



**Clackmannanshire
Council**

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Comhairle Siorrachd
Chlach Mhanann

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

Meeting of Clackmannanshire Council

Thursday 19 August 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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10 August 2021

A MEETING of the CLACKMANNANSHIRE COUNCIL will be held via VIDEO CONFERENCE (MS TEAMS), on THURSDAY 19 AUGUST 2021 at 9.30 AM.

STUART CRICKMAR
Strategic Director (Partnership and Performance)

p.p. 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 24 June 2021 (Non Exempt)	07
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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 reports are treated as exempt from the Council’s general policy of disclosure of all papers by virtue of Schedule 7A, Part 1, Paragraphs 1 & 9 of the Local Government (Scotland) Act 1973.

17. Confirm Minute of Meeting of Clackmannanshire Council held on Thursday 24 June 2021 (Exempt) (Copy herewith)	335
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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	Denis Coyne	5	Clackmannanshire East	CON



**MINUTES OF MEETING of the CLACKMANNANSHIRE COUNCIL held via MS Teams, on
THURSDAY 24 JUNE 2021 at 9.30 am.**

PRESENT

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

IN ATTENDANCE

Nikki Bridle, Chief Executive
Pete Leonard, Strategic Director (Place)
Stuart Crickmar, Strategic Director (Partnership & Performance)
Lorraine Sanda, Strategic Director (People)
Fiona Colligan, Strategic Director (Transformation)
Lindsay Sim, Chief Finance Officer (Partnership & Performance)
Chris Alliston, Senior Manager – HR and Workforce Development (Partnership & Performance)
Iain McDonald, Senior Manager - Environment (Place)
Cherie Jarvie, Senior Manager – Partnership & Transformation (Partnership & Performance)
Alastair Hair, Team Leader – Workforce Development and Learning, (Partnership & Performance)
Nick McGann, Communications Officer (Partnership & Performance)
Lynda McDonald, Improving Outcomes Manager (People)
Elizabeth Hutcheon, Management Accountancy Team Leader (Partnership & Performance)
Lesley Baillie, Strategy and Performance Advisor (Partnership & Performance)
Fiona Grinly, Strategy and Performance Advisor (Partnership & Performance)
Wendy Forrest, Health and Social Care Partnership
Lindsay Thomson, Senior Manager (Partnership & Performance) (Clerk to the Council)
Gillian White, Committee Services (Partnership and Performance)

The Provost intimated with sadness that former Councillor Bill Mason had recently passed away. The Provost commented that Councillor Mason was a true gentleman who carried out his business with quiet dignity and as a mark of respect, the Council stood for a minutes silence to remember Councillor Mason. The Provost advised that the Council flag had also been lowered to half mast. Councillor Benny also paid tribute to Councillor Mason.

CC.401 APOLOGIES

Apologies were submitted by Councillor Derek Stewart.

CC.402 DECLARATIONS OF INTEREST

None.

**CC.403 MINUTE OF MEETING OF CLACKMANNANSHIRE COUNCIL
22 APRIL 2021**

The minutes of the meeting of the Clackmannanshire Council held on 22 April 2021 were submitted for approval.

Councillor Dixon advised that he had been noted as having attended the meeting, but he had not attended.

Decision

Subject to Councillor Dixon being removed from the list of attendees, the minutes of the meeting of the Clackmannanshire Council held on 22 April 2021 were agreed as a correct record.

**CC.404 MINUTE OF SPECIAL MEETING OF CLACKMANNANSHIRE COUNCIL
31 MAY 2021**

The minutes of the special meeting of the Clackmannanshire Council held on 31 May 2021 were submitted for approval.

Decision

The minutes of the meeting of the Clackmannanshire Council held on 31 May 2021 were agreed as a correct record.

**CC.405 COMMITTEE MEETINGS CONVENED SINCE THE PREVIOUS COUNCIL
MEETING ON 22 APRIL 2021**

The Council agreed to note the Committee meetings that had taken place since the last ordinary meeting on 22 April 2021.

- (i) Clackmannanshire Licensing Board 27/04/21, 25/05/21& 10/06/21
- (ii) Clackmannanshire Licensing Board Sub Committee 23/04/21 & 13/05/21
- (iii) Audit Committee 29/04/21 & 17/06/21
- (iv) Partnership & Performance Committee 13/05/21
- (v) Place Committee 20/05/21
- (vi) Planning Committee 20/05/21
- (vii) People Committee 27/05/21
- (viii) Regulatory Committee 27/05/21
- (ix) Education Appeal Committee 14/06/21

**CC.406 AUDIT COMMITTEE 17 JUNE 2021 – COVID 19 REVIEW AND DEBRIEF
UPDATE**

The Clerk advised that on 17 June 2021, the Audit Committee had agreed to note a report entitled "Covid 19 Review and Debrief Update", submitted by the Senior Manager, Partnership and Transformation with a revised timetable for the debrief activity previously instructed by Council. As a result of the increase in case number of the virus and the return to lockdown measures there had been a delay in the Covid 19 Review and Debrief, and therefore the Clerk asked the Council to note that interim results will be available in September 2021 and an update report brought to next Audit Committee.

The Council agreed to note the information provided by the Clerk.

CC.407 COMMITTEE MEMBERSHIP CHANGES – CONSERVATIVE GROUP

The report, submitted by the Senior Manager, Legal and Governance, sought Council agreement to make changes to the membership of committees in relation to the Conservative group.

Motion

To agree the recommendations as set out in the report.

Moved by Councillor Darren Lee. Seconded by Councillor Mike Watson.

Decision

The Council agreed that:

1. Councillor Denis Coyne should replace Councillor Martha Benny on the Place Committee; and
2. Councillor Denis Coyne should replace Councillor Martha Benny on the Partnership & Performance Committee.

Action

Senior Manager, Legal and Governance

CC.408 BE THE FUTURE UPDATE

The report, submitted by the Strategic Director (Transformation), provided an update on activity on the Council's Be the Future Programme. The report also provided an update on on-going transformation activity and the developments in the Council's strategic partnerships that will underpin the transformation programme in this next phase.

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 to note:

1. The work that has been completed on the development of the Strategic Roadmap, that brings together the existing building blocks of the Be the Future programme into a model that enables an integrated approach to further increase pace and scale of delivery (section 3.0);
2. The action plan for the Strategic Roadmap which will continue the work on our journey towards sustainable public services as outlined in the Be the Future plan (paragraph 4.13);
3. The positive response from the Clackmannanshire Alliance to the Council's approach to Community Wealth Building and the Well-being economy which was evidenced in the response to the proposals on anchor partnerships at the Alliance meeting June 2021 (paragraphs 7.1 and 7.2);
4. The proposal to formalise other strategic relationships with key partners so that arrangements that align resource and commitments against common priorities in the delivery of the Be the Future programme are captured, agreed and have collective accountability, with the initial focus on Sportscotland, University of Stirling and Scottish Futures Trust in support of the proposed 'Transformation Zones' (paragraph 7.3);
5. The intention to develop a strategic communications plan to support engagement, consultation and messaging for the next phase of the Be the Future programme (paragraph 5.6)
6. The proposals to develop a workstream within the Be the Future programme on Community leadership, capacity building and local democracy (section 6.0).

7. The work in hand on the governance structures for the Be the Future programme and that any further proposed enhancements, including potential delegations will be presented to future Council meetings (section 5.0);
8. The operating model that underpins delivery of the Be the Future programme in this next phase which organises existing resource and the previously agreed investment from the Transformation Fund for maximum impact and to support pace (paragraphs 5.1-5.6);
9. The progress in the City Region Deal programme, in particular the approval of Scotland's International Environment Centre (SIEC) Business Case by the Stirling and Clackmannanshire City Region Deal Joint Committee which will enable Phase 1 of the Centre to be deployed in Clackmannanshire (paragraphs 9.8 - 9.11) and the issuing of the Grant Offer Letter that moves the Deal into delivery (paragraph 9.4);
10. The positive outcomes from the evaluation of the STRIVE pilot and that officers are now working on proposals for scale-up from this pilot in the context of the strategic workstreams as outlined in this paper (paragraphs 9.12- 9.14);
11. The pace of development in the Driving change in Mental Health and Wellbeing project which is a critical component of the strategic workstreams within Be the Future as outlined in this paper (paragraphs 9.15- 9.18); and
12. The intent to identify 'Transformation zones' across the county (paragraphs 4.7 – 4.8) and to undertake a rapid scoping assessment to develop the proposals for the Alloa Transformation Zone as part of Phase 1 (to July 2023) of the Strategic Roadmap (paragraph 4.9).

The Council agreed to approve:

13. The investment of £120k from the £1.201m uncommitted Transformation Fund balance to fund a new post of Senior Manager (Transformation) for a fixed term contract of 18 months (paragraphs 8.2- 8.6);
14. That, notwithstanding the previous Council decision on recruitment of senior managers being delegated to the Appointment Committee, that the recruitment to this fixed term post is delegated to the Strategic Director for Transformation (paragraph 8.7);
15. The investment of £54k from the uncommitted Transformation Fund balance of £1.201m to bring all contracts in the Programme Management Office into line (paragraph 8.10);
16. The creation of a £350k flexible resourcing fund from the uncommitted Transformation Fund balance of £1.201m, with expenditure decisions delegated to the Strategic Oversight Group to underpin the delivery of the transformation programme. (paragraphs 8.8 – 8.9); and
17. That the additional discretionary funding of £372,000 from Scottish Government be allocated to improvements and maintenance within West End Park, Alloa as outlined at paragraphs 6.5 to 6.9 of this report subject to the necessary financial and legal considerations, including appropriate procurement and any title conditions over the park. That responsibility for the finalisation of the design and delivery of the project is delegated to the Strategic Director (Place).

Action

Strategic Director (Transformation)

CC.409 UPDATE ON 2020/21 ANNUAL ACCOUNTS

The report, submitted by the Chief Finance Officer, provided Council with an update on the preparation and timetable for the submission of the unaudited and final financial statements for 2020/21

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:

1. Noted that the requirement at paragraph 6.4 in the Council's Financial Regulations provides for the Council's section 95 officer to present the draft accounts to a meeting of the full Council before 30 June and the requirement of paragraph 6.5 to present the audited financial statements to Committee by 30 September;
2. Noted that this timescale will not be met this year and that therefore an updated timescale for approval of the 2020/21 draft financial statements, submission of the draft financial statements to the Council's external auditors for audit, and that audited financial statements has been prepared and agreed with Audit Scotland. The timescale will require audited financial statements to be presented to Audit Committee on 25th November for final approval, as set out in paragraph 3.5, table 1; and
3. Agreed to disapply paragraph 6.4 and 6.5 of Financial Regulations for this year's process.

Action

Chief Finance Officer

CC.410 SCHEME FOR THE ESTABLISHMENT OF COMMUNITY COUNCILS

The report, submitted by the Strategic Director (Partnership and Performance), updated Council on the outcome of the first stage of consultation on the Scheme for the Establishment of Community Councils and requested approval to initiate the second stage of the process to consult on a new draft Scheme for the Establishment of Community Councils.

Motion

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

Moved by Councillor Helen Lewis. Seconded by Councillor Donald Balsillie.

Decision

The Council agreed to:

1. Note the boundary changes proposed following public and note that there are no proposals to change the composition of any of the nine community councils; and
2. Approve for public consultation the new draft Scheme for the Establishment of Community Councils.

Action

Strategic Director (Partnership and Performance)

CC.411 UNISON ETHICAL CARE CHARTER

The report, submitted by the Head of Strategic Planning & Health Improvement, sought Council agreement to endorsing the UNISON Ethical Care Charter and that the Council Leader signs the Charter on the Council's behalf.

Motion

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

Moved by Councillor Les Sharp. Seconded by Councillor Ellen Forson.

Decision

The Council:

1. Agreed to endorse the principles of UNISON's Ethical Care Charter;
2. Agreed that the Council Leader signs the Charter on behalf of Clackmannanshire Council;
3. Noted that the Integration Joint Board, at a meeting on 21st September 2016, noted both the principles of the Charter as well as endorsing the progress being made towards implementation of the principles;
4. Agreed that the Chief Officer of the Integration Joint Board provides regular updates on progress through the Clackmannanshire Council committee structure as well as to the Integration Joint Board; and
5. Recognised that the Council cannot legally enforce the requirements of the Ethical Care Charter contractually during the contract life cycle of existing contractual arrangements.

Action

Head of Strategic Planning & Health Improvement, IJB

CC.412 ABC CLOSURE

The report, submitted by the Improving Outcomes Manager, provided information on the outcome of the formal consultation on the permanent closure of ABC Nursery and sought Council approval and authority for officers to progress the permanent closure of ABC Nursery from 1st September 2021.

Motion

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

Moved by Councillor Graham Lindsay. Seconded by Councillor Les Sharp.

Decision

The Council agreed to permanently discontinue ABC Nursery School from 1st September 2021, and thereafter Agrees to declare the ABC nursery building at Grant Street in Alloa surplus to operational requirements.

Action

Strategic Director (People)

The Provost adjourned the meeting at 11.11 am. The meeting resumed at 11.25 am with 17 members present.

The Provost advised that she would re-order the agenda to take Items 12 and 13 as the next items of business followed by Items 11 and 14.

CC.413 NOTICE OF MOTION IN TERMS OF STANDING ORDER 16 – PARKING CHARGES

A notice of motion in terms of Standing Order 16.0 was submitted by Councillor Kenneth Earle.

Motion

“Council decided on 24 October 2019 to prepare a parking management strategy that includes the option to fund enforcement of the Special Parking Area through parking charges.

Council is invited to agree to amend its strategy to remove the ability to impose parking charges for at least five years. This will assist businesses in attracting customers back as we move out of lockdown.”

The Clerk advised that under Standing Order 17.1 no motion that tries to alter or withdraw a council or committee decision (or has that effect) will be considered or passed for at least six months from the date of the original decision. As the motion would affect a decision to allocate capital funding taken at the budget meeting held on 24 March 2021 to fund parking management, the six month rule was engaged and the Clerk declared that the motion would not be competent.

Councillor Earle expressed his disappointment that he had not been contacted prior to the meeting to advise that his motion was not competent. He asked that the circumstances around why this had happened are given proper scrutiny.

The Convenor of the Place Committee made it clear that before any parking enforcement is brought in, that Council will be invited to consider its position.

CC.414 NOTICE OF MOTION IN TERMS OF STANDING ORDER 16 – SPACES FOR PEOPLE

A notice of motion in terms of Standing Order 16.0 was submitted by Councillor Kenneth Earle.

Motion

“On 26 May 2020 Clackmannanshire Council’s EDMF agreed to make a bid to the Spaces for People fund to implement an action plan which included the temporary closure of Alloa Town centre to all vehicles other than emergency or refuse collection vehicles. The action plan was brought into effect by way of an experimental road closure order which will be in force until 23 December 2021.

Council is invited to agree that this order should be revoked given its impact on local business.”

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

Voting

In terms of Standing Order 14.7, Councillor Earle asked for a roll call vote. The Council agreed that a vote be taken by calling the roll and at this stage there were 17 members present who were eligible to vote. On the roll being called, the elected members present voted as follows:

For the Motion (5)

Councillor Dave Clark
Councillor George Matchett QPM
Councillor Kenneth Earle
Councillor Kathleen Martin

Councillor Chris Dixon

Against the Motion (11)

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

Abstain from Voting (1)

Councillor Denis Coyne

On a division of 5 votes to 11 with 1 abstention, the motion was defeated.

CC.415 GREENFIELD HOUSE UPDATE

The report, submitted by the Strategic Director (Place), provided an update on activity which had been undertaken in response to a range of concerns that have been raised with regard to Greenfield House. These include immediate concerns around safety, security and the internal fabric of the B listed building; and also concerns about the medium to long term future of the building.

Motion

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

Moved by Councillor Craig Holden. Seconded by Councillor Ellen Forson.

Decision

The Council agreed to note the information set out in this report, and that options to bring the site back into Council ownership will be presented in a further report to this Council meeting.

- - -

The remainder of the Minute of Meeting of Clackmannanshire Council held on Thursday 24 June 2021 is exempt and is a separate document.

Report to: Clackmannanshire Council

Date of Meeting: 19 August, 2021

Subject: Committee Recommendations Referred to Council

Report by: Chief Executive

1.0 Purpose

- 1.1. The purpose of this report is to seek Council approval of recommendations which have been made by the Audit Committee of 17 June, 2021. Members' attention had been verbally drawn to this recommendation at the Council meeting on 24 June 2021, as the recommendation changes a previous Council decision in relation to the timetable for this review. This paper formally seeks approval of the Audit Committee's recommended change.
- 1.2. Under the Council's decision-making framework, Council has delegated certain matters to committees and has reserved certain powers. Included in the latter are the approval of main policies and strategies (Scheme of Delegation 3.2), the approval of budgets (Scheme of Delegation 3.19) and the spending of money not budgeted for (Scheme of Delegation 3.20).
- 1.3. Standing Order 8.4 requires that where a Committee passes a report to Council, the full Committee report shall not be included again on the Council agenda and that officers should prepare a brief report that refers to the relevant Committee report and recommendation(s).

2.0 Recommendations

- 2.1. It is recommended that Council:
 1. from the **Audit Committee of 17 June, 2021** in relation to the report entitled "*Covid 19 Review and Debrief Update*"
 - a) Agrees the timetable as set out in the report.
- 2.2 The report relating to Audit Committee is available on the Council's website.

3.0 Sustainability Implications

- 3.1. N/A

4.0 Resource Implications

4.1. Financial Details

4.2. 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

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

4.4. Staffing

5.0 Exempt Reports

5.1. Is this report exempt? No

6.0 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)

7.0 Equalities Impact

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

8.0 Legality

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

9.0 Appendices

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

None.

10.0 Background Papers

10.1 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

a) Agenda, together with Minute of the Audit Committee of 17 June, 2021

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Nikki Bridle	Chief Executive	452002

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Chief Executive	

CLACKMANNANSHIRE COUNCIL

Report to Clackmannanshire Council

Subject: Council and Committee meetings update

Prepared by: Lindsay Thomson, Senior Manager Legal & Governance

1.0 SUMMARY

- 1.1. This report summarises the steps that have been taken to consider the introduction of hybrid Council and Committee meetings.

2.0 RECOMMENDATIONS

It is recommended that Council:

- 2.1. notes the content of the report and the work being carried out to assess the potential of hybrid meetings;
- 2.2. notes the current estimated limited capacity of the Council Chamber and Board Room;
- 2.3. notes that, subject to any further restrictions, a trial of a hybrid meeting of a Committee can take place with a view to launching this approach from the Cycle 2 (October 2021);
- 2.4. nominates members to form a working group to continue the trial process;
- 2.5. agrees that in the meantime, remote meetings of the Council and Committees will continue using MS Teams.

3.0 CONSIDERATIONS

- 3.1. Following the report to Council on 22 April 2021, virtual Council and Committee meetings have continued and in that time there have been significant benefits in terms of travel cost and carbon reduction, greater accessibility to meetings and more effective use of members and officers' time. As confidence in virtual meetings has grown, there have also been improvements to the process including: screen sharing of video and other presentations; availability of breakout rooms for group discussions; and the procedural elements such as raising hands, keeping on mute etc. have become embedded. In addition it is considered likely that the use of video conferencing technology may be an enabler to encourage underrepresented

groups to consider the role of councillor. This reflects recent work carried out by COSLA.

Legal Position

- 3.2. The legislative position currently remains unchanged that the Council can determine to exclude members of the public from meetings for reasons relating to coronavirus, although it is anticipated in time that this provision will no longer be in force as the country progresses with the easing of restrictions. In early August, the First Minister announced a further easing, that retained a requirement to work from home where possible, accompanied with an expectation that employers consider hybrid working as a longer term, permanent option. This position will continue to be monitored closely.
- 3.3. Over summer recess, as agreed with members, there was some initial discussion with Committees services, then IT and Health and Safety colleagues. A session was arranged for Committee Chairs to attend and give their views.
- 3.4. It should be noted that the dates for meetings for the next cycle have already been agreed by Council.
- 3.5. There are a number of assumptions which form the basis of the trial of hybrid meetings. These are:
 - 3.5.1. The meetings should take place in a large room to allow for adequate ventilation. The Council Chamber and the Board room are the largest options available within Kilncraigs. However, they both still have limited capacity at 8 and 6 people respectively. There are three other rooms, Room 2.03, Room 3.03 and the Training Room at Kelliebank, where it would also be possible to allow a small number of members/officers to attend the meeting virtually.
 - 3.5.2. There will be no public able to attend at Kilncraigs until at least October at the earliest. It should be noted that the public do currently have access to recordings of meetings. These are available 24/7 on the Council's website. Members of the public who need to attend or have a particular interest, can make arrangements to attend via video conference e.g. Clackmannanshire Tenants and Residents Federation, planning objectors, licensing board applicants.
- 3.6. Following the discussion with Health and Safety colleagues, the key requirements for a hybrid meeting would be as follows:
 - 3.6.1. Risk assessments. These would be offered to members who may require them, such as those with underlying health conditions, and would have up to a 6 weeks turnaround depending on capacity of health and safety and complexity of the condition. Any officer without a risk assessment who was considered to be high risk would also be subject to a risk assessment before attending the building.

- 3.6.2. Staff – The recent staff feedback indicates a degree of anxiety from some staff about attending the building. This would need to be managed and sufficient reassurance provided.
- 3.6.3. The room and process for a Council meeting risk assessment would need to be updated. This would include room capacity and ventilation requirements etc.
- 3.6.4. It is important to consider how the resumption of physical meetings would be viewed by the community. There is a need to ensure compliance and be seen to be leading by example and adhering to the rules.
- 3.7. Following discussion with IT colleagues, the main points for consideration are:
- 3.7.1. The meeting room equipment which is being procured for meetings rooms to facilitate Microsoft 365 has not been designed specifically for Council meetings so there will be no enhanced functionality for larger Council type of meetings.
- 3.7.2. Officers are currently exploring a technical solution which would use a “bridge” between the existing microphone set up in the Chamber and Microsoft Teams. This should improve the quality of the current set up. There is also the facility to allow a dial in number which would allow Committee services to issue a telephone number for a Teams meeting to admit people into a meeting through dial in (there will be no video). This increases accessibility and provides a business continuity option. It is anticipated that the cost of the bridge would be circa £2,399.00 excluding VAT and professional installation, the cost of which would be met from existing resources.
- 3.7.3. There are other permanent solutions, including those being explored by other Councils, for example, Public-i. This would likely require capital investment following development of a business case. There is currently no budget identified so this is not being pursued until the trial of existing software, or bridging fixes to that software are explored. In the meantime, officers will maintain a watching brief on wider solutions.
- 3.7.4. Member equipment and support. It is considered beneficial to look at standardising the issue of laptop/tablet/phone – so members can be better supported in terms of capability of equipment to handle technology and better provision of members support.
- 3.8. There are a number of practical changes that are being worked through to facilitate hybrid meetings. These are in outline as follows:
- Business continuity arrangements
 - Accessibility and equalities considerations
 - Process – scheduling, set up, order of meeting

- Meeting protocol
- How decisions are made – order of moving, seconding and debate
- Standard script
- Retention of recordings

3.9. Proposals to be considered by the Working Group:

3.9.1. Identifying which Committee should run an initial trial prior to wider rollout?

3.9.2. Considerations for undertaking a trial run through meeting – working group with members

3.9.3. Consideration of who comes in for hybrid meetings? Officers and Members

3.9.4. Consideration of room options

3.9.5. Considerations relating to the process for questions/voting/points of order/ moving and seconding.

3.10 Benchmarking

It would also be helpful to carry out some additional benchmarking work with other Councils to identify any good practice. This could be reported into the working group.

4.0 CONCLUSIONS

4.1. This paper indicates some further developments in the work to deliver a hybrid option for meetings of Council or Committee.

5.0 Sustainability Implications

5.1. None, although the benefits of increased use of video conferencing may have some positive environmental impacts.

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*

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

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".

None

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

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	

Report to: Clackmannanshire Council

Date of Meeting: 19 August 2021

Subject: Be the Future Update

Report by: Strategic Director (Transformation)

1.0 Purpose

- 1.1. The purpose of this report is to provide Council with an update on progress on the Be the Future Programme.

2.0 Recommendations

It is recommended that Council notes:

- 2.1. The plan for the first 90 days to deliver on the approvals made and outcomes agreed at the June 2021 Council meeting (section 4.0).
- 2.2. The activity to identify and accelerate priority projects in the Be the Future programme (paragraphs 4.5 – 4.12) to support the identification of savings and efficiencies as outlined in the Budget Strategy Update.
- 2.3. The work to progress the Be the Future governance arrangements and to note the increased scrutiny provided by the newly established Strategic Oversight Group (paragraphs 4.28 - 4.29).
- 2.4. The on-going work on identifying the capacity required to support the Be the Future programme alongside core business and engagement with the Improvement Service to undertake analysis of capacity to inform future decision making and continue the increased pace and scale of delivery to realise benefits (paragraph 4.14 – 4.17).
- 2.5. The work with Scottish Futures Trust (SfT) to develop the rapid scoping assessment and associated 'prospectus' for the Transformation Zones in Alloa, approved at Council in June 2021. (paragraphs 4.21 – 4.22).
- 2.6. The outcomes of our grant capture work (paragraphs 4.23 – 4.25).
- 2.7. The work to establish the Investment Corporate Working Group that will further align future grant capture activity to strategic priorities (paragraph 4.26).

- 2.8. The intention to increase the focus on communication and engagement with staff and key stakeholders on the Be the Future programme through the establishment of the Communications and Engagement Corporate Working Group (paragraphs 4.30 – 4.31).
- 2.9. The progress in the recruitment to the Senior Manager (Transformation) role (paragraph 4.32).

3.0 Council approvals at June 2021 meeting

3.1. At the June 2021 Council meeting, the Council approved:

- The development of the place-based Transformation Zones, with the first of these in Alloa and agreed the recommendation to undertake a Rapid Scoping Assessment to look at the optimum phasing of our investment to deliver on the greatest socio-economic impact.
- To establish a revised governance framework for the Be the Future programme to support increased scale and pace in this next phase. This includes:
 - The establishment of a Strategic Oversight Group that will be the officer led and chaired by the Chief Executive
 - A reconstituted Be the Future Board with new terms of reference and chaired by the Council Leader who is the sponsor for the Be the Future programme
 - A reconvened Capital Operations Group with revised terms of reference to take oversight of the capital investment programme.
- In addition a number of resource agreements were approved:
 - A Flexible Resourcing Fund of £350k from the Transformation Fund was delegated to the Strategic Oversight group to enable us to provide agile access to resource and expertise
 - Agreement to delegate recruitment to a Senior Manager (Transformation) post on an 18 month Fixed Term Contract to the Strategic Director (Transformation).
 - Agreement that all contracts in the Programme Management Office will be harmonised to 18 month Fixed Term Contracts.
- To support delivery, it was agreed that the Be the Future strategic roadmap will be structured around 4 strategic workstreams supported by corporate working groups. The workstreams will create connections across projects and activities already in progress. These workstreams are:
 - Multi-agency collaboration for whole system change
 - Transformation zone - Alloa centre
 - Transformation zone - Alloa Forthbank
 - Preparing our young people for life, work and the future

4.0 Be the Future '30, 60, 90 day' plan

- 4.1. Following the June Council meeting activity to progress the decisions taken by Council was pulled into a '30, 60, 90 day' plan. The plan covers the period July – September 2021 and the focus of the activity is outlined in table 1.

Table 1: 30, 60, 90 day story

	30 days	60 days	90 days
	Let's focus on our projects	We're communicating	We're ready for the next 90 days
	First 30 days	First 60 days	First 90 days
Challenges	We want to take our key projects and make sure that we have the people and plans in place to make them fly.	We want to make a compelling case for our staff, stakeholders and partners to rally around so that they feel they want to be part of this.	We want to know that we're set up for the next steps in the transformation journey so that we can deliver more benefits from Be the Future.
Situation	Our Strategic Directors are spending lots of time on the nuts and bolts of the projects and we would like to free them up to be the ambassadors not the mechanics.	We have an opportunity to work on communications with staff on where we are and where we are going. We also have an opportunity to convert goodwill from other organisations into commitments.	The Rapid Scoping Assessment for the Alloa Transformation Zones is well-progressed and we have prepared the action plan for the 'prospectus' which is a major outcome from this activity.
Approach	We'll use the resource in the Transformation area to work with people to understand the projects and what is needed.	We'll work on engagement internally and externally, laying out a plan and we'll focus on leveraging key strategic partnerships.	Over the last 60 days, work has been progressing on the models, structures and approaches to support the next 90 days. We've engaged SFT and other partners in the work on our strategic narrative.
Outcomes	By the end of the first 30 days, Strategic Directors and those involved in the projects will agree what is needed to take the projects forward and feel confident in the plan to tackle any remaining issues that have been identified. We're feeling prepared to tackle some of the other actions in our Be the Future programme.	By the end of 60 days, we will have external people committed to our activities and advocating to others on the strategic narrative from Clackmannanshire. More of our staff are starting to understand the benefits from this approach to their own work and there's growing confidence in the progress and momentum.	By the end of 90 days we have a plan for our Strategic Roadmap which is understood and bought into widely internally and externally. We have prepared the ground for our prospectus with our Elected members', our staff, potential partners and our communities. We have our next 30, 60, 90 day plan in place.

- 4.2. At the time that this paper was written we are in the first 30 days of this plan. The remainder of this report provides the update on progress in the first 30 days and points to the activities coming forward in the remaining 60 days.

Work to support the Budget Strategy 2022/23

- 4.3. The Budget Strategy Update outlines that from financial year 2022/23 onwards there will be increasing emphasis on bridging the budget gap from the savings and efficiencies identified and agreed from the transformation programme.
- 4.4. The activity in the first 30 days of the plan has focused on work that will support that budget strategy. Officers have identified the projects in the Be the Future programme that are most likely to yield efficiencies and prioritised these for additional attention in order to deliver at pace and achieve these efficiencies.
- 4.5. The key projects identified for the first 30 days are the Social care replacement IT system, the STRIVE pilot and the Well-Being Hub.

- 4.6. A project team, which has expertise from the Programme Management Office, Finance, IT, Procurement and Service Owners has been convened to accelerate the work on the business case for the Social Care Replacement IT system. Executive Sponsors across HSCP, Stirling and Clacks are working together to clarify governance and shared ownership of the project to realise the full transformational opportunity and strengthen the partnership with Stirling Council and the HSCP. The project team will support the development of the Business case, joint procurement and implementation, as well as develop the financial modelling to identify the efficiencies and cost savings to incorporate into the budget strategy 2022/23.
- 4.7. The evaluation report from the STRIVE pilot was presented to Council in the June Be the Future update. This evaluation recommended that the STRIVE pilot is scaled up and that in doing this that there would be positive impacts on demand management, costs and financial efficiencies, as well as wider benefits over and above financial outcomes.
- 4.8. The STRIVE pilot, along with the Social Care Replacement system and associated service redesigns (including the People redesign presented to Council) will form the core of the first of our Strategic Workstreams. This workstream is focused on multi-agency collaboration for whole system change. Work is progressing to develop the proposals for this workstream and associated business cases related to the projects. Partner governance arrangements, particularly with Health and Police, to secure sustainable, ongoing commitment and embedding within multiagency processes are being considered within this work. Updates on the plans to take forward the STRIVE pilot will come to future Council meetings.
- 4.9. The other priority project included in the first 30 days of the '30, 60, 90 day' plan is the Well-being Hub. As set out in the Update Paper, 31 May 2021, a Project Team will be appointed with support from the PMO to allow the project to progress at pace.
- 4.10. Significant consultation and engagement work has been undertaken with live action days and street surveys across the entire Clackmannanshire area during July. This has continued to reinforce the importance of a swimming pool, activities for children, but also developing a greater understanding of the interest in wellbeing activities that promote a healthy lifestyle and mind. Promoting the outdoors has continued to be a high priority for many respondents.
- 4.11. Immediate next steps include continuing with end to end engagement and consultation including reaching out to clubs and communities who feel that they have not had their voice heard. Workshops are taking place in August which will start to define the Strategic Needs, Feasibility Options and prepare the brief for a new Wellbeing Hub. NHS and Sport Scotland are crucial partners in providing input and advice. Further updates will be provided in line with the Be the Future governance arrangements.
- 4.12. The Interim leisure arrangements for the Summer period have been successful with the Summer of Wellbeing particularly so. Swimming arrangements have been made for individual groups have been made at

Dollar Academy. Discussions are ongoing to extend these and to add additional venues in line with COVID restrictions lifting.

- 4.13. Strengthening the financial information within all the transformation business cases will be a key component of the Be the Future programme moving forward. To support this, work is underway to create a set of financial models that provide the assumptions on which the financials in the business cases are based. The consistent application and testing of these financial models will enable us to build greater resilience in our future financial and budgetary planning.
- 4.14. We need to ensure that the projects are able to deliver on the benefits that have been identified in the development of the business cases. Council has previously raised concerns about the challenges we face with regards to project delivery, specifically around sufficient and skilled internal resource to progress, and being able to realise outputs in a timescale which would be beneficial to the wider transformation programme.
- 4.15. Our capacity will be addressed as we review the projects within the Be the Future programme. In the June Council paper we presented plans to undertake a Capacity Analysis and Skills Audit. The Senior Leadership Group has reviewed and agreed proposals to take this forward. The Capacity Analysis and Skills Audit includes a number of discrete project areas which will be undertaken to build a comprehensive, and evidence based picture of the Council.
- 4.16. The Improvement Service (IS) Associate Framework, of which the Council is a member, enables access to individuals with skills, knowledge and experience to effectively help progress key priority pieces of work. The improvement service, 28 Councils, COSLA, Scotland Excel, SEEMIS and the Local Government Digital office are all named on the framework. By being part of this Framework the Council has access to 15 associates with a wide range of skills, knowledge and experience.
- 4.17. An appropriate mini competition process is in progress to identify a preferred supplier from this framework. Whilst exact timelines for implementation will be defined in conjunction with a preferred provider, we remain cognisant of the wide and detailed range of deliverables which this project seeks to achieve. As such we are taking a staggered approach, focusing on priority outputs first, and then moving onto further milestones on a sequential basis. Further updates on this work will come to future Council meetings.
- 4.18. Over the course of the remaining 60 days of the '30, 60, 90 day plan' other priority projects will be brought in under the Programme Management Office and similar exercises to review project plans, resource requirements and to support the budget strategy will be undertaken. The timeline for review of the priority projects is provided in Table 2.

Table 2: Timeline for review of priority projects

	STRIVE	Social care system	Well-being Hub	CWB action plan	Well-being economy	Capital investment plan	Learning Estate Strategy	Transformation Zones	The Promise	Family Well-being Partnership	Transforming secondary	Transforming mental health	Workforce dev programme	CRD programme	Digital transformation programme	Service redesign #1	Service redesign #2	Service redesign #3
Start		26.07		09.08			16.08				23.08			30.08				30.08
End		30.08		23.08			16.09				27.09			30.09				30.09

Developing the Transformation Zones

- 4.19. At the Council meeting June 2021, we described how we will take all the existing components and agreed priorities in the Be the Future programme and organise them to maximise the collective impacts of our investment on our communities, citizens and businesses.
- 4.20. We presented the four strategic workstreams as the focus of our transformation programme in the period through until 2023. Two of these workstreams related to the development of a Transformation Zone in Alloa.
- Well-being economy - regeneration of Alloa centre with the focus on the potential that is unlocked through the combined investment and focus from the Council capital programme and the City Region Deal (including transport; well-being campus and Scotland's International Environment Centre)
 - Community wealth building - Alloa Forthbank with a focus on tackling fuel and food poverty (vertical farming; solar energy; geo-thermal, flood prevention (Devon wetlands rewilding))
- 4.21. In order to progress this work we are working with Scottish Futures Trust (SfT) to bring resource into the development of the rapid scoping exercise and resulting 'prospectus'. Final proposals are being worked and it is anticipated that this work will be completed in Autumn 2021.
- 4.22. Alongside discussions with strategic partners work has commenced on the 'Shaping places for well-being programme' in Scottish Government to seek support from their programme for our work on the Transformation Zones. If successful this would bring additional capacity to the developments which would be in place until March 2024. An update on this will come to a future Council meeting.
- 4.23. The development of the Transformation Zones is providing a focus for our grant capture and funding activity. We have analysed our grant capture in the period January 2020 to date and we have secured 10 awards

amounting to just under £1.4m. 7 applications are pending amounting to £2m of proposals.

- 4.24. Our conversion rate for applications made is approximately 80% which is above the average (conversion rates are typically 50-60%). Whilst the current activity has been driven by the funds available there is an opportunity to align grant and funding activity more closely to our strategic priorities.
- 4.25. With the development of the Transformation Zones we have an opportunity to align future grant capture to a strategic narrative that provides a scale to applications which we have not previously had. The forthcoming UK Government Levelling Up Fund to which we can submit proposals for £20m and a further Transport proposal for £20m and the Scottish Government £325m Place Based Investment programme are significant opportunities for us. We are now in a position to develop and shape proposals of scale aligned to the work on the Transformation Zones.
- 4.26. The Investment Corporate Working Group is currently being scoped and will have a principal role in developing these larger-scale, strategically aligned proposals and co-ordinating our relationships with potential funders. A paper on the Levelling Up Fund proposal will come to a future Council meeting.

Structuring the programme

- 4.27. At the June Council meeting we indicated that the governance arrangements for the Be the Future programme would be refreshed to support the increased pace and scale of the delivery.
- 4.28. The Be the Future Strategic Oversight Group has been convened and met on 22 July 2021. At this meeting the scope and remit of the group was agreed together with the reporting mechanisms for all projects and programmes within the Be the Future programme. This group will ensure increased scrutiny and accountability through:
 - PMO report: an overview of the Be the Future Programme with input from workstream leads on progress on strategic workstreams and working group leads on key activities and outcomes
 - Monthly performance and risk report: dashboard information on progress of projects and benefits being realised and risk (exception report)
 - Monthly and quarterly financial update: update on spend and forecast for the Transformation Fund and the Flexible Resourcing Fund
 - Quarterly grant capture report: update on bids in progress and grant capture
 - Proposals: submission of business cases, proposals and cases for change in the Be the Future programme

- Forward plan: there will be a forward plan for business that is reviewed and updated. This will include areas where the SOG will undertake more detailed scrutiny for example capacity and skills, partnerships and governance.
- 4.29. The first meeting of reconstituted Be the Future Board is due to take place 23 September 2021. The board will receive similar reporting to that of the Oversight Group to enable further scrutiny of progress and performance.
- 4.30. With refreshed governance in place, the overall Communication and engagement plan for the Be the Future programme is being developed. The key aim is to re-engage our staff with the benefits that the transformation will deliver and to develop further the compelling narrative on the transformation for our key stakeholders.
- 4.31. To support this, the Communications and Engagement Corporate Working Group is being scoped and will be established in due course. As part of this engagement plan, there will be regular briefings for Elected Members' on the key Be the Future developments to ensure that all our members' are provided with the opportunity to develop capacity in their role as leaders and advocates of the Be the Future programme with the communities they represent.
- 4.32. The recruitment to the Senior Manager (Transformation) is progressing well. The role has been advertised and attracted a good field. The two stage interview process will be completed in early September.

5.0 Sustainability Implications

- 5.1. Environmental and financial sustainability are key priorities of the Be the Future programme and business cases for individual programmes/projects will require to demonstrate clear links to related outcomes.

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 X
- 6.3. Finance has been consulted and have agreed the financial implications as set out in the report. Yes X
- 6.4. *Staffing*

7.0 Exempt Reports

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

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
Women and girls will be confident and aspirational, and achieve their full potential X
Our communities will be resilient and empowered so that they can thrive and flourish X

(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 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

Be the Future Update papers to Council – September 2020, December 2020, March 2021, June 2021

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Chief Executive	PP

CLACKMANNANSHIRE COUNCIL

Report to Clackmannanshire Council

Date of Meeting: 19 August 2021

**Subject: Be the Future: People Directorate – Respond, Transformation
and Redesign**

Report by: Strategic Director (People)

1.0 Purpose

- 1.1. The purpose of this report is to provide Council with an update on progress relating to continued activity within the People Directorate in line with the Be the Future Programme and to seek approval for proposed changes to the management structure.

2.0 Recommendations

It is recommended that the Council:

- 2.1. **Approves** the proposed changes to the People Directorate management structure as outlined in para 3.15, i.e. the introduction of the permanent roles of Chief Education Officer and Chief Social Work Officer;
- 2.2. **Notes** the current and proposed structures as shown in Appendix 1;
- 2.3. **Notes** the associated budget impact as outlined para 3.16;
- 2.4. **Notes** the continued respond and transformation work being progressed by the Directorate.

3.0 Considerations

Respond and Transformation

- 3.1. A number of earlier decisions have been agreed by Council to support the improvement and recovery of Children's Services and the development of an integrated People Service. This aligns with the Be the Future Programme, and in particular the organisational redesign framework phase of : Creating the Conditions; Developing the Team; Releasing the Potential and; Sustainability.

- 3.2. The appointment of an Acting Chief Education Officer has allowed the education service to continue to respond effectively to the ongoing and changing demands of COVID and develop recovery plans to support children and families. Latest evidence indicates that children's learning and wellbeing has been negatively impacted, with more challenges for the most vulnerable. The service will be required to provide and support a relentless focus on attainment, wellbeing and improvement for some time.
- 3.3. The appointment of an Interim Chief Social Work Officer, not aligned to a Senior Manager role, has supported Children's Services Social Work to accelerate their improvement activity and to manage risks, which have escalated as a result of COVID. An Improvement Plan and Risk Management Plan are being closely monitored and will be reported through People Committee.
- 3.4. Both the Acting Chief Education Officer and Interim Chief Social Work Officer have been working closely to identify opportunities for closer integration and joint working across Services. They have also been contributing to the wider Transformation Programme, namely :
 - 3.4.1. Transforming the Secondary Curriculum
 - 3.4.2. The Promise
 - 3.4.3. Transforming Mental Health Services.
- 3.5. The Strategic Director (People) has been driving forward a number of priority projects within the Be the Future Transformation Programme, as referred to in the Be the Future Update to Council of 19 August 2021, these have been identified by the PMO for review, namely:
 - 3.5.1. Social Work IT System
 - 3.5.2. Wellbeing Hub and Future Leisure Provision
 - 3.5.3. STRIVE
 - 3.5.4. Family Wellbeing Partnership.
- 3.6. **Redesign**
- 3.7. In 2018, as part of the budget setting process, Council agreed:
 - 3.7.1. the functions which would be within the respective divisions of People, Place and Performance; and
 - 3.7.2. the corporate management structure associated with the strategic organisational design.
- 3.8. The redesign paper outlined that there would be a reduction in the number of management tiers from four to three, a reduction of 12 management posts and management savings of £756K across the Council.

- 3.9. In order to contribute to these savings it was proposed that the People Portfolio would comprise one Strategic Director and six Senior Managers. This left a net unachieved saving for People of £363K.
- 3.10. Work on aligning statutory roles to Senior Manager roles was taken forward by the Chief Executive and Directors in 2018/2019 and a new Strategic Director was appointed in September 2020. Ongoing work has continued to inform the Redesign of People, supported by further decisions by Council in 2019 relating to an interim People Directorate structure..
- 3.11. The permanent role of Chief Social Work Officer currently aligns to the vacant Senior Manager role within Children’s Services and Criminal Justice. The previous post holder left post in January 2021. The interim Chief Social Work Officer commenced in April 2021
- 3.12. An immediate priority for the new Strategic Director was to confirm the Redesign of People management structure, address improvement issues within Children’s Services, sustain and build on the improvement already achieved within Education and transform the services.
- 3.13. The improvement and transformation journey has been ongoing and has included:
 - 3.13.1. Programme of review led by iESE to consider organisational and leadership challenges and solutions for middle and senior managers focused on achieving a state of continuous improvement – Shared Vision, Personal Mastery, Cultural Development, Team Learning and Systems Thinking. This has included an offer of coaching for all managers;
 - 3.13.2. Workshops with senior managers to clarify the goals, vision and direction for the People Directorate;
 - 3.13.3. Identifying projects and opportunities for increased collaboration and integration across Children’s Services, Justice Services, Education and HSCP;
 - 3.13.4. Using virtual tools to increase cross-directorate communication and cascading of information including fortnightly People Connected sessions, fortnightly mailings, as well as Google surveys to ensure that there are regular and inclusive channels for communication;
 - 3.13.5. Developing the strategic roadmap for success for People Directorate, with related workforce development and leadership planning for staff at all levels;
 - 3.13.6. Appointment of a Senior Project Officer (August 2021) to support a common policy and process mapping framework;
 - 3.13.7. Clarifying the golden thread across all People planning processes, with LOIP, Be the Future Transformation and statutory plans;

- 3.13.8. Review of business support functions across all teams to provide more resilience and capacity;
- 3.13.9. Review of all Senior Manager priorities and remits.
- 3.14. Recent learning from this activity and the ongoing experience from the pandemic, has strengthened the case for a Redesign which reinforces the need to :
 - 3.14.1. Clearly bring together the Education Services, Children’s Social Work and Justice Services in to an integrated service with a focus on meeting the holistic needs of children, families, individuals and communities;
 - 3.14.2. Ensure that all Senior Managers have a clear focus on improving outcomes, and using improvement methodology to ensure continuous and sustained improvement in performance and budget management;
 - 3.14.3. Maximise system leadership to support transformation and change;
 - 3.14.4. Focus on workforce development that builds capacity at all levels to support business continuing and wellbeing of all staff and managers;
 - 3.14.5. Address the need for empowered leadership, general and corporate management, skills, increasing accountability and relationships;
 - 3.14.6. Build networks of integrated teams which are focused on the wellbeing and outcomes for children, families and communities.
- 3.15. As a result, it is evident that in order to allow sufficient professional capacity in both Social Work and Education, two of our highest risk areas in terms of supporting our most vulnerable, and to ensure mitigation of and management of risk as well as provision of professional assurance from Statutory Officer to Council, there is a requirement to retain sufficient management capacity within the People Directorate and have in place the specific roles of Chief Education Officer and Chief Social Work Officer, as well as 7 Senior Manager posts. As noted above, the Senior Manager Justice Services is fully externally funded.
- 3.16. Identified efficiency savings across the Directorate have reduced the unachieved savings but there remains an unmet saving of £206,020. This will be considered as part of the 2022/23 Budget Process and Demand Pressures.

4.0 Resource Implications

- 4.1. The financial implications have been outlined above.

4.2. Staffing

The permanent appointments of a Chief Education Officer and Chief Social Work Officer would commence, in line with Standing Orders, prior to the conclusion of the current interim arrangements.

5.0 Exempt Reports

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

6.0 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)

7.0 Equalities Impact

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

8.0 Legality

8.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes **X** No

9.0 Appendices

Appendix 1: Structure Chart

10.0 Background Papers

10.1 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

Clackmannanshire Council 26 November 2020, Be the Future

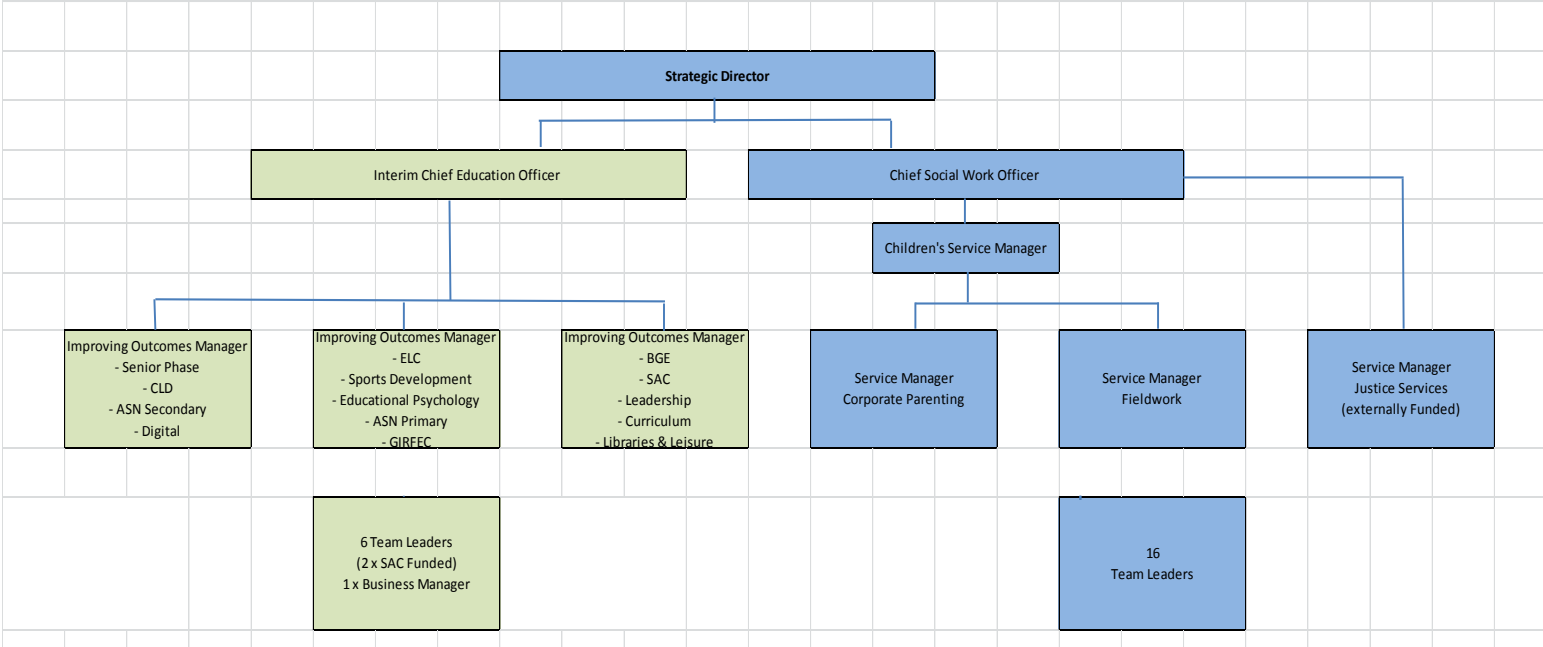
Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lorraine Sanda	Strategic Director (People)	

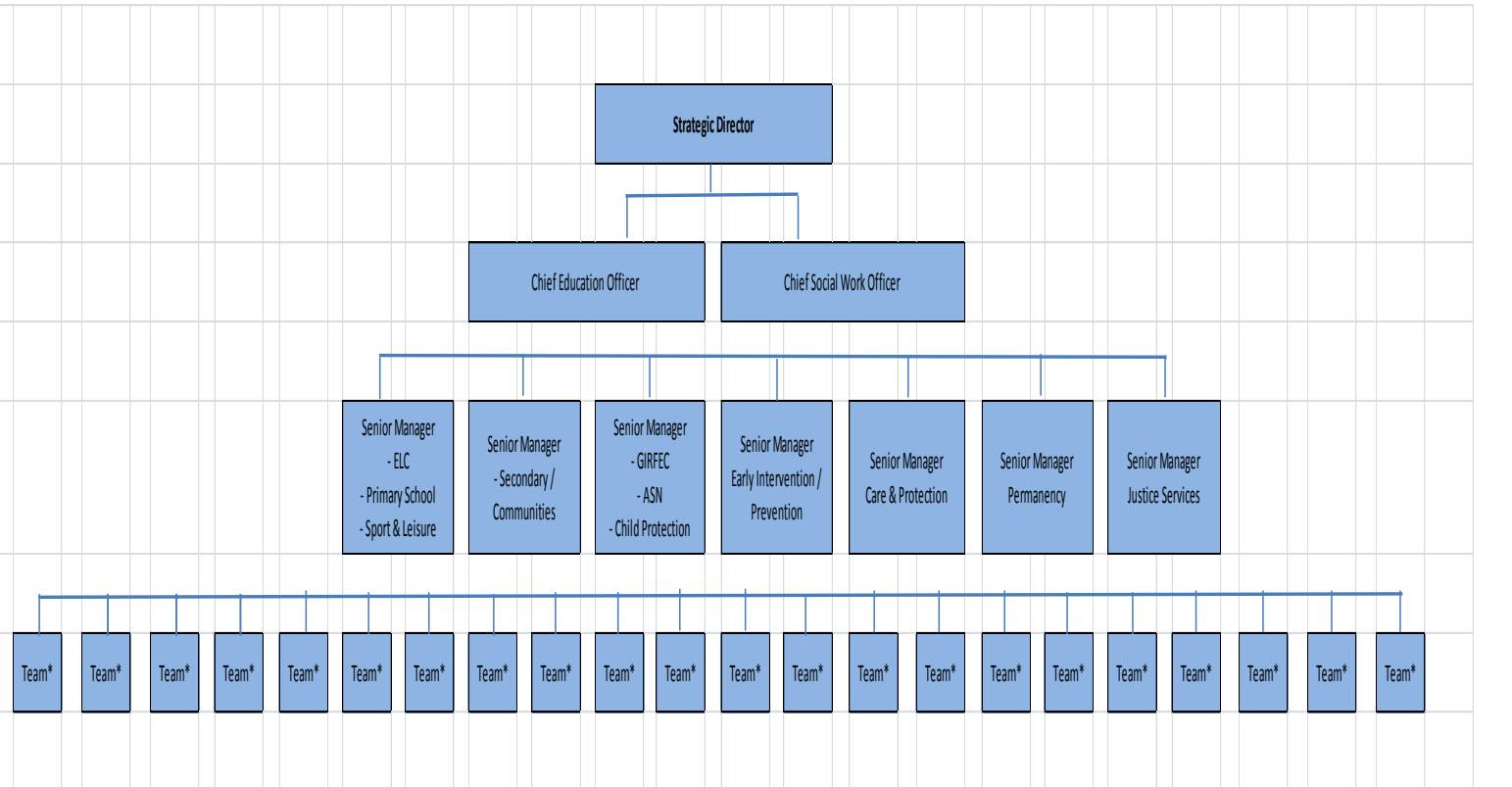
Approved by

NAME	DESIGNATION	SIGNATURE
Lorraine Sanda	Strategic Director (People)	

Current Structure



Proposed Structure



* NB. These are staff numbers, not FTE

Report to: Clackmannanshire Council

Date of Meeting: 19 August 2021

Subject: Draft Financial Statements 2020/21

Report by: Chief Finance Officer

1.0 Purpose

- 1.1. The Council is required by law to prepare a statement of accounts in accordance with 'proper practices' which set out its financial position at the end of each financial year. This is defined as meaning compliance with the terms of the Code of Practice on Local Authority Accounting in the United Kingdom prepared by the CIPFA/LASAAC Joint Committee.
- 1.2. The Code specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the Council, including group financial statements where Councils have material interests in subsidiaries, associates or joint ventures. The financial statements aim to identify the key factors affecting the finances of the Council and that affect the physical resources that the Council can control to provide services.
- 1.3. The Local Authority Accounts (Scotland) 1985 Regulations require the Chief Finance Officer, as the Council's s95 officer, to prepare the Statement of Accounts as soon as practicable after the end of each financial year and to submit for Audit to the Councils External Auditor. This is normally by the 30th June, however due to COVID 19 pandemic, this was extended in agreement with the External Auditors. A Management Commentary is included within the accounts that presents the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. The Management Commentary is signed by the Leader of the Council, Chief Executive and Chief Finance Officer (as s95 officer). The Management Commentary includes the financial outlook for the Council for 2021/22, however further detail of the Councils financial Outturn reports will be presented to Service and Audit Committees during the year.
- 1.4. The Council's Draft Financial Statements also include the annual Remuneration Report, and the Annual Governance Statement (AGS) which is signed on behalf of the Council by the Leader of the Council and the Chief Executive. Improvement actions associated with the AGS are incorporated within routine performance reporting using the Pentana system.

2.0 Recommendations

Council is asked to:

- 2.1. note the 2020/21 draft financial statements;

- 2.2. note that the draft financial statements will be submitted for audit to the Councils external auditors on 31 August;
- 2.3. note that audited financial statements will be presented to the next appropriate Committee following conclusion of the audit, and
- 2.4. otherwise note the contents of the report.

3.0 Considerations

- 3.1. The accounts have been prepared in accordance with proper practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom 2020/21*. The Financial Statements show the actual figures for 2020/21 and the comparable figures for 2019/20.

Revenue Outturn

- 3.2 The financial results for 2020/21 are positive and provide a platform from which to address the challenging times ahead. Against the background of reducing resources and the impact of the Covid 19 pandemic, the Council has successfully delivered services within budget and achieved a high percentage of its approved savings.
- 3.3 Gross revenue expenditure for the year was £131.886m. This represents the running costs of the Council and indicates the significant size and complexity of the organisation. In addition to this, the Council administered Support Grants to Businesses and Individuals on an Agency basis on behalf of the Scottish Government. This amounted to £12.834m and has been excluded from gross expenditure in line with specified Accounting guidance.
- 3.4 The surplus achieved in the year compared to budget was £9.721m. This includes carry-forward earmarked reserves of £6.715m for ring-fenced areas of spend such as PEF, ELCC and DSM and COVID funding. This results in a net underspend of £3.006m compared to budget which is a favourable movement on the overspend of £1.003m as at December 2020 (excluding Clackmannanshire element of the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP), reported to Audit Committee in April 2021.
- 3.5 The General Fund started the year with a balance of £11.855m. £1.890m was utilised from earmarked general reserves during the year, new earmarked reserves of £6.715m were created. Within the earmarked reserves £4.407m relates to funds provided for COVID related activity. These movements along with the underspend of £3.006m results in a net increase in general reserves of £7.831m and a closing general reserve balance at 31 March 2021 of £19.686m.
- 3.6 Of the £19.686m balance at 31 March 2021, £13.384m is earmarked for specific purposes, much of which is for use either by individual services or to meet corporate liabilities. This committed balance can be summarised as follows:

Devolved School Management (DSM)	£0.374m
Pupil Equity Funding (PEF)	£0.636m
Early Learning & Childcare (ELCC)	£0.335m
Education COVID Recovery	£1.477m
Ring-fenced Housing & Community Safety Grants	£0.818m
Organisational Change Fund	£0.306m

Employment Fund	£1.000m
Transformation Fund	£1.841m
Miscellaneous commitments	£1.581m
Amount to Support 2021/22 Revenue Budget	£0.885m
Earmarked for General Purpose 2021/22 Budget	£1.200m
COVID General Funding	£1.974m
COVID Specific Funding	£0.957m
Total	£13.384m

- 3.7 The Council's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 3% of budgeted net expenditure, based on 2021/22 approved budget this equates to a figure of £3.956m. At the end of 2020/21, uncommitted reserves are £6.302m, therefore, £2.346m in excess of this minimum reserve figure which represents a level of 4.78% of budgeted net expenditure.
- 3.8 At the end of 2020/21, the Clackmannanshire locality of the HSCP reported an underspend of £1.715m. However, the final outturn reflects a nil variance as the Councils full approved budgeted contribution for 2020/21 is paid over to the Partnership which contributes to the overall financial position of the Partnership.

Housing Revenue Account

- 3.9 The Housing Revenue Account achieved a surplus within the year of £7.117m against a budgeted surplus of £7.161m, £0.044m less than budget. This is a movement of £2.387m greater than the forecast figure of £6.483m reported to Audit Committee in April 2021. During the year £4.011m of this surplus has been used to fund capital expenditure which mitigated the requirement to borrow. This has resulted in a net contribution to reserves of £3.106m. The outcome of these in year results is that the opening housing reserve balance of £4.503m at the start of the year, has increased to £7.609m as at 31st March 2021, which equates to 38% of 2021/22 budgeted Housing Rents. This is £6.815m above minimum reserves of 4% which can be used to offset future capital expenditure and reduce the requirement to borrow.

Other Reserves

- 3.10 The opening balance on the Capital Receipts Reserve was £2.074m. Of this balance, £0.431m was earmarked for the capital element of the Employment Fund to fund the statutory element or voluntary severance. This fund was not utilised in the year and as the flexibility to use capital receipts for this purpose is due to end in March 2022, £0.334m was approved to be released from this fund as part of the 2021/22 Budget Setting process. This leaves a balance of £0.097m earmarked from Capital Receipts for the capital element of the Employment Fund.
- 3.11 During 2020/21 receipts of £0.542m were received as a consequence of asset sales. £1.160m was also transferred to General reserves to support the 2020/21 budget and £0.426m was transferred to the Transformation Fund as per the approved budget in 2020/21. Also part of the 2021/22 budget, £0.303m was released from Capital Grants Unapplied to general receipts increasing the receipts balance to £1.333m. Of this balance, £0.729m has been identified to support the 2021/22 approved budget leaving an uncommitted balance of £0.507m.

- 3.12 The opening balance on the Capital Grants and Contributions Unapplied account was £2.694m. Within this balance were earmarked receipts of £0.901m for the Transformation Fund. During the year £0.135m has been utilised from this Fund leaving a balance of £0.766m. £0.303m was released back to General Capital Receipts from the Economic Investment Fund as per the approved 2021/22 Budget leaving £0.483m in this fund of which £0.182m is committed for Clackmannan Regeneration project. In the year, £0.199m has been utilised for various developments and £0.405m has been added for new grants to be used in future years, leaving a balance at 31 March 2021 including earmarked of £2.888m.

Pensions Liability

- 3.13 The estimation of the Council's net liability in respect of pensions payable is a complex set of judgements. It requires estimates of the life expectancy of scheme members, assumptions about changes in retirement ages and expected returns on pension fund assets such as stock market investments. The Council engages actuaries to provide expert advice about prevailing assumptions.
- 3.14 As a result of the latest valuation of our Pension accounts in accordance with International Accounting Standard 19 (IAS19), the net liability within the Balance Sheet increased to £151.7m compared to £97.9m at March 2020. This increase in liability is due to a combination of a reduction in the net discount rate and the impact of the latest triennial valuation as at 31 March 2020, which has seen changes in demographic, financial and other assumptions.

Provisions

- 3.15 There have been no new provisions created in the year. As at 31 March 2021, only one Provision remains in respect of the provision for Municipal Mutual Insurance Limited (MMI).
- 3.16 The provision for MMI was established in 2012/13 on the advice of our insurers to cover a potential 30% levy triggered under the Scheme of Arrangement in respect of the winding down of the former MMI. This exposure relates back to former District and Regional Council operations. During the year £7k was paid out of which £5k was provided for and the fund was increased to offset the additional £2k. No material amounts are expected for 2021/22 therefore there is no short term provision. The long term provision was increased by £3k to £47k to reflect an increase in the estimate of the amount required to meet future claims.
- 3.17 The provision for Equal Pay has now been removed. The previous provision was fully utilised in 2019/20 and there are no known future costs.

Contingent Liabilities

- 3.18 In order to reflect as yet potential uncertain and/ or unquantified timing and liabilities issues, aspects of those matters referenced in respect of Insurance set out in paragraph 3.16 above, are also reflected in the draft financial statements as a contingent liability. In addition to this, the potential for claims of Historic Sexual Abuse and Equal pay remain as contingent liabilities. No Contingent Assets have been identified as at 31 March 2021.

Capital Expenditure and Financing

- 3.19 During 2020/21 the Council spent £17.939m on Capital Expenditure across both General Fund and HRA. Of this, £17.903m was invested in its own assets with £0.036m granted to third parties including Common Good. This reflects an underspend of £13.790m on the approved budgeted programmes for both HRA and

General Fund, and an increase in the projected underspend of £8.821m reported to Audit Committee in April 2021.

- 3.20 Capital expenditure in the year has been financed by capital receipts (£0.001m), government grants and contributions (£7.426m) and direct revenue funding (£4.011m). The remaining balance of £6.501m was funded through internal borrowing.
- 3.21 The Council's gross external debt as at March 2021 stands at £138.693m, a decrease of £1.778m from the position as at March 2020. This was as a result of no additional borrowing being undertaken during the year and repayments of £0.476m towards PWLB and Market Loans and £1.302m towards PPP and finance leases. Further detail is provided in the Annual Treasury Report also on this agenda.

Group Accounts

- 3.22 Group accounts are required to be prepared and included in the financial statements. The council's group accounts consist of; Clackmannanshire and Stirling Integration Joint Board, Central Scotland Valuation Joint Board, Coalsnaughton NHT, Common Good and CSBP Clackmannanshire Investments Ltd.

Public Inspection

- 3.23 Following submission to the External Auditor the draft accounts will be made available for public inspection on the Council's website.
- 3.24 Following conclusion of the External Audit, the Council's final audited Financial Statements will be presented to the next appropriate Committee along with the External Auditors Report.

4.0 Conclusion

- 4.1 The results for the year are positive against the backdrop of the current economic climate. A surplus has been achieved in the year on General Fund which ensures our uncommitted reserves remain in excess of the Council's minimum level. This position is an improvement on that previously forecast at Budget setting in March 2021 due to a more favourable outturn than anticipated at that time. The position although favourable remains challenging in light of the current financial circumstances and the recent COVID19 Pandemic.
- 4.2 Regular updates on progress in implementing the Budget Strategy and performance monitoring has been provided to Elected members through Council and Committee reports during the year. These reports included management actions within services and corporately to improve the outturn position to ensure the Council did not overspend its budget during 2020/21.
- 4.3 In summary, despite challenging circumstances, the Council has consistently applied its agreed budget, finance and investment strategies throughout 2020/21.

5.0 Sustainability Implications

- 5.1 Not applicable

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 has agreed the financial implications as set out in the report. Yes

6.4 Staffing

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

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".

Draft Financial Statements 2020/21

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

Author(s)

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Elizabeth Hutcheon	Management Accountancy Team Leader	6214
Helen Coleman	Corporate Accountancy Team Leader	2256
Lindsay Sim	Chief Financial Officer	2022

Approved by

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



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Comhairle Siorrachd
Chlach Mhanann



DRAFT
Financial Statements
2020-2021



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**CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21**

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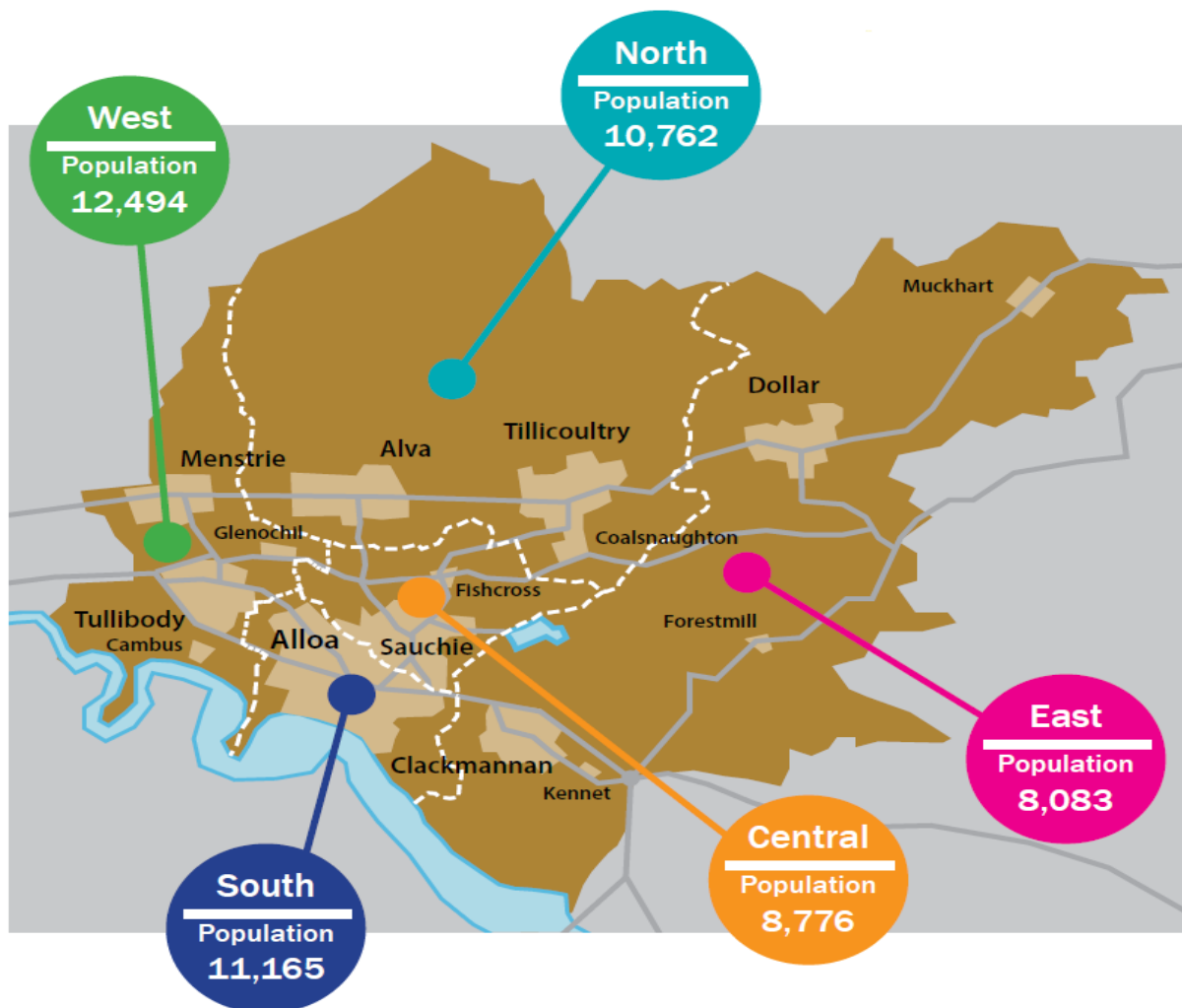


CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2020/21 Management Commentary

Introduction

This commentary sets the scene and context for the Financial Statements for Clackmannanshire Council, for the year ended 31 March 2021 and provides specific details in relation to the Council's financial position, its priorities and performance and strategies and plans for achieving these objectives. The commentary is compliant with The Local Authority Accounts (Scotland) Regulations 2014. The Management Commentary is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. The Financial Statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 which sets out the format and content contained within them.

Clackmannanshire is located in Scotland's central belt, sharing administrative borders with Stirling, Perth and Kinross and Fife, and with natural boundaries provided by the Ochils and the River Forth. Clackmannanshire is the smallest mainland Council in Scotland, covering 61 square miles and serving a population of 51,280 (as at 2018). The Council employs 2,680 (headcount) staff (2019/20: 2,639).

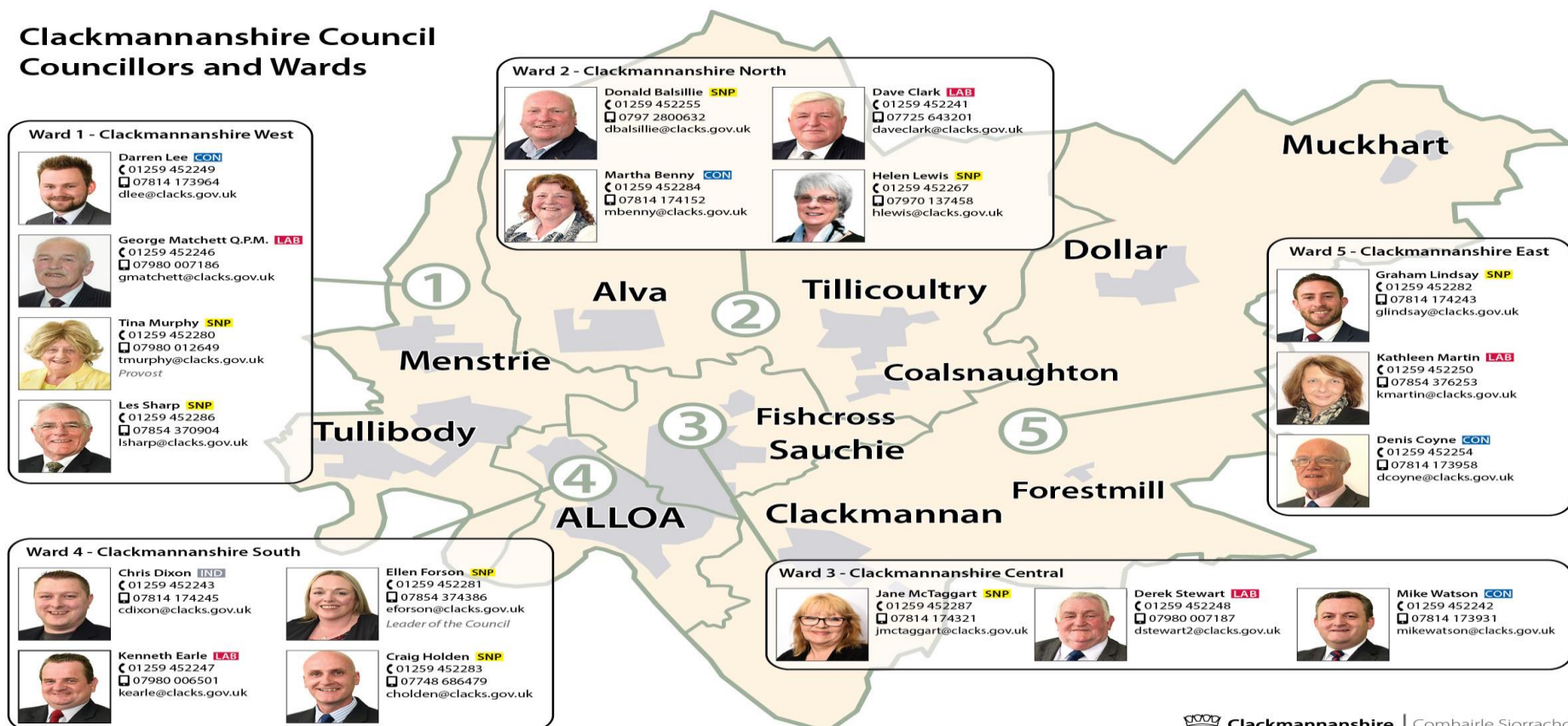


CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2020/21 Management Commentary

Local Government

Clackmannanshire Council consists of 5 wards, each represented by 3 or 4 elected members. The Council has 18 Councillors whose political make up at the end of 2020/21: were 5 Labour, 8 SNP, 1 Independent and 3 Conservative. There was one vacant seat within the Clackmannanshire East Ward following the resignation of Councillor Mason during the year which Councillor Coyne was appointed to as a result of the bi-election held in November 2020. Information on Senior Councillors can be found in the Remuneration Report commencing page 68.

Clackmannanshire Council Councillors and Wards



For further information, contact: Members' Services, Clackmannanshire Council, Kilncraigs, Alloa, FK10 1EB
Tel: (01259) 450000 Fax: (01259) 452230 Email: membersservices@clacks.gov.uk



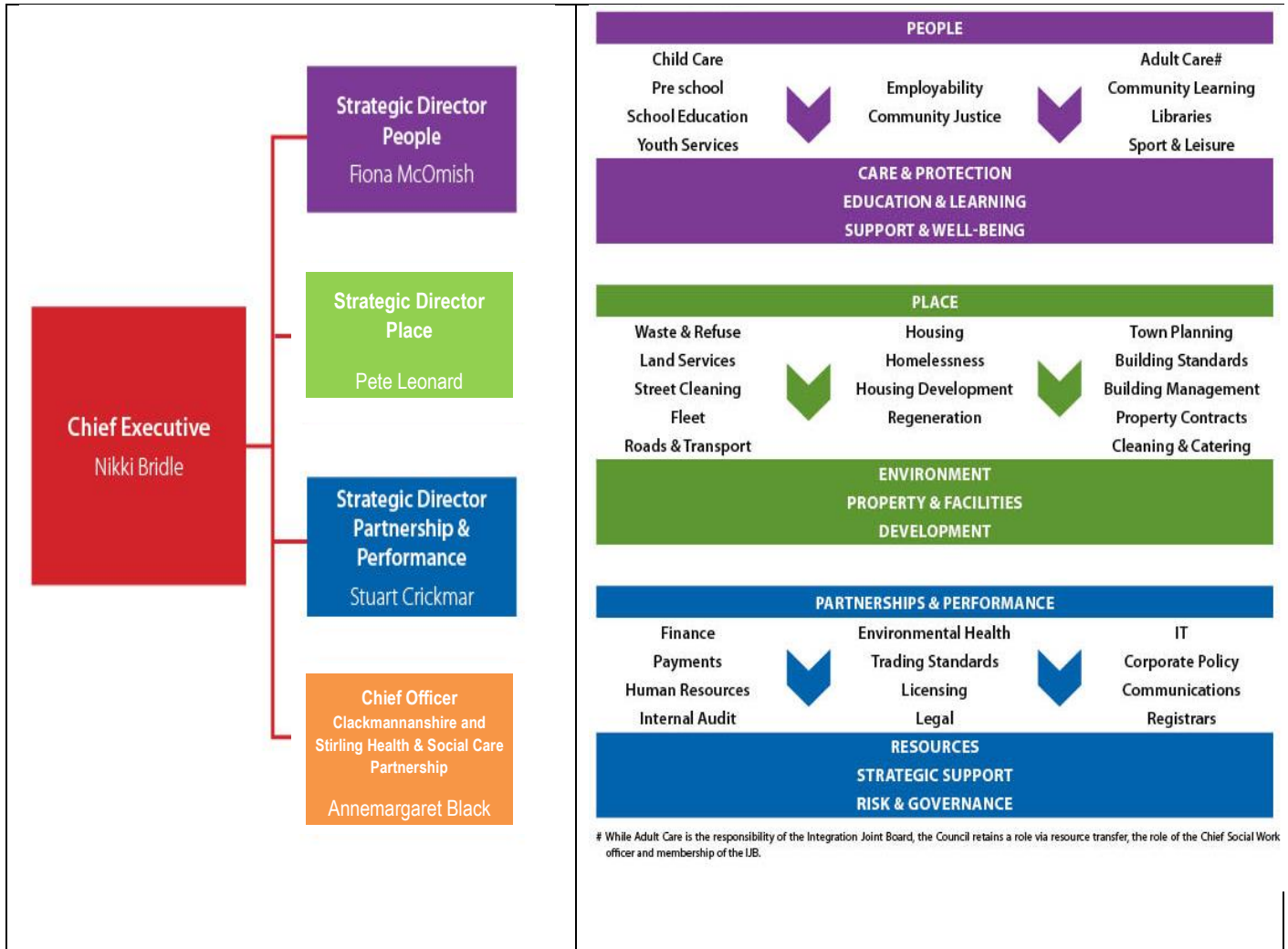
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CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2020/21 Management Commentary

Management Structure & Service Areas

The Council's Management Structure and service areas are set out in the diagram below:



The Council continued with its Organisational Redesign programme during 2020/21, concluding the second phase focussed at Senior Manager Level.

Throughout 2020/21, Clackmannanshire Council's Chief Executive was Nikki Bridle. The Chief Executive is the Head of Paid Service who leads and takes responsibility for the work of the Council and who runs the local authority on a day to day basis. The Chief Executive provides leadership, vision and strategic direction, and effective management of the Council.

The post holders at Strategic Management level as well as Statutory post holders are shown below with appointment or leaving dates as appropriate:

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Nikki Bridle



Chief Executive
(appointed 16 July 2018)

Stuart Crickmar



Strategic Director of Partnerships & Performance
(appointed 27 August 2018)

Lorraine Sanda



Strategic Director of People (& Chief Education Officer)
(appointed 15 September 2020)

Chief Education Officer
(appointed 13 January 2020 to 20 December 2020)

Acting Chief Education Officer
(appointed 2 December 2019 to 12 January 2020)

Fiona McOmish



Strategic Director of People
(appointed 18 February 2019 to 18 September 2020)

Pete Leonard



Strategic Director of Place
(appointed 5 August 2019)

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**Annemargaret
Black**



**Clackmannanshire & Stirling Health &
Social Care Partnership Chief Officer**
(appointed 17 June 2019)

Statutory Officers

The postholders for all statutory posts are shown below:

**Lindsay
Thomson**



Monitoring Officer
(appointed 1 November 2018)

Lindsay Sim



Chief Finance Officer (S95 Officer)
(appointed 1 February 2019)

Catherine Quinn



Interim Chief Education Officer
(appointed 21 December 2020)

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**Sharon
Robertson**



Interim Chief Social Work Officer
(appointed 1 April 2021)

Fiona Duncan



Chief Social Work Officer
(appointed 3 June 2019 to 10 January 2021)

Carolyn Wylie

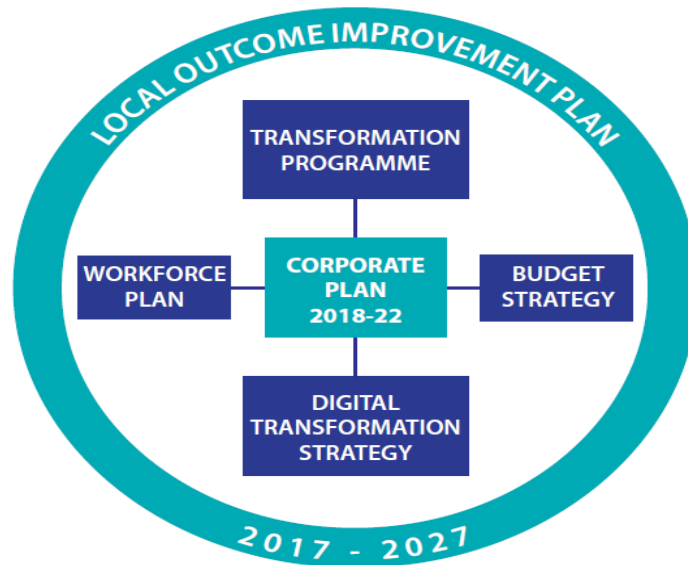


**Head of Community Health and Care for Clackmannanshire &
Stirling Health and Social Care Partnership**

Interim Chief Social Work Officer (Clackmannanshire Council)
(appointed 31 December 2020 to 31 March 2021)

CLACKMANNANSHIRE COUNCIL
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The “**Local Outcomes Improvement Plan (LOIP) 2017-2027**” sets out the vision of the Clackmannanshire Alliance for the 10 years to 2027 and builds upon the successes of our previous plan the Single Outcome Agreement for Clackmannanshire 2013-2023. A central theme of this Plan is a joint commitment to tackling the inequalities that exists in Clackmannanshire as a result of poverty and socio-economic disadvantage.



The LOIP has been developed by the Clackmannanshire Alliance and sets out the ambitions for change for Clackmannanshire over the next decade. This plan sets out the commitment to reducing inequality and renewed focus to work together to secure better outcomes for Clackmannanshire. In developing the LOIP, the Alliance chose to focus collective efforts on a core set of priorities based on discussions with partners and communities so that the plan is based on a sound understanding of local need and circumstances. The LOIP is supported by four long term strategic outcomes which will drive the direction of the strategic partnership:

Strategic Outcomes for Clackmannanshire

- 1** Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all.
- 2** Our families; children and young people will have the best possible start in life
- 3** Women and girls will be confident and aspirational, and achieve their full potential.
- 4** Our communities will be resilient and empowered so that they can thrive and flourish.

CLACKMANNANSHIRE COUNCIL
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For clarity and consistency the Alliance has chosen to develop these locality plans based on the three priorities that have been identified for Clackmannanshire. Investing the collective resources and efforts on these three areas will enable the partnership to secure the best outcomes for Clackmannanshire over the 10 year plan.

Locality Priorities for Clackmannanshire



Each community planning partner in Clackmannanshire is committed to these priorities and will reflect these in their own strategic plans to ensure all efforts drive improved outcomes for Clackmannanshire, particularly in light of the challenges that partners face over the next decade.

More detailed analysis can be found in the full LOIP at:
<https://www.clacks.gov.uk/community/loip/>

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The Corporate Plan

In December 2018 the Council approved a new Corporate Plan 2018-22, entitled ‘Be the Future’. This plan sets out the Council’s new vision, priorities and values against which all aspects of the Council’s work will be measured and aligned. The vision is focussed on collaboration, inclusive growth and innovation.

Over the last three years there has been considerable investment in creating the conditions which allow us to set out ambitious longer term plans to transform the way in which public services are delivered in Clackmannanshire. These ambitions are integrated with the development of our longer term financial planning approach which takes a significant step forward in 2021/22 with the establishment of a 20 year capital budget, organised around the Council’s Be the Future Programme priorities.

‘Be the Future’ sets out a streamlined range of corporate priorities and outcomes fully aligned with the LOIP detailed above. The vision and streamlined priorities aim to provide a much clearer focus for Council investment and delivery.

‘Be the Future’ – Corporate Values

Values	Descriptor
Be the customer	Listen to our customers; communicate honestly and with respect and integrity.
Be the Team	Respect each other and work collectively for the common good.
Be the Leader	Make things happen, focussing always on our vision and outcomes, and deliver high standards of people leadership and corporate governance.
Be the Collaborator	Work collaboratively with our partners and communities to deliver our vision and outcomes.
Be the Innovator	Look outwardly, be proactive about improvement and strive always for innovation and inclusive growth.
Be the Future	Work always towards ensuring that we deliver our vision and live our values, so that we become a valued, responsive Council with a reputation for innovation and creativity.

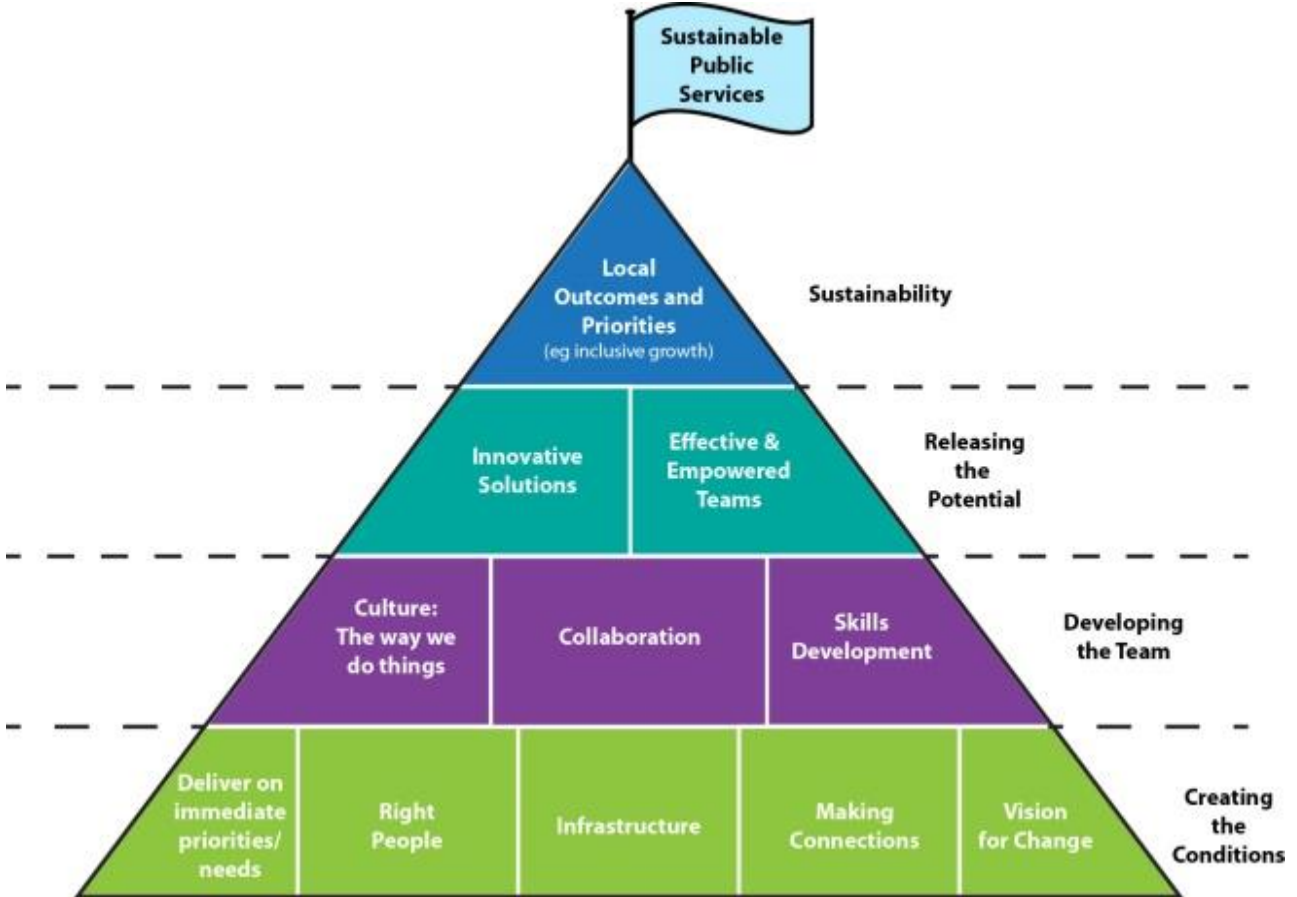
Organisational Redesign

In 2019, Council agreed its approach to Organisational Redesign. This framework and the supporting action plan focus on how we improve and develop our organisation to support sustainable change. This work was commenced at the earliest opportunity to ensure that our Council is developing into an organisation that is able to embrace change as ‘business as usual’. Over the last 12 months, work has been undertaken to further integrate and

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embed the Organisational Redesign Framework actions including within the Workforce Programme of activity.

Organisational Redesign Framework



The Organisational Redesign Framework provides a clear basis from which Council monitors and evaluates progress and provides the opportunity for the refinement of planned activity based on learning, progress and feedback. The Framework comprises four key phases as can be seen in the diagram above, which need to be progressed to allow the Council to deliver medium to long term service and financial sustainability. The phases are not designed to be sequential but run concurrently.

The framework and activity set out above is complementary to, and aligned with the Council’s Transformation Programme, the Be the Future Programme, which is also fully aligned and integrated with the Council’s other key strategic plans and priorities.

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The 10 year Be the Future Programme incorporates the Be the Future Aims and has distilled our planned LOIP outcomes and Corporate Plan priorities into three Be the Future Programmes of activity:

- Sustainable Inclusive Growth;
- Empowering Families and Communities, and
- Health and Well-being.

The Be the Future Aims and Programme themes are set out in the following diagram:

Be the
Future



**Clackmannanshire
Council**

Aims and Programme Themes

Aims	We will transform our organisation and approaches
<p>to:</p> <ul style="list-style-type: none"> ● empower people and places to improve their wellbeing, skills and prosperity; <p>and</p> <ul style="list-style-type: none"> ● ensure that environmental, social and financial needs of our people and places are met and that future generations thrive. 	
Sustainable Inclusive Growth	We will take steps to tackle poverty and inequality. We aim to maximise the opportunities for local people and businesses through our improved economic performance. We will also establish standards, delivery models and strategies which allow Clackmannanshire to play a leading role in meeting the climate challenge and protecting our built and natural environment.
Empowering Families & Communities	We will place people at the heart of service delivery. We aim to prioritise service users, family and community participation and leadership in developing and delivering solutions. We will work in partnership to build individual; family and community skills in support of social and financial independence.
Health & Wellbeing	We aim to improve the environment, quality of life and ease of access to services. Enhanced wellbeing will also provide greater participation opportunities as a consequence of improving economic performance in Clackmannanshire. Delivering increased wellbeing also aims to promote equitable growth.

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In 2020/21 activity in the Programme Management Office (PMO) has focused on operationalising the Programme by creating the critical documentation and business processes needed to progress to the next phase. The Be the Future Framework which incorporates a Toolkit, with key elements already agreed by the Be the Future Board, are being adopted into project practice. This will be extended in the coming year with the aim that by 2022/23 there will be widespread adoption of the Framework in the inception, design and management of Council projects.

The appointment of the Strategic Director (Transformation) has increased leadership capacity and during the next phase of the Be the Future Programme this capacity will be used to align the programme so that it maximises the outcomes achieved from the investment being made. The PMO will also support project staff to articulate benefits, outcomes and financial gains and these will be monitored through a Monitoring and Evaluation Framework that will help inform the governance of the Programme, including reporting to Council.

Addressing capacity challenges and the skills needed to support new ways of working will be key and further work to link the Workforce Programme more closely to the individual priorities and proposals in the Be the Future Programme will be undertaken. As part of this work it will also be important to ensure that the workforce plan and transformation work is integrated within the business planning process.

Additionally, a Strategic Roadmap will be developed that will articulate the common goals, outcomes and milestones for the 'Be the Future' Programme. The roadmap is a key communication tool which explains the strategic thinking for the programme to all stakeholders. The initial horizon for the roadmap is 24 months (2021/22- 2022/23).

To underpin this Strategic Roadmap the PMO is being realigned to drive the transformation activity in a planned and managed way. The PMO will be centrally led and work through a 'matrix' managed approach to deliver:

- Project managers who support the Council's adoption of the Be the Future toolkit and framework and who will work across priority projects in the Programme to manage and support successful delivery;
- Business analysts who inform the design and development of the Programme and projects, who use evidence and data analysis to recommend solutions throughout the project lifecycle and who analyse and measure the impact and outcomes of the Programme so we continue to learn and adapt;
- Communications expertise who will develop our strategic approach to managing internal and external communications that will support adoption of new ways of working, knowledge exchange and shared learning and that engages our people in being the future, and

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- Fundraising expertise that ensures that the opportunities to leverage additional investment and capacity throughout the Programme lifetime are realised for the Council and our partners.

In order to further enhance existing governance arrangements, Council approved as part of its budget setting for 2021/2022, to extend the remit of the Council Leader to include Service Lead for the Transformation Portfolio. The Council Leader is already corporate sponsor of a number of key Transformation initiatives such as Wellbeing Economy and Community Wealth Building, is Chair of the Clackmannanshire Alliance and Chair/ Vice Chair of City Region Deal Joint Committee, therefore it is appropriate that this is also included with the Leaders remit.

Performance

The recent Covid 19 pandemic has had a significant impact on the Council and its communities since the end of 2019/20 and throughout the whole of 2020/21. Since March 2020, the Council has put actions in place and reprioritised services to safeguard the community. Over the last 12 months focus has been directed on recovery actions including supporting children back to schools, supporting individuals and supporting local businesses. It is expected that the pandemic will continue to impact on performance going forward into 2021/22 and beyond as the UK continues its route map to recovery and the resulting financial pressures.

In 2020/21 the Council's gross expenditure was £220m (2019/20 £220m). This expenditure was spent on delivering a wide range of services for communities across Clackmannanshire, which is a growing economy where there are many opportunities. The context in which the Council operates is ever-changing and as contexts change, it is important that the Council is able to change with them, to make sure it is doing everything it can to improve people's quality of life and to make Clackmannanshire a better place to live and work.

The Council monitors and measures its performance in a number of ways, including:

- annual review of Local Outcome Improvement Plan (LOIP) performance which is scrutinised by both the Alliance and the Council's Scrutiny Committee;
- annual review of the Corporate Plan, which is reported to the Council;
- progress of the Councils Be the Future Transformation programme, through update reports to Council and Trade Union Forums;
- annual reporting of the Local Government Benchmarking Framework to the Audit Committee;
- Bi-monthly reporting of service performance and risks to each of the 3 portfolio committee meetings; People, Place and Partnerships and Performance, with the Councils overall financial reports being presented to the Audit Committee;
- reporting of corporate risks to the Audit Committee every six months; and
- review of the Statement of Preparedness which covers those Emergency Planning risks set out in the Community Risk register and developed by the Forth Valley Local Resilience Partnership.

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A progress report by the Accounts Commission on Best Value Assurance published in June 2019 recognised the positive progress being made by the Council since the previous report in 2018. The report also recognised the ongoing challenges in the ability to deliver financial sustainability and this framework will provide a basis on which the progress acknowledged by Audit Scotland can be evaluated. The report sets out a number of recommendations on which the Council has prepared an action plan to take forward and this work has continued during the 2020/21 financial year..

The financial position presented in the Financial Statements provides a platform from which to address the challenging times ahead and support the necessary transition to new, more efficient models of service delivery for the future and achieve the Be the Future aims.

Financial Planning

Changes in public sector funding have been a key issue facing all Councils for a number of years and this will continue to impact on what Councils do and how they do it. While the financial context is challenging, such challenging times also provide significant opportunities for real improvement. The Council and its partners are working in a more collaborative way by pooling their collective resources to be more efficient. Similarly, legislative changes are making it easier for communities to become more involved in finding solutions and engage more directly in service delivery.

The Council is continually reviewing its processes and procedures and financial planning continues to adapt to the changing economic climate. Regular medium term financial planning information is reported to Council via Budget Strategy Update reports to ensure that its policy, investment and financial decisions are informed by the wider financial context.

The Council's approved Budget Strategy sets out the planning assumptions and indicative savings figures for a rolling four year period. The Strategy focuses on a framework which aims to:

- reduce expenditure;
- maximise income;
- transform service provision, including more joint working, and
- implement other targeted initiatives to deliver high quality services from a sustainable cost base.

The 2021/22 Budget Report approved by Council in March 2021 presented a financial planning scenario which indicated a potential cumulative funding gap of £13.7m by 2024/25. This is clearly a challenging position but one which also provides significant opportunities to look at how services are delivered by the Council and in conjunction with its partners.

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As noted above, the Council still faces a significant funding gap of £14m over the next few years, with any unachieved savings adding pressure and increasing the gap in future years. Over the last 5 years the Council has approved £30m of savings with a further £2.1m approved for 2021/22. Continually achieving these savings year on year is challenging, however in 2020/21 the Council achieved £3.0m (91%) of the £3.3m planned savings approved in the 2020/21 budget.

During 2020/21, Chief Officers worked closely with the members of each political Administration to develop savings proposals which were included in the 2021/22 budget setting process. The budget preparation process considers both the capital and revenue implications of change proposals for financial planning purposes. The resultant proposals are focused on delivering services that are financially sustainable and manage changing profiles of demand and service user expectations.

The budget process was also supported by the Be the Future Board set up to focus on transformation. The Board is made up of members of the Administration and the two opposition groups along with Senior Officers. The Board supports the development and progress of the transformation programme and reviews transformation and savings proposals.

Although the financial position is difficult, the management team believe that the new organisational redesign framework and implementation of the approved Be the Future Transformation Programme, will ensure the Council remains financially sustainable.

Health & Social Care

The Council is part of the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP) along with Stirling Council and NHS Forth Valley. 2020/21 has been an extremely challenging year for the Partnership as it deals with the pandemic on a frontline basis. Similarly to the Council, funding was made available by the Scottish Government to offset the financial pressures due to COVID during the year.

Further information on the Clackmannanshire and Stirling Health and Social Care Partnership can be found at the following webpage:

<http://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/>.

City Region Deal

The Council is actively delivering ambitious plans in a joint City Region Deal with Stirling Council and Stirling University. Both Westminster and Scottish Governments have been working closely with the city region partners to develop proposals to unlock investment and secure transformational growth in the regional economy. Focus is on key priorities such as socially-inclusive growth; enabling infrastructure (such as roads, social housing and schools); business development opportunities; town centre regeneration; tourism; employability support and renewable energy.







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In the case of Clackmannanshire initial priorities were informed by a series of Stakeholder Workshops and refined as part of the joint-working with Stirling Council and both Governments to form a coherent regional bid. Following further stakeholder engagement and approval by both Councils, including formal governance arrangements between the Councils, the 'Heads of Terms' was agreed in June 2018 and full deal sign off was achieved in February 2020.

As reported to Council on 22 October 2020, a revised delivery plan was presented to the Scottish and UK governments which outlined changes on the delivery plan as a result of the COVID-19 pandemic. The revised delivery plan and associated financial profile was formally agreed by the Stirling & Clackmannanshire City Region Deal Joint Committee on 17th December 2020.

Response rates to complaints, enquiries and FOIs

It is a priority for the Council to respond to all complaints and enquires within the time limits wherever possible. A Stage 1 Complaint should be responded to within 5 days and Stage 2 within 20 days. The timescale for the response to Councillor and MP/MSP enquiries is determined by the Councillor and MP/MSP submitting the enquiry and can be either 10 working days, 4 working days or 3 working days if urgent. The table below shows the performance for the year against the previous year:

	2020/21		2019/20		Movement
	Number	% on time	Number	% on time	
Complaints closed at (stage 1+2)	194	77.3%	216	72.2%	
Complaints closed at stage 1	169	78.7%	182	70.3%	
Complaints closed at stage 2 (inc after escalation)	25	72.0%	34	82.4%	
Councillor Enquiries	519	90.0%	584	85.6%	
MP / MSP Enquiries	166	67.5%	222	89.2%	
FOIs	906	85.0%	1,174	92%	




Overall there was a slight reduction in the number of Complaints and Enquiries received over the year compared to the previous year. The number of complaints closed at stage 1 and 2 on time overall increased due to an increase in complaints closed at stage 1 on time and there was also an increase in the number of Councillor Enquiries closed on time.

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Sickness Absence Rates

Compared to the previous financial years there continues to be improved performance in relation to levels of absence. The percentage of days lost significantly reduced in 2020/21 to 3.33% compared to 4.47% in 2019/20 and the average Full Time Equivalent (FTE) days lost per employee has also significantly reduced to 9.3 days compared to 12.5 days in 2019/20. The majority of our absences (73.76%) are long term in nature and these are managed in accordance with agreed Council procedures.

It is recognised that due to lockdown measures and continued homeworking for a number of staff there have been reductions in the level of short term absence compared to the previous financial year and this has contributed to the overall reduction in absence levels.

	2018/19	2019/20	2020/21	Movement
% Sickness absence (All Council staff)	4.65%	4.47%	3.33%	
Average FTE days lost through sickness absence per employee (Teachers plus all other local government employees)	13.2	12.5	9.3	
Long term absence rate - Council	65.55%	62.73%	73.76%	

The Council continued to offer and deliver, virtually, maximising attendance sessions to managers throughout 2020/21. In addition a new learning resource on maximising attendance was made available through the Council's e-learning platform.

During 2020/21 there has also been an emphasis on supporting the mental wellbeing of staff. Significant resources have been made available to staff through our keeping staff connected pages as well as a number of guides for managers aimed at ensuring ongoing engagement and promoting positive conversations.

Absence continues to be an area of continued scrutiny for the Council's Strategic Leadership Group.

Public Performance Reports

A wide range of Public Performance Reports are available by following the link to the Council's website (www.clacks.gov.uk). Regular service performance reports also contain details of both service and financial performance, the most recent reports can be found at <http://clacksweb.org.uk/council/performance/>.

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Financial Performance 2020/21

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom with the objective of presenting a true and fair view of the financial position of the Council and its income and expenditure for the year ended 31 March 2021. A brief explanation of each statement and its purpose is provided at the beginning of each statement. The main statements appear in the accounts followed by a series of additional statements to give the reader a full analysis of the funding received and how this is spent. The Expenditure and Funding Analysis (Note 6) brings together the net expenditure based on the management reporting structure and compares this against the net expenditure that is reported in the Comprehensive Income and Expenditure Statement in line with the Accounting Framework.

Within the General Fund, against the background of reducing resources, in 2020/21 the Council has successfully delivered services within budget, which included utilisation of £1.3m of capital receipts. This position, along with consideration of the reserves utilised during the year, results in an increase in General Fund reserves of £7.8m to £19.6m (2019/20: £11.9m). Of this total, £13.3m (2019/20 £5.6m) is earmarked for specific purposes, leaving £6.3m of uncommitted reserves.

The Council has a material interest in a number of bodies and prepares group accounts which include its appropriate share of these entities assets and liabilities. The group accounts can be found at the end of these statements, with details of the entities within the group.

Key Financial Ratios

The Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance Section recommends that certain financial ratios are included in the Management Commentary to assist the reader to assess the performance of the Council over the financial year and of the affordability of its ongoing commitments. The following table provides the indicators with an explanation of each, grouped into CIPFA categories for the various areas of financial activity.

Financial Indicator	Notes	2019/20	2020/21
Reserves			
Uncommitted General Fund Reserve proportion of Net Actual Expenditure	1	5.07%	4.78%
Movement in the Uncommitted General Fund Balance	2	1.24%	29.00%
Council Tax			
In-year collection rate	3	95.74%	94.80%
Ratio of Council Tax Income to Overall Level of Funding	4	17.79%	17.16%
Actual Outturn compared to Budgeted Expenditure		95.97%	93.15

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Financial Indicator	Notes	2019/20	2020/21
Actual contribution to/(from) Unallocated General Fund Balance compared to Budget	5	1.0%	2.0%
Capital Financing Requirement (CFR) for the current year	6	£144.5m	£143.2m
External Debt Levels for the current year		£140.9m	£139.2m
Ratio of financing costs to net revenue stream		5.47%	4.68%

- 1 *Reflects the level of funding available to manage financial risk/unplanned expenditure. The Council's Policy is 3% of net expenditure which is considered appropriate in the context of the Council's financial and ongoing risk profile.*
- 2 *Reflects the extent to which the Council is using its Uncommitted General Fund Reserve. The movement is due to in-year underspend and a release of committed reserves following a review of requirements.*
- 3 *Reflects the Council's effectiveness in collecting Council Tax debt and financial management. This small 0.94% decrease is as a result of restricted recovery action being taken during the Covid pandemic.*
- 4 *Reflects the Council's capacity to vary expenditure by raising Council Tax income, the only principal source of finance within Local Authority control.*
- 5 *How closely expenditure compares to the budget is a reflection of the effectiveness of financial management. This indicator is based on the format of budget monitoring as reported throughout the year.*
- 6 *External debt levels are lower than the CFR. These two indicators complement the assurances of borrowing only being for capital purposes. The ratio of financing costs to net revenue stream provides an indication of the Council's ability to service the borrowing costs.*

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Capital and Revenue Expenditure

The Council's expenditure is split between the categories of capital and revenue. In broad terms expenditure for capital purposes relate to costs incurred on the acquisition or creation of tangible assets needed to provide services, such as houses, schools, vehicles etc. This is in contrast with revenue expenditure, which is spent on the day-to-day operation of services such as employee costs and supplies and services.

The Council invested £17.939m (2019/20 £20.710m) in capital projects during the year, the table below shows some of the main projects:

	2019/20	2020/21
	£'m	£'m
IT Investment	0.470	1.204
School Development	4.510	0.478
Tullibody South Campus	4.380	0.572
Park Primary Development	0.074	0.846
Kilncraigs BPR	-	4.906
Street lighting	0.310	0.257
Clackmannanshire regeneration	0.550	0.038
Roads, foot paths, cycleways etc.	2.510	2.932
Fleet Vehicles	1.190	1.624
Housing – new build and off the shelf purchases	0.877	0.827
Housing - replacement of kitchen/heating	1.600	0.535
Housing - replacement of roofs/windows	2.700	2.039
Other Projects	1.539	1.681
	20.710	17.939

General Fund Results for the year

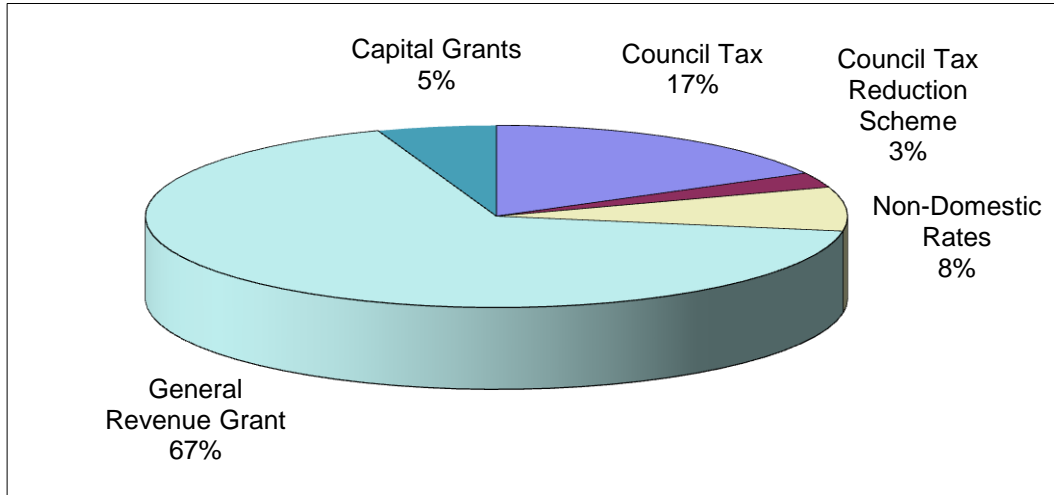
The General Fund covers all the areas of the Council's service provision with the exception of the management of its own housing stock which is covered within the Housing Revenue Account (HRA). General Fund services are financed by government grant and local taxation (i.e. council tax).

The largest source of funding the Council receives is the General Revenue Grant received from Scottish Government including Non-Domestic Rates (NDR) which amounted to £102.9m for 2020/21, (2019/20 £91.8m). NDR income is collected by local authorities, and remitted to the Scottish Government, where it is pooled nationally, and re-distributed back to Councils within the General Revenue Grant. (This is described in more detail in the National Non Domestic Rates Income Account on page 167).

Income from Council Tax in 2020/21 was £23.6m (2019/20 £22.8m). Funding was also received from the Scottish Government for the Council Tax Reduction Scheme for which the Council received income of £3.9m (2019/20 £3.5m). In 2020/21 capital grants totalled £7.6m (2019/20 £10m). The proportions of funding received by the Council in each of these categories are shown in the following chart and table:

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Proportion and source of funding received in 2020/21



Sources of Income	2019/20		2020/21	
	£'000	%	£'000	%
Council Tax	22,804	17.8	23,638	17.2
Council Tax Reduction Scheme	3,536	2.8	3,667	2.7
Non-Domestic Rates (plus BRIS)	17,315	13.5	10,757	7.8
General Revenue Grant	74,502	58.1	92,153	66.9
Capital Grants	10,026	7.8	7,558	5.5
	128,183	100.0	137,773	100.0

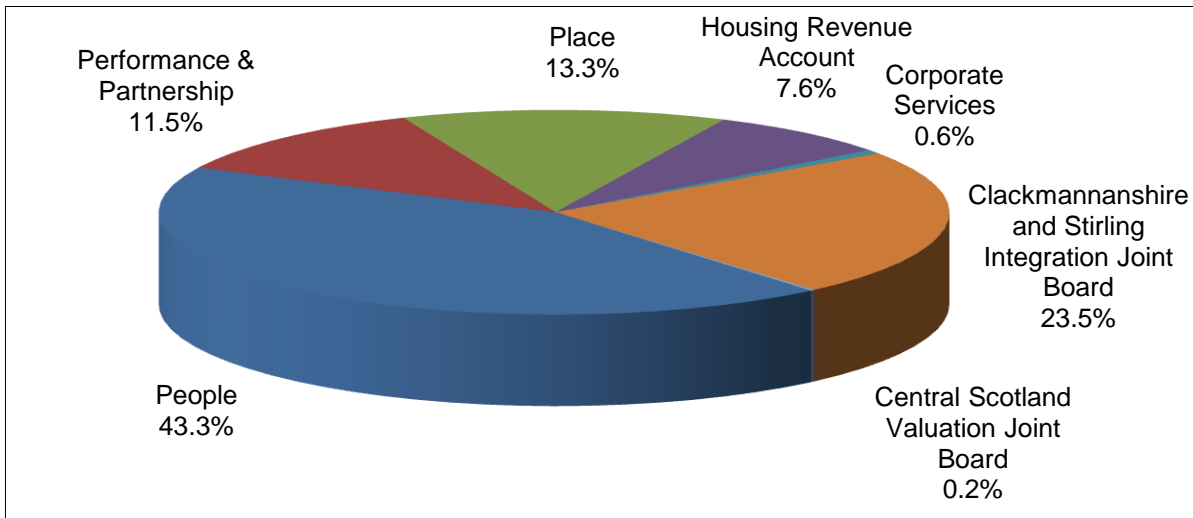
Council Revenue Expenditure Summary

Proportion of 2020/21 Revenue Expenditure by Service

In 2020/21 the total operating expenses for service delivery was £220m (2019/20 £220m), as detailed in Comprehensive Income and Expenditure statement on page 82. This level of expenditure indicates the significant size and complexity of the organisation.

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The chart below shows the expenditure apportioned by portfolio, with the People portfolio having the highest level of spend.



Outturn Position

At the end of the year, the Council reported an underspend of £9.721m on its management accounts, an increase of £8.718m than previously forecasted as at December 2020 reported to Audit Committee in April 2021. Included within the final underspend is a number of earmarked underspends for areas of ring-fenced spend such as Pupil Equity Funding (PEF), Devolved School Management (DSM) and Early Learning and Childcare (ELC), that are not recognised until the year end. These underspends are then carried forward to be used in the following year. After removal of earmarked reserves, this results in a net underspend of £3.006m compared to budget that contributes to reserves.

At the end of 2020/21, the Clackmannanshire locality of the HSCP reported an underspend of £1.715m. However, the final outturn reflects a nil variance as the Councils full approved budgeted contribution for 2020/21 is paid over to the Partnership which contributes to the overall financial position of the Partnership.

The outturn position per the Management Accounts per portfolio area as reported to Committee is shown below:

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Council Summary 2020/21			
	Annual Budget 2020/21	Actual to Mar-21	Variance Budget to Actual
	£'000	£'000	£'000
People	77,685	78,034	349
Place	17,328	16,712	(616)
Partnership & Performance	19,631	11,655	(7,977)
Health & Social Care Partnership	19,042	19,042	0
Corporate Services	7,324	6,003	(1,321)
Central Scotland Valuation Joint Board	440	440	(0)
	141,450	131,886	(9,564)
Sources of Funding	(138,266)	(138,423)	(156)
	3,184	(6,537)	(9,721)

The Council Summary presents the expenditure of general fund services which are funded from by government grant and local taxation. The Comprehensive Income and Expenditure Statement on page 82, which also includes the Housing Revenue Accounts, is prepared in accordance with proper accounting practices and, as such, can lead to differences in presentation of certain items of expenditure.

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Council Reserves

The overall position on Council's Usable Reserves is shown in the table below:

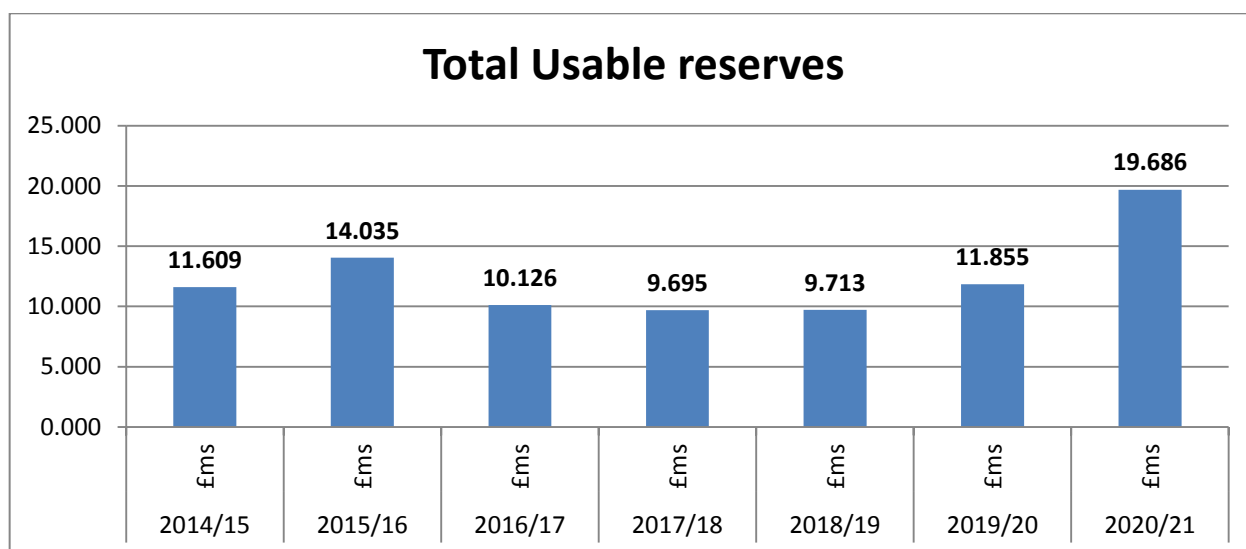
2020/21 Summary of Council reserves

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants & Receipts Unapplied £'000	Total £'000
As at 1 April 2020	(11,858)	(4,504)	(2,074)	(1,280)	(2,694)	(22,410)
Comprehensive Income & Expenditure	6,280	(2,223)	-	-	-	4,057
Adjustments between funding & accounting basis	(12,808)	(884)	(542)	-	(405)	(14,639)
Transfers	(1,300)	-	1,283	4	249	236
As at 31 March 2021	(19,686)	(7,611)	(1,333)	(1,276)	(2,850)	(32,756)

Total usable reserves have increased to £32m (2019/20 £22m) at 31 March 2021. A comprehensive analysis of the Council's reserves is provided in the Movements in Reserves Statement on page 83 and supporting notes.

Total Usable Reserves

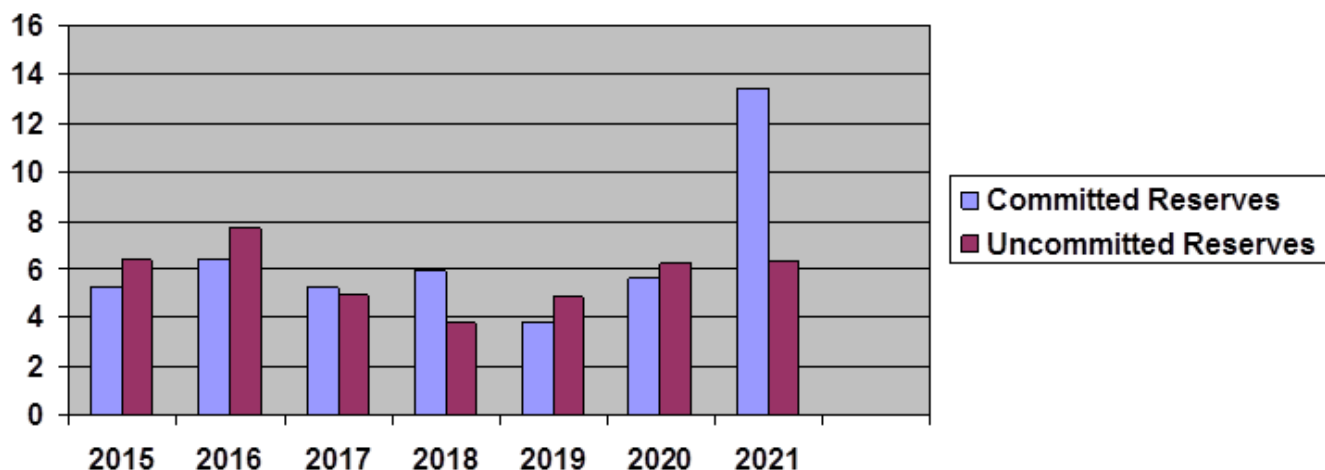
In 2020/21 the General Fund reserve has increased to £19.7m (2019/20: £11.9m). Between March 2015 and March 2021 total usable reserves have increased by £8.1m or 69.58%. The large increase between 2019/20 and 2020/21 is mainly due to additional Covid funding received in 2020/21 that has been carried forward to fund future Covid pressures.



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Level of Committed and Uncommitted Reserves 2014/15 to 2020/21

£'ms



Committed (Earmarked) General Reserves

Of the £19.7m general usable reserves, £13.4m is earmarked for specific purposes, either by individual services or to meet corporate liabilities. The committed balance can be summarised as follows:

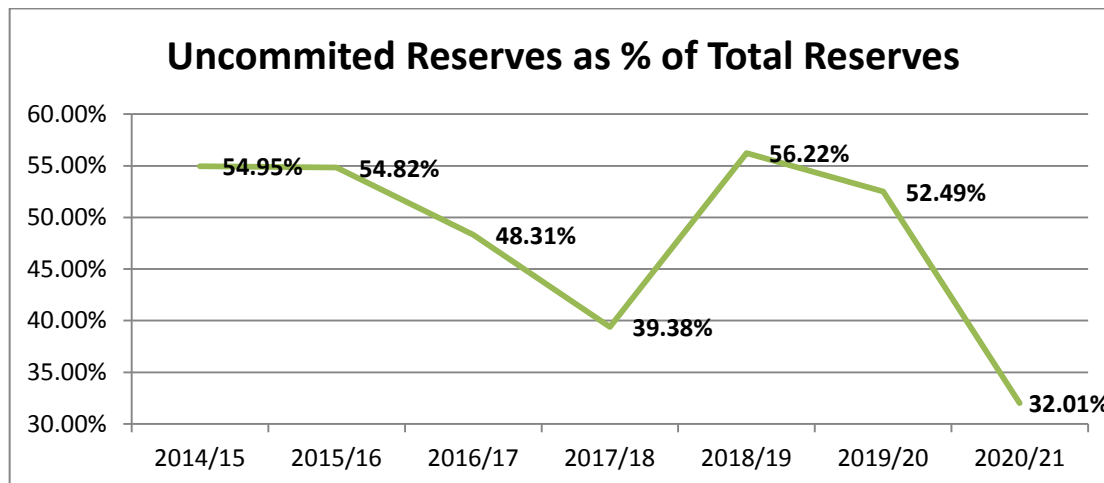
	2019/20	2020/21
	£'m	£'m
Devolved School Management	(0.5)	(0.4)
Organisational Change Fund	(0.2)	(0.3)
Employment Fund	(1.5)	(1.0)
Pupil Equity Funding (PEF)	(0.6)	(0.6)
Early Learning & Childcare (ELCC)	(0.5)	(0.3)
Education COVID recovery	(0.0)	(1.5)
Ring-fenced Housing Grants	(0.6)	(0.8)
Transformation Fund	(1.0)	(1.8)
Other Miscellaneous Commitments	(0.7)	(1.6)
COVID General Funding	(0.0)	(2.0)
COVID Specific Funding	(0.0)	(1.0)
Amount to support 21/22 Revenue Budget	(0.0)	(0.9)
Earmarked for general purpose 21/22 budget	(0.0)	(1.2)
Net Committed Reserves	(5.6)	(13.4)

The uncommitted element of General Fund Reserve at 31 March 2021 which is generally available to support future expenditure, stood at £6.3m (2019/20 £6.2m). The Council's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 3% of net expenditure. The current reserves represent a level of 4.8% (2019/20 4.8%) of the 2021/22 net budgeted expenditure.

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The movement in the Council's uncommitted reserves position compared to total reserves since March 2014 is shown below:

Trend in reserves position 2014/15-2019/20



Capital Expenditure

The Prudential Code for Capital Finance in Local Authorities governs the level of capital expenditure taking into account affordability, sustainability, the management of assets and the achievement of strategic objectives. Capital spending in 2020/21 on General Fund Services (including operational Common Good properties) was £13.647m (2019/20 £14.160m) and on Housing was £4.292m (2019/20 £6.549m).

Expenditure	£'m	Financed by	£'m
Community Investment Strategy	8.082	Government grant & contributions	7.426
Property Asset Management Strategy	0.302	Capital Receipts	0.001
Roads Asset Management Strategy	2.931	Capital financed from revenue	4.011
Housing Business Plan	4.292	Borrowing	6.501
Lands Assets Management Strategy	0.034		
Fleet Asset Management Strategy	1.624		
IT Asset Management Strategy	0.674		
	17.939		17.939
Capital programme underspend	13.790		
Capital Budget	31.729		

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During 2020/21 the Council invested £17.939m in Capital projects, £17.903m of this expenditure was on Council assets and £0.036m was granted to third parties including Common Good. Capital expenditure in the year has been financed by capital receipts (£0.001m), government grants and contributions (£7.426m) and direct revenue funding (£4.011m) leaving a balance of (£6.501m) which was financed from borrowing.

At the end of the year there was an overall underspend of £13.790m on the budgeted programme. £9.417m of this related to the general fund and was mainly due to rephasing of spend on large projects spanning multiple financial years such as: Clackmannan Regeneration, City Region Deal, digital infrastructure project, and delays in the delivery of purchased vehicles. The underspend on the HRA capital programme of £4.373m is mainly due to roof and render upgrade works, window replacement, and electrical systems works that were delayed due to lockdown restrictions. The unspent budget due to rephasing will be carried forward to 2020/21.

In recent years the total capital budget has not been fully utilised with underspends ranging from 52% to 70% of the budget. In 2020/21, the underspend has increased to 43.5% (2019/20 33.6%) of the budgeted spending level, however, work continues to refine the capital planning process. Work is ongoing to develop a capital strategy in line with the Council's transformation programme and service asset plans.

Capital Receipts, Grants and Contributions

Receipts held in the capital receipts reserve at 31 March 2021 total £1.333m. £0.729m of these receipts have been earmarked to support delivery of the Council's 2021/22 budget. £0.097m has also been earmarked for the continuation of the Council's organisational redesign programme to fund the statutory element of voluntary severance.

Receipts of £2.888m were held in the Capital Grants & Receipts Unapplied Reserve at 31 March 2021. Of this balance £0.766m is earmarked for the Be the Future Fund which is expected to be fully utilised during 2021/22 when the flexibility to use Capital Receipts for this purpose ends. The remaining balance is to be applied against specific projects in line with the conditions of the grants.

Housing Revenue Account

The Housing Revenue Account, which funds the provision of Council housing, incurred a surplus in the year on the management accounts of £7.1m against a budgeted surplus of £5.2m. From this surplus a revenue contribution to capital of £4.0m was made in accordance with the Housing Business Plan to maintain the Scottish Housing Quality Standard and the Enhanced Clackmannanshire Standard.

This has resulted in an increase of £3.1m to reserves at the year end, as shown in the Movement in Reserves Statement. Working balances available to the Housing Revenue Account have therefore increased to £7.6m as at 31 March 2021. This balance will continue to be earmarked to support the delivery of the Housing Business Plan in line with the Council's approved strategy.

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A further £4.0m was invested in the housing stock over the year. This builds on previous investment commitments and continues to sustain and consolidate the Council's position in terms of compliance with the Scottish Housing Quality Standard. The government introduced the new Energy Efficiency Standard for Social Housing (EESH) with compliance required by December 2020. A further milestone has been set for December 2032 which will be formally reviewed in 2025 to assess progress.

Tenant consultation has been curtailed in 2020/21 during the pandemic. The Service still managed to let 334 houses during the year of which 328, 98.2%, expressed themselves as very or fairly satisfied.

The average time taken to complete emergency repairs is now just over three hours. The average time for non-emergency repairs is 4 days with 97% of jobs carried out "right first time". Satisfaction with the repairs service is high. Of the tenants who were asked about their views on the repairs carried out in the year, 99% were satisfied. Overall performance is up on last year with a 2% improvement in "right first time" performance and just over 1% increase in tenant repairs satisfaction.

Annual Assurance Statement 2020/21 – Scottish Housing Regulator

The Council submitted the 2020/21 Annual Assurance Statement to The Scottish Housing Regulator as required by the December 2020 deadline.

The Annual Assurance Statement requires that all social landlords in Scotland provide assurance to the regulator that they comply with the relevant regulatory standards and legal requirements, and are able to provide evidence in support of this. One area of non-compliance was identified:

- The Council failed to comply with "Involve tenants, and where relevant other service users, in the scrutiny and preparation of performance information"

A forward plan of improvement actions has been developed and is being implemented to address the under performance within the area of tenant scrutiny. These actions are outlined within the Assurance Statement.

Debt

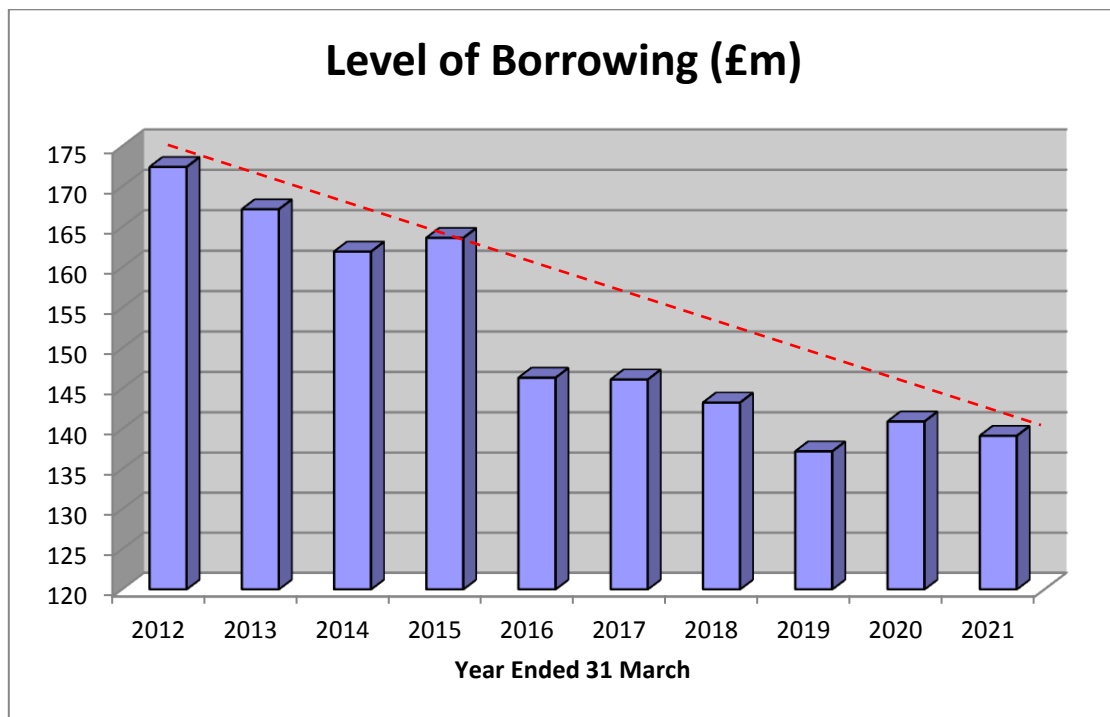
The Council's gross external debt as at March 2021 which supports its investment and development of long-term assets totals £139.2m and consists of:

	2020/21	2019/20
	£m	£m
External Borrowing	101.319	101.803
PFI and other finance leases	37.845	39.148
	139.164	140.911

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This is a decrease of £1.8m on the previous years external debt position of £140.9m. This movement is made up of repayments on borrowing of £0.484m and repayments were made to PFI and other Finance leases of £1.302m. The Council continues to work towards reducing overall external debt in line with its policy set out in the Treasury Management Strategy.

In the year, £8.8m (2019/20 £8.9m) external interest and principal repayments of £1.8m were paid in relation to this borrowing.



Overall there has been a reduction in cumulative external debt of 19.3% between 2012 and 2021, 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.

In line with the Prudential Code and Treasury Management Strategy any borrowing undertaken is required to be prudent, affordable and sustainable. As at 31 March 2021 the Council was in an under-borrowed position which meant that it's level of borrowing was less than its capital expenditure. Further detailed information including performance indicators can be found in the Council's Annual Treasury Management Strategy Statement (TMSS) 2020/21 set by Council on 27th February 2021 and the Annual Treasury Report 2020/21 presented to Council on 19 August 2021.

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Secondary Schools PFI Scheme

Following the introduction of revised Financial Reporting arrangements introduced in 2009/10 for PFI projects, the Council's three new secondary schools are recorded within the long-term assets of the Council, along with a liability for the financing provided by the PFI operator. The outstanding finance liability at March 2021 is £37.845m and this sum is included within the Council's overall borrowing position referred to above.

The unitary charge paid to the operator in 2020/21 was £8.477m (2019/20 £8.307m) and will increase annually by inflation over the 30 year term of the contract. The Scottish Government provides additional funding towards the project of £3.553m per annum. The total cost of the contracted project is set out in Note 34 – Private Finance Initiative and Similar Contracts on page 148.

During 2010/11 a review of the Council's PFI funding model was undertaken on the basis that in view of the current operating environment and in particular UK wide economic and financial pressures, some of the original assumptions contained within the financing model were out of date. In particular, the relationship between planned council tax increases and the financing model was no longer relevant with the ongoing commitment to freeze council tax and changes in the level of RPI are in excess of those envisaged at the inception of the model. The revised model continues to be based on a straight repayment basis.

Net Pension Liability

Pension Fund reporting regulations require an annual valuation by fund actuaries. The calculation at 31 March 2021 disclosed a deficit of £151.7m (2019/20 deficit £97.9m). The calculation is prepared for the purposes of International Accounting Standard 19 (IAS 19) reporting requirements and is not relevant for funding purposes i.e. does not have a direct impact on council tax or housing rent payers. This is simply a snapshot of the position at that time. The increase in the deficit is due to a combination of a reduction in the net discount rate and the impact of the latest triennial valuation which has seen changes in demographic, financial and other assumptions.

The latest long-term triennial funding valuation of the Fund for the purpose of setting employers' actual contributions was at 31 March 2020. This valuation has been reviewed and employers' contribution rates have been set in line with actuarial advice and have been kept at the same level for 2021/22 and 2022/23 and increased by 0.5% for 2023/24.

Provisions

Provisions are made where an event has taken place which creates a legal or constructive obligation that more likely than not requires some form of transfer of economic benefits or service and a reliable estimate can be made about the amount of the obligation. As at 31 March 2021, one provision is included in the Financial Statements, see Note 21.

Contingent Liabilities and Assets

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts. They arise where the Council has a possible obligation but this will only be confirmed or otherwise by uncertain future events not entirely within the control of the

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Council. They can also arise where a provision might otherwise have been made but it is not probable that resources will transfer, or if the obligation cannot be measured reliably. In 2020/21, three contingent liabilities are disclosed, see Note 37. The Council has no material contingent assets at the Balance Sheet date.

Group Accounts

The Council's group accounts consist of; Clackmannanshire and Stirling Integration Joint Board, Central Scotland Valuation Joint Board, Coalsnaughton NHT, Common Good and CSBP Clackmannanshire Investments Ltd.

COVID 19

The recent Covid 19 pandemic has had a significant impact on the Council and its communities towards the end of 2019/20 and through the course of 2020/21. Since March 2020, the Council has put actions in place and reprioritised services to safeguard its communities. Over the past year, focus has been directed on recovery actions including supporting children back to school and with home learning and supporting individuals and local businesses.

Some of the specific areas affected and actions taken by the Council since the start of the pandemic are outlined below.

During the pandemic, there has been increased community engagement and partnership working to support those who are most vulnerable. Additional supports to the community have been put in place including support to those who are shielding and self isolation grants to those facing hardship whilst having to self isolate and payments to families for free school meals whilst schools have been closed. Further details of the supports administered by the Council to Businesses and Individuals on behalf of the Scottish Government are set out in the Agency Arrangements section below. The Council also administered Scottish Government initiatives in the way of financial support to businesses through Business Grants and applied reliefs to businesses in the Retail Hospitality and Leisure industry for non domestic rates.

The Council has had to make changes in how its workforce operates. All staff are now working from home where possible and this has involved the roll out of IT kit to enable Homeworking. Staff have had to adapt to a new virtual way of working and keeping in touch. Meetings are now held virtually through Microsoft Teams including Council and Committee meetings. Changes have also been made to workplaces to enable staff to work safely and maintain a 2 metres distance.

Various changes in service provision have been made including standing down non-essential services and bringing these back on line in a phased way when able to do so. Risk assessments have been carried out to ensure safe working practices for staff and service users, particularly in face to face services such as Social Care and staff have been redeployed onto priority tasks to help support essential services. Cleaning services have been increased within Schools and Council operated buildings. We have also had to adapt and change the way services are provided. This has been significant within the Education Service where digital devices have been rolled out to the most vulnerable pupils to allow

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home learning. Teaching staff have also had to adapt to this new way of working supporting online classrooms.

Covid 19 has had a significant impact on financial performance with additional costs incurred during the year as well as loss of income. Due to prioritising essential services and effects of lockdown, there is slippage in the capital programme across both the General Fund and the Housing Revenue Account. Various funding streams have been provided through the Scottish Government to ease pressure on the revenue account which has brought with it additional monitoring and reporting tasks. Prioritising essential services and the additional workload has meant business as usual tasks have been delayed including production of the draft and approval of these final audited accounts.

Despite these challenges the Council has still managed to continue with most business as usual tasks during the year and progress with its Transformation activity which is integral to long term financial and service sustainability. It is expected that the pandemic will have an impact on performance going forward as recovery action will be in place for sometime and financial pressures are expected to extend beyond 2020/21.

Agency Arrangements

In response to the lockdown arrangements the Scottish Government introduced a number of grants for both businesses and individuals which Councils administered on their behalf. Clackmannanshire Council paid out £12.834m of COVID19 support funding to businesses and individuals on an agency basis as detailed below:

	To Businesses £000	To Individuals £000	Total £000
Support Grants			
Business Support Grants	7,557		7,557
Strategic Framework and Retail and Hospitality Business Grants	4,130		4,130
Taxi and Private Hire Vehicle Driver Support Fund	134		134
Newly Self Employed Hardship Fund	95		95
Break Restrictions Grants	245		245
Contingency Fund Plus	76		76
Furlough Support	53		53
Small Accommodation Providers paying council tax	18		18
Transitional Support Fund for Childcare Providers	54		54
Temporary Restrictions Fund for Childcare Providers	46		46
Spring and Winter Hardship Payments		351	351
Self Isolation Support Grants		75	75
TOTAL	12,408	426	12,834

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Business Environment and Risks

There are 2 key economic variables that have affected the Council during 2020/21 and which will continue to impact the Council going forward into 2021/22 and likely beyond. The first, being the recent Covid 19 pandemic and its effect on the wider economy and interest rates and its direct impact on Council service provision, priorities, expenditure and funding. The second is the continuing impact of Brexit on the UK economy as the UK navigates through the recently concluded trade deal with the EU.

On the 6th May the Bank of England (BoE) released its latest quarterly report on inflation. Interest rates had remained steady through 2020/21 at 0.1% with no changes since the last reduction in March 2020. The most recent forecast indicates interest rates are likely to remain low to continue to support households and businesses as the UK economy looks towards recovery from the pandemic. The target for inflation remained at 2% during 2020/21 and whilst inflation remained below this during the year, most recent figures are now above this rate as lockdown eases and consumer confidence and spending increases.

Increases in inflation have a potential impact on the prices of procured and commissioned goods and services and future wages. After a period of low wage increases for a number of years, particularly in the public sector, the previous 3 year pay deal for 2018/19 to 2020/21 resulted in the public sector pay restraint being lifted and additional pressure being put on local authority budgets over the course of this three year period. As part of its budget setting process for 2021/22, Scottish Government have a Public Sector Pay Policy. Whilst this does not apply to Local Authorities, current proposals are framed around this offer and discussions are ongoing with trade unions and COSLA at a national level. Any agreed pay award over and above the Public Sector Pay Policy will lead to further pressures for Local Authorities.

As in recent years and even more so as a result of Covid 19, this operating environment presents the key challenge of developing and sustaining medium to longer term financial planning. A key area of uncertainty for the Council remains the future levels of grant from the Scottish Government it will receive on which it relies for a significant proportion of its funding.

It is recognised that the COVID 19 pandemic will have a longer term impact on some services and the Scottish Government continues to review the supports in place and funding to Local Authorities, Health Boards and the wider economy to support recovery.

It is hoped that the next Scottish Budget will be a 3 year settlement which should help to inform medium term financial planning and get a clearer sense of the Scottish Government's spending priorities. This however, is dependent on the UK Government's ability to publish a 3 year settlement.

Given this operating context, the preparation of medium to long term financial plans are subject to a number of key risks and uncertainties which will have an impact on budget assumptions. With funding static at best and potential increased costs of service provision due to the Covid 19 pandemic, managing the effects of these increased costs will be a

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challenge for the public sector. This also places additional pressure on the Council to transform services and reduce its operating costs further to maintain a balanced budget in future years.

Audit Scotland continues to promote the importance of medium to long term financial planning. In Clackmannanshire, the Council continues to promote medium to longer term financial planning over a number of Budget rounds, the key features of the approach being:

- The use of financial scenario planning to provide a range of potential financial outcomes relative to changes in the key financial assumptions made; and
- The Budget setting process provides indicative budgets for future years and identifies specific Business cases and / or new areas for review to be developed. This provides a multi year view of the programme of activity and how it relates to Budget setting and indicative funding gap forecasts in individual financial years.
-
- The development of the Be the Future programme identifying areas for Transformation to increase efficiency and reduce costs over a 10 year period.
- A 20 year Capital Investment Plan as approved in the 2021/22 budget, setting out investment priorities over the medium to longer term.

Medium to long term planning assists the Council in managing the financial and service delivery risks associated with the impact of real and potential cash term reductions in public sector funding, balanced against increasing demand for services and new responsibilities.

Principal Risks and Uncertainties

Along with the challenge of financial resilience, the Council also faces a number of non-financial risks. The Council maintains a Corporate Risk Register which is reported to the Audit Committee on a regular basis throughout the year.

The Council currently has 16 risks, each assigned to an appropriate officer> Each risk is scored out of 25 based on likelihood and impact. A traffic light system is also used to highlight the risk.

The Councils approach to managing each risk is:

- Treat: we will take action to reduce the risk;
- Tolerate: actions within our control have been completed and plans are in place;
- Transfer: the risk will be passed to another party, such as insurers, and
- Terminate: the activity that is causing the risk will be ceased.

The latest update report was presented to the Audit Committee on 17 June 2021 and can be found here:

<https://www.clacks.gov.uk/document/meeting/289/1083/7052.pdf>

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Where to find more Information

An explanation of the Financial Statements which follow and their purpose are shown at the top of each page. Further information about Clackmannanshire Council can be obtained from the Council's website (www.clacks.gov.uk) or from Finance Services, Kilncraigs, Greenside Street, Alloa, FK10 1EB.

Conclusion and Acknowledgements

The continued prudent financial management and medium term financial planning have allowed the Council to successfully manage its financial affairs and the financial objectives prescribed. The Council progressed major strategic initiatives such as the new Tullibody Campus, City Region Deal, Organisational Redesign, the Road Assets Management Plan and the continuing embedding of the Health and Social Care Partnership.

The Council would like to acknowledge the significant effort in producing the Annual Accounts and the Annual Governance Statement and to record thanks to colleagues for their continued hard work and support. The Council greatly appreciate the significant efforts of all who were involved, elected members of the Council and colleagues in every Service, all of whose efforts in managing the resources available have contributed to the financial position disclosed by the 2020/21 Financial Statements.

Ellen Forson
Leader of the Council
19 August 2021

Lindsay Sim
Chief Finance Officer
19 August 2021

Nikki Bridle
Chief Executive
19 August 2021

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The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Council, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguards its assets;
- ensure the annual accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the annual accounts for signature.

I confirm that the draft Annual Accounts were approved for signature by Council at its meeting on 19 August 2021.

Signed on behalf of Clackmannanshire Council

Ellen Forson
Leader of the Council
19 August 2021

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Statement of Responsibilities

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Annual Accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ('the Code').

In preparing the Annual Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- Complied with legislation; and
- complied with the local authority accounting code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- kept proper accounting records which are up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Financial Statements give a true and fair view of the financial position of the Council and its group at the accounting date and the transactions of the Council and its group for the year ended 31 March 2021.

Lindsay Sim
Chief Finance Officer
19 August 2021

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Annual Governance Statement

Introduction

The purpose of the Annual Governance Statement (AGS) is to provide assurance to the people of Clackmannanshire, Elected Members, staff, partner agencies and other stakeholders that the Council:

- is well run;
- operates in a lawful, open, inclusive and honest manner;
- manages resources effectively, and
- provides a high standard of service to our customers.

The AGS explains the extent to which the Council has complied with its Local Code of Governance during the past year, the progress it has made on improvements identified in the previous year's AGS, and actions it plans to take to ensure that it continues to improve.

Governance is important - good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately, better outcomes for citizens and service users.

Corporate governance is not directly about strategy, policy, service standards, or performance; it is about the systems that make sure these things are done well and in an open, transparent and accountable way. Good governance enables an authority to pursue its aims effectively, while controlling and managing risk.

Local Code of Governance

Our Local Code of Governance sets out how the Council is directed, controlled, led and held to account, including the culture and values that shape the decision-making and behaviour of councillors and employees. Councils are guided in this by the "Delivering Good Governance in Local Government Framework" (CIPFA, 2016). The framework sets out 7 principles, with supporting sub-principles and illustrations of good practice, that together constitute good governance.

The Local Code of Governance was reviewed during 2018 and a revised code was approved by Council in February 2019. The Code elements, and how they relate to the CIPFA good governance principles, is shown overleaf. The Code is underpinned by a framework of systems and processes, based on legislative and regulatory requirements, guidance and good practice principles that guide our day to day activities.

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Local Code of Governance, linked to CIPFA good governance principles

		A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B. Ensuring openness and comprehensive stakeholder engagement	C. Defining outcomes in terms of sustainable economic, social and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	F. Managing risks and performance through robust internal control and strong public financial management	G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Leadership, values & culture	Scheme of Delegation	✓			✓	✓	✓	
	Standing Orders	✓			✓	✓	✓	
Strategy & performance management	Corporate Plan			✓	✓		✓	
	Performance Management Framework				✓		✓	✓
	Corporate Risk Management Guidance	✓	✓		✓	✓		
Working in Partnership	Alliance Governance Framework & Memorandum of Understanding (MOU)			✓	✓			
Communication & engagement	Communications Strategy		✓		✓			✓

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		A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	B. Ensuring openness and comprehensive stakeholder engagement	C. Defining outcomes in terms of sustainable economic, social and environmental benefits	D. Determining the interventions necessary to optimise the achievement of the intended outcomes	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	F. Managing risks and performance through robust internal control and strong public financial management	G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Sustainable asset management	Environmental Policy				✓		✓	
Financial management	Financial Regulations	✓	✓				✓	✓
	Contract Standing Orders	✓		✓	✓			✓
Information & knowledge management		✓				✓		
Workforce management	Strategic Workforce Plan	✓				✓		

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Leadership, values and culture

This section of our Local Code covers the arrangements we have for ensuring that the Council's leadership – senior managers and elected members – set and communicate a clear direction, are transparent and accountable, and act as role models for the Council's values and ethics.

Local Code approaches in this area are:

- Scheme of Delegation
- Council Standing Orders

The **Scheme of Delegation** sets out the duties and responsibilities of the Council, its committees, sub-committees and officers. It explains the key functions of senior officers, including statutory posts, and explains their roles in ensuring that processes are in place for enabling the Council to meet its statutory obligations and also in providing advice to Members, officers and committees on staff management, financial, legal and ethical governance issues.

Councillors in Clackmannanshire Council take decisions at each Council and Committee meeting about a wide range of issues affecting the area, its residents and local businesses.

Members of the public are welcome to attend the meetings to see how decisions are made.

Meeting agendas and minutes are available on the Council website.

Council Standing Orders set out the framework within which the Council conducts its business, and includes the timing of Council meetings, the order of business, rules of debate and matters of procedure.

Improvements this year

- In response to the announcement of a national lockdown by the Prime Minister on 23rd March 2020, a Special Council meeting agreed the establishment of an Emergency Decision Making Forum (EDMF) to enable swift and responsive decisions on urgent matters, and to reduce the need for face-to-face meetings during the COVID-19 outbreak. All papers and decisions by the EDMF were published on the Council website. Following the reintroduction of Council and committee meetings in June 2020 it was agreed that the EDMF should be retained as a permanent committee to take decisions in an emergency, likely to meet only in exceptional circumstances.
- Revised Standing Orders were agreed by Council in June 2020, allowing meetings to be held virtually. Video recordings of the meetings have been made available on the Council website.

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- The Council has allocated additional funding and delegated some decision making on recruitment to support the Council's Be the Future transformation priorities and ensure integration with Covid-19 Recovery activity.
- A Covid 19 monitoring dashboard was introduced in April 2020 for briefing elected members on the impact of the pandemic on services and communities locally, supporting the need for transparency and clear accountability.
- Elected members now receive regular updates, with quarterly summaries, of decisions by the Standards Committee, prepared by the Council's Monitoring Officer.
- A Register of Interests was introduced this year for the Senior Leadership Group. The possibility of extending this to other tiers of management is being considered.

Areas for future improvement

- At its meeting in September 2020 Council agreed that a detailed review of Standing Orders should be undertaken to consolidate incremental changes that have been made in recent years and to ensure that they remain fit for purpose.
- The review of the Scheme of Delegation will be completed after the conclusion of the Council restructure, expected to be agreed at the Council meeting in August 2021.
- The Council is to participate in the Audit Scotland survey "Your Reputation @ Risk" during the Autumn. This will explore the effectiveness of the Council's arrangements for ensuring integrity and ethical behaviour and will provide direction for future improvements.
- Options for enhancing arrangements for Fraud Risk Management will be investigated as part of the restructure of the Legal & Governance service.

Strategy and performance management

This covers how we make sure that strategies, policies and supporting processes reflect the Council's responsibilities and ambitions, and that they are communicated, implemented and followed through.

Local Code approaches in this area are:

- Council Corporate Plan
- Performance Management Framework
- Corporate Risk Management Guidance

The Council's **corporate plan** Be the Future describes its vision, values and strategic direction for the period to 2022, providing a guiding influence for Council decision making, resourcing and actions.

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The plan is aligned with Clackmannanshire's Local Outcomes Improvement Plan (LOIP), demonstrating the Council's commitment to shared outcomes agreed by the Clackmannanshire Alliance.

The Council's **Performance Management Framework** covers the strategies, plans and reports that take direction from the LOIP and corporate plan to make sure that resources are focused on Council priorities. Progress and performance are reported publicly and to regulatory bodies and the Scottish Government.



Aims and Programme Themes

Aims	We will transform our organisation and approaches
<p>to:</p> <ul style="list-style-type: none"> ● empower people and places to improve their wellbeing, skills and prosperity; <p>and</p> <ul style="list-style-type: none"> ● ensure that environmental, social and financial needs of our people and places are met and that future generations thrive. 	
Sustainable Inclusive Growth	We will take steps to tackle poverty and inequality. We aim to maximise the opportunities for local people and businesses through our improved economic performance. We will also establish standards, delivery models and strategies which allow Clackmannanshire to play a leading role in meeting the climate challenge and protecting our built and natural environment.
Empowering Families & Communities	We will place people at the heart of service delivery. We aim to prioritise service users, family and community participation and leadership in developing and delivering solutions. We will work in partnership to build individual, family and community skills in support of social and financial independence.
Health & Wellbeing	We aim to improve the environment, quality of life and ease of access to services. Enhanced wellbeing will also provide greater participation opportunities as a consequence of improving economic performance in Clackmannanshire. Delivering increased wellbeing also aims to promote equitable growth.

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Corporate **Risk Management Guidance** explains the principles, processes and scrutiny arrangements used by the Council for managing risk.

Senior management identify the key risks to the Council achieving the outcomes set out in the Council Plan. These are assessed together with the controls we have in place to manage the risks, and mitigating actions are agreed to bring the risks within a tolerable range. A similar process is carried out within services. Risk registers are regularly reviewed and challenged by senior management and Members.

Key Corporate Risks 2020/21

- Insufficient Financial Resilience
- Harm to Child(ren)
- Insufficient Pace and Scale of Organisational Transformation
- Increasing Attainment Gap
- Impact of Poverty, Inequality & Changing Demographics
- Failure to Address Serious Organised Crime
- Unknown Terms of EU Withdrawal
- Inadequate Workforce Planning
- Health & Safety Breach
- IT System Failure
- Major Governance Failure
- Information Not Managed Effectively
- Failure of Public Utility Supply
- Public Health Emergency
- Failure to Prepare for Severe Weather Events
- Failure to Prevent Extremism and/or Radicalisation

During the year two risks were removed from the corporate register: Council & Community Impact of Welfare Reform, and Industrial Unrest.

Improvements this year

The Council's Corporate Plan - Be the Future 2018/2022 - was approved by Council in 2018, followed by the Transformation Programme which was agreed in 2020. Be the Future clearly sets out the Council's vision, priorities and values alongside key workstreams which drive our transformational activity. In June 2021 Council agreed the Be the Future Strategic Roadmap for 2021/23. This sets out the Council's transformation portfolio over the next 2 years as well as the governing arrangements for delivering this work. Council appointed a Strategic Director for Transformation in early 2021 to lead this work. The Corporate Plan will be refreshed in 2022.

The Local Outcome Improvement Plan was agreed by the Clackmannanshire Alliance and Council in 2017 and sets out the 10 year outcomes for Clackmannanshire that we are

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seeking to achieve along with our Community Planning partners. Work is underway to refresh the LOIP in 2021 through the Wellbeing Economy workstream which will help shape and inform the development of the plan and associated Community Planning partnership arrangements.

In February 2021 the Business Planning Guidance was revised and published setting out clearly the planning and reporting cycle for the Councils 3 Directorates. This guidance was revised to reflect the strategic vision in Be the Future. Due to services response to the Covid 19 pandemic there has been some slippage in finalising the 202/21 business plans.

Significant work has been undertaken to publish the Councils key corporate and directorate strategies, policies and performance reports so that they are easily accessed. These can be found here along with performance reports published for each:
<https://www.clacks.gov.uk/council/performance/>

Over the past 3 years the Councils Senior Leadership Group has led work to ensure that the performance management framework clearly demonstrates the golden thread from Be the Future to Directorate and Service level business plans. Significant work has been undertaken to align and streamline the Council's strategic plans and performance reports. Updated business planning guidance and templates are published annually which sets out the planning and reporting framework for Directorates over the course of the year. Workforce Planning guidance is also published annually as part of the wider business planning process.

The Council's corporate risk management process is well embedded and risks are reviewed by the Senior Leadership Group on a regular basis and reported for scrutiny biannually. The Risk and Integrity Forum takes place quarterly which enables the Senior Leadership Group to be kept up to date on corporate risk areas.

In April 2021 Council agreed its Mainstreaming Equality and Diversity plan for the next 4 years and published equalities data as part of the report. The statutory British Sign Language Plan was agreed by Council in 2019 and the Gaelic Language Plan was agreed in 2020. Equalities training is provided for employees as part of a core mandatory set of courses to be completed annually and additional training on Equality Impact Assessments was delivered in 2020. The Equality and Fairer Scotland Impact Assessment guidance documents were refreshed in 2020 and completed impact assessments are published on the Council's Equality webpages or held as background documents for review as required.

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Areas for future improvement

- The refresh of the risk management framework requires to be finalised;
- The refresh of the Local Outcome Improvement Plan will be completed during 2021 and a refresh of the Councils Corporate Plan will be required to be published in 2022;
- A number of statutory strategies and reports are required to be finalised, including the Local Child Poverty Annual Report, LOIP Annual Report, Children's Services Plan and the Promise, and
- An updated review of statutory policy across the Council would be beneficial to ensure leads are identified for each and a programme of refresh activity is established.

Working in Partnership

This theme covers how we work with partners to achieve mutual benefit, by sharing expertise, resources and knowledge. The Clackmannanshire Alliance, our Community Planning Partnership, brings together the key organisations that can make a difference to people's lives in Clackmannanshire.

Local Code approaches in this area are:

- Alliance Governance Framework & Memorandum of Understanding

Key underpinning policies and guidance in this area are:

- Local Outcomes Improvement Plan (LOIP) 2017-2027
- Community Planning processes

Improvements this year

The Clackmannanshire Alliance has continued to meet on a regular basis throughout the Covid pandemic and also shared organisational risks and impacts arising from the pandemic. A number of Covid related collaborative activities were taken forward as a result of the Alliance including work on Digital Inclusion; Poverty Impact Assessment on those affected the most by Covid; Food Insecurity and Resilience; Coordination of community support for vulnerable families and partner support for Strive Plus which emerged from identified needs to support vulnerable people during Covid.

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Alliance partners have been part of an approach to develop a Wellbeing Economy for Clackmannanshire with Community Wealth building a key driver of this approach. A Wealthbuilding Plan was agreed by Council (and partners updated on partner actions) in December 2020 and implementation of the plan is underway.

A Wellbeing Economy Webinar was hosted for community planning stakeholders and partners in 2020 which was well attended. Since then stakeholder engagement has been taken forward through SIPHER; extensive Data Analysis has been undertaken by Scottish Government and action planning engagement sessions are scheduled for late Summer 2021.

Alliance partners have agreed that a new Wellbeing Local Outcome Improvement Plan will be developed for Clackmannanshire in late 2021 informed by the various engagement activities outlined above. Partners have agreed to refresh the Alliance operating arrangements and structures as part of this work which will include a refresh of the Memorandum of Understanding last updated in 2018. To support the implementation of Community Wealthbuilding a new Anchor Partnership is being established which will lead delivery of the Wealthbuilding action plan for Clackmannanshire.

Improvements were made to ensure transparency of Alliance business and information is published on the Councils website, and the webpages of core partners. More information can be found here: <https://www.clacks.gov.uk/community/planning/>

Areas for future improvement

It is anticipated that the programme of work outlined above will be completed by March 2022. There are no further identified improvement actions arising from this work.

Communication and engagement

The Corporate Communications & Marketing Strategy aims to ensure that:

- both internal and external communications and marketing approaches are effective and responsive to the needs of all groups, and
- digital communications develop in line with advancing technology and customer needs.

We use the online survey tool Citizen Space to consult on issues such as service satisfaction, policy proposals and strategies. During 2020/21, 17 surveys were done using this method, which is half when compared to 2019/20 (38). The reduction is mainly due to prioritising pandemic activity.

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Improvements this year

Communication and engagement with our key stakeholders has seen a significant focus over 2020/21 as part of the Council's response to and recovery phases from the Covid pandemic.

Key improvements this year to accommodate the Council's response to the pandemic has included:

- Refresh of the Council's Corporate Communications Strategy reflecting on Be the Future, which is anticipated to be finalised in 2021.
- Targeted work to embed and promote the Council's values through SLG messages, Council Leader's messages, blogs and cascades.
- Review of communication tools to ensure that approaches have met communications needs in light of employees working remotely. This led to the creation of a dedicated employee webpage on the Council corporate site.
- The Council's branding guidelines have been reviewed and updated to ensure appropriate usage of the Council's branding and logo, contributing to positive reputation management.
- Deployment of agreed approaches on consultation and seeking views from citizens and communities including through the Council's Consultation Tool Citizen Space and You Said We Did pages.
- Ongoing monitoring and review of communication approaches including social media reach and impact on major campaigns and preparation of monthly communications highlights reports.
- Communications with our communities and citizens has been a critical part of the Council's Covid response activity with significant work taking place around changes to service delivery models; education and learning; shielding, community support and grants; vaccine programme, community testing, FACTS messaging, outbreak management and Covid tiers changes and impacts.
- Review of communication resources and capacity to balance transformation activity and resilience and business as usual communications.
- Targeted engagement with hard to reach employee groups was introduced, to help inform internal communication strategies going forward.
- The Council's Complaints Handling process was revised and launched in 2021.

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Areas for future improvement

Work to develop the Council's Communications Strategy is well underway and will align fully with Be the Future and the Strategic Roadmap agreed in June. The strategy will be supported by a live communications delivery plan which will be reviewed by SLG on a regular basis to ensure that a planned and well managed approach to key strategic communications can be taken forward. A review of existing policies, toolkits and standards will be refreshed following the completion of the strategy.

A review of communication and engagement approaches for hard to reach employee groups is underway as part of the Workforce Development Strategy. This will inform how internal communications is taken forward as part of the Council's Communications strategy and approaches.

A review of communications approaches will also be taken forward as part of M365 implementation and availability of new technology and tools to support communications. The Council's Customer Charter will be refreshed.

Sustainable asset management

The Council's **Environmental Policy** is incorporated into the Sustainability & Climate Change Strategy. It sets out Council commitments to continuously improve its environmental performance and take the lead in encouraging others in Clackmannanshire to do the same.

There is also a number of asset management plans covering, for instance, buildings, vehicles and ICT equipment. These generally aim to ensure that all assets are:

- fit for purpose;
- used efficiently, maximising value for money;
- environmentally and energy efficient and contribute to delivering reductions in greenhouse gas emissions, and
- employed flexibly and responsibly

Improvements this year

The Sustainability and Climate Change Strategy is due for review however there was very limited staff resource to take this forward over the past year. A part time climate change and sustainability officer has been in post since April 2021 and is starting work on the Sustainability and Climate Change Strategy amongst other responsibilities.

Areas for future improvement

As part of a wider service redesign of the Place Directorate, the structure of the Energy, Sustainability and Climate Change Team will be reviewed. Environmental policy is

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becoming a significantly more urgent issue to address in light of national targets for reduction in carbon emissions and worldwide events such as COP26 taking place in Glasgow later this year.

The Sustainable Asset Management theme needs a better presence on the Council's website. In this regard the Place Senior Management team will work to improve its web pages to make this information clearer and more accessible.

Financial management

Financial Regulations set out roles and responsibilities in relation to financial management, to ensure the highest standard of probity in dealing with public money and to assist and protect staff in such dealings. Underpinning guidelines and instructions ensure robust and effective financial control.

Improvements this year

- Balanced revenue budget and developments in the Be the Future programme which will assist long term financial sustainability of the Council.
- 20 year Capital Investment Programme approved as part of 2021/22 budget setting process. Programme sets out investment priorities over the longer term.
- Physical Cash payments moved to online payments, reducing the need for cash ordering and handling and avoiding the need for customers to travel to Council premises.

Areas for future improvement

- Further staff training on Financial governance and financial system processes. Promote awareness of the management information produced by financial system to assist decision making
- Financial system to be reviewed and aligned to current management structure following service redesigns.
- Review of debt recovery process to ensure Council is recovering debts due.
- Additional support for procurement and Community Wealth Building approved as part of the 2021/22 budget process.

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Information and knowledge management

The aim of the Information Strategy is that the right information is available to the right people, at the right time, to support and inform effective decision making, while ensuring appropriate storage, access and protection of information and data.

Our focus in 2018/19 has been on implementation of the General Data Protection Regulation (GDPR). An audit of GDPR arrangements was carried out by Internal Audit during 2018, and found limited assurance in relation to the clarity of accountability arrangements, roles and responsibilities, and project planning and management arrangements, and substantial assurance in relation to communication and awareness-raising.

Improvements this year

The Council's Digital Strategy was agreed in 2019. Work is ongoing to refresh the Digital Roadmap for the Council which will be finalised in 2021. The Digital Maturity Assessment completed by Digital Office was finalised in 2021 and engagement on the findings and recommendations was held with the Senior Managers Forum in Spring 2021. The Council was part of an audit conducted on Digital Progress across Local Government which took place in 2020.

As part of this digital strategy Council agreed to commence deployment of M365 in 2021 and the technical migration and security phases of that work is well underway. A shift to remote working took place throughout 2020 and processes continue to be reviewed to support employees who are working remotely. This has included implementation of MS Teams. Refreshed guidance for employees was published to support homeworking but also to ensure that data security approaches are maintained.

There is a perceived increase in terms of use of the Data Protection breach process by services – data breaches – ICO actions

ESLG have placed a focus on mandatory training, including the General Data Protection Requirements, for all staff.

Areas for future improvement

A review of the Council's information and records management policies will be revised as part of migration to M365 with clear policies on information and records which will migrate to Sharepoint. A review of options to replace current databases on Lotus Notes will also be taken forward.

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Capacity and responsibility for information and knowledge management will be addressed as part of the service restructure considerations.

People management

The draft Strategic Workforce Plan sets out the Council's workforce planning priorities, which are to:

- Create a positive and inclusive organisational culture;
- Have a sustainable and resilient workforce;
- Ensure our workforce feels supported, empowered, respected and engaged, and
- Ensure our workforce has the knowledge, skills and behaviours capable of meeting future demands.

The Workforce Plan is underpinned by a range of related policies and processes, covering all aspects of People Management. These are reviewed on a rolling basis to ensure that they provide the best support for the Council.

Improvements this year

In 2020/21 the Workforce Development Delivery Plan of the Council's Strategic Workforce Plan 2019-22 was subsumed under the Be the Future transformation programmes 'Workforce Programme'. This dynamic programme of delivery ensures that all workforce development actions / projects are collated, controlled, and reported under a fit for purpose governance process.

Areas for future improvement

With the establishment of the Programme Management Office, it would be beneficial to explore ways in which the Workforce programme can become more fully integrated with the overall Be the Future governance framework. This work has commenced with meetings taking place with the PMO and will be further integrated during the financial year.

The Workforce Programme runs on the same basis as the Strategic Workforce Plan, in that it is due to expire in 2022.

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Impact of Covid 19

The Covid 19 pandemic has had, and continues to have, a significant impact on Council business. This has required rapid decision making and flexibility in order to respond to a changing situation and ensure that resources are directed to where they are needed most.

- Council and committee meetings were suspended during March 2020 and an Emergency Decision Making Forum (EDMF) was established to allow swift and responsive decisions relating to the crisis. All papers and decisions by EDMF were published on the Council website. It was subsequently agreed that the EDMF should be retained as a permanent committee to take decisions in an emergency, likely to meet only in exceptional circumstances.
- Council and committee meetings were reintroduced in June 2020 on a staged basis. Standing Orders were changed to allow meetings to be held virtually. Video recordings of the meetings have been made available on the Council website. A more detailed review of Standing Orders was agreed by Council in September 2020. Remote Council and Committee meetings are set to continue until at least August 2021.
- Clarification was added to Contract Standing Orders to ensure sufficient governance where immediate action is required during an emergency, allowing the Senior Leadership Group (SLG) to approve greater sums for emergency provision, and for the Council to follow guidance provided by Scottish Procurement.
- Since March 2020 there have been substantial changes to Council operations. Many staff were redeployed to essential roles, including the administration of government funding schemes to support individuals and businesses impacted by Covid.
- In order to identify the impact, from a wellbeing perspective, and put in place supports for our staff a pulse survey was undertaken in May 2020 followed by our full staff survey in November 2020. Whilst the majority of staff, at the start of the pandemic, reported their wellbeing being as being very good or good there was a noticeable change when the survey was repeated. The Council has focused resources to ensure appropriate supports were and continue to be developed and be available to our staff. Some of the interventions/support put in place include:
 - In partnership with Forth Valley College a new management training programme was developed, part of which focuses on adapting to working from home and employee mental health
 - Our Occupational Health provider have clinicians who are trained on post Covid Syndrome
 - Stress Risk Assessments
 - Virtual Wellbeing week
 - Managers guide on managing work related stress
 - Trained Mental Health First Aiders

We continue to engage with staff and have recently undertaken a further pulse survey to seek views on new ways of working.

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- An Operational Recovery Group was established in May, comprising representatives from across Council services, trade union colleagues and project management support.
- The EDMF agreed in June 2020 to establish a Recovery Co-ordinator post, on a fixed term basis, to co-ordinate the Council's Covid 19 response and recovery activity, and facilitate the work of the Operational Recovery Group.
- During the period of the pandemic to date, a number of other changes were made to Procurement practices:
 - supplier relief arrangements were put in place, for example, advance/interim payment proposals and accelerated payment
 - extension of contracts where a potential change in provider could jeopardise the provision and continuity of key service provision, such as Care at Home services and targeted support for education digital learning
- A small number of exceptions to Contract Standing Orders were approved in response to the pandemic, for example to meet additional cleaning needs that could not be met by internal resources

Audit and assurance

There is a range of arrangements that seek to provide assurance on the Council's system of internal control.

1. The Council has an **Audit Committee**, the remit of which is to:
 - ensure that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
 - in relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance and professionalism;
 - support the effectiveness of the internal audit process, and
 - promote the effective use of internal audit by approving the annual Internal Audit Plan.
 - consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations;

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- monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption;
 - consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control;
 - To support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process, and
 - To review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.
2. The Council's **Internal Audit** function is delivered via a joint working arrangement with Falkirk Council. The role of Internal Audit is to provide a balanced and evidence based opinion to Members on the adequacy of the Council's arrangements for risk management, governance, and control. On an annual basis, Internal Audit provides an Assurance report to the Audit Committee, which gives an overall opinion on the Council's risk management, governance, and control arrangements, based on the work they have carried out over the course of the year.
3. The Council is externally audited by Audit Scotland who conduct an audit in accordance with the Code of Audit Practice approved by the Accounts Commission. Their responsibilities include assessing the Council's system of internal control to gain assurance that the Council:
- has systems for recording and processing transactions which provide a sound basis for the preparation of financial statements;
 - has systems of internal control which provide an adequate means of preventing and detecting material misstatement, error, fraud or corruption, and
 - complies with established policies, procedures, laws and regulations.
4. Many individual services and functions are subject to review by external agencies and inspectorates.

Review of effectiveness

We have a responsibility for reviewing, at least annually, the effectiveness of our governance framework, including the system of internal control. The review is informed by a wide range of evidence, including:

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- The work of the members of the Extended Strategic Leadership Group, who have responsibility for the development and maintenance of the governance environment
- The Internal Audit Annual Assurance Report
- The Management Report, provided annually by our External Auditor (currently Audit Scotland)
- Reports from other external review bodies, agencies and inspectorates
- Output from self-assessment undertaken by service managers evaluating the extent to which services comply with the local code, and identifying areas for improvement
- The completion of signed Certificates of Assurance by Executive Directors confirming their opinion that the identified areas for improvement and associated action plan will address any current issues or risks
- A two-stage internal Governance review process involving senior and service managers. Stage one reviews the local code to make sure that it reflects the approaches that are most significant to the achievement of Council priorities and desired outcomes, and that the approaches are fit for purpose. The second stage of the review is to check that the approaches are implemented in all relevant areas.

The annual Governance review identifies areas for improvement. Resulting actions are tracked using the Council's performance management system.

Significant Governance Issues

Audit Committee

Owing to the impact of the pandemic, Audit Committee meetings scheduled between April and November 2020 were cancelled, and the committee reconvened in December. Audit work continued throughout this period, with much of the work being done remotely.

Internal Audit

The Annual Assurance Report by Internal Audit to the Audit Committee on 17th June 2021 reported substantial assurance on the Council's arrangements for risk management, governance, and control for the year to 31st March 2021. During the year Internal Audit completed 89% of their planned main audit programme (target 85%, with 100% of recommendations accepted. Two assignments were not started: Staff wellbeing and

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support arrangements, which was carried forward into the 2021/22 Internal Audit Plan, and Capital planning and expenditure monitoring, which is to be considered for inclusion in a future plan.

An Internal Audit plan for 2021/22 was approved by the Audit Committee on 29th April 2021 however, owing to the impact of the pandemic and changes in audit personnel, resources available for the plan have been reduced by 32 days. It was recognised also that fluctuations in priorities and capacity, and changes to the Council’s risk profile during the year, mean that the audit plan is considered indicative and flexible. Committed assignments during the first half of the year are also to include a focus on Covid-19 recovery arrangements.

During 2020 the Council had to rapidly introduce arrangements for the administration of specific COVID-19 related government funding schemes. Internal Audit investigated arrangements for administration of the Business Support Fund grant and the Newly Self Employed Hardship Fund, and in both cases reported substantial assurance.

Progress made on areas for improvement contained in the 2019/20 AGS

Agreed action	Progress
The Scheme of Delegation will be developed further, to tie in with the management restructure	The scheme of delegation has had consequential updates but the full review is dependent on the restructure of the People directorate which still has not taken place. The People directorate redesign is scheduled for the next meeting of Council (August 2021) and a review of the scheme of delegation will follow thereafter. Some initial work has taken place on a draft.
Standing Orders will be further refined to improve clarity and training will be provided for elected members.	Standing orders were substantially reviewed in order to facilitate remote meetings and electronic approaches. There are still a number of development areas which have been outlined for consideration. It is likely that a comprehensive training programme will now take place as part of next year’s local government election induction.

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Agreed action	Progress
An updated Risk Management Framework will be finalised	Continued to 21/22
Covid Recovery plans will be reviewed to ensure alignment with Be the Future	Ongoing
New Mainstreaming Equalities and Diversity Outcomes for Clackmannanshire will be developed, for publication in April 2021.	Council agreed the Mainstreaming Equality and Diversity Outcomes report in April 2021. The report is published on our webpages in line with legislative requirements.
Action will be taken to ensure that new Hate Crime legislation is reflected in key Council policies.	The new Hate Crime and Public Order (Scotland) Bill became law on the 23 rd April 2021 after several years at various stages of development. The legislation and any statutory requirements will be reflected in key policies and plans including HR and Workforce Plans; Mainstreaming Equalities and Community Justice.
LOIP priorities will be reviewed with Alliance partners	The Clackmannanshire Alliance have agreed the approach to refresh the Local Outcome Improvement Plan in 2021. This will be taken forward as part of the Wellbeing Economy programme supported by Scottish Government. Engagement will take place in early Autumn with a draft LOIP prepared by December 2021. The final LOIP is anticipated to be considered for approval in March 2021.
Alliance performance reporting arrangements will be reviewed and strengthened.	Alliance governance arrangements will be reviewed as part of the LOIP refresh process. The approach has been agreed by Alliance partners.
The Communication and Engagement Strategy will be consulted on and agreed	A draft communications and engagement strategy has been developed. This will be reviewed to ensure alignment with the developing Be the Future Strategic Roadmap. It is currently anticipated that the strategy will be completed in September 2021.
Key documents relating to Communication and Engagement, including the Customer Charter, will be updated.	Communications policies are being reviewed alongside the Strategy. This will include a Communications guidance and protocol and social media policy. The Councils brand guidelines were refreshed in 2020.

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Agreed action	Progress
The review of the Sustainability and Climate Change Strategy will be completed, followed by engagement with key stakeholders.	Part time member of staff has been with the Council since May 2021. Preliminary work on the strategy has started but competing workloads and the fact that this person only 0.5 FTE mean that this work is behind schedule. Work will continue at a pace commensurate with officer time available. Additional resource is likely to be sought through service redesign.
The Capital Plan will be reviewed to reflect revised strategic priorities and to align with the Be the Future programme, the Learning Estate, City Region Deal and Asset strategies.	Complete – a 20 year capital programme was approved by Council in March 2021.
Guidance and training will be rolled out to strengthen Financial Governance	Ad hoc training to Budget Holders undertaken as required. Further training and guidance development postponed due to pandemic. Will be progressed throughout 2021/22.
The Information and Communication Technology (ICT) Strategy and ICT Asset Management Plans will be reviewed.	The ICT Strategy and Asset Management Plan was revised in 2019 however has not been finalised or reviewed. This will be taken forward in 2021.
A Digital Transformation Delivery Plan and Road Map will be developed, informed by the Audit Scotland report and the outcome of the Digital Maturity Assessment.	This work is underway. The Digital Maturity Assessment for Clackmannanshire and Audit Scotland report on Digital Progress were completed in Spring 2021 and engagement with Digital Office and Audit Scotland is ongoing. Review of the existing roadmap is underway. Discussions are taking place on future governance of digital transformation workstream as part of Be the Future overall governance arrangements and the Strategic Roadmap for Clackmannanshire.

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Agreed action	Progress
<p>The Learning and Development Programme for all line managers will continue</p>	<p>During later stages of 2020/2021 a prior information exercise was undertaken and a number of 1-2-1 engagements undertaken with potential providers and the Team Leader – Workforce Development and Learning. These meetings have informed the preparation of the tender which will be issued during 2021/22.</p> <p>The Corporate L&D calendar is a rolling programme of events updated each year to ensure a training opportunities are available to all staff and managers within the organisation.</p> <p>The Flexible Workforce Fund has allowed collaborative engagement with FV College in the delivery of the “Promoting Good Conversations” course aimed at first line managers and supervisors. This is a continuing programme and now in second intake of participants.</p> <p>45 Virtual Course dates are available to staff. For the FV College course 100 placements, so far, have been offered to managers. For this year 9693 logins to Clacks Academy. Since the system was relaunched in 2018, 71,609 resources have been completed with 19,400 Hours of learning completed.</p> <p>This will continue on a rolling basis.</p>

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Agreed action	Progress
<p>The Workforce Development Delivery Plan will be reviewed, primarily to ensure that the approaches in relation to leadership development, performance management and employee engagement remain fit for purpose</p>	<p>The Workforce Development Delivery Plan (sitting as an annex to the Strategic Workforce Plan 2019-22) has been subsumed into the Council's Workforce Programme, and as such, will be progressed via the programme approach (which is closely aligned with the ongoing Be the Future Transformation Programme).</p> <p>A number of projects had their due dates amended due to the impacts of the COVID-19 pandemic. Due dates have been amended and noted by P&P Committee. It is anticipated that outstanding actions will be completed in 2021/22.</p>

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Improvement Plan 2021/22

Agreed action	Lead
Review Governance assurance process to ensure it is effective and proportionate	Monitoring Officer
The Scheme of Delegation will be developed further, to tie in with the management restructure*	Monitoring Officer
Complete a detailed review of Standing Orders to consolidate recent changes, improve clarity and ensure fitness for purpose. Training will be provided for elected members*	Monitoring Officer
Roll out the Audit Scotland survey “Your Reputation @ Risk” and agree actions in response to findings.	Monitoring Officer
An updated Risk Management Framework will be finalised*	Monitoring Officer
Covid Recovery plans will be reviewed to ensure alignment with Be the Future*	Strategic Director P&P
Action will be taken to ensure that new Hate Crime legislation is reflected in key Council policies*	P&T Senior Manager
Options for enhancing arrangements for Fraud Risk Management will be investigated as part of the restructure of the Legal & Governance service	Monitoring Officer
Develop new Wellbeing Local Outcome Improvement Plan	P&T Senior Manager
Refresh Clackmannanshire Alliance operating arrangements and structures, including the Memorandum of Understanding	P&T Senior Manager
Complete development of new Communications Strategy, supported by a live communications delivery plan, related policies, toolkits and standards.	P&T Senior Manager
Refresh the Council’s Customer Charter*	P&T Senior Manager
A Digital Transformation Delivery Plan and Road Map will be developed, informed by the Audit Scotland report and the outcome of the Digital Maturity Assessment*	P&T Senior Manager

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Agreed action	Lead
Address capacity and responsibility for information and knowledge management including records management as part of P&P service restructure considerations	P&T Senior Manager, Monitoring Officer
Refresh Corporate Plan	P&T Senior Manager
The review of the Sustainability and Climate Change Strategy will be completed, followed by engagement with key stakeholders*	Senior Manager Development
Improve web pages to make information on Sustainable Asset Management clearer and more accessible	Place Senior Managers
Guidance and training will be rolled out to strengthen Financial Governance, including promoting awareness of the management information produced by finance system to assist decision making *	S95 Officer
The Financial system will be reviewed and aligned to management structures following service redesigns	S95 Officer
Debt recovery processes will be reviewed to ensure Council is recovering debts due.	S95 Officer
Additional support will be secured for Procurement and Community Wealth Building work.	S95 Officer
Finalise the Information and Communication Technology (ICT) Strategy and ICT Asset Management Plans*	P&T Senior Manager
Complete outstanding actions in the Workforce Programme	Senior Manager HR & WD
Investigate feasibility of introducing a structured approach to the publication of policies and strategies to ensure they are accessible and up to date.	Monitoring Officer

* Indicates actions that have been continued from last year

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Statement of Assurance

We are satisfied that Clackmannanshire Council's Governance arrangements remain fit for purpose.

Areas for improvement set out above will be addressed to further improve the effectiveness of our Governance arrangements and will include an update on progress in our 2021/22 AGS.

Nikki Bridle
Chief Executive
19 August 2021

Ellen Forson
Leader of the Council
19 August 2021

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Remuneration Report

General

Elements of the remuneration report are subject to audit, throughout the report the relevant sections have been noted as audited where applicable. The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure they are consistent with the financial statements. The results presented in the tables comprising the Clackmannanshire Council's Remuneration Report for 2020/21 reflect the following contextual factors:

- Pay award of 3% from 1 April 2020 is included in the 2020/21 figures;
- As at 31 March 2021 there were 7 Senior Councillors in post. The maximum allowed for Clackmannanshire Council is 8;
- The corporate management structure is: Chief Executive, Strategic Director Place, Strategic Director People, Strategic Director Partnership & Performance; and
- The committee structure reflects the organisational structure with three committees; People Committee, Place Committee, Partnership and Performance Committee. There is also an Audit Committee aligning with the CIFPA guidance for Audit Committees in Local Authorities.

Remuneration Arrangements

Councillors

The remuneration of Councillors is regulated by the Local Government (Scotland) Act 2004 (Remuneration) and Regulations 2007 (SSI No. 2007/183), amended by SSI 2019/23). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure.

When determining the level of remuneration for Councillors the Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC is an advisory Non-Departmental Public Body set up in 2005 to advise Scottish Ministers on the remuneration, allowances and expenses incurred by local authority Councillors.

In line with the Regulations the following maximum salaries attributable are:

- Leader of the Council £29,760 (2019/20: £29,119);
- Civic Head (Provost) £22,320 (2019/20: £21,840) maximum remuneration is 75% of the sum payable to the leader, and
- Senior Councillors £20,087 (2019/20: £19,656).

The Regulations also set out that Clackmannanshire Council (Band A) is eligible to appoint a maximum of 8 Senior Councillors. Total remuneration available for Senior Councillors is based on a calculation detailed in Councillors' Remuneration Guidance. The total annual amount payable by the Council for remuneration to all its Senior Councillors shall not exceed £160,696 (2019/20: £157,237).

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Remuneration Report

The remuneration paid to Senior Councillors in 2020/21 covering the year 1 April 2020 to 31 March 2021 totalled £158,920 (2019/20: £136,629). This includes £3,278 paid to Councillor Holden for serving as Vice Convenor on the Valuation Joint Board (2019/20: £1,984). Also included are payments for serving on the Association of Public Service Excellence (APSE) for Councillor Sharp £5,250 (2019/20: £5,250). This amount is recoverable from this organisation. The net cost to Clackmannanshire Council in relation to Senior Councillors is £150,392 (2019/20; £133,363). This complies with current regulations.

The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become members of the pension scheme.

The Scheme which encompasses the salaries of all elected members including the Leader, Provost and Senior Councillors was agreed at a meeting of the full Council on 21 June 2007, and details are available on the Council's website at: www.clacksweb.org.uk under 'Elected Members' Remuneration'.

Joint Boards

Two joint boards exist; the Valuation Joint Board, and the Clackmannanshire and Stirling Integration Joint Board.

In addition to the Senior Councillors of the Council the Regulations also set out the remuneration payable to Councillors with the responsibility of a Convenor or a Vice-Convenor of a Joint Board such as a Valuation Joint Board. The regulations require the remuneration to be paid by the Council of which the Convenor or Vice-Convenor (as the case may be) is a member. The Council is also required to pay any pension contributions arising from the Convenor or Vice-Convenor being a member of the Local Government Pension Scheme. In 2020/21 Clackmannanshire Council made payments of £3,278 (2019/20: £1,984).

The Council is reimbursed by the Joint Board for additional remuneration paid to the member from being a Convenor or Vice-Convenor of a Joint Board. There are no additional payments to members of the Clackmannanshire and Stirling Integration Joint Board.

Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular CO/150 sets the amount of salary for the Chief Executive of Clackmannanshire Council for the period 2018/19 to 2020/21. Senior employees do not receive any other benefits.

Disclosure of Remuneration for Relevant Persons

The following tables provide details of the remuneration paid to the Council's Senior Councillors and Senior Employees.

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Table 1 (Audited): Remuneration of Senior Councillors and Convenors and Vice Convenors of Joint Boards

Post holder	Position	Dates	Total Remuneration	
			2019/20 £	2020/21 £
Ellen Forsen	Leader of the Council	from 12/4/18	29,119	29,760
Tina Murphy	Provost	from 1/6/17	21,840	22,320
Graham Lindsay	Spokesperson for Education	from 28/6/17	19,655	20,087
Les Sharp	Spokesperson for Health & Social Services	from 12/4/18	24,905	25,337
Craig Holden	Spokesperson for Environment & Housing Valuation Joint Board - Depute Convener	from 28/6/17 to 1/11/19 & from 25/06/20 from 26/6/17 to 24/06/20	13,449	21,132
Helen Lewis	Spokesperson for Partnership and Third Sector	from 12/4/18	19,655	20,087
Donald Balsillie	Spokesperson for Audit and Finance Chair of Planning Committee Spokesperson for Environment & Housing (Interim)	from 1/2/19 from 1/6/17 from 2/11/19 to 24/06/20	19,655	20,087
Martha Benny	Chair of Audit Committee	from 23/08/20	-	13,877
Dave Clark	Chair of Audit Committee	from 1/6/19 to 22/08/20	16,379	18,226
Bill Mason	Chair of Audit Committee	from 1/6/18 to 31/5/19	3,276	-
Kenny Earle	Chair of Licensing Board	from 20/6/17	19,655	20,087
Total Remuneration			187,588	211,000

Notes

1. There were no Taxable Expenses or Benefits other than in cash paid to any of the Senior Councillors in 2020/21 or 2019/20.
2. During 2020/21 there were no changes to the administration of the Council with SNP from 9 March 2017 to present.
3. The Chair of the Audit committee is rotated between the opposition Labour and Conservative Parties. Councillor Dave Clark Labour leader was Chair of Audit committee from 1 June 2019 to 22 August 2020 and Councillor Martha Benny was Chair of Audit committee from 23 August 2020 to 31 March 2021. Their remuneration is shown pro-rata for their time as the Chair of Audit Committee. The annual equivalent salary for this post is £20,087.
4. Councillor Holden's remuneration includes £3,278 (2019/20: £1,984) for serving as the Vice-Convener of Central Scotland Valuation Joint Board. This amount is recovered from the Joint Board.

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5. Councillor Holden resigned as Convenor of Place Committee and Spokesperson for Environment and Housing Services with effect from 1 November 2019.
6. Councillor D Balsillie was Interim Spokesperson for Environment & Housing from 2 November 2019 to 24 June 2020. Councillor C Holden took over as Spokesperson from 25 June 2020.
7. Councillor Sharp received £8,842 (2019/20: £8,854) remuneration from NHS Forth Valley for serving on the regional Health Board during 2020/21. This is paid directly by the NHS to each individual and is therefore not included above.
8. Councillor Sharp's remuneration includes £5,250 (2019/20: £5,250) for serving on the Association of Public Service Excellence (APSE). This amount is recovered from the organisation.

Remuneration Paid to Councillors

Clackmannanshire Council currently has 17 Councillors and 1 vacant post in total who serve under the following structure:

Leader of the Council	1
Provost/Civic Head	1
Senior Councillors	7
Councillors	<u>9</u>
Total Councillors	<u>18</u>

Councillors are no longer paid allowances; where a Councillor is entitled to a special responsibility payment, for example, for serving as a committee convenor, this is reflected in the salary band applied. The Council paid the following salaries and expenses to Councillors during the year:

Type of Remuneration (Audited)	2019/20	2020/21
	£	£
Salaries	347,914	348,354
Employer's NIC and Pension	86,602	91,389
Expenses	7,544	3,371
Total	<u>442,060</u>	<u>443,114</u>

Notes

1. Total salaries remuneration shown in the above table is for all Councillors including Senior Councillors as detailed in Table 1.
2. The salaries figure above excludes £8,842 paid directly to Councillor Sharp in respect of serving on NHS Forth Valley Health Board (2019/20: £8,854 to Councillor Sharp).

The annual return of Councillors' salaries and expenses for 2020/21 is available for any member of the public to view at all Council libraries and public offices during normal working hours and is also available on the Council's web site www.clacksweb.org.uk under 'Remuneration to Elected members'.

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Table 2 (Audited): Remuneration of Senior Employees of the Council

Name and Positions held during the year	Total Remuneration 2019/20 £	Salary, fees and allowances 2020/21 £	Severance Costs 2020/21 £	Total Remuneration 2020/21 £
Nikki Bridle <ul style="list-style-type: none"> • Chief Executive from 16/07/18. (Annual Salary £110,497) 	107,279	110,497	-	110,497
Garry Dallas <ul style="list-style-type: none"> • Strategic Director - Place from 27/08/18 until 18/08/19 (Annual Salary £93,080) 	35,531	0	-	-
Stuart Crickmar <ul style="list-style-type: none"> • Strategic Director - Partnership & Performance from 27/08/18. • Acting Chief Executive from 20/04/20 until 29/06/20. • Strategic Director - Partnership & Performance from 30/06/20. (Annual Salary £95,872) 	93,080	98,716	-	98,716
Fiona McOmish <ul style="list-style-type: none"> • Strategic Director - People from 18/2/19 to 18/9/20 (Annual Salary £95,872) 	93,266	44,474	-	44,474
Pete Leonard <ul style="list-style-type: none"> • Strategic Director - Place from 05/08/19 (Annual Salary £95,872) 	61,053	95,872	-	95,872
Fiona Colligan <ul style="list-style-type: none"> • Strategic Director - Transformation from 01/03/21 	-	7,989	-	7,989
Anne Pearson <ul style="list-style-type: none"> • Chief Education Officer until 30/11/19 (Annual Salary £87,484) 	59,027	0	-	-
Lorraine Sanda <ul style="list-style-type: none"> • Chief Education Officer (Acting) 02/12/19 until 12/01/20 • Chief Education Officer from 14/09/20. • Strategic Director & Chief Education Officer from 15/09/20 to 20/12/20. • Strategic Director People from 21/12/20 (Annual Salary £95,872) 	26,351	89,343	-	89,343

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Name and Positions held during the year	Total Remuneration 2019/20 £	Salary, fees and allowances 2020/21 £	Severance Costs 2020/21 £	Total Remuneration 2020/21 £
Margaret McIntyre <ul style="list-style-type: none"> Chief Social Work Officer (Acting) from 01/01/19 until 02/06/19 (Annual Salary £68,237) 	11,717	0	-	-
Fiona Duncan <ul style="list-style-type: none"> Chief Social Work Officer from 03/06/19 to 10/01/21 (Annual Salary £95,872) 	62,319	60,243	-	60,243
Lindsay Sim <ul style="list-style-type: none"> Chief Finance Officer from 01/02/19 (Annual Salary £77,544) 	75,285	77,544	-	77,544
Lindsay Thomson <ul style="list-style-type: none"> Monitoring Officer from 01/11/18 (Annual Salary £67,088) 	65,134	67,088	-	67,088
Annemargaret Black <ul style="list-style-type: none"> Clackmannanshire and Stirling and Health and Social Care Partnership Chief Officer from 17/06/19 (Annual Salary £94,156) 	74,279	99,175	-	99,175
M Valente <ul style="list-style-type: none"> Clackmannanshire and Stirling Health and Social Care Partnership Chief Officer (Interim) from 01/04/19 until 16/06/19 (Annual Salary £85,488) 	17,652	-	-	-
Catherine Quinn <ul style="list-style-type: none"> Chief Education Officer (Interim) from 21/12/20 (Annual Salary £81,540) 	0	22,796	-	22,796
Carolyn Wylie <ul style="list-style-type: none"> Interim Chief Social Work Officer from 31/12/20 to 31/03/21 	0	23,371	-	23,371
Total	781,973	797,108	-	797,108

Notes to Remuneration of Senior Employees of the Council

- The senior employees in the table include all those employees who have responsibility for management of the Council to the extent that the person has power to direct or control the major activities of the Council (including activities involving the expenditure of money) during the year to which the Report relates whether solely or collectively with other persons, or who hold a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989.*
- Pay award of 3% from 1 April 2020 is included in the 2020/21 figures.*
- The Chief Executive remuneration is in line with the national agreement between Scottish Joint Negotiating Committee (SJNC) and Association of Local Authority Chief Executives (ALACE) and includes a pay award of 3%, the annual salary is £107,279.*

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4. The table includes salaries paid by Scottish Fire and Rescue for the Strategic Director (People) Fiona McOmish, who was on secondment from 18 February 2019 to 18 September 2020.
5. The Chief Officer (Annemargaret Black) of Clackmannanshire & Stirling Health and Social Partnership salary is paid by NHS Forth Valley. The Council pays 20% of the salary costs for this post.
6. The Interim Chief Officer (M Valente) of Clackmannanshire & Stirling Health and Social Partnership 1 April to 16 June 2019 was employed by Stirling Council who met the costs of the interim appointment for this period in full. C Wylie was seconded to this post from 21 December 2020 to 31 March 2021 and Stirling Council met the costs of this period in full.

General Disclosure by Pay Band (Audited)

The number of employees, whose remuneration in the year was greater than or equal to £50,000 (grouped in rising bands of £5,000).

Remuneration Band	No of Employees 2019/20	No of Employees 2020/21
£50,000 - £54,999	36	49
£55,000 - £59,999	38	28
£60,000 - £64,999	18	32
£65,000 - £69,999	9	14
£70,000 - £74,999	4	3
£75,000 - £79,999	1	1
£80,000 - £84,999	1	1
£85,000 - £89,999	2	2
£90,000 - £94,999	1	1
£95,000 - £99,999	-	2
£100,000 - £104,999	-	-
£105,000 - £109,999	1	-
£110,000 - £114,999	-	1
	111	134

Notes

1. Annual increments and the pay award of 3% has increased the number of employees falling into bands £50,000 - £54,999. This was also the same for £65,000 - £69,999 along with new posts.
2. The amount of employees in £55,000 - £59,999 has decreased by 10 mainly as a result pay awards and salary increments moving them up into the next band.
3. There is an increase of 14 in the £60,000 - £64,999 band mainly due to the pay award and increments but also 4 senior appointments were made in 2019/20 so this is first full year effect.
4. The amount of employees in £70,000 - £74,999 has decreased by 1 with a temporary acting up ending.
5. Employees in band £95,000 - £99,999 increased by 2 as a result of acting up and first full year effect of senior appointment.
6. 3% pay award for Chief Executive resulted in reduction by 1 to 0 in £105,000 - 109,999 and increase by 1 in £110,000 - 114,999.

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Pension Benefits

Pension Benefits for Councillors and Local Government employees are provided through the Local Government Pension Scheme (LGPS).

The LGPS in Scotland changed on 1 April 2015 to a Career Average Revalued Earnings (or CARE) scheme. In a CARE scheme the pensionable pay for each year of membership is used to calculate a pension amount for that particular year. The pension amount is increased (revalued) each year in line with inflation. These individual pension amounts are then added together to arrive at the total pension payable from the scheme. The LGPS is classed as a defined benefit scheme.

From 1 April 2015 Councillors and local government employees have been in the same pension scheme although there are some provisions of the LGPS 2015 that do not apply to Councillors. Councillors' pension benefits built up to 31 March 2015 are protected.

Local Government employee pensions to 31 March 2015 are protected and worked out on final pay when leaving. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme to 31 March 2015. From 1 April 2015 the normal retirement age will be the same as an individual's state pension age with a minimum of age 65.

From 1 April 2015 contribution rates were:

Whole Time Pay 2020/21 (2019/20) For pay between:		Contribution rate 2020/21 (between %)	Contribution rate 2019/20 (between %)
£0	£22,852 (£22,441)	5.5	5.5
£22,853 (£22,442)	£29,683 (£29,193)	5.6 - 6.0	5.6 - 6.0
£29,684 (£29,194)	£37,262 (£36,652)	6.1 - 6.5	6.1 - 6.5
£36,263 (£36,653)	£52,567 (£51,713)	6.6 - 7.5	6.6 - 7.5
£52,568 (£51,714)	£59,221 (£58,259)	7.6 - 8.0	7.6 - 8.0
£59,222 (£58,260)	£79,296 (£78,008)	8.1 - 9.0	8.1 - 9.0
£79,297 (£78,009)	£119,961 (£118,012)	9.1 - 10.0	9.1 - 10.0
£119,962 (£118,013)	And above	10.1 & over	10.1 & over

**Source: Scottish Public Pensions Agency, Contributions.*

If a person works part-time their contribution rate is worked out on their actual pensionable pay and matched to the appropriate band in the contribution table.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to a limit set by the Finance Act 2004.

From 1 April 2015 the accrual rate guarantees an annual credit to members' Pension Accounts based on 1/49 of pensionable pay received in that scheme year.

In those cases where members have transferred pension entitlements from previous employments, the pension figures shown relate to the benefits that the person has accrued as a consequence of their total government service, and not just their current appointment.

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The pension entitlements for Senior Councillors who have elected to join the pension scheme for the year ended 31 March 2021 are shown in the table below, together with the contribution made by the Council to each Senior Councillors' pension during the year.

Table 3 (Audited): Senior Councillors Pension Benefits

			Pension Contributions		Accrued Pension Benefits			
			2019/20	2020/21	Difference to 2019/20		As at 31 March 21	
Post Holder	Position	Dates	£	£	Pension £'000	Lump Sum £'000	Pension	Lump Sum
Ellen Forsen	Leader of the Council	from 12/4/18	6,406	6696	3	-	4	-
Tina Murphy	Provost	from 1/6/17	4,805	5,022	7	2	8	2
Graham Lindsay	Spokesperson for Education	from 28/6/17	4,324	4,520	1	-	2	-
Les Sharp	Spokesperson for Health & Social Services	from 12/4/18	4,324	4,520	9	-	9	-
Helen Lewis	Spokesperson for Partnership & Third Sector	from 12/4/18	4,324	4,520	1	-	1	-
Donald Balsillie	Spokesperson for Audit & Finance	from 1/2/19	4,324	4,520	5	2	5	2
	Chair of Planning Committee	from 1/6/17						
	Spokesperson for Environment & Housing (Interim)	from 2/11/19 to 24/6/20						
Martha Benny	Chair of Audit Committee	from 23/8/20	-	4,436	-	-	1	-
Dave Clark	Chair of Audit Committee	from 1/6/19 to 22/8/20	4,199	4,101	1	-	2	-
Kenny Earle	Chair of Licensing Board	from 20/06/17	4,324	4,520	4	-	4	-
Total			37,030	42,852	31	4	36	4

- 1) *The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their total government service, and not just their current appointment.*

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Remuneration Report

Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2021 are shown in the table below, together with the contribution made by the Council to each Senior Employees' pension during the year.

Table 4 (Audited): Senior Employees Pension Benefits

Name and Post Title	Pension Contributions		Accrued Pension Benefits			
	2019/20	2020/21	Difference to 2019/20		As at 31 March 2021	
	£	£	£'000	£'000	£'000	£'000
			Pension	Lump Sum	Pension	Lump Sum
Nikki Bridle Chief Executive from 16/07/18.	23,601	24,862	44	66	47	68
Garry Dallas Strategic Director - Place from 27/08/18 until 18/08/19	7,817	-	46	87	-	-
Stuart Crickmar Strategic Director - Partnerships & Performance from 27/08/18.	20,478	22,211	37	58	41	62
Fiona McOmish Strategic Director - People from 18/2/19 Scottish Fire & Rescue Service employee	18,000	-	16	-	17	-
Pete Leonard Strategic Director - Place from 05/08/19	13,432	21,571	1	-	3	-
Fiona Colligan Strategic Director – Transformation from 01/03/21	-	-	-	-	-	-
Anne Pearson Chief Education Officer until 30/11/19	12,986	-	7	-	-	-
Lorraine Sanda Chief Education Officer (Acting) 02/12/19 until 12/01/20 Chief Education Officer from 13/01/20	15,867	20,102	5	-	7	-
Margaret McIntyre Chief Social Work Officer (Acting) from 01/01/19 until 02/06/19	14,519	-	20	23	-	-
Fiona Duncan Chief Social Work Officer from 03/06/19	13,710	13,555	24	32	26	33
Lindsay Sim Chief Finance Officer from 01/02/19	16,563	17,447	22	24	24	25
Lindsay Thomson Monitoring Officer from 01/11/18	14,329	15,095	3	-	5	-

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Name and Post Title	Pension Contributions		Accrued Pension Benefits			
	2019/20	2020/21	Difference to 2019/20		As at 31 March 2021	
	£	£	£'000	£'000	£'000	£'000
Annemargaret Black Clackmannanshire and Stirling Health and Social Care Partnership Chief Officer from 17/06/19 NHS Employee	15,542	-	24	69	28	73
M Valente Clackmannanshire and Stirling Health and Social Care Partnership Chief Officer (Interim) from 01/04/19 until 16/06/19 Stirling Council employee	3,884	-	64	-	-	-
Catherine Quinn Chief Education Officer (Interim) from 21/12/20	-	16,143	-	-	3	-
Carolyn Wylie Interim Chief Social Work Officer from 31/12/20 to 31/03/21 Stirling Council employee	-	5,259	-	-	2	-
Total	190,728	156,245	313	359	203	261

Notes

1. All Senior Employees employed by Clackmannanshire Council shown in the tables above are members of the Local Government Pension Scheme (LGPS).
2. Where employees have joined the Council and transferred previous employment pension benefits into the Falkirk Pension Fund, the pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service and not just their current employment.

Termination Benefits (Audited)

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision committing to the termination of employment of the offer to an officer or to a group of officers to encourage voluntary redundancy.

The Council agreed the voluntary termination of the contracts of 2 employees (2019/20: 9) through voluntary redundancy and voluntary severance during 2020/21, incurring liabilities of £0.009m (2019/20: £1.022m). There was one employee whose voluntary severance was approved during the 2020/21 financial year but who were not due to leave until the 2021/22 financial year. The number of employees and costs of exit packages per pay band is shown in the table below.

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Disclosed costs include, where applicable: redundancy and pension costs in relation to lump sum, strain payments and capitalised added years. Any early terminations which might arise on the grounds of health or dismissal fall outside the regulatory disclosure requirement and would not be disclosed. There were no compulsory redundancies in the current or previous year.

Cost Bands	Total Number of exit packages by Cost band		Total Cost of exit packages by Cost band	
	2019/20	2020/21	2019/20 £'000	2020/21 £'000
£0 £20,000	1	1	1,527	9
£20,001 £40,000	-	-	-	-
£40,001 £60,000	-	-	-	-
£60,001 £80,000	1	-	60,969	-
£80,001 £100,000	2	-	187,925	-
£100,001 £150,000	2	-	264,812	-
£150,001 £200,000	3	-	507,066	-
Total	9	1	1,022,299	9

Paid Time-off provided to Trade Union Representatives

The undernoted information is provided in line with the requirements of the trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017/328) introduced by the Trade Union Act 2016.

Relevant Union Officials

During the year 10 (2019/20 20) employees took part in union activities, as relevant union officials, some of whom were part time:

	2019/20	2020/21
Number of employees	20	10
Full-time Equivalent	17.48	5.9

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Facility time

The employees spent the following percentages of their time on facility time:

% of time	Employees	
	2019/20	2020/21
0%	-	-
1-50%	18	8
51-99%	1	2
100%	1	-

Of the total pay bill, £84k (0.09%) related to facility time under taken during the year.

	2019/20	2020/21
	£'000	£'000
Facility time cost	90.6	84.0
Total pay bill	85,602	90,858
% of pay bill	0.11%	0.09%

Paid trade union activities

The percentage of the total paid facility time that relates to relevant union officials was £3.7k or 2.77% (2019/20 £1.2k or 1.38%).

Nikki Bridle
Chief Executive
19 August 2021

Ellen Forson
Leader of the Council
19 August 2021

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Independent Auditor's Report

The Draft Financial Statements are subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is

Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

CLACKMANNANSHIRE COUNCIL
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Comprehensive Income & Expenditure Statement
For the year ended 31 March 2021

This statement shows the accounting cost in the year of providing services in accordance with proper accounting practices rather than the amount to be funded from taxation. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. Councils raise taxation to cover expenditure in accordance with regulations, this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Gross Expenditure	2019/20	Net Expenditure/(Income)		Note	2020/21	Net Expenditure/(Income)	
	Gross Income				Gross Expenditure		Gross Income
£'000	£'000	£'000			£'000	£'000	
87,503	(6,231)	81,272	People		95,028	(5,311)	89,717
27,447	(21,055)	6,392	Partnership and Performance		25,356	(22,970)	2,386
33,811	(9,628)	24,183	Place		29,137	(9,524)	19,613
20,830	(19,715)	1,115	Housing Revenue Account		16,660	(19,911)	(3,251)
1,659	-	1,659	Corporate Services		1,423	-	1,423
47,996	(30,676)	17,320	Clackmannanshire and Stirling Integration Joint Board		51,512	(32,330)	19,182
395	-	395	Central Scotland Valuation Joint Board		440	-	440
219,641	(87,305)	132,336	Cost of Services		219,556	(90,046)	129,510
371	-	371	(Gain)/ loss on sale of Non current assets		1,776	-	1,776
9,007	(1,036)	7,971	Financing and Investment Income and Expenditure	9	11,029	(485)	10,544
-	(128,183)	(128,183)	Taxation and Non-Specific Grant Income	10	-	(137,773)	(137,773)
229,019	(216,524)	12,495	(Surplus) or Deficit on Provision of Services		232,361	(228,304)	4,057
	(58,628)		(Surplus) or Deficit on revaluation of non-current assets	25			(14,182)
	34,990		Impairment (gain)/ loss on non-current asset to the revaluation reserve	25			4,455
	(32,927)		Remeasurement of the net defined benefit liability / (asset)	25			47,433
	(56,565)		Other Comprehensive (Income) and Expenditure				37,706
	(44,070)		Total Comprehensive (Income) and Expenditure				41,763

The Council acted as an agent on behalf of the Scottish Government in the administration of grants to business and individuals during the Covid-19 pandemic. This amounted £12.834m of expenditure and income which is not shown within the Comprehensive Income and Expenditure Statement above.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

This is different from the statutory amounts required to be charged to the General Fund Reserve and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase/Decrease, before Transfers to Earmarked Reserves line, shows the statutory General Fund Balance and Housing Revenue Account Balance, before any discretionary transfers to/ from earmarked reserves, undertaken by the Council.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Movement in Reserves Statement
For the year ended 31 March 2021

	Notes	General Fund Reserve £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants & Receipts Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
2020/21									
Balance brought forward		(11,858)	(4,504)	(2,074)	(1,280)	(2,694)	(22,410)	(139,939)	(162,349)
Movement in Reserves during 2020/21									
Total Comprehensive Income and Expenditure		6,280	(2,223)	-	-	-	4,057	37,706	41,763
Adjustments between accounting basis & funding basis		(12,808)	(884)	(542)	-	(405)	(14,639)	14,639	-
Net Increase/Decrease before transfers to Earmarked Reserves		(6,528)	(3,107)	(542)	-	(405)	(10,582)	52,345	41,763
Transfers to/from Earmarked Reserves		(1,300)	-	1,283	4	249	236	(236)	-
Increase or (decrease) in 2020/21		(7,828)	(3,107)	742	4	(156)	(10,346)	52,109	44,763
Balance Carried Forward		(19,686)	(7,611)	(1,332)	(1,276)	(2,850)	(32,756)	(87,830)	(120,586)

	Notes	General Fund Reserve £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants & Receipts Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
2019/20									
Balance brought forward		(8,581)	(3,722)	(3,597)	(1,301)	(2,813)	(20,014)	(98,265)	(118,279)
Movement in Reserves during 2019/20									
Total Comprehensive Income and Expenditure		9,521	2,974	-	-	-	12,495	(56,565)	(44,070)
Adjustments between accounting basis & funding basis	7	(10,774)	(3,896)	(465)	-	244	(14,891)	14,891	-
Net increase/decrease before transfers to Earmarked Reserves		(1,253)	(922)	(465)	-	244	(2,396)	(41,674)	(44,070)
Transfers to/from Earmarked Reserves	8	(2,024)	140	1,988	21	(125)	-	-	-
Increase or (decrease) in 2019/20		(3,277)	(782)	1,523	21	119	(2,396)	(41,674)	(44,070)
Balance carried forward		(11,858)	(4,504)	(2,074)	(1,280)	(2,694)	(22,410)	(139,939)	(162,349)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements
Balance Sheet as at 31 March 2021

The Balance sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2020 £'000		Note	31 March 2021 £'000
373,009	Property, Plant & Equipment	11	377,917
805	Heritage Assets	12	805
8,330	Investment Properties	13	8,634
514	Intangible Assets	14	410
1,859	Long-Term Investments	15	-
1	Long-Term Debtors		1
384,518	Non-Current Assets		387,767
290	Investment Properties held for Sale	13	283
-	Assets held for Sale	16	-
451	Inventories	17	589
12,951	Short-Term Debtors	18	17,251
9,406	Short-Term Investments	19	19,004
16,814	Cash and Cash Equivalents	19	16,947
39,912	Current Assets		54,074
(21,604)	Short-Term Creditors	20	(28,347)
(5)	Provisions	21	-
(2,723)	Short-Term Borrowings	22	(2,635)
(24,332)	Current Liabilities		(30,982)
(44)	Provisions	21	(47)
(101,328)	Long-Term Borrowing	22	(101,257)
(38,465)	Other Long-Term Liabilities	23	(37,292)
(97,912)	Pension Liabilities	36	(151,676)
(237,749)	Long-Term Liabilities		(290,272)
162,349	Net Assets		120,587
(22,410)	Usable Reserves		(32,755)
(139,939)	Unusable Reserves	25	(87,832)
(162,349)	Total Reserves		(120,587)

The unaudited financial statements were issued on 19 August 2021.

Lindsay Sim, Chief Finance Officer
19 August 2021

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

Cash Flow Statement
For the year ended 31 March 2021

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent of which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2019/20		Notes	2020/21
£'000			£'000
(12,495)	Net (deficit) on the provision of services	CIES	
31,065	Adjustments to net deficit on the provision of services for non-cash movements	26b	
(10,508)	Adjustments for items included in the net deficit of the provision of services that are investing & financing activities	26c	
8,062	Net cash flows from Operating Activities		<hr/>
(6,975)	Investing Activities	27	
3,679	Financing Activities	28	
4,766	Net increase (decrease) in cash and cash equivalents	19	<hr/>
12,048	Cash and Cash equivalents at the beginning of the reporting year	19	
16,814	Cash and Cash equivalents at the end of the reporting year	19	<hr/>

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

The Notes present information about the basis of preparation of the Financial Statements and the specific accounting policies used, along with the disclosure of information required by the Code that is not presented elsewhere in the Financial Statements.

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CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

Note 1 - Accounting Policies

a) General Principles

The Annual Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which Section 12 of the Local Government in Scotland Act 2003 require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. In line with the code of practice the accounts have been prepared on a going concern basis of accounting.

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets. The accounting policies have been applied consistently in the current and prior years.

b) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for the provision of services or the sale of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- Revenue from Council Tax and Non Domestic Rates is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council and the amount of revenue can be measured reliably. Revenue is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including those rendered by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract, and
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

d) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior year.

e) Charges to Revenue for Non-Current Assets

Services are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to loans fund principal charges. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by loans fund principal charges in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements
Employee Benefits Payable During Employment

Short-term employee benefits such as salaries, wages, overtime and paid annual leave for current employees are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements or any form of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy or severance. These benefits are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy or severance.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pensions enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Council are members of two separate pension schemes:

- The Teachers' Pension Scheme administered by the Scottish Public Pension Agency; and
- The Local Government Pensions Scheme administered by Falkirk Council.

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the Teachers' Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as a defined contributions scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Education Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

The liabilities of the Falkirk Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate utilised by the actuaries to place a value on the liability.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

The assets of the Falkirk Pension Fund attributable to the Council are included in the Balance Sheet at their fair value at current bid prices for securities, estimated fair value for unquoted securities and market price for property.

The change in the net pension's liability is analysed into seven components:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited/credited to Other Comprehensive Income and Expenditure; and
- contributions paid to the Falkirk Pension Fund – cash paid as employers' contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, Scottish Government Regulations require the General Fund balance to be charged with the amount payable by the Council to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early voluntary severance. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

f) Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Annual accounts are adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, Scottish Government regulations permit the costs of restructuring to be released to revenue over the period of the replacement loan. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial asset measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

The Council does not hold financial assets measured at fair value through profit or loss (FVPL) or financial assets measured fair value through other comprehensive income (FVOCI).

Financial Assets Measured at Amortised Cost

Financial assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for Short-Term Debtors held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The Council has made loans to Clackmannanshire Regeneration LLP and Coalsnaughton NHT 2012 LLP. The Council also holds share capital in CSBP Clackmannanshire Investments Ltd. Loss allowances for these financial assets are assessed on an individual basis.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

h) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants & Receipts Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants & Receipts Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Business Improvement Districts

Two Business Improvement District (BID) schemes apply in Alloa Town Centre and Business Parks respectively within the Council. The schemes are funded by a BID levy paid by non-domestic ratepayers. The Council operates as an agent on behalf of the BID bodies and as a consequence the income and expenditure is not shown in the Comprehensive Income and Expenditure Statement.

i) Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are maintained principally for their contribution to knowledge and culture.

Wherever possible heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. Heritage assets are complex and difficult to value and obtain in a cost effect manner. In circumstances where values cannot be obtained, either due to the nature of the assets or the prohibitive cost of obtaining a valuation, the regulations under which these accounts are prepared permit the Council not to recognise the assets on the face of the Balance Sheet. The Council is required however to disclose full details of any assets treated in this manner in a note to the Financial Statements. The Council's collections of heritage assets are accounted for as follows:

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

Recognised in Balance Sheet at Valuation

- Art Collections
- Public Art statues
- Civic Regalia
- Museum Collections (including equipment & ephemera)
- Commemorative Room

Not recognised in Balance Sheet

- War Memorials
- Glassworks & Mosaics
- Listed Building

An impairment review of heritage assets is carried out whenever there is evidence of physical deterioration with the carrying value of the asset and any associated reserve being adjusted as necessary. Heritage assets are not subject to depreciation.

j) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at cost less amortisation and any provision for impairment. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and any sale proceeds posted to the Capital Receipts Reserve.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Notes to the Financial Statements

k) Interests in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of associates and jointly controlled entities. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for impairment.

l) Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

m) Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account with any sale proceeds posted to the Capital Receipts Reserve.

n) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down

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the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability (together with any premiums received); and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipts for the disposal of the asset is used to write down the lease debtor.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

o) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

The Council adopted IFRS13 - Fair Value Measurement, which provides a common definition of fair values, taking into account the characteristics of the assets or liabilities which would be considered by market participants in determining the price of the asset or liability. This standard would apply to all property, plant and equipment assets, however, as the purpose of a local authority acquiring and holding an asset is to deliver services it is the service potential which is the primary concern. On this basis the Code has adapted IAS16 - Property Plant and Equipment and introduced a new definition of current value to require that operational local authority property, plant and equipment assets will continue to be measured for their service potential and not fair value.

Non operational property, plant and equipment (i.e. surplus assets) require to be measured at the lower of cost and net realisable value.

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Assets are initially measured at cost, comprising:

- the purchase price; and
- costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not lead to a variation in the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost;
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
- surplus assets – lower of cost and net realisable value; and
- all other assets – fair value, determined by the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Non-HRA assets included in the Balance Sheet at fair value are reviewed annually to ensure that their carrying amount is not materially different from their fair value at the year-end. HRA assets are reviewed at least every five years, the last major review being at 1 April 2019. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains, or credited to the Comprehensive Income and Expenditure Statement where they arise as a reversal of a revaluation loss previously charged to a service.

Where decreases in value are identified, the revaluation loss is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

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Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (up to 70 years);
- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer (i.e. up to 15 years);
- infrastructure – straight-line allocation over 60 years; and
- depreciation is not charged in year of purchase, but a full year charge is made in year of sale.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Components of Property, Plant & Equipment (PPE) assets do not always have the same useful lives and may depreciate or wear out at different rates throughout their life. It is therefore appropriate to depreciate each significant component separately over its useful life, in order that the Comprehensive Income and Expenditure Statement is fairly charged with the consumption of economic benefits of those assets.

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Significant components are deemed to be those whose cost is 25% or more of the total cost of the individual asset. In accordance with the Council's approved policy, an individual asset is considered to be material if its carrying value is 5% or more of the cumulative carrying value (net book value) of the non-land element of PPE and Investment Properties. Any individual asset below this de-minimis will be disregarded for component accounting on the basis that any adjustment to depreciation charges would not be material.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to long-term assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

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When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

p) Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. For the Secondary Schools scheme the liability was written down by an initial capital contribution of £16.35m.

Non current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- finance cost – an interest charge of 7.59% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease); and

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- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

q) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation where it is probable that settlement by a transfer of economic benefits or service potential will be required, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the Financial Statements.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

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r) Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement & employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant notes below.

s) Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

t) VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

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Note 2 - Changes to Accounting Standards

Accounting Standards Adopted in the Year

- Amendments to IAS 28 Investments in Associates and Joint Ventures;
- Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015-2017 Cycle, and
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.

Accounting Standards Issued not yet Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2021/22 Code:

- Definition of a Business: Amendments to IFRS3 Business Combinations;
- Interest Rate Benchmark Reform: Amendments to IFRS9, IAS39 and IFRS7, and
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16.

The Code requires implementation of these from 1 April 2021, therefore there is no impact on the 2020/21 financial statements.

Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Financial Statements are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision: and
- The Council is deemed to control the services provided under the PFI agreement for the provision of Secondary School establishments. The accounting policies for PFI schemes have been applied and the assets under the PFI contract are included within Property, Plant and Equipment on the Council's Balance Sheet.

Note 4 - Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Financial Statements contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

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The items in the Council's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance bringing into doubt the useful lives assigned to assets.</p> <p>Assets included in the balance sheet at fair value are reviewed on a five yearly cycle. An annual review of significant assets is also carried out to ensure there is no material difference between the carrying amount from their fair value at year end.</p> <p>The recent Covid 19 pandemic led to the complete closure of the property market in early 2020 and resulted in an initial level of uncertainty for market valuation. Since the market has reopened, these uncertainties have, in the main, been removed except for retail/hospitality sectors and some localised property sectors. These sectors do not affect the Council, and since it is the Council's intention to continue to provide services from its current building asset base, it is assessed that, at the current time, there is no impact on the property valuations used in the accounts.</p>	<p>If the useful life of assets is reduced depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings and Council houses would increase by £0.682m and £0.252m respectively for every year that useful lives had to be reduced.</p>
Arrears – Council Tax	<p>At 31 March 2021 the Council had Council Tax debt outstanding of £12.017m. A review of outstanding balances suggested that an allowance for doubtful debts of £9.205m was appropriate resulting in coverage of 77% for doubtful debts. However, in the current economic climate such an allowance might not be sufficient.</p>	<p>If collection rates were to deteriorate and the provision had to be increased, for every 5% increase in the provision then a further contribution of £649k would be required.</p>
Pensions Liability	<p>Estimates of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance a 0.5% decrease in the real discount rate would result in an increase in the pension liability of 9% equating to £49.6m.</p>

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Item	Uncertainties	Effect if actual Results Differ from Assumptions
Housing Rent Arrears	At 31 March 2021 the Council had Housing Rent Arrears of £2.056m. A review of outstanding balances suggested that an impairment for irrecoverable rents of £2.056m was appropriate resulting in a coverage of 100% for doubtful debts.	The Council has 100% coverage on all Housing Rent Arrears.

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Note 5 – Events after the Reporting Period

The Draft Financial Statements were authorised for issue by the Chief Finance Officer (Section 95 Officer) on 19 August 2021. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the Financial Statements and Notes have been adjusted in all material respects to reflect the impact of this information. Events taking place after this date are not reflected in the Financial Statements or Notes.

Note 6 – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the funding available to the Council for the year, from government grants, council tax and business rates, has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on page 82. The Adjustments between Funding and Accounting basis is shown more fully in Note 7 on page 115.

The table below shows the analysis for the management structure of the Council:

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Note 6 - Expenditure & Funding Analysis

2019/20			2020/21			
Net Expenditure chargeable to GF & HRA £'000	Adjustments between Funding & Accounting basis £'000	Net Expenditure In the CI&ES £'000		Net Expenditure chargeable to GF & HRA £'000	Adjustments between Funding & Accounting basis £'000	Net Expenditure in the CI&ES £'000
65,681	15,592	81,273	People	73,577	16,140	89,717
8,190	(1,798)	6,392	Partnership & Performance	5,409	(3,023)	2,386
16,573	7,608	24,181	Place	16,551	3,062	19,613
(2,122)	3,238	1,116	HRA - Place	(4,233)	982	(3,251)
1,659	-	1,659	Corporate Services	1,423	-	1,423
17,646	(326)	17,320	Clackmannanshire and Stirling Integration Joint Board	19,040	142	19,182
395	-	395	Central Scotland Valuation Joint Board	440	-	440
108,022	24,314	132,336	Cost of Services	112,207	17,303	129,510
(110,197)	(9,644)	(119,841)	Other Income and Expenditure	(121,842)	(3,611)	(125,453)
(2,175)	14,670	12,495	(Surplus)/Deficit	(9,635)	13,692	4,057
		£'000				£'000
		12,303	Opening GF & HRA Balance			16,362
		2,175	Surplus/ (Deficit) in the year			9,635
		1,884	Transfer (to)/from other statutory reserves			1,300
		16,362	Closing GF and HRA Balance			27,297

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Note 6 - Expenditure & Funding Analysis

The table below shows the adjustments between the net expenditure based on the management reporting structure and the net expenditure that is reported in the Comprehensive Income and Expenditure Statement.

2020/21	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
	£'000	£'000	£'000	£'000
People	13,860	1,920	360	16,140
Partnership & Performance	(3,596)	703	-130	-3,023
Place	2,012	856	194	3,062
HRA - Place	324	554	104	982
Corporate Services	-	-	-	-
Clackmannanshire and Stirling Integration Joint Board	142	-	-	142
Central Scotland Valuation Joint Board	-	-	-	-
Cost of Services	12,742	4,033	528	17,303
Other Income and Expenditure	(5,908)	2,297	-	(3,611)
(Surplus)/Deficit	6,834	6,330	528	13,692

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Note 6 - Expenditure & Funding Analysis

2019/20	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
	£'000	£'000	£'000	£'000
People	12,991	2,747	(146)	15,592
Partnership & Performance	(3,476)	1,838	(160)	(1,798)
Place	6,289	1,282	37	7,608
HRA - Place	2,216	963	59	3,238
Corporate Services	-	-	-	-
Clackmannanshire and Stirling Integration Joint Board	(326)	-	-	(326)
Central Scotland Valuation Joint Board	-	-	-	-
Cost of Services	17,694	6,830	(210)	24,314
Other Income and Expenditure	(12,630)	2,986	-	(9,644)
(Surplus)/Deficit	5,064	9,816	(210)	14,670

Adjustments for capital purposes include the replacement of depreciation and revaluation losses with repayment of borrowing to the Loans Fund and direct revenue funding of capital expenditure.

Net changes for pensions adjustments relate to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.

Other adjustments include the reversal of the value of entitlement to accrued leave and the timing differences for premiums and discounts associated with borrowing within the Loans Fund.

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Note 6 - Expenditure & Funding Analysis

The table below shows the analysis by the type of expenditure:

2019/20				2020/21		
Net Expenditure chargeable to GF & HRA balances £'000	Adjustments between Funding & Accounting basis £'000	Net Expenditure in the CI&E statement £'000		Net Expenditure chargeable to GF & HRA balances £'000	Adjustments between Funding & Accounting basis £'000	Net Expenditure in the CI&E statement £'000
85,935	6,833	92,768	Employee costs	91,116	4,772	95,888
23,308	-	23,308	Other Operating Costs	24,047	0	24,047
57,245	-	57,245	Third Party & Transfer Payments	62,870	0	62,870
-	28,500	28,500	Depreciation	0	20,335	20,335
11,019	(11,019)	-	Capital Financing Costs	7,804	(7,804)	0
(69,485)	-	(69,485)	Income	(73,630)	0	(73,630)
108,022	24,314	132,336	Cost of Services	112,207	17,303	129,510
(110,197)	(9,644)	(119,841)	Other Income and Expenditure	(121,842)	(3,611)	(125,453)
(2,175)	14,670	(12,495)	(Surplus)/Deficit	(9,635)	13,692	4,057

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Note 6 - Expenditure & Funding Analysis

The table below shows the analysis by the management structure of the Council and the type of expenditure:

2020/21

	Partnership & People	Performance	Place	HRA - Place	Corporate Services	Clackmannanshire and Stirling Integration Joint Board	Central Scotland Valuation Joint Board	Net Expenditure chargeable to GF & HRA balances
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee costs	56,128	8,055	10,993	7,205	1,026	7,709	-	91,116
Other Operating Costs	8,083	736	9,981	4,226	505	516	-	24,047
Third Party & Transfer Payments	14,541	16,404	5,021	1,297	(108)	25,275	440	62,870
Capital Financing Costs	-	3,175	-	4,629	-	-	-	7,804
Income								
Government Grants and Other Contributions	(4,226)	(22,315)	(925)	-	-	(14,459)	-	(41,925)
Fees, charges and other service income	(694)	(430)	(4,304)	(20,004)	-	(1)	-	(25,433)
Income from recharges for services	(255)	(216)	(4,215)	(1,586)	-	-	-	(6,272)
Cost of Services	73,577	5,409	16,551	(4,233)	1,423	19,040	440	112,207

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Note 6 - Expenditure & Funding Analysis

The table below shows the analysis by the management structure of the Council and the type of expenditure:

2019/20

	People	Partnership & Performance	Place	HRA - Place	Corporate Services	Clackmannanshire and Stirling Integration Joint Board	Central Scotland Valuation Joint Board	Net Expenditure chargeable to GF & HRA balances
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee costs	51,664	7,899	10,589	6,932	1,844	7,007	-	85,935
Other Operating Costs	7,523	649	10,169	2,623	(77)	629	-	21,516
Third Party & Transfer Payments	12,188	16,423	5,334	1,217	(108)	21,796	395	57,245
Capital Financing Costs	-	4,197	-	6,822	-	-	-	11,019
Income								
Government Grants and Other Contributions	(3,920)	(20,279)	(1,375)	-	-	(11,782)	-	(37,356)
Fees, charges and other service income	(1,480)	(633)	(4,746)	(19,706)	-	(4)	-	(26,569)
Income from recharges for services	(294)	(66)	(3,398)	(10)	-	-	-	(3,768)
Cost of Services	65,681	8,190	16,573	(2,122)	1,659	17,646	395	108,022

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Note 7 – Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the Total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against:

General Fund Balance

The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. The balance is not available to be applied to funding HRA services.

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority Council housing provision. It contains the balance of income and expenditure that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure, or certain types of revenue expenditure including; to finance historical capital expenditure, or fund severance costs. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants & Receipts Unapplied Account

The Capital Grants & Receipts Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place. It also holds Capital Receipts which have been earmarked fund Council transformation projects in line with the statutory provision of Local Government Finance Circular 4/2019.

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Insurance Fund

The purpose of the Insurance Fund is to provide an element of self-insurance and protect the Council against future claims. Council services contribute to the fund, which meets the cost of fire damage; public liability; employee liability; vehicle fleet and various other claims. The Council holds insurance cover to meet any large claims, the premium for which is charged to the Insurance Fund.

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Note 7 – Adjustments between Accounting Basis and Funding Basis under Regulations 2020/21

	General Fund Balance £'000	Housing Revenue Account £'000	Usable Reserves Capital Receipts Reserve £'000	Capital Grants & Receipts Unapplied £'000	Insurance Fund £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment account:						
Reversal of items debited or credited to the CIES						
Charges for depreciation and impairment of non-current assets	(10,973)	(4,928)	-	-	-	15,901
Revaluation losses on property, plant and equipment	(4,308)	-	-	-	-	4,308
Movements in the fair value of investment assets	126	-	-	-	-	(126)
Amortisation of intangible assets	(122)	(4)	-	-	-	126
Capital grants and contributions applied	6,873	280	-	-	-	(7,153)
Revenue Expenditure Funded from Capital under Statute	-	-	-	-	-	-
Non-current assets written off on disposal/ sale as part of gain/ (loss) on disposal To the Comprehensive Income and Expenditure Statement	(2,319)	-	-	-	-	2,319
Insertion of items not debited or credited to the CIES						
Statutory provision for the financing of capital investment	2,985	596	-	-	-	(3,581)
Capital expenditure charged against the General Fund and HRA Balances	-	4,011	-	-	-	(4,011)
Adjustments primarily involving the Capital Grants & Receipts Unapplied account						
Capital Grants and contribution unapplied credited to the CIES	335	70	-	-	(405)	-
Application of Grants to Capital Financing	-	-	-	-	-	-
Adjustments primarily involving the Capital Receipts Reserve						
Transfer of cash sale proceeds as part of the Gain/ (loss) on disposal to the CIES	542	1	(543)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	1	-	-	(1)
Adjustments primarily involving the Financial Instruments Adjustments Account						
difference between finance costs charged to the CIES & statutory requirements	212	-	-	-	-	(212)
Adjustments involving Pension Reserve						
Reversal of items relating to post employment benefits debited or credited to the Provision of Services in the CIES (see Note 42)	(14,733)	(1,817)	-	-	-	16,550
Employer's pensions contributions and direct payments to pensioner in year	9,209	1,010	-	-	-	(10,219)
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Difference between officer remuneration charges to the CIES & statutory requirements	(635)	(103)	-	-	-	738
Total Adjustments	(12,808)	(884)	(542)	-	(405)	14,639

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Note 7 – Adjustments between Accounting Basis and Funding Basis under Regulations 2019/20

	General Fund Balance £'000	Housing Revenue Account £'000	Usable Reserves Capital Receipts Reserve £'000	Capital Grants & Receipts Unapplied £'000	Insurance Fund £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment account:						
Reversal of items debited or credited to the CIES						
Charges for depreciation and impairment of non-current assets	(10,070)	(4,563)	-	-	-	14,633
Revaluation losses on property, plant and equipment	(9,239)	(4,439)	-	-	-	13,678
Movements in the fair value of investment assets	3,022	(48)	-	-	-	(2,974)
Amortisation of intangible assets	(189)	-	-	-	-	189
Capital grants and contributions applied	8,938	356	-	-	-	(9,294)
Revenue Expenditure Funded from Capital under Statute	-	-	-	-	-	-
Non-current assets written off on disposal/ sale as part of gain/ (loss) on disposal To the Comprehensive Income and Expenditure Statement	(222)	(631)	-	-	-	853
Insertion of items not debited or credited to the CIES						
Statutory provision for the financing of capital investment	4,021	610	-	-	-	(4,631)
Capital expenditure charged against the General Fund and HRA Balances	-	6,176	-	-	-	(6,176)
Adjustments primarily involving the Capital Grants & Receipts Unapplied account						
Capital Grants and contribution unapplied credited to the CIES	732	-	-	(732)	-	-
Application of Grants to Capital Financing	-	-	-	976	-	(976)
Adjustments primarily involving the Capital Receipts Reserve						
Transfer of cash sale proceeds as part of the Gain/ (loss) on disposal to the CIES	465	16	(481)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	16	-	-	(16)
Adjustments primarily involving the Financial Instruments Adjustments Account						
difference between finance costs charged to the CIES & statutory requirements	212	-	-	-	-	(212)
Adjustments involving Pension Reserve						
Reversal of items relating to post employment benefits debited or credited to the Provision of Services in the CIES (see Note 42)	(17,779)	(2,285)	-	-	-	20,064
Employer's pensions contributions and direct payments to pensioner in year	9,277	971	-	-	-	(10,248)
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Difference between officer remuneration charges to the CIES & statutory requirements	58	(59)	-	-	-	1
Total Adjustments	(10,774)	(3,896)	(465)	244	-	14,891

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Note 8 – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for the future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA Expenditure.

2020/21	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Insurance Fund	Capital Grants & Receipts Unapplied Account
	£'000	£'000	£'000	£'000	£'000
Net Transfer to Insurance Fund from General Fund	(4)	-	-	4	-
Transfer from Capital Receipts Reserves to fund Revenue Expenditure	(1,160)	-	1,160	-	-
Transfer from Capital Grants and Receipts Unapplied Account to fund Revenue Expenditure	(136)	-	-	-	136
Transfer between Capital Grants and Receipts Unapplied Account and Capital Receipts Reserve	-	-	123	-	(123)
Transfer to Capital Adjustment Account to fund capital expenditure	-	-	-	-	236
	(1,300)	-	1,283	4	249
2019/20	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Insurance Fund	Capital Grants & Receipts Unapplied Account
	£'000	£'000	£'000	£'000	£'000
Net Transfer to Insurance Fund from General Fund	(21)	-	-	21	-
Transfer from Capital Receipts Reserves to fund Voluntary Severance	(87)	-	87	-	-
Consideration from HRA for transfer of Assets	-	140	(140)	-	-
Transfer from Capital Receipts Reserves to fund Revenue Expenditure	(2,041)	-	2,041	-	-
Transfer from Capital Grants and Receipts Unapplied Account to fund Revenue Expenditure	(25)	-	-	-	25
Transfer to Capital Grants and Receipts Unapplied Account	150	-	-	-	(150)
	(2,024)	140	1,988	21	(125)

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Note 9 – Financing and Investment Income and Expenditure

This note provides detail regarding the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

	Notes	2019/20 £'000	2020/21 £'000
Interest payable and similar charges		8,940	8,755
Net Interest on the Net Defined Benefit Liability		2,986	2,297
Interest receivable and similar income		(851)	(315)
Changes in the carrying value Market loans		(7)	(8)
Revaluation of Investment Property	7	(2,974)	(126)
Rental Income from Investments		(123)	(59)
		7,971	10,544

Note 10 – Taxation and Non-Specific Grant Income

This note provides detail regarding the Taxation and Non-Specific Grant Income line within the Comprehensive Income and Expenditure Statement.

	2019/20 £'000	2020/21 £'000
Credited to Taxation and Non Specific Grant Income:		
Council Tax	22,804	23,638
Grant allocation for Council Tax Reduction Scheme	3,536	3,667
Non-Domestic Rate Income distributed by pool	17,315	10,757
Non-ring fenced government grants	74,502	92,153
Capital grants and contributions	10,026	7,558
Total	128,183	137,773

Net Cost of Services within the Comprehensive Income and expenditure Account

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2019/20.

	2019/20 £'000	2020/21 £'000
Credited to Services		
DWP grant for Benefits	14,017	13,247
Criminal Justice	1,285	1,350
Other revenue grants (including Early Learning and Childcare and Scottish Attainment Challenge)	4,294	6,841
Other Capital Grants & Contributions	-	-
Total	19,596	21,438

The table below reconciles the Non-ring fenced government grants to the Local Government Funding Settlement for 2020/21 from Scottish Government as shown in the Local Government Finance (Scotland) Order 2020 (as amended).

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£'000

Non-ring fenced government grants	92,153
Add Grant allocation for Council Tax Reduction Scheme	3,667
Add Grants not included in CIES (Council acted as Agent)	436
Total General Revenue Funding	<hr/> 96,256
Non-Domestic Rate Income distributed by pool	10,757
Ring fenced Grants shown with in Cost of Services	6,765
Total Settlement	<hr/> 113,778 <hr/>

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Note 11 – Property, Plant & Equipment (PPE)

Valuations

Assets at valuation are included in the Balance Sheet at their current asset value as at 1 April 2019 and as amended by annual revaluation and subsequent additions and disposals. The Council appointed the J&E Shepherd Chartered Surveyors to conduct its five-yearly valuation of assets during 2019/20 and a Desk Valuation Impairment Review a sample of Education and non operational properties carried out by Ian Hannon, MRICS, Managing Partner. The basis for valuation is set out in the Statement of Accounting Policies.

Movements in 2020/21	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	Concession Assets Included in PPE £'000
Cost or Valuation								
At 1 April 2020	129,334	195,696	21,585	64,701	1,453	361	413,130	82,681
Additions	4,212	6,968	2,955	3,443	114	-	17,692	28
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	(8,847)	-	-	-	-	(8,847)	1,645
De-recognition – Disposals	-	(2,450)	(752)	-	-	(38)	(3,240)	-
Assets reclassified (to)/from Investment Assets	-	(23)	-	-	-	(93)	(116)	-
Other Movements in Cost or Valuation	-	25	-	-	152	(102)	75	-
At 31 March 2021	133,546	191,369	23,788	68,144	1,719	128	418,694	84,354

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Note 11 – Property, Plant & Equipment (PPE)

Depreciation charge	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	Concession Assets included in PPE £'000
At 1 April 2020	4,762	8,818	15,819	10,721	-	1	40,121	2,908
Depreciation charge	4,718	8,824	1,257	1,095	-	1	15,895	2,908
Depreciation written out on revaluations recognised in the Revaluation Reserve	-	(14,266)	-	-	-	-	(14,266)	(5,816)
De-recognition – Disposals	-	(240)	(733)	-	-	-	(973)	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
At 31 March 2021	9,480	3,136	16,343	11,816	-	2	40,777	0
Net Book Value: At 31 March 2021	124,066	188,233	7,445	56,328	1,719	126	377,917	84,353

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Movements in 2019/20	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	Concession Assets Included in PPE £'000
Cost or Valuation								
At 1 April 2019	154,614	187,365	20,991	61,413	12,641	1,240	438,264	94,621
Additions	6,489	4,706	1,679	3,289	4,454	30	20,647	31
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(31,030)	(12,056)	-	(1)	-	(553)	(43,640)	
De-recognition – Disposals	(679)	(55)	(1,085)	-	-	(4)	(1,823)	(11,971)
Assets reclassified (to)/from Investment Assets	-	(106)	-	-	-	(13)	(119)	-
Other Movements in Cost or Valuation	(60)	15,842	-	-	(15,642)	(339)	(199)	-
At 31 March 2020	129,334	195,696	21,585	64,701	1,453	361	413,130	82,681

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Depreciation charge	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	Concession Assets included in PPE £'000
At 1 April 2019	33,281	21,597	15,568	9,682	-	126	80,254	9,743
Depreciation charge	4,499	7,761	1,329	1,039	-	-	14,628	2,907
Depreciation written out on revaluations recognised in the Revaluation Reserve	(32,969)	(20,537)	-	-	-	(85)	(53,591)	(9,742)
De-recognition – Disposals	(49)	-	(1,078)	-	-	-	(1,127)	-
Other movements in depreciation and impairment	-	(3)	-	-	-	(40)	(43)	-
At 31 March 2020	4,762	8,818	15,819	10,721	-	1	40,121	2,908
Net Book Value: At 31 March 2020	124,572	186,878	5,766	53,980	1,453	360	373,009	79,773

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Capital Commitments

At 31 March 2021 the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2020/21 and future years budgeted to cost £15m. Similar commitments at 31 March 2020 were £26.1m. The major commitments are as follows, and are not included in the financial statements:

The major commitments are as follows:

	£'m
• HRA Council Housing Window Replacement	2,031
• HRA Council Housing Roof & Render	1,001
• HRA Council Housing Safe Electrical Testing	1,969
• HRA Council Fences and Gates	664
• HRA Smaller projects	487
• Park Primary School	2,366
• Village and Small Town Alva – Regeneration	1,304
• Roads & Transportation	1,626
• Alloa Town Centre – Regeneration	584
• Bowmar Community Centre	508
• Tullibody South Campus	490
• Council Office Kilncraigs – Roof	300
	13,330

Note 12 Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets Held by the Council

	Art Collection £'000	Public Art Statues Glasswork & Mosaics £'000	Industrial & Equipment & Other Items £'000	Total Assets £'000
Cost or Valuation				
At 1 April 2020	115	510	180	805
Revaluation	-	-	-	-
31 March 2021	115	510	180	805
Cost or Valuation				
At 1 April 2019	115	500	180	795
Revaluation	-	10	-	10
31 March 2020	115	510	180	805

Art Collection

The Council has obtained valuations for the collection of paintings by means of their insurance valuations. These insurance valuations are based on a current estimation of market value and are reviewed annually to ensure the adequacy of insurance provision and current valuation.

The collection of paintings is reported in the Balance Sheet at insured value.

The collection is relatively static and acquisitions and donations are rare. When they do occur acquisitions are initially recognised at cost and donations are recognised at valuation ascertained by the Museum & Heritage Officer.

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Public Art – Statues

The Council owns several statues most of which were commissioned as part of ‘Imagine Alloa’ a programme targeting the regeneration of town and village centres across the county. Collectively these statues constitute the ‘Public Art Trail’. The Council has obtained valuations for the collection of statues by means of their insurance valuations. These insurance valuations are reviewed annually to ensure adequacy of insurance provision. The collection of statues is reported in the Balance Sheet at Insured value

Public Art - Glassworks and Mosaics

The Council commissioned several glass and mosaic pieces for installation at several key buildings in the county and has obtained valuations for these by means of their insurance valuations. These insurance valuations are reviewed annually to ensure adequacy of insurance provision. The commissions of glassworks/mosaics are reported in the Balance Sheet at Insured Value.

Industrial Equipment and Ephemera

The Council owns several collections of artefacts relating to the mining, brewing, distilling, pottery, glassmaking and textile industries, all of which have been historically significant within the County. The larger pieces for which the Council has obtained an insurance valuation are reported on the Balance Sheet at valuation.

Items/collections within this category for which a valuation has previously been obtained are:

- Harviestoun Silver Soup Tureen
- Robert Millar Long Case Clock
- Paton & Baldwins Model
- Alloa Pottery Collection
- Arnsbrae Candelabra
- Collection of Civil Regalia

Revaluation of Heritage Assets

As part of the five yearly valuation of assets, as mentioned in Note 11, the Commemoration Room within the residential development at Menstrie Castle has been written on the Balance Sheet and is now included within the carrying value of Heritage Assets held by the Council.

Assets excluded from Heritage Assets

The Council has a number of assets that may be regarded as Heritage Assets, but which have not been included in the Balance Sheet since the Council considered that obtaining valuations would involve disproportionate cost or reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets held, and the lack of comparable market values. The Code therefore permits such assets to be excluded from the Balance Sheet. Within this category the Council owns and maintains 12 War Memorials throughout the County, Glassworks and mosaic pieces installed

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at buildings in the County. The Council also owns the Tolbooth in Clackmannan which is a listed building and classed as a heritage assets but is not within the carrying value of Heritage Assets held on the Balance Sheet.

Note 13 – Investment Properties

The following table summarises the movement in the fair value of investment properties in the year:

Investment Properties (Non Current Assets)

	2019/20	2020/21
	£'000	£'000
Balance 1 April	5,026	8,329
Additions	-	125
Net gains/(losses)from fair value adjustments	3,191	151
Disposals	-	(49)
Transfers to/from:		
PPE	116	115
Assets held for sale	-	(31)
Depreciation	(3)	(6)
Balance 31 March	8,330	8,634

Investment Properties Held for Sale (Current Assets)

	2019/20	2020/21
	£'000	£'000
Balance 1 April	506	290
Additions	-	-
Disposals	-	(13)
Net Gains/(losses) from fair value adjustments	(216)	(25)
Transfers from Investment Properties	-	31
Balance 31 March	290	283
Total Investment Properties	8,620	8,917

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The only direct operating expenses for the period relates to professional fees incurred in marketing Greenfield House.

The items of income and expense, in respect of Investment Property leased out as operating leases, have been accounted for in the Comprehensive Income and Expenditure Statement.

	2019/20	2020/21
	£'000	£'000
Rental income from investment property	(178)	(162)
Direct operating expenses arising from investment property	55	103
	(123)	(59)

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Note 14 – Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council are all five years.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £126k charged to revenue in 2020/21 was charged to the IT cost centre and then absorbed as an overhead across all the service headings in the Net Cost of Services within the Comprehensive Income and Expenditure Statement. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement in Intangible Asset balances during the year is as follows:

	2019/20	2020/21
	£'000	£'000
Carrying Value		
1 April	1,074	1,095
Additions	21	22
Disposals Gross Cost	-	-
	1,095	1,117
Amortisation		
1 April	(393)	(581)
Disposal accumulated amortisation	-	0
Amortisation for the year	(188)	(126)
	(581)	(707)
Carrying Value 31 March	514	410

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Note 15 – Long-Term Investments

This note provides detail of the Long-Term Investments held on the Balance Sheet. Further information on Clackmannanshire Regeneration LLP and Coalsnaughton 2012 NHT LLP can be found in the Group Financial Statements on page 172.

	2019/20	2020/21
	£'000	£'000
CSBP Clackmannanshire Investments Ltd (at cost)	-	-
Clackmannanshire Regeneration LLP	-	-
Coalsnaughton 2012 NHT LLP	1,859	-
	1,859	-

Note 16 – Assets Held for Sale

This note provides detail of the Assets Held for Sale on the Balance Sheet. An asset is required to fulfil certain criteria in order to be classified in this category. These criteria are detailed in the Accounting Policies.

	Notes	2019/20	2020/21
		£'000	£'000
Balance Outstanding at start of year		-	-
Impairment Losses		-	-
Assets reclassified (to)/from Other Land & Buildings	11	-	2,450
Assets reclassified (to)/from Surplus Assets	11	197	38
Assets reclassified (to)/from Investment Properties	13	-	62
Assets sold		(197)	(2550)
Derecognition - Disposals		(40)	(240)
Other movements in depreciation and impairment		40	240
Depreciation on reclassification		-	-
Additions		-	-
Balance outstanding at year-end		-	-

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Note 17 – Inventories

This note provides detail of the major inventories that are held by the Council Departments in order for them to carry out their responsibilities.

	Building Works		Roads		Vehicle Maintenance		Other		Total	
	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000
1 April	165	170	79	116	64	53	132	112	440	451
Purchased	825	643	180	234	438	353	1,093	1,036	2,536	2,266
Expenses in the year	(820)	(640)	(143)	(241)	(449)	(347)	(1,113)	(900)	(2,525)	(2,128)
31 March	170	173	116	109	53	59	112	248	451	589

Note 18 – Short-Term Debtors

This note provides detail of the Short-Term Debtors line in the Balance Sheet. A Short-Term Debtor represents money that is owed to the Council which is expected to be received in less than a year.

The Debtors balance at the year end is made up as follows:	2019/20 £'000	2020/21 £'000
Central Government Bodies	4,827	8,580
Other Local Authorities	591	896
NHS Bodies	786	1,169
Other Corporations & Trading funds	-	4
Other entities and individuals	6,747	6,602
Total	12,951	17,251

Note 19 – Short-Term Investments and Cash and Cash Equivalents

This note provides detail of the Short Term Investments and Cash and Cash Equivalents in the Balance Sheet on page 85.

	2019/20 £'000	2020/21 £'000
Short-Term Investments		
Coalsnaughton NHT 2012 LLP	2,499	-
CSBP Clackmannanshire Investments Ltd (at cost)	1	1
Clackmannanshire Regeneration LLP	4,906	-
Cash deposit with banks	2,000	19,003
	9,406	19,004
Cash and Cash Equivalents		
Cash held by the Council	32	32
Bank current accounts	16,782	16,915
Total Cash and Cash Equivalents	16,814	16,947
TOTAL	26,220	35,951

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In December 2011 the Council agreed to lend £4.906m to Clackmannanshire Regeneration LLP, a company established to develop the new Council offices in Kilncraigs under the Business Premises Renovation Allowance (BPRA) scheme. This sum has been invested in the company for eight years in accordance with the development agreement and earns interest at the prevailing Public Works Loan Board rate. The investment is due to be repaid during 2020/21.

CSBP Clackmannanshire Investments Ltd has been transferred from Long Term investments as this investment is due to be repaid during 2020/21.

Note 20 – Short-Term Creditors

This note provides detail of the Short-Term Creditors line in the Balance Sheet. A Short-Term Creditor represents money that is owed by the Council and which is expected to be paid in less than a year.

The Creditors balance at the year end is made up as follows:

	2019/20	2020/21
	£'000	£'000
Central government bodies	2,617	3,528
Other local authorities	2,323	2,602
NHS bodies	1,502	6,242
Public corporations and trading funds	282	303
Other entities and individuals	14,880	15,672
Total	21,604	28,347

Note 21 – Provisions

2020/21	Opening Balance At 1 April £'000	Additional provision made in 2020/21 £'000	Reduction In Provision £'000	Amounts used in 2020/21 £'000	Balance At 31 March 2021 £'000
Short Term Provisions					
Municipal Mutual	(5)	(2)	-	7	-
Total Short Term Provisions	(5)	(2)	-	7	-
Municipal Mutual	(44)	(3)	-	-	(47)
Total Long Term Provisions	(44)	(3)	-	-	(47)
Total Provisions	(49)	(5)	-	7	(47)

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2019/20	Opening Balance At 1 April £'000	Additional provision made in 2019/20 £'000	Reduction In Provision £'000	Amounts used in 2019/20 £'000	Balance At 31 March 2020 £'000
Short Term Provisions					
Equal Pay	(4)	(8)	-	12	-
Municipal Mutual	(5)	(2)	-	2	(5)
Legal Case – Ordinarily Resident	(826)	-	826	-	-
Total Short Term Provisions	(835)	(10)	826	14	(5)
Municipal Mutual	(21)	(23)	-	-	(44)
Total Long Term Provisions	(21)	(23)	-	-	(44)
Total Provisions	(856)	(33)	826	14	(49)

Equal Pay

This provision has now been removed. The provision was fully utilised in 2019/20 and no further costs are known.

Municipal Mutual Insurance

Prior to Local Government reorganisation in 1996, Central Regional Council and Clackmannan District Council entered into a solvent run-off arrangement with their insurer, MMI with the aim of having sufficient assets to meet outstanding insurance claims. However, the outcome of previous litigation has triggered the Scheme of Arrangement and created a financial liability for Clackmannanshire Council as successor Council. The Council had originally made provision to cover a levy of up to 30% amounting to £153k and payments of £141k had been made against this provision. During the year a further £7.2k was paid out fully utilising the short term provision. As at 31 March 2021, no material payments falling due in 2021/22 have been notified. The long term provision has been increased by £3k based on estimates of the outstanding liability as at 31 March 2021 resulting in a total provision balance of £47k to meet future claims.

Legal Cases – Ordinarily Resident

A dispute had previously arisen around the Ordinarily Resident status of five individuals with Falkirk Council. The matter was concluded in 2019/20 with no cost to the Council and the provision has been removed.

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Note 22 - Borrowings

This note provides details of the short and long term borrowings undertaken by the Council and shown on the Balance Sheet. These values are reflected at amortised cost:

Source of Loan	2019/20 £'000	2020/21 £'000
Repayable within 12 months		
Public Works Loan Board	412	-
Market Loans	63	63
Other Short Term Borrowings	-	-
Revenue Advances:		
Common Good & Trust Funds	357	357
Central Scotland Valuation Joint Board	655	979
Accrued Interest on borrowing	1,236	1,236
	2,723	2,635
Repayable after 12 months		
Public Works Loan Board	77,099	77,098
Lender Option, Borrowing Option (LOBO) Loans	5,000	5,000
Market Loans	19,229	19,159
	101,328	101,257

Note 23 – Other Long Term Liabilities

	2019/20 £'000	2020/21 £'000
PFI & Finance Liabilities (see note (a) below)	37,845	36,672
Other Long-term Liabilities (see note (b) below)	619	620
	38,464	37,292

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(a) PFI & Finance Lease

This sum relates to the finance lease creditor associated with the financing of the three new secondary schools under the PFI scheme and the Street Lighting. Note 33 Leases on page 146 and Note 34 Private Finance Initiative and Similar Contracts page 148 in the Accounts provides more detail in respect of the future payments that are due under the terms of the contract. The movements in the balance sheet values are detailed below:

	PFI Scheme 2019/20 £'000	Street Lighting 2019/20 £'000	Total 2019/20 £'000	PFI Scheme 2020/21 £'000	Street Lighting 2020/21 £'000	Total 2020/21 £'000
Balance at 1 April	40,207	167	40,374	39,061	87	39,148
Finance Lease Creditor						
Repaid in year	(1,146)	(80)	(1,226)	(1,216)	(87)	(1,303)
Balance 31 March	39,061	87	39,148	37,845	-	37,845
Ageing:						
Liabilities due over more than one year	37,845	-	37,845	36,672	-	36,672
Liabilities due within one year	1,216	87	1,303	1,173	-	1,173
	39,061	87	39,148	37,845	-	37,845

(b) Other Long-term Liabilities

These sums relate to contributions received from developers to be utilised at future dates for infrastructure etc. within both private housing schemes and town centre re-development. The reinstatement bond will additionally contribute to the planned restoration of the former open cast coal site.

	2019/20 £'000	2020/21 £'000
Developer Contributions	6	5
Reinstatement Bond	614	615
	620	620

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Note 24 – Financial Instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability of another entity. The term ‘financial instrument’ covers both financial assets and financial liabilities and includes the most straight forward financial assets and liabilities, such as trade receivables (debtors) and trade payables (creditors) and the most complex ones such as derivatives and embedded derivatives.

Financial Instrument Balances

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial Assets

	Non-Current				Current			Total	
	Investments		Debtors	Investments		Debtors	Total		
	31	31		31	31				31
	March	March	March	March	March	March	March		
2020	2021	2020	2021	2020	2021	2021			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Amortised Cost									
Principal	1,859	-	1	1	7,406	1	2,502	4,194	4,196
Cash & Cash									
Equivalents	-	-	-	-	18,814	35,950	-	-	35,950
Total Financial Assets	1,859	-	1	1	26,220	35,951	2,502	4,194	40,146

Financial Liabilities

	Non-Current				Current			Total	
	Borrowings		Creditors	Borrowings		Creditors	Total		
	31	31		31	31				31
	March	March	March	March	March	March	March		
2020	2021	2020	2021	2020	2021	2021			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Amortised Cost									
Principal	101,328	101,256	-	-	1,487	1,399	4,610	5,061	107,716
Accrued Interest	-	-	-	-	1,236	1,236	-	-	1,236
PFI and Finance Lease facilities	37,845	36,672	-	-	1,303	1,173	-	-	37,845
Total Financial Liabilities	139,173	137,928	-	-	4,026	3,808	4,610	5,061	146,797

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Items of income, expense, gains or losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2019/20		2020/21	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Interest Income				
financial assets				
measured at amortised	521	-	289	-
cost				
Total interest revenue	521	-	289	-
Interest expense	8,794	-	8,651	-

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Fair Value of Assets and Liabilities Carried at Amortised Costs

The fair value of each class of financial assets and liabilities which are carried in the balance sheet at amortised cost is described below.

Methods and Assumptions in valuation technique

Financial assets and financial liabilities represented by loans and receivables are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the net present value of the cash flows that take place over the remaining life of the instruments (Level 2: inputs rather than quoted prices that are observable for the financial asset/liability), using the following assumptions:

- For PWLB loans, fair values have been calculated using both redemption and new borrowing (certainty rate) discount rates;
- Interpolation techniques have been used between available rates where the exact maturity period was not available;
- For non-PWLB loans, fair values have been calculated using both PWLB redemption and new PWLB Certainty Rate loan discount rates;
- No early repayment or impairment is recognised;
- Fair values have been calculated for all instruments in the portfolio, but only those which are materially different from the carrying value are disclosed;
- Where an instrument has a maturity less than 12 months or is a trade or other receivable the fair value is taken to be the invoiced or billed amount; and
- The fair value PFI and Finance Lease Liabilities are calculated based on the interest rates applicable to the contracts.

Fair Values of Assets and Liabilities

The Fair values are calculated as follows:-

	2019/20		2020/21	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
PWLB - Maturity	78,675	124,316	78,263	131,225
PWLB – Annuity	32	48	30	46
LOBO's	5,041	7,546	5,041	8,442
Market Loans	19,292	28,421	19,221	28,778
Other Loans	-	-	-	-
Total Debt/Financial Liabilities	103,040	160,331	102,555	168,491

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Fair value is more than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest at above the current market rates increases the amount the Council would have to pay if the lender agreed to the early repayment of the loans.

The fair value of Public Works Loan Board (PWLB) loans of £131.225m (2019/20 £124.316m) measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB borrowing interest rates, termed the PWLB certainty rates. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

However, the authority has a continuing ability to repay at redemption rates published by the PWLB rather than from the markets. A supplementary measure of the fair value as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the redemption rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £78.3m would be valued at £154.2m. But if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge, based on the redemption interest rates, for early redemption. The exit price for the PWLB loans including the penalty charge would be £154.2m, comprising the principal of £77.1m, accrued interest of £1.2m and a premium of £75.9m.

Note 25 – Unusable Reserves

		2019/20	2020/21
	Note	£'000	£'000
Revaluation Reserve	a)	(101,011)	(104,499)
Capital Adjustment Account	b)	(141,736)	(140,431)
Financial Instruments Investment Account	c)	2,113	1,902
Pensions Reserve	d)	97,912	151,676
Accumulating Compensated Absences Adjustment Account	e)	2,783	3,521
Total Unusable Reserves		(139,939)	(87,831)

a) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment or Heritage Assets. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

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The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2019/20	2020/21
	£'000	£'000
Balance at 1 April	(81,699)	(101,011)
Upward revaluation of non-current assets	(58,628)	(14,182)
Downward revaluation of non-current assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	34,990	4,455
Surplus/deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(23,638)	(9,727)
Difference between fair value depreciation and historical cost depreciation	4,277	4,139
Accumulated (losses) on assets sold or scrapped	49	2,100
Amount written off to the Capital Adjustment Account	4,326	6,239
Balance at 31 March	(101,011)	(104,499)

b) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charges to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

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Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2019/20 £'000	2020/21 £'000
Balance at 1 April	(142,696)	(141,736)
<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>		
Charges for depreciation and impairment of non-current assets	14,633	15,901
Revaluation losses on property, plant and equipment	13,678	4,308
Amortisation of intangible assets	189	125
Amounts of non current assets written off on disposal / sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	853	2,318
Amounts written out of the Revaluation Reserve on assets sold or scrapped	(49)	(2,100)
	29,304	20,552
<u>Capital financing applied in the year:</u>		
Use of the Capital Receipts Reserve to finance new capital expenditure	(16)	(1)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(9,294)	(7,351)
Application of grants to capital financing from the Capital Grants & Receipts Unapplied Account	(976)	(38)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balance	(4,631)	(3,581)
Capital expenditure charged against the General Fund and HRA balances	(6,176)	(4,011)
Depreciation on Revaluation Reserve	(4,277)	(4,139)
Movement in the market value of Investment Properties Debited or credited to CIES	(2,974)	(126)
	(28,344)	(19,247)
Balance at 31 March	(141,736)	(140,431)

c) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

The Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement of Reserves Statement.

Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

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As a result, the balance on the Account at 31 March 2021 will be charged to the General Fund over the next 34 years.

	2019/20	2020/21
	£'000	£'000
Balance at 1 April	2,235	2,114
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(204)	(204)
Amount by which finance costs charges to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(8)	(8)
Balance at 31 March	2,113	1,902

d) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the cost. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The Statutory arrangements will ensure that funding will have been set aside by the time the benefits come.

	2019/20	2020/21
	£'000	£'000
Balance at 1 April	121,023	97,912
Return on Pension Assets	29,975	(62,033)
Actuarial Gains or Losses on Pension Assets and Liabilities	(62,902)	109,466
Reversal of items debited or credited to CIES	20,064	16,550
Employers Pensions contribution and direct payments to pensioners in the year	(10,248)	(10,219)
Balance at 31 March	97,912	(151,676)

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e) Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year.

Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2019/20	2020/21
	£'000	£'000
Balance at 1 April	2,782	2,783
Settlement or cancellation of accrual made at the end of the preceding year	(2,782)	(2,783)
Amounts accrued at the end of the current year	2,783	3,521
 Movement in the year	 1	 738
 Balance at 31 March	 2,783	 3,521

Note 26 – Cash Flow Statement – Operating Activities

a) The cash flows for operating activities include the following items:

	2019/20	2020/21
	£'000	£'000
Interest Received	(701)	
Interest Paid	11,925	
(Surplus) or deficit on the provision of services (CIES)	12,495	

b) The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

	Notes	2019/20	2020/21
		£'000	£'000
Depreciation	11 & 13	14,633	
Downward valuations	7	10,703	
Amortisation	14	188	
Increase in Interest Creditors		3	
Increase/ (decrease) in Creditors	20	(3,628)	
(Increase)/ decrease in Debtors	18	(677)	
(Increase)/Decrease in Inventories	17	(11)	
Pension Liability	36	9,816	
Contributions to/(from) Provisions	21	(808)	
Carrying amount of non-current assets sold	7	853	
Adjustments for effective interest rates		(7)	
Other non-cash items		(31,065)	

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c) Adjustments for items included in the net deficit of provision of services that are investing & financing activities:

	2019/20	2020/21
	£'000	£'000
Capital grants credited to surplus or deficit on the provision of services	(10,027)	
Proceeds from the sale of short and long term investments	-	
Proceeds from the sale of property plant and equipment, investment property and intangible assets	(481)	
	(10,508)	

Note 27 – Cash Flow Statement – Investing Activities

	2019/20	2020/21
	£'000	£'000
Purchase of property, plant and equipment, investment property and intangible assets	(20,471)	
Purchase of short and long term investments	(2,000)	
Proceeds from the sale of property, plant and equipment, Investment property and intangible assets	481	
Proceeds from short-term and long-term investments	5,000	
Other receipts from investing activities	10,015	
Net cash flows from investing activities	(6,975)	

Note 28 – Cash Flow Statement – Financing Activities

	2019/20	2020/21
	£'000	£'000
Cash receipts of short and long-term borrowing	5,000	
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,226)	
Repayments of short and long-term borrowing	(98)	
Other Receipts from Financing Activities	3	
Net cash from financing activities	3,679	

Note 29 - Agency Income and Expenditure

The Council has an agency agreement with Scottish Water for the billing and collection of water and sewerage charges on its behalf. The income received from the Water Authority towards the Council's local tax collection costs was £0.177m (2019/20: £0.177m). This charge has been fixed by the Scottish Government for a 3 year period to 31 March 2023. This income is included in the Comprehensive Income and Expenditure Statement.

The Council acted as an agent on behalf of the Scottish Government in the administration of grants to business and individuals during the Covid-19 pandemic. This amounted £12.834m of expenditure and income which is not shown within the Comprehensive Income and Expenditure Statement.

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Note 30 – External Audit Costs

Fees payable to Audit Scotland within the year for external audit services carried out by the appointed auditor amounted to £0.208m (2019/20: £0.202m). These costs are shown within the Resources and Governance line in the Comprehensive Income and Expenditure Statement.

Note 31 – Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council. In this context related parties include:

- Central Government;
- Other Local Authorities and Joint Boards;
- NHS Bodies;
- Subsidiary and Associated Companies;
- Joint Ventures and Joint Venture Partners; and
- Elected Members and Chief Officers.

The following related party transactions in 2020/21 are disclosed elsewhere within the Financial Statements:

- a) Receipts from Central Government (Revenue Support Grant, NNDR Contribution from Pool, Government Grants etc.) are shown in Note 10 (Grant Income);
- b) Payments to the Falkirk Council Pension Fund and Scottish Government (Teachers' Pensions) are shown in Notes 35 and 36 (Pension Schemes);
- c) Requisitions paid to Joint Boards are shown on the Comprehensive Income and Expenditure Statement;
- d) Payments to Elected Members and Chief Officers are shown in the Remuneration Report;
- e) Lease payments and receipts from Clackmannanshire Regeneration LLP are shown in Note 33;
- f) Short-Term Debtors balances in respect of Central Government, other Local Authorities and NHS Bodies are shown in Note 18; and
- g) Short-Term Creditors balances in respect of Central Government, other Local Authorities and NHS Bodies are shown in Note 20

The following table shows significant payments and receipts between Clackmannanshire Council and its associated entities

		2019/20	2020/21
		£'000	£'000
Expenditure	NHS Forth Valley	1,572	2,146
Income	NHS Forth Valley	(7,371)	(10,455)
	Contribution payment made to Clackmannanshire and Stirling Integration Joint Board*	17,323	19,041
	Commissioning income received from Clackmannanshire and Stirling Integration Joint Board*	(17,323)	(19,041)

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**In 2020/21 the commissioning income received from Clackmannanshire and Stirling Integration Joint Board underspent by £1.714. This funding has been accrued by the Council and is retained on behalf of the IJB.*

In 2019/20 there was a total risk sharing year end adjustment of £0.957m (25% Clackmannanshire Council) Agreed Budget Contribution £17.084m plus additional contribution of £0.239m = £17.323m

Note 32 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PPP contracts) together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR) a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2019/20	2020/21
	£'000	£'000
Opening Capital Financing Requirement	144,980	144,555
Capital Investment		
Property Plant & Equipment	20,647	17,902
Intangible Assets	21	-
Investment Properties	-	-
Asset Held for Sale	-	-
Revenue Expenditure Funded from Capital Under Statute	40	36
Sources of finance		
Capital receipts	(16)	(1)
Government grants and other contributions	(10,310)	(7,425)
Sums set aside from revenue:		
Direct revenue contributions	(6,176)	(4,011)
Repayment of Finance Lease Capital Debt	(1,226)	(1,302)
Loans Fund Principal	(3,405)	(2,279)
Other movements affecting the CFR	-	(4,358)
Closing Capital Financing Requirement	144,555	143,117
Increase/(decrease) in CFR (unsupported by government financial assistance)	(425)	(1,438)

Note 33 Leases

Council as Lessee
Finance Leases

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The Council has acquired some of its street lighting Infrastructure under finance leases. This lease ended during 2020/21. These assets are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts.

	2019/20	2020/21
	£'000	£'000
Infrastructure Assets	93	-

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	2019/20	2020/21
	£'000	£'000
Finance lease liabilities (net present value of minimum lease payments):		
Current	87	-
Non-current	-	-
Finance costs payable in future years	6	-
Minimum lease payments	93	-

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	2019/20	2020/21	2019/20	2020/21
	£'000	£'000	£'000	£'000
No later than one year	6	-	87	-
Later than one year not later than five years	-	-	-	-
	6	-	87	-

Operating Leases

The Council has entered into a sub-lease with Clackmannanshire Regeneration LLP under the terms of the Business Premises Renovation Allowance (BPRA) scheme for the development of its new Council Offices. The lease is in place throughout the construction phase and a further period of 7 years. The lease ends when the refurbished building is handed back to the Council from the LLP under the landlord tenant relationship. This lease ended during 2020/21.

The future minimum lease payments due are:

	2019/20	2020/21
	£'000	£'000
Not later than one year	92	-
Later than one year and not later than five years	-	-
	92	-

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The expenditure charged to the respective service lines in the Comprehensive Income and Expenditure Statement during the year was:

	2019/20	2020/21
	£'000	£'000
Minimum lease payments	<u>184</u>	<u>105</u>

Council as Lessor

Operating Leases

The development of the Council's new offices using the Business Premises Renovation Scheme (BPRA) required the establishment of a Limited Liability Partnership (Clackmannanshire Regeneration LLP). The LLP is a tax transparent entity consisting of the Council and Investors which allows the Council to benefit from tax allowances. To allow the LLP to undertake the construction and reclaim tax allowances, the Council has leased the premises to Clackmannanshire Regeneration LLP for the duration of the construction period plus a further 7 years. As noted above, the Council has then sub-leased the offices back from the LLP for the same period, after which the refurbished building reverts to the Council.

The lease reflects a rent of £1 per annum. This lease ended during 2020/21.

Note 34 – Private Finance Initiative and Similar Contracts

Secondary Schools PFI Scheme

2020/21 was the 13th year of a 30 year PFI contract for the construction, operation and maintenance of our three secondary schools in Clackmannanshire, namely Alloa, Alva and Lornhill Academies. The contract specifies the number of days and times that the schools are open. This includes an element of leisure provision in the evenings and weekends.

The contract specifies minimum standards for the provision of the serviced accommodation to be provided by the contractor, with reductions from the fee payable being made if the schools, or rooms, are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant needed to operate the schools.

At the end of the contract the schools will be transferred to the Council for nil consideration.

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Property, Plant and Equipment

The schools are recognised on the Council's Balance Sheet.

Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 11.

Payments

The Council makes an agreed payment each year which is increased annually by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2021, excluding any estimate of availability/performance deductions are as follows:

	Payment For Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total £'000
Payable within 1 year	4,051	1,173	3,218	8,442
Payable within 2 to 5 years	16,675	6,005	12,719	35,399
Payable within 6 to 10 years	25,833	8,409	13,987	48,229
Payable within 11 to 15 years	26,229	13,864	13,101	53,194
Payable within 16 to 20 years	20,988	8,394	4,247	33,629
Total	93,776	37,845	47,272	178,893

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for:

- the fair value of services they provide, and
- the capital expenditure incurred and interest payable, until the capital cost is reimbursed.

The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2019/20 £'000	2020/21 £'000
Balance outstanding at start of year	40,207	39,061
Payments during the year	(1,146)	(1,216)
Balance outstanding at year-end	39,061	37,845

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Note 35 - Pensions Schemes Accounted for as Defined Contribution Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Scottish Government. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Scottish Government uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of these Financial Statements, it is therefore accounted for on the same basis as a defined contribution scheme.

The employer contribution rate from 1 April 2019 was 17.2% of pensionable pay. This increased to 23.00% from September 2019. Prior to this change the rate had remained the same since 1 September 2015. In total for the year 2020/21 the Council paid £5.586m to Teacher's Pensions in respect of teachers' retirement benefits. The comparative amount paid in 2019/20 was £4.800m which equates to 20.30% of pensionable pay.

As a proportion of the total contributions into the Teacher's Pension Scheme during the year ended 31 March 2021, the Council's own contribution equated to approximately 1.094% (0.801% in 2019/20).

Note 36 Defined Benefit Pension Schemes

Pension Costs

The Council participates in two formal pension schemes: the Local Government Pension Scheme (LGPS) administered by Falkirk Council and the Teachers' Scheme administered by the Scottish Government. Both schemes provide defined benefits to members. However, the liabilities for the Teachers' Scheme cannot be identified specifically to the Council; therefore the scheme is accounted for as if it were a defined contributions scheme. The Council does not recognise assets or liabilities related to the Teachers' Scheme as the liability for payment of pensions rests ultimately with the Scottish Government.

Local Government Pension Scheme (LGPS)

In accordance with International Accounting Standard 19 (IAS19) the Council is required to account for retirement benefits when it is committed to giving them, even if the giving will be many years into the future. This involves the recognition in the Balance Sheet of Clackmannanshire Council's share of the net pension asset or liability in the LGPS together with a pension reserve. The Comprehensive Income and Expenditure Statement (CIES) also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable to the LGPS and payments to pensioners in the year.

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of voluntary severance. Any liabilities estimated to arise as a result of an award to any member of staff (including Teachers) are accrued in the year of the decision to make the award, and accounted for using the same policies as applied to the LGPS.

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The following elements of pension costs are charged to the CIES:

- Current Service Cost - the increase in the present value of liabilities expected to arise from employee service in the current period;
- Past Service Costs - the increase in liabilities arising from decisions to improve retirement benefits in the current period but which are related to employee service in prior periods;
- Settlements - events that change the pension liabilities but are not covered by the actuarial assumptions;
- Interest Expense - the expected increase during the year in the present value of liabilities because the benefits are one year closer to settlement, and
- Expected Return on Assets (including interest income) - a measure of the expected average rate of return on the investment assets held by the scheme in the year.

The following transactions have been made in the Financial Statements in accordance with IAS19:

	Local Government Pension Scheme	
	2019/20	2020/21
	£'000	£'000
Comprehensive Income and Expenditure Statement (CIES)		
Cost of Services:		
• Current service cost	16,476	14,237
• Past service costs	602	16
Financing and Investment Income and Expenditure:		
• Interest expense – defined benefit obligation	10,909	9,406
• Interest income on scheme assets	(7,923)	(7,109)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	20,064	16,550
Other Post Employment Benefit Charged to the CIES		
Re-measurement of the net defined benefit liability comprising:		
• Return on pension fund assets (excluding interest income above)	29,975	(62,033)
• Actuarial (gains)/losses arising on changes in demographic assumptions	(15,465)	(4,332)
• Actuarial (gains)/losses arising on changes in financial assumptions	(43,905)	104,722
• Other experience (gains)/losses	(3,532)	9,076
(Gain)/ loss recognised in the CIES	(32,927)	47,433
Total Post Employment Benefit Charged to the CIES	(12,863)	63,983
Movement in Reserves Statement (MIRS)		
Reversal of net charge made to the surplus or deficit on the provision of Services	(20,064)	(16,550)
Employer's Contributions Payable to Falkirk Pension Fund	10,248	10,219
Pensions Assets and Liabilities Recognised in the Balance Sheet	(9,816)	(6,331)

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Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the local authority's obligation in respect of its defined benefit plan is as follows:

Movement in Reserves Statement (MIRS)	2019/20	2020/21
	£'000	£'000
Present value of the Pension Fund Liabilities (1)	(406,985)	(522,011)
Fair value of pension fund assets	309,073	370,335
Net Liability arising from Defined Benefit Obligation	(97,912)	(151,676)
(1) Unfunded liabilities included in the figure for Present value of liabilities is:	16,121	17,071

A reconciliation of Clackmannanshire Council's share of the present value of Falkirk Pension Fund's defined benefit obligation (liabilities) is as follows:

	2019/20	2020/21
	£'000	£'000
Opening Balance at 1 April	(450,159)	(406,985)
Current service cost	(16,476)	(14,237)
Interest cost	(10,909)	(9,406)
Contributions by Pension Fund participants	(2,289)	(2,456)
Re-measurement gains/(losses)		
Actuarial gains/losses from change in demographic assumptions	15,465	4,332
Actuarial gains/(losses) from change in financial assumptions	43,905	(104,722)
Actuarial gains/(losses) from other experiences	3,532	(722)
Past service costs	(602)	(16)
Benefits paid	10,548	12,201
Closing value at 31 March	(406,985)	(522,011)

A reconciliation of Clackmannanshire Council's share of the fair value of Falkirk Pension Fund's Assets is as follows:

	2019/20	2020/21
	£'000	£'000
Opening fair value of pension fund assets	329,136	309,073
Interest income	7,923	7,109
Return on pension assets (excluding amounts included in net interest)	(29,975)	62,033
Contributions from employers	10,248	10,219
Contributions by employees in the scheme	2,289	2,456
Benefits paid	(10,548)	(12,201)
Re-measurements – actuarial gains/losses from other experience	-	(8,354)
Closing fair value of pension fund assets	309,073	370,335

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A reconciliation of the movements in Clackmannanshire Council's share of the fair value of Falkirk Pension Fund's assets is as follows:

	2019/20 £'000	2020/21 £'000
Equity instruments (by industry type)		
- Consumer	20,077	27,654
- Manufacturing	18,329	19,904
- Energy & Utilities	12,252	13,115
- Financial institutions	22,948	30,766
- Health & Care	10,778	10,175
- Information & Technology	24,754	33,966
- Other	1,099	1,954
Sub Total Equity	110,237	137,534
Debt Securities		
- Corporate Bond (investment grade)	4,917	5,205
Property (by type)		
- UK	18,974	20,498
- Overseas	78	32
Sub Total Property	19,052	20,530
Private Equity		
- UK	6,916	5,399
Sub Total Private Equity	6,916	5,399
Other Investment funds		
- Equities	62,912	91,277
- Bonds	16,164	23,226
- Infrastructure	35,201	36,150
- Other	35,412	42,430
Sub Total Other Investment Funds	149,689	193,083
Cash and cash equivalents	18,262	8,584
Total Assets	309,073	370,335

Basis for Estimating Assets and Liabilities

The Council's share of the net obligations of the Falkirk Pension Fund is an estimated figure based on actuarial assumptions about the future and is a snapshot at the end of the financial year. The net obligation has been assessed using the "projected unit method", that estimates that the pensions will be payable in future years dependant upon assumptions about mortality rates, salary levels and employee turnover rates.

The fund's obligation has been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the fund at 31 March 2021. The significant assumptions used by the actuary are shown in the table below. The note includes a sensitivity analysis for the pension obligation based on reasonably possible changes in these assumptions occurring at the reporting date.

	2019/20	2020/21
Long-term expected rate of return on assets in the fund		
Equity investments	2.3%	2.0%
Bonds	2.3%	2.0%
Property	2.3%	2.0%
Cash	2.3%	2.0%

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Mortality assumptions

	2019/20	2020/21
	Years	Years
Longevity at 65 for current pensioners (years):		
Men	20.5	20.5
Women	22.8	23.2
Longevity at 65 for future pensioners (years):		
Men	21.7	21.9
Women	24.3	25.2

Inflation assumptions

	2019/20	2020/21
Rate of inflation	1.9%	2.9%
Rate of increase in salaries	2.3%	3.5%
Rate of increase in pensions	1.9%	2.9%
Rate for discounting Fund liabilities	2.3%	2.0%

LGPS liabilities are sensitive to the actuarial assumptions set out in the table below. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The method and types of assumption used in preparing the sensitivity analysis below did not change from this used in the previous period.

Changes in assumptions

	Increase to	Monetary
	Employer	Amount
	%	£'000's
0.5% Decrease in Real Discount Rate	9%	49,566
0.5% increase in the Salary Increase Rate	1%	5,281
0.5% increase in the Pension Increase Rate	8%	43,205

McCloud Ruling

When the LGPS benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court, but in June 2019 the Supreme Court ruled that the Government has no grounds for appeal and the earlier ruling by the Court of Appeal was upheld.

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The clear expectation from this ruling is that many more members would see an enhanced benefit rather than just those currently subject to these protections. In this outcome, there would likely be a retrospective increase to members' benefits, which in turn would give rise to a past service cost for the Fund employers when the outcome is known.

Quantifying the impact at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary's Department (GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Fund's actuary has adjusted GAD's estimate to better reflect the Falkirk Council Pension Fund's local assumptions, particularly salary increases and withdrawal rates with a high level estimate of the impact on the pension fund liability having been built into the pension disclosures. These numbers are high level estimates based on scheme level calculations and depend on several key assumptions. The impact on employers' funding arrangements will likely be dampened by the funding arrangements they have in place.

Guaranteed Minimum Pension (GMP)

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However, overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

The Fund's actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of Clackmannanshire Council for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards.

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Impact on the Authority's Cash Flow

The objectives of the LGPS are to keep employers' contributions at a constant rate where possible. The triennial valuation at 31 March 2017 set the Employers contribution rates at 22.5% for 2020/21. As a result of the triennial valuation at 31 March 2020, the rate remains at 22.5% for 2021/22 and 2022/23 but increases in 2023/24 to 23%. The next triennial valuation as at 31 March 2023 is currently underway, and the results are expected to be available towards the end of 2023, where the future contribution rates will be set.

The Employer Contribution rates per the latest triennial valuation on the fund at 31 March 2020 are shown in the table below:

	2021/22	2022/23	2023/24
Employer Contribution rates	22.5%	22.5%	23%

The total contributions expected to be made by Clackmannanshire Council to Falkirk Pension Fund in the year to 31 March 2022 is £9.153m.

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Note 37 – Contingent Liabilities

Equal Pay

The Council has received claims of historic pay inequality from specific groups of staff, particularly in catering, cleaning and homecare, supervisory assistants and classroom assistants. Note 21 included details of the provision previously held in respect of those groups of employees. The provision was fully utilised in 2019/20 and no future liability is known. However, there remains a potential for claims of an unknown amount and timing which is presented by this contingent liability.

Insurance

Prior to local government reorganisation in 1996, Central Regional Council and Clackmannan District Council, entered into a solvent run-off arrangements with their insurer, MMI, with the aim of having sufficient assets to meet outstanding insurance claims. The outcome of recent litigation has triggered the Scheme of Arrangement and created a financial liability for Clackmannanshire Council as successor Council. The Council has made a provision, as detailed in Note 21, which is deemed sufficient based on the latest estimate of any future claims. However, should additional claims arise over and above the remaining provision, there remains potential for an increase in provision. At the time of preparing these accounts the timing and amount of any further liability in relation to MMI claims is unknown.

Historic Sexual Abuse Cases

The Council has received claims in relation to historic sexual abuse cases. It is anticipated that there may be more claims received in the future, particularly in light of the important work of the National Scottish Child Abuse Inquiry and media coverage of other claims. These claims cannot be predicted or quantified at this time, but remain a potential risk as a future liability. The Council is part of the Forth Valley working group coordinated by SOLACE which is assessing the National Redress Scheme for the impact and consequences for the Council. This work is at an early stage.

Note 38 – Nature and Extent of Risks Arising from Financial Instruments

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

1. Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor Credit Ratings Services. The

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Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied. Details of the Investment Strategy can be found on the Council's website. The Treasury Management Strategy Statement for 2020/21 and Prudential Indicators for 2019/20 to 2023/24 were approved by Full Council on 6 March 2019 and are available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Authority's maximum exposure to credit risk, in relation to its investments in banks and financial institutions of £35.9m, cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution.

Debtors

The Council generally allows credit of 14 days for customers, such that £4.106m, (2019/20 £2.756m) is past its due date for payment. The past due amount can be analysed by age as follows:

	2019/20 £'000	2020/21 £'000
Less than three months	819	1,402
Three to six months	153	282
Six months to one year	328	464
More than one year	1,456	1,958
Total	2,756	4,106

During the year, debts of £582k were written off against the provision and a contribution of £0.505m was charged to the Comprehensive Income and Expenditure statement. As at 31st March 2021 the provision against current debts to £1.429m.

2. Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

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The Council has access to a facility to borrow from the Public Works Loans Board. As a result there is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments. The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The Council's policy is to ensure that not more than 25% of loans are due to mature within any financial year through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The maturity structure of financial liabilities is as follows (at nominal value):

Loans Outstanding	2019/20 £'000	2020/21 £'000
Public Works Loans Board	77,511	77,098
LOBO Loan	5,000	5,000
Market Debt	19,292	19,222
Other Short Term Borrowings	-	-
Total	101,803	101,320

Maturity Structure	2019/20 £'000	2020/21 £'000
Less than 1 year	475	63
Between 1 and 2 years	63	3,008
Between 2 and 5 years	3,957	3,256
Between 5 and 10 years	5,321	3,013
More than 10 years	91,987	91,980
Total	101,803	101,320

In the more than 10 years category there are £18.5m of market loans which have a fixed rate of interest and £5m of LOBO loans which the lender has the option to alter the rate of interest at predetermined dates. If this occurs the Council has the option to repay the principal and accrued interest.

3. Market Risk

Interest rate risk

The Council is exposed to interest rate risk in two different ways; the first being the uncertainty of interest paid/received on variable rate instruments, and the second being the affect of fluctuations in interest rates on the fair value of an instrument.

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Notes to the Financial Statements

The current interest rate risk for the Council is summarised below:

- Decreases in interest rates will affect interest earned on variable rate investments, potentially reducing income credited to the Comprehensive Income and Expenditure Statement;
- Increases in interest rates will affect interest paid on variable rate borrowings, potentially increasing interest expense charged to the Comprehensive Income and Expenditure Statement;
- The fair value of fixed rate financial assets will fall if interest rates rise. This will not impact the Balance Sheet as assets are held at amortised cost, but will impact the disclosure note for fair value; and
- The fair value of fixed rate financial liabilities will rise if interest rates fall. This will not impact on the Balance Sheet for the majority of liabilities are held at amortised cost, but will impact on the disclosure note for fair value.

The Council has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 25% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is reduced by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs. However this is difficult to quantify as loan charge support is calculated on weighted average interest rates for all local authorities in Scotland.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

As the Council now only have fixed rate borrowing, there will be no impact on the Comprehensive Income and Expenditure Statement due to fluctuations in interest rates.

Price Risk

The Council has no investments held as available for sale and thus has no exposure to loss arising from price movements.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and therefore no exposure to loss arising from movements in exchange rates.

CLACKMANNANSHIRE COUNCIL
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Notes to the Financial Statements

Note 39 – Trust Funds

The Council administers a number of Trust Funds listed below, some of which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR). The Sundry Trusts Funds are accounted for separately from the Council's funds and are reported in a separate set of accounts, a copy of which can be obtained on request from Clackmannanshire Council.

	2019/20	2020/21
	£'000	£'000
The Council administers the funds for 61 (2019/20: 61) Trusts:		
Value of other Charitable Trusts and Endowments	357	363
Total value of all Trusts and Endowments	357	363

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21

HOUSING REVENUE ACCOUNT (HRA)
Income and Expenditure Statement for the year ended 31 March 2021

The HRA Income and Expenditure Statement shows the economic cost in the year providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Councils charge rents to cover expenditure in accordance with regulations; this may be different from the accounting costs.

The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2019/20		2020/21
£'000		£'000
	Expenditure	
6,337	Repairs and maintenance	6,696
4,553	Supervision and management	4,161
9,002	Depreciation and impairment of non-current assets	4,932
515	Impairment of debtors	356
378	Other Expenditure	516
20,785	Total Expenditure	16,661
	Income	
(19,598)	Dwelling Rents	(19,839)
(72)	Non-dwelling rents	(72)
(19,670)	Total income	(19,911)
1,115	Net Cost of HRA Services	(3,250)
614	(Gain)/Loss on sale of HRA non-current assets	-
1,257	Interest payable and similar charges	1,134
(55)	Interest and investment income	(8)
350	Pensions interest cost and expected return on pension assets	252
48	Charge to CIES for Movement in Investment Property on revaluation	-
(356)	Capital grants and contributions receivable	(350)
1,858		1,028
2,973	Deficit/(Surplus) for the year on HRA Services	(2,222)

CLACKMANNANSHIRE COUNCIL
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HOUSING REVENUE ACCOUNT (HRA)
Movement in Housing Revenue Account Statement

2019/20		2020/21
£'000		£'000
(3,722)	Balance on the HRA at the end of the previous year	(4,503)
2,973	Deficit/(Surplus) for the year on the HRA Income and Expenditure Statement	(2,222)
(3,894)	Adjustments between accounting basis and funding basis under regulations (Note HRA 1)	(884)
140	Transfers to/from Reserves	-
(781)	(Increase)/Decrease in the year on HRA	(3,106)
(4,503)	Balance on the HRA at the end of the current year	(7,609)

HRA 1. Adjustment between Accounting Basis and Funding Basis under Statute

2019/20		2020/21
£'000		£'000
(614)	Gain/(Loss) on sale and disposal of HRA non-current assets	-
6,176	Capital expenditure funded by the HRA (CFCR)	4,011
356	Capital Grants contributions that have been applied to capital financing	350
(9,002)	Transfer to/from the Capital Adjustment Account:	(4,932)
(48)	- Depreciation and Impairment	-
610	- Movements in the Fair Value of Investment Assets	596
(1,313)	- Repayment of Debt	(806)
(59)	HRA share of contributions to/from the Pension Reserve	(103)
(3,894)	Amount by which officer remuneration charged to the HRA Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	884

HRA 2. Housing Stock

The Council's housing stock at 31 March 2021 was 4,969 (31 March 2020 4,965) in the following categories:

2019/20		2020/21
Number		Number
30	One apartment	30
1,362	Two apartment	1,359
2,208	Three apartment	2,210
1,221	Four apartment	1,224
140	Five apartment	142
4	Six apartment	4
4,965		4,969

**CLACKMANNANSHIRE COUNCIL
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HOUSING REVENUE ACCOUNT (HRA)

HRA 3. Rent Arrears

Rent Arrears decreased during the year by £0.18m to a total of £2.056m (2019/20: £2.074m). As a percentage of gross rental income, the arrears represent 10.4% (2019/20: 10.7%) which is equivalent to £414 (2019/20: £418) per house.

HRA 4. Impairment of Debtors

In 2020/21 an impairment of £2.056m (2019/20 £1.938m) has been provided in the Balance Sheet for irrecoverable rents, an increase of £0.117m on the provision in 2019/20.

HRA 5. Rent Lost Due To Empty Properties

Rent lost due to empty properties during the year was £0.435m (2019/20: £0.350m) this is included within the other expenditure figures in the Income and Expenditure Statement.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Council Tax Income Account for the year ended 31 March 2021

The Council Tax Income Account shows the gross income raised from Council taxes levied and deductions made under Statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the Council.

2019/20		2020/21
£'000		£'000
(30,458)	Gross Council Tax levied and contributions in lieu	(31,597)
	Deduct	
3,665	Other discounts and reductions	3,809
468	Write-off of uncollectable debts and allowance for impairment	151
19	Adjustments to previous years Council Tax	77
3,502	Council Tax Reduction Scheme	3,922
(22,804)	Net Council Tax Income transferred to General Fund	(23,638)

CTI 1. Council Tax Properties and Council Tax Changes

Occupiers of domestic properties are liable to pay Council Tax. This is a tax levied by local authorities on domestic properties within their area.

Dwellings fall within a valuation band which is determined by the Assessor employed by the Central Scotland Valuation Board. In setting its budget the Council determines the Council Tax level each year. Charges for other bands are proportionate to the Band 'D' figure, which for 2020/21 was £1,304.63 (2019/20 £1,276.25). This was a 2.22% increase from the previous year.

Valuation Band	Council Tax Charge
	£
A	869.75
B	1,014.71
C	1,159.67
D	1,304.63
E	1,714.14
F	2,120.02
G	2,554.90
H	3,196.34

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Council Tax Income Account for the year ended 31 March 2021

CTI.2 Calculation of the Council Tax Charge Base 2020/21

number of dwellings (properties)

	A	A	B	C	D	E	F	G	H	Total
	(Disabled)									
	Relief)									
Total number of dwellings	-	6,308	7,329	2,137	2,725	3,366	2,014	905	54	24,838
Less exempt dwellings	-	(263)	(209)	(70)	(63)	(53)	(22)	(11)	(7)	(698)
Dwellings subject to disabled reduction	-	(23)	(34)	(21)	(19)	(47)	(16)	(6)	(1)	(167)
Dwellings subject to tax at this band due to disabled relief	23	34	21	19	47	16	6	1	-	167
Less adjustments for single discounts	(2)	(920)	(806)	(228)	(212)	(197)	(74)	(34)	(1)	(2,474)
Less adjustments for double discounts	-	(40)	(35)	(18)	(9)	(9)	(4)	(4)	(1)	(120)
Less adjustments for disregarded adults	-	(2)	(2)	-	(1)	-	-	-	-	(5)
	21	5,094	6,264	1,819	2,468	3,076	1,904	851	44	21,541
Effective number of dwellings after discounts, exemptions and reliefs										
Band D equivalent factor (ratio)	5/9	6/9	7/9	8/9	9/9	(585/360)	(473/360)	(705/360)	(882/360)	
Band D equivalent properties Number of Dwellings	12	3,396	4,872	1,617	2,468	4,042	3,094	1,667	108	21,274
Less provision for non-collection @ 2.5%										(532)
Council Tax Base 2020/21										20,742

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21

Non Domestic Rates Income Account for the year ended 31 March 2021

The Non-Domestic Rate Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The Statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

2019/20		2020/21
£'000		£'000
(21,539)	Gross rates levied and contributions in lieu	(21,893)
4,538	Reliefs and other deductions	9,282
786	Allowance for impairment of debts and appeals	632
(16,215)	Net Non-Domestic Rate Income	(11,979)
599	Adjustment to previous years' national non-domestic rates	428
(45)	Discretionary Reliefs charged to the General Fund	(37)
(15,661)	Total Non-Domestic Rates Income/Income for Contribution to Non-Domestic Rate Pool	(11,588)
2019/20		2020/21
£'000		£'000
15,661	Contribution to National Non-Domestic Rate Pool	11,588
(17,315)	Distribution from National Non-Domestic Rate Pool	(10,757)
(1,654)	(Gain)/Loss from National Pool	831
(17,315)	Net NNDR Income per the Comprehensive Income and Expenditure Statement (Note 10)	(10,757)

No income was retained by the Council in respect of the Business Rates Incentivisation Scheme, Tax Incremental Financing or similar schemes.

NDR 1. Net Rateable Value Calculation

The amount paid for NNDR is determined by the rateable value placed on the property by the Assessor multiplied by the rate per pound of £0.498 which is determined each year by the Scottish Government.

NDR 2. Rate Poundages Levied

	2019/20	2020/21
National Non-Domestic Rate	49.0p	49.8p
Intermediate Property Supplement – properties valued > £51,000	2.6p	1.3p
Large Property Supplement – properties valued > £95,000	2.6p	2.6p

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Non Domestic Rates Income Account for the year ended 31 March 2021

NDR 3. Analysis of Rateable Values as at 1 April 2020

	Number of Premises	Rateable Value £'000
Type of Subject		
Commercial	924	15,486
Industrial	296	16,787
Miscellaneous	462	10,690
Total	1,682	42,963

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Common Good

Summary

Common Good Funds are the assets and income of the former burghs of Scotland and stand separate from other accounts and funds of the Council. The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. The assets incorporated within the Common Good Account comprise the Speirs Centre, Alloa Town Hall and West End Park all within the former burgh of Alloa. There are also currently £9k principal funds held within the Common Good Accounts.

Common Good Comprehensive Income and Expenditure Statement
For the year ended 31 March 2021

2019/20 £'000		2020/21 £'000	2020/21 £'000
	Income		
(264)	Charges for use of premises	(226)	
(264)			(226)
	Expenditure		
28	Property Maintenance	17	
71	Utilities	49	
99	Rates	99	
46	Cleaning, land services and refuse collection	47	
20	Insurance	14	
-	Furniture	-	
(384)	Depreciation, Impairment and Revaluations	187	
(120)			413
(384)	Cost of Services		187
-	Taxation and Non-Specific Grant Income		-
(384)	(Surplus)/Deficit on Provision of Services		187
(1,290)	Surplus on revaluation of non-current assets charged to the revaluation reserve		-
(1,674)	Total Comprehensive Income and Expenditure		187

CLACKMANNANSHIRE COUNCIL
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Common Good Balance Sheet
As at 31 March 2021

2019/20 £'000		2020/21 £'000
	Long-Term Assets	
5,539	Property, Plant and Equipment	5,352
	Current Assets	
9	Short-Term Investments	9
5,548	Net Assets	5,361
(9)	Usable Reserves	(9)
(1,701)	Revaluation Reserve	(1,701)
(3,838)	Capital Adjustment Account	(3,651)
(5,548)	Total Reserves	(5,361)

Common Good Movement on Reserves Statement
As at 31 March 2021

	Notes	Usable Reserves £'000	Unusable reserves £'000	Total reserves £'000
2020/21				
Balance at 1 April 2020		(9)	(5,539)	(5,548)
Movement in reserves during 2020/21				
Total comprehensive income and expenditure		187		187
Adjustment between accounting basis and funding		(187)	187	-
Increase or (decrease) in 2020/21		-	187	187
Balance at 31 March 2021		(9)	(5352)	(5,361)

	Notes	Usable Reserves £'000	Unusable reserves £'000	Total reserves £'000
2019/20				
Balance at 1 April 2019		(9)	(3,865)	(3,874)
Movement in reserves during 2019/20				
Total comprehensive income and expenditure		(384)	(1,290)	(1,674)
Adjustment between accounting basis and funding	1	384	(384)	-
Increase or (decrease) in 2019/20		-	(1,674)	(1,674)
Balance at 31 March 2020		(9)	(5,539)	(5,548)

CLACKMANNANSHIRE COUNCIL
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Notes to the Common Good Account

Note 1. Adjustments between Accounting Basis and Funding Basis under Regulations

2020/21	Common Good Balance	Movement in Unusable Reserves
	£'000	£'000
Reversal of Items debited or credited to the Comprehensive Income and expenditure statement		
Charges for Depreciation and Revaluation of Non-Current assets	187	(187)
Capital Grants and Contributions Applied	-	-
	187	(187)
2019/20	Common Good Balance	Movement in Unusable Reserves
	£'000	£'000
Reversal of Items debited or credited to the Comprehensive Income and expenditure statement		
Charges for Depreciation and Impairment of Non-Current assets	384	(384)
Capital Grants and Contributions Applied	-	-
	384	(384)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Group Financial Statements

The Council has interests in its subsidiary, associates and joint ventures. It participates in these companies by means of Board membership and the provision of funding and management support. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared in addition to single entity financial statements.

The following entities have been consolidated into the Group Financial Statements:

Subsidiary:

- Common Good

Joint Ventures:

- Clackmannanshire and Stirling Integration Joint Board
- CSBP Clackmannanshire Investments Limited

Associates:

- Central Scotland Valuation Joint Board
- Coalsnaughton NHT 2012 LLP

Information on how the Council participates in these companies is given in Note 7 to the Group's Financial Statements.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Group Financial Statements

Group Comprehensive Income & Expenditure Statement

This statement combines the Comprehensive Income and Expenditure of the Council with the share of its subsidiary, associates and joint ventures income and expenditure to show the group position.

Gross Expenditure	2019/20 Gross Income	Net Expenditure /(Income)		Gross Expenditure	2020/21 Gross Income	Net Expenditure /(Income)
£'000	£'000	£'000		£'000	£'000	£'000
87,503	(6,231)	81,272	People			
27,447	(21,055)	6,392	Partnership & Performance			
33,811	(9,582)	24,229	Place			
20,830	(19,715)	1,115	Housing Revenue Account			
1,659	-	1,659	Corporate Services			
47,996	(30,676)	17,320	Clackmannanshire & Stirling IJB			
395	-	395	Central Scotland Valuation Joint Board			
(166)	(264)	(430)	Common Good			
219,475	(87,523)	131,952	Group Cost of Services			
371	-	371	Other Operating Expenditure			
9,007	(1,036)	7,971	Financing & Investment Income & Tax Expenditure			
-	(128,183)	(128,183)	Taxation & Non-Specific Grant Income			
228,853	(216,742)	12,111	(Surplus) or Deficit on Provision of Services			
		144	Share of (surplus) or deficit on provision of services by associates & joint ventures			
		12,255	Group (Surplus)/Deficit			
		(59,918)	(Surplus) or deficit on revaluation of non-current assets including share of subsidiary			
		34,990	Impairment (gain)/ loss on non-current asset to the revaluation reserve			
		(32,927)	Remeasurement of the net defined benefit liability / (asset)			
		(97)	Share of other comprehensive (income) & expenditure of associates & joint ventures			
		(57,952)	Other Comprehensive (Income) and Expenditure			
		(45,697)	Total Comprehensive (Income) and Expenditure			

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Group Financial Statements
Group Movement in Reserves Statement
For the Year Ended 31 March 2021

This statement shows the movement in the year on the different reserves held by the Council alongside the reserves of the subsidiary, associates and joint ventures that the Council has an interest in giving a total reserves position for the Group.

	Usable Reserves			Unusable Reserves			Total Group Reserves
	Council	Council's share of subsidiary, associates & joint ventures	Group Total	Council	Council's share of subsidiary, associates & joint ventures	Group Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2020/21							
Balance at 1 April 2020							
Movement in Reserves during 2019/20							
Total comprehensive income & expenditure							
Adjustments between accounting basis & funding basis under statutory provisions							
Net increase/ decrease before transfers							
Transfers to/from Earmarked Reserves							
Increase or (decrease) for the year							
Balance at 31 March 2021							
2019/20							
Balance at 1 April 2019	(20,014)	(1,135)	(21,149)	(98,265)	(2,806)	(101,071)	(122,220)
Movement in Reserves during 2019/20							
Total comprehensive income & expenditure	12,495	(97)	12,398	(56,565)	(1,537)	(58,102)	(45,704)
Adjustments between accounting basis & funding under statutory provisions	(14,891)	325	(14,566)	14,891	(325)	14,566	-
Net increase/ decrease before transfers	(2,396)	228	(2,168)	(41,674)	(1,862)	(43,536)	(45,704)
Transfers to/from Earmarked Reserves	-	-	-	-	-	-	-
Increase or (decrease) for the year	(2,396)	228	(2,168)	(41,674)	(1,862)	(43,536)	(45,704)
Balance at 31 March 2020	(22,410)	(907)	(23,317)	(139,939)	(4,668)	(144,607)	(167,924)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Group Financial Statements
Group Balance Sheet as at 31 March 2021

The Group Balance sheet shows the value of the Group combining Clackmannanshire Council's assets and liabilities with its share of the assets and liabilities of those entities in which it has a financial interest.

31 March 2020		31 March 2021
£'000		£'000
378,548	Property, Plant & Equipment	
805	Heritage Assets	
8,330	Investment Properties	
514	Intangible Assets	
1,859	Long-Term Investments	
837	Investments in Associates and Joint Ventures	
1	Long-Term Debtors	
390,894	Non-Current Assets	
290	Investment Properties held for Sale	
-	Assets held for Sale	
451	Inventories	
12,951	Short-Term Debtors	
9,415	Short-Term Investments	
16,814	Cash and Cash Equivalents	
39,921	Current Assets	
(21,604)	Short-Term Creditors	
(5)	Provisions	
(2,723)	Short-Term Borrowings	
(24,332)	Current Liabilities	
(44)	Provisions	
(101,328)	Long-Term Borrowing	
(136,377)	Other Long-Term Liabilities	
(810)	VJB Liabilities	
(238,559)	Long-Term Liabilities	
167,924	Net Assets	
(23,317)	Usable Reserves	
(144,607)	Unusable Reserves	
(167,924)	Total Reserves	

The unaudited financial statements were issued on 19 August 2021.

Lindsay Sim
Chief Finance Officer
19 August 2021

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Group Financial Statements

Notes to the Group Financial Statements

Note 1 Group Accounting Policies

In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared in addition to single entity financial statements. The Financial Statements for the Group have been prepared in accordance with the Accounting Policies specified for the Council's Financial Statements and are set out in Note1 of this document.

Note 2 Disclosure of Interest in Other Entities

The Council has adopted the recommendations of the Code, which requires local authorities to consider their interests in all types of entity to incorporate into Group Financial Statements. Group accounts have been prepared using the following basis:

- subsidiaries – consolidated on a line by line basis; and
- associates and joint ventures - using the equity method of accounting.

A full set of Group Financial Statements with the exception of a Cash Flow Statement, has been prepared which incorporates material balances from identified associates. A Group Cash Flow is not provided as it is not materially different to the single entity Cash Flow Statement.

Note 3 Group Entities

The accounting period end for the entities below, except for Coalsnaughton NHT 2012 LLP, is for the year end 31 March. Financial information up to 31 March was obtained and accounted for in the Group accounts. The dates of these accounts are included below.

The Group Accounts consolidate the results of other entities:

- The Common Good Fund has been consolidated in full as a subsidiary (31/03/21).

The Associates which have been incorporated and shares of total requisitions are:

- Central Scotland Valuation Joint Board – 15.4% (31/03/21); and
- Coalsnaughton NHT 2012 LLP – 25% (31/09/20).

The Joint Ventures which have been incorporated and percentage of total shareholdings are:

- CSBP Clackmannanshire Investments Limited – 50% (31/03/21); and
- Clackmannanshire & Stirling Integration Joint Board – 25% (31/03/21).

The individual accounts relating to these entities are published separately, and are available from Companies House or the Chief Finance Officer and Section 95 Officer, Kilncraigs, Alloa, FK10 1EB.

With regard to the Joint Boards, the Council's interest reflects the requisition share paid by the Council. As no consideration was paid for such interests, there is no requirement to account for goodwill.

The Council holds no shares in the bodies governed by these Boards.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Group Financial Statements

Notes to the Group Financial Statements (contd)

The Joint Boards have a wide range of functions to discharge, and members of each Board are elected Councillors and are appointed by the Council in proportions specified in the legislation.

Under accounting standards guidance, the Council can be seen to have significant influence over these statutory bodies, through nominated Council Member involvement in the bodies' governing Boards. The Boards are included within the Group Accounts even when our interest in these bodies is less than the 20% that is normally presumed to represent significant influence.

The Council has accounted for its interest in both Joint Ventures using the equity method of accounting. In each instance, the consideration paid by the Council equalled the fair value of assets and liabilities acquired, and therefore no goodwill arose on acquisition.

Note 4 Non-Material Interest in Other Entities

The Council also has an interest in SEEMIS Group LLP, Scotland Excel and Clackmannanshire Regeneration LLP. The financial results of the organisations have not been consolidated into the Councils Group Accounts as they are considered immaterial to the understanding of the accounts.

Note 5 Financial Impact of Group Consolidation

The effect of inclusion of the Subsidiary (Common Good), Associate, Joint Ventures and entities on the Group Balance Sheet is to increase both the Reserves and Net Assets by £m (2019/20: £5.575m) representing the Council's net asset in the consolidating entities.

Note 6 Financial Results of Associates and Joint Ventures

The Council has interests in its subsidiary, associates and joint ventures. It participates in these companies by means of Board membership and the provision of funding and management support.

Subsidiary:

- **Common Good – the Common Good is administered and fully controlled by Clackmannanshire Council.**

Common Good is treated as a subsidiary within the Council's Group accounts with assets, liabilities, reserves, income and expenditure being consolidated line by line. Please see previous section of these accounts for income and charges made in the year by the Council for services provided.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21
Group Financial Statements

Notes to the Group Financial Statements

Joint Ventures:

- **Clackmannanshire and Stirling Integration Joint Board**

The Clackmannanshire and Stirling Integration Joint Board (IJB) is a statutory body established to integrate health and social care services between Clackmannanshire Council, Stirling Council and NHS Forth Valley. The contribution provided by Clackmannanshire Council to the IJB in 2020/21 was £19.2m (2019/20: £17.3m). The IJB Board comprises twelve voting members with three elected members of Clackmannanshire Council (25% voting share).

- **CSBP Clackmannanshire Investments Limited**

The CSBP Clackmannanshire Investments Limited has two elected members of the Council who sit on the board of directors (50%). The Council received an interim dividend of £0.150m in 2019/20 for the sale of land. The Council made no contribution to the Joint Venture in the 2020/21 or 2019/20 financial years.

Associates:

- **Central Scotland Valuation Joint Board**

The Central Scotland Valuation Joint Board (VJB) is the statutory body responsible for maintaining the electoral, council tax and non-domestic rate register for Clackmannanshire, Stirling and Falkirk Councils. The contribution made by Clackmannanshire Council to the board for 2020/21 was £0.440m (2019/20: £0.395m). The VJB board comprises fifteen voting members with three elected members of Clackmannanshire Council (20% voting share) the accounts are consolidated based on the payment share of 15.4%.

- **Coalsnaughton NHT 2012 LLP**

Under the NHT initiative, the Scottish Futures Trust, Hadden Construction and Clackmannanshire Council (25%) entered into a Limited Liability Partnership (LLP) venture to purchase newly-built homes so they can be made available for rent at 'mid market' rates, for a period of up to 10 years. The Council has provided finance to the LLP in the form of a loan. This loan is secured against the individual units and is further backed by means of a Guarantee from the Scottish Government. The loan accrues interest at 4% per annum and £161,885 was charged for the year to 31 March 2021. During 2020/21 the loan was discharged in full.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2020/21

The following table represents the Group's share of key financial information extracted from the accounts of the above entities for 2020/21:

	Central Scotland VJB		Clackmannanshire and Stirling IJB		Coalsnaughton NHT 2012 LLP		CSBP Clackmannanshire Investments Ltd		Common Good	
	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000	2020/21 £'000
Gross Income	(436)		(2,534)		(33)		(6)		(264)	
Gross Expenditure	481		52,513		8		2		(120)	
Financing & Investment Income & Expenditure	25		(49,909)		25		-		-	
(Surplus)/ Deficit on Provision of Services	70		70		-		4		(384)	
Other Comprehensive Income/ Expenditure	(247)		-		-		150		(1,290)	
Non-current assets	6		-		1,530		-		5,539	
Current assets	110		424		26		71		9	
Current liabilities	(52)		-		(1,180)		(34)		-	-
Pension liabilities	(874)		-		-	-	-	-	-	-

Report to: Council

Date: 19 August 2021

Subject: Annual Treasury Management Report 2020/21

Report by: Chief Finance Officer

1.0 Purpose

- 1.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities. This report details the treasury management activities for the Council for the year ended 31 March 2021 and how this compares to the 2020/21 Treasury Management Strategy Statement set in February 2020.

2.0 Recommendations

- 2.1 It is recommended that the Council note and consider this Annual Report for 2020/21 on the Council's Treasury Management activities.

3.0 Considerations

- 3.1 This report meets the requirements of the Scottish Government's investment regulations, the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 3.2 During 2020/21 the following reports were required to be reported to Council:
- annual treasury management and investment strategy (The Treasury Management Strategy Statement (TMSS) for 2020/21, which included the Annual Investment Strategy, was approved by Council on 27 February 2020)
 - a mid-year treasury update report (Treasury Management Update at 30th September 2020 presented to Council on 11 February 2021)
 - an annual review following the end of the year describing the activity compared to the strategy (this report).

Regulations place responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect as it provides details of the outturn position for treasury

activities and highlights compliance with the Council's policies previously approved by members.

3.3 The report covers the following areas:

- The Economy and Interest Rates
- Interest Rate Forecast
- Investment Outturn for 2020/21
- Borrowing Requirement and Debt
- Borrowing Outturn for 2020/21
- Compliance with Treasury and Prudential Limits

The Economy and Interest Rates

- 3.4 The COVID-19 pandemic has had a 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 the Bank Rate to 0.25% (from 0.75%) on 10 March 2020 and then further reduced it to 0.1% on 19 March 2020. The rate was unchanged during 2020/21 and remains at 0.1% as at 31 March 2021.
- 3.5 The first national lockdown in late March 2020 had a significant detrimental impact on the economy. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown was put in place in November and a further third, more restrictive, lockdown was implemented in January 2021. During this third lockdown, businesses and individuals had become more resilient in adapting to working in new ways during this three month lockdown and as a result the impact on the economy was felt to a lesser extent than that experienced by the first lockdown, a year earlier.
- 3.6 The advent of vaccines starting in November 2020 and the roll out of the vaccination programme in the UK, which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is pent-up demand and purchasing power stored up for services such as the retail, hospitality and leisure sectors as they begin to reopen fully. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during the first quarter of 2022.
- 3.7 The final agreement on the UK withdrawal from the EU on 24 December 2020 eliminated a significant risk for the UK economy. However, this initial agreement only covered trade operations and further work is required to reach agreement on the services sector. The trade agreement caused initial disruption in January 2021 due to additional administrative burdens and although this appears to have eased, there are still likely financial impacts on businesses and consumers expected.

Interest Rate Forecast

- 3.8 The Council's treasury advisors, Link Asset Services, provided the following interest rate forecast on 12 April 2021 which is in line with the economic outlook set out in paragraphs 3.4 to 3.7 above.

Table1: Investment Forecast provided by Link Asset Management

Quarter Ended	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
June 2021	0.10	1.20	2.10	1.90
Sept 2021	0.10	1.20	2.10	1.90
Dec 2021	0.10	1.20	2.20	2.00
March 2022	0.10	1.20	2.30	2.10
June 2022	0.10	1.20	2.30	2.10
Sept 2022	0.10	1.20	2.30	2.10
Dec 2022	0.10	1.30	2.40	2.20
March 2023	0.10	1.30	2.40	2.20

- 3.9 The forecast for interest rates within the 2020/21 TMSS was that the Bank Rate would rise from 0.75% to 1.00% in June 2021 with a further rise of 0.25% in June 2022 to 1.25% at the end of the year. Due to uncertainty over the economy, the MPC maintained the Bank Rate at 0.1% throughout the whole of 2020/21. This was part of a number of measures announced by the Chancellor of the Exchequer, the MPC and HM Treasury to support the economy through the disruption caused by the spread of COVID-19.
- 3.10 As shown in the interest forecast table above, PWLB certainty rates are expected to increase slowly over the next two years. This is on the basis that forecasters expect it will take economies, including the UK's, a prolonged period to recover from the sharp recession caused during the coronavirus lockdown period.

Investment Outturn for 2020/21

- 3.11 As at 31 March 2021, the Council held investments of £35.9m almost wholly made up of short-term cash and cash equivalents held with banks and other institutions. £500 was also held in CSBP Clackmannanshire Investments Ltd. During the year 2 of the Council's previous investments were realised: Clackmannanshire Regeneration and Coalsnaughton NHT Project. Appendix 1 shows the analysis of the investment portfolio as at 31 March 2021.
- 3.12 The Council's treasury indicator and limit for investments for 2020/21 was that the maximum principal sum invested for a period greater than 364 days (long-term) was £12m. The approved limits within the Annual Investment Strategy relating to investments were not breached during 2020/21.

- 3.13 As at 31 March 2021 the Council held immediately available cash balances of £32.9m (£16.8m 2019/20), of which £16.9m was held in the Council's bank accounts and a further £16.0m was held in two money market funds (MMF). The average level of funds available for longer-term investment during the period to 31 March 2021 was £8.6m. During the year, a deposit of £2m was returned to the Council, £3.0m was deposited for two months and rolled over for a further three months, and £3.0m was invested for twelve months.
- 3.14 In line with the low bank rate, investment returns which had been low during 2019/20, reduced further during 2020/21 to near zero with some institutions even falling into negative rates. The Bank of England and the Government introduced new programmes of financial support, supplying the banking system and the economy with considerable amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Scottish Government also set aside significant sums for local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, keeping investment earnings returns low.
- 3.15 The benchmark investment returns over the 12 months ending 31 March 2021, provided by Link Asset Services, are illustrated in the undernoted table:

Table 2: Benchmark Investment Returns 2020/21

Benchmark	Benchmark Return
7 day	-0.07%
1 month	-0.05%
3 month	0.01%
6 month	0.07%
12 month	0.17%

- 3.16 The Council's budgeted cash investment return for returns on investments placed for periods up to 100 days for 2020/21 was 0.65%. This was set prior to the full extent of COVID-19 being known (February 2020) and was based on an expected bank rate of 0.75% for 2020/21.
- 3.17 Despite the lower benchmark rates presented in the above table, the Council achieved an actual investment return of 0.31% (£26.5k) on all investments for the year ended 31 March 2021. This comprised one £2m one month investment at 0.95%, one £3.03m two month investment at 0.05%, one £3.03m three month investment at 0.45%, one £3.0m six month investment at 0.2% and interest rates between 0.01% and 0.03% in the MMF accounts. All medium term investments out performed the benchmark return. A return of 0.23% was also achieved on everyday cash investments. The future prospect for interest rates during 2021/22 remains low as seen in table 1 above,

however opportunities during 2021/22 to optimise investment income will be looked for in line with interest rate and cashflow forecasts.

Capital Outturn for 2020/21

- 3.18 The Council's capital expenditure plans are a key driver of treasury management activity. The TMSS for 2020/21 provided estimates of the total capital expenditure, split between General Fund Services and Housing Revenue Account (HRA) for 2020/21 and the following four financial years. The outturn for 2020/21 against budget is shown below:

Table 3: Capital Outturn 2020/21

	Approved Gross Budget 2020/21	Actual Spend to 31 March 2021	(Under)/Over Spend
	£000	£000	£000
General Fund Services	23,064	13,647	(9,417)
Housing Revenue Account	8,665	4,292	(4,373)
Total	31,729	17,939	(13,790)

- 3.19 The underspends on the General Fund and the HRA are mainly due to delays caused by the Covid-19 pandemic and the resulting rephasing of spend on large projects spanning multiple financial years. For GF this includes projects such as Alva Village and Small Town, Clackmannan Regeneration, and Tullibody South Campus and also includes delays in the delivery of purchased vehicles. The HRA underspend was across all projects, again, due to delays impacted by contractors furloughing staff, local and national lockdowns and the availability of goods and materials. The largest underspends were on kitchen replacements and window replacements projects. For both GF and HRA, the unspent budget relating to delayed projects will be carried forward into 2021/22 where required.

Borrowing Requirement 2020/21

- 3.20 Capital expenditure that is not financed by the use of capital receipts, capital grants, developers' contributions or directly from revenue will require the Council to undertake borrowing. Any additional borrowing will increase the Capital Financing Requirement (CFR) of the Council, therefore the CFR represents the Council's underlying need to borrow for capital purposes and it is used as a key measure in treasury management decisions. Increases in the borrowing requirement are offset by the Loans Fund Principal Repayments. This is the amount required to be charged to revenue each year for previous borrowing and it is charged over the life of the asset. The net figure is the increase in the CFR. The CFR is shown in the table below split between the General Fund and HRA.

Table 4: Borrowing Requirement/CFR 2020/21

	31 March 2020 Actual £000	31 March 2021 Estimate £000	31 March 2021 Actual £000
General Fund	121,508	132,977	120,666
HRA	23,047	24,573	22,451
Total	144,555	157,550	143,117

- 3.21 Overall the CFR for 2020/21 has decreased by £1.4m from 2019/20. The General Fund CFR has decreased by £1.4m due to in year capital expenditure of £6.5m offset by Loans Fund and Lease repayments of £3.0m and the repayment/redemption of the £4.3m long term investment with Coalsnaughton NHT 2012 LLP upon the sale of the housing stock to Kingdom Housing Association on 5 March 2021.
- 3.22 The HRA CFR has decreased by £0.6m solely due to Loans Fund Principal Repayments. All HRA capital expenditure has been funded by revenue and grant funding therefore there has been no borrowing to increase the CFR.
- 3.23 In summary, the CFR for both General Fund and HRA is less than budgeted due to: underspends on both capital programmes as shown in table 3, HRA capital expenditure being fully funded by revenue and grant funding and the redemption of the £4.3m long term investment.
- 3.24 During 2019/20, the Council reviewed and amended its Loans Fund policy. The amendments aimed to smooth the repayment profile of debt over the average life of the assets and as a consequence reduced the loans fund principal repayments for 2020/21. Further details of the policy are set out in the Treasury Management Strategy Statement 2020/21 approved by Council in February 2020.

Ratio of financing costs to net revenue stream

- 3.25 The Council is required to make estimates of the ratio of capital financing costs to its net revenue stream i.e. the estimate of total income which will be committed towards meeting future costs of borrowing. This ratio is required to assess the affordability of capital investment plans and to provide an indication of the impact of the capital investment plans on the Council's overall finances.
- 3.26 For the General Fund this is the ratio of financing costs of borrowing against net expenditure financed by Government Grant and Council Tax. For the HRA, the indicator is the ratio of financing costs to gross rental income.

The outturn for 2020/21 is as follows:

Table 5: Ratio of financing costs to net revenue stream 2020/21

	2020/21 Estimate	2020/21 Actual
General Fund	4.62%	4.68%
Housing Revenue Account	9.07%	8.80%

Borrowing Outturn for 2020/21

- 3.27 Borrowing activity is constrained by the prudential indicators for CFR and gross borrowing and by the authorised limit. The Council needs to ensure that gross debt does not, over the medium term, exceed the CFR as this results in an over borrowed position. An over borrowed position is only permissible in the short term to allow for early borrowing for future years and recognition of slippage and other funding becoming available but the Council must return to an under borrowed position in future years.
- 3.28 In line with the Prudential Code, the Council was in an under borrowed position as at 31 March 2021.
- 3.29 The Council's external borrowing position as at 31 March 2021 is illustrated in the undernoted table:

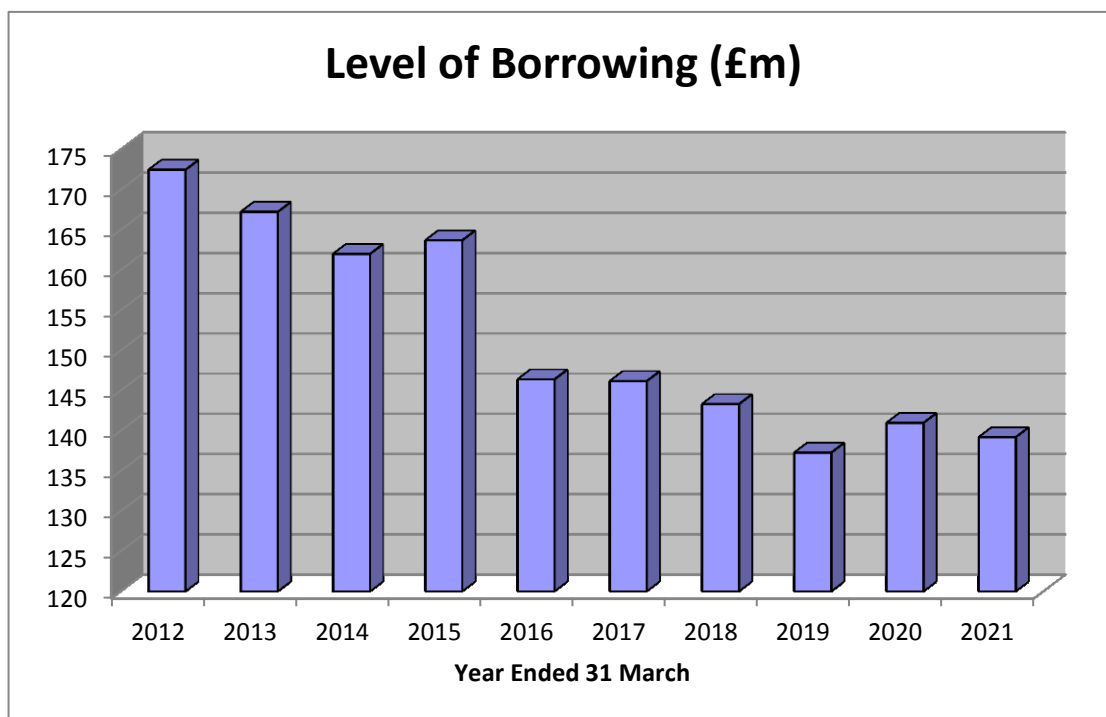
Table 6: External borrowing at 2020/21

	Actual March 2020 £000	Actual March 2021 £000
Public Works Loan Board	77,512	77,098
Market Loans	18,812	18,750
LOBO Loans	5,000	5,000
Other long term liabilities	39,147	37,845
Total	140,471	138,693
CFR	144,555	143,117
(Under)/Over borrowing	(4,084)	(4,424)

- 3.30 During the year, loan repayments of £0.414m were made on PWLB loans and £0.062m was repaid towards a SALIX Loan shown within Market Loans above.
- 3.31 The maturity structure of the PWLB loans, Market loans and LOBO loans are set out in Appendix 2. This also details the upper and lower limits for each category of loan as set out in the 2020/21 TMSS and shows that the Council has not breached these limits.
- 3.32 Under Other long term liabilities, repayments of £1.302m were also made in the year toward the Council's PFI and finance leases.

3.33 In 2012 the Council put in place a policy to minimise long term debt. To ensure debt is minimised, the capital programme should be set so that the level of borrowing does not increase over the longer term. The following chart illustrates the actual level of debt at the end of each year up to 31 March 2021.

Chart 1: External debt (actual)



3.34 The chart shows that overall there has been a reduction in cumulative external debt of 19.3% between March 2012 and March 2021, proving that over the longer term the Council is not increasing its level of debt. Repayments towards PFI and finance leases also contribute to this reduction of the Council's overall level of external debt on an annual basis.

3.35 For 2021/22 a new General Services Capital Programme has been developed covering the next 20 years, from 2021/22 to 2040/41. This programme sets out planned significant capital investment areas across the Councils Be The Future priorities. In order to support this 20 year capital programme, the previous borrowing strategy to minimise external debt has been revised to one that supports growth and investment but also looks to reduce external debt over the longer term.

Limits for External Debt

3.36 The Council is required to set an authorised limit for external debt which includes 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. The Council also sets an operational boundary for external debt which 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.

Table 5: Authorised Limit for External Debt 2020/21

	2020/21 £000
Authorised Limit for External Debt	171,000
Operational Boundary for External Debt	161,000
Gross External Debt as at 31 March 2021	138,693

- 3.37 The Council did not exceed either the authorised limit or the operational boundary during 2020/21 and was £22.3m below the operational boundary as at 31 March 2021.

Borrowing in advance of need

- 3.38 The Council did not borrow in advance of need in the year ended 31 March 2021 and has no intention to borrow in advance in 2021/22.

Debt Rescheduling

- 3.39 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 during 2020/21.

Compliance with Treasury and Prudential Limits

- 3.40 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 annually approved TMSS.
- 3.41 During the year the Council has operated within the treasury and prudential indicators set out in the Council's 2020/21 TMSS and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown at Appendix 2.

4.0 Conclusions

- 4.1 Throughout 2020/21 the Council has complied with its legislative and policy requirements.
- 4.2 The Council achieved an actual return on investment of 0.31% generating income of £26.5k from short term cash investments.

4.3 During the year external borrowing has reduced through repayments of £0.475m towards long term debt and £1.302m towards PFI and Finance leases, reducing other long term liabilities.

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 tick)

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)

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 31st March 2021

Appendix 2 - Prudential and Treasury Indicators as at 31st March 2021

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 Statement (TMSS) 2020/21 - report to Council February 2020

Treasury Management Mid-Year Report – report to Council February 2021

Author

NAME	DESIGNATION	TEL NO / EXTENSION
Helen Coleman	Team Leader – Corporate Accountancy	2256
Lindsay Sim	Chief Finance Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Stuart Crickmar	Strategic Director Partnership and Performance	

APPENDIX 1: Investment Portfolio as at 31 March 2021

Borrower	Principal £000	Interest Rate	Type of Account
Bank of Scotland	13	0.00%	Instant Access
Aberdeen Standard plc (MMF)	11,003	Variable (0.01- 0.03%)	Instant Access
BlackRock (MMF)	5,000	Variable (0.01- 0.03%)	Instant Access
Royal Bank of Scotland plc	16,902	0.01% (balances above £1m)	Instant Access
Other Accounts	32	-	Petty Cash
Total Cash and Cash Equivalents	32,950		

Short Term Investments	Principal £000	Interest Rate	Start Date	Maturity Date
Bank of Scotland plc	3,000	0.20%	30/06/2020	30/09/2021
CSBP Clackmannanshire Investments Ltd	1			
Total Short Term Investments	3,001			

TOTAL INVESTMENTS	35,951
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APPENDIX 2: Prudential and Treasury Indicators as at 31 March 2021

Treasury Indicators	2020/21 Approved Budget £000	2020/21 Outturn at 31 March 2021 £000
Authorised limit for external debt	171,000	171,000
Operational boundary for external debt	161,000	161,000
Gross external debt*	139,166	138,693
Investments	28,079	35,951
Net borrowing	111,087	102,742

*As at 31 March 2021, Gross external debt consisted of £100.848m fixed rate borrowing and £37.845m liabilities in relation to PFI and finance leases

Maturity structure of fixed rate borrowing - Upper and lower limits (excluding PFI and Finance Leases)	Upper and Lower Limits	Fixed Rate Borrowing as at 31 March 2020 £000	% of Total Fixed Rate Borrowing
Under 12 months	25% - 0%	63	0.1%
12 months to 2 years	25% - 0%	3,008	3.0%
2 years to 5 years	50% - 0%	3,257	3.2%
5 years to 10 years	75% - 0%	3,013	3.0%
10 years and above	100% - 0%	91,507	90.7%
Total Fixed Rate Borrowing		100,848	100.0%

APPENDIX 2: Prudential and Treasury Indicators as at 31 March 2021

Prudential Indicators	2020/21 Approved Budget £000	2020/21 Outturn at 31 March 2021 £000	Variance/ Movement £000
Capital expenditure - General Fund Services	23,064	13,647	(9,417)
Capital expenditure - Housing Revenue Account	8,665	4,292	(4,373)
Capital Financing Requirement (CFR) - General Fund	132,977	120,666	(12,311)
Capital Financing Requirement (CFR) - HRA	24,573	22,451	(2,122)
Annual change in CFR - General Fund	9,522	843	(8,679)
Annual change in CFR - HRA	755	595	(160)
In year borrowing requirement	17,489	3,952	(13,537)
Ratio of financing costs to net revenue stream - General Fund	4.62%	4.68%	0.06%
Ratio of financing costs to net revenue stream - HRA	9.07%	8.80%	(0.27%)

Report to **Clackmannanshire Council**

Date of Meeting: 19 August 2021

Subject: **Annual Review of Debtors 2020/21**

Report by: **Chief Finance Officer (S95 Officer)**

1.0 Purpose

- 1.1. To provide council with the annual update on income collection and to propose the 'write-off' of those debts which are deemed as irrecoverable or 'bad debts'.
- 1.2. The presentation of this report is a key milestone in the preparation of the council's draft financial statements.

2.0 Recommendations

- 2.1. It is recommended that the council;
 - 2.1.1. Note the trends in income collection for 2020/21;
 - 2.1.2. Approve the proposed write-off £416,517 as per 6.2 (Appendix B);
 - 2.1.3. Note the impact of the COVID 19 pandemic on collection and recovery, and
 - 2.1.4. Note and comment as appropriate on the other matters raised in the report.

3.0 Background

- 3.1. Responsibility for the collection and recovery of income due to Clackmannanshire Council principally lies with the Finance and Revenues Service currently within the Partnership & Performance Directorate. All income collected by the service is done so in accordance with the Council's Corporate Debt Recovery and Write-Off Policy. The Council also uses Sheriff Officers to administer collection on the Councils behalf. Stirling Park continue to provide this service to the Council following a successful tender exercise in 2019/20.

- 3.2. This report analyses collection performance, updates members on recovery actions taken and service developments, and proposes the write-off across all debt streams for the financial year.
- 3.3. During the year bills and invoices totalling £69.694m were issued by the Council. This is a decrease from £75.574m issued in 2019/20, mainly due to the reduction in Non Domestic Rates bills and Sundry invoices due to the pandemic. The following paragraphs set out the details for each income stream.

4.0 Income Streams

Council Tax Collection

- 4.1. In 2020/21, Council Tax bills totalling £32.582m were issued to 23,937 households. The total income received for Council Tax in 2020/21 was £30.490m (including water and sewerage).
- 4.2. The key indicator of performance for Council Tax collection (excluding water and sewerage) is the in-year collection rate. This represents the total amount of Council Tax collected as a percentage of the total amount billed. In 2020/21 the in-year collection rate was 94.80%. This is a decrease of 0.94% on the recorded collection rate of 95.74% in 2019/20.
- 4.3. The decrease in collection rate follows trends seen in other local authorities as discussed at recent Institute of Revenues Rating and Valuation (IRRV) forums. The collection rate has been impacted by increases in charges (3% for 2020/21) as has been the case in previous years. However, Covid 19 has also had a significant impact on collection rates. As a result there has been an increase of 171% in new Council Tax Reduction (CTR) claims, with 3118 claims received in 2020/21 in comparison to 1151 in 2019/20. This increase is mainly due to the impact various aspects of COVID 19 has had on household income.
- 4.4. Throughout the year the Revenues team have focused on processing the increased volumes of applications for CTR. We have also continued to review processes and look for ways to improve efficiency. We work closely with the Department of Work & Pensions (DWP) and the Council utilises its ATLAS information system which is used to ensure that all CTR cases are identified and processed. During the year work has been carried out to develop the Citizens Access Portal which will give council tax payers the ability to sign up to an online service and report changes and view their account online. This work will continue to be taken forward during 2021/22 and we expect this to be in place during 2022, subject to fluctuations in processing volumes.

Sundry Debt Collection

- 4.5. A sundry debtor is the name given for invoices raised for chargeable council services. This can include social work services such as MECS or provision of services such as additional nursery sessions. However, large invoices for Health and Social care to the NHS and Stirling Council are also raised using

the same approach. Individual services are responsible for raising their own invoices with payments monitored by Finance and Revenues. Where invoices remain unpaid past their due date, reminders are issued, and recovery action taken where appropriate.

- 4.6. During 2020/21 invoices totalling £4.417m (£7.236m 2019/20) were issued by the Council. Closure of many services due to the Pandemic has reduced the number of invoices raised in the year compared to the previous year and impacted on the Councils overall income generated.

During 2020/21, sundry debt aged over 90 days is around 66% of total debt outstanding. Due to the COVID pandemic, no recovery action was taken on sundry debts during 2020/21. This has now been recommenced during 2021/22.

Non Domestic Rates (NDR) Collection

- 4.7. Clackmannanshire Council are required to bill and collect Non Domestic Rates (NDR) on behalf of the Scottish Government. Income is then pooled and distributed to Councils, under the rates pooling system. During 2020/21 the council billed businesses for rates totalling £12.612m. The collection rate for 2020/21 as a percentage of the total billed was 89.18%. This is a decrease of 6.37% on previous collection rate (95.55%).
- 4.8. As with Council Tax, Covid-19 had an impact on both billing and collection of Non Domestic Rates. In reaction to the impact of Covid-19 lockdown the Scottish Government awarded 100% payment relief to business premises in the retail, hospitality, leisure and aviation sector. This reduced our annual net billing by approximately £6m from 2019/20. The Council was compensated for this reduction in income through an adjustment to its General Revenue Grant (GRG).
- 4.9. In addition to this, the Scottish Government also asked Councils to administer support grants to business impacted by lockdown restrictions. This additional support to businesses had a significant impact on the workload of the Revenues team, resulting in an increase in enquiries and applications relating to reliefs and backdated liability changes.
- 4.10. Previously Rates legislation only allowed in-year recovery to begin from October of the billing year. However, from April 2021, the Scottish Government amended legislation to allow Councils the ability to recover after one missed instalment of the billing year. This brings recovery into line with that of Council Tax. Due to the pandemic, along with most Councils, we will be looking to implement the new recovery legislation from 2022/23.

Housing

- 4.11. The total gross rental liability for 2020/21 payable by almost 5,000 council tenants and associated lock-ups was £19.911m (2019/20 £19.670m). The following sections sets out details for each of the categories. Appendix A summarises the arrears position for Housing debts broken down by category for the years 2018/19 to 2020/21.

Current Rent Arrears

4.12 The table below provides a breakdown of current rent arrears.

	2018/19	2019/20	2020/21	Current / Last Year Increase (Decrease)
Total Arrears Value	£773,936	£916,696	£848,778	(£67,918)
Average value per case	£519	£459	£475	£16
Number of Cases	1,491	1,997	1,786	211

4.13 Although the value of arrears has decreased, the average value per case has increased.

4.14 In terms of rent performance during 2020/21 we have seen rent collected increase from 97.66% to 99.85%. This was the main factor that contributed to the reduction in rent arrears of 0.55%, from 10.11% to 9.56%. This reduction was achieved through housing officers working closely with vulnerable tenants during the pandemic, whilst also delivering vital community supports.

Former Tenant Arrears

4.15 Tenancies end for a variety of reasons including abandonment, eviction or death. When there is a balance on the account these arrears can be difficult to collect if for example, there is no forwarding address, or the deceased has no estate.

4.16 During the year, 156 (48.6%) of the 321 tenancies that ended had an outstanding rent balance amounting to £0.109m (310 (43.9%) of 706 tenancies amounting to £0.225m 2019/20). This equates to an average former tenant arrear of £696 which represents an average decrease of £28 of debt at tenancy end compared with 2019/20 (£724). The total outstanding rent balance has decreased by £0.116m from the previous year.

4.17 Recovery of former tenant arrears, as with other outstanding debts has been impacted due to COVID 19 pandemic as previously described.

Housing Benefit Overpayments

4.18 An overpayment of Housing Benefit (HB) occurs when an individual receives an award of benefit that is then deemed not to have been due. This can occur for a variety of reasons, including claimant error, fraud, and a backdated change in circumstances or Local Authority (LA) error. For existing HB claimants any overpayment can be recovered from on-going entitlement where possible, but for others, customers are required to make arrangements to repay. HB overpayment accounts are also sent to Sheriff Officers for collection.

4.19 At the end of 2020/21 there were outstanding Housing Benefit overpayment accounts totalling £2.362m, of which £0.977m relates to Council tenancies.

- 4.20 Fraud and Error overpayments are a significant focus for the DWP and they have previously reviewed our end to end overpayment process. The findings of this indicated that additional resources are required, however these are expected to be financed by the income gains and debt reductions. The DWP performance team revisited in July 2020 to verify their findings and refine their business case however, due to the pandemic this work has not been progressed during 2020/21. It is intended that this will be taken forward during 2021/22.

5.0 Overall Debt Position

- 5.1 The following table shows the current debt position for all income streams.

Debtor	2018/19 £000	2019/20 £000	2020/21 £000
Council Tax	11,236	11,662	12,017
Sundry Debtors	3,237	2,756	4,106
HRA Debts	3,071	3,162	3,183
Total Gross Debtor	17,544	17,580	19,306
Total Provision	(13,262)	(13,656)	(13,816)
Total Net Debtor	4,282	3,924	5,490

- 5.2 The Council's debtors' position is reported as both a gross and net position. The gross debtor reflects the total amount due to the Council.
- 5.3 The net debtor reflects the amount that the Council realistically expects to recover. The difference between these two figures is the debtor provision which is a prudent calculation of debt that is not expected to be recovered. The net debtor position is recognised as the best reflection of debts that can be recovered.
- 5.4 For 2020/21, the figures are draft and still subject to audit. They also incorporate the proposed write-off detailed within this paper to show a comparable position of the gross and net debtors over the three years. Each year there is adequate provision made against the debtor. The key indicator for debtor performance is that of net debtor, which is not affected by any write-off.

6.0 Irrecoverable Debt for Write-Off

- 6.1 Each financial year the council is required to propose accounts for write-off from each income stream in accordance with the Corporate Debt and Write-off Policy.

- 6.2 The table below highlights the proposed write-off from each income stream along with a comparison of the accounts approved for write-off in financial year 2019/20.

Type of Debt	Approved Write Off 2019/20		Proposed Write Off 2020/21	
	Number of accounts	Value £	Number of accounts	Value £
Council Tax	977	325,959	1,068	408,457
NDR	65	286,729	9	8,060
Sundry Debt	68	64,593	-	-
Former Tenant Arrears	50	81,548	-	-
Housing Benefit Overpayments	43	48,898	-	-
Total	1,203	807,727	1,077	416,517

- 6.3 Accounts can be proposed for write-off for a number of reasons including;
- Deceased – where the customer has died and left no estate.
 - Sequestration – The customer has applied for and been awarded bankruptcy and there is unlikely to be any dividend for creditors.
 - Untraceable – No up to date contact information is available for the customer and all means of contacting them have been exhausted.
 - Small Balance – The balance outstanding on the account is small and it is not deemed cost effective to pursue.
 - Management Write-Off – Management have agreed to the write-off of the debt due on a particular case due to the individual circumstances of the customer.
 - Time Lapsed – Where the debt has prescribed under the Prescription and Limitation Act Scotland 1973 and it has been more than 5 years since last contact with the customer (excludes debt relating to Council Tax).
- 6.4 Appendix B gives a breakdown of reasons for the proposed write-off of debts in each income stream. Overall, there has been a decrease in the value of proposed write-off this year of £391k along with a slight increase in the number of accounts of 126. This reduction reflects the prioritisation by the Revenues team in supporting people and businesses facing hardship due to the pandemic. Recovery action will be recommenced during 2021/22 and debt for write-off reviewed. Appendix B also shows the detailed Debtors position for each income stream.

7.0 Sustainability Implications

7.1 None

8.0 Resource Implications

8.1 *Financial Details*

8.2 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

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

8.4 *Staffing*

8.5 *There are no staffing implications arising from this report.*

9.0 Exempt Reports

9.1 Is this report exempt? Yes No X

10.0 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
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)

Clackmannanshire Council Debt Recovery and Write Off Policy – June 2018

11.0 Equalities Impact

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

Yes No X

12.0 Legality

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

13.0 Appendices

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

Appendix A - Review of Housing Income Collection Performance

Appendix B – Irrecoverable Debt for Write-off and Detailed Debtors Position to March 2021

14.0 Background Papers

- 14.1 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

Author(s)

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Ben Watson	Interim Revenues Supervisor	6228
Lindsay Sim	Chief Finance Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Stuart Crickmar	Strategic Director (Partnership and Performance)	

ANNUAL DEBTORS REVIEW 2020/21

REVIEW OF INCOME COLLECTION PERFORMANCE

1.0 Housing

- 1.1 The Housing Debtor relates to all income collected in relation to the Housing Service, including residential, lock up and garage rents, re-chargeable repairs and Housing Benefit Overpayments. The Housing Debtor can be broken into the following different categories.

HRA arrears position 2018/19 to 2020/21

	2018/19 £000	2019/20 £000	2020/21 £000
Current Tenant Arrears	774	917	849
Former Tenant Arrears	1,018	1,143	1,173
HB Overpayments (HRA only)	1,155	977	977
Rechargeable Repair	99	99	99
Other Miscellaneous	25	26	85
Total Gross Debtor	3,071	3,162	3,183
Provision	(2,683)	(2,905)	(3,181)
Total Net Debtor	388	257	2

- 1.2 The majority of this debt is accounted for within the Housing Revenue Account, with the exception of Housing Benefit Overpayments which are included in the general fund account.
- 1.3 For 2020/21 the gross Debtor has increased by £21k. This is due to a reduction in Current Tenant Arrears offset by increases in Former Tenant Arrears and Other Miscellaneous.
- 1.4 The pandemic and the roll out of Universal Credit has had, and will continue to have, a significant impact on rent arrears. Housing rent is managed by the Tenancy Management Team and Housing Officers are working closely with tenants to help them to sustain their tenancy and pay their rent.

ANNUAL DEBTORS REVIEW 2020/21

IRRECOVERABLE DEBT FOR WRITE-OFF AND DETAILED DEBTORS
POSITION TO MARCH 2021

1.0 Overall Debt

- 1.1. The following table identifies the proposed write-offs for each income stream for 2020/21, together with a comparison of the write off approved for 2019/20. The 2020/21 Draft Statement of Accounts reflects the net debt position.

Proposed write-offs for 2020/21

Type of Debt	Approved Write Off 2019/20		Proposed Write Off 2020/21	
	Number of accounts	Value £	Number of accounts	Value £
Council Tax	977	325,959	1,068	408,457
NDR	65	286,729	9	8,060
Sundry Debt	68	64,593	-	-
Former Tenant Arrears	50	81,548	-	-
Housing Benefit Overpayments	43	48,898	-	-
Total	1,203	807,727	1,077	416,517

- 1.2 Due to additional work responding to COVID19 during 2020/21 there have been no accounts identified for write-off for 2020/21 for Sundry Debt, Former Tenant Arrears and Housing Benefit Overpayments. This work will recommence during 2021/22.
- 1.3 Further detail of the proposed write-offs for Council Tax and NDR are set out below.

Council Tax and Water Charges

- 1.4 The following tables split the proposed write-offs for Council Tax and Water Charges by reason for the write off.

ANNUAL DEBTORS REVIEW 2020/21

IRRECOVERABLE DEBT FOR WRITE-OFF AND DETAILED DEBTORS
POSITION TO MARCH 2021

Reason	2019/20		2020/21	
	No of Accounts	Total £	No of Accounts	Total £
Deceased	487	112,860	550	137,877
Sequestration	304	134,660	269	165,794
Untraceable	-	-	-	-
Small Balance	-	-	8	74
Management W/O	-	-	-	-
Outwith Jurisdiction	17	24,420	1	133
Sheriff Officer Uncollectable	1	3	-	-
Gone Away	168	54,016	240	104,579
TOTAL	977	325,959	1,068	408,457

- 1.5 The proposed write off for Council Tax compared with 2019/20 has increased by £82,498, an equivalent of 25.3% and increase of 91 cases.
- 1.6 51% of the council tax accounts being proposed for write-off are due to death of the debtor leaving no estate. Whilst 25% of the council tax accounts being proposed for write-off are due to people being sequestered or entering a Trust Deed.

Non Domestic Rates (NDR)

- 1.7 The following tables split the proposed write-offs by reason for the write-off. Full case records are retained by the Revenues Team for audit purposes.

ANNUAL DEBTORS REVIEW 2020/21

IRRECOVERABLE DEBT FOR WRITE-OFF AND DETAILED DEBTORS
POSITION TO MARCH 2021

Year	2019/20		2020/21	
	No of Accounts	Total £	No of Accounts	Total £
Gone away/Untraceable	22	64,991	3	1,068
Deceased	2	3,201	-	-
Sequestration/liquidation	10	61,937	-	-
Small Balances		-	3	0.03
Trust Deed	-	-	-	-
Cease Trading	15	120,402	2	3,808
In Administration	-	-	1	3,184
Sheriff Officer Write Off	16	36,198	-	-
Total	65	286,729	9	8,060

- 1.8 There has been a decrease in the value of proposed write-offs from £286,729 in 2019/20 to £8,060 for 2020/21, and a decrease in the number of cases from 65 to 9. This is due to the reprioritisation of the Revenues team during the COVID 19 pandemic.

ANNUAL DEBTORS REVIEW 2020/21

IRRECOVERABLE DEBT FOR WRITE-OFF AND DETAILED DEBTORS
POSITION TO MARCH 2021

Overall Debtor Position

1.9 The table below details the debt position of the main council income source and the provision made against each. There have been increases in outstanding debt across all income streams and in the resulting bad debt provisions for all but Sundry Debtors. The provision for Sundry Debtors has reduced due to a review of the debts due from other Local Authorities as this has a likely higher level of recovery.

Debtor	2018-19 £000		2019-20 £000		2020/21 £000 ¹	
Council Tax	11,236		11,662		12,017	
Provision	(8,996)	2,240	(9,245)	2,417	(9,205)	2,812
HRA Debts	3,071		3,162		3,183	
Provision	(2,683)	388	(2,905)	257	(3,181)	2
Sundry Debtors	3,237		2,756		4,106	
Provision	(1,583)	1,654	(1,506)	1,250	(1,430)	2,676
Total Net Debt		4,952		3,924		5,490

¹ These figures are draft and are still subject to change as part of the 2020/21 external audit of the Council's Financial Statements

Report to: Clackmannanshire Council

Date of Meeting: 19 August 2021

Subject: Budget Strategy Update

Report by: Chief Finance Officer

1.0 Purpose

- 1.1 This paper provides an update on the Councils Budget strategy and the proposed process for setting the 2022/23 General Fund and HRA Revenue and Capital Budgets to ensure a balanced position.

2.0 Recommendations

2.1 Council is asked to note:

2.1.1 the potential impact of the Covid-19 pandemic on both capital and revenue outturns and the delivery of planned savings for 2021/22 and the 2022/23 budget gap,, alongside the range of continuing uncertainties in respect of localised outbreak impacts, potential additional funding and fiscal flexibilities;

2.1.2 an update on the current level of reserves and the 2022/23 indicative budget gap;

2.1.3 the impact of the UK Spending Review on the Scottish budget and expected timing of the 2022/23 draft Local Authority Settlement;

2.1.4 the indicative budget timeline for the 2022/23 GF and HRA Budget Process, and

2.1.5 an outline of the proposed consultation and engagement approach for the 2022/23 Budget.

3.0 Financial Overview 2021/22

General Fund Revenue/ Reserves

- 3.1 The Covid-19 pandemic has had a significant impact on the Councils financial position for 2020/21. Particular areas included:
- additional costs as additional support services were delivered and existing service provision was modified,

- loss of income as many chargeable services offered by the Council such as leisure services, were closed during the lockdown,
 - delay in implementation of some of the Council's agreed savings as officers time was diverted onto support and recovery activities.
- 3.2 A number of funding streams have been made available to the Council from the Scottish Government and these have been used to minimise the financial impact to the Council.
- 3.3 For 2021/22 the Council faces continuing uncertainty due to easing of lockdown through the Scottish Governments route map for recovery. However, there is a risk of further waves with potential for further restrictions which may give rise to additional costs and reprioritising of Council services.
- 3.4 Other associated uncertainties surrounding fiscal flexibilities, additional one off and recurring funding and/or further additional 'unknowns' may impact the Council's finances and budget gap. As a consequence, it is anticipated that there will be fluctuations in forecasts throughout the year as the current situation develops, with a regular review of assumptions being required and an assessment of the potential impact on 2023/23 Budget Gap and beyond. Regular updates will be provided to Council within routine Budget Strategy Update reports and monitoring reports to Committees.
- 3.4 Further details on the financial impact of COVID-19 for 2020/21 have been reported through monitoring reports and a summarised Council position is reported within the Draft Financial statements.
- 3.5 Forecasted outturn positions for 2021/22 will be reported through Service Committees and to the Audit Committee during the year.

4.0 2022/23 Budget Strategy

- 4.1 Following the preparation of the draft 2020/21 Annual Accounts, the Council held the following reserves as at 1 April 2021:

	£m	£m
General Reserves		19.686
- Committed	13.384	
- Uncommitted	6.302	
Capital Receipts		1.333
Transformation Fund		2.607

- 4.2 At 1 April 2021, the Council held general reserves of £19.686m, an increase of £7.831m from those held from April 2020. £13.384m of those are committed to fund specific items of expenditure including areas that are ring-fenced. Within this committed figure is £4.407m that has been earmarked for COVID support

and recovery. The Councils policy is to retain uncommitted reserves at a level of 3% of net budgeted expenditure. For 2021/22 this equates to £3.956m, therefore, uncommitted general reserves are £2.346m above this minimum level. This means that the Council has some reserves above the minimum level available to fund additional unbudgeted priorities through the year.

- 4.3 Capital Receipts can be used for Capital Expenditure and permitted elements of revenue expenditure including voluntary severance and loans fund repayments. The Scottish Government had also awarded a flexibility for Capital Receipts to be used to fund transformation activity. This flexibility is due to end on 31 March 2022.
- 4.4 The use of reserves to support continued service delivery is not recommended as this position would not be sustainable over the longer term. Reserves are one-off sources of funding and would add to the gap in future years.
- 4.5 Uncommitted reserves could, however, be used to fund one off events such as the financial impact of COVID-19. Several funding streams received by the Scottish Government in 2020/21 have been earmarked within Committed Reserves to support further activity and recovery activities. Further funding is due to be received in 2021/22, however, there is still much uncertainty around the future impact of COVID-19; further waves, localised lockdown and long term recovery and the ability of Scottish Government to fund any associated further expenditure and therefore if this funding will be sufficient.
- 4.6 There is an unprecedented level of uncertainty over a number of elements that have the potential to positively or negatively impact the Council's financial performance and budget strategy. These include:
- ongoing discussions with Scottish Government about a range of potential fiscal flexibilities which may deliver revenue benefits in the current financial year;
 - ongoing discussion with Scottish Government about the likelihood of further additional funding to support ongoing response and recovery work, the impacts of local outbreaks and the additional costs of implementing aspects of Scottish Government and Public Health (Scotland) guidance. and
 - uncertainties over local conditions for the rest of the year, for instance the impact of any potential local outbreak(s) and the levels of restrictions that may need to be implemented.
- 4.7 Any financial impact will be reflected in forecasted outturns as appropriate and reported in future budget strategy updates to Council. To mitigate any adverse impacts, reports will consider further financial strategies including in-year strategies to ensure the requirement of the Council to maintain a balance budget position is met.

5.0 Indicative Budget Gap 2022/23

- 5.1 The indicative budget gap for 2022/23 and future years is set out in the table below. This is based on the assumptions previously set out in the 2021/22 Budget paper. As a result of the uncertainty around the assumptions

contained within the gap there has been no change to these previously set out. These assumptions will be updated as further information is available.

Table 2: Indicative budget gap 2022/23 to 2024/25

	2022/23	2023/24	2024/25
	£000	£000	£000
Net expenditure	136,945	141,834	146,109
Net Funding	130,965	131,698	132,453
Cumulative indicative Funding Gap	5,980	10,136	13,656
Annual indicative Funding Gap	5,980	4,156	3,520

5.2 The main assumptions included within Table 2 are:

- 3% increase in the level of Council Tax for 2022/23 with compensatory amount for 2021/22 baselined and 3% increase thereafter in future years;
- Pay inflation equivalent to approximately 2% for 2021/22 based on the Scottish Public Sector Pay proposal of £800 flat payment for those earning up to £25k, 2% for those earning between £25k and £40k, 1% for those earning between £40k and £80k and a flat payment of £800 for those earning above £80k. Additionally, 2% inflation is assumed for all salary levels each year thereafter;
- Contract inflation and general demand pressures have been estimated at £2.500m in all three years based on current and previous data on bids and approvals;
- Estimated flat cash settlement for general fund grant in each of the three years based on prior years settlements;
- share of the additional social care funding of £72.6m in 2021/22 has been baselined; and
- maintenance of the commitment to implement the Scottish Local Government Living Wage, currently £9.54 per hour from 1 April 2021.

5.3 Future budget strategy reports will provide and update on the planning assumptions based on any further information that becomes known. As in previous years a low, medium and high scenario will also be provided showing the range of possible scenarios depending on the major variables such as Pay inflation and General Grant Funding.

Budget Settlement

- 4.1 At this time there is no indication when the Chancellor will announce the UK spending review which sets out indicative funding figures for Scotland as a whole. This review also sets out whether it is a one year or multi year settlement and is usually announced in November.
- 4.2 In recognition of this, there is no date set for receipt of the Draft Scottish Budget and Local Authority Settlement as this usually follows the UK Spending Review announcement. In previous years this has been issued mid December however, this has been later in the last two years with last years issued on the 28 January 2021.
- 4.3 Once the Draft Scottish Budget and Local Authority Settlement is announced the gives a short window to analyse the impact of the settlement on the Councils budget gap. Due to the timing of the settlement this may also impact on the timescales as to when Council can set its budget ensuring the statutory requirement for setting Council Tax is met.

5.0 2022/23 Budget Process and Timeline

- 5.1 The full approach to setting the 2022/23 budget is currently being developed and detail will be included in the next Budget Strategy report to Council. The budget process however, will include key milestones and activities similar to previous years, although as was the case for the 2021/22 budget, activity is commencing slightly later in the year due to the ongoing impact of the COVID pandemic.
- 5.2 For 2022/23, as in previous years, it is proposed that the Council aims to bridge its funding gap by:
 - undertaking a thorough review of all service budgets to establish the budget requirement for future years. This review includes a review of under and overspends to ensure the resultant budgets are aligned with activity to facilitate meaningful monitoring and scrutiny of service delivery and financial performance;
 - a review of previously agreed savings that are anticipated to deliver a financial benefit in 2021/22 to ensure that these can still be delivered and to confirm the value of the associated savings;
 - evaluation of the reasons for savings not being achieved in the current financial year to establish whether these can still be delivered, albeit on a delayed basis;
 - the identification of management efficiencies in the light of changes in service operational practice/requirements
 - specific policy savings linked to investment priorities, and
 - savings and efficiencies from agreed transformational business cases.

- 5.3 All council members will receive information on all officer proposals as part of the routine budget engagement.
- 5.4 As established in the 2020/21 budget paper and reaffirmed in the 2021/22 budget paper, financial sustainability continues to be one of the key drivers of the Be the Future programme, alongside improved outcomes, and further details of this are set out in the Transformation updates reported to Council on a regular basis. In recognition of the longer term process for the Be the Future Programme, this approach is augmented by additional management efficiencies and policy proposals that arise through the year to close the budget gap as noted above.

Demand Pressures

- 5.5 In calculating the revised budget gap, Contract and General inflation pressures are currently assumed at £2.5m based on previous trends of bids and approvals. Demand pressure bids will be prepared by Services during the next few months in conjunction with Finance and will be reviewed by the Strategic Leadership Group and the S95 Officer. Bids that are agreed will be included within the budget gap assumptions.

Budget Timeline

- 5.7 An indicative budget timeline is set out below:
- **August** – Templates will be issued to Strategic Directors to capture savings proposals and demand pressures. An initial session has been scheduled with the Strategic Leadership Group (SLG) on 18 August. Thereafter Budget will become a standing agenda item for the ExSLG fortnightly meetings where progress and updates on the 2022/23 Budget will be discussed. The initial session on the 18 August will be used to set out the current budget gap and latest assumptions identifying the estimated level of savings required so set a balanced budget. The session will also set out the budget approach for identifying and reporting savings. Following this session the group will be tasked with developing business cases in conjunction with the relevant support services: Finance, HR and Legal as required.
 - **September/October** – Initial sessions will be held with elected members and trade union representatives. These sessions will set out the current budget gap and assumptions and provide an update on the budget process including early sight of any savings proposals.
 - **October** – A follow up session with ExSLG will be held to consider draft business case proposals alongside proposed management efficiencies and policy savings. The level of savings identified will be compared against the budget gap to identify whether additional proposals are required. Further development of proposals will take place if required.

Services will be asked to prepare any capital bids for consideration at the Capital workshop to be held in November.

- **November** - Briefings for Members and Trade Unions will be held providing information on any new savings proposals, progress on previously

approved savings, and an update on the budget gap. This will also include savings that have come through the Be the Future Board.

Capital Workshop (officers) to be held to review and revise the agreed capital budget and to scrutinise new capital bids.

Demand pressures to be financially verified and a challenge session held by SLG to review and refine.

Work ongoing to refine proposed savings and identify any further savings.

Progress on Transformation projects to be reviewed by SLG and associated savings to be identified.

- **December** – further planned engagement with ExSLG to review the current position and remaining budget gap after applying approved savings.

At the time of writing this report, the timescales for the Draft Scottish Budget are unknown. However, the most up to date information in relation to the settlement will be reviewed to inform assumptions in respect of funding and keep Council informed of the indicative Budget Gap.

Demand Pressures will be further reviewed by the Section 95 Officer and SLG and the Budget gap will be updated with approved bids.

Work with Administration Group to refine and prioritise the Capital budget.

- **January** – The roll-forward budget to be completed and the Budget gap updated.

Demand pressures finalised - Budget gap will be updated with approved bids.

Consultation and engagement activity to be concluded and feedback incorporated into savings proposals.

Further work on refining and finalising savings proposals

Briefings will be held with elected members and trade union representatives to provide an update on: the Settlement impact, any changes to assumptions, approved savings and demand pressures and the resultant budget gap.

A workshop will also be held with Senior Officers and the Administration Group to finalise the Administration's Budget.

Estimated release of the Draft Scottish budget. This will be reviewed and assumptions updated to reflect the proposed settlement

- **February/March** - A workshop will also be held with Senior Officers and the Administration Group to finalise the Administration's Budget.

The 2022/23 budget proposal will be finalised and Full Council meeting will be held to set the 2022/23 Budget.

- 5.9 This timeline will be further refined and updates provided at briefings and through future Budget Strategy reports to Council.

Consultation and Engagement

- 5.10 Consultations will also be carried out during the year on specific proposals as part of the business case development. The consultation will be targeted at affected groups and outputs of the consultation will be used to shape the final proposals. Additionally, targeted budget consultation will be undertaken where indicated by the equalities impact assessment in respect of policy saving proposals prior to submission to the Council for approval as part of the Budget setting arrangements.
- 5.11 As part of the Be the Future programme, there will be on-going communications and engagement with staff on the financial and other benefits that the transformation programme will deliver. The Communications and Engagement working group will be established as laid out in the Be the Future update paper to Council on 24 June 2021 and this group will provide oversight, guidance and support for projects, the strategic workstreams and the Transformation programme overall. Further information is provided in the Be the Future update paper which is also on the agenda for this meeting.

6.0 Housing Revenue Account (HRA)

- 6.1 The Housing Revenue Account Revenue and Capital Budget will be prepared alongside the General Fund budget with key milestones below:
- draft budget preparation work to start in October including review of rent level and proposals with the tenants federation. This will also include, where possible, external scrutiny of affordability;
 - capital investment plan to be reviewed and brought to the Capital workshop in November. This will include consideration of the Energy Efficiency Standard for Social Housing (EESH) implication, new bids, phasing of the existing programme and in-house vs. external delivery;
 - the proposed rent level for 2022/23 to be issued to tenants for consultation in December with feedback reviewed in January, and
 - 2022/23 HRA budget to be finalised and presented to Council for approval no later than Thursday 10 February 2022. This is to enable compliance with the mandatory notice period to tenants of any rent change.

7.0 Sustainability Implications

7.1 There are no direct environmental sustainability implications arising from this report.

8.0 Resource Implications

8.1 *Financial Details*

8.2 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

8.3 Finance has been consulted and has agreed the financial implications as set out in the report. Yes

8.4 *Staffing*

8.5 There are no direct staffing implications arising from this report.

9.0 Exempt Reports

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

10.0 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)

11.0 Equalities Impact

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

12.0 Legality

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

13.0 Appendices

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

none

14.0 Background Papers

- 14.1 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)

General Services Revenue and Capital Budget 2021/22

Author(s)

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Lindsay Sim	Chief Finance Officer	2022

Approved by

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

Report to Council

Date of Meeting: 19 August 2021

**Subject: Mainstreaming Equalities: Progress Report 2021 & Outcomes
for 2021/25**

Report by: Strategic Director, Partnership & Performance

1.0 Purpose

- 1.1. The purpose of this report is to present the Council's Mainstreaming Equality and Diversity report for 2017/21; employee data relating to Equality and Diversity; our Equal Pay Statement and our Equality Outcomes for the period 2021/25. These are all required under the Equality Act 2010 and related Public Sector Duties.

2.0 Recommendations

- 2.1. It is recommended that Council:
- 2.2. Agree the changes to the Councils Mainstreaming Equality and Diversity Report as outlined at para 3.6;
- 2.3. Agree the Equality Outcomes and priority actions set out at Appendix 2.

3.0 Considerations

- 3.1. Council considered and agreed the Mainstreaming Equality and Diversity Report in April 2021 in advance of the 30th April Statutory deadline, and the reports were published on the Council's website thereafter. Since, the Equality and Human Rights Commission (EHRC) in performing their scrutiny role have asked Clackmannanshire Council to review the information published on our website and in particular the Equality Outcomes that will be taken to meet the Equalities legislation.
- 3.2. The EHRC is the regulatory body responsible for enforcing the Equality Act 2010. The focus of their regulatory role is to help organisations meet their legal duties and they have a range of powers to help them achieve this. These include providing advice and guidance, publishing information and undertaking research. This includes a range of legal enforcement powers set out in the Equality Act 2006 which exist to:

- clarify the law, so people and organisations have a clearer understanding of their rights and duties
 - highlight priority issues and force these back to the top of the agenda
 - challenge policies or practices that cause significant disadvantage, sometimes across a whole industry or sector
- 3.3. The Equality Act 2010 harmonises and replaces previous equalities legislation and sets out the Public Sector Equality Duty (PSED), which requires public authorities to actively consider how they can positively contribute to a more equal society through advancing equality and good relations in their day-to-day business, and in so doing, mainstream equality into public sector culture in practical and demonstrable ways.
- 3.4. The duty, also known as the General Duty, requires public authorities to pay due regard to the need to eliminate unlawful discrimination, victimisation and harassment; advance equality of opportunity; and foster good relations. These requirements apply across the 9 protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex, sexual orientation, and marriage and civil partnership.
- 3.5. Additional specific duties introduced under the act require listed public bodies to:
- Publish a set of equality outcomes every 4 years (Mainstreaming Report)
 - Report on progress towards those outcomes every 2 years
 - Report on employment data including; workforce profile, gender pay gap, occupational segregation
 - Publish an equal pay statement
 - Report on Equality Impact Assessments; and
 - Consider award criteria and conditions in relation to public procurement.
- 3.6. In response to the EHRC we have amended the statutory reports as follows:
- a. We have provided a clear set of Equality Outcomes for the period 2021/25 and these are now published as a separate document with priority actions that we will take over the next 2 years. Our progress report which we will publish in April 2023 will be focussed on these priority actions.
 - b. We have provided clear access to the Mainstreaming Equalities Report and Equality Outcomes along with supporting strategies and plans. These documents can now be easily accessed on our Equalities webpages and through hyperlinks from the reports.

Appendix 1 of this report now provides the Mainstreaming Equality and Diversity Report for 2021 which sets out the progress Clackmannanshire Council has made in relation to the Equality Outcomes agreed in 2017. Appendix 1 also includes employee data

Appendix 2 of this report provides the Equality Outcomes and Priority Actions that Clackmannanshire Council will take forward over the period 2021/25.

4.0 Sustainability Implications

4.1. There are no direct sustainability implications arising from the recommendations in this report.

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 has been consulted and has agreed the financial implications as set out in the report. Yes

5.4. *Staffing*

There are no staffing implications arising from the report.

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)

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 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 1: Mainstreaming Equality and Diversity in Clackmannanshire 2017 – 2021 progress report

Appendix 2: Clackmannanshire Council Equality Outcomes for 2021/25

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

Mainstreaming Equality and Diversity in Clackmannanshire 2017 – 2021 report

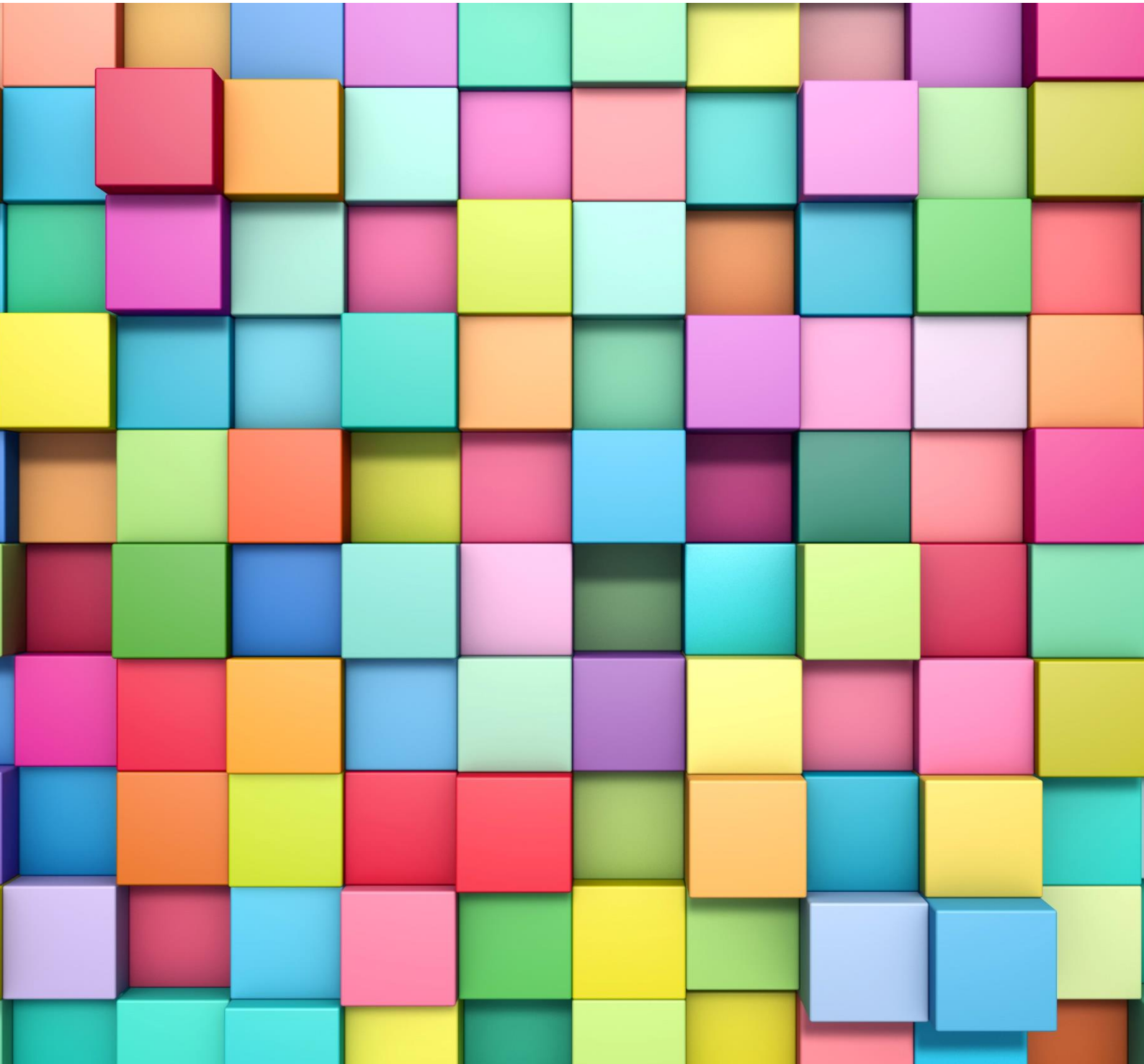
Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director	

Mainstreaming Equality and Diversity in Clackmannanshire April 2021



**Clackmannanshire
Council**

www.clacks.gov.uk

Comhairle Siorraidh
Chlach Mhanann

Introduction

Clackmannanshire Council believes that equality of opportunity should be a guiding principle in all of its activities and is actively working towards the elimination of policies and practices that discriminate unfairly.

The Equality Act 2010 requires public authorities to actively consider how they can positively contribute to a more equal society through advancing equality and good relations in their day-to-day business, and in so doing, mainstream equality into public sector culture in practical and demonstrable ways (the Public Sector Equality Duty). The Fairer Scotland Duty, came into force on a three-year implementation basis in April 2018. This places a legal responsibility on public bodies in Scotland to actively consider how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.

Additional specific duties introduced under the Equality Act 2010 require listed public bodies to:

- Publish a set of equality outcomes every 4 years (Mainstreaming Report)
- Report on progress towards those outcomes every 2 years
- Report on employment data including; workforce profile, gender pay gap, occupational segregation

This report presents progress made by the Council on mainstreaming equality and on the Council's equality outcomes, set out in its Mainstreaming Equality & Diversity 2017-2021 report, approved by Council in 2017. This is the second performance report relating to that plan with the first approved by Council in 2019. This report also presents data relating to employment, recruitment and the gender pay gap, along with the changes in our data between 2017 and 2020.

In 2017 Clackmannanshire Council agreed the following 6 Mainstreaming Equalities outcomes on which it would seek to make progress over the 4 years of the Mainstreaming Equalities plan.

- Access to services will be improved by better understanding about the challenges facing different groups and our response to their requirements
- People in Clackmannanshire will feel safe
- The gap between educational attainment of those with protected characteristics and those without is reduced
- People in Clackmannanshire will have improved physical and mental wellbeing and will experience fewer health inequalities
- Our organisation values and respects our employees and involves all equally in improving our services
- We will work with our partners to reduce poverty and the impact of poverty on protected groups in Clackmannanshire

Strategic Landscape 2021

Mainstreaming equalities and tackling inequalities is embedded in the strategic landscape in Clackmannanshire, and the governance and scrutiny on the implementation of significant strategies and plans is core to that. The following strategies set out the Council's priorities; the outcomes we are seeking to make; our transformation programme and the projects and activities we, alongside our partners, are taking to reduce the inequalities gap in Clackmannanshire. Regular performance and progress reports are published on the following plans and these can be accessed on the Council's website here: <https://clacks.gov.uk/council/councilperf/>

- Clackmannanshire Council Corporate Plan 2019-2023 and Transformation Programme Be the Future.
- Clackmannanshire Local Outcome Improvement Plan 2017/2027
- Clackmannanshire's National Improvement Framework
- Clackmannanshire's Local Child Poverty Action Plan and Report
- Clackmannanshire Integrated Children's Services Plan
- Clackmannanshire Council Strategic Workforce Plan 2019-2022

The Impact of Covid 19

The impact of the global Covid 19 pandemic across the UK, Scotland and in Clackmannanshire has been significant, and continues to have implications in how we deliver public services. Throughout most of 2020 we have reviewed how best we respond to the challenges the pandemic has brought to ensure we keep delivering services to families and communities in Clackmannanshire facing inequalities. We have seen the inequality gap that exists in Clackmannanshire in a more stark way than we have in previous years.

We have sought to better understand the impacts of Covid in Clackmannanshire, and we are seeking, along with our Community Planning Partners, to mainstream many of the new services and support mechanisms put in place over the past 12 months specifically to help local people experiencing inequality.

In mid 2020 partners in Clackmannanshire commissioned an Equality and Fairer Scotland Poverty Impact Assessment with a Covid lens to be undertaken to help shape the development of local services and policies. Through work in partnership with Scottish Government we also commissioned a local survey with communities and voluntary sector groups to gain a better understanding of the local impacts of inequalities caused by Covid and affecting that sector.

We have also worked closely with representative groups within the voluntary sector to better understand the lived experiences of local people facing particular inequality, and we have sought to do so in a completely ethical way recognising and valuing the role local people have to make in co-designing and co-producing local services and policy.

In 2020 Clackmannanshire Council agreed an innovative approach to developing a Wellbeing Economy in Clackmannanshire in partnership with Scottish Government as part of a pilot project. A wellbeing economy is an economy that is built on, and seeks to drive, the wellbeing of communities, businesses and the natural environment. It is underpinned by inclusive growth, environmental sustainability, and resilience. As part of this work Council agreed its Community Wealthbuilding Action plan in 2020 and is currently progressing work to develop a new Wellbeing Economy Local Outcome Improvement Plan which will place equality at the heart of the strategic planning landscape in Clackmannanshire. Key areas of activity will focus around wealthbuilding for gender justice across Clackmannanshire, fair employment and just labour markets, plural ownership of the local economy and the development of a good employment charter for Clackmannanshire.

Key Developments and Achievements 2019-2021

These include:

The development of a new Corporate Workforce Strategy and a range of new inclusive HR and Workforce policies including a Equality, Diversity and Inclusion Policy, Menopause Policy; Domestic Violence, Carers Policy; Special leave Policy; Worklife Balance Policy and Flexible Working Policies. Training has also been rolled out to support Dignity and Work and Managing Absence policies and a range of activities and support materials to support mental health and wellbeing has also been developed and implemented for employees.

Our employee gender pay gap has reduced from 2.6% to 1.6% between 2017 and 2020;

A range of support services has been implemented as a result of the Covid pandemic including support for people Shielding and required to isolate; welfare and financial assistance and advice; support around food and implementation of free school meals during restrictions and access to information and support on employment, redundancy and money advice.

Targeted support to reduce digital exclusion in protected groups has been put in place. Over the past year devices have been allocated to older and disabled residents; school leavers including those with experience of care; Syrian refugee families and families in low income groups. Volunteer digital champions have also been trained to support the development of digital skills in Clackmannanshire.

Targeted support to reduce the impacts of child poverty has been put in place. This has included awareness raising events and campaigns as part of national child poverty week in 2019 and 2020; specific work in schools around the cost of the school day; targeted employability, benefits and money advice work; food and fuel poverty initiatives and trauma informed workforce development.


The following pages set out our progress on the actions agreed by Council in 2017, and build on the progress report agreed by Council in 2019, a copy of which can be found on our website here: <https://www.clacks.gov.uk/document/6030.pdf>




Appendix A – Progress on Actions 2019-2021




Appendix B – Clackmannanshire Council Employee Data and Gender Pay Gap


Appendix C – Equal Pay Statement



Appendix A – Mainstreaming Equalities Progress Summary 2019-2021





Action	Status	Latest Note
<p>We will improve how we collect and use equalities data and evidence making use of existing mechanisms and surveys.</p> <p>We will review corporately how we are gathering information and monitoring equalities groups using our services</p>		<p>We collect and use data on equalities using various mechanisms. These include data on our employees through our integrated HR and Payroll Itrent system and qualitative data gained through our annual employee survey.</p> <p>Citizen Space is used to consult and collect information on our communities and service users and is used to shape and improve service delivery.</p> <p>A range of service engagement approaches are also in place, ranging from use of Equality Impact Assessments and Fairer Scotland Impact Assessments; Place Standard Tool; events and workshops, service user engagement and research commissioned to collect data and information on the voices of lived experience. Equality Impact Assessments are published on our webpages and can be found here https://www.clacks.gov.uk/council/eqia/</p> <p>Strategic Assessments are also used as part of policy and planning and performance diagnostic tools have been used to review data at a strategic level and through data deep dives.</p> <p>Data protection and privacy statements have been reviewed to ensure we collect and use equalities data from our customers and services users appropriately. Information on that is published on our webpages here https://www.clacks.gov.uk/regulation/dataprotectionpolicy/</p> <p>In April 2021 Clackmannanshire Council launched a new complaints process which provides enhanced support for protected groups who wish to make a complaint about how we deliver services. We will promote amongst protected groups and will train staff as part of the implementation of the new process.</p>




Action	Status	Latest Note
<p>We will increase our awareness raising work with staff and partners particularly front facing employees through a programme of training on Equality and Diversity.</p> <p>We will run further awareness raising sessions on carrying out Equality Impact Assessments (EQIA).</p>		<p>Clackmannanshire Council has implemented a programme of training for managers and staff on equality and diversity. Equality and Diversity training is a corporate mandatory training requirement for all staff, which staff are required to refresh themselves with on an annual basis. In addition to that we have also implemented specific Equalities training for front line services; customer advisors; catering, janitorial and cleaning staff and trades teams.</p> <p>A number of new workforce policies have been developed, with communication and awareness raising supporting deployment. These include a Equality, Diversity and Inclusion Policy, Menopause Policy; Domestic Violence, Carers Policy; Special leave Policy; Worklife Balance Policy and Flexible Working Policies. Training has also been rolled out to support Dignity and Work and Managing Absence policies.</p> <p>The EQIA process has been updated to incorporate the new Fairer Scotland Duties 2018 which require decision making by the Council to consider socio-economic impacts. This assessment tool was used for the first time as part of the 2019/20 budget decision making process. Training has been provided to managers as well as HR Staff on Equalities duties and specifically to raise awareness on completing Equality and Fairer Scotland Impact Assessments.</p>
<p>We will provide awareness raising briefing sessions for our new elected members as part of the members' induction process.</p>		<p>Mainstreaming Equalities and awareness of Equalities and Fairer Scotland Duties are part of our Elected Member induction process. This remains under review to ensure its suitability.</p>
<p>We will review our main communication mechanisms to ensure that they are appropriate for protected groups.</p> <p>We will improve access to translation and interpretation services and ensure key documents are available in languages other than English.</p>		<p>Work to develop a new Corporate Communications Strategy is being progressed which will be focussed on the Council's Be the Future Transformation Programme and will also support our recovery from the global pandemic and new ways of working.</p> <p>Over the past 12 months a range of targeted communications has been implemented to ensure communication approaches are in place which meet the needs of employees working remotely as well as a range of communications approaches to keep residents informed on key information. Specific work is being undertaken as part of the Workforce Strategy to map approaches and identify any particular challenges for hard to reach employee groups.</p> <p>We have reviewed the information on our Website and on our intranet to improve information on translation and interpretation services. We print and publish a range of leaflets and materials with information (in translation) on how customers can access translation and interpretation services. Information on translation services is provided on our webpages and in our main Council buildings.</p>



Action	Status	Latest Note
We will review our mechanisms for engaging with protected groups on how we deliver and improve services.		Through our work with partners we have reviewed how we engage with protected groups on delivering and improving services. Across services approaches are in place to engage with protected groups to identify ways that services can be improved. Examples include Oor Voices group of care experienced young people; Clackmannanshire Disability Awareness Group; Men's Shed and Resilience Learning Partnership in shaping key strategies in Clackmannanshire.
We will review how we gather and publish information on gender pay gap information.		Gender pay gap and employment segregation analysis have been enhanced and recruitment data has also been incorporated. See Appendix A. Significant efforts have also been made to improve the equalities data we have for our workforce to assist with our equalities monitoring approaches as an employer. Our Equal Pay Statement is published on our website.
We will develop a strategy on our use of British Sign Language in line with national guidance.		Our British Sign Language plan is published here https://www.clacks.gov.uk/council/bslplan/ The plan is available in both English and BSL videos.




Action	Status	Latest Note
We will work with our partners to improve how we record and report Hate Crimes in Clackmannanshire.		Our approaches for recording and reporting hate crimes are available on our web pages. We continue to keep these under review to reflect any national developments or policy change. More information can be found here https://www.clacks.gov.uk/council/hateincidents/
We will review how we support and monitor services to address hate crimes against those with disabilities in Clackmannanshire.		The Anti - Bullying Policy For Educational Establishments incorporates the requirement to record and report on all discriminatory behaviour, including Hate Crimes https://www.clacks.gov.uk/document/3990.pdf I Am Me Scotland is a community based charity that works in partnership with Police Scotland to tackle disability hate crime and create a network of 'Keep Safe' places across Scotland. Keep Safe is a network of local businesses and organisations that are approved and trained to be a 'safe' place for anyone who feels lost, confused, scared or vulnerable when out in the community. The Keep Safe initiative has been rolled out across Clackmannanshire with a number of local businesses and organisations, including the Council, participating in the network of 'safe' places. These are signposted on the Council's website here https://www.clacks.gov.uk/social/adultprotection/


Action	Status	Latest Note
<p>We will continue to support the development of and implementation of the Violence Against Women Partnership Strategy and Action Plan.</p> <p>We will work with Community Planning Partners to implement the new Equally Safe Delivery Plan when published by Scottish Government.</p>		<p>Along with our partners Clackmannanshire Council is represented on the Clackmannanshire Violence Against Women Partnership. The partnership developed its strategy and action plan for Clackmannanshire in 2019, as a key priority of the Local Outcome Improvement Plan and in line with the Scottish Government's national Equally Safe strategy.</p> <p>As part of that strategy, Clackmannanshire Council has reviewed its own policies and practices to ensure that we have clear approaches in place to support people affected by domestic abuse. This work has resulted in the implementation of the Safer Together programme and the development of a Domestic Abuse policy for our workforce. Clackmannanshire Council also continues to be a partner in the delivery of an annual programme of events as part of 16 days of Action.</p>
<p>We will support the development of and raise awareness of MARAC with Council employees and partners.</p>		<p>The MARAC process is embedded in Forth Valley Public Protection approaches, and informs partnership working around public protection and safety as well as domestic abuse and community justice. A number of awareness raising activities have been held on the role of MARAC and regular updates are provided by Police Scotland through the Local Policing Plan for Clackmannanshire.</p> <p>In 2020 Clackmannanshire Council launched the Strive project in collaboration with Police Scotland. This approach follows a Multi-Agency Coordinating Group (MATAC/MARAC) format aimed at taking joined up early action to support vulnerable people presenting to public services on multiple occasions. This approach is currently being evaluated and more information can be found here https://www.clacks.gov.uk/coronavirus/ssstaffcv/</p>





Action	Status	Latest Note
<p>We will revise our Corporate Parenting Strategy in Clackmannanshire. This will have a key focus on reducing inequalities for young people in Clackmannanshire.</p>		<p>The Clackmannanshire Corporate Parenting Plan 2018-21 was approved by Council in December 2018. Care experienced young people, were invited to contribute their views to the plan on what worked for them and what needs to be improved. The plan sets out the actions to be delivered for looked after children and young care leavers, together with how success will be measured. More information on this plan, the work being undertaken to deliver the plan and performance reports can be accessed here https://www.clacks.gov.uk/site/documents/childcare/corporateparentingplan/</p> <p>The Council is currently working with partners on developing plans to meet the Promise duties. https://clacks.gov.uk/social/thepromisecics/</p>
<p>We will develop our School Improvement Plan in line with National Improvement Framework Priorities. One of the priorities is on closing the attainment gap between the most and least disadvantaged children.</p> <p>We will implement the Scottish Attainment Challenge in Clackmannanshire.</p>		<p>The annual Education National Improvement Framework sets out the rationale, strategies, actions and performance measures which ensure that ongoing improvement remains the norm, despite external challenges and influences in Clackmannanshire and are detailed in the plan and performance reports accessed here: https://www.clacks.gov.uk/site/documents/education/clackmannanshireeducationplannationalimprovementframework/</p> <p>The Scottish Attainment Challenge continues to focus and accelerate targeted improvement activity in literacy, numeracy and health and wellbeing across Clackmannanshire. It supports and complements a range of evidence based initiatives and programmes to ensure that improvement is directed towards closing the attainment gap between the most and least disadvantaged children. Pupil Equity Funding (PEF) is additional funding allocated by the Scottish Government, directly to schools, and targeted at closing the poverty related attainment gap.</p>
<p>We will refresh our Integrated Children's Services Plan which will have a key focus on reducing inequalities for young people in Clackmannanshire.</p>		<p>The Children's Services Plan was approved and published in 2017. Work is ongoing to refresh the plan in 2021.</p>
<p>We will continue to support our LGBTI Youth Forum in Clackmannanshire</p> <p>We will implement our guidance on 'Support for Transgender and Gender Variant Children in School'.</p>		<p>The forum continues to meet, supported by the Education team in Clackmannanshire Council. The group is open anyone aged 13-25 years old.</p> <p>The LGBT Youth Guidance on supporting Transgender and Gender Variant children in schools is embedded, which all Clackmannanshire education establishments are now following.</p>



Action	Status	Latest Note
We will revise our Education Anti-bullying Policy and guidance.		Clackmannanshire Council's Anti-bullying strategy has been developed in collaboration with Respectme, Scotland's Anti-Bullying Charity. The strategy can be found here https://www.clacks.gov.uk/site/documents/education/antibullyingpolicy/
We will implement our Parent and Family Support Strategy in Clackmannanshire		The Clackmannanshire Parental Involvement Strategy aims to increase engagement between home, school and community. It highlights good practice and offers guidance to strengthen relationships. The Strategy was developed in consultation with parents, schools and Parent Councils https://www.clacks.gov.uk/site/documents/education/parentalinvolvementandengagementstrategy/ Information on the ways the Council supports parents and families can be found here https://www.clacks.gov.uk/learning/aslfamilies/
We will continue to provide opportunities for individuals with protected characteristics to increase their qualifications through delivery of the Council's Employability programme		A range of employability programmes are in place to support protected groups across Clackmannanshire. These include the Fairstart programme; Parental Employability Support Programme; Employability Pipeline Programme; Flexible Skills and Improvement Programme and Youth Employability Programmes. More information on these can be found here https://www.clacks.gov.uk/community/clacksworks/



Action	Status	Latest Note
We will roll out a programme of mental health first aid training to staff and partners through the Community Wellbeing and Safety Partnership.		The Council approved its revised Mental Health Policy in November 2018 continuing the Council's commitment to maintaining the well being of its staff. In addition to a number of support measures the Council provides training to managers and employees such as the NHS 'Mentally Healthy Workplace' and 'Mental Health First Aid' courses. The Council also runs regular campaigns to encourage awareness of mental health issues and has reintroduced employee counselling via PAM Assist. The Mental Wellbeing our staff has been a clear focus throughout the pandemic and a range of easily accessible supports have been put in place. In addition a virtual health and wellbeing week has held in January 2021 which also saw the launch of our wellbeing toolkit. Further work is ongoing to develop a wellbeing strategy to support our staff as we continue to recover and respond to COVID. Community based stress control classes and mental health first aid courses are delivered in Clackmannanshire, although in 2020 there has been a shift to more digital material and information.
We will roll out training on identifying substance misuse, child and adult protection and domestic abuse to a range of partners through the Community Safety and Wellbeing Partnership.		Training is routinely provided to Council employees as part of our workforce development programme, and as part of the corporate training needs programme which takes place annually. This includes specialist training and broader awareness raising training on substance misuse; public protection and domestic abuse. Training is developed and delivered jointly with partners when it makes sense to do so. Trauma informed approaches are being developed across Clackmannanshire, with the Council and partners seeking to implement further programmes of workforce development on trauma.






Action	Status	Latest Note
Working with our partners we will support third sector organisations to identify inequalities and develop assets based community led responses.		Since 2017 Clackmannanshire has seen the emergence of new assets based approaches including new development trusts; social business and a new Community Engagement framework aligned with the LOIP. The Community Empowerment Act has brought about increased opportunities for local voluntary sector organisations on use of assets; participation requests; and participatory budgeting. The LOIP and a range of supporting partnership strategies are focussed on developing local community led asset responses. A good example is the emergence of the Resilience Learning Partnership https://resiliencelearningpartnership.co.uk/about which seeks to connect the voices of lived experience to help influence policy.
Working with our partners we will run a number of Health and Wellbeing events in Clackmannanshire with a focus on our most disadvantaged communities. We will continue to provide a programme of wellbeing courses and workshops including stress control, managing stress, assertiveness, self esteem, improving your mood, relaxation, 'keeping the heid' to communities in Clackmannanshire		Alongside our partners a programme of community wellbeing events were held across Clackmannanshire promoting local services, resources and information relating to well-being and safety to the community. Events have been held across Clackmannanshire in support of Knowing Clackmannanshire (events to connect communities to services and highlight community support organisations); wellbeing outreach sessions; workshops for employees and events targeted at supporting particular groups. For our staff we have implemented healthy working lives; and have developed a range of support mechanisms to promote health and wellbeing. In 2021 a series of virtual events and activities were scheduled over the course of a week for staff. These included activities on stress control as well as advice and practical ideas for physical and mental health and wellbeing. A wellbeing toolkit has been issued and work is ongoing to develop our wellbeing strategy. Clackmannanshire has recently approved its Employee Mental Health Policy.
We will continue to deliver a specifically targeted programme of curricular, extra curricular and school holiday sporting activities in primary, secondary, special schools and leisure facilities for protected groups in Clackmannanshire.		Clackmannanshire Council approved the Sport and Active Living Framework for Clackmannanshire in January 2019. A central focus of the framework is to ensure that all people have access to the benefits of sport and physical activity in Clackmannanshire regardless of their circumstances. Dedicated work has been put in place aimed at supporting particular groups including disability groups and care experienced young people. More information on this work can be found here https://www.clacks.gov.uk/culture/salframework/

Action	Status	Latest Note
We will continue to provide support to staff for stress control for all staff.		The Council's stress management policy and stress risk assessment process sets out the approaches in place to support staff. A range of information and services is also provided to staff to support them in their roles. ; Counselling help line; Mental Health First Aiders, Mental Health & Stress Management e-learning and a range of health and wellbeing campaigns are delivered each year.

Action	Status	Latest Note
<p>We will review access to training and uptake of training for protected groups of employees.</p> <p>We will implement equalities training as part of the induction process for all new employees.</p>		<p>The Council's Learning and Development Policy and Procedure was agreed in 2018 and sets out the process for learning and development across the whole workforce. Mandatory training is set for all staff and is required to be completed annually through the Clacks Academy; the Council's elearning platform. Training needs are identified with each member of staff through the PRD process and guidance on conducting training needs is refreshed annually. The Council's iTrent system records data on training for each employee.</p> <p>An e-learning module on Equalities is now included in the induction process and is a mandatory learning requirement for all employees. Additional training has been provided for managers and staff on the Council's EQIA and PIA process.</p>
<p>We will review key HR policies in respect of equality and diversity on a rolling basis.</p>		<p>All the Council's main policies have been reviewed and updated and we are now in a programme of continued review and improvement.. This includes important new policies which support our equalities duties. These include the Menopause Policy (2020); Carers Policy(2020); Special leave (2020); Worklife Balance and Flexible Working Policies (2020), Equality, Diversity and Inclusion (2021). EQIAs are completed for all new and updated policies, which are also subject to Council approval.</p>
<p>We will review our policies on recruitment to ensure appropriate activities are undertaken to target under represented groups employed by Clackmannanshire Council.</p> <p>We will maintain our Disability Confident employer status</p>		<p>The Council's recruitment and selection policy have recently been reviewed and refreshed as part of our ongoing programme of policy refresh, Previously approved by Council n September 2017 our updated policy and procedure was formally apprvped by our Partnership and Performance Committee on 11th March 2020 . The Council is committed to applying its Equal Opportunities Statement at all stages of the recruitment and selection process. Shortlisting, interviewing and selection is carried out without regard to age, disability, sex, gender reassignment, pregnancy, maternity, race (including colour, nationality and ethnic or national origins), sexual orientation, religion or belief, marital or civil partnership status, political opinion or trade union membership.</p> <p>Reasonable adjustments to the recruitment process will be made to ensure that no applicant is disadvantaged because of their disability. The Council, in line with other Local Authorities, uses the myjobscotland portal for advertising vacancies to attract as wide a pool of potential applicants as possible. We are also an accredited Disability Confident employer and our new policy takes account of positive action in the recruitment process.</p> <p>The Councils is actively looking at becoming an adopter of "happy to talk about flexible working" as well as signing up to the Stonewall Diversity Champions Programme.</p>
<p>We will continue to provide appropriate support to enable our staff with disabilities to carry out their duties (ie hearing aids, visual aids, physical aids).</p>		<p>Optima provide Occupational Health (OH) support to the Council. One function of the OH service is to ensure that we are able to identify and put into place reasonable adjustments for our staff to ensure that they are able undertake their duties. This can involve engagement with GPs, consultants, Access to Work etc to ensure appropriate steps and actions are taken.</p>

Action	Status	Latest Note
We will review our mechanisms for internally engaging with protected groups on how we deliver and improve services.		The Council's Strategic Workforce Plan https://clacks.gov.uk/document/meeting/1/860/6426.pdf was agreed in 2019 and is a key workstream of the Be the Future programme. As part of this strategy an employee survey is carried out annually and an improvement plan developed on areas requiring further action. The improvement plan is informed through focus groups and engagement with our local Trade Unions.
Improve the health of Clackmannanshire Council's staff through work towards achieving Healthy Working Lives Gold Award.		Clackmannanshire Council successfully retained the Healthy Working Lives award at Silver Level after the annual review in December 2019. Work continues to work towards achieving the Gold Award.

Action	Status	Latest Note
Working with our Community Planning Partners we will undertake a strategic needs assessment on poverty in Clackmannanshire. This will inform the development of the Local Outcome Improvement Plan and Localities Plans. Working with our Community Planning Partners we will pilot a programme of work to support women on low incomes in Clackmannanshire.		Tackling Child Poverty is a priority set out in Clackmannanshire's LOIP 2017/27 and the Council's Corporate Plan 2019/23. Our Local Child Poverty Action Report can be found here https://www.clacks.gov.uk/document/6077.pdf Further work is being taken forward through the Wellbeing Economy programme in Clackmannanshire, and poverty is identified as a key theme in that programme. As part of this work the Council along with partners are using the Inclusive Growth Diagnostic Tool and working with SIPHER to develop a refined set of priorities to tackle inequality in Clacks.
Working with a range of partners we will continue to provide a range of initiatives aimed at minimising the impact of fuel poverty in Clackmannanshire.		Clackmannanshire Council HEAT programme delivers universal energy advice for residents. Citizens Advice Bureau have commenced a new programme of fuel poverty and water savings advice called Local Energy Advice Project (LEAP). CAB's Local Energy Advice Project focuses on combatting fuel poverty by providing energy saving advice and case work to households on fuel debt and supporting them to create a sustainable solution. The project runs until March 2021, and is seeking continuation funding. CAB also provides Energy Best Deal advice including training to partner organisations

Action	Status	Latest Note
Support financial inclusion services for protected groups		<p>Personal budgeting, financial, education and financial health checks given by CAB. They also have a wide range of projects focusing on income maximisation e.g. welfare rights, help to claim, welfare rights and money advice (in partnership with Clacks Works). Financial Health Check Services are in place at Forth Valley Royal Hospital for patients to drop in for advice specialist CAB key workers. During 2019/20, 3,466 Clacks residents accessed their advice services and in this period the client financial gain for Clacks residents was £2.4 million.</p> <p>The New Baby Financial Health Service accessible via referral from NHSFV is also in place to support new parents with advice on benefits, debt, housing and employment.</p>
We will work with our Community Planning Partners to ensure that information on the availability of services in Clackmannanshire is accessible to local GPs and other health professionals.		A range of information is available for communities and partners on community based support services in Clackmannanshire. Partners in Clackmannanshire have also run a number of events, face to face and digital aimed at raising awareness of the support services in place in Clackmannanshire and referral pathways.
We will continue to provide the Choose Life Programme in Clackmannanshire to help address mental health and risk of suicide.		Clackmannanshire's Choose Life coordinator sits within the Integrated Mental Health Services in the wider HSCP. A Suicide Prevention Action Group across Clackmannanshire and Stirling is being set up to take forward a local suicide prevention strategy for Clackmannanshire and Stirling. In addition work is already progressed – Applied Suicide Prevention training has been provided; A suicide prevention crisis card was developed with national and local helplines and disseminated across Clackmannanshire and Stirling; Suicide prevention awareness sessions have been delivered for partners and support information is in place at key locations including Clackmannanshire Bridge.
Working with our Community Planning Partners we will ensure that efforts to facilitate, support and co-ordinate the provision of employability services in Clackmannanshire include protected groups.		<p>The Clackmannanshire Local Employability Partnership (LEP) has produced a directory of employability services in Clackmannanshire which is updated on an annual basis.</p> <p>Clackmannanshire is one of nine areas in Scotland delivering Fair Start Scotland, a new employment support service which helps people who are further from the jobs market to find work. This programme is targeted at supporting protected groups.</p>
Work to ensure that the region-wide economic benefits of the City Deal help to reduce poverty and the impact of poverty on protected groups in Clackmannanshire.		Clackmannanshire's Be the Future Transformation Programme, which includes the City Deal, is designed to drive inclusive economic growth. Further information on this can be found here https://www.clacks.gov.uk/council/priorities

Appendix B: Clackmannanshire Council Employee Data; Gender Pay Gap and Data on Recruitment

1) Employees Data

Table and Chart 1: Age (not including teachers)

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Under 21	81	3.9%	66	3.3%	55	2.8	45	2.2
21-30	259	12.5%	269	13.3%	241	12.4	266	13.3
31-40	349	16.9%	364	18.0%	366	18.9	384	19.3
41-50	551	26.6%	511	25.3%	461	23.8	442	22.2
51-60	660	31.9%	640	31.6%	631	32.5	640	32.2
61 and over	169	8.2%	173	8.6%	182	9.4	209	10.5
All	2069	100.0%	2023	100.0%	1936	100	1986	100

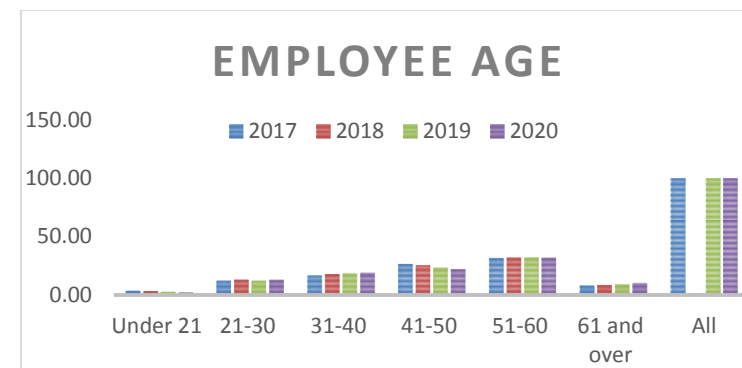


Table and Chart 2: Age (Teachers)

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Under 21	0	0	0	0	0	0	0	0
21-30	160	22.9%	148	23.1%	141	21.7	153	23.0
31-40	205	29.3%	200	31.2%	201	30.9	196	29.5
41-50	173	24.7%	166	25.9%	184	28.3	188	28.3
51-60	114	16.3%	104	16.2%	101	15.5	104	15.6
61 and over	47	6.7%	23	3.6%	22	3.3	23	3.4
All	699	100.0%	641	100.0%	649	100	664	100

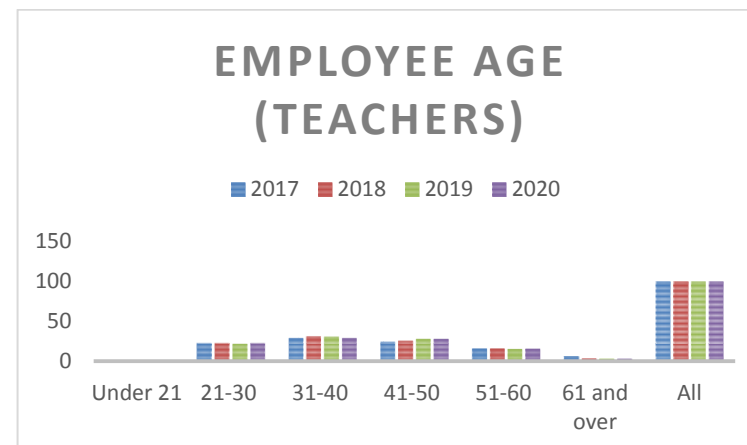


Table and Chart 3: Gender Breakdown (not including teachers)

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Female	1465	70.8%	1442	71.3%	1381	71.3	1416	71.2
Male	604	29.2%	581	28.7%	555	28.6	570	28.7
All	2069	100.0%	2023	100.0%	1936	100	1986	100

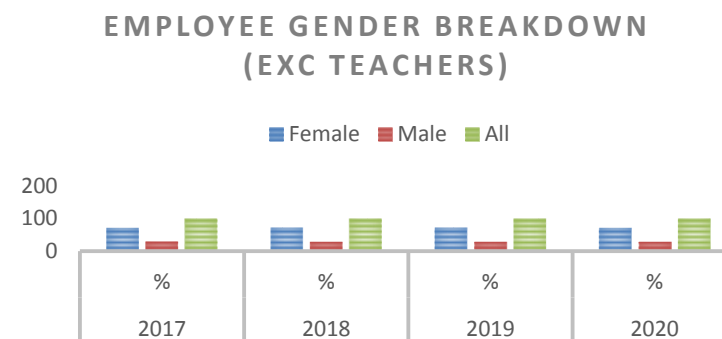


Table and Chart 4: Gender Breakdown (teachers)

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Female	571	81.7%	525	81.9%	531	81.8	537	80.8
Male	128	18.3%	116	18.1%	118	18.1	127	19.1
All	699	100.0%	641	100.0%	649	100	664	100

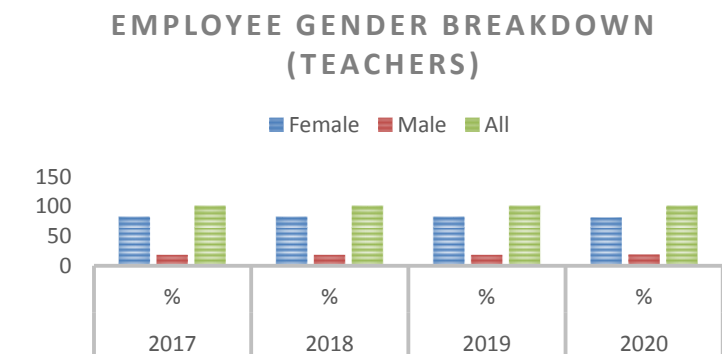


Table and Chart 5: Employee Data by Directorate

(% of all employees by Gender and by Directorate)

	% Male	% Female
People	44.2%	67.8%
Place	44.7%	13.7%
P&P	6.4%	4.6%
HSCP	4.7%	13.9%
Total	100.0%	100.0%

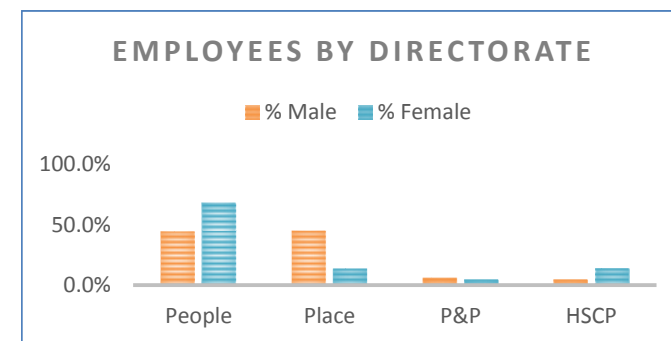


Table and Charts 6: Employee Data: Gender Pay

(Gender pay gap: difference between women's average hourly pay and men's average hourly pay).

	2017	2018	2019	2020	% Change 2017-2020
Female	£14.01	£14.26	£15.47	£15.99	+£1.98
Men	£14.38	£14.74	£15.70	£16.25	+1.87
% Gap	2.6%	3.3%	1.5%	1.6%	-1%

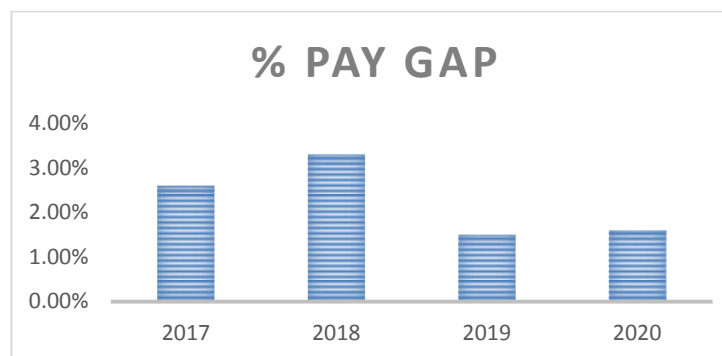
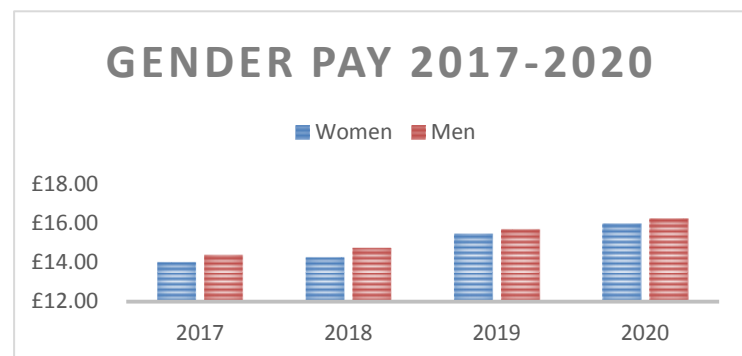
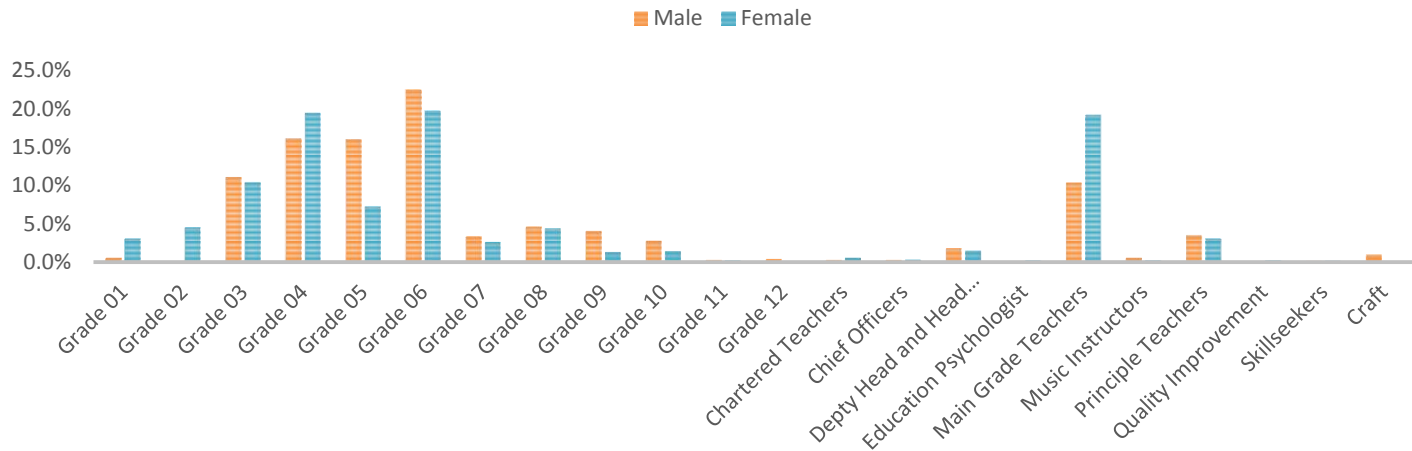


Table and Charts 7: Employee Data: Gender Pay by Grade

(% of employees in each grade/defined role)

Grade	2019		Grade	2020	
	Male	Female		Male	Female
Grade 01	0.6%	3.1%	Grade 01	0.5%	3.0%
Grade 02	0.0%	4.5%	Grade 02	0.0%	4.2%
Grade 03	11.1%	10.4%	Grade 03	10.6%	10.4%
Grade 04	16.2%	19.4%	Grade 04	16.3%	18.9%
Grade 05	16.0%	7.3%	Grade 05	15.6%	7.1%
Grade 06	22.5%	19.7%	Grade 06	22.1%	20.3%
Grade 07	3.4%	2.6%	Grade 07	3.1%	2.7%
Grade 08	4.6%	4.4%	Grade 08	4.2%	4.8%
Grade 09	4.1%	1.3%	Grade 09	3.8%	1.2%
Grade 10	2.8%	1.4%	Grade 10	3.0%	1.6%
Grade 11	0.3%	0.2%	Grade 11	0.3%	0.1%
Grade 12	0.4%	0.0%	Grade 12	1.6%	0.1%
Chartered Teachers	0.3%	0.6%	Chartered Teachers	0.3%	0.5%
Chief Officers	0.3%	0.3%	Chief Officers	0.3%	0.3%
Depty Head and Head Teachers	1.8%	1.5%	Depty Head and Head Teachers	1.8%	1.7%
Education Psychologist	0.0%	0.2%	Education Psychologist	0.0%	0.3%
Main Grade Teachers	10.4%	19.2%	Main Grade Teachers	11.2%	18.9%
Music Instructors	0.6%	0.2%	Music Instructors	0.5%	0.2%
Principle Teachers	3.5%	3.1%	Principle Teachers	3.2%	3.0%
Quality Improvement	0.0%	0.2%	Quality Improvement	0.1%	0.3%
Skillseekers	0.1%	0.2%	Skillseekers	0.3%	0.1%
Craft	1.0%	0.0%	Craft	1.2%	0.0%
Total Staff	100.0%	100.0%	Total Staff	100.0%	100.0%

GENDER PAY BY DIRECTORATE 2019



GENDER PAY BY DIRECTORATE 2020

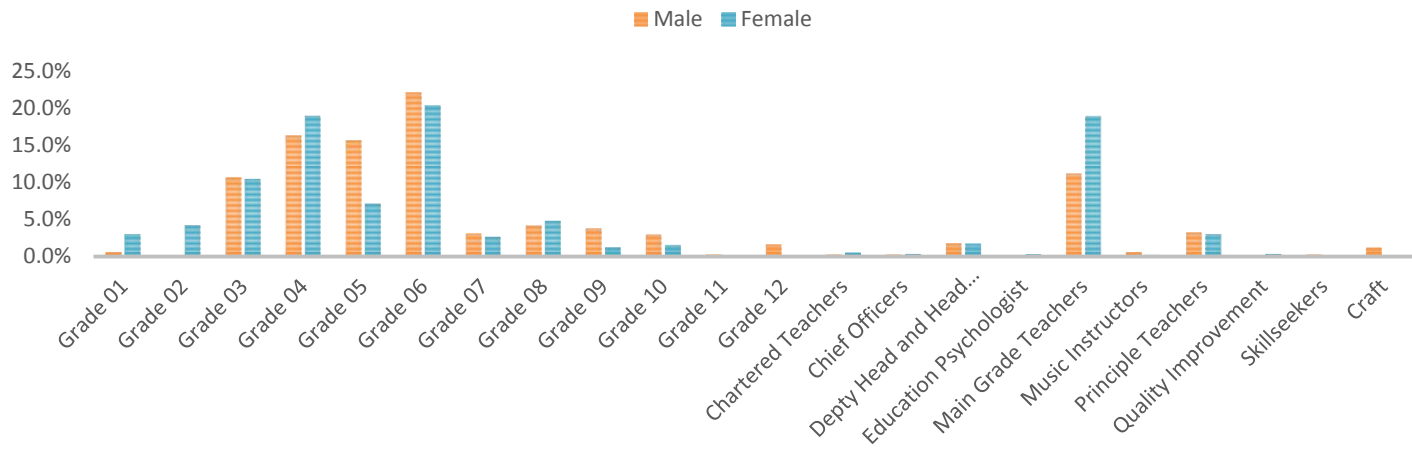


Table 8: Employees with a Disability¹

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Yes	75	2.71%	71	2.67%	66	2.6%	74	2.8%
Prefer not to say	49	1.77%	45	1.7%	76	2.9%	75	2.8%
Not known	2664	96.2%	2548	95.6%	2443	94.5%	1801	68.0%
Totals	2768	100	2664	100	2585	100	2650	100

Table 9: Employees Ethnicity Breakdown

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
BME	63	2.3%	64	2.4%	0	0.0%	0	0.0%
White	1361	49.2%	1354	50.8%	1723	66.7%	1712	64.6%
Asian or Asian British	0	0.0%	0	0.0%	7	0.3%	7	0.3%
Black or Black British	0	0.0%	0	0.0%	8	0.3%	5	0.2%
Mixed	0	0.0%	0	0.0%	-	-	-	-
Other Ethnic Group	0	0.0%	0	0.0%	36	1.4%	34	1.3%
Not known	1344	48.6%	1246	46.8%	809	31.3%	890	33.6%
Total	2768	100.0%	2664	100.0%	2585	100.0%	2650	100.0%

¹ Tables 8-12 do not include data which refers to fewer than 5 employees. Equalities data on employees shown in tables 8-12 is collected via Irent and is provided on a voluntary basis.

Table 10: Employees Religion and belief

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Church of Scotland	469	16.9%	453	17.0%	552	21.4%	544	20.5%
None	573	20.7%	593	22.3%	762	29.5%	753	28.4%
Other	17	0.6%	18	0.7%	24	0.9%	23	0.9%
Other Christian	53	1.9%	54	2.0%	76	2.9%	73	2.8%
Preferred Not to Say	135	4.9%	123	4.6%	138	5.3%	133	5.0%
Roman Catholic	149	5.4%	148	5.6%	189	7.3%	199	7.5%
Buddhist	0	0.0%	0	0.0%	-	-	-	-
Muslim	0	0.0%	0	0.0%	-	-	-	-
Not known	1372	49.6%	1275	47.9%	838	32.4%	917	34.6%
Total	2768	100.0%	2664	100.0%	2585	100.0%	2650	100.0%

Table 11: Sexual orientation

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Heterosexual/Straight	1230	44.4%	1227	46.1%	1538	59.5%	1534	57.9%
Not Heterosexual/Straight	18	0.65%	22	0.8%	0	0.0%	0	0.0%
Bisexual	0	0.00%	90	3.4%	7	0.3%	7	0.3%
Gay Man	0	0.00%	0	0.0%	9	0.3%	9	0.3%
Gay Woman/Lesbian	0	0.00%	0	0.0%	14	0.5%	13	0.5%
Other	0	0.00%	0	0.0%	5	0.2%	-	-

Preferred Not to Say	121	4.37%	114	4.3%	127	4.9%	122	4.6%
Not Known	1399	50.54%	1211	45.5%	885	34.2%	962	36.3%
Total	2768	100	2664	100	2585	100	2650	100

Table 12: Marital status

	2017		2018		2019		2020	
	No.	%	No.	%	No	%	No	%
Civil Partnership	15	0.54%	17	0.64%	16	0.6%	15	0.6%
Married	923	33.35%	885	33.22%	1100	42.6%	1072	40.5%
Not Married	305	11.02%	326	12.24%	443	17.1%	427	16.1%
Other	90	3.25%	89	3.34%	95	3.7%	97	3.7%
Preferred Not to Say	54	1.95%	52	1.95%	56	2.2%	53	2.0%
Single	107	3.87%	103	3.87%	131	5.1%	159	6.0%
Not Known	1274	46.0%	1192	44.7%	744	28.8%	827	31.2%
Total	2768	100	2664	100	2585	100	2650	100



Equal Pay Policy Statement 2017 General Introduction

The public sector duty to promote equality requires Clackmannanshire Council to develop and publish an Equal Pay Policy Statement on how it is meeting its duty, having due regard to the need to eliminate unlawful discrimination, particularly in relation to employment and pay.

Clackmannanshire Council is therefore committed to developing, maintaining and supporting a policy of equal opportunity in employment and will treat all staff fairly irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Equal Pay Statement

Clackmannanshire Council's equal pay statement is:

"Clackmannanshire Council is committed to the principles of equal pay for all our employees and aims to eliminate any bias in our remuneration/reward packages"

Commitments and Objectives

Clackmannanshire Council will ensure that there are no unfair, unjust or unlawful practices that impact on reward.

Where any inequality may arise, the Council will investigate promptly and ensure appropriate remedial action is taken if required.

In order to achieve our equal pay objectives, the Council will:

- Ensure that all staff doing work of equal value receive the same level of pay, unless an objective reason exists for any difference;
- Reduce any identified pay gap;
- Review organisational pay structures to identify and remove barriers which may result in occupational segregation e.g. monitor our equality profile and encourage under represented groups to apply for posts;
- Ensure recruitment and employment practices promote equality and are free from discrimination;
- Review benefits to ensure all staff have equitable access e.g. pension, occupational sick pay, OH, Counselling;
- Ensure that all staff have fair and equal access to training and development opportunities;
- Work in partnership with Trade Unions.
- In order to achieve our objectives the Council will continue to/will undertake a range of activities:
- Implement a revised pay, grading and benefits structure, which includes a new framework of job families and role profiles;
- Measure the role profiles using a recognised analytical job evaluation scheme and an analytical, systematic and objective mechanism to assess, assign, analyse and allocate current jobs to the new framework;
- Introduce arrangements for the ongoing governance and monitoring of the pay grading and benefits structure and take remedial action where appropriate;

- Gather information on protected characteristics including, but not limited to, race and disability and review to identify potential areas of occupational segregation and take action as appropriate.
- Provide training and guidance for those involved in making decisions about the application of the pay, grading and benefits provisions;
- Inform employees of how these practices work and how their own pay is determined;
- Monitor the uptake of training and development opportunities and improve access to training programmes;
- Analyse complaints and grievances including, pay, harassment, recruitment and training;
- Conduct equality impact assessments on all employment policies;
- Examine the barriers to employees advancing to senior level posts and take positive action to remove them;
- Raise employee awareness of equalities duties for both employment and Service delivery requirements;
- Annually review our reward policy and practice so that trends and any anomalies are identified, investigated and resolved;
- Respond to grievances and other concerns on equal pay as a priority .

2. Complaints and Grievances

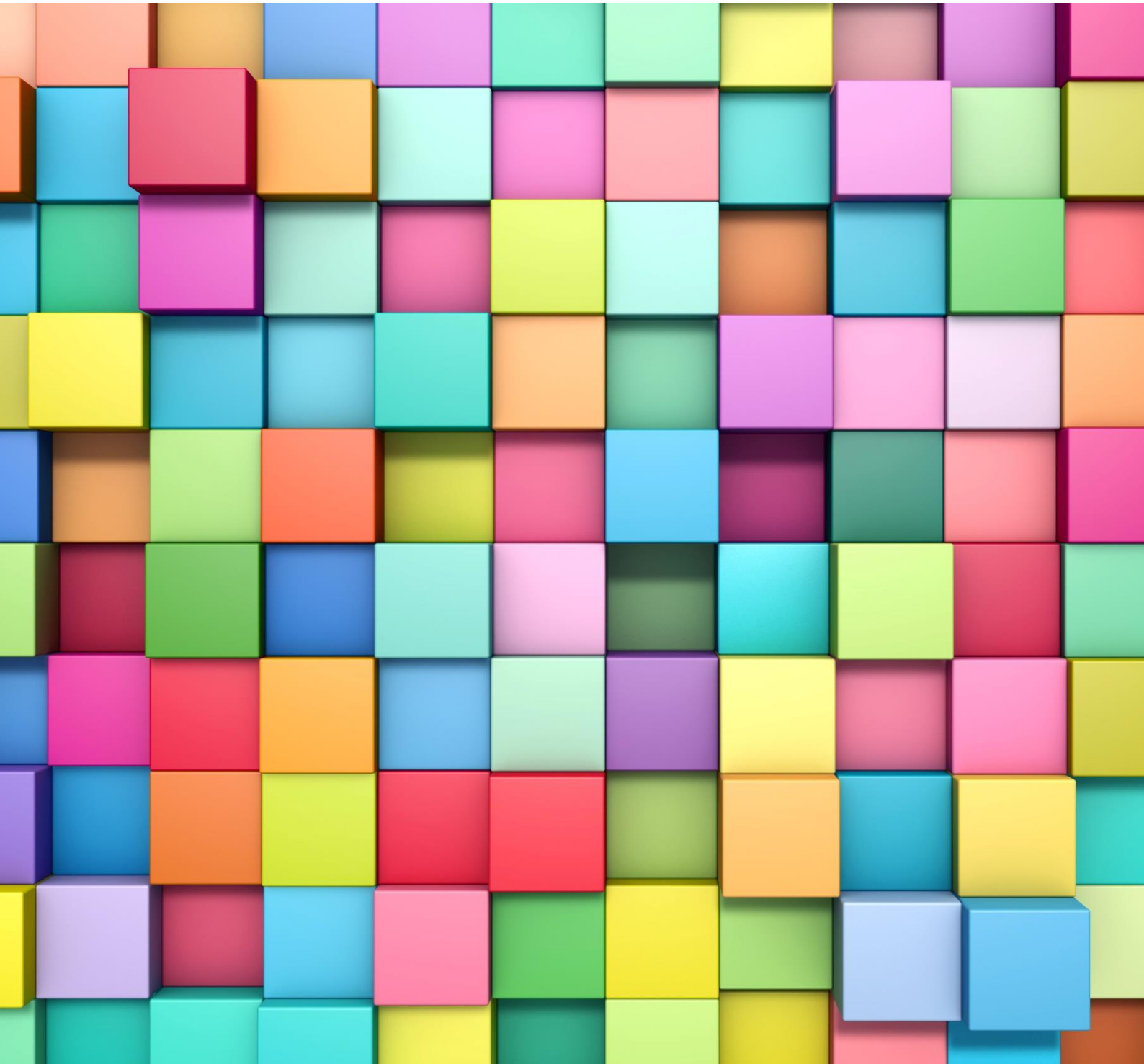
Any complaint about a breach of the equal pay policy should, in the first instance, be made to the relevant line manager. If these informal approaches do not satisfy the employee the complaint may be dealt with through the Council's Grievance Procedure.

The Council will work in partnership with the recognised Trade Unions to find resolutions to any legitimate concerns regarding equal pay.

3. Monitoring

The Human Resources Leadership Team will review equal pay audit findings. Statistical information and trends (including the incidence and type of complaints) will be reviewed annually.

Mainstreaming Equality and Diversity in Clackmannanshire: Outcomes for 2021/25.



**Clackmannanshire
Council**

www.clacks.gov.uk

Comhairle Siorrachd
Chlach Mhanann

Mainstreaming Equalities Outcomes 2021-2025

Under the Public Sector Equalities duties Clackmannanshire Council is required to publish new Mainstreaming Equalities Outcomes every 4 years.

Significant progress has been made by Clackmannanshire Council over the past 4 years with promoting equality and addressing inequality at the centre of our strategic planning landscape and at the heart of the outcomes we are seeking to achieve. As an employer we have also made significant strides forward through our Workforce Strategy and a range of new policies seeking fairness and equality for employees across all services.

We recognise however, that there are still improvements we can make. We are seeking to achieve that through delivery of our Equality Outcomes and Priority Actions set out below, but also through the following key strategies, all of which have a specific equality focus. These plans can be accessed by clicking on the links below:

- Community Wealth building Action Plan
- British Sign Language Action Plan
- National Improvement Framework
- Local Outcome Improvement Plan (being refreshed in 2021)
- Corporate Plan and Be the Future
- Local Child Poverty Action Plan
- Community Justice Action Plan
- Children's Services Plan (being refreshed in 2021)
- The Promise (under development in 2021)
- Workforce Strategy
- Gaelic Language Plan
- Sport and Active Living Framework
- Be the Future Strategic Roadmap
- Stirling and Clackmannanshire City Region Deal Skills and Inclusion Programme

Along with our partners, Clackmannanshire is seeking to better integrate our strategic plans to ensure a consistent focus on key priorities where we want to make a real change. We want to streamline our plans to develop one clear strategic plan for Clackmannanshire underpinned by clear delivery plans and transformational priorities.

It is important therefore that our Mainstreaming Equalities outcomes and priorities reflect those set out in our new Local Outcome Improvement Plan (LOIP) and Corporate Plan 2019/23. Through our Wellbeing Economy work with Scottish Government and our strategic partners we will review our strategic outcomes in 2021/22 and these will be set out in our new LOIP and Corporate Plan.

Our current Strategic aims are set out here:

Our Vision

Be the Future Where we will be a valued, responsive, creative organisation, through collaboration, inclusive growth and innovation, to improve the quality of life for every person in Clackmannanshire

Our Priorities

We will achieve our vision through prioritising:

- Inclusive Growth, Jobs & Employability
- Reducing Child Poverty
- Raising Attainment
- Sustainable Health & Social Care
- Empowering Families & Communities
- Organisational Transformation

Our Outcomes

These priorities are aimed at realising our vision; however, they also are the Council's contribution to delivering on better outcomes for Clackmannanshire in our Local Outcomes Improvement Plan (LOIP) 2017-27:

- 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.

Strategic Performance Framework

Our Corporate Plan sets out our key performance measures which we report on annually. Information on the Council's performance reports can be found here

<https://www.clacks.gov.uk/council/performance/>

Meeting our Equalities Duties

The Equality Act 2010 protects people from unfair treatment because of nine protected characteristics and requires public bodies to show how they make a positive difference to different groups of people. The legislation aims to protect all citizens from unlawful discrimination. The nine protected characteristics are:

- Age
- Disability
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion and Belief
- Sex
- Sexual Orientation

The Equality Act 2010 requires all public bodies to take account of the need to:

- Eliminate discrimination, harassment and victimisation
- Advance Equality
- Foster good relations between different groups.

The framework below sets out the consolidated Equalities and Diversity outcomes and priority actions that Clackmannanshire Council is working towards to meet our strategic

outcomes. This framework also shows clear links to the Public Sector Equalities Duties. This framework will provide the basis for reporting our progress in line with our statutory requirements in 2023 and 2025. Where actions are being taken forward by Clackmannanshire Council as part of agreed strategies and plans the linkages to these areas of work are clearly stated.

Clackmannanshire Council Equality Outcomes for 2021/25 are:

- 1) We will work alongside our partners to reduce socio-economic disadvantage faced by families and communities in Clackmannanshire.**
- 2) We will have strong, vibrant and inclusive communities where citizens have a sense of belonging and identity.**
- 3) We will reduce the attainment and achievement gap for pupils and young people with protected characteristics and those living in poverty.**
- 4) Clackmannanshire Council has increased knowledge and capacity about equality, diversity and poverty and meets its responsibilities and duties under the Equality Act 2010.**
- 5) In Clackmannanshire people will feel equally safe from harm.**
- 6) Clackmannanshire Council is inclusive and values and respects all employees equally.**
- 7) Access to Council services will be improved for citizens with a protected characteristic in Clackmannanshire.**

Review of Evidence

Like many other organisations, responding to the global Covid pandemic has interrupted the approach we would normally take to consult on the development of our Equalities Outcomes and Priority Actions. We have however collected a significant amount of data over the past two years which has helped shape our Equality Outcomes. This has included Equality and Fairer Scotland Impact Assessments; consultation and engagement activity; survey results and national, regional and local data on our customers, communities and workforce.

If you require this document in an alternative language or format please contact Clackmannanshire Council on 450000 or email customerservice@clacks.gov.uk

1) Equality Outcome: We will work alongside our partners to reduce socio-economic disadvantage faced by families and communities in Clackmannanshire.	
Strategic Outcome/s: 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.	
Strategic Priorities: Inclusive Growth, Jobs & Employability, Reducing Child Poverty, Raising Attainment, Empowering Families & Communities, Organisational Transformation	
Equality Duty: Advance Equality; Foster good relations between different groups.	
<u>Priority Action Areas</u>	<u>Linked Strategies</u>
a) We will deliver a wellbeing economy for Clackmannanshire with inclusive growth and community wealth building at its heart. This will include the development of a good employment charter for Clackmannanshire and specific work to target gender justice across the County.	Local Outcome Improvement Plan Community Wealth building Action Plan
b) Working alongside our Community Planning Partners and through the Tackling Poverty Partnership we will deliver our commitments to reduce Child Poverty in Clackmannanshire. This will include specific work to develop the newly formed Clackmannanshire Food Partnership and a food resilience action plan for Clackmannanshire.	Local Child Poverty Action Report Local Outcome Improvement Plan.
c) We will continue to provide support services for people disproportionately impacted by the Covid pandemic including on welfare and financial assistance; food; advice and support on employment, redundancy and money.	Local Child Poverty Action Report
d) We will build on the achievements made in 2021 to reduce digital exclusion across protected groups and will publish a Digital Inclusion Strategy for Clackmannanshire by 2023.	Local Child Poverty Action Report
e) We will implement actions to tackle period poverty for all women and girls across	Local Child Poverty Action Report

Clackmannanshire.	Children's Services Plan
f) We will deliver our Skills and Inclusion programme as part of the Stirling and Clackmannanshire City Region Deal. This programme will support people with protected characteristic into skills and support programme for employment.	Stirling and Clackmannanshire CRD Skills and Inclusion Programme.
2) Equality Outcome: We will have strong, vibrant and inclusive communities where citizens have a sense of belonging and identity.	
Strategic Outcomes: Our communities will be resilient and empowered so that they can thrive and flourish.	
Strategic Priorities: Empowering Families & Communities;	
Equality Duty: Advance Equality; Foster good relations between different groups.	
<u>Priority Action Area</u>	<u>Linked Strategies</u>
a) We will work with local organisations to help raise awareness of local cultural heritage in Clackmannanshire.	Mainstreaming Equalities
b) We will deliver our Gaelic language plan to promote the heritage and history of language and place in Clackmannanshire.	Gaelic Language Plan
c) We will develop awareness raising activities in support of national campaigns such as International Women's Day, Challenge Poverty Week, LGBT + History, World Mental Health Day amongst others to raise awareness and support across Clackmannanshire.	Mainstreaming Equalities
d) We will use place based approaches to develop a transformation zone as part of a long term masterplan for Alloa. This will contribute to inclusive growth approaches by creating new health. Wellbeing and educational facilities along side increasing its attractiveness as a place to live and creating skills and employment opportunities.	Be the Future

e) Deliver a transformation zone in an SIMD area which centres around sustainable food growing (including community food growing) and renewable energy generation which contributes to helping families living in poverty.	Be the Future
3) Equality Outcome: We will reduce the attainment and achievement gap for pupils and young people with protected characteristics and those living in poverty.	
Strategic Outcome: 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.	
Strategic Priorities: Reducing Child Poverty; Raising Attainment.	
Equality Duty: Eliminate discrimination, harassment and victimisation; Advance Equality	
<u>Priority Action Area</u>	<u>Linked Strategies</u>
a) We will deliver targeted support to young mothers in Clackmannanshire to help them achieve their full potential in learning and employment.	Children's Services Plan
b) We will develop integrated Promise and Child Poverty action plans as part of our overall approach to Children's Services Planning in Clackmannanshire.	Children's Services Plan
c) We will roll out the Cost of the School Day Toolkit to all Education establishments across Clackmannanshire.	Children's Services Plan
d) We will implement action plans on delivering change in mental health and wellbeing for children and young people.	Children's Services Plan
e) We will implement MCR pathways to address outcome gaps between care experienced young people and their peers.	Children's Services Plan
f) We will improve access to sport and leisure activities for young people with protected characteristics.	Sport and Active Living Framework.

	Be the Future
4) Equality Outcome: Clackmannanshire Council has increased knowledge and capacity about equality, diversity and poverty and meets its responsibilities and duties under the Equality Act 2010.	
Strategic Outcome: Our communities will be resilient and empowered so that they can thrive and flourish.	
Strategic Priorities: Organisational Transformation	
Equality Duty: Advance Equality	
<u>Priority Action Area</u>	<u>Linked Strategies</u>
a) We will take into account equality, diversity and poverty when planning and developing services and making decisions and we will clearly publish information on our processes for doing so.	Mainstreaming Equalities
b) The Council will publish and promote its Licensing Board Equality and Diversity Policy.	Mainstreaming Equalities
c) We will provide staff and elected members with a sound understanding of the Equality Act and Public Sector Duties (and associated legislation) as part of induction and learning and development.	Mainstreaming Equalities
d) We will identify and assess Equalities training needs of our workforce and provide refresher training on Equality and Fairer Scotland Impact Assessments.	Mainstreaming Equalities
e) We will review capacity and knowledge across the organisation to deliver our Equalities duties (and associated legislation) and agree an improvement plan.	Mainstreaming Equalities
5) Equality Outcome: In Clackmannanshire people will feel equally safe from harm.	
Strategic Outcome: 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.	
Strategic Priorities: Empowering Families & Communities;	

Equality Duty: Eliminate discrimination, harassment and victimisation; Advance Equality; Foster good relations between different groups	
<u>Priority Action Area</u>	<u>Linked Strategies</u>
a) We will work with our partners to deliver Equally Safe and ensure appropriate plans are in place to address domestic abuse.	Equally Safe
b) We will continue to implement Safe and Together across Clackmannanshire.	Children's Services Plan
c) We will work with our Community Justice partners to deliver our Community Justice Improvement Plan 'Resilience in the face of Adversity'.	Community Justice Improvement Plan.
d) We will develop plans to implement appropriate actions from the newly passed Hate Crime (Scotland) Act 2021.	Mainstreaming Equalities
6) Equality Outcome: Clackmannanshire Council is inclusive and values and respects all employees equally.	
Strategic Outcome: Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all;	
Strategic Priorities: Organisational Transformation	
Equality Duty: Eliminate discrimination, harassment and victimisation; Advance Equality	
<u>Priority Action Area</u>	<u>Linked Strategies</u>
a) We will build confidence in our staff to ensure disclosure of sensitive information in order to improve the data that we hold on our staff in order to better inform our decision making processes.	Mainstreaming Equalities
b) We will undertake a mapping and diversity exercise and seek to better understand and reflect the community in our workforce.	Community Wealth building Action Plan
c) We will continue to support the health and wellbeing of our workforce through implementation of our action plan and implementation of our tool kit developed in 2021.	Workforce Strategy

d) We will evaluate hard to reach employee groups (with protected characteristics) to understand barriers and improve engagement and internal communications.	Workforce Strategy Communications Strategy
e) We will work towards Healthy Working Lives continued accreditation.	Workforce Strategy
f) We will explore options to work with a relevant agency to develop an LGBTQ inclusive workforce across Clackmannanshire Council.	Mainstreaming Equalities
g) We will continue to demonstrate our Disability Confident Employer Status and continue to strive to make improvements where we can.	Workforce Strategy
h) We will review our workforce policies on a programmed basis to ensure that they promote equality for all employees at Clackmannanshire Council.	Workforce Strategy
i) We will ensure that all our workforce complete mandatory Equality and Diversity training each year.	Workforce Strategy
7) Equality Outcome: Access to Council services will be improved for citizens with a protected characteristic in Clackmannanshire.	
Strategic Outcome: Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all; Our communities will be resilient and empowered so that they can thrive and flourish.	
Strategic Priorities: Empowering Families & Communities; Organisational Transformation	
Equality Duty: Advance Equality; Foster good relations between different groups.	
<u>Priority Action Area</u>	<u>Linked Strategies</u>
a) We will further develop our knowledge of representative groups to ensure that our consultation on equality impacts is meaningful and can genuinely inform decision making.	Mainstreaming Equality
b) We will implement our British Sign Language Plan 2018/24 and report and publish our progress.	British Sign Language Plan

c) We will work with local organisations to review our Council buildings to ensure that they are accessible for people with a disability.	Mainstreaming Equality
d) We will improve access to services for gypsy travelling families in Clackmannanshire.	Mainstreaming Equality
e) We will review our customer charter to reflect our commitment to improving services for customers with a protected characteristic and will ensure that our customers are informed about how to influence decisions and services that matter to them and how they can access Council services.	Mainstreaming Equality Customer Charter

Report to Council

Date of Meeting: 19 August 2021

Subject: Household Waste & Recycling Collection Policy

Report by: Strategic Director (Place)

1.0 Purpose

- 1.1. At the full Clackmannanshire Council meeting on Thursday 22 April, the Convener of Place tabled a motion seeking a review to:
- Set out clearly the range of issues associated with household waste collection and the proposed approach to be taken by the Council.
 - Enable Councillors to determine an appropriate policy position which takes into account the pressures and demands upon the Service.
 - Respond to the needs and aspirations of the Clackmannanshire public.
- 1.2. The purpose of this report is to set out the outcome of this review, together with the rationale for the revised policy; and to gain approval of the proposed Household Waste and Recycling Collection Policy (Appendix 1).

2.0 Recommendations

- 2.1. It is recommended that the Committee:
- 2.2. Approves the proposed Household Waste and Recycling Collection Policy (Appendix 1);
- 2.3. Approves the removal of restrictions on non-commercial vehicles at the Forthbank Household Waste and Recycling Centre (HWRC);
- 2.4. Notes that the Waste Service will review the current practice of requiring photographic personal identification for customers entering the Forthbank HWRC; and that a report will be considered at the Place Committee meeting on 4th November 2021;
- 2.5. Notes that the current arrangements for the disposal of soil and rubble will be reviewed to ensure that the site serves the requirements of our residents while fully encouraging safe disposal and effective re-use and recycling. A report will be considered at the Place Committee meeting on 4th November 2021;

- 2.5.1. Notes the ongoing national review of the Code of Practice – Household Recycling in Scotland;
- 2.5.2. Notes the Options Appraisal being undertaken on our waste collection activities in collaboration with Zero Waste Scotland.

3.0 Considerations

- 3.1. Following community feedback via informal/formal complaints, social media and comments made to elected members, there were perceived issues with the performance of the service. While the website contained most of the rules and procedures that have been developed over time, it was recognised that there was a clear need to have a supporting Policy - one that everyone, including the public could refer to for guidance.
- 3.2. Following the emergency motion tabled by the Place Convenor, it was widely agreed by all parties that a policy that pulls all elements together in a clear and concise manner was required.
- 3.3. The Policy aims to satisfy both elected members and the residents of Clackmannanshire. The outcome of the Policy is to address any additional supports that may be needed but also ensure the Council can comply with Government recycling targets and deliver an efficient and effective service.

Household Waste and Recycling Review

- 3.4. This Review is focused on a number of areas of concern identified through the Motion, with a primary objective of consistency and clarity being applied throughout, the key issues being:
 - Bin provision (Standard and Additional Supports) & Collection frequencies
 - Presentation, contamination & excess weight issues
 - Timescales and procedures for missed bins
 - Sanctions
 - Bulky uplifts
 - Public Expectation and needs.

Bin Provision & Collection Frequency

- 3.5. The household waste collection service currently operates a three bin system and a caddie. The table below clarifies existing bin size and collection frequencies:

Service	Frequency	Standard Provision
Residual Waste (Green Bin)	3 weekly	240 litre bin
Recyclables (Blue Bin)	2 weekly	240 litre bin

Garden Waste (Brown Bin)	3 weekly (Permit Only)	240 litre bin
Food Waste (Green Caddie)	Weekly	23 litre caddie

Additional Supports

3.6. The Service recognises that standard waste bin provision is not suitable in all circumstances. Examples of this include large households (or households with children in nappies), residents generating medical waste, residents with mobility issues, intensive housing (flatted properties), and difficult to access (e.g remote rural) or unique locations. The Service also needs to be able to assist people with mental or physical health issues. The additional support services currently available to such residents include:-

- Provision of additional capacity
- Assisted collections
- Communal bins
- Different collection frequencies
- Provision of single use sacks.

3.7. There are procedures and criteria in place to enable residents to apply for non-standard services and / or for Officers to provide additional supports. The detailed information and process can be found within the council web page:

<https://www.clacks.gov.uk/environment/wasteserviceshome>

3.8. Summary of key Areas of Change:

Additional Capacity

3.9. The Service previously supplied additional residual waste capacity (green bin) for households of 4 or more residents. However this is not sustainable due to the stringent recycling targets, and our Duty in relation to Climate Change. The proposed change from 4 to 6 residents brings the Service in line with the Code of Practice.

Presentation, Contamination & Excess Weight Issues

3.10. Collection crews service over 24,000 properties during a standard weekly collection route. While residents may be able to move a heavy bin in isolation, the Service has a duty of care and legal requirement for the health & safety of our employees. The biggest risk is the cumulative impact this can have on musculoskeletal injuries, which has to be managed and controlled.

3.11. The Waste Service has currently has a high proportion of absence related to musculoskeletal injuries. Therefore crews are trained in manual handling techniques and conduct dynamic risk assessments. For this reason operatives are instructed as part of their operating procedures to not service bins which they consider to be excessively heavy. This hazard is not limited

to the employee but also a consideration for the load capacity on our waste fleet. This position is reflected in the proposed policy.

- 3.12. The policy also provides guidance on what constitutes an overfilled bin. Feedback from various sources indicates that people are looking for clarity and consistency of application. The only effective way of providing this clarity is to adopt a standard whereby the bin lid must be fully closed when presented. A further benefit of presenting bin lids closed is the reduction in the likelihood of excess waste being blown onto footways and carriageways, thus reducing complaints in relation to street litter. By doing this we can encourage residents to produce less waste, consistent with the Council's current waste strategy (Zero Waste Strategy 2012-2022) and the recommendations within the National Code of Practice on Waste and Recycling.
- 3.13. Data recorded in April and May show that the incidence of tagged green bins in relation to the overall collection numbers is very low – typically around one or two tenths of a percent. This demonstrates that the vast majority of our citizens know the standard that they are asked to comply with and engage correctly with our process.

Week Start Date	Number of Green Bins Tagged (lid-up or overweight)	Number of Green Bins Collected	Percentage of Green Bins Tagged
19 April	17	7825	0.217%
26 April	12	7277	0.165%
3 May	1	7356	0.0136%
10 May	11	8230	0.1337%

- 3.14. **Tagged Bins** – Residents will now be afforded one opportunity to rectify any tagged bin. The Council will arrange to re-collect the bin within 5 working days if the resident has rectified the issue. Records will be retained to support this. Any further tagging will mean that the resident will need to re-present their bin at their next scheduled collection date.
- 3.15. Residents should use the Recycling Centre for items that cannot go in their standard bins. The financial implications of enforcing these measures are significant. For example it is approximately 20 times more expensive per tonne to process and dispose of soil and rubble via the residual waste stream (Green Bin).
- 3.16. Details of exactly what should and should not be placed in each type of bin are contained within the Council Website :
- <https://www.clacks.gov.uk/environment/greenbin/>
 - <https://www.clacks.gov.uk/environment/bluebins/>
 - <https://www.clacks.gov.uk/environment/brownbinpermit/>
 - <https://www.clacks.gov.uk/environment/foodwastecollection/>

Timescales and Procedures for Missed Bins

- 3.17. Where a resident reports that the Council has missed their bin and where this is not attributable to the actions of the resident, the Council will endeavour to return for missed bins within 5 working days.
- 3.18. Our fleet of refuse collection vehicles are soon to be fitted with CCTV cameras and each report will be investigated. This will enable the Service to address inaccuracies and identify training or educational requirements.

Bulky Uplifts

- 3.19. The Service provides a Bulky Uplift service with the aim of assisting residents to dispose of items which are too large to fit into household waste bins. Over recent years this has been misused and in danger of becoming an excess waste collection service. The increase in the volume of such requests endangered the sustainability of the service and resulted in detriment to those residents who wished to utilise the bulky uplift service for its true function.
- 3.20. The uncontrolled collection of excess waste (black residual waste bags) is not a sustainable practice in light of national recycling targets and the move towards zero waste from operations.
- 3.21. The implementation of the 2025 Landfill Ban will introduce further regulation on the control of residual waste. It is no longer practicable for the Council to collect bulky waste alongside excess waste during any uplift, as the cost and resource of pre-sorting prior to final waste treatment is prohibitive.
- 3.22. The Service has therefore developed more stringent criteria which will ensure that a sustainable and efficient bulky waste service is retained for our customers. The current £40 fee will entitle residents to dispose of up to 8 bulky items as part of a single uplift. The introduction of a maximum number of items prevents further misuse of the service (such as for kitchen replacement or full household clearances). A list of acceptable items is included within the Policy.

Public Expectation and Needs

- 3.23. The Service will investigate each enquiry in relation to lack of service in line with the Council's Customer Charter.
<https://www.clacks.gov.uk/site/documents/councilperformance/customercharter/>
All complaints will be handled in line with the Council's Complaints Handling Procedure:
<https://www.clacks.gov.uk/site/documents/customerfeedback/clackmannanshirecouncilscomplaintshandlingprocedure/>
- 3.24. Where an enquiry of complaint is upheld, the Service will endeavour to resolve the matter as soon as possible (within a maximum of 5 working days where practicable).

- 3.25. The public can also report missed bins via the website:
<https://www.clacks.gov.uk/council/reportit/>
- 3.26. The Service appreciates that missed or tagged bins may cause significant concern and therefore measures are in place to enable Officers to quickly investigate any allegations of failure on the Services part. This process will be supported via a new Waste Customer Services Review Group that will assess any additional requests or appeals on decisions made. This will support vulnerable people or those who struggle to comply with the Policy.
- 3.27. The terms of reference for the group are set out in the Policy. The group is to be set up on a trial basis for 12 months and reviewed thereafter.

National Policy Development

- 3.28. Agreement for the Council to sign up to the Household Recycling Charter was reached at Enterprise and Environment Committee on 19 May 2016. The Council officially signed up to the Charter on April 2017. The Code of Practice: *Household Recycling in Scotland* sets out a number of requirements that signatories of the Household Recycling Charter are expected to follow. This Household Waste Review and Council Policy is intended to further align our activities with the current Charter and associated Code of Practice.
- 3.29. In partnership with the Scottish Government, Zero Waste Scotland are currently undertaking a review of the Code of Practice for Household Recycling in order to accelerate improvement in both the quantity and quality of recycling that local authorities are collecting; and to support the provision of more consistent collections. The outcome will require further consideration later in 2021.
- 3.30. As part of the longer term aim to make Scotland a zero waste society with a circular economy, the Scottish Government has several ambitious targets for reducing waste and increasing recycling. By 2025 the aim is to:
- reduce total waste arising in Scotland by 15% against 2011 levels
 - reduce food waste by 33% against 2013 levels
 - recycle 70% of remaining waste
 - send no more than 5% of remaining waste to landfill.
- 3.31. Clackmannanshire Council continues to achieve a reasonably high recycling rate with 55.4% in 2019. This is indicative of good practice and compliance in relation to recycling capture and treatment. However collaborative leadership across the council is required to support and bolster local efforts to tackle climate change and to enable the Service to achieve our national recycling targets for 2025.
- 3.32. Further commitment, support and education are required to encourage and drive further change in behaviour. For example, at present, the Service does not tag Residual Waste bins (Green Bins) as contaminated. This may require to be reassessed in the future as the Government targets are further tightened.

- 3.33. The proposed Policy is fully in-line with the Charter for Household Waste and provides a clear unambiguous foundation to drive further improvement in our recycling.

Zero Waste Scotland Options Appraisal

- 3.34. In order to enable the Council to achieve National Zero Waste targets, the Service is currently undertaking an options appraisal on all of our waste streams through a consultancy service funded by Zero Waste Scotland.
- 3.35. This appraisal will be completed by the end of 2021 and will also consider the effects of the Deposit Return Scheme and Extended Producer Responsibility on our waste collection activities. Our objective is to reduce the volume of waste generated and improve the quantity and quality of materials captured in line with national government policy. This will also help minimise collection and disposal costs associated with the Waste Service. Issues to be considered within the appraisal include:-
- Exploring how source separation of cardboard / paper from other recyclates could be achieved, as this improves both the quality and value of the materials recovered.
 - Identifying approaches to encourage a reduction in the levels of residual waste being presented. This will include phasing out of 360 litre residual waste bins
 - Development of a graduated costing model for bulky waste collections.

Forthbank Recycling Centre

- 3.36. The Service implemented an appointment system for all vehicles visiting the Household Waste Recycling Centre when it reopened following lockdown (June 2020). These restrictions were eased in Autumn 2020 but retained for larger vans and those residents using large trailers. This was initially to assist with social distancing and traffic management but was retained due to the improvements noted on site in relation to recyclable material recovery. However due to public demand, it is proposed to remove these restrictions on non-commercial vehicles.
- 3.37. During the pandemic, staff identified as non-essential from other areas of the Service, have assisted within the Recycling Centre. This has proven beneficial in reducing contamination within the recycling containers. The Service has identified that full-time staff resources will be required to counter the adverse effects of removing the current controls on larger vehicles, to ensure that effective re-use and recycling is maintained and to prevent unauthorised commercial activity under the guise of domestic use. Budget availability will be reviewed and standard business case/recruitment approval processes will apply for any additional posts that are required.
- 3.38. The Service will review the current practice of requiring photographic personal identification to enter the site and consider the alternatives or reverting to Household Access Cards and/or the use of QR-code technology. This review will seek to identify best practice in place at other recycling centres across the UK. Need to commit to when we are coming back with an update. A report will be considered at the Place Committee meeting on 4th November 2021.

- 3.39. There has been significant transformation within the Recycling Centre due to both Covid-19 and improvements to the upper level of the site. Current arrangements for the disposal of soil and rubble will be reviewed to ensure that the site serves the requirements of our residents while fully encouraging safe disposal and effective re-use and recycling. A report will be considered at the Place Committee meeting on 4th November 2021.

Communication Strategy

- 3.40. Communications will form an integral part of the recycling service and the Review considers the following steps to be taken:

- Clearly explain to all householders what services we provide what residents responsibilities are and what we can do to support them
- Deliver service information to householders periodically
- Provide clear instructions to householders on what can and cannot be recycled.

- 3.41. The Communications Strategy will require to take cognisance of the timings and associated outcomes not only of this Review but also the outcomes from the Household Charter Code of Practice review and the current options appraisal being conducted by Zero Waste Scotland. Further changes therefore may be required in the future to our Policy. This will likely be focused on the Reduce, Re-use, Recycle principle.

4.0 Sustainability Implications

- 4.1. Waste Services are seeking to implement measures focusing on reducing, re-using and recycling waste as far as reasonably practicable. This reflects directly on the four strategic priorities in the Council's Sustainability and Climate Change Strategy.

5.0 Financial Implications

- 5.1. The Communications Strategy will result in additional costs for supply of leaflets/flyers to our residents. This will be incorporated into existing budgets.

6.0 Staffing Implications

- 6.1. Assistance will be required from Corporate Communications to enable the distribution of promotional and educational materials.

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)

Yes ✓

(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 ✓

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

Appendix 1 : Waste Policy 2021

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 ✓

Waste (Scotland) Regulations 2012

<http://www.legislation.gov.uk/ssi/2012/148/contents/made>

New Climate Change Plan

<https://www.gov.scot/publications/scottish-governments-climate-change-plan-third-report-proposals-policies-2018-9781788516488/>

Scottish Government Recycling Policy

<https://www.gov.scot/policies/managing-waste/>

Charter for Household Recycling

<https://www.zerowastescotland.org.uk/content/charter-household-recycling>

Author(s)

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Approved By

NAME	DESIGNATION	SIGNATURE
Pete Leonard	Strategic Director Place	



Appendix 1

Household Waste & Recycling Collection Policy May 2021

1. Introduction

The objective of this Policy is to help provide a fair, consistent and supportive Waste Service for the people of Clackmannanshire. The Policy helps support a more circular economy by developing a more efficient service with increased quality and quantity of recycling collected.

The Service aims to:-

- Improve our household waste and recycling services to maximise the capture of, and improve the quality of, resources from the waste stream, recognising the variations in household types and geography to endeavour that our services meet the needs of all residents.
- Encourage and work with residents to actively participate in recycling and utilise fully the services provided.
- Operate our services so that our staff are safe, competent and treated fairly with the skills required to deliver effective and efficient resource management on behalf of our communities.
- Deliver a high quality, reliable, consistent & responsive customer service that meets the needs and aspirations of the people of Clackmannanshire.

In the journey towards meeting our national recycling targets 2025 and contribute to the outcomes of the Household Recycling Charter, the Service aims to provide clarity on the services that residents in Clackmannanshire will receive.

Due to the significant changes in national policy and practices within the waste industry at present, the Service envisages that there may be significant and regular changes to our collection activities over the next few years. It is clear that improved communication with our residents is required to aid this transition process and ensure we comply with legislation and the waste charter.

2. Standard Service Provision

The standard waste and recycling collection services provided to households by Clackmannanshire Council are detailed in full on the Council website and summarised in the table below:

<https://www.clacks.gov.uk/environment/wasteserviceshome>

Bin colour	Bin capacity	Collection frequency	Material to be collected
Green	240 litres	Every 3 weeks	Non recyclable household waste
Blue	240 litres	Every 2 Weeks	Plastic bottles and food containers, card, paper, aluminium and steel cans
Grey caddy	23 litre & liners	Weekly. A small 7 litre kitchen is also available to assist with collection of waste, and the Council will provide food bags free of charge	Cooked and uncooked food--stuff
Brown bin	240 litres	Every 3 weeks – March to November. Service requires payment for permit and is available to eligible properties	Plant waste e.g. grass, hedge cuttings, small branches, flowers

Blue box (50 litre) is collected every 4 weeks and is only available to residents who receive Assisted Collection Service. Glass bottles and jars

3. **Alternative Collections**

Where it is not practical to provide the standard bin collection service, the following alternative services may be provided where appropriate

Communal bins

Intensive housing areas, typically large blocks of flats, may be provided with communal bins for non-recyclable waste, and communal recycling bins where quality recycling can be obtained. Collections are normally made weekly but local variations may apply.

Hard to access rural properties may also be provided with communal bins.

Waste sacks

For properties with no space to store bins, sacks for non-recyclable and recyclable waste may be offered. Collections of these are made weekly.

Non-recyclable waste bins only

Due to space constraints in some areas (e.g. Town Centres) where the provision of waste sacks may not be environmentally suitable and it is not possible to provide the standard bin collection service, households may be provided with bins for non-recyclable waste only.

Efforts will continue to allow such households to participate in waste separation and recycling in the future.

4. ***Additional Recycling Capacity***

Residents are encouraged to compact their recyclables and flatpack cardboard to maximise the amount of material which they can place in their recycling bins. If a household produces excess recyclable waste on a regular basis, the resident can apply for a larger bin (maximum 360 litres), supplied at no cost.

One additional food waste caddy may be supplied on request.

5. ***Additional Non-Recycling Capacity***

If a household produces excess non-recyclable waste on a regular basis, the resident can apply for additional capacity if they meet the following criteria:

- Households comprised of 6 or more permanent residents;
- Where significant non-recyclable healthcare or medical wastes (pads) are generated by any member of the household , or;
- Two or more young children in a household require the use of disposable nappies;
- Under exceptional circumstances identified by a Waste Officer and authorised by the Waste Team Leader.

This process is required to align the Service with the Code of Practice and to further encourage recycling within our communities.

6. ***Presentation, Storage & Emptying of Bins***

The householder is required to present the appropriate bin(s) and caddy(s) with the lid closed at the kerbside (or agreed uplift location) by 7:00am on the day of collection.

Bin should be presented in such a way that they do not cause obstruction to pedestrians or road users. Operational staff will return the bins in such a way that they do not cause obstruction to pedestrians, road users or residents.

Incorrectly presented bins will be tagged by waste collection crews.

- Side waste will not be accepted i.e. excess bags.
- Overfilled and / or excessively heavy bins will not be accepted. Bins will be deemed to be overfilled if the lid is not fully closed.

Where bins are tagged, the problem must be rectified by the resident and the bin will be emptied on the next scheduled collection day.

Tags will be colour coded (green/brown/blue) and issued if required. Tags will be printed with contact details for further information and designed to enable the operational crews to highlight the reason for non-collection.



Residents will only be afforded one opportunity to rectify any tagged bin. The Council will arrange to re-collect the bin within 5 working days only if the resident has rectified the issue.

Any further tagging will mean that the resident will need to re-present their bin at their next scheduled collection date.

If the bin or container has been damaged or lost due to negligence by the householder we may make a charge for a replacement. When residents receive a replacement bin or container it may be a new, used or repaired one. Any bins and containers we find beyond repair are recycled

7. ***Contaminated Bins***

Where a recycling bin has been tagged as contaminated, the Service will advise the customer to remove any contamination before presenting for collection on the next scheduled collection day.

This practice is required to reduce inefficiencies and cost while encouraging recycling and the recovery of quality materials.

8. ***Missed Bins***

Where the bin has been missed due to a collection error, this should be reported by contacting the Customer Contact Centre after 4.00 pm on the scheduled collection day.

If the Council agree that the cause of the missed bin was a collection error the bin should be left at the usual presentation point, and the Council will return to collect it within 5 working days.

9. ***Garden Waste***

The Council has operated a chargeable garden waste collection service since March 2020. Residents subscribing to the chargeable garden waste collection service can also request additional brown bins if they need additional capacity. An annual permit will be required for each bin used for garden waste, which will be charged at the standard rate.

The subscription service runs for a period of 9 months from the first Monday in March until the last Friday in November. Full Terms and Conditions relating to the Garden Waste Service please visit are available at clacks.gov.uk.

10. ***Assisted Collections***

If all occupants of a household are unable to move their wheeled bins to/from the collection point due to health or medical reasons, the collection crew will provide an 'assisted collection' (also known as a 'pull out' service). For assisted collections, the collection crew will collect the wheeled bins from an agreed external location inside the boundary of the property and upon emptying of the bins, will return them to this location.

All assisted collections will be reviewed on a two yearly basis and should be cancelled if no longer required.

11. **Road End Collections**

For the majority of households across the Clackmannanshire area, waste containers will be collected from the edge of the kerbside outside the resident's homes. However, in some areas, particularly rural locations, roads may be either not be suitable for access by our collection vehicles (e.g. unsafe verges or no turning circles) or they may be 'unadopted' and therefore not maintained by Clackmannanshire Council.

In these circumstances householders in these locations will be asked to present their waste and recycling containers for collection at the end of their road. Officers will liaise with residents to identify suitable collection points and storage arrangements. In some instances, it may be possible for residents to store their waste containers in these locations permanently.

12. **Bulky Waste Service**

Clackmannanshire Council provide a chargeable bulky waste collection service for large household items that are too big to fit into a wheeled bin and cannot be transported to our Household Waste and Recycling Centre.

A maximum of 8 items will be uplifted on payment of the standard charge. The Service will not collect excess residual waste which should be disposed of through standard kerbside provision or via the Household Waste Recycling Centre. (Further details of accepted and not accepted items for a Bulky Uplift are contained on our website).

This change is required to further encourage and enforce recycling within the County. This is fully in line with the Code of Practice.

Before booking a bulky waste collection service residents should consider whether it is possible to pass on any of their items for reuse.

Further information on items accepted (or not) for bulky uplifts is contained within Section 16 of this Policy. Acceptable items may be presented in bags where appropriate; however residents should be aware that no items within a bag will be uplifted if a bag is contaminated (by unacceptable materials).

13. **Communication of Policy**

A Communication Strategy will be developed in conjunction with this Policy document. Upon adoption of the Policy, communication will be made to households, outlining the key aspects of the operational procedures and giving updated advice on what material should be placed in each bin.

14. **Enquiries & Complaints**

The Council will investigate each enquiry in relation to lack of service in line with the Council's Customer Charter.

<https://www.clacks.gov.uk/site/documents/councilperformance/customercharter>

All complaints will be handled in line with the Council's Complaints Handling Procedure:

<https://www.clacks.gov.uk/site/documents/customerfeedback/clackmannanshirecouncilscomplaintshandlingprocedure>

The Service appreciates that missed or tagged bins may cause significant concern and therefore measures are in place to enable Officers to quickly investigate any allegations of failure on the Services part.

Where an enquiry of complaint is upheld, the Service will endeavour to resolve the matter as soon as possible (within a maximum of 5 working days where practicable).

The public can also report missed bins via the website:

<https://www.clacks.gov.uk/council/reportit/>

15. **Customer Standards**

What we as a service will do for you:

- We will always be polite, courteous and respectful to all residents and customers.
- We will provide householders with clear information and support on our services.
- We will provide a reliable & regular collection service ensuring we visit your property when we say we will.
- We will only deviate from this in exceptional circumstances outside our control, for example as a result of extreme weather events.
- When we cannot provide the service as planned you will be advised on our website www.clacks.gov.uk and through local newspapers, social media and radio.
- We will train our staff to minimise litter and spillages. We will clean up any spillage from a container, bin or vehicle that is caused by us as a result of carrying out our service.
- We will where necessary utilise mobile CCTV technology to protect our staff and the public and support service delivery
- We will respond to your enquiries as soon as possible and any complaints received about our service will be responded to in line with the Council's complaint procedure. In normal circumstances any action

we believe is required will usually be completed promptly and within 5 working days of a decision being made.

- We put the bins back where they were presented

What we need householders to do:

- Never be abusive and show the same respect that you expect from us.
- Use the right bins and containers provided for the right materials, ensuring the maximum amount of your waste is recycled.
- Residents are requested to dispose of heavier items through other channels, for example soil and rubble, electrical items, wood etc. can be taken to the Recycling Centre.
- Present your bins (with handles pointing towards the roadside) and other containers for collection by 7.00am on the required day.
- Return your bin or container to your property as soon as possible.
- Think carefully about where you present or store your bins and containers to ensure they are not an obstruction or safety risk.
- Ensure the lids on your bins and containers are closed ready for collection and there are no additional bags of waste out with your bins and containers.
- Help us achieve our recycling objectives by working with us.
- Failure for the public to respect our staff could lead to their bin not being lifted and details passed to the authorities.

16. *List of Bulky Waste Items*

16.1 List of Materials Designated as an Item for Bulky Uplift

Armchair	Kids swing set (dismantled)
Baby gate	Kitchen pedal bin - large
BBQ - Metal	Laminated flooring - tied bundle
Bean bag	Large packing boxes - empty
Bed base, mattress and headboard	Lawnmower (electric)
Bedroom unit	Lawnmower (petrol - empty of fuel)
Bedside table	Livingroom wall/display unit
Bike	Mattress
Book shelf	Microwave
Carpet/lino - tied bundle	Mirror Wardrobe Door (Mirror Taped)
CD rack	Pasting table
Chest of drawers	PC monitor
Childs car seat	Pedal bin
Christmas Tree (artificial)	Pet carrier/cage
Clothes airer / hanger	Power/Jet washer
Coffee table	Pram/pushchair
Computer chair	Radiators (empty and liftable)
Cooker	Shelf unit
Corner suite	Side board
Cot	Side table
Curtain pole	Sofa bed
Desk	Sofa/couch
Dining chair	Standard lamp
Dining table and chair set	Step ladder
Dishwasher	Stereo / Speaker
Dressing table (mirror taped)	Storage box (large - empty)
Exercise bike	Strimmer
Fitness equipment	Suitcase (empty)
Fridge/freezer (must be empty)	Table - dining, garden, coffee
Garden bench	Taped mirror/glass
Garden chair	Three piece suite - individual units i.e. sofa, chair
Garden parasol/umbrella	Tied Bundle of Wood (4ft Length - nails removed - up to 10 pcs)
Garden table and chair set	Trampoline (dismantled)
Gas heater (portable - no gas bottle)	Tumble dryer
Hammock (dismantled)	TV
Heater (portable)	TV cabinet
High chair	Underlay - tied bundle
Iron board	Vacuum cleaner
Kids large toy car	Wardrobe - freestanding only
Kids scooter	Washing machine
Kids snooker/game table	Wheelbarrow (empty)

16.2 List of Materials Designated as NON SUITABLE for Bulky Uplift

Bagged loose waste
Garden waste or soil
Bricks, rubble, stones, slabs
Dismantled outbuildings and structures – garages, sheds, fences, decks, bunkers
External or internal doors or windows
Bathroom fixtures e.g baths, cisterns, wash hand basins
Kitchen fixtures e.g. Units, worktops, sinks
Debris from DIY or construction projects
Vehicle parts and tyres
Hazardous waste – asbestos, oil, chemicals, paint, gas cylinders
Commercial - type fridges
Other commercial waste

17. ***Waste Review Group – Terms of Reference***

The Waste Review Group will consist of a waste supervisor, waste manager and a Contact Centre representative.

The Group will meet weekly to consider customer service issues which have not been resolved. Items to be discussed will include:-

Tagged bins; Complaints; Requests for additional capacity;
Special Uplifts; Member Enquiries; Requests for assisted collections;

The Group will provide a monthly report to Members on all matters discussed and decisions taken. This information will also be issued as part of the Place Committee agenda for noting and further discussion where appropriate. The Group will identify and follow up with vulnerable people or people who wilfully do not engage in recycling and work with other areas of Council to address such (for example Housing or HSCP).

This Group will operate on a trial basis, initially for a period of 12 months from 1 October 2021.

Councillor Jane McTaggart

Ward 3 Clackmannanshire Central (Multi Member Ward)
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**Clackmannanshire
Council**

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Comhairle Siorrachd
Chlach Mhanann

**THIS PAPER RELATES TO
ITEM 15
ON THE AGENDA**

**Motion for Clackmannanshire Council
19th August 2021**

Older People's Champion

It is recommended that Council;

1. Recognises and values the contributions that older people play in our society.

These contributions are also recognised nationally by Age Scotland and, in particular in the Scottish Older People's Assembly's (SOPA) campaign for every local authority in Scotland to establish the role of Older People's Champion. An Older People's Champion is a Councillor who acts as a link between the Council and older people in the local area.

Age Scotland and SOPA also want to see the formation of a network of Older People's Champions from across Scotland who will be a voice for older people at local and national level, will work together on shared challenges and will collectively influence for change. Representation would benefit Clackmannanshire and our older community.

With a growing older population, it is vital that local decision-making meets the needs and aspirations of older people and that Council better understands those needs and aspirations. The impact of COVID 19 has further strengthened the need for someone specifically tasked with standing up for the interests of older people and finding out what they expect from local decision-makers. An Older People's Champion, who will listen and reflect the views of our older community, is needed now more than ever in Clackmannanshire.

2. Agree to establish the role of an Older People's Champion for Clackmannanshire, noting that this role will participate in the network of Older People's Champions across Scotland and
3. Appoint Councillor Jane McTaggart to this role

Councillor Jane McTaggart
Ward 3, Clackmannanshire Central

Received 03/08/21 @ 14:24

**Councillor Ellen Forson
Leader of the Council**

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Chlach Mhanann

**THIS PAPER RELATES TO
ITEM 16
ON THE AGENDA**

**Motion to Clackmannanshire Council Meeting
19th August 2021**

Council agrees that climate change is one of the most serious challenges facing communities here in Clackmannanshire and across the world; understands that meaningful action at international, national and local level is required in order to safeguard our planet for future generations; recognises that as we emerge from the COVID-19 pandemic, we have a chance to rebuild in a way that delivers a greener, fairer and more equal society; acknowledges the challenges faced by small councils such as Clackmannanshire in taking meaningful, sustainable action; notes the work already underway to deliver this through the City Deal and our ambitious Be the Future Programme, and in recognition that we have a role to play, council further agrees to:

- Declare a 'Climate Emergency' that requires urgent action:
- Develop a comprehensive Climate Change Strategy within the next 12 months which will deliver a framework to ensure that all strategic decisions, budgets and approaches to planning decisions are in line with a shift to net zero greenhouse gas emissions by 2045;
- Establish a Community Climate Change Forum to include representation from local communities, businesses and third sector organisations;
- Ensure that Council is especially proactive in taking steps to include young people in the 'Climate Emergency' process, ensuring that they have a voice in shaping the future.
- Write to the Cabinet Secretary to affirm Clackmannanshire's commitment to achieve net zero by 2045 and to request a meeting to discuss how the Scottish Government can help support these ambitions.

Councillor Ellen Forson
Ward 4, Clackmannanshire South

Received 09/08/21 @ 09:15

9th August 2021

