



**Clackmannanshire
Council**

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Comhairle Siorrachd
Chlach Mhanann

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

Meeting of Clackmannanshire Council

Thursday 11 February 2021 at 9.30 am

Via Video Conference (MS Teams)



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 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.

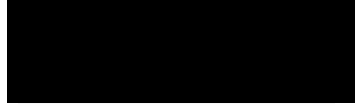
Members of the public are welcome to attend our Council and Committee meetings to see how decisions are made.

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

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3 February 2021

A MEETING of the CLACKMANNANSHIRE COUNCIL will be held via VIDEO CONFERENCE (MS TEAMS), on THURSDAY 11 FEBRUARY 2021 at 9.30 AM.



**NIKKI BRIDLE
Chief Executive**

B U S I N E S S

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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 Services Officer.	--
3. Confirm Minute of Meeting of Clackmannanshire Council held on Thursday 10 December 2020 (Copy herewith)	07
4. Committee/Forum/Board Meetings Convened Since the Previous Council Meeting on 10 December 2020 (For information only)	--
(i) Appointments Committees 17 December 2020 and 15 January 2021	
(ii) Local Review Body 21 January 2021	
(iii) Planning Committee 21 January 2021	
(iv) Regulatory Committee 2 February 2021	
(v) Audit Committee 4 February 2021	
5. Member Appointment – report by Lindsay Thomson, Senior Manager Legal & Governance (Copy herewith)	17
6. Treasury Management Update at 30th September 2020 – report by Lindsay Sim, Chief Finance Officer (Copy herewith)	21
7. Housing Rent Setting 2021/22 – report by Pete Leonard, Strategic Director (Place) (Copy herewith)	33
8. Learning Estate: Progress Report – report by Pete Leonard, Strategic Director (Place) and Lorraine Sanda, Strategic Director (People) (Copy herewith)	43

EXEMPT INFORMATION

It is anticipated (although this is not certain) that the Council will resolve to exclude the press and public during consideration of this item.

It is considered that the undernoted report is treated as exempt from the Council's general policy of disclosure of all papers by virtue of Schedule 7A, Part 1, Paragraph 6 of the Local Government (Scotland) Act 1973.

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| 9. | Leisure Provision in Clackmannanshire – report by Stuart Crickmar, Strategic Director (Partnership and Performance) (Copy herewith) | 49 |
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Clackmannanshire Council – Councillors and Wards

Councillors

Wards

Provost	Tina Murphy	1	Clackmannanshire West	SNP
Councillor	Darren Lee	1	Clackmannanshire West	CONS
Councillor	George Matchett, QPM	1	Clackmannanshire West	LAB
Councillor	Les Sharp	1	Clackmannanshire West	SNP
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	Martha Benny	2	Clackmannanshire North	CONS
Councillor	Dave Clark	2	Clackmannanshire North	LAB
Councillor	Helen Lewis	2	Clackmannanshire North	SNP
Councillor	Jane McTaggart	3	Clackmannanshire Central	SNP
Councillor	Derek Stewart	3	Clackmannanshire Central	LAB
Councillor	Mike Watson	3	Clackmannanshire Central	CONS
Councillor	Chris Dixon	4	Clackmannanshire South	IND
Councillor	Kenneth Earle	4	Clackmannanshire South	LAB
Councillor	Ellen Forson	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	SNP
Councillor	Graham Lindsay	5	Clackmannanshire East	SNP
Councillor	Kathleen Martin	5	Clackmannanshire East	LAB
Councillor	Dennis Coyne	5	Clackmannanshire East	CON



**MINUTES OF MEETING of the CLACKMANNANSHIRE COUNCIL held via MS Teams, on
THURSDAY 10 DECEMBER 2020 at 9.30 am.**

PRESENT

Provost Tina Murphy (In the Chair)
Councillor Donald Balsillie
Councillor Martha Benny
Councillor Dave Clark
Councillor Denis Coyne
Councillor Kenneth Earle
Councillor Ellen Forson
Councillor Craig Holden
Councillor Darren Lee
Councillor Helen Lewis
Councillor Graham Lindsay
Councillor Kathleen Martin
Councillor Jane McTaggart
Councillor Les Sharp
Councillor Derek Stewart
Councillor Mike Watson

IN ATTENDANCE

Nikki Bridle, Chief Executive
Pete Leonard, Strategic Director (Place)
Stuart Crickmar, Strategic Director (Partnership & Performance)
Chris Alliston, Senior Manager (Partnership & Performance)
Lindsay Sim, Chief Finance Officer
Fiona Duncan, Chief Social Work Officer
Emma Fyvie, Senior Manager (Place)
Carolyn Wyllie, Head of Community Health and Care, Clacks & Stirling Health & Social Care Partnership
Sarah Farmer, Team Leader – HR (Partnership & Performance)
Alastair Hair, Team Leader – HR (Partnership & Performance)
Jane Adamson, Policy Officer (Place)
Gavin Wright, Project Co-ordinator (Place)
Debbie Carter, City Deal Programme Manager (Place)
Lee Robertson, Solicitor, (Partnership & Performance)
Owen Munro, Team Leader, Planned Works and Compliance (Place)
Lindsay Thomson, Senior Manager (Partnership & Performance) (Clerk to the Council)
Gillian White, Committee Services (Partnership and Performance)

CC.351 APOLOGIES

Apologies were received from Councillor George Matchett QPM and Councillor Chris Dixon.

CC.352 DECLARATIONS OF INTEREST

None.

**CC.353 MINUTE OF MEETING OF CLACKMANNANSHIRE COUNCIL
22 OCTOBER 2020**

The minutes of the meeting of the Clackmannanshire Council held on 22 October 2020 were submitted for approval.

Decision

The minutes of the meeting of the Clackmannanshire Council held on 22 October 2020 were agreed as a correct record.

**CC.354 COMMITTEE MEETINGS CONVENED SINCE THE PREVIOUS COUNCIL
MEETING ON 22 OCTOBER 2020**

The Council agreed to note the Committee meetings that had taken place since the last ordinary meeting on 22 October 2020.

- (i) Regulatory Committee 27 October 2020
- (ii) Planning Committee 27 October 2020
- (iii) Partnership & Performance Committee 29 October 2020
- (iv) Place Committee 5 November 2020
- (v) Appointments Committees 6 November and 4 December 2020
- (vi) Licensing Boards 12 November and 3 December 2020
- (vii) People Committee 26 November
- (viii) Special Meeting of the Place Committee 1 December 2020
- (ix) Audit Committee 3 December 2020

CC.355 COMMITTEE RECOMMENDATIONS REFERRED TO COUNCIL

The report, submitted by the Chief Executive sought Council approval of recommendations which had been made by the Partnership and Performance Committee of 29 October, 2020, Place Committee of 5 November, 2020 and People Committee of 26 November, 2020.

Decision

The Council:

1. from the Partnership and Performance Committee of 29 October, 2020 in relation to the report entitled "*HR Policies*".
 - (a) Agreed to approve the revised Homeworking Policy and Procedure
2. from the **Place Committee of 5 November, 2020** in relation to the report entitled "*Strategic Housing Investment Plan 2021-2026*"
 - (a) Agreed to the disposal of HRA land at Stoneyacre (Site 3, Appendix 4) and General Fund land at Park Street (Site 4, Appendix 4) Tillicoultry, at a value agreed with the District Valuer, to Kingdom Housing Association for the development of affordable housing
 - (b) Agreed that Clackmannanshire Council as a member of the Limited Liability Partnership (LLP) for NHT properties in Coalsnaughton will seek the agreement of the LLP to sell up to 42 mid market rent NHT properties in Coalsnaughton to Kingdom Housing
3. from the **People Committee of 26 November, 2020** in relation to the report entitled "*People Business Plan - End of Year Report and People Business Plan 2020/21*"
 - (a) Agreed to approve the Plan for 2020/21

4. from the **People Committee of 26 November, 2020** in relation to the report entitled “*Be the Future: People Directorate - Respond, Redesign and Transformation*”
 - (a) Agreed to approve delegated authority to the Strategic Director to appoint an acting Chief Education Officer for a period of three years from the existing pool of Education Service Managers at para 3.4.6. The ongoing need for this post will be reviewed on an annual basis in discussion between the Strategic Director and the Convenor and Vice Convenor of People Committee
 - (b) Agreed to approve delegated authority to the Strategic Director to appoint an acting Chief Social Work Officer pending the wider service redesign

The Council noted that the reports relating to Partnership and Performance Committee, Place and People Committees are available on the Council's website.

Action

Chief Executive

CC.356 CONSERVATIVE GROUP COMMITTEE MEMBERSHIP

The report, submitted by the Senior Manager, Legal and Governance, proposed nominations of Conservative elected Council members for vacancies on two committees and an amendment to membership on a third committee.

The Clerk advised that a query had come from Dollar Academy regarding filling the position on the Dollar Academy Trust previously held by Councillor Bill Mason. The Clerk asked Council if they would be prepared to agree an additional recommendation 2.6 as set out below:

- 2.6 To appoint Councillor Denis Coyne as the Council's representative on the Dollar Academy Trust.

Motion

That Council agrees the recommendations as set out in the report with the additional recommendation 2.6.

Moved by Martha Benny. Seconded by Councillor Mike Watson.

Decision

The Council agreed:

1. To appoint Councillor Darren Lee to the vacancy on the Place Committee;
2. To appoint Councillor Denis Coyne to the vacancy on the Planning Committee;
3. To remove Councillor Darren Lee from membership of the Audit Committee;
4. To appoint Councillor Denis Coyne to the Audit Committee in Councillor Lee's place; and
5. To appoint Councillor Denis Coyne as the Council's representative on the Dollar Academy Trust.

Action

Clerk to the Council

CC.357 BE THE FUTURE UPDATE: WORKFORCE PROGRAMME UPDATE

The report, submitted by the Chief Executive, provided an update on progress achieved in relation to key activities outlined in the Council's Be the Future Programme. This report had a specific focus on the progress in relation to several related pieces of collaborative work: iESE; Wellbeing Economy project, Community Wealth building action plan and the developing work with the Social Innovation Partnership. There was also an update on recent developments to establish the Senior Leadership Forum for senior managers and progress with securing previously approved additional fixed term resources.

The update report also complemented separate papers previously submitted to Council on the 10 and 24 September and 22 October in respect of the City Region Deal, including Scotland's International Environment Centre; Skills and Inclusion, the development of the Regional Energy Masterplan, and progress towards implementing our Digital Strategy. The thematic and routine approach to reporting aims to ensure that Council is regularly updated on progress and allows for appropriate governance to be sought as required.

Motion

That Council agrees the recommendations as set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Donald Balsillie.

Decision

The Council agreed:

1. that Community Wealth Building, and the recommendations in the report, will be a key approach in the development and delivery of the future Wellbeing Economy strategy; and
2. to promote the delivery of Community Wealth Building approaches through the Stirling and Clackmannanshire City Region Deal, particularly where those projects have a direct impact on Clackmannanshire.

The Council also agreed to note:

1. the final phase, findings and recommendations from the work with iESE (paragraphs 2.1 to 2.5);
2. progress with the range of innovative collaborative work and its relationship with the Be the Future core principles as detailed in Section 3 of the report;
3. the progress report on the Wellbeing Economy Project (Appendix A);
4. the next steps on the Wellbeing Economy Project (paragraph 3.6);
5. the Community Wealth Building Action Plan Report from the Centre for Local Economic Strategies (Appendix B);
6. that the final Community Wealth Building Action plan and recommended priorities will be submitted to Council for approval following further partner and stakeholder engagement;
7. the developing People and Place Collaborative with the Social Innovation Partnership (paragraphs 3.13 to 3.15);
8. the positive steps to move forward with The Promise (paragraph 3.17);
9. the early work and redesign tasks being reviewed by the Strategic Leadership Forum (SLF) (Section 4); and

10. the current status of recruitment activity in respect of the additional fixed term posts secured from funding delegated by Council to the Strategic Leadership Group since August (Table 2).

Action

Chief Executive

CC.358 BUDGET STRATEGY UPDATE

The report, submitted by the Chief Finance Officer, provided an update on the Council's Budget strategy providing updates on the in-year forecasted financial outturn and progress on the 2021/22 budget process.

Motion

That Council agrees the recommendations as set out in the report.

Moved by Councillor Donald Balsillie. Seconded by Councillor Ellen Forson.

Decision

The Council agreed to note:

1. the most recent forecasted financial outturn position for 2020/21 for the General Fund Revenue including the Clackmannanshire Locality of the Health & Social Care Partnership (HSC&P);
2. progress in delivering the £3.343m savings programme (for 2020/21), is currently forecast as 87%, by 31 March 2021;
3. the forecasted outturn on the Capital programme for 2020/21 and progress on the 2021/22 capital budget;
4. the update on the approved strategy to deliver financial balance for the current financial year and the requirement to maintain a balanced budget;
5. the significant impact of the Covid-19 pandemic on both capital and revenue outturns and the delivery of planned savings, alongside the range of continuing uncertainties in respect of localised outbreak impacts, potential additional funding and fiscal flexibilities;
6. an update on the 2021/22 indicative budget gap;
7. the impact of the UK Spending Review on the Scottish budget and timing of the 2021/22 draft Local Authority Settlement;
8. the progress on the 2021/22 Budget Process and Timetable for key activities, and
9. the underspend on both the HRA Revenue and Capital budgets and progress on the HRA budget for 2021/22.

CC.359 WESTHAUGH TRAVELLING PERSONS SITE

The report, submitted by the Strategic Director (Place), followed on from consideration in the HRA budget report on 27th February (2020), for the financial and legal transfer of the Travelling Persons Site (Westhaugh), from the General Fund (GF) to the Housing Revenue Account (HRA). This followed Council approval for the transfer on the 21st February 2019, following determination of the financial value of such a transfer. The report sought to conclude the financial transfer to enable the ministerial approval to be requested.

Motion

That Council agrees the recommendations as set out in the report.

Moved by Councillor Craig Holden. Seconded by Councillor Jane McTaggart.

Decision

The Council agreed to an immediate transfer of Westhaugh at nil value (£0) from the GF to the HRA.

Action

Strategic Director (Place)

CC.360 EMPLOYABILITY UPDATE

The report, submitted by the Strategic Director (Place), provided an update on the current employability programmes provided by the Economic Development service through Clackmannanshire Works; highlighted some of the key challenges and considerations that need to be taken into account in relation to delivery of the current programmes; provided an update on the roll-out of the Scottish Government's 'No One Left Behind' programme of employability service transformation; highlighted new initiatives and funding opportunities that are emerging in response to the Covid-19 pandemic; highlighted some of the key challenges that will need to be considered in relation to the implementation of the new initiatives and funding opportunities which will have capacity and resource implications for the Council; and highlighted opportunities for collaborating with Falkirk and Stirling Councils where value could be added by working regionally.

Motion

That Council agrees the recommendations as set out in the report.

Moved by Councillor Craig Holden. Seconded by Councillor Jane McTaggart.

Decision

The Council:

1. Noted the range of current employability programmes delivered through Clackmannanshire Works and some of the challenges in delivering these programmes during 2020/21;
2. Approved the 2 year extension of the Fair Start Scotland contract (outlined in paragraph 3.8) and the associated staff resources required to deliver it;
3. Noted the proposed delay in the roll-out of No One Left Behind Phase 2 until April 2022;

4. Agreed that the Place Service will lead a review of the work and strategic relationships of the Clackmannanshire Local Employability Partnership (LEP) and make recommendations for change to the Clackmannanshire Alliance in order to fulfil Scottish Government expectations of the enhanced role of LEPs in the delivery of No One Left Behind. The LEP includes representatives from DWP, Skills Development Scotland, Forth Valley College, CTSI, NHS Forth Valley and various Council services (i.e. Education, Economic Development, Criminal Justice);
5. Noted the rapidly moving employability agenda and a changing set of immediate employability priorities for Local Government. In order to be able to respond to these challenges, there will be a redesign of the Economic Development service as part of the wider restructure of the Place service;
6. At an appropriate time, agreed to table a further employability update as an agenda item at a future Place Committee.

Action

Strategic Director (Place)

**CC.361 ALVA SOUTH - WEIR MULTICON NON TRADITIONAL HOUSE
UPGRADE - UPDATE REPORT**

The report, submitted by the Strategic Director (Place), followed on from a report in August 2019, where it was agreed to pursue a pilot scheme, involving a revised scheme of works for the application of an external render system on two properties (subject to Building Control approval). It was agreed that Council would consider a further report, on completion of any pilot, prior to approving the upgrade of the remaining 15 properties. This report provided that update. The report also provided an update on progress and support for private owners.

Motion

That Council agrees the recommendations as set out in the report.

Moved by Councillor Craig Holden. Seconded by Councillor Jane McTaggart.

Decision

The Council agreed:

1. To utilise the £750,000 agreed within the Housing Capital Programme, to undertake the upgrading of the remaining 15 council owned Weir Multicon properties within the estate.
2. To increase this capital budget by a further £100k, due to potential rises in construction costs caused by Brexit and Covid 19 implications.
3. To note the remainder of the report, including the potential for grant funding towards the HRA costs (4.17) and grant plus loan funding package for owners (5.3).

Action

Strategic Director (Place)

CC.362 NOTICE OF MOTION IN TERMS OF STANDING ORDER 16

A notice of motion in terms of Standing Order 16.0 was submitted by Councillor Dave Clark.

Motion

“Circular Economy

This Council recognises that we have stepped back from being national leaders in the green economy and missed the opportunity to appoint a Circular Economy Officer at the 2020 - 2021 budgetary process. We understand that this is critical to get right for future generations and also offers us a chance to be at the forefront and have our economy vibrant in one of the highest growth sectors in forthcoming years. Consequently, this Council will establish a working party to report back in a 6 month timeframe including the voice of our schoolchildren, environmental charities, the Chamber of Commerce and Zero Waste Scotland.”

Moved by Councillor Dave Clark. Seconded by Councillor Kenneth Earle.

Councillor Kathleen Martin withdrew from the meeting at 11.19 am

Amendment

That Council :

1. Delete the first sentence of the motion,
2. Substitute the following “agree that Council has maintained a focus on sustainability and the climate”,
3. Delete final sentence of the motion from the word “consequently” to the end of the motion and
4. Agree that the next steps to progress this work are already embedded into the work of the Council with the Well-being projects encompassing our communities to improve outcomes within our environment and Economy in Clackmannanshire.

Moved by Councillor Martha Benny. Seconded by Councillor Darren Lee.

Voting on Amendment

In terms of Standing Order 14.7, Councillor Clark asked for a roll call vote. The Council agreed that a vote be taken by calling the roll and at this stage there were 15 members present who were eligible to vote. On the roll being called, the elected members present voted as follows:

For Amendment (12)

Provost Tina Murphy
Councillor Les Sharp
Councillor Donald Balsillie
Councillor Martha Benny
Councillor Helen Lewis
Councillor Jane McTaggart
Councillor Mike Watson
Councillor Ellen Forson
Councillor Craig Holden
Councillor Graham Lindsay
Councillor Darren Lee
Councillor Denis Coyne

Against Amendment (2)

Councillor Dave Clark
Councillor Derek Stewart

Abstain from Voting (1)

Councillor Kenneth Earle

On a division of 12 votes to 2 with 1 abstention, the amendment was carried.

The motion as amended was agreed.

Decision

The Council:

Agreed that Council has maintained a focus on sustainability and the climate. We understand that this is critical to get right for future generations and also offers us a chance to be at the forefront and have our economy vibrant in one of the highest growth sectors in forthcoming years.

Agreed that the next steps to progress this work are already embedded into the work of the Council with the Well-being projects encompassing our communities to improve outcomes within our environment and Economy in Clackmannanshire.

OoO

At the conclusion of the meeting, the Provost wished everyone a healthy, safe and peaceful Christmas.

Ends: 12:00 noon

Report to Clackmannanshire Council

Date of Meeting: 11 February 2021

Subject: Member Appointment

Report by: Lindsay Thomson, Senior Manager Legal & Governance

1.0 Purpose

1.1. This brief report proposes one change to an external appointment.

2.0 Recommendations

2.1. It is recommended that Council agree that Councillor Les Sharp should be appointed as Clackmannanshire Council's representative on CoSLA's Community Wellbeing Board in place of Councillor Jane McTaggart.

3.0 Considerations

This is a change to a previously agreed external appointment. The recommendation has no impact on political balance or any other consideration.

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 X

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

5.4. *Staffing – no impact*

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) NoX

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)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	x
Our families; children and young people will have the best possible start in life	<input type="checkbox"/>
Women and girls will be confident and aspirational, and achieve their full potential	<input type="checkbox"/>
Our communities will be resilient and empowered so that they can thrive and flourish	x

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

None

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 x

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 x

10.0 Appendices

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

None

11.0 Background Papers

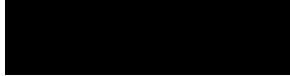
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No x

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lindsay Thomson	Senior Manager Legal & Governance	2084

Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	

Report to: Council

Date: 11 February 2021

Subject: Treasury Management Update at 30th September 2020

Report by: Chief Finance Officer

1.0 Purpose

- 1.1 The purpose of this report is to present an update of Treasury Management activity for the period to 30th September 2020.

2.0 Recommendations

- 2.1 It is recommended that the Council note, comment and challenge as appropriate on the mid year review of the Council's Treasury Management activities.

3.0 Considerations

- 3.1 The Treasury Management Strategy Statement (TMSS) for 2020/21 and the Prudential Indicators for 2020/21 to 2024/25 were approved by the Council on 27th February 2020. No changes to the TMSS are proposed in this report.
- 3.2 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that Council be updated on treasury management activities regularly (Treasury Management Strategy Statement, annual and midyear reports). This midyear report therefore ensures the Council is implementing best practice in accordance with the Code.
- 3.2 The report covers the following:
- The Economy and Interest Rates;
 - Interest Rate Forecast;
 - Investment Outturn for 2020/21;
 - Borrowing Requirement and Debt;
 - Borrowing Outturn for 2020/21, and
 - Compliance with Treasury and Prudential Limits.

The Economy and Interest Rates

- 3.3 The COVID 19 pandemic has had major impact on the UK and world economies. In reaction to this, the Bank of England's Monetary Policy Committee (MPC) took emergency action to cut Bank Rate to 0.25% (from 0.75%) on 10th March 2020 and then further reduced it to 0.1% on the 19th March 2020. The rate remained unchanged at 0.1% as at 30th September 2020.
- 3.4 The UK's economy is made up of a large number of consumer-facing services which have been particularly affected by national and local coronavirus lockdowns. This has contributed to a significant reduction in Gross Domestic Product (GDP) in the first half of 2020.
- 3.5 The unemployment rate has also been impacted and has increased from 3.9% by the end of March 2020 to 4.8% by the end of September and is expected to rise further. This rise has so far been limited by government schemes and a rise in the inactivity rate i.e. those without work and either not searching for employment or unavailable to work.
- 3.6 Forecasters predict that the pace of economic recovery is not expected to be rapid but a more elongated and prolonged one. A sharp recovery in the economy was seen in June through to August but this was still 11.7% less than in February 2020. The last three months of 2020 is expected to show no growth with some longer term adjustments such as office space and travel by planes, trains and busses not expected to recover for several years. Further lockdown restrictions into 2021 has pushed this forecast out even further. Digital services, however, is one area that has already seen huge growth. The MPC is forecasting that there would not be excess demand in the economy causing CPI inflation to rise above the 2% target until September 2022.
- 3.7 Alongside COVID 19, uncertainty over the UK/EU withdrawal trade negotiations ahead of the 31 December deadline has also negatively impacted the economy.

Interest Rate Forecast

- 3.8 The Council's treasury advisors, Link Asset Services, have provided the following interest rate forecast on 11 August 2020, which is in line with the economic outlook set out in paragraphs 3.3 & 3.4 above.

Table1: Investment Forecast provided by Link Asset Management

	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
5yr PWLB Rate	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70

PWLB Rate										
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

- 3.9 The coronavirus outbreak has had a significant detrimental impact on the UK and other economies around the world. As outlined in paragraph 3.3 above the Bank Rate as at 30th September 2020 is 0.1% and the above table shows no increase is anticipated within the forecast period ending March 2023 as economic recovery is anticipated to be gradual and prolonged.
- 3.10 As shown in the interest forecast table above for PWLB certainty rates, there is unlikely to be any increase in PWLB certainty rates over the next two years. It is expected to take economies, including the UK's, a prolonged period to recover from the sharp recession caused during the coronavirus shut down period. Inflation is likely to also be low during this period and with potential to become negative in some of the significant economically developed economies.

Investment Outturn for 2020/21

- 3.11 The Treasury Management Strategy Statement (TMSS) for 2020/21 includes the Annual Investment Strategy, which sets out the approved upper limits of investments with fixed and variable interest rates. It can be confirmed that these limits were not breached during the six months ending 30th September 2020.
- 3.12 As at 30th September 2020, the Council held cash balances of £36.2m, of which £13.2m was immediately available in the Councils bank accounts and a further £18.0m immediately available held in two money market funds (MMF). £5m was also held in short term deposits accounts. The average level of funds available for investment during the period to 30th September 2020 was £10.6m. These funds were available on a temporary basis and vary depending on a number of factors including cash flow and the borrowing strategy.

In order to maintain the availability of cash to meet daily cashflow payments, cash is held in current accounts and, more recently, in money market funds. Current accounts generally have low interest rates, therefore cash has been invested in MMFs on a short term basis to achieve a higher return. MMFs are mutual funds that invest in a range of short-term money market instruments such as cash deposits (e.g. with banks), short term fixed and variable income securities (such as bonds). MMFs allow investors to participate in a more diverse and high-quality portfolio holdings than if they were to invest independently. Their primary aims are the preservation of capital and the provision of liquidity whilst offering a level of return consistent with money market investment which is consistent with the Council's investment priorities of security first, liquidity second and then return.

A number of short term investments were made in the six months to 30th September 2020 to achieve higher interest rates. One deposit of £3m was invested for two months and one deposit of £3m invested for 3 months. Both deposits were returned to the Council on maturity during the period. A further deposit of £3m was invested for a fixed term of one year to September 2021.

- 3.13 The benchmark investment returns over the 6 months ended 30th September 2020 are illustrated in the undernoted table:

Table 2: Benchmark Investment Returns 2020/21

Benchmark	Benchmark Return
7 day	(0.06%)
1 month	(0.02%)
3 month	0.11%
6 month	0.21%
12 month	0.35%

- 3.14 The Council's budgeted cash investment return for 2020/21 is 0.65%. This is a composite rate of all investments which is a mixture of instant access balances and short term investments with maturity dates up to 100 days. The budgeted rate was based on an expected bank rate of 0.75% for 2020/21 set prior to the emergence of COVID 19.

For the period ended 30th September 2020 the Council achieved an actual investment return of 0.21% (£17k) which is less than budgeted largely due to interest rates being much lower than anticipated. Individual investments performed in line with the benchmarks. Short term deposits (including MMF) up to one month achieved rates of between 0.01% and 0.03% against the negative benchmarks of (0.06%) and (0.02%) and one 3 month investment of £3m achieved a return of 0.09% against the benchmark of 0.11%. A return of 0.18% was achieved on everyday cash balances, which outperformed the benchmark for 7 day investments which was negative for the period.

The bank rate was reduced to 0.1% in March 2020 and is not expected to rise for the next 2 years. As investment rates generally fall in line with bank rates, it is a very difficult investment market in terms of earning interest. Opportunities to meet the budgeted investment return for the remainder of the 2020/21 financial year are therefore limited.

Borrowing Requirement and Debt

- 3.15 The Council's underlying need to borrow to finance capital expenditure, termed the Capital Financing Requirement (CFR) is shown below. This shows a decrease in the CFR from budgeted, due to the net effect of:

- the General Fund capital expenditure for 2019/20 being less than anticipated;

- the forecast General Fund capital expenditure for 2020/21 being less than anticipated (with proposed re-phasing of spend into future years), and
- a decrease in the HRA CFR due to a reduction in the level of internal borrowing estimated for 2020/21.

Overall this results in a net decrease from the budgeted CFR.

Table 3: Borrowing Requirement (CFR) 2020/21

	31 March 2020	31 March 2021	31 March 2021
	Actual	Budget Estimate	Projected as at
	£000	£000	30th September 2020
			£000
CFR General Fund	121,509	132,977	129,205
CFR HRA	23,046	24,573	22,451
Total CFR	144,555	157,550	151,565

Borrowing Outturn for 2020/21

- 3.16 During the period to 30th September 2020, the Council repaid £31k of towards the Salix interest free loan, £412k on a PWLB maturity loan and £1k on a PWLB annuity loan.
- 3.17 Repayments of £650k were also made in the first six months of the year toward the Council's PFI and finance lease.
- 3.18 The budgeted capital spend was funded from internal borrowing (cash balances) with no additional external borrowing being undertaken for the first 6 months of the year. There is no additional external borrowing forecasted to be undertaken by the 31 March 2021 but this will be subject to review.
- 3.19 The Council's external borrowing position as at 30th September 2020 and expected year end position is illustrated in the undernoted table:

Table 4: External borrowing at 2020/21

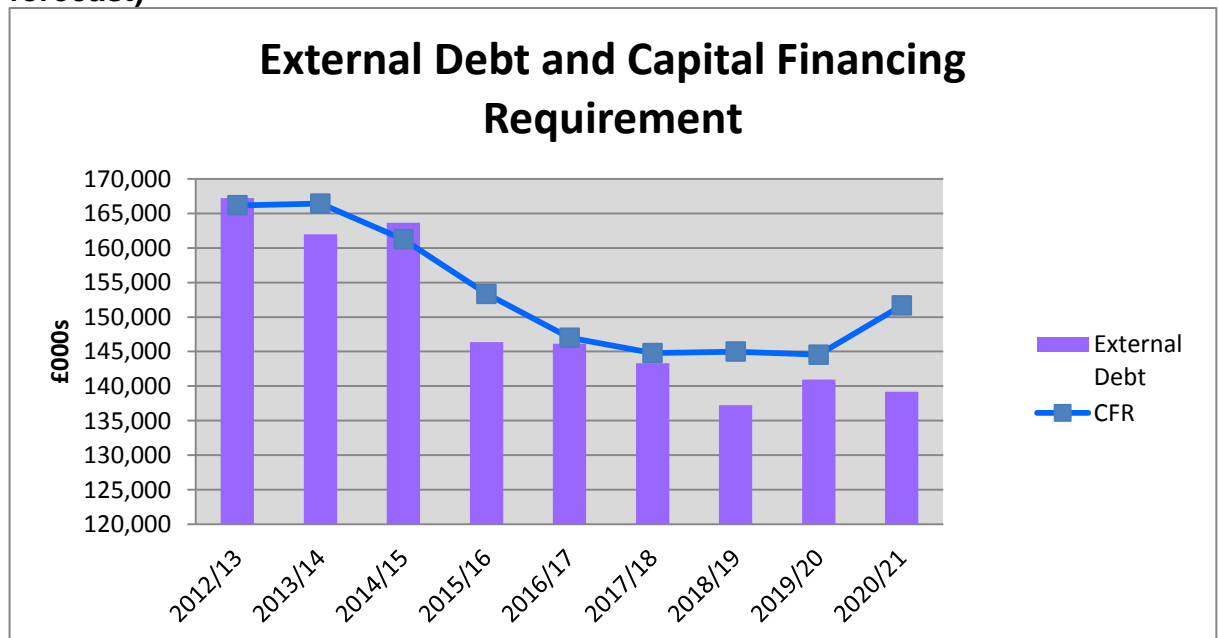
	Actual	Actual	Projected
	March 2020	September 2020	March 2021
	£000	£000	£000
Public Works Loan Board	77,512	77,099	77,098
Market Loans	18,500	18,500	18,500

LOBO Loans	5,000	5,000	5,000
Other long term liabilities	312	281	250
Temporary Loans (<1 year)	0	0	0
Long term Liabilities under Finance Lease	39,147	38,497	37,845
Total	140,471	139,377	138,693

3.20 The Capital Programme has been set in line with the Council’s strategy to minimise long term debt with the level of borrowing forecast to marginally reduce by the end of 2020/21. This is on the basis that no new external borrowing is undertaken during the remaining 6months of the year.

The following chart shows the actual and forecast level of debt up to the end of 2020/21. In addition to programmed capital spend, repayment profiles of debt maturity mean there are variations in annual change in debt year on year.

Table 5: External debt and Capital Financing Requirement (actual and forecast)



3.21 Overall there is a forecasted reduction in cumulative external debt of £28m (17%) since 2012, showing that over the longer term the Council is not increasing its level of debt, to finance its capital programme. Repayments towards PFI and finance leases also continue to reduce the Council’s overall level of external debt on an annual basis.

The total external debt of £139m forecast at end of the year remains below the Operational Boundary for External Debt (£161m) and the Authorised Limit for External Debt (£171m).

Borrowing in advance of need

- 3.22 The Council has not borrowed in advance of need in the six months ended 30th September and has no intention to borrow in advance during the remainder of 2020/21.

Debt Rescheduling

- 3.23 Debt rescheduling opportunities have been very limited in the current economic climate, given the consequent structure of interest rates, which has impacted on PWLB new borrowing rates since October 2010. Consequently no debt rescheduling has been undertaken in the current financial year.

Compliance with Treasury and Prudential Limits

- 3.24 It is a statutory duty for the Council to determine and keep under review the affordable capital expenditure limits. The Council's Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy Statement.
- 3.25 All treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement have been complied with in the financial period to 30th September 2020. These prudential and treasury Indicators are shown in Appendix 2.

4.0 Conclusions

- 4.1 Cash balances as at 30th September were at a level of £36.2m which contributes to supporting the Council's capital financing requirement internally.
- 4.2 The Council's return on investments was in line the benchmarks for the first six months of the financial year and is below the budgeted return due to the investment rates following the reduction in the base rate in March to 0.1%.
- 4.3 The Council has repaid £0.650m towards PFI and Finance leases and £0.444m towards other external debt.
- 4.4. No new external borrowing is expected to be undertaken during the remainder of the financial year.
- 4.5 Immediate cash balances have increased by £14.4m over the first six months of the year and £18m is now held in two money market funds. Short term investments have also increased by £3m. It is anticipated that the balances in the MMF's will reduce during the remainder of the financial year as funds are transferred to fulfil revenue and capital commitments.

5.0 Sustainability Implications

- 5.1 None

6.0 Resource Implications

- 6.1 *Financial Details*

6.2 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

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

Yes

6.4 Staffing

6.5 None

7.0 Exempt Reports

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

8.0 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)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	<input checked="" type="checkbox"/>
Our families; children and young people will have the best possible start in life	<input type="checkbox"/>
Women and girls will be confident and aspirational, and achieve their full potential	<input type="checkbox"/>
Our communities will be resilient and empowered so that they can thrive and flourish	<input type="checkbox"/>

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

Treasury Management Policy Statement and Practices

9.0 Equalities Impact

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

N/A Yes No

10.0 Legality

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

11.0 Appendices

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

Appendix 1 – Investment Portfolio as at 30th September 2020

Appendix 2 - Prudential and Treasury Indicators as at 30th September 2020

12.0 Background Papers

- 12.1 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

Treasury Management Strategy 2020/21 - report to Council February 2020

Author

NAME	DESIGNATION	TEL NO / EXTENSION
Helen Coleman	Corporate Accountancy Team Leader	

Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Stuart Crickmar	Director of Partnership & Performance	

APPENDIX 1: Investment Portfolio as at 30 September 2020

Borrower	Principal (£000)	Interest Rate	Start Date	Maturity Date
Bank of Scotland Plc	2,000	0.25% Variable	32 day call account	
Bank of Scotland Plc	3,000	0.2% Fixed	30/09/2020	30/09/2021
Aberdeen Standard Money Market Fund	9,000	Variable (0.03% average)		
Blackrock Money Market Fund	9,000	Variable (0.02% average)		
Royal Bank of Scotland Plc	13,132	0.1% (balances above £1m)		
Other Accounts	73	-		
Total Cash and Cash Equivalents	36,205			

Short Term Investments	Principal (£000)
Coalsnaughton NHT 2012 LLP	2,499
CSBP Clackmannanshire Investments Ltd	1
Clackmannanshire Regeneration LLP	4,906
Total Short Term Investments	7,406

Long Term Investments	Principal (£000)
Coalsnaughton NHT 2012 LLP	1,859
Total Long Term investments	1,859

TOTAL INVESTMENTS	45,470
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APPENDIX 2: Prudential and Treasury Indicators as at 30 September 2020

Treasury Indicators	2020/21 Budgeted Estimate £'000	Actual as at 30 th September 2020 £'000	Projected 31 st March 2021 £'000
Authorised limit for external debt	171,000	171,000	171,000
Operational boundary for external debt	161,000	161,000	161,000
Gross external debt	139,166	139,377	138,693
Investments	28,079*	45,470	45,470
Net borrowing	111,087	93,696	93,223

*Actual as at
31st March 2020

Maturity structure of fixed rate borrowing - upper and lower limits (excluding PFI and Finance Leases)	Upper and Lower Limits	Fixed Rate Borrowing as at 30 th September 2020 £'000	% of Total Fixed Rate Borrowing
Under 12 months	25% - 0%	31	0.03%
12 months to 2 years	25% - 0%	0	0.00%
2 years to 5 years	50% - 0%	4,020	3.98%
5 years to 10 years	75% - 0%	5,321	5.27%
10 years and above	100% - 0%	91,508	90.71%
		100,880	100.00%

APPENDIX 2: Prudential and Treasury Indicators

Prudential Indicators	2020/21 Budgeted Estimate	2020/21 Projected Outturn as at 30 th September 2020	Variance
	£'000	£'000	£'000
Capital expenditure - General Fund Services	18,806	18,505	(301)
Capital expenditure - Housing Revenue Account	6,885	6,555	(330)
Capital Financing Requirement (CFR) - General Fund	132,977	129,205	(3,772)
Capital Financing Requirement (CFR) - HRA	24,573	22,451	(2,122)
In year borrowing requirement	17,489	12,491	(4,998)
Ratio of financing costs to net revenue stream - General Fund	4.37%	4.60%	0.23%
Ratio of financing costs to net revenue stream - HRA	9.07%	8.90%	(0.17%)

Report to: Clackmannanshire Council

Date: 11 February 2021

Subject: Housing Rent Setting 2021/22

Report by: Strategic Director (Place)

1.0 Purpose

- 1.1. This report asks members to consider the output from the recent housing rent consultation and to approve the rent for 2021/22, taking into account the feedback received.

2.0 Recommendations

It is recommended that Council :

- 2.1 notes the outcome of the consultation,
2.2 agrees to a one year rent freeze for all council tenants.

3.0 Background

- 3.1 The Scottish Social Housing Charter sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. Outcomes 14 and 15 are the outcomes primarily linked to the rent setting process and the financial aspect/delivery of the HRA.

“a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them”

- 3.2 These outcomes also reflect local authorities legal duties under section 25(4) of the Housing Scotland Act 2001, to consult tenants affected by proposed rent charges and to have regard to their view.

4.0 Consultation Process

- 4.1. In recent years the housing service has generally relied upon electronic responses to rent survey. This method has not been that successful at gathering tenants views in some years, for example in 2019 the survey only received 54 responses.

- 4.2. To ensure that we met the requirements of the charter, the service decided to write to all tenants, with an information pack and a paper survey to be completed, in a freepost envelope.
- 4.3. The results of the consultation are summarised in Appendix 1.
- 4.4. The service asked opinions on three rent proposals:
- A one year rent freeze,
 - An inflation only increase (0.5%), equating to an average of 40p,
 - Or an increase on average of £1, equating to an increase of 1.22%.
- 4.5. The service received 676 responses to the survey which is the highest return to a housing consultation, without the employment of independent researchers to knock on doors. This equates to just over 13.5% of the tenant base at the time of the survey, so a highly representative sample size.
- 4.6. 69% of tenants, 425 of those responding to the survey, strongly agreed/agreed with a rent freeze. Only 47% and 48% respectively showed support for the other options.
- 4.7. The service also sought tenant's views on value for money and affordability. 74% of tenants feel that the rent charged by the council does provide value for money, with a lot of positive comments received about the quality of repairs and improvements. Some tenants even stated that the window replacement programme itself was worth the rent on its own, high praise indeed.
- 4.8. In terms of affordability, 70% of those who responded did feel the rent was affordable. However, again a key theme was the cost of smaller properties versus larger homes and the price differential being relatively minor.
- 4.9. The table below of some sample rent ranges helps illustrate this point, with the average local authority rent range being a 30% uplift in cost between smallest to highest apartment size. The Clacks rent structure is effectively half of that average, with the cost of the largest apartment size only 15% more than the smallest. Whereas in Moray, the rent increases by 135% between the cheapest charge to the highest, with Moray charging £30 less for a one apartment than Clackmannanshire but a 5 apartment costing £10 more. This is area clearly worth further research and engagement with the tenant base over.

Sample Council rent and rent range- ARC 2019/20

Apt size						
	Edinburgh	Fife	South Ayrshire	Moray	Clacks	SHR average
1	£78.62	£68.64	£68.00	£37.86	£67.35	£73.47
2	£89.07	£72.07	£73.06	£50.96	£72.14	£78.03
3	£101.68	£75.60	£74.93	£59.87	£73.97	£80.11
4	£117.07	£78.30	£79.09	£69.31	£75.87	£87.09
5	£126.18	£82.39	£83.57	£89.05	£78.07	£96.19
range	60.04%	20.03%	22.9%	135.21%	15.92%	30.92%

- 4.10. By further comparison, this is the Scottish Governments benchmark rents for approval of affordable homes projects for both Councils and RSLs. The guidance would allow for approval of a housing project with rents in this range. Rents at 5% over these targets would also receive automatic approval, and within 10% being allowable following discussions with the local authority and Scottish Government. So with Council granting permission last year to consider council new build in the capital programme the guidance would allow some flexibility in our rent structure to help with delivery.

Scottish government AHSP benchmark rents and 52 week equivalent 2020/21-2023/24*								
BEDSPACES	2020-21		2021-22		2022-23		2023-24	
	annual	weekly	annual	weekly	annual	weekly	annual	weekly
2	£3,899	74.98	£3,977	76.48	£4,057	78.02	£4,138	79.57
3	£4,366	83.96	£4,454	85.65	£4,543	87.36	£4,634	89.11
4	£4,759	91.51	£4,855	93.36	£4,952	95.23	£5,051	97.13
5	£5,043	96.98	£5,144	98.92	£5,247	100.90	£5,352	102.92
6	£5,240	100.76	£5,344	102.76	£5,451	104.82	£5,560	106.92
7	£5,676	109.15	£5,790	111.34	£5,906	113.57	£6,024	115.84

5.0 Rent Charge 2021/22

- 5.1. The financial year 2020/21 has been curtailed in delivery of the capital programme with the public health restrictions. The capital investment programme is a key determinant of the council rent strategy, with a balance of revenue surplus and borrowing paying for the investment in the stock.
- 5.2. Council in February 2020 approved an HRA Capital plan of £8.6m, which was to be funded by HRA reserves and surplus of £5.5m, and borrowing of just over £3m.
- 5.3. The expected best case outcome for the HRA Capital Plan is a total spend of £4.6m, with no borrowing required. This position is unlikely to change with the current restrictions and a number of external contractors having closed their business for legitimate reasons, even if legally they might still have been able to deliver improvement works.
- 5.4. Even with the best of intentions and with perfect information with regards the lifting of restrictions as the vaccine programme rolls out, the investment activity lost this year will not be caught up in the short to medium term. Effectively our programme will have skipped a year. Tenants investment priorities will still be met, tenants will still receive their new windows for example, and nobody will be moved out of any programme work.
- 5.5. Therefore, for the above reasons and to be reflective of the consultation output, the service is proposing this year to freeze the rents to all Council tenants. It has been a challenging year for all and not increasing the rents will hopefully go some way to relieve the financial pressure so many have endured as a result of the health emergency. This though is only possible by the HRA having a strong financial position, with a prudent approach to budget management and rent increases in previous years, matching the capital investment requirements. Therefore, future discussions on rents will need to focus closely on the business plan, the investment priorities for tenants, and the statutory requirements of the Government.

- 5.6. Council may wish to note that several Housing Associations have already taken the decision to freeze their rental charges for 2021/22 :

Abertay Housing Association, Cernach Housing Association, Drumchapel Housing Co-operative , Parkhead Housing Association, Rural Stirling and Fyne Homes.

- 5.7. The full HRA budget (Revenue and Capital), will be presented a later council meeting, alongside the Council General Fund Budget report.

6.0 Resource Implications

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

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

6.3. *Staffing*

6.4. None

7.0 Exempt Reports

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

8.0 Declarations

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

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

Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all

Our families, children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

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

9.0 Equalities Impact

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

Yes

No

10.0 Legality

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

Yes

11.0 Appendices

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

Appendix 1 – HRA Rent Consultation summary

Appendix 2 – Rent Charges 2021/22

12.0 Background Papers

12.1. 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

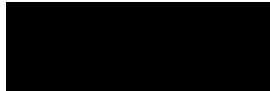
No

Housing Revenue Account Budget 2020-21 and Capital Programme 2020-21

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Murray Sharp	Senior Manager (Housing)	5113

Approved by

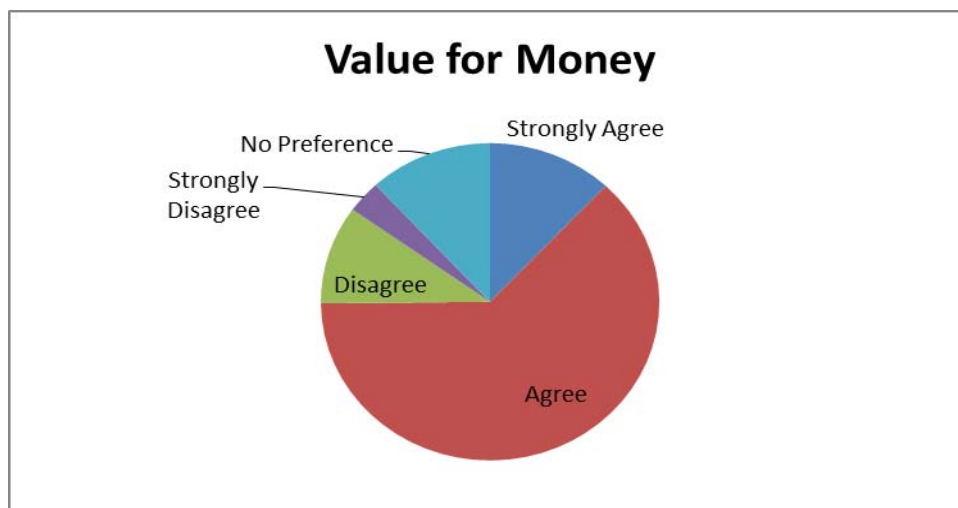
NAME	DESIGNATION	SIGNATURE
Pete Leonard	Strategic Director (Place)	

Rent Increase Consultation 2021/22

The following details the results of the postal consultation in relation to the proposed rent levels for 2021/22. The consultation packs were sent out on 12th December 2020, and the consultation closed on 14th January 2021.

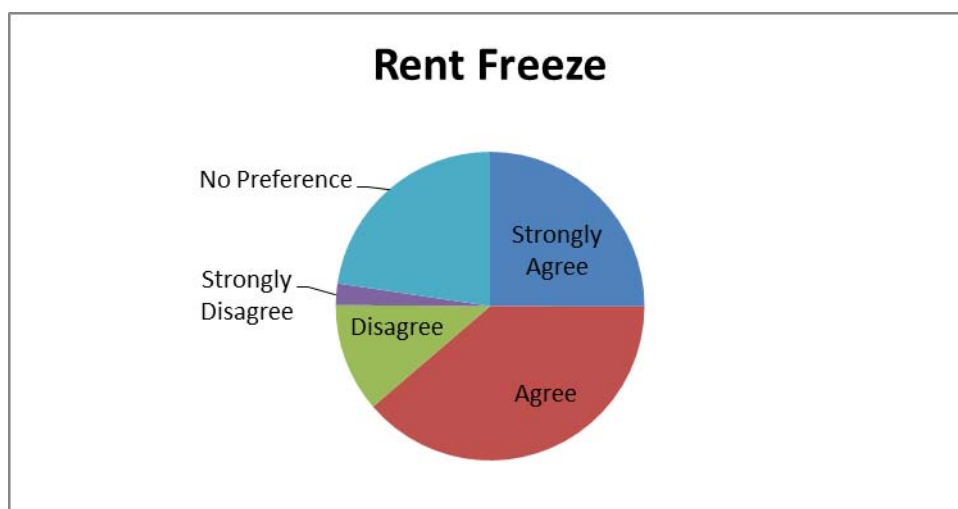
676 responses were received, a summary of the responses are detailed below:

Do you think the rent you pay represents good value for money?



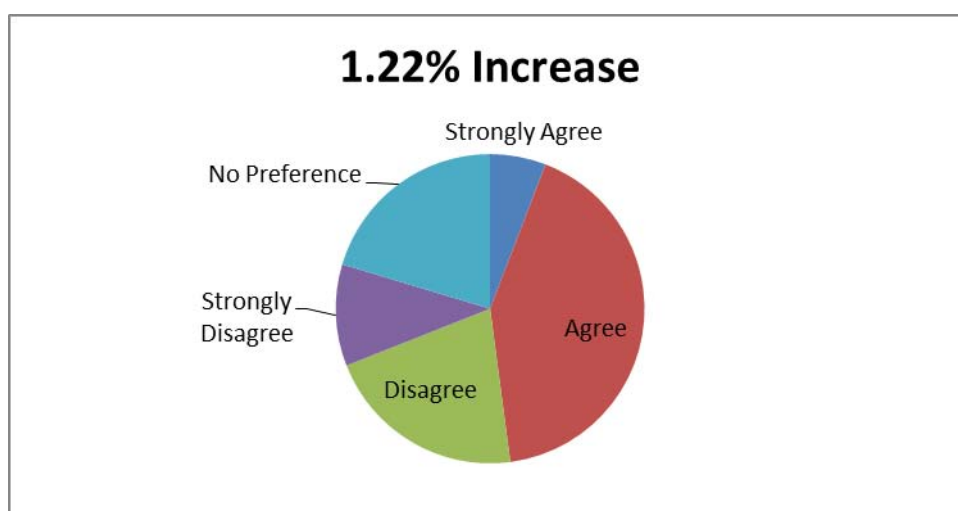
	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Value for Money	80	420	67	22	79
	11.83%	62.13%	9.91%	3.25%	11.69%

As our capital investment has been delayed this year do you feel that a rent freeze would be appropriate?



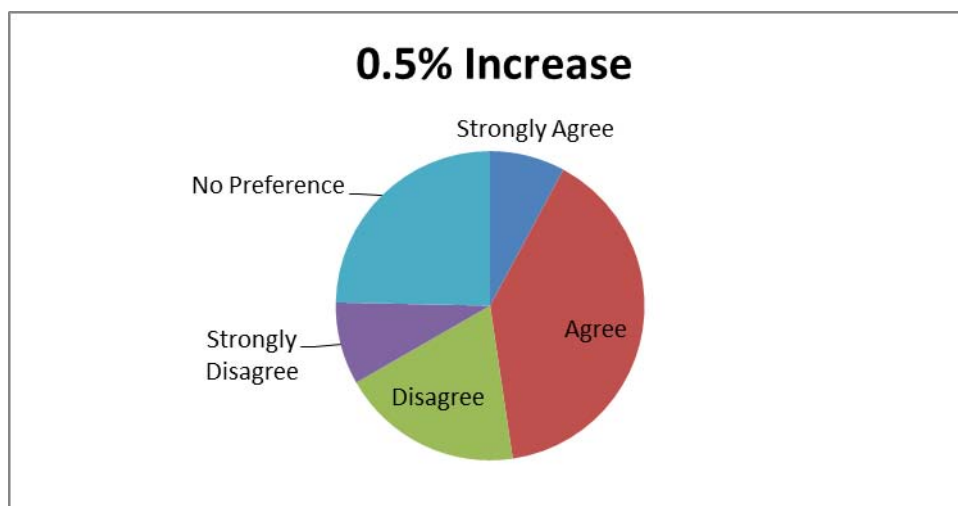
	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Rent Freeze	167 24.70%	258 38.17%	76 11.24%	15 2.22%	151 22.34%

You may want the rent to increase slightly this year, to avoid and mitigate increases in the future. For example a 1.22% increase will mean an average rent increase of around £1, meaning the average rent would be £76.48. Do you feel that a rent increase would be appropriate?



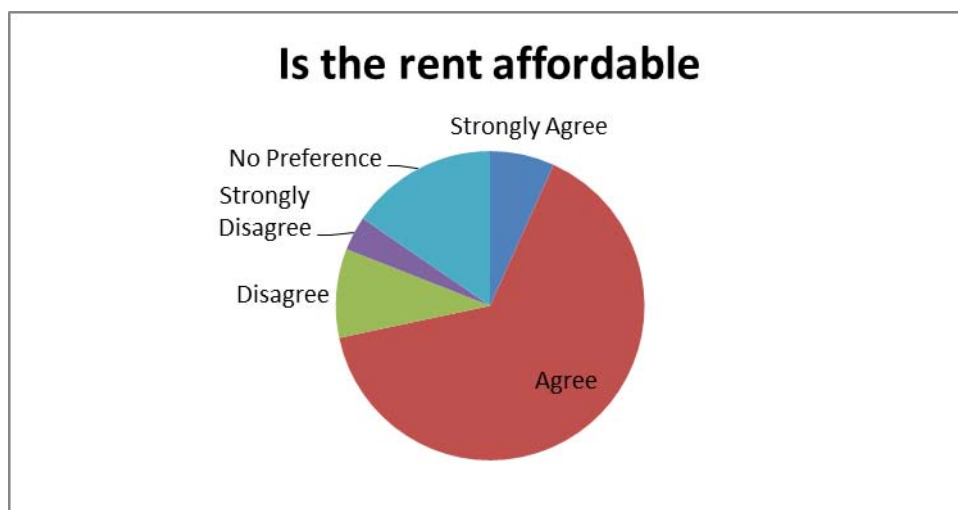
	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
1.22% Increase	39 5.77%	281 41.57%	141 20.86%	71 10.50%	136 20.12%

Or you may wish the rent to increase by the inflation rate of 0.5%. This would mean an average rent increase of around 40p, meaning the average rent would be £75.94. Do you feel that this rent increase would be appropriate?



	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
0.5% Increase	52	263	126	57	163
	7.69%	38.91%	18.64%	8.43%	24.11%

It is important that we take account of what current and prospective tenants and other customers are likely to be able to afford. As the Council’s current rent is below the average in Scotland, do you think the rent charged by Clackmannanshire Council is affordable?



	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference
Is the rent Affordable?	45	433	62	24	103
	6.66%	64.05%	9.17%	3.55%	15.24%

Rent Costs for Houses with effect from 29 March 2021

	£ Rental Charge 2021/22
1 Apartment	77.06
2 Apartment	78.92
3 Apartment	80.84
4 Apartment	82.47
5 Apartment	84.52
6 Apartment	86.58

Rent Costs for Flats with effect from 29 March 2021

1 Apartment	75.65
2 Apartment	77.46
3 Apartment	£9.37
4 Apartment	81.11
5 Apartment	83.11

Average Rent (48 weeks)	£81.85
Average Rent (52 weeks)	£75.56

Rent Cost for Lock-ups with effect from 30 March 2020

Lock-ups	Weekly
Lock-up Rent	7.65
Lock-Up with VAT	9.18

Garage Pitch Site Annual Cost £88.16 (£105.80 VAT)

The rent charge-free weeks for 2021-22 will be the weeks commencing:

2 August 2020

9 August 2020

20 December 2020

27 December 2020

Report to Clackmannanshire Council

Date of Meeting: 11 February 2021

Subject: Learning Estate: Progress Report

Report by: Strategic Director (Place) and Strategic Director (People)

1.0 Purpose

- 1.1. This paper provides an update on the progress of works on the Council's learning estate and sets out immediate next steps for taking forward the strategy that was set out in the paper to Council on 19 December 2019.

2.0 Recommendations

- 2.1. It is recommended that Council :
- 2.1.1. notes the report.

3.0 Considerations

3.1. *ABC Nursery*

- 3.1.1 The statutory consultation paper recommending the permanent closure of ABC Nursery has been drafted and the timeline proposes the consultation will run from January to March 2021, with the final report being presented to People Committee on 26.6.21
- 3.1.2 ELC provision for children who had enrolled at ABC Nursery for session 2020/21 is being provided by Clackmannanshire ELC establishments and Partner Provider Nurseries.

3.2 *Park Primary and Nursery Extension*

- 3.2.1 The Design and Build Contract was signed on 3 December 2020. The provisions in relation to COVID19 within the DBDA are any delay in the completion of the works caused as a direct result of (i) closure and mobilisation of the Site in compliance with Law or SG Policies; (ii) restrictions on the operation of the Site as a direct result of COVID pandemic imposed by Law or SG Police; and (iii) delay in the delivery of materials to Site as a direct result of the COVID pandemic will be a Delay Event which will give the Contractor additional time to complete the Works.

- 3.2.2 In terms of the delivery timetable for this project, this is scheduled to be completed by the 16th of August 2021. Works are progressing well on site. The slab work was completed on the 23rd of December with the timber kit installation started on the 11th of January. Roof trusses are currently in fabrication and windows have already been manufactured.
- 3.2.3 There is understandable concern from the Project Team given the current lock down restrictions affecting the timeline and potential material supply for the project. We are keeping a close focus on this and working with our Hubco partners and appointed contractors.
- 3.2.4 The contractor has confirmed in writing that they have no immediate concerns over supply chain materials and equipment or labour. We are however monitoring this situation given the position with the pandemic and Brexit.
- 3.2.5 Full design work for the roof upgrade of the existing Nursery Building recommenced in December 2020 and is due for final design review by the Councils Property Technical Team in mid- February. In terms of the Scottish water drainage connection issues, survey reports have been concluded on and will inform for further consultation and scheme design agreement with Scottish Water.
- 3.2.6 ELC contingency is being planned to ensure that all children can access ELC provision for August 2021 in the event of construction delay.
- 3.2.7 The Project budget is currently on target with the re-profiled figure agreed at council on the 24th of September 2020.
- 3.3 ***Former CSSS Building at Bedford Place***
- 3.3.1 The Property Team have secured the building perimeter of the building with fencing, suitable access ways and warning signage. Both Building Standards & the Health & Safety Team have inspected the installation and approved it as appropriate for the task of deterring entry to the site. The building has been scaffolded around its external perimeter to allow access for visual inspections and to stabilise sections of the external façade. In addition, dormer sections have been braced and propped with and loose visible masonry tied into the structure where deemed necessary. Weekly external inspections are being undertaken by property maintenance officers from Kelliebank.
- 3.3.2 The Property Team have liaised with the Building Standards and Health and Safety Officers within the Council to assess safe access to the property for inspection purposes. Both have confirmed that access to the building site is restricted to approved personnel only with no lone visits allowed.
- 3.3.3 Both Building Standards and the Health and Safety Officer were satisfied with the actions taken to date by the Property Maintenance Team in the pre-emptive steps carried out to secure the building structure and the management policy and procedures in place to allow safe access.
- 3.3.4 Additional scaffold netting has been fitted to ease concerns at the western elevations next to the adjacent BT Telephone exchange building and at the wagon way on the eastern elevations. BT has been contacted to make them aware of the current management issues with this building. BT are satisfied

with the works undertaken and that the building currently presents no risk to their property. The property Team will keep them informed of ongoing events.

- 3.3.5 In terms of the next steps, we have written a brief for a full options appraisal and structural assessment of the building. This will be included in the impending Learning Estate feasibility and Condition Survey programme. Costs for procurement through East of Scotland Hubco are being sought. This building will be prioritised for review once budget has been identified and the contract has been awarded.
- 3.3.6 A capital bid for upgrade cannot reasonably be considered until all feasibility, structural assessment and Historic Environment Scotland (HES) Building appraisals have been undertaken. NOTE: The building was constructed in 1875 and is a Category "C" Listed Building within a conservation area.
- 3.3.7 Only following this appraisal work we can undertake a full options appraisal and potentially begin any statutory consultation with HES, and the planning authority. Similarly, this work is required before the Council can engage in any statutory consultation required to determine the future of the school establishment for Clackmannanshire Secondary Support Services. Members are reminded that the relocation of the service to The Orchard was done on a temporary basis in response to the urgent requirement to relocate the service whilst the issues in the Bedford Place building were being addressed.

3.4 ***Bowmar Centre***

- 3.4.1 A Project Request Client Brief was submitted to East of Scotland Hubco on the 4th of December to register an application to procure a contract through the existing Hubco frameworks. A full supporting package was also forwarded including recent structural assessments and roof condition surveys carried out in June 2020.
- 3.4.2 In December 2020, the Scottish Government confirmed that the funding grant can be drawn down if a contract has been established before the 31st of March and the works committed. We are confident that a contract will be agreed in the coming weeks to meet this deadline.
- 3.4.3 Works to the Bowmar would be anticipated to start no earlier than April with cognisance taken to the fact the building will be used for the elections as a polling place in early May 2021.
- 3.4.4 The proposed digital hub will form part of the approach being developed under the City Region Deal Digital Hubs project. Liaison between Education team and CRD lead will take place in the spring to further develop the concept and design.

3.5 ***Options Appraisals and Condition Surveys***

- 3.5.1 A Project Request Client Brief was submitted to East of Scotland Hubco on the 4th of December to register an application to procure a contract through the existing Hubco frameworks. This comprehensive review will assess current school requirements, future requirements; assess local planning and development opportunity council wide. Integral to this assessment will be a full revised condition and structural assessment of our current school portfolio.

3.5.2 A full briefing document along with Condition Survey assessment criteria has been developed and this contract requirement will be incorporated into any contract.

3.5.3 The Condition survey works will be undertaken in 2 phases. Initial findings are likely to be presented to the Council towards the end of the summer 2021 with the final conclusions being presented in the summer of 2022 following the conclusion of the structural survey investigation programme. Survey works for establishments requiring options appraisals will be prioritised for early attention within this timescale.

3.5.4 This is a significant piece of work which will enable the Council to be in a better position to bid for both internal and external funding within a context of an overall over-arching corporate strategic asset management approach, utilising existing buildings and maximising the potential of our Assets.

3.6 ***Completed Works – Tullibody South/Craigbank & Menstrie Nursery***

3.6.1 Phase 4 of the Tullibody South Campus project is 97% complete and this includes the final external areas and the Multi Use Games Area (MUGA). The final drainage approval and connection works to School Road have now been agreed with Scottish Water and drainage work is scheduled to be completed by the end of February 2021. This will enable the final contractual and legal handover to be completed. All other external areas will be completed in the coming weeks including remaining landscape works, tree planting, turf to the mound and general tidy with the existing the Coat of Arms to be placed in its final position during these works. The site compound will be removed also.

3.6.2 Early Years Nursery works at Menstrie and Craigbank Primary campuses have been completed pending final defects being concluded. These are scheduled to be completed in the coming weeks.

3.7 ***Learning Estate Investment Programme Submission***

3.7.1 In October 2020, officers submitted a bid to the Scottish Government's Learning Estate Investment Programme (LEIP), with respect to a proposed Alloa South Campus. Scottish Government officials alongside SFT, COSLA officers and representatives from ADES Resources and Directors of Finance assessed all the submissions at an assessment workshop on the 5th November 2020, using a standard set of criteria.

3.7.2 The Alloa South Campus bid was not selected to go forward as part of the Scottish Government's investment programme at this stage. The view of the panel was that there was insufficient information enable the project to be assessed against the set criteria for Condition or Growth.

3.7.3 The panel felt that the concept of the project was very interesting and aligned with the aims of the Scottish Government's Learning Estate Strategy. Scottish Government officials have indicated a willingness to work with the Council on the strategic direction of it's learning estate and discussing which projects might be suitable for consideration for Scottish Government support within any future phases of the programme.

4.0 Sustainability Implications

4.1. There are no specific sustainability issues under consideration in this paper.

5.0 Resource Implications

5.1 Financial Details

5.2 The full financial implications of the recommendations are set out in the report. Yes

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

5.4 Staffing

5.5 There are no additional human resources required.

6.0 Exempt Reports

6.1 Is this report exempt? (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)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all

Our families; children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(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

9.0 Legality

- 9.1 The Act 2010 requires an education authority to undertake a consultation before it implements a relevant proposal which it has formulated. The 2010 Act sets out what proposals are relevant proposals and require consultation.
- 9.2 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".

None

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

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Report to Clackmannanshire Council

Date of Meeting: 11 February 2021

Subject: Leisure Provision in Clackmannanshire

Report by: Strategic Director, Partnership & Performance

1.0 Purpose

- 1.1. The purpose of this report to update Council on the current position with the Alloa Leisure Bowl, including negotiations on the Management Agreement with Wasp Leisure Limited, and developments since the ongoing COVID pandemic outbreak.
- 1.2. The report seeks agreement to cease leisure provision at Alloa Leisure Bowl and terminate the current Management Agreement and Lease Agreement pending an options paper to be brought to Council.

2.0 Recommendations

- 2.1. It is recommended that Council:
- 2.2. Notes the progress of negotiations with Wasp Leisure Limited on a short term solution prior to the Covid pandemic, and support provided since March 2020;
- 2.3. Notes that there are a number of significant Covid-19 and other property issues associated with the Alloa Leisure Bowl facility that need to be addressed in the context of a wider review of leisure provision in Clackmannanshire;
- 2.4. Notes that the impact of the pandemic on the current operating environment, combined with escalating property costs means that the current leisure operating model and service provision are no longer considered financially sustainable;
- 2.5. Agrees that current leisure provision from Alloa Leisure Bowl should cease;
- 2.6. Agrees that officers enter into negotiations with Wasp Leisure Limited to effect termination of the current Management Agreement and Lease Agreement for the Alloa Leisure Bowl;

- 2.7. Agrees that officers continue to further develop a leisure provisions option appraisal as a matter of priority, with recommendations for sustainable future provision, including access to swimming pool provision for Clackmannanshire in the short and long term;
- 2.8. Agree that officers bring an update report and options paper (referred to at 2.7) back to Council for consideration by 31 March 2021;
- 2.9. Should Council agree to the recommendation at paragraph 2.8, note the intended options outlined Table 1;
- 2.10. Should Council agree recommendations at paragraph's 2.5 to 2.9, note the indicative timetable outlined at Table 2.

3.0 Considerations

- 3.1. Wasp Leisure Limited (WLL) successfully tendered to operate the Alloa Leisure Bowl in 2009. This was on the basis of an initial 5 year contract with an option to extend to 10 years. The extension option was taken up in September 2014 following a number of amendments to the Management Agreement. The current contract was due to expire in October 2019, however, in March 2019 Council agreed; that a short term solution be developed beyond that date, and noted that the Sport and Active Living Framework included a commitment to undertake a strategic review of leisure facilities in Clackmannanshire.
- 3.2. Protracted negotiations continued with WLL on a solution throughout 2019, and whilst provision continued, there had been no agreement by the time the Prime Minister announced a national lockdown in late March 2020. Since that time, the Alloa Leisure Bowl has remained closed. The Council has continued to support WLL to operate the Alloa Leisure Bowl on a mothballed basis, through continuing to make full monthly management payments throughout the period of lockdown to the current date. In addition, payments in advance were provided for a period to assist with reported cash flow issues resulting from a lack of income combined with ongoing fixed costs.
- 3.3. With WLL indicating that it expected the Council to bear future cost of repairs to the building's plant and infrastructure, the Council commenced recommissioning works in September 2020 with the view to enabling some form of limited reopening at part of the restrictions in place at that time.
- 3.4. These works are currently suspended as a result of Tier 4 restrictions and pending a further specialist survey due on the heating and ventilation systems. What is clear at this stage is that, particularly in the context of a COVID operating environment, the scale of recommissioning works will be significantly more extensive and costly than initially envisaged.

- 3.5. Known recommissioning and ongoing building compliance and essential maintenance works to date are estimated at approximately £650,000 over the next 5 years, with a significant proportion required in Year 1. The building has no windows for natural ventilation; therefore, creating a Covid-19 safe building will require ventilation assessment and additional measures. Furthermore, survey work already undertaken by Property Service highlights potential risks associated with a failure of the aging plant, heating and ventilation systems, with the possibility of worst case replacement/repair costs estimates in the region of £1.1M.
- 3.6. Given that no satisfactory agreement was reached on continuance of the Management Agreement, an increasingly prolonged Covid-19 service interruption, and that there are now substantial additional associated costs falling to the Council, looking to the future, it is increasingly challenging to justify that current arrangements are sustainable, or indeed represent Best Value.
- 3.7. As such, and given the prospect of ongoing restrictions on leisure operations for the foreseeable future, it is proposed that the Council agrees to terminate the current management agreement and lease on Alloa Leisure Bowl with WLL and cease leisure operations from the facility.
- 3.8. There is no specific notice provision in the Management Agreement; however, a maximum 3 month period would seem a reasonable timeframe in which to conclude an orderly handback, which would include a 42 day notice period requirement on the lease.
- 3.9. Should Council agree to the proposal at paragraph 3.7, options on future leisure provisions will need to be fully considered, and this work is already under development. The basis of options at this stage will need to consider long term and any transitional arrangements, on an assumed Council aspiration to sustainably modernise and continue integration of its learning and leisure estate. It would also assume a desire to retain access to swimming provision for Clackmannanshire's residents in some form. A separate, Leisure options paper, with indicative cost benefit analysis, will be developed for long term options as part of the *Be the Future Programme*. Table 1 outlines a proposed long list of options for consideration.

No	Option	Outline
1	Do Nothing	Status quo as a baseline position for comparative purposes.
2	Consolidate provision around the remaining Leisure estate.	Investigate the risks, costs and benefits of consolidation around the Council's remaining Leisure estate. This option would include swimming provision options.
3/4	Develop a hub and spoke community campus model: in-house, and or community trust partnership options	Investigate the risks, costs and benefits of developing a community campus model around the current Leisure estate. This option would include exploration of: <ul style="list-style-type: none"> Incorporating a leisure hub model as part of a wider Alloa South community campus development;

No	Option	Outline
		<ul style="list-style-type: none"> Place-based, community leisure and health models –with the potential for integration/concentration of sports, active living, wellbeing and associated health professions; swimming provision options; partnering with community trusts/voluntary sector as spokes and hubs to promote and deliver integrated sport, active and healthy living in the community.

Table 1 – Potential Transitional Options

- 3.10. Council officers have commenced working on an options paper, which will be brought to Council for further consideration as soon as possible, with an update on the handback and options progress paper provided no later than 31 March 2021. Given the prevailing budget position and the short, medium and long term impacts and costs of COVID, there will be a need to ensure that any options are realistic in terms of affordability and sustainability, whilst having due regard for statutory requirements, including Equalities and Fairer Scotland duties.
- 3.11. At the time of writing, enhanced Tier 4 Covid regulations are in place until at least the end of February 2021, which means that indoor leisure in any form is not permissible. Whilst there is much uncertainty at this stage, given that indoor leisure has been substantially restricted since March 2020, it is reasonable to assume that restrictions/limitations on indoor leisure in some form will continue for a considerable period and at least until such times as the vaccine deployment is substantially more advanced across the wider population.

Activity	Indicative Completion
Leisure operations formally cease at ALB	February 2021
Commence lease/contract termination	February 2021
Transitional negotiations with current provider on handback	February/March 2021
Council update on handback progress and appraisal development	March 2021
Maximum duration of notice period and handback to Council concluded	May 2021
Leisure model options appraisal prepared and Council decision	May 2021
Commencement of detailed feasibility study on preferred long term option	May 2021
Commencement of Council's preferred interim option operational in some form (Covid restrictions dependant)	Between May and Sept 2021

Detailed designs, costings and governance approval on preferred long term option	Feb/March 2022
Preferred long term option operational	TBC

Table 2 – Indicative Timetable

- 3.12. Irrespective of the option Council ultimately agrees, should it agree to terminate the current Management and Lease Agreement with WLL, on cessation, the Council will reduce management payments by circa £45,000 per month on conclusion of the notice period. However, there will also be ongoing costs on handback until such times as the facility is fully decommissioned. For example, rates, utilities, chemical/water management, security and maintenance cost, albeit substantially reduced on that to be expected in an operational context.
- 3.13. Non operational costs prior to full decommissioning are estimated at approximately £20,000 per month.
- 3.14. It should be noted that termination of the management agreement, with cessation of operations at ALB, may necessitate WLL to initiate redundancy notices for a number of staff, some of whom may have been on furlough since March 2020. WLL confirmed a number of redundancies were previously initiated in autumn 2020. Given the closed book nature of the current management agreement, a wider WLL portfolio of provision, possible staff turnover since March 2020, and a use of flexible employment arrangements, the impact of termination of the management agreement on its permanent staffing are not definitively known. It is estimated that this could be circa 30-50 posts.
- 3.15. It will take a period of time to undertake feasibility studies, and to design, cost and implement a preferred long term option, requiring substantial capital investment. In addition, there will be costs associated with any interim provision options as well as decommissioning of the ALB. The risks, benefits and indicative costs of each option will be set out in more detail within the forthcoming Leisure provisions options paper to Council. At this point, an indicative timetable of key milestones is set out above within Table 2.

4.0 Sustainability Implications

- 4.1. The size, age and nature of Alloa Leisure Bowl mean that it is a facility with a relatively large carbon footprint. Any future options on leisure provision in Clackmannanshire will need to have due regard as to environmental sustainability.
- 4.2. The current leisure operating environment has become increasingly uncertain. This risk factor, combined with escalating Covid and non Covid property costs and risks associated with the Alloa Leisure Bowl given the age and design of the facility, poses questions about the fundamental sustainability of the current model leisure provision going forward.

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

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

Paragraph 6 states:

Information relating to the financial or business affairs of any particular person (other than the authority). At the Council Meeting of 11 February 2021, the Council resolved to take this item of business in public.

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)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all

Our families; children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(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 This will form part of the full Leisure options paper.

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".

None

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

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