds of redundancy.

7.2. In redundancy situations a compensatory lump sum is payable. The compensatory lump sum payment made under these arrangements by the Council includes any entitlement to the statutory redundancy payment as per the Employment Rights Act 1996. An employee made redundant, with 2 or more years' continuous service is entitled to a redundancy payment. The Council operates the Statutory Redundancy Payment scheme which is:

- Employees aged 22 and under – 0.5 weeks pay for each year of continuous service;
- Employees aged between 23 and 40 – 1 weeks pay for each year of continuous service;
- Employees aged 41 and over – 1.5 weeks pay for each year of continuous service;

- 7.3. A week's pay is the amount an employee would normally receive under his/her contract on the date of the cessation. If a week's pay varies for any employee an average pay over the previous 12 weeks will be used.
- 7.4. The reference period will only relate to elements paid for in the normal course of employment. For example, it will not include any payments received for arrears of pay.
- 7.5. For the purpose of this policy continuous service is service with employers listed in The Redundancy Payments (Continuity of Employment in Local Government, etc (Modification) (Amendment) Order 2001, where there has been a break of seven days or less between employments. Employees with less than 2 years continuous service are not eligible for a redundancy payment.
- 7.6. The compensatory lump sum payment will be calculated as at the termination date or where appropriate, the date when the notice period has expired.
- 7.7. For the purpose of this policy where an employee's pay exceeds the maximum level specified in the Employment Rights Act 1996, the redundancy payment will be based on the employee's actual pay.

8. Compensatory Payments on grounds of efficiency

Voluntary Severance

- 8.1. In order to compensate employees for the loss of future employment, in situations where the employee voluntarily requests severance, a maximum payment of up to 52 weeks salary may be available if the employee is unable to access their pension.
- 8.2. Where applicable, and in line with pension regulations, employees who can access their pension may be eligible for up to 5 Compensatory Added Years.

Voluntary Redundancy

- 8.3. If an employee accepts an offer of voluntary redundancy and qualifies for immediate access to their pension benefits they will also be entitled to a statutory redundancy payment based on age and length of service.

- 8.4. If an employee accepts an offer of voluntary redundancy and does not qualify for access to their pension benefits a maximum payment of up to 52 weeks salary, dependant on age and length of service, may be available.

Compulsory Redundancy

- 8.5. In the event that the Council does not operate a no compulsory redundancy policy and compulsory redundancy is unavoidable, once all other options have been exhausted including voluntary severance and voluntary redundancy, the Council may opt to make compulsory redundancy available at terms no less favourable than those offered for voluntary redundancy.
- 8.6. As a minimum, the Council is obliged to make payment based on the Statutory Provisions. There will be no entitlement to Compensatory Added Years in compulsory redundancy situations. The compulsory redundancy package will be developed when all other options have been exhausted based on the prevailing financial circumstances and policy direction of the Council.
- 8.7. A table setting out a summary of entitlements and eligibility is included at Appendix 5.

9. Compensatory Added Years (CAY)

- 9.1. Compensatory added years can be awarded, in Voluntary Severance or Voluntary Redundancy situations, to those who are or could be members of the pension scheme provided they have completed at least 5 year's service and would qualify for immediate access to scheme benefits on redundancy or efficiency grounds.
- 9.2. The benefits arising from compensatory added years are a lump sum and a pension based on the compensatory period awarded and the employee's final pensionable pay. Compensatory added years compensation is paid for the duration of the employee's lifetime, or where appropriate, payable to the spouse or civil partner, which means it is not uncommon for a compensatory added years payment to be paid over a significant period of time.
- 9.3. In all cases, the maximum number of compensatory added years that can be awarded is the shortest of the following:

- The number of years needed to make up the employee's pension scheme membership to 40 years;
- The period equivalent to the employee's service;
- The period between the date of cessation and the employee's 65th birthday; and
- Upto 5 years.

10. Pension Scheme Members - Mandatory pension scheme benefits

Local Government Pension Scheme

- 10.1. Accrued pension benefits must be released if the employee retires on redundancy or efficiency grounds and:
- has attained age 50, having been an active member of the Scottish LGPS on 5th April 2006, or
 - has attained age 55, and
 - has at least 2 years' scheme membership, or
 - has completed less than 2 years' membership but has transferred in previous pension rights from outwith the Scottish LGPS.
- 10.2. Members of the scheme, who neither qualify for retirement benefits nor a refund, can leave their rights deferred in the pension fund for payment at retirement age. Alternatively, they can elect to transfer them to a new pension arrangement.
- 10.3. Employees are encouraged to contact the Pensions Section at Falkirk Council for further information where appropriate.
- 10.4. Retirement benefits are inflation-proofed provided employees have attained age 55. A spouse, civil partner or child's pension benefits are inflation-proofed irrespective of the age of the beneficiary.

Scottish Public Pensions Agency (Teachers Pension Scheme)

- 10.5. Where a member of staff is retired prematurely because of redundancy or in the interests of organisational efficiency, they may be granted retirement benefits if they are aged 55 or over and under 60 and contributing to the pension scheme.
- 10.6. Employees are encouraged to contact SPPA for further information where appropriate.

11. Payment in Lieu of Notice and Outstanding Annual Leave

- 11.1. In general, in cases where severance is granted by reason of efficiency or voluntary redundancy the employee will be considered to be leaving the employment of the Council by mutual consent so no notice will be payable. Termination dates will, in most cases, be by agreement, however the Council reserves the right to withdraw an offer if the termination date proposed by an employee is not suitable.
- 11.2. In compulsory redundancy situations, employees will generally be required to work their notice period. Where this is not the case and subject to the exigencies of the Service the compensatory lump sum, as detailed above, will include any contractual or legal entitlement to pay in lieu of notice. No additional payment will therefore be payable in this respect.
- 11.3. Services should ensure that employees take any unused annual leave entitlement prior to the agreed termination date, including those on term time contracts. In exceptional circumstances a payment in lieu of outstanding annual leave may be authorised in advance of the agreed termination date.

12. Tax and Deductions

- 12.1. A compensatory lump sum may be subject to the deduction of income tax depending on the level of the termination package. In voluntary redundancy or compulsory redundancy situations where an employee with more than 1 post remains in a secondary post, their compensatory lump sum will be subject to tax and national insurance deductions.

12.2. It is a condition of this Policy and a term of the employee's contract of employment that any outstanding payments due to the Council will be deducted from the final salary and/or compensatory package.

13. Impact of re-employment

13.1. In the limited circumstances referred to in section 2.3 above, where an individual is in receipt of a compensatory added years benefit and is re-employed, the benefit can be affected by the re-employment.

13.2. In addition, re-employment may affect the payment of the Scottish LGPS or STSS benefit. The individual should discuss these aspects with the Pensions Section or SPPA if appropriate.

14. Monitoring and Review

14.1. CMT and Trade Union Representatives shall monitor the effectiveness of these procedures on an ongoing basis. Amendments will be made as and when deemed necessary and, where appropriate, after consultation with recognised trade unions.

Policy Name	Severance
Department	HR
Policy Lead	HR
Equality Impact Assessment	
Full EQIA required	Yes <input type="checkbox"/> No* <input type="checkbox"/>
* The policy raises awareness of potential discrimination and promotes equality by providing guidance on how concerns about harassment, bullying and victimisation can be raised and sets out a process by which issues can be resolved.	

Date Full EQIA complete	N/A
Date Approved	
Review Date	

APPENDIX 1 - VOLUNTARY SEVERANCE APPLICATION FORM

SECTION 1 : PERSONAL DETAILS

Surname:		Forename(s):	
Pay Reference:	<input type="text"/>	Job Title:	
Service:		Job No:	
Date of Birth	<input type="text"/>	Post No:	<input type="text"/>
Effective Date: <small>(see published dates)</small>	<input type="text"/>		
Employee Signature:	<p>.....</p> <p>.....</p> <p>I fully accept that there is no commitment given by either party and each case will be looked at individually and cost will be the overriding factor in the authorisation of all VS applications.</p>	Date:	<input type="text"/>
Service Manager Signature/Details:	<p>.....</p> <p>.....</p> <p>Forward to Human Resources for coordination, irrespective if they have been approved or not.</p>	Date:	<input type="text"/>
	<p>Approved <input type="checkbox"/> Declined <input type="checkbox"/></p> <p>Reason:</p>		

SECTION 2 : HR USE

VS Received from Service	<input type="text"/>	S22 required	Yes <input type="checkbox"/> No <input type="checkbox"/>
Date severance figures requested	<input type="text"/>	Date severance returned	<input type="text"/>
S22 sent to payroll	<input type="text"/>	S22 returned from payroll	<input type="text"/>
S22 sent to pensions	<input type="text"/>	Figures received from Pension	<input type="text"/>
Figures sent to Finance	<input type="text"/>	Figures returned from Finance	<input type="text"/>
Sent to Service	<input type="text"/>	Returned from Service	<input type="text"/>

SECTION 3: FINANCE USE

	£	Saving Type (Tick as appropriate)	
Annual Saving Value	<input type="text"/>	Post Deleted	<input type="checkbox"/>
		Other staffing reconfiguration	<input type="checkbox"/> See attached Appendix A Form
		Other saving	<input type="checkbox"/> See attached Appendix A Form
Chief Accountant:		

SECTION 4: HEAD OF SERVICE

<p>Head of Service</p> <p>Comments:-</p>	<p>On the basis of the figures provided by Falkirk Pensions, costs will be recovered within 2 years.</p> <p><u>TICK BOX</u></p> <p>By the following (tick box)</p> <p><input type="checkbox"/> Post is to be deleted</p> <p><input type="checkbox"/> Post reconfigured (how) - full details attached</p> <p><input type="checkbox"/> Budget Savings Identified elsewhere - full details attached</p>	<p>I am unable to recover costs within the 2 years. Request is declined and I will inform the individual.</p> <p style="text-align: right;"><input type="checkbox"/></p> <p>TICK BOX</p> <p>There are exceptional circumstances to warrant payback over 3,4 or 5 years and a case has been put to the S95 Officer</p> <p style="text-align: right;"><input type="checkbox"/></p>									
<p>Head of Service</p>	<p>.....</p> <p>.....(Signed)</p> <p>Forward to Human Resources</p>	<p>Date:</p>	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								

SECTION 5: CMT/EMT APPROVAL

*Approved / Not Approved (*delete as required)

(Subject to finalised figures from Falkirk Pensions (if current Pensions figures in excess of 3 months old)

SIGNED DATED:

APPENDIX 2 - REDUNDANCY MATRIX

QUALIFICATIONS

No qualification for post	Part qualified/part completed qualification	Obtained qualification
0	3	5

SKILLS & EXPERIENCE, KNOWLEDGE & COMPETENCIES

Essential skills, experience and competencies to undertake the post linked to the job description and personal specification for the post; These need to be specific, measurable and linked to the post. The 1-1, PRDS, supervision and TNA processes should help determine these levels, eg a Very high level of skills, experience etc would be evidenced by no gaps in the TNA process.

Lack of skills experience, knowledge & not meeting competencies /in formal capability process (performance related)	Acceptable level in some areas, with high level of gaps in all criteria	Acceptable level across all areas, with some gaps showing in most criteria	A very high level for one or more of the criteria and small gaps in all remaining areas	Very high level across all areas
0	2	3	4	5

STANDARDS OF WORK AND PERFORMANCE

Non-acceptable standard or work and performance and fails to meet objectives	Low level of standard of work and performance which has raised concern in the last 12 months	Acceptable level of work and performance and sometimes meets objectives	Usually a very high level of work and performance and usually meets objectives	High standard of work and performance and always meets objectives
0	2	3	4	5

DISCIPLINARY RECORD

Live Final Written Warning on file	Live Written warning on file	No disciplinary record
0	3	5

SICKNESS/ATTENDANCE*

More than X days absence in the previous 2 years **	Upto X days absence in previous 2 years	No absences in previous 2 years
0	3	5

* in cases where there has been disability-related absence or an Industrial Injury, the number of triggers above will be divided by 2, for example, a disabled employee who has reached 2 triggers in the previous 2 years will score 3 points and where they have reached 3 or more triggers, they will score 0.

** Pro rata for part time staff

APPENDIX 3 - APPEAL PROCESS

Notification of Appeal

Any employee who has been selected for redundancy can ask for the situation to be reviewed on the following grounds:

- the application of the redundancy selection criteria;
- the selection criteria have unfairly disadvantaged the employee;
- the employee was not given a fair opportunity to put forward representations;
- the policy has not been applied properly.

Employees must confirm their intention to apply for a review/appeal in writing to the Head of Resources and Governance within 5 working days of notification of selection for redundancy. This should set out the reasons to their case to be reviewed eg the grounds of their appeal and provide any evidence/documentation to demonstrate their case. This information will be available to all parties of the review hearing.

On receipt of a letter of review/appeal, Human Resources will arrange a suitable hearing, providing a minimum of 3 days' notice in writing. The line manager will be asked to submit any relevant papers that may be referred to during their submission, copies of which will be provided to the appellant in advance of the hearing taking place.

The Review Hearing

The hearing will be chaired by an independent Chief Officer. Representatives from Human Resources and a Trade Union representative will attend to provide support and advice to the chair.

The Appellants may be accompanied at the hearing by a colleague or their Trade Union representative. A representative from the appropriate Service will also be invited to attend the hearing to present managements case.

The Chair will introduce those present and ensure those attending understand the procedure which is to be followed during the hearing.

The appellant, or their Trade Union representative, will have approximately 15 minutes to present their case, after which they may be questioned by the Chair and the relevant Advisers.

Management's case will be presented by the relevant line manager. Again approximately 15 minutes will be provided to present management's case and the opportunity for questioning from the panel. Each party will have the opportunity to ask questions

Management's representative, followed by the appellant or their representative, will then be provided with an opportunity to briefly summarise the key points of their case. No new evidence should be introduced at this time. The parties will then be asked to withdraw to allow the Chair to decide whether the appellants case is upheld or not. Appellants and managers will be advised in writing whether their case has been upheld or not within 5 days of the date of the review hearing.

Before closing the hearing, the Chair will:

- Ascertain whether or not the appellant considers that they have had a fair hearing.
- Advise the appellant that the panel's decision will be notified in writing at the conclusion of all appeals.

APPENDIX 4 - STATUTORY REDUNDANCY PAY TABLE

To calculate how much statutory redundancy you can get please visit
<https://www.gov.uk/calculate-your-redundancy-pay>.

Statutory Redundancy is based on age, weekly pay and number of years in the job.

You only qualify for statutory redundancy pay if you've worked for your employer for at least 2 years.

Appendix 5

VOLUNTARY REDUNDANCY/COMPULSORY REDUNDANCY

Severance Situation	Less than 2 years service	At least 2 years service but less than 5 years	More than 5 Years
Unable to Access Pension based on age and pension rules*	<p>No Pension benefits payable</p> <p>Refund of pension contributions, or a Transfer Value</p> <p>No Redundancy entitlement</p>	<p>No Pension benefits payable</p> <p>Accrued pension benefits retained in the Fund or Transfer Value for another pension fund.</p> <p>If a Voluntary redundancy situation compensation payable based payable up to 52 Weeks pay, determined by age and length of service.</p> <p>The maximum redundancy</p>	<p>No Pension benefits payable</p> <p>Accrued pension benefits retained in the Fund or Transfer Value for another pension fund.</p> <p>If a Voluntary redundancy situation compensation payable based payable upto 52 Weeks pay, determined by age and length of service.</p> <p>The maximum redundancy</p>

		payment not subject to Tax and NI is £30,000	payment not subject to Tax and NI is £30,000
Able to Access Pension based on age and pension rules	No Pension benefits payable Refund of pension contributions, or a Transfer Value No Redundancy entitlement	Eligible to immediate access to pension benefits but NOT entitled to CAY. If a Voluntary redundancy situation compensation payable based on Statutory entitlement determined by age and length of service	Eligible to immediate access to pension benefits and up to 5 CAY If a Voluntary redundancy situation compensation payable based on Statutory entitlement determined by age and length of service

* Unable to access if under aged 55 although if a scheme member on 05/04/2006 (and still in the Scheme) protected age of 50.

VOLUNTARY SEVERANCE

Severance Situation	Less than 2 years service	At least 2 years service but less than 5 years	More than 5 Years
Unable to Access Pension based on age and pension rules*	No Pension benefits payable Refund of pension contributions, or a Transfer	No Pension benefits payable Accrued pension benefits retained in the Fund or	No Pension benefits payable Accrued pension benefits retained in the Fund or

	<p>Value</p> <p>No Redundancy entitlement</p>	<p>Transfer Value for another pension fund.</p> <p>If a Voluntary severance situation compensation payable based payable up to 66 Weeks pay, determined by age and length of service.</p> <p>The maximum redundancy payment not subject to Tax and NI is £30,000</p>	<p>Transfer Value for another pension fund.</p> <p>If a Voluntary redundancy situation compensation payable based payable upto 66 Weeks pay, determined by age and length of service.</p> <p>The maximum redundancy payment not subject to Tax and NI is £30,000</p>
<p>Able to Access Pension based on age and pension rules</p>	<p>No Pension benefits payable</p> <p>Refund of pension contributions, or a Transfer Value</p> <p>No Redundancy entitlement</p>	<p>Eligible to immediate access to pension benefits but NOT entitled to CAY.</p>	<p>Eligible to immediate access to pension benefits and up to 5 CAY</p>

* Unable to access if under aged 55 although if a scheme member on 05/04/2006 (and still in the Scheme) protected age of 50.



REDEPLOYMENT POLICY

Date: February 2016

Version: Draft

REDEPLOYMENT POLICY

1. Policy Statement

- 1.1. Clackmannanshire Council values its employees and the skills and talents they bring to the organisation, consequently the Council will take all reasonable steps to protect their security of employment.
- 1.2. Wherever possible, the Council will redeploy employees who no longer have a post and those who are unable to continue in their current role as a result of ill health, disability or capability.
- 1.3. This policy aims to ensure that the management of redeployment is fair, consistent and supportive.
- 1.4. There may be occasions when all appropriate options have been exhausted and no suitable alternative is available so, as a last resort, the Council may have to end employment. This would not apply in situations where an employee no longer has a post and the Council has a no compulsory redundancy policy in force.

2. Scope

- 2.1. This policy applies to all Council employees who:
 - require redeployment based on **ill health or disability**;
 - are at risk of redundancy and have a minimum of 12 months continuous service;
 - require redeployment as a result of **restructure** and have a minimum of 12 months continuous service;
 - require redeployment as a result of their ability to carry out the duties within their current post and have a minimum of 12 months continuous service;
 - individual cases will be considered where redeployment would be appropriate for example as the outcome of a **grievance**.
- 2.2. It does not apply in disciplinary cases, where separate rules apply.
- 2.3. It does not apply to any employee whose post is transferring under TUPE regulations.

3. Principles

3.1. The Council will adhere to the following general principles:

- Every individual will be treated fairly;
- The Council will comply with its duties under the Equalities Act 2010;
- Redeployment will always be dealt with promptly, sensitively and in full consultation with the individual, who has a right to be accompanied by a TU representative or colleague at all meetings;
- The Council will give priority to those requiring redeployment by considering them for matching against suitable vacant posts before advertising these more generally;
- The Council will try, wherever possible, to redeploy employees into a role which is compatible with their skills, capabilities and existing terms & conditions;
- The Council will support those redeployed during the transition by providing a period of salary preservation;
- Where the employee's contract of employment is likely to end, the Council will comply with the duty to allow reasonable time off for job search and interviews during the notice period.

4. Roles and Responsibilities

4.1. A corporate approach should be adopted by all to achieve the best possible outcome for both the employee(s) and the Council as a whole for staff on redeployment.

4.2. Employees should actively participate and cooperate in the redeployment process and be as flexible as possible in considering alternative employment to maximise their chance of success.

5. Monitoring and Review

- 5.1. Both HR and Trade Union Representatives shall monitor the effectiveness of the procedures on an ongoing basis. Changes may result from employee, management and union feedback and/or from changes in employment legislation. Revisions and updates will be implemented by the Council following consultation with the recognised trade unions

Policy Name	Redeployment Policy
Department	HR
Policy Lead	HR
Equality Impact Assessment	
Full EQIA required	Yes <input type="checkbox"/> No* <input checked="" type="checkbox"/>
* In no please provide rationale Policy applies equally to all Council employees and does not negatively impact on any group which falls within any of the 9 protected characteristics	
Date Full EQIA complete	N/A
Date Approved	
Review Date	

Report to: Special Council

Date: 23 February 2016

Subject: Prudential Indicators 2016/17 to 2020/21

Report by: Depute Chief Executive

1.0 Purpose

- 1.1. The 2016/17 to 2020/21 capital budgets have been prepared by Clackmannanshire Council under the self regulating Prudential Code. Local authorities are required by regulation to comply with the Prudential Code in terms of meeting their statutory duty under Section 35(1) of the Local Government in Scotland Act 2003 to *'determine and keep under review the maximum amount which it can afford to allocate to capital expenditure'*.
- 1.2. The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, as well as being consistent with local asset management planning. To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out 8 indicators that must be considered covering 3 distinct areas - capital expenditure, external debt and treasury management; affordability; and prudence.
- 1.3. The purpose of this report is to update and revise the indicators approved by Council last year in the context of the Council's latest spending plans over the period 2016/17 to 2020/21. The report describes the purpose of each of the indicators and the implications of the proposed levels, values and parameters for Clackmannanshire Council.

2.0 Recommendations

It is recommended that Council:

- 2.1. Approves the prudential indicators set out in this report for the years 2016/17 to 2020/21 in compliance with the Prudential Code requirements.

3.0 Considerations

- 3.1. The Council is advised that the Prudential Indicators shown in Sections 4 to 6 below have been determined based on the budget proposals contained in the General Services Revenue and Capital Budgets 2016/17 to 2019/20 and 2016/17 to 2020/21 report and Housing Revenue Budget 2016/17 and Capital Programme 2016/17 to 2020/21 report.

- 3.2. A number of the indicators presented in this report are calculated for seven financial years in total - the 2014/15 actual year end position, latest projection for 2015/16 and estimates for the 5 years 2016/17 to 2020/21. The code requires a minimum of 3 future years to be approved but a further two years are shown to provide a longer term view.
- 3.3. As noted, there are 8 Prudential Indicators set out in the Code covering a number of areas - capital expenditure, affordability, prudence, external debt and treasury management. Arguably those indicators relating to affordability, which measures the bottom line impact of the Council's capital expenditure proposals, are the most significant. It is important however to view the indicators in sections 4 to 6 of this report as a comprehensive and inter-related package which is intended to demonstrate that the Council's capital investment plans are prudent, affordable and sustainable.

4.0 CAPITAL EXPENDITURE, EXTERNAL DEBT AND TREASURY MANAGEMENT INDICATORS

The Prudential Code has 5 indicators relating to these areas.

4.1 CAPITAL EXPENDITURE

Purpose of the Indicator

The Prudential Code requires the Council to make reasonable estimates of the total capital expenditure that it plans to incur during the forthcoming financial year and the following two financial years. The Code also requires this information to be split between General Fund Services and Housing Revenue Account (HRA).

To provide a longer term view, the estimates of gross capital expenditure to be incurred for the next five years together with the projection for the current year and actual for 2014/15 are as follows:

Gross Capital Expenditure

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate	Estimate	Estimate
General Fund Services	10,755	7,751	10,042	10,815	10,987	13,301	5,985
Housing Revenue Account	9,326	14,012	8,431	7,780	6,800	7,004	7,200
Total	20,081	21,763	18,473	18,595	17,787	20,305	13,185

Implications

The above figures are shown net of any income and are consistent with the capital programme proposals for General Services and Housing contained within the Budget report 2016/17. These capital plans take full account of the requirements of the Prudential Code and levels of expenditure across the years reflect the funding envelope available consistent with the Council's Borrowing and Investment strategy to minimise increases in external borrowing. The planned spending figure of £18.473m for 2016/17 will be kept under review through the capital monitoring process and reported to Resources and Audit Committee quarterly.

4.2 CAPITAL FINANCING REQUIREMENT

Purpose of the Indicator

Capital expenditure that is not financed upfront by the use of capital receipts, capital grants or directly from revenue will increase the capital financing requirement of the Council. The calculation of the Capital Financing Requirement is therefore intended to reflect the Council's underlying need to borrow for a capital purpose and it is used as a key measure in treasury management decisions for this reason.

Estimates of the end of year Capital Financing Requirement for the Council for the current and future years together with the actual position last year are:

Capital Financing Requirement as at:

	31/03/15	31/03/16	31/03/17	31/03/18	31/03/19	31/03/20	31/03/21
	£000	£000	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate	Estimate	Estimate
General Fund Services	130,536	125,961	124,071	122,345	120,762	121,234	115,564
Housing Revenue Account	30,702	30,780	31,779	33,402	32,726	31,816	30,706
Total	161,238	156,741	155,850	155,747	153,488	153,050	146,270

Implications

The capital financing requirement is estimated to reduce over the next five years to £146m by the end of March 2021. This indicates that there is no requirement for the Council to increase long term borrowing over the next five years which is in line with the approved financial strategy of minimising long term borrowing.

The financing requirement for General Fund services steadily reduces in line with the strategy of keeping the capital programme at a level that does not incur any net additional borrowing.

The Housing programme currently requires modest increases in capital finance in order to maintain delivery of the current approved housing business plan.

4.3 AUTHORISED LIMIT FOR EXTERNAL DEBT

Purpose of the Indicator

The authorised limit for external debt is required to separately identify external borrowing (gross of investments) and other long term liabilities such as finance lease obligations. The limit provides a maximum figure that the Council could borrow at any given point during each financial year.

Authorised limit for external debt

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Borrowing	126,000	123,500	124,500	123,500	124,000	118,000
Other long term liabilities including PFI	49,000	48,000	47,000	46,000	45,000	43,500
Total	175,000	171,500	171,500	169,500	169,000	161,500

Implications

The authorised limit set out above is consistent with approved capital investment plans and Treasury Management policy and practice but allows sufficient headroom for unanticipated cash movements. The limit has been reduced over the next five years in line with reductions in actual external borrowing. The limit will be reviewed on an on-going basis during the year. If the authorised limit is liable to be breached at any time, the Depute Chief

Executive will report to the Resources and Audit Committee. It will then be open to Committee to raise the authorised limit or to take measures to ensure the limit is not breached.

4.4 OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

Purpose of the Indicator

This is a key management tool for in-year monitoring and is lower than the Authorised Limit as it is based on an estimate of the most likely level of external borrowing at any point in the year. In comparison, the authorised limit is the maximum allowable level of borrowing.

Operational Boundary for external debt

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Borrowing	121,000	118,500	119,500	118,500	119,000	113,000
Other long term liabilities	44,000	43,000	42,000	41,000	40,000	38,500
Total	165,000	161,500	161,500	159,500	159,000	151,500

Implications

This indicator is consistent with the Council's plans for capital expenditure and financing with Treasury Management policy and practice. It is sufficient to facilitate appropriate borrowing during the financial year and will be reviewed on an on-going basis.

4.5 TREASURY MANAGEMENT INDICATOR

The prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes. This revised code (2009 version) was formally adopted by Council at its meeting on 16th December 2010.

Purpose of the Indicator

The aim of this indicator is to ensure that treasury management is led by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the Council's borrowing and investment portfolios.

5.0 AFFORDABILITY INDICATORS

The Prudential Code has 2 indicators relating to affordability.

5.1 RATIO OF FINANCING COSTS TO NET REVENUE STREAM

Purpose of the Indicator

The Prudential Code requires the Council to make estimates of the ratio of capital financing costs to its net revenue stream.

The indicator is intended to measure the percentage of the Council's total income that it is estimated will be committed towards meeting the costs of borrowing used to fund capital expenditure. For the General Fund this is the ratio of financing costs of borrowing against net expenditure financed by government grant and local taxpayers. For the HRA the indicator is the ratio of financing costs to gross rental income.

Estimates of the ratio of financing costs to net revenue stream for the current and future years are:

Ratio of financing costs to net revenue stream

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate	Estimate	Estimate
General Fund	8.21%	8.19%	8.24%	8.74%	9.14%	9.14%	9.14%
Housing Revenue Account	16.93%	16.97%	16.93%	16.67%	16.04%	15.54%	15.31%

Implications

The above figures show that for the General Fund, over the next five years, the proportion of the budget allocated to loan charges shows a modest increase which is a positive outcome over this period against a backdrop of broadly reducing levels of government grant funding, stable levels of council tax and increasing annual PPP costs. This demonstrates that capital financing costs are being controlled through the effective implementation of the Council's borrowing and investment strategy

Capital investment in Housing is in accordance with the revised Business Plan to achieve the Scottish Housing Quality Standard together with our own Clackmannanshire Standard. The ratio of capital financing costs to rental income is projected to reduce over the years 2016/17 to 2020/21 as a result of

reduced borrowing due to utilisation of reserves as per the approved Business Plan.

5.2 ESTIMATES OF INCREMENTAL IMPACT OF NEW CAPITAL INVESTMENT DECISIONS ON COUNCIL TAX AND HOUSE RENTS

Purpose of the Indicator

This indicator is intended to measure the incremental impact on the Council Tax and Housing Rents which would arise from changes to the Council's existing capital budget.

Incremental impact of capital spending on:

	2016/17	2017/18	2018/19	2019/20	2020/21
Council Tax (Band D)	NIL	NIL	NIL	NIL	NIL
Average Weekly House Rents (per week)	£0.65	£5.42	£1.35	£1.50	£1.15

Implications

The capital financing cost consequences of the general services capital proposals for the years 2016/17 to 2020/21 have been assessed against the plans approved last year. The Council's approved Finance Strategy determines that the funding envelope for new capital investment is restricted to the sum of capital grants and current levels of loan repayment provision. This policy is unchanged in the current capital plans and therefore the General Services Capital programme are considered to be affordable without requiring any specific additional Council Tax in these years

The HRA capital investment plans record a significant increase in planned net borrowing requirement in 2017/18 compared to the previous year. This is due to previously planned spend in 2015/16 being rephased into future years.

6.0 FINANCIAL PRUDENCE INDICATOR

The Prudential Code has one indicator relating to prudence

6.1 GROSS EXTERNAL BORROWING AND THE CAPITAL FINANCING REQUIREMENT

Purpose of the Indicator

In December 2012, CIPFA issued an amendment to the Prudential Code to replace the prudential indicator for net debt with an indicator for gross debt to be compared with the capital financing requirement. The requirement is now for gross debt to be kept below the CFR, except in the short term i.e. in the

preceding year plus estimates of any additional capital financing requirement in the current and next two financial years

This indicator records the extent that gross external borrowing is less than the capital financing requirement (indicator 4.2 above). This is a key indicator of prudence and is designed to ensure that, over the medium term, external borrowing is only for a capital purpose. The values are measured at the end of the financial year.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate	Estimate	Estimate
Gross External Borrowing	163,663	146,368	146,869	154,358	152,691	152,845	145,831
Capital Financing Requirement	161,238	156,741	155,850	155,747	153,488	153,050	146,270
(Over)/ Under Limit by	(2,425)	10,373	8,981	1,389	797	205	439

Implications

At the end of 2014/15 the Council was above the gross limit due to an unexpected grant of £4m being received in the latter part of the financial year. As an under borrowed position is maintained over the medium term in the preceding and future years the Council meets the requirement of the indicator.

The Council's gross borrowing has reduced in 2015/16 due to debt repayments and the use of cash balances to fund capital expenditure in place of new debt. However, in order to maintain sufficient cash balances in future years, capital expenditure is assumed to be funded by new debt within the parameters of the capital financing requirement and the Council's strategy to reduce long term borrowing.

7.0 CONCLUSION

7.1 The Prudential Indicators laid out in Sections 4 to 6 above are considered to provide the Council with a robust framework for moving forward under the Prudential Code and reflect a capital investment strategy which is prudent, affordable and sustainable.

8.0 Sustainability Implications

8.1 None

9.0 Resource Implications

9.1 *Financial Details*

9.2 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

9.3 Finance have been consulted and have agreed the financial implications as set out in the report.

Yes

9.4 *Staffing*

9.5 None

10.0 Exempt Reports

10.1 Is this report exempt? Yes (please detail the reasons for exemption below)
No

11.0 Declarations

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

(1) **Our Priorities** (Please tick)

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

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

Treasury Management Policy Statement and Practices

12.0 Equalities Impact

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

Yes No

13.0 Legality

13.1 In adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

14.0 Appendices

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

None

15.0 Background Papers

15.1 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 (please list the documents below) No

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Anne Wallace	Accountant	2256
Lindsay Sim	Chief Accountant	2078

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Depute Chief Executive	Signed: N Bridle
Elaine McPherson	Chief Executive	Signed: E McPherson

CLACKMANNANSHIRE COUNCIL

Report to Special Meeting of Clackmannanshire Council

Date of Meeting: 23rd February 2016

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

Report by: Depute Chief Executive

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 24th 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 (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
Total Grant Funding	90.454
Council Tax Income	18.758
Council Tax Reduction Scheme	3.520
Total Revenue Funding	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 1st 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
TOTAL	111,265	7,645	7.0

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 16th 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 20th 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 22nd January. He also indicated that a revised offer would be put to councils shortly.
- 6.15 On the 27th 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 9th 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 22nd 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

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

* 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)

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

Approved by

NAME	DESIGNATION	SIGNATURE
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
<i>Alloa Cluster</i>	Alloa Community Campus Alloa Town Hall Leisure Bowl	Speirs Centre	Alloa Community Campus - Park Primary School - St. Mungo's Primary School Redwell Primary School	
<i>Lornshill Cluster</i>	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
<i>Hillfoots Cluster</i>	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	HSCI		2016/17 Budget	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	£'000				£'000	£'000				£'000	Anticipated Additional Funding			£'000	Anticipated Additional Funding			£'000	Anticipated Additional Funding	
Resources & Governance	23,532	23,762	(2,443)		195	63	21,577		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		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		27,462	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)		(1,305)	
Development & Environment	28,551	29,153	(3,341)	0	282	63	26,157	0	26,157		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		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		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		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		2,646	2,712		2,712		2,782		2,782		2,861		2,861	
Corporate Adjustments	421	430					430		430		430	436		436		441		441		447		447	
Misc Services - Non Distributed Costs	1,110	1,168					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		1,215	
Service Expenditure	109,721	112,539	(7,645)	0	1,059	518	106,471	(2,230)	104,241		104,241	110,624	(2,230)	108,394		114,791	(2,230)	112,561		119,206	(2,230)	116,976	
add Requisition from Joint Board	0	0					0		0		0			0		0		0		0		0	
Central Scotland Valuation	351	321					321		321		321	381		381		373		373		373		373	
	110,072	112,860	(7,645)	0	1,059	518	106,792	(2,230)	104,562		104,562	111,005	(2,230)	108,775		115,164	(2,230)	112,934		119,579	(2,230)	117,349	
Add/(Deduct)																							
Interest on Revenue Balances	(52)	(52)					(52)		(52)		(52)	(52)		(52)		(52)		(52)		(52)		(52)	
Loan Charges	9,401	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		200	
Contribution to Invest to Save Fund	0	0					0		0		0	0		0		0		0		0		0	
	119,621	122,409	(7,645)	0	1,059	518	116,341	(2,230)	114,111		114,111	120,852	(2,230)	118,622		125,304	(2,230)	123,074		129,719	(2,230)	127,489	
Sources of Funding																							
General Fund Revenue	(93,189)	(89,926)					(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)		(528)	
Council Tax	(18,278)	(18,758)					(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)		(3,520)	
Contribution from Reserves - budget amend	(1,781)	0					(1,379)		(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		0	
Contribution from Uncommitted Reserves	0	0					0		0		0	0		0		0		0		0		0	
Contribution from earmarked Reserves	(321)	0					0		0		0	0		0		0		0		0		0	
	(119,621)	(112,732)	0	0	0	0	(114,111)	0	(114,111)		(114,111)	(111,005)	0	(111,005)		(109,314)	0	(109,314)		(109,370)	0	(109,370)	
Projected (Surplus)/Shortfall	0	9,677					2,230	(2,230)	(0)		(0)	9,847	(2,230)	7,617		15,990	(2,230)	13,760		20,349	(2,230)	18,119	

Description of Pressure	2016/17 £	Narrative
Housing & Community Safety		
NDR Discretionary Relief	35,000	25% Discretionary Relief to be funded by the Council.
	35,000	
Social Services		
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.
	507,500	
Strategy & Customer Services		
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
	86,593	
Resources & Governance		
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.
	195,160	
Development & Environment		
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.
	234,750	
TOTAL UNAVOIDABLE PRESSURES	1,059,003	

Description of Pressure	2016/17 £	Narrative
Social Services		
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
	449,845	
Resources & Governance		
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.
	63,385	
Development & Environment		
Kerbside Collection Contract - ACE Contract inflation increase	4,610	Assumed 1% inflation. 2015-16 outturn projected at £461k for ACE, 1% = £4,610.
	4,610	
TOTAL CONTRACT INFLATION	517,840	

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
Prevention and Early Intervention						
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
Integrated and Sustainable Services						
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
Best Use of Assets and Resources						
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
Making Our Organisation Stronger						
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
		£7,645,488	£1,958,003	£694,787	£1,081,006	£11,379,284

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

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

Description	Category	Council Role	Value
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
John Swinney MSP



T: 0300 244 4000
E: dfm@gov.scot

Councillor David O'Neill
President
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.

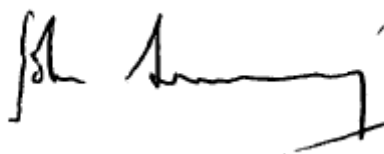
For 2016-17 individual local authorities will again require to agree to work with the Scottish Government to deliver a council tax freeze for the ninth consecutive year.

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
HOUSING REVENUE ACCOUNT				
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)
Total Expenditure	(403)	13,245	13,570	325
Income (Dwellings, Lock-ups, Garage sites, shops & interest)	203	(18,676)	(18,488)	188
Net / Surplus for year	(199)	(5,431)	(4,918)	513

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
Flat			
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.

	Average rent for 2015-16	Proposed % increase for 2016-17*
Stirling Council	£68.68	1
Orkney Islands Council	£71.80	1.4
Aberdeen City Council	£76.14	1.7
City of Edinburgh Council	£95.61	2
Dundee City Council	£71.55	2
East Dunbartonshire Council	£72.05	2
North Ayrshire Council	£65.58	2
South Ayrshire Council	£69.57	2
The Highland Council	£73.05	2
Ochil View Housing Association	£74.84	2.5
Kingdom Housing Association	£73.47	2.5
Fife Council	£65.96	2.5
Renfrewshire Council	£73.86	3
West Lothian Council	£67.62	3
Angus Council	£59.54	3.4
Clackmannanshire Council	£69.81	3.5
East Ayrshire Council	£66.27	3.6
Falkirk Council	£58.91	3.6
Aberdeenshire Council	£71.61	3.75
South Lanarkshire Council	£61.61	4
East Renfrewshire Council	£66.32	4.9
Midlothian Council	£63.40	5
The Moray Council	£59.81	5
West Dunbartonshire Council	£70.38	5.5
East Lothian Council	£56.30 -	
North Lanarkshire Council	£57.62 -	
Perth & Kinross Council	£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
(A)	Community Investment Strategy :								
Alloa Cluster									
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	
TOTAL Alloa Cluster				7,638	698	570	116	5,490	764
Lornshill Cluster									
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	
TOTAL Lornshill Cluster				17,343	1,359	5,032	6,735	3,698	519
Hillfoots Cluster (Alva/Tillicoultry/Dollar)									
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
TOTAL Hillfoots Cluster (Alva/Tillicoultry/Dollar)				6,042	2,094	1,589	812	854	693
All Clackmannanshire Areas - not seperated into a Cluster									
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				
TOTAL All Clackmannanshire Areas - not seperated into a Cluster				2,096	1,021	225	250	300	300
Total (A)	Total Community Investment Strategy			33,119	5,172	7,416	7,913	10,342	2,276
(B) Property Asset Management Strategy :									
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				
Total (B)	Total Property Asset Management Strategy :			1,190	1,030	40	40	40	40
(C) Roads Asset Management Strategy :									
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
Total (C)	Total Roads Asset Management Strategy :			11,961	2,464	2,285	2,154	2,154	2,904
(D) Lands Asset Management Strategy :									
D1	SWF/Wheeled Bins	Various	Lands	150	30	30	30	30	30
Total (D)	Total Lands Asset Management Strategy :			150	30	30	30	30	30
(E) Fleet Asset Management Strategy :									
E1	Vehicle Replacement	N/A	Fleet	2,860	726	634	500	500	500
Total (E)	Total Fleet Asset Management Strategy :			2,860	726	634	500	500	500
(F) IT Asset Management Strategy :									
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				
Total (F)	Total IT Asset Management Strategy :			1,850	620	410	350	235	235
TOTAL CAPITAL PROGRAMME				51,130	10,042	10,815	10,987	13,301	5,985

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	
Scottish Housing Quality Standards																			
Primary Building Elements																			
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	
Total Primary Building Elements	150,000	0	0	150,000	0	150,000	150,000	0	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	
Secondary Building Elements																			
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
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
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
Total Secondary Building Elements	4,232,000	0	0	4,232,000	(30,000)	4,202,000	4,010,000	(30,000)	3,980,000	0	4,480,000	4,480,000	0	4,694,000	4,694,000	0	4,910,000	4,910,000	
Energy Efficiency																			
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
Bowmar Community Energy Savings Programme		97,000		97,000		97,000			0			0			0				0
Home Energy Efficiency Measures					250,000	250,000		250,000	250,000			0			0				0
Total Energy Efficiency	1,854,000	97,000	0	1,951,000	250,000	2,201,000	800,000	250,000	1,050,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	
Modern Facilities & Services																			
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
Total Modern Facilities & Services	650,000	0	0	650,000	(500,000)	150,000	70,000	30,000	100,000	0	130,000	130,000	0	120,000	120,000	0	120,000	120,000	
Health Safe & Secure																			
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
Total Health Safe & Secure	340,000	0	0	340,000	210,000	550,000	290,000	260,000	550,000	0	620,000	620,000	0	620,000	620,000	0	600,000	600,000	
NON SHQS ELEMENTS																			
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
Total NON SHQS ELEMENTS	755,000	1,440,000	0	2,195,000	(225,000)	1,970,000	3,045,000	(175,000)	2,870,000	0	420,000	420,000	0	420,000	420,000	0	420,000	420,000	
TOTAL CAPITAL PROGRAMME	7,981,000	1,537,000	0	9,518,000	(295,000)	9,223,000	8,365,000	335,000	8,700,000	6,800,000	0	6,800,000	7,004,000	0	7,004,000	7,200,000	0	7,200,000	
Income																			
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
Total Income	(240,000)	(552,000)	0	(792,000)	0	(792,000)	(920,000)	0	(920,000)	0	0	0	0	0	0	0	0	0	
NET CAPITAL PROGRAMME	7,741,000	985,000	0	8,726,000	(295,000)	8,431,000	7,445,000	335,000	7,780,000	6,800,000	0	6,800,000	7,004,000	0	7,004,000	7,200,000	0	7,200,000	

	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
SECONDARY BUILDING ELEMENTS						
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						
TOTAL SECONDARY BUILDING ELEMENTS	(30,000)	(30,000)	0	0	0	
ENERGY EFFICIENCY						
Home Energy Efficiency Measures	250,000	250,000				Increase to maximise opportunities through the Scottish Governments HEEPS programme for HRA Assets
TOTAL ENERGY EFFICIENCY	250,000	250,000	0	0	0	
MODERN FACILITIES & SERVICES						
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
TOTAL MODERN FACILITIES & SERVICES	(500,000)	30,000	0	0	0	
HEALTH SAFE & SECURE						
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
TOTAL HEALTH SAFE & SECURE	210,000	260,000	0	0	0	
NON SHQS ELEMENTS						

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
TOTAL NON SHQS ELEMENTS	(225,000)	(175,000)	0	0	0	
House Sales Income						
TOTAL PROPOSED AMENDMENTS	(295,000)	335,000	0	0	0	

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
Draft 16/17 Budget	16,497	(1,549)	79	80	215	15,322	2,230	17,552
Pressures funded from additional £250m							(2,230)	(2,230)
Draft Resource Transfer	16,497	(1,549)	79	80	215	15,322	0	15,322

