



**Clackmannanshire
Council**

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Comhairle Siorrachd
Chlach Mhanann

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

Meeting of Clackmannanshire Council

Thursday 30 January 2025 at 9.30 am

Venue: Council Chamber, Kilncraigs, Alloa, FK10 1EB



Clackmannanshire Council

There are 32 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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22 January 2025

A MEETING of the CLACKMANNANSHIRE COUNCIL will be held in the COUNCIL CHAMBER, KILNCRAIGS, ALLOA, on THURSDAY 30 JANUARY 2025 at 9.30 AM



NIKKI BRIDLE
Chief Executive

B U S I N E S S

	Page No.
1. Apologies	--
2. Declaration of Interests Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Services Officer.	--
3. Minutes of Meeting of Clackmannanshire Council 28/11/24 (Copy herewith)	07
4. Committee Recommendations Referred to Council – report by the Chief Executive (Copy herewith)	15
5. Question to the Convener: Greenfield House – submitted by Councillor Craig Holden (Copy herewith)	39
6. Housing Revenue Account Budget 2025/26, Capital Programme 2025/26 and Rent Structure Modelling Review – report by Strategic Director (Place) (Copy herewith)	41
7. Mid-Term Review of the Council's Decision Making Framework and Councillor Responsibilities – report by the Chief Executive (Copy herewith)	81
8. Draft Annual Accounts 2023/24 – report by the Chief Finance Officer (Copy herewith)	95
9. Be the Future Update – Asset Strategy - report by the Chief Executive (Copy herewith)	263
10. Wellbeing Hub and Lochies School Project Update – report by the Senior Manager, Sport and Leisure (People) (Copy herewith)	273

	Page No.
11. Electrical Vehicle Charging – Concession Model – report by the Strategic Director (Place) (Copy herewith)	277
12. Early Learning and Childcare (ELC) Review – report by Senior Manager, Early Years (People) (Copy herewith)	287
13. Notice of Motion in terms of Standing Order 16.0 – Alloa Town Centre Business Improvement District - motion submitted by Councillor Ellen Forson (Copy herewith)	291
14. Notice of Motion in terms of Standing Order 16.0 – Equality Impact Assessment of School Transport Policies - motion submitted by Councillor Craig Holden	297

MEETING MANAGEMENT

The Convener has advised that subject to the efficient management of the meeting, meeting breaks will be as follows:

- There will be a 10-minute break after 2 hours sitting, as set out in Standing Orders.
- There will be a 45-minute break for lunch at 12.45 until 13.30
- There will be a 10-minute break at around 15.30.

Clackmannanshire Council – Councillors and Wards

Councillors

Wards

Councillor	Phil Fairlie	1	Clackmannanshire West	SNP
Councillor	Darren Lee	1	Clackmannanshire West	CONSERVATIVE
Councillor	Graham Lindsay	1	Clackmannanshire West	SNP
Councillor	Mark McLuckie	1	Clackmannanshire West	LABOUR
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	Martha Benny	2	Clackmannanshire North	CONSERVATIVE
Councillor	William Keogh	2	Clackmannanshire North	LABOUR
Councillor	Fiona Law	2	Clackmannanshire North	SNP
Councillor	Wendy Hamilton	3	Clackmannanshire Central	SNP
Councillor	Janine Rennie	3	Clackmannanshire Central	LABOUR
Councillor	Jane McTaggart	3	Clackmannanshire Central	SNP
Councillor	Kenneth Earle	4	Clackmannanshire South	LABOUR
Councillor	Ellen Forson	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	IND
Councillor	Bryan Quinn	4	Clackmannanshire South	SCOTTISH GREEN
Councillor	Scott Harrison	5	Clackmannanshire East	SNP
Councillor	Kathleen Martin	5	Clackmannanshire East	LABOUR
Councillor	Denis Coyne	5	Clackmannanshire East	CONSERVATIVE



MINUTES OF MEETING of the CLACKMANNANSHIRE COUNCIL held in the Council Chamber, Kilncraigs, Alloa, on Thursday 28 November 2024 at 9.30 am.

PRESENT

Councillor Phil Fairlie, Convener (Chair)
Councillor Donald Balsillie
Councillor Denis Coyne
Councillor Kenneth Earle
Councillor Ellen Forson
Councillor Wendy Hamilton
Councillor Scott Harrison
Councillor Craig Holden
Councillor William Keogh
Councillor Fiona Law
Councillor Darren Lee
Councillor Graham Lindsay
Councillor Kathleen Martin
Councillor Mark McLuckie
Councillor Jane McTaggart
Councillor Bryan Quinn
Councillor Janine Rennie (Via Teams and in Chambers)
Father Michael Carrie, Religious Representative (Item 7)

IN ATTENDANCE

Nikki Bridle, Chief Executive
Lorraine Sanda, Strategic Director (People)
Kevin Wells, Strategic Director (Place)
Chris Alliston, Strategic Director (Partnership & Performance)
Lindsay Sim, Chief Finance Officer (Partnership & Performance)
Colin Bruce, Chief Education Officer (People)
Lee Robertson, Senior Manager, Legal and Governance (Partnership & Performance) (Clerk to the Council)
Alastair Hair, Team Leader/Senior Manager (Partnership & Performance)
Cherie Jarvie, Senior Manager, Partnership & Transformation (Partnership & Performance) (Via Teams)
Andrew Buchanan, Housing Operations Manager (Place) (Via Teams and in Chambers)
Robbie Stewart, Senior Manager, Sport and Leisure (People) (Via Teams and in Chambers)
Scott McDonald, Senior Manager, Justice Services (People)
Adrienne Aitken, Improving Outcomes Team Leader (People)
Michael Boyle, Improving Outcomes Business Manager (People) (Via Teams)
Katie Roddie, Team Leader, Housing Business Management (Place)
Monika Bicev, Policy Officer, Housing (Place)
Nicola Mack, Chief Accountant (Partnership & Performance)
Carla MacFarlane, Communications Officer (Partnership & Performance) (Via Teams)
Lesley Robertson, Business Support, Wellbeing Hub (People) (via Teams)
Wendy Robertson, Senior Manager Transformation (via Teams)
Murray Sharp, Senior Manager, Housing (Place) (Via Teams and in Chambers)
Claire Baillie, Assistant to Chief Executive
Melanie Moore, Committee Services (Partnership & Performance)
Gillian White, Committee Services (Partnership & Performance) (Minute)

Prior to the first item of business, the Council Leader, Councillor Ellen Forson, highlighted the work that had been undertaken around the 16 Days of Activism Against Gender Based Violence campaign. She advised that this year's launch event had taken place at Alloa Town Hall where Councillors had signed the White Ribbon pledge and invited those who had been unable to attend to sign the pledge.

CC(24)071 APOLOGIES

Apologies were received from Councillor Martha Benny.

CC(24)072 DECLARATIONS OF INTEREST

None.

CC(24)073 MINUTES OF CLACKMANNANSHIRE COUNCIL – 3 OCTOBER 2024

The minutes of the meeting of the Clackmannanshire Council held on 3 October 2024 were submitted for approval.

CC(24)059 Antisocial Behaviour Strategy 2024-2027 – Councillor McTaggart suggested that she had moved the recommendations set out in the report not Councillor Forson. Councillor Law also suggested that she had seconded the recommendations set out in the report not Councillor Lindsay.

CC(24)067 Wellbeing Hub and Lochies School Project Update – Councillor Coyne raised that there were question marks beside Councillor Lindsay's seconding of the recommendations set out in the report. He confirmed that the minute was accurate in the Council. Councillor Graham Lindsay did second the recommendations set out in the report.

Decision

Subject to checks on CC(24)059 and removal of the question marks beside Councillor Lindsay's seconding of the recommendations within CC(24)067, the minutes of the meeting of Clackmannanshire Council held on 3 October 2024 were agreed as a correct record and signed by the Convener.

Note: Subsequent to the meeting, the recording of the Council Meeting held on 3 October was checked and the mover and seconder set out in minute under *CC(24)059 Antisocial Behaviour Strategy 2024-2027* were correct – Councillor Ellen Forson had moved the recommendations set out in report, seconded by Councillor Graham Lindsay.

Action

Clerk to the Council

CC(24)074 BE THE FUTURE UPDATE – COMMUNICATION AND ENGAGEMENT

The report, submitted by the Chief Executive, provided the latest update in respect of the Council's Be the Future Target Operating Model (BtF TOM) and associated Transformation Programme. The paper provided an update on the priority three themes, the Communication and Engagement Plan high level brief and the Benefits Realisation Framework.

Motion

To agree the recommendations as set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Graham Lindsay.

Decision

The Council approved:

1. The Benefits Realisation Framework (Appendix A) (para 4.7); and
2. The Communication and Engagement Strategy high level brief (Appendix B), and the approach set out for delivery. (para 4.8)

The Council noted:

3. Progress in delivering the three priority themes approved by Council (para 4.5)
4. The update in respect of the Strategic Lead for Collaborative Community Partnerships.(para 4.9)

Action

Chief Executive

**CC(24)075 STATUTORY REPORT: BEST VALUE IN CLACKMANNANSHIRE
COUNCIL - ACTION PLAN**

The report, submitted by the Chief Executive, proposed an Action Plan to progress the recommendations contained in the Statutory Report: Best Value in Clackmannanshire Council which was published, along with the Accounts Commission's Findings on the 26 September 2024.

Motion

To agree the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Graham Lindsay.

Decision

The Council:

1. Noted the Accounts Commission Findings and Audit Scotland's recommendations (Appendix A and paragraph 3.3); and
2. Agreed the Action Plan which was attached as Appendix B to the report.

Action

Chief Executive

At 10.08 am, having experienced difficulties participating in the meeting via MS Teams, Councillor Janine Rennie joined the meeting within the Council Chambers.

CC(24)076 BUDGET STRATEGY UPDATE

The report, submitted by the Chief Finance Officer, maintained Council's regular update on the approved Budget Strategy. The report provided a high level financial overview and progress update on the Budget process for 2025/26 including upcoming key milestones.

Motion

To agree the recommendations set out in the report.

Moved by Councillor Ellen Forson. Seconded by Councillor Graham Lindsay.

Amendment

To amend recommendation 2.1.3 to state that Council agrees that the Leader of the Council writes to the UK Government in respect of the financial impact of the changes to National Insurance contributions.

Moved by Councillor Craig Holden. Seconded by Councillor Darren Lee.

The amendment was unanimously agreed.

Decision

The Council:

1. Noted the forecasted outturn for 2024/25 and the continued extremely challenging financial position faced by the council and current in year financial risks (section 3);
2. Noted that the indicative funding gap remains at £13.012m in 2025/26, rising to £29.662m by 2028/29 (paragraph 4.1);
3. Agreed that the that the Leader of the Council writes to the UK Government in respect of the financial impact of the changes to National Insurance contributions (paragraphs 4.3 and 4.4);
4. Noted that a medium term financial strategy is being developed and this will be presented to a future Council meeting (paragraph 4.5);
5. Noted the progress on the 2025/26 budget approach including the focus of the Budget Working Group, the progress of the Budget Challenge sessions and engagement with Scottish Government and COSLA on the Councils funding position (paragraphs 5.3 and 5.5);
6. Noted the timeline of completed tasks and upcoming key milestones in preparing the budget and briefings (paragraph 5.4 and Appendix A);
7. Noted the work of the Capital Operations Group and progress to update the approved 20 year capital plan (section 6.0);
8. Noted the activities underway to prepare the HRA Revenue and Capital Budget for 2025/26 (section 7.0), and
9. Approve the amendments to the HRA Revenue and Capital Budget (section 8 and appendix B).

Action

Chief Finance Officer

CC(24)077 OUTCOME OF ST MUNGO'S CONSULTATION

The report, submitted by the Strategic Director, People, sought a decision by Council on the proposal to permanently relocate St Mungo's Roman Catholic Primary School, Alloa to its current site within Alloa Academy, Alloa.

Following conclusion of questions to the report, in line with Standing Order 10.23, the Convener adjourned the meeting at 11.53 am for a short comfort break. When the meeting resumed at 12.06 pm, 17 members and Father Michael Carrie, Religious Representative remained present with Councillor Rennie leaving the Chamber and re-joining the meeting via MS Teams.

Motion

To agree the recommendations set out in the report.

Moved by Councillor Graham Lindsay. Seconded by Councillor Wendy Hamilton.

Amendment 1

That:

1. Council agrees to defer the decision to permanently relocate St Mungo's RC Primary School to Alloa Academy, Alloa to allow for the production of a comprehensive, fully costed Action Plan for capital works (in line with the Accounting standards relating to the capitalisation of costs) setting out the concerns raised in the Report following the Consultation and contained in Appendix 1 Section 4.0 Review of Proposal and Mitigations (page 85) of the Report. No works will be instructed in terms of any Action Plan until (1) the Council's approval of the Action Plan; and (2) the Council is in receipt of the net proceeds of sale in terms of paragraph 3.
2. The Action Plan will also include steps and associated timeline to address outstanding operational issues and minor works (which cannot be capitalised in terms of paragraph 1) again contained in Appendix 1 Section 4.0 Review of Proposal and Mitigations (page 85) of the Report and subject to (1) such costs being met within existing budgets; and (2) the Council's approval of the Action Plan.
3. Council further agrees that following any decision by the Council to declare the property at Forth Crescent, Alloa to be surplus to the requirements and placed on the open market for sale and subject to approval of the Action Plan referred in paragraph 1, any net proceeds of such sale will be utilised to implement the Action Plan.

A Report will be brought back to March's Council meeting on 20 March 2025 to consider the provisions contained in paragraphs 1, 2 and 3.

Moved by Councillor Craig Holden. Seconded by Councillor Mark McLuckie.

Amendment 2 (to amend Amendment 1)

To amend Amendment 1 by removing paragraphs 1 and 2.

Moved by Councillor Denis Coyne. There was no seconder at this point.

The Convener adjourned the meeting at this point in the proceedings (12.33 pm) to consider Amendment 2. When the meeting resumed at 1.34pm, 17 members and Father Michael Carrie, Religious Representative remained present.

Councillor Coyne, having had the opportunity to re-consider how matters are considered within the learning estate, advised that he saw no reason to continue with his further amendment and therefore withdrew Amendment 2.

Voting on Amendment 1

Following debate on Amendment 1, in terms of Standing Order 14.7, Councillor Holden asked for a roll call vote. The Council agreed that a vote be taken by calling the roll and at this stage there were 18 members present (including one religious representative) who were eligible to vote. On the roll being called, the members present voted as follows:

For the Motion (8)

Councillor Mark McLuckie
Councillor William Keogh
Councillor Janine Rennie
Councillor Kenneth Earle
Councillor Craig Holden
Councillor Bryan Quinn
Councillor Kathleen Martin
Father Michael Carrie

Against the Motion (10)

Councillor Phil Fairlie
Councillor Donald Balsillie
Councillor Darren Lee
Councillor Graham Lindsay
Councillor Fiona Law
Councillor Wendy Hamilton
Councillor Jane McTaggart
Councillor Ellen Forson
Councillor Scott Harrison
Councillor Denis Coyne

On a division of 10 votes to 8 with 0 abstentions, the Motion was defeated.

Voting on the Motion

Following debate on the Motion, in terms of Standing Order 14.7, Councillor Holden asked for a roll call vote. The Council agreed that a vote be taken by calling the roll and at this stage there were 18 members present (including one religious representative) who were eligible to vote. On the roll being called, the members present voted as follows:

For the Motion (10)

Councillor Phil Fairlie
Councillor Donald Balsillie
Councillor Darren Lee
Councillor Graham Lindsay
Councillor Fiona Law
Councillor Wendy Hamilton
Councillor Jane McTaggart
Councillor Ellen Forson
Councillor Scott Harrison
Councillor Denis Coyne

Against the Motion (8)

Councillor Mark McLuckie
Councillor William Keogh
Councillor Janine Rennie
Councillor Kenneth Earle
Councillor Craig Holden
Councillor Bryan Quinn
Councillor Kathleen Martin
Father Michael Carrie

On a division of 10 votes to 8 with 0 abstentions, the Motion was carried.

Decision

On a division on 10 votes to 8 with 0 abstentions, the Council agreed:

1. the proposal to permanently relocate St Mungo's Roman Catholic Primary School ("St Mungo's RCPS") to the site of Alloa Academy;
2. to declare the property at Forth Crescent, Alloa surplus to requirements of the School Estate.

Action

Strategic Director (People)

In line with Standing Order 10.25, the Chair adjourned the meeting at 1.45 pm for a meal break. Councillor Darren Lee and Father Michael Carrie withdrew from the meeting during the break, therefore, when the meeting resumed at 2.15 pm, 16 members remained present.

CC(24)078 WELLBEING HUB AND LOCHIES SCHOOL PROJECT UPDATE

The report, submitted by the Senior Manager, Sport and Leisure, provided Council with an update on the progress of the Wellbeing Hub and Lochies School project.

Motion

To agree the recommendations set out in the report.

Moved by Councillor Scott Harrison. Seconded by Councillor Graham Lindsay.

Decision

The Council agreed to note the key programme updates as set out in paragraphs 3.1 to 3.4 in the report.

CC(24)079 HOUSING SERVICE ANTISOCIAL BEHAVIOUR POLICY

The report, submitted by the Strategic Director, Place, sought Council approval of the Housing Service Antisocial Behaviour Policy (ASB Policy).

The Policy aims to address antisocial behaviour where it occurs in association with Council tenancies. The Policy supports Clackmannanshire Council's wider Antisocial Behaviour Strategy and adheres to the statutory guidelines and recommendations under the Antisocial Behaviour (Scotland) Act 2004, Data Protection Act 2018, Equality Act 2010, Homelessness etc. (Scotland) Act 2003 as well as Housing (Scotland) Acts 2001 and 2014.

Motion

To agree the recommendations set out in the report.

Moved by Councillor Jane McTaggart. Seconded by Councillor Fiona Law.

Decision

The Council agreed to:

1. Approve the Housing Service Antisocial Behaviour Policy.
2. Note that the Policy is limited to addressing Anti Social Behaviour (ASB) only where it occurs in association with Council tenancies.

Action

Strategic Director (Place)

Ends: 2.34 pm

Report to Clackmannanshire Council

Date of Meeting: 30 January 2025

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 and Scrutiny Committee on 12 December 2024.
- 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. From the **Audit and Scrutiny Committee of 12 December 2024**, in relation to the "*Annual Report of the Chief Social Work Officer 2023-2024*" report, where the Audit and Scrutiny Committee scrutinised, noted and endorsed the content of the Chief Social Work Officer Annual Report 2023-24.

It is recommended that Council:

- 2.1.1. Approves the Annual Report of the Chief Social Work Officer 2023-24; and
 - 2.1.2. Approves its submission to the Office of the Chief Social Work Advisor to the Scottish Government.
- 2.2. The "[*Annual Report of the Chief Social Work Officer 2023-2024*](#)" is available on the Council's Website.

- 2.3. From the **Audit and Scrutiny Committee of 12 December 2024**, in relation to the “*Audit & Scrutiny Committee Annual Report Follow Up*” report, where the Audit and Scrutiny Committee noted, challenged and commented on the report and agreed to submit the report to Council for comment, challenge and approval:

It is recommended that Council:

- 2.3.1. Comment on, challenge and approve the Audit and Scrutiny Annual Report 2023/2024 which includes the self assessment action set out in paragraph 12.2.1 of the Annual Report that “Whilst the number of members required for the Committee to be quorate remains as 4, the majority of members should be from opposition groups to ensure robust scrutiny.”
- 2.4. The “[*Audit & Scrutiny Committee Annual Report Follow Up*](#)” report is attached as Appendix 1 and is available on the Council's website.

3.0 Sustainability Implications

- 3.1. None

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. N/A

- 4.3. Finance have been consulted and have agreed the financial implications as set out in the report. N/A

4.4. Staffing

5.0 Exempt Reports

- 5.1. 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

- 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**

Complies with relevant Council Policies

☒

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: **Audit and Scrutiny Committee of 12 December 2024 (Item 13)** – report entitled “*Audit & Scrutiny Committee Annual Report Follow Up*”

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 ☐

Audit and Scrutiny Committee of 12 December 2024 (Item 6) – report entitled “*Annual Report of the Chief Social Work Officer 2023-2024*”

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lee Robertson	Senior Manager, Legal and Governance	2087

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Chief Executive	

Report to Audit & Scrutiny Committee

Date of Meeting: 12 December 2024

Subject: Audit & Scrutiny Committee Annual Report Follow Up

Report by: Strategic Director, Partnership & Performance

1.0 Purpose

- 1.1. The purpose of this report is to present to Committee the 2023/2024 Audit and Scrutiny Committee Annual Report.

2.0 Recommendations

It is recommended that:

- 2.1. Committee note, challenge and comment on the report.
- 2.2. Agrees to submit its Annual Report 2023/2024 (Appendix A) to the next available Council meeting for comment, challenge and approval.

3.0 Considerations

- 3.1. Guidance published by the Chartered Institute of Professional Finance and Accountancy (CIPFA) in 2022 is accepted as best practice for local authority Audit Committees.
- 3.2. The CIPFA guidance recommends that all Audit Committees should “prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact” (Audit Committees Practical Guidance for Local Authorities and Police, published by CIPA in 2022)
- 3.3. The annual report (Appendix A) has been prepared to inform Clackmannanshire Council of the work undertaken by the Audit and Scrutiny Committee during 2023/2024.
- 3.4. The report was, as in previous years, informed, in part, by Committee members undertaking a self-assessment, based on the CIPDA Audit Committee Position Statement.

- 3.5. The self-assessment took place on the 17th September 2024 during an informal hybrid meeting of the Committee.
- 3.6. The Chair and Vice Chair of the Committee have also been asked for their thoughts in relation to the operation/impact of the Committee. They indicate that the work completed by the Committee in 2023/24 fulfills the agreed remit of the Committee and offers reasonable assurance that the Council's control environment, corporate risk management systems, and overall governance framework operated effectively over this period.
- 3.7. The Chair and Vice Chair did however note that, based on the assignments as directed by Committee and undertaken by internal audit, assurance has fallen from substantial to limited.
- 3.8. Whilst the Chair and Vice Chair are assured Senior Officers are taking steps to address these weaknesses, they have impressed that the Audit and Scrutiny Committee will have a significant role to play to ensure appropriate actions are taken in the 2024/2025 financial year

4.0 Sustainability Implications

- 4.1. There are no sustainability implications arising from 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 have been consulted and have agreed the financial implications as set out in the report. Yes
- 5.4. *Staffing – there are no staff implications arising from this report.*

6.0 Exempt Reports

- 6.1. Is this report exempt? 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**

Complies with relevant Council Policies ☒

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?
An EQIA is not applicable in this context.

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".

Audit and Scrutiny Committee – Annual Report 2023/2024

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)

- Chartered Institute of Professional Finance and Accountancy (CIPFA)
Position Statement: Audit Committees in Local Authorities and Police

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Chris Alliston	Strategic Director – Partnership and Performance	2184

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Strategic Director – Partnership and Performance	



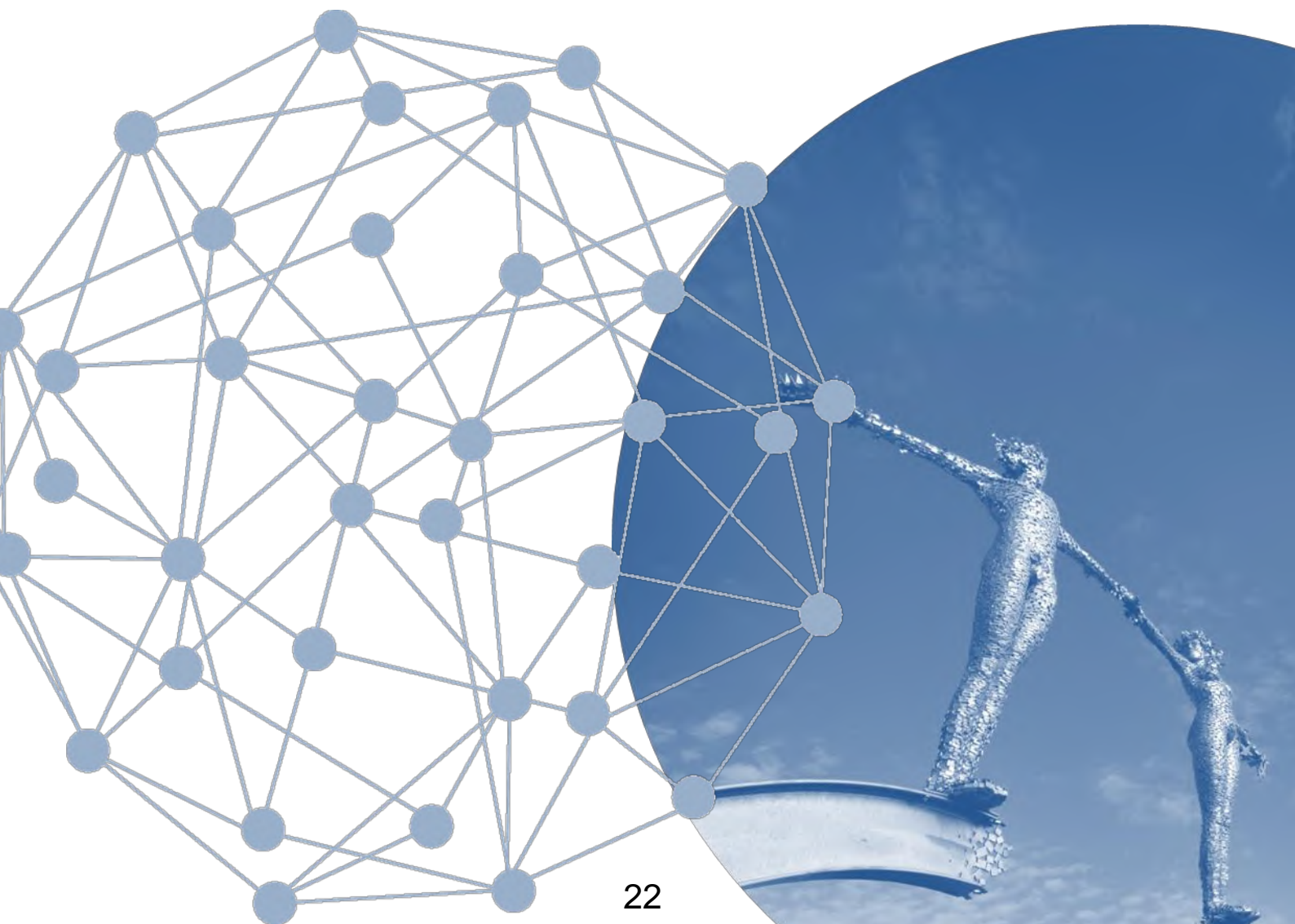
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Comhairle Siorrachd
Chlach Mhanann

Audit and Scrutiny Committee

Annual Report 2023/2024



1.0 INTRODUCTION

- 1.1. CIPFA guidance recommends that all Audit Committees should “prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact”.
- 1.2. This report has been prepared to inform Clackmannanshire Council of the work carried out and the impact of the Audit and Scrutiny Committee during the period 2023/2024.
- 1.3. The report also provides details of the Committee’s membership, and training/briefing programme.

2.0 AUDIT AND SCRUTINY COMMITTEE REMIT

- 2.1. The Audit and Scrutiny Committee is an integral component of the Council’s corporate governance framework and provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 2.2. The Audit and Scrutiny Committee provides independent assurance to the full Council of the adequacy of the risk management framework and the internal control environment.
- 2.3. The Committee provides independent review of the Council’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.
- 2.4. The Committee oversees internal audit and external audit, helping to ensure effective assurance arrangements are in place.
- 2.5. The remit of the Audit and Scrutiny Committee as agreed by Council is

Audit & Finance

- Receive, review and consider reports on the Council’s finance
- Receive, review and consider reports on value for money and best value
- Consideration and monitoring of the Council’s Annual Governance Statement
- Consider internal audit reports and results of internal audit investigations
- Consider external audit and resultant action plans
- Monitor and review actions taken on internal and external audit recommendations
- Consider the effectiveness of the Council’s risk management procedures and the control environment
- Receive and consider reports on countering fraud and corruption.

Scrutiny

- Monitor council services, including the Health and Social Care Partnership (HSCP) against agreed outcomes, standards and targets
 - Monitor the achievement of organisation-wide agreed outcomes, standards and targets
 - Monitor the achievement of agreed outcomes, standards and targets by the community planning partnership
 - Monitor Police and Fire performance against Plans approved by the Council
 - Scrutiny of Council decision-making, with the ability to call in decisions
 - Initiate or undertake scrutiny reviews
 - Deal with matters referred by the Council for scrutiny purposes.
- 2.6. Committee meetings are hybrid with some members and presenters physically present and other attending using virtual meeting technology.
- 2.7. Recommendations from the Committee are presented to Council for approval.

3.0 MEMBERSHIP, ATTENDANCE AND INDEPENDENCE

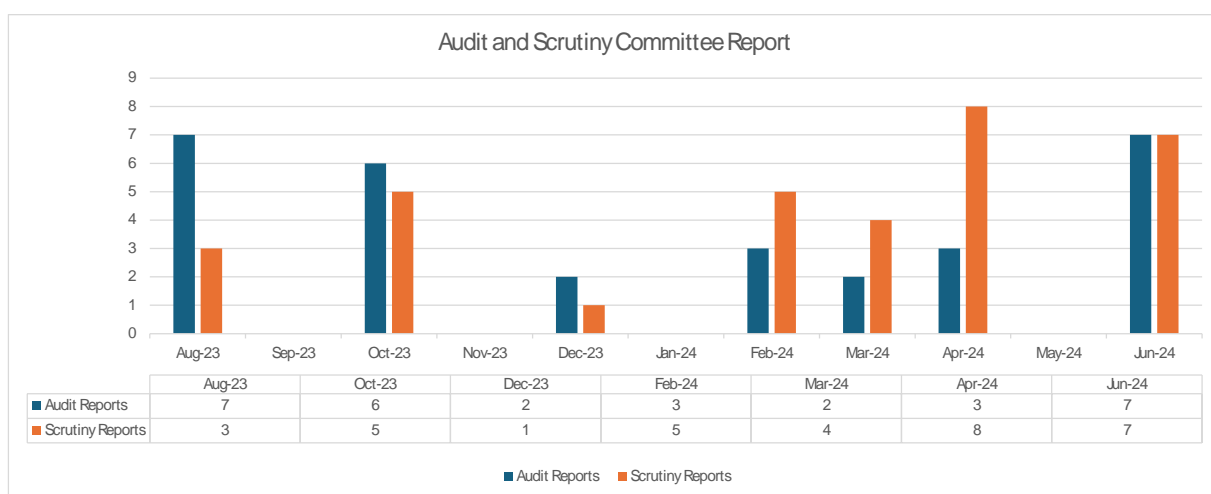
- 3.1. Committee is comprised of 8 elected members with the leader of the opposition, Councillor Janine Rennie, appointed as Chair, and Councillor Denis Coyne, Conservative Group, Vice Chair.
- 3.2. Members of the Committee are as outlined in Appendix 1.
- 3.3. Committee met 7 times during session 2023/2024 with all meetings quorate.
- 3.4. The normal cycle of meeting is 6 however an additional meeting was added in March 2024.
- 3.5. The Strategic Director – Partnership and Performance supports the Committee and Committee is clerked by the Councils Monitoring Officer.
- 3.6. Strategic Directors, Senior Managers and Internal Audit routinely attend Committee. Representatives from external bodies including External Audit, Police Scotland and Scottish Fire and Rescue attend meetings as required.
- 3.7. To assist in preserving Committee's independence, measures are in place including:
- The appointment of an independent Chair and Vice chair from opposition parties
 - Non-political approach of the Committee
 - The involvement of internal and external audit

- Clear terms of reference
- Annual review

4.0 FORWARD PLAN AND MEETINGS

- 4.1. Committee agreed its forward plan for 2023/2024 in August 2023.
- 4.2. During the Council cycle Committee considered 63 reports, split 30 Audit and 33 Scrutiny (See Chart 1).

Chart 1 – Audit and Scrutiny Reports 23/24



5.0 TRAINING

- 5.1. A range of briefings and other training opportunities were offered to elected members during the 2023/2024 cycle (Table 1).
- 5.2. Member services maintain and update member training records.
- 5.3. Whilst Committee agreed to the development of a specific training (Table 2) programme for 2023/2024 due to officer capacity not all elements were delivered and as a result these have been carried into the agreed training programme for 2024/2025.

Table 1 – Elected Members Training and Briefings 2023/2024

Subject Matter
All Members' Briefing - RAAC
All Members' Briefing - HRA Budget Paper

Training - Procurement and Governance
Scrutinising Performance & Risk
Data Protection for Councillors
Training with the Standard's Commission for Members
All Members' Briefing - Changes to the waste and recycling collection service
All Members' Briefing - September Council Reports
All Members' Briefing - September Council Reports
Training Session Education Appeals Committee

Table 2 – Audit and Scrutiny Committee Training Plan 2023/2024

Subject Matter
Annual Governance Statement/Control Environment
Data Protection
Cyber Security
Procurement Governance
Performance and Risk (Phase 2)
Principles of Best Value and VFM
Fraud and Corruption
Financial Monitoring/Scrutiny

6.0 INTERNAL AUDIT

- 6.1. The Council has a Joint Working Agreement in place with Falkirk Council for the provision of a jointly resourced Internal Audit Service to Clackmannanshire Council and to the Central Scotland Joint Valuation Board.
- 6.2. The budget for internal audit provision is agreed each year but the total cost chargeable by Falkirk Council over the duration of the agreement is capped at £120,000 per annum.

- 6.3. Falkirk Council's Internal Audit, Risk, and Corporate Fraud Manager is responsible for the allocation of Clackmannanshire Council Internal Audit work to the most appropriate member of staff.
- 6.4. Clackmannanshire Council's Internal Audit Officer is solely employed on Clackmannanshire Council, Central Scotland Valuation Joint Board, and Clackmannanshire and Stirling Integration Joint Board Internal Audit work.
- 6.5. The Audit and Scrutiny Committee takes assurance from Internal Audit on a wide range of issues and an update report from the Internal Audit, Risk, and Corporate Fraud Manager is considered at each Committee meeting.
- 6.6. Internal Audit's Plan for 2023/24 was agreed by Audit Committee on 20/04/2023. It set out 16 assignment areas to be completed by the team during the year. Of the 16 assignments, 11 required an audit report to be issued to Clackmannanshire Council.
- 6.7. Seven audit reports (completed to final report stage and issued to Clackmannanshire Council's senior management) have been reported to Committee this year. These included:
- Climate Change Act Public Body Duties Audit;
 - Purchase Order Arrangements at Clackmannanshire for Adult Social Care;
 - Leisure Income Follow Up Review;
 - Freedom of Information Requests;
 - Care Home Residents Monies;
 - Use of Purchase Cards; and
 - Overtime Arrangements.
- 6.8. At the April 2024 meeting, Committee noted that four audit reviews had not been undertaken and would most likely be deferred into the 2024/25 Internal Audit Plan.
- 6.9. Based on the assignments undertaken by Internal Audit into the areas of operational delivery, as outlined in 6.7, an overall **limited assurance** was given in relation to the Council's arrangements for risk management, governance, and control for the year to 31 March 2024.
- 6.10. The full Internal Audit Annual Assurance Report 2023/24 was presented to Committee in June 2024.
- 6.11. In providing its opinion, Internal Audit operated in compliance with the Public Sector Internal Audit Standards with no impairments or restrictions to scope or independence.

- 6.12. PSIAS require a five yearly independent external quality assessment of compliance. This was undertaken by the Chief Internal Auditor at Argyll and Bute Council, who concluded that Clackmannanshire Council Internal Audit section fully conforms with the Standards and Internal Audit met, and exceeded, each of its Key Performance Indicators.

7.0 EXTERNAL AUDIT

- 7.1. External Audit is another key provider of assurance to the Committee. External Auditors are appointed by the Accounts Commission, who also monitor audit quality.
- 7.2. Deloitte were appointed as the Councils external auditors in 2022/2023.
- 7.3. The External Audit Plan for 2022/23 was submitted and approved by Council in June 2023.
- 7.4. The plan set out the planned audit activity in respect of the audit of the 2022/23 draft annual accounts and wider audit activity including Best Value.
- 7.5. No reports were submitted to Committee for consideration during the 2023/2024 cycle.

8.0 CORPORATE RISK AND PERFORMANCE

- 8.1. The Councils Corporate Risk Register is scrutinised quarterly.
- 8.2. The 2023/2024 year end update on the Council's Corporate Risk Register was considered by Committee on 13/06/2024. The report outlined the purpose of risk management, the Corporate Risk management process and the current risk profile and development activity; relating to the Councils Risk Strategy approved by Council in October 2023.
- 8.3. The Corporate Performance report was presented to Committee in April 2024. This report presented a summary of key local demographics and Council performance data, up to and including the 2022/23 financial year, aligned to the current Statement of Corporate Priorities (2023/24). Appendix A of the report which forms part of the Council's statutory Public Performance Reporting (PPR) duties summarised relevant statistics and performance levels, including analysis, charts and detailed data tables. Scrutiny and reporting on key performance measures is also completed through regular Directorate Business Plan reports.

9.0 EXCEPTIONS FROM CONTRACT STANDING ORDERS

- 9.1. It is a requirement of Contract Standing Orders that exceptions should be reported to the next available Audit & Scrutiny Committee.

- 9.2. During the reporting period 12 exceptions were noted by Committee which amounted to £2,591,835.

10.0 POLICE SCOTLAND/SCOTTISH FIRE AND RESCUE SERVICE

- 10.1. The Police and Fire Reform (Scotland) Act 2012 outlines the duties of Police Scotland and the Scottish Fire and Rescue Service to work in partnership with local authorities.
- 10.2. Part of this duty is to ensure they regularly report on their activities and outcomes in each local area, relating to statutory local Police and Fire plans prepared by both agencies and approved through Council.
- 10.3. Six monthly reports are produced and presented to allow scrutiny by Clackmannanshire Council Audit and Scrutiny Committee, in line with requirements set out in the Reform act of 2012.

11.0 OTHER REPORTS

- 11.1. Committee also consider a number of other reports through the year including Procurement Annual Report, Health and Safety Annual Report, Chief Social Work Officer Annual Report, Regulation of Investigatory Powers (Scotland) Act 2000, Financial Performance, Treasury Management, Risk Strategy Annual Report, HSCP Locality Performance, progress updates on outstanding Internal Audit Actions, Community Empower Act Annual Report, Portfolio Business Plan updates as well as a number of progress reports on key Council and Partner strategies.

12.0 SELF ASSESSMENT

- 12.1. The Self-Assessment for 2023/2024 was undertaken on the 17/09/2024 during an informal hybrid meeting of the Committee. All Committee members, with the exception of Councillor Fairlie and Councillor Keogh, were in attendance.
- 12.2. Overall Committee agreed with the statements as presented within the self assessment (Appendix 2), noting the following actions: The full evaluation is attached at Appendix
- 12.2.1. Whilst the number of members required to be quorate remains at 4, the majority of members should be from opposition groups to ensure robust scrutiny.
- 12.2.2. Whilst work undertaken by the previous Strategic Director – Partnership and Performance indicated that the size and arrangements of Clackmannanshire Council's Audit and Scrutiny Committee were broadly similar to other Councils with no requirement to co-opt external members, should there be a future requirement this would be taken forward.

- 12.2.3. Committee agreed that to help improve scrutiny and review all Committee members would be invited to attend the pre-agenda meetings with officers to discuss papers in advance of the Committee meeting and focus areas of discussion and questioning given the significant number of papers that are often presented.

13.0 CHAIR AND VICE CHAIR VIEWS

- 13.1. As Chair and Vice Chair of the Audit and Scrutiny Committee we are confident that the Committee aligns with the CIPFA Position Statement.
- 13.2. The work completed by the Committee in 2023/24 fulfills the agreed remit and offers reasonable assurance that the Council's control environment, corporate risk management systems, and overall governance framework operated effectively over this period.
- 13.3. We do however note, based on the assignments as directed by Committee and undertaken by internal audit, assurance has fallen from substantial to limited. Whilst we are assured Senior Officers are taking steps to address these weaknesses the Audit and Scrutiny Committee will have a significant role to play to ensure appropriate actions are taken in the 2024/2025 financial year

APPENDIX 1 – COMMITTEE MEMEMBERS



Councillor Janine Rennie
Chair



Councillor Denis Coyne
Vice Chair



Councillor Forson
Committee Member



Councillor Fairlie
Committee Member



Councillor Earle
Committee Member



Councillor Keogh
Committee Member



Councillor Benny
Committee Member



Councillor Quinn
Committee Member

APPENDIX 2 - Audit and Scrutiny Committee Development Planning Survey Results

The following survey questions were undertaken with members of the Audit and Scrutiny Committee to assist in development planning for them. The survey was split into two parts which focused on the CIPFA Self Evaluation draft answers and identifying training needs for members.

CIPFA Self Evaluation

Independent and Effective Model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

Do you feel that the Audit and Scrutiny Committee is:

Directly accountable to the authority's governing body
Independent from political influence
Empowered to have rights of access to and constructive engagement with other committees/functions/ strategic groups
Empowered to have rights to request reports and seek assurances from relevant officers
Of an appropriate size to operate as a cadre of experienced, trained committee members (large committees should be avoided)

There was overall consensus that these statements were met however Committee agreed that whilst the number of members required to be quorate remains at 4, the majority of members should be from opposition groups to ensure robust scrutiny.

Co-opted Members

Does the Committee include co-opted independent members in accordance with the appropriate legislation (Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.

Do you feel that the Audit and Scrutiny Committee utilised Co-opted Members

Work undertaken by the previous Strategic Director – Partnership and Performance indicated that the size and arrangements of Clackmannanshire Council's Audit and Scrutiny Committee were broadly similar to other Councils with no requirement to co-opt external members, During review Committee reaffirmed that should there be a future requirement this would be taken forward.

Core Functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. In relation to the maintenance of Governance, Risk and Control arrangements, does the Audit and Scrutiny Committee:

Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance

Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements

Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption

There was overall consensus that these statements were met

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. In relation to Financial and Governance reporting does/Is the Audit and Scrutiny Committee:

Satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives

Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them

There was overall consensus that these statements were met

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

In relation to establishing appropriate and effective arrangements for Audit and Assurance, does the Audit and Scrutiny Committee:

Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.

Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.

Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.

Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

There was overall consensus that these statements were met

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

Does the Audit and Scrutiny Committee consider in relation to the authority's internal audit functions:

Oversee its independence, objectivity, performance and conformance to professional standards

Support effective arrangements for internal audit

Promote the effective use of internal audit within the assurance framework

There was overall consensus that these statements were met

Audit and Scrutiny Committee Membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Are the following characteristics of the Audit and Scrutiny Committee membership evident:

A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable
--

A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisations objectives
--

A strong, independently minded chair, displaying a depth of knowledge, skills and interest
--

Members noted that whilst there are highly skilled and experienced long-term Councillors on the Committee they had welcomed the introduction of the 2023/2024 training plan but indicated their disappointed that elements of the plan could not be delivered due to officer capacity. Committee welcomed that the undelivered elements had been carried into the 2024/2025 training plan.

Does the Committee chair:

Promote apolitical open discussion

Manage meetings to cover all business and encouraging a candid approach from all participants

Maintain the focus of the committee on matters of the greatest priority

Show willingness to operate in an apolitical manner

Exhibit unbiased attitudes – treating auditors, the executive and management fairly

Exhibit ability to challenge the executive and senior managers when required
Exhibit knowledge, expertise and interest in the work of the committee

There was overall consensus that these statements were met. Committee did however agree that to help improve scrutiny and review all Committee members would be invited to attend the pre-agenda meetings with officers to discuss papers in advance of the Committee meeting and focus areas of discussion and questioning given the significant number of papers that are often presented.

Engagement and Outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, does the Committee:

Meet regularly, at least for times a year, and have a clear policy on those items to be considered in private and those to be considered in public
Have the ability to meet privately and separately with the external auditor and internal audit manager
Include, as regular attendees, the Chief Finance Officer(s), the Chief Executive, the head of internal audit and the appointed external auditors; other attendees may include the monitoring officer and the Strategic Director of Partnership & Performance
Have the right to call on any other officers or agencies of the authority as required; recognise the independence of the chief constable in relation to operational policing matters
Support transparency, reporting regularly on its work to those charged with governance
Report annually on how the Committee has complied with the position statement, discharged its responsibilities and include an assessment on its performance. The report should be available to the public

There was overall consensus that these statements were met

Training Needs Analysis

The following training priorities were identified after last years development session and will be carried forward for the Committee.

- Annual Governance Statement and Control Environment
- Cyber Security

- Performance and Risk (Phase 2)
- Principles of Best Value and Value for Money
- Fraud and Corruption
- Financial Monitoring/Scrutiny

The committee agreed to keep these training priorities, with the addition of a session with Internal Audit to look at previous committee reports where further scrutiny could have been given. This will help to develop members understanding of what areas to look for in scrutinising reports.

Councillor Craig Holden

Ward 4 Clackmannanshire South (Multi Member Ward)

Kilncraigs, Greenside Street, Alloa, FK10 1EB

Telephone: 01259 452283

Email: cholden@clacks.gov.uk



**Clackmannanshire
Council**

www.clacks.gov.uk

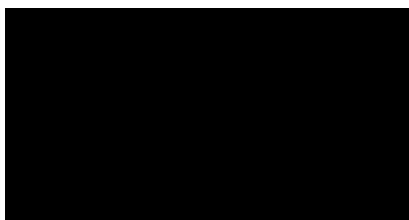
Comhairle Siorrachd
Chlach Mhanann

**THIS PAPER RELATES TO
ITEM 5
ON THE AGENDA**

Contact: Lynne Clark
Business Support Officer
Telephone: 01259 452015
Email: lclark@clacks.gov.uk
Our ref: CH/LC
Date: 17th January 2025

**Question to Convenor - Meeting of Clackmannanshire Council 30th
January 2025**

“Can the Convenor provide Councillors with an update on the current condition and planned future use of Greenfield House?”



Councillor Craig Holden

Ward 4, Clackmannanshire South

Report to: Clackmannanshire Council

Date of Meeting: 30 January 2025

**Subject: Housing Revenue Account Budget 2025/26, Capital Programme
2025/26 & Rent Structure Modelling Review**

Report by: Strategic Director: Place

1. Purpose

- 1.1. This report presents the proposed Housing Revenue Account budget and Housing Capital Programme for the financial year 2025/26 for approval as defined within the Housing (Scotland) Act 1987. The report also seeks approval for a revised rental structure to be implemented for 2025/26.

2. Recommendations

- 2.1. It is recommended that Council:
- 2.2. Approve an increase in Council house rents by 10% to the base rent, for the financial year 2025/26, effective from 31st March 2025, as set out in Appendix 6,
- 2.3. Approve the implementation of a new rental structure as detailed in section 5 and 6 of this report for domestic dwellings from 31st March 2025, noting the implementation means that 72% of tenants will be paying less rent per week in 2025/26 under the new rental structure than they would have if the current structure were to be retained,
- 2.4. Approve a maximum £1.21 per week increase in the lock-up rental fees to be fixed at £10 per week until 29th March 2027,
- 2.5. Approve a £10.11 per year increase in the garage site pitch rental fees to be fixed at £110 per year until 1st April 2027,
- 2.6. Approve a 10% increase for all other associated tenancy charges, as set out in Appendix 6,
- 2.7. Approve the Housing Revenue Account budget for 2025/26, and the anticipated 4 year forward plan as set out in Appendix 1,

- 2.8. Approve the Housing Capital Programme budget for 2025/26 and the forward 4 year illustrative programme to 2029/30, as set out in Appendix 2,
- 2.9. Approve the anticipated HRA Capital Borrowing Requirement for the period 2025/26 to 2029/30 as set out in Appendix 3,
- 2.10. Approve the Housing Service forward policy schedule as detailed in Appendix 9,
- 2.11. Note the results of the tenant rent consultation process as detailed in section 7 and the views expressed by the Clackmannanshire Tenants and Residents Federation detailed in section 8.6 of the paper,
- 2.12. Note that the Westthugh Gypsy/Travellers site remains closed. Council will be asked, prior to re-opening, to approve a rental figure for these properties.

3. Considerations

- 3.1. The Housing Revenue Account (HRA) budget setting process is subject to statutory, regulatory and governance requirements including consultation with tenants.
- 3.2. Audit Scotland is the lead regulator for governance and finance in local authorities including the HRA financial well-being and governance.
- 3.3. In terms of meeting service delivery requirements, we must prepare and publish an Annual Assurance Statement to confirm to our tenants and Scottish Housing Regulator (SHR) that we are meeting regulatory requirements for local authorities. The SHR is an independent regulator which monitors the Annual Assurance Statement on behalf of the Scottish Parliament.

4. HRA Financial Business Plan Review – Update

- 4.1. The HRA budget paper for 2025/26 has been developed with recognition of the recommendations arising from the review of the HRA Financial Business Plan during 2023/24. The HRA Financial Business Plan underpins the financial management of the Housing Service. The plan provides an estimate of the income and expenditure of the service, borrowing requirements and the life cycle capital investment required over a 30 year period. The Financial plan is key in determining and influencing key strategic decisions, including stock retention and regeneration, and influencing as to whether the Council should remain as a social landlord.
- 4.2. There were three main aspects that required to be taken forward in order to complete the review. It was agreed by Members in briefing sessions in both October 2023 and February 2024 that a review of the rent restructure would be a priority during 2024/25. The second aspect was a refresh and updated stock condition survey. The third area recommended for review was central support charges.

- 4.3. Central support costs have been added to the proposed budget in line with the current year charges at £1.204m, an exercise is currently taking place to review the costs from each of the corporate services that assist the HRA with service delivery. This will lead to establishing a framework to gather and measure actual costs against the estimated and known costs. This framework will be agreed with each service ahead of next financial year and the section 95 officer. It is intended that before each financial year end, the actual costs incurred will be reviewed in line with the framework, and any proposed adjustments made to reflect the movements in the year. This is the most accurate way of reviewing central support and ensuring it reflects fair value to the HRA and General Fund in line with Government Guidance.
- 4.4. A review of the rental structure has been completed, is documented in this report and we now seek approval for implementation. Work had progressed on the procurement of the stock condition survey, however, there has been a delay from the EESSH2 (Energy Efficiency Standard for Social Housing) working group to review and to determine clear guidance on works which would be required to meet the Net Zero target for heating by 2045. Indications are that the approach will have a fabric first approach and, on that basis, funding for a comprehensive survey of the stock is included within the revenue budget.
- 4.5. The business plan review during 2023/24 highlighted a number of other key considerations which have informed the 2025/26 budget setting process and the rent consultation engagement with tenants. Those considerations include(d):
- Continued uncertain economic market conditions caused by Brexit, Covid-19 pandemic and war in Ukraine leading to rising inflation and increased costs to the service in a number of areas.
 - Construction industry supply chain and external contractor pricing has remained high and well above pre-covid inflation levels.
 - An acute and sustained increase in homeless presentations, adding further strain to existing resources.
 - Continued investment in existing housing stock, to ensure it continues to meet current and future regulatory and legislative requirements and meet expectations of today's tenants.
- 4.6. As detailed above a key conclusion from the review was that our Asset Management Strategy (AMS) and stock condition survey information is not fully aligned with our financial modelling. The consultant advised that this is a specific risk, particularly as we strive to meet the Scottish Governments targets on energy efficiency.
- 4.7. The need for robust stock condition information is crucial, and whilst this does not impact on budgeting setting for 2025/26 this stock information will assist in the identification of medium to longer term investment needs (largely post year 5 planning), and inform progression of key strategic priorities, plans and targets.

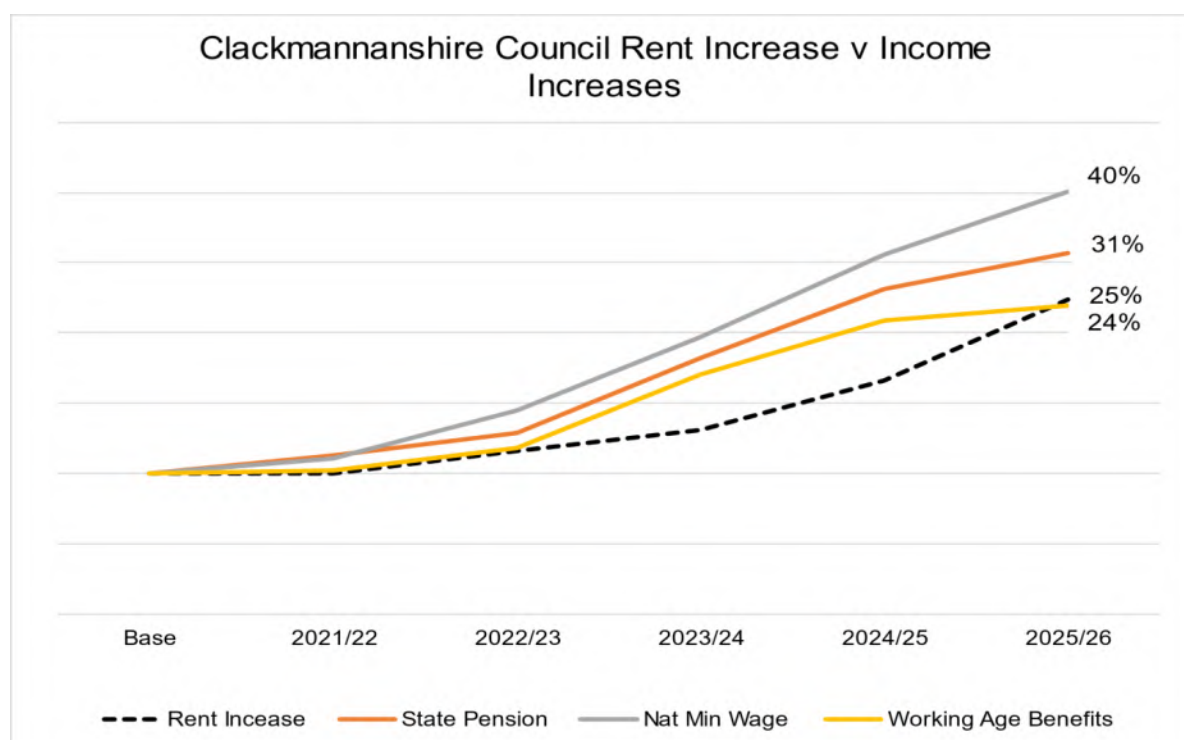
- 4.8. The proposed budget includes for provision of a full stock condition survey of all domestic housing stock to be undertaken within financial year 2025/26.
- 4.9. A further risk highlighted by the consultant was cost pressures running higher than recent rent increases, this feedback was taken on board by Council last year as rents were increased faster than inflation based upon updated financial projections. Notably some Housing Associations have guidance to try and not allow wage rises to run higher than rent increases to try and ensure sufficient financial headroom. The HRA is required to meet the full cost of staff salaries, including all salary increases agreed by COSLA with the Trade Unions. The HRA receives no government funding for salary increases. Budget setting for 2025-26 includes a requirement for the HRA to fund the change in employers National Insurance (NI) contributions as well as an anticipated 3% pay award, the cost to the service for the change in NI alone is budgeted at £231k and accounts for around 1% of the total 10% proposed rent increase.

4.10. Table 1 - Comparison of Recent Rent and Wage Increases

Year	Rent Increase	Wage Increase	Inflation (CPI)
2018/19	2.2%	3.5%	2.5%
2019/20	2.2%	3%	1.8%
2020/21	1.5%	3%	0.9%
2021/22	0%	2%	2.6%
2022/23	3.1%	5%	9.1%
2023/24	3%	6.05%	8.6%
2024/25	6.7%	4.4%	2.3%
Total rise in period	18.7%	26.9%	27.8%

- 4.11. However, with the above risks noted, the consultants did conclude that the Councils baseline Financial Business Plan highlighted a relatively healthy position. At that stage, the consultant noted to Council our average rent costs are lower than the Scottish Average, with Capital Funded from Current Revenue (CFCR) above average and we had the second lowest debts out of the 26 Local Authority Landlords.
- 4.12. Further to Table 1, Graph 1 demonstrates movements in income compared to the rent increases including the proposed 10% increase for 2025/26. We can see that rents have increased by 25% (assuming today's proposed rise) over the last 5 years which is line with the increase in working age benefits (24%). Over the same period, national minimum wage and state pension have increased by 40% and 31%, respectively.

4.13. Graph 1 – Recent rent increases compared to income/benefit increases.



5. Rent Structure Review

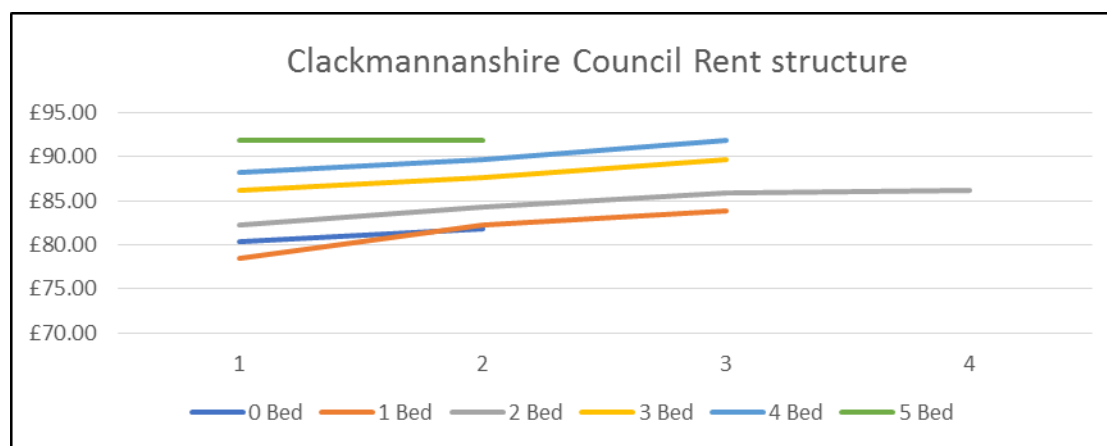
5.1. Following a procurement process Clackmannanshire Council commissioned Arneil Johnston in June 2024 to conduct a comprehensive review of the current approach to rent and service charge setting. The purpose of this review was to devise a fairer rent and service charge system which effectively meets both customer and business requirements. The rationale to change the way in which rents are structured is as follows:

- To ensure a consistent method for calculating rent based on fair principles,
- To ensure that the rents charged reflect the benefits and/or amenities provided by the property,
- To improve fairness and make the system easier for tenants to understand,
- To reduce the number of separate service charges that tenants are asked to pay by adding some charges to the main property rent,
- To provide a simpler charging system for tenants which will provide less detail on tenant charges by will be easier to understand.

5.2. The review identified that the current rent structure was very flat with little difference between smaller and larger properties across 22 different rent levels. Graph 2 below demonstrated that in some cases charges for smaller properties can exceed those of larger sized properties, this is due to there

being little difference between the minimum and maximum rent levels for each property type.

5.3. Graph 2 – Current Rent Structure



5.4. Tenants were encouraged to complete a questionnaire, which was advertised through social media. Our Tenancy Participation Officer and Housing Officers visited tenants at their homes and spoke to them at various community groups to get their views. 263 surveys were returned, which is approximately 5% of the tenant base. Additionally, those respondents indicating a willingness to participate in person were invited to attend a series of tenant engagement workshops hosted by Arneil Johnston. These were carried out on 29th October 2024, with 3 sessions held over the day and evening to capture as many tenants as we could. 11 people attended the focused workshops.

5.5. The key headlines, which can be concluded from the quantitative and qualitative methodologies, were as follows:

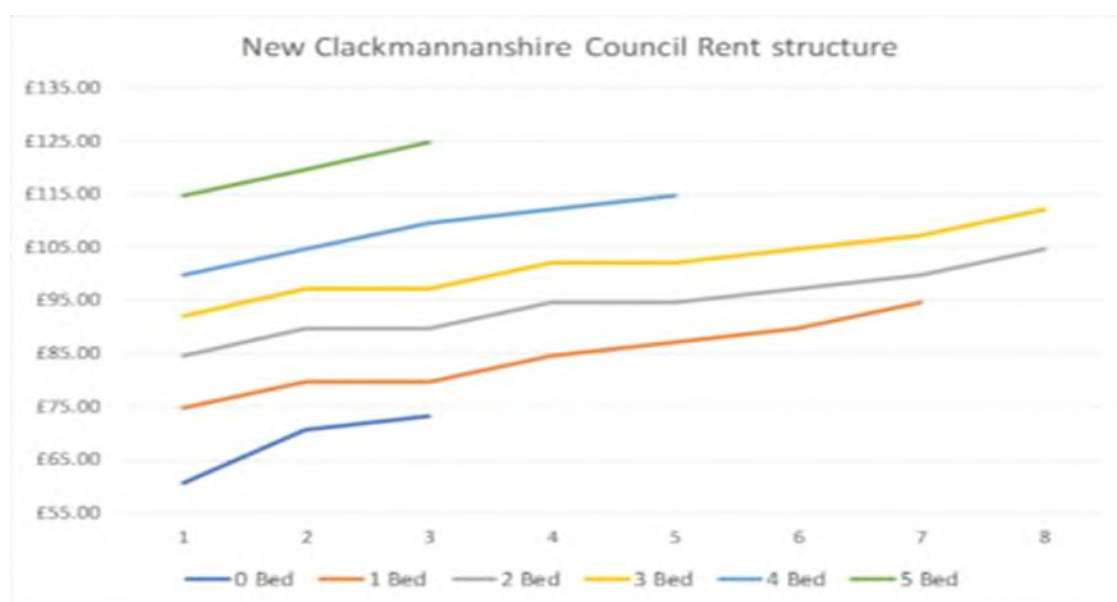
- Property Size/Type: There is overwhelming support from both the questionnaires and tenant workshops for the use of property size and property type in a revised rent structure. These were the two highest ranked property characteristics by tenants.
- Flatted Properties: At the workshops, there was a consensus that flatted properties should have a variance in charge based on whether the flat has a communal door and/or own door.
- Ranking of Property Types: Houses/cottages/bungalows should have a variance in charge based on whether the house is mid terrace, end/semi and/or detached.
- Other characteristics were considered such as age of property, location and energy efficiency: It was felt by respondents that factors used to set rent should be constant and not be complicated in administration on an ongoing basis.

5.6. In the current rental structure, there are 3 types of service charges: close cleaning (45 properties), ground maintenance (17 properties) and washer dryer (3 properties). The survey responses showed a strong majority for only

charging people for the services they received. In contrast, more detailed feedback from the focus groups showed support for most of the service charges to be absorbed into the overall rent as there would be minimal impact. Close cleaning was the only service charge to not be absorbed, due to a service priority to expand this delivery to further blocks.

5.7. The revised rent structure developed and proposed by the independent consultants increases number of rent levels from 22 to 25. As shown in Graph 3 below there would be a bigger differential between each size of property, with the overall average weekly rent remaining the same.

5.8. Graph 3 – New Rent Structure¹



5.9. The attributes contributing to the revised structure are property size and property type. The hierarchy of the proposed new rent structure is as follows, the base rent is built upwards from a flat with one bedroom, then maisonette, a 4 in a block having a slight premium added and then house and bungalows having a higher premium depending on the style. Table 2a below shows criteria one values assigned to the property size. Table 2b shows criteria two values allocated to property type.

5.10. Table 2a

Criteria 1 – Property Size	Add Rent
0	£-14.00
1	Base
2	£10.00
3	£17.50
4	£25.00
5	£30.00

Note: The x-axis in this graph refers to the number of varieties of types of properties within each bedroom category.

¹

5.11. Table 2b

Criteria 2 Property and unit type	Add rent
House detached	£20.00
4 in a block (lower/upper)	£5.00
Flat ground	Base
Maisonette upper	£5.00
Bungalow detached	£20.00
Flat upper	Base
House/bungalow end terrace	£12.50
House/bungalow mid terrace	£10.00
House/bungalow semi detached	£15.00

5.12. Table 3 below shows the proposed new rental charges (on 2024/25 rental prices) based on this proposed revised structure.

5.13. Table 3

Current Rent Structure					Proposed Rent Structure (@ 2024/25 rents)					
Bedroom size	Min	Max	Differential	SHR Charter Average ²		Bedroom size	Min	Max	Differential	SHR Charter Average ²
0	£86.99	£88.83	£1.84	£87.61		0	£60.60	£73.10	£12.50	£64.48
1	£85.06	£94.61	£9.55	£89.85		1	£74.60	£94.60	£20.00	£81.66
2	£89.08	£96.81	£7.73	£92.14		2	£84.60	£104.60	£20.00	£92.26
3	£93.29	£98.82	£5.53	£94.52		3	£92.10	£112.10	£20.00	£102.31
4	£95.59	£99.57	£3.98	£97.11		4	£99.60	£114.60	£15.00	£112.39
5	£99.57	£99.57	£0.00	£99.57		5	£114.60	£124.60	£10.00	£119.60

Rental Costs with Proposed Rent Rise

5.14. Table 4 below shows the rent costs under the current rent structure once the proposed 10% increase has been applied to the base rent – all tenants would have an increase in their rent charge.

² Averages are determined based on the SHR technical guidance, which in simplest terms includes the rent charges for each property size, weighted against the number of properties in each bedroom category.

5.15. Crucially though, the impact of the rent restructure can be seen in table 5, where 72% (3,599) of tenants will be paying less in 2025/26 than they would have under the current structure after the proposed 10% increase is applied. An example of the revised costs is shown in Appendix 8.

5.16. A near third of tenants (28%, (1,376)) would, to ensure fairness and equity, have an increase in payments, with the vast majority having an increase of less than £8.57 per week. As the table highlights, 3 households would have an increase of on average of £22. Those tenants in larger homes have benefited from having larger space while paying disproportionately compared to those in smaller properties. Housing Officers will engage with any tenants who need financial assistance resulting from this change. Personal contact will be made with the 142 tenants affected by rises of between £16.81 to £22.03 per week, to ensure everything is being done to maximise their income (for example some might now qualify for Housing Cost Assistance) and seek to see if any help can be given to reduce their expenditures, i.e. check for eligible reliefs and energy tariffs. This will help ensure those households income is maximised to mitigate the impact as far as possible.

5.17. Table 4

Bedroom size	Min	Max	Differential	SHR Charter Average ²
0	£95.69	£97.49	£1.80	£ 96.59
1	£93.57	£104.07	£10.50	£ 98.83
2	£97.99	£106.49	£8.50	£101.97
3	£102.62	£108.70	£6.08	£103.97
4	£105.15	£109.53	£4.38	£106.82
5	£109.53	£109.53	£0.00	£109.53

5.18.

5.19. Table 5 - Revised rent structure including 10% increase.

Bedroom size	Min	Max	Differential	SHR Charter Average ²	Average difference from current average (table 4)	Number of properties affected
0	£66.66	£80.41	£13.75	£70.93	-£25.66	29
1	£82.06	£104.00	£21.94	£89.83	-£9.00	1355
2	£93.06	£115.00	£21.94	£101.49	-£0.48	2215
3	£101.3	£123.30	£22.00	£112.54	£8.57	1234
4	£109.5	£126.00	£16.50	£123.63	£16.81	139
5	£126.0	£137.00	£11.00	£131.56	£22.03	3

- 5.20. In relation to the implementation approach, most tenants who participated in the workshops expressed a preference for minimising the impact of increases/decreases of a new rent structure. Many favoured a gradual implementation or a capped amount. However, the increase only affects 27.7% of our tenants and most have an increase of less than £10 so it is felt that measure has been met. To try and phase this implementation further for all tenants affected would result in a significant administration burden and increased management costs and take longer to achieve the requirement of a fair rent structure.
- 5.21. This rent modelling exercise was not about increasing revenue but making rental charges fairer and appropriate to property size and type. There is however a marginal gain (£14.5k) to the financial business plan of this new model, with the impact on current annual revenue income shown in Table 6 below:

5.22. Table 6

Business plan income	Totals
Current annual income	£22,022,789.76
Revised annual income	£22,037,361.60
Variance (£)	£14,571.84
Variance (%)	0.07%

- 5.23. Officers therefore recommend that Council implement the new rental structure as detailed in section 5 from 31st March 2025.

6. Rent Affordability

- 6.1. At Council in February 2024, it was noted that housing consultant Arneil Johnston conducted a rent affordability exercise. Using the same affordability model, the 10% increase has been considered on the revised rent restructure and what it would mean for our tenants.
- 6.2. When considering household profiles (by looking at occupants and income), the majority of households would be devoting less than 20% of their income to paying rent charges in Clackmannanshire. No household breaches the common 30% rent to income ratio. It should be noted those tenants on the National Living Wage approaching the boundary, should qualify for Housing Cost Assistance, unless they had for example, financial assets above the benefit threshold limit. This is shown in table 7 below.

6.3. Table 7

Property Size	2025/26		
	Affordability %		
	National Living Wage (21 and over)	National Minimum Wage (18-20)	Living Wage
1 bedroom-Single person 1* Multiplier	21%	26%	20%
1 bedroom-Couple (1.5x Multiplier)	14%	17%	14%
2 bedroom-Single Person 1 * Multiplier	24%	29%	23%
2 bedroom-Single Parent 1.3x Multiplier	18%	22%	18%
2 bedroom-Couple Multiplier *1.5	16%	19%	15%
3 bedroom-Couple Multiplier *1.5	18%	21%	17%
3 bedroom-Family 1.8x Multiplier	15%	18%	14%
4 bedroom-Couple 1.5x multiplier	19%	24%	19%
4 bedroom-Family 1.8x Multiplier	16%	20%	16%

6.4. Over the past 6 years average Council rents in Clackmannanshire have risen from £71.41 in 2017/18 (last Business Plan review) to £85.62 in 2024/25, which equates to an average increase of £14.21 per week or 19.9%. Over the same period, inflation has been 25.9%.

6.5. A 10% increase in average rent to say £94.18, would represent a rent rise of 31.89%, with inflation running at 34.25% during this period (November 2016 to November 2024), this still means that the average rent will be less than if it had kept pace with inflation during this period (all other things being equal).

7. Rent Consultation

7.1. As in previous years, and as required by the Housing (Scotland) Act 2001, all tenants were asked for their views on the proposed rent increase. The results of the consultation are summarised in Appendix 5.

7.2. The consultation ran from 06/12/24 - 10/01/25, with the questionnaire sent to all tenanted properties as well as being made available online. 505 responses were completed - compared to a total of 436 last year (a 15.8% increase). Overall, this gave a tenant survey response rate of 10.4%.

7.3. In-person drop in events ran on 11/12/24, 17/12/24 and 06/01/25 in Tillicoultry, Tullibody and Clackmannan, respectively. There were only 3 attendees, officers gave tenants a short presentation on the rationale for the proposed rent increases. Most of the attendees had already returned their survey forms.

7.4. Three rent increase options were identified and proposed to tenants for consideration. The options consulted on were increases of 9.5%, 10% and 10.5%.

7.5. Below is an extract from questionnaire and the results -

<i>To afford and not adjust our current financial business plan for the next 5 years we require a minimum of 10% (on average £8.56 per week) increase for 2025/26.</i>
Excluding those who had no preference or did no answer 45.6% of respondents indicated that they agreed that it would be appropriate (see Appendix 5 for response numbers).
<i>If you feel that a 10% increase is not appropriate, what if any would you feel, from the other options above would be appropriate?</i>
Around two thirds of respondents selected no preference of a rent rise other than the proposed 10%.

7.6. The consultation document also included details of how each proposed increase could affect the Financial Business Plan in future years, as set out in Table 7 below.

7.7. Of those completing the survey, 54% indicated they received some form of rent cost assistance, either Housing Benefit (HB) or Universal Credit (UC). A total of 79% of our current tenants receive full or partial support with rent.

7.8. Two thirds (64.9%) of respondents agreed that our rent represents good value for money, and 64.2% felt our current rent charge is affordable. This compares with 66.7% and 57.8% of respondents last year. The proportion of tenants who feel they get good value for money has remained stable, which is positive.

7.9. In line with recent surveys, significant comments were received again relating to our current rental structure being unfair.

7.10. As part of a Tenant Survey completed in May 2023, conducted by an independent consultant across 900 tenants, 96% agreed that their rent charge represents good value for money. This compares with 85% in a similar survey conducted in 2019.

8. Clackmannanshire Tenants and Residents Federation (CTRF)

8.1. Officers met with members of the Clackmannanshire Tenants and Residents Federation (CTRF) to discuss the rent structure review, rent affordability, and rent increase. In line with recent years, the CTRF have provided a view on the current rent proposal to the Council. This is summarised in section 8.6.

8.2. The service looks forward to building upon our excellent working relationship with the CTRF, this meaningful partnership built on trust and transparency,

has been key to improving the services which we provide to tenants and is integral to ensuring our commitment to continuous improvement. Working together we can ensure that tenants have a meaningful role in making decisions, understanding processes, and helping to shape the future of housing service delivery within Clackmannanshire.

- 8.3. Over the past 18 months we have seen some real positives arising from our collaborative working approach, key highlights have included the recruitment of a Tenant Participation Officer (November 2023) and the development of a Tenant Participation Strategy (approved at August 2024 Council).
- 8.4. Moving forward, the service will work closely with the CTRF on proposed plans to build skills and capacity to introduce a Tenant Participation Board with Tenant Scrutiny activity given a key focus.
- 8.5. The Federation are supportive of our shared ambitions to improve tenant participation within Clackmannanshire and provide effective means for tenants to express their views on Council Housing Service Delivery, this supports the Scottish Government's strategic objective for tenant participation to be part of the services which we provide.
- 8.6. The CTRF have indicated that they do not support the rent proposal citing concerns over the potential for increased levels of debt and poverty within Clackmannanshire. The CTRF are willing to continue engaging with officers to review future rent proposals in line with the indicated capital investment in the stock.

9. Average Rent Comparisons

- 9.1. Recent analysis shows that our current rents are in line with comparative Local Authority averages and below the Scottish average.
- 9.2. Whilst comparison to other Local Authorities is useful, it should also be borne in mind that each has their own unique challenges, their own specific requirements and their own future investment strategies upon which decisions relating to rent charges are based.
- 9.3. Due to the technical guidance issued by the SHR to arrive at an average rent figure, it is not possible to show 2025/26 averages during the course of the year. Table 9 shows 2024/25 figures.

9.4. Table 9

Apt size	Moray Council	Stirling Council	Falkirk Council	Clacks Council	Fife Council	Midlothian Council	East Renfrewshire Council	Scottish Average
1	£44.58	£66.21	£54.47	£80.92	£80.93	£84.16	£85.03	£71.43
2	£61.83	£75.02	£65.12	£82.96	£83.71	£88.30	£89.77	£82.02
3	£72.61	£77.49	£77.21	£85.07	£86.99	£90.33	£102.73	£88.78
4	£84.03	£80.59	£94.61	£87.26	£90.69	£95.51	£116.36	£96.97
5	£106.68	£82.70	£99.91	£89.69	£95.13	£100.15	£119.06	£105.96
Average	£72.97	£78.10	£80.72	£85.18	£87.40	£87.40	£100.82	£89.98

10. Rent Increase Decision 2025/26

10.1. Modelling by Council finance and housing teams in conjunction with the consultant has resulted in the recommendation of a 10% rent increase for 2025/26.

10.2. The impact of various rent options on the available CFCR is outlined in Appendix 7, with a sample table below.

10.3. Table 10

	Option 1	Option 2	Option 3	Option 4
Rent Option	10.50%	10.00%	9.50%	0.00%
	£M	£M	£M	£M
CFCR 5 Year Total	19.7	19.1	18.5	(3.3)
Impact on Borrowing from Proposed 10% (option 2)	(54.4)	(55.0)	(55.6)	(74.1)

10.4. As can be seen from Table 10 a 10% rise would mean CFCR of £19.1m would be available for capital investment in the housing stock in the 5 year period. This equates to CFCR contributing a quarter of all investment to a projected 5 year capital investment of almost £74m needed to 2029/30.

10.5. A rent increase below the recommended 10% would result in an increased risk to the future of the Capital Programme and would either increase the likelihood of higher rent rises in the future, increase borrowing requirements, or restrict the Capital Programme putting future investment and improvement projects at risk.

10.6. The indicative budget for 2025/26 and the following 5years (2026/27 to 2029/30) as set out in Appendix 1 includes the following assumed rent increases at CPI +1%:

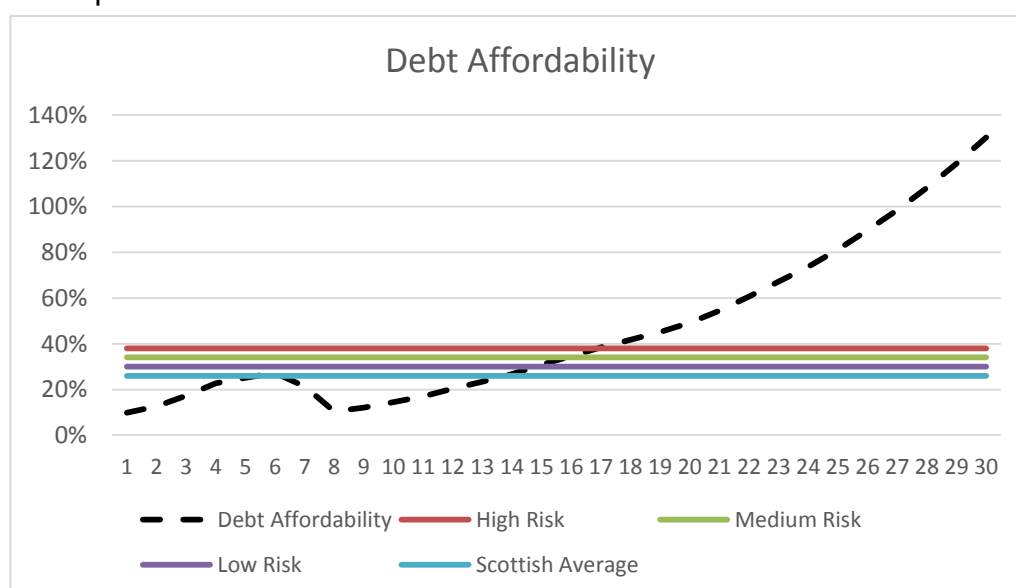
10.7. Table 11 - Assumed Rent Rises - Debt Affordability

Financial Year	2025/26	2026/27	2027/28	2028/29	2029/30
Assumed CPI ³	3.4%	2.4%	2%	2%	2%
Rent Increase CPI +1%	4.4%	3.4%	3%	3%	3%

10.8. The actual rent increase for these years is indicative and will be subject to annual tenant consultation and Council approval.

10.9. The charts below are indicative to help demonstrate the risk associated with the options presented, with lower rent rises posing a significant risk to the Capital Plan in future years, impacting on debt affordability, and presenting the possibility of higher rent rises in the future.

10.10. Graph 4

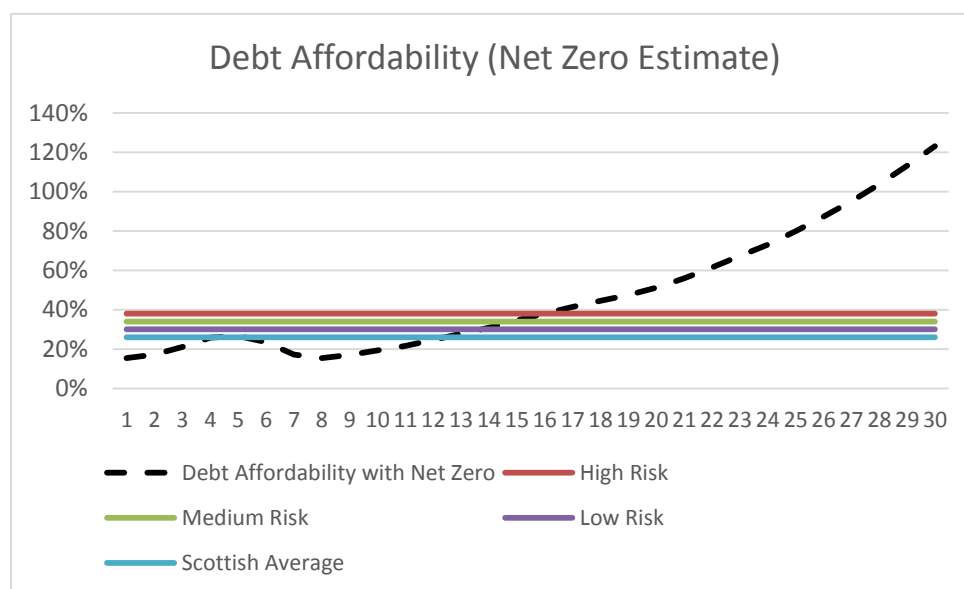


10.11. Graph 4 indicates that whilst last years budget suggested that debt affordability was likely to be an issue for the Council just after the business planning period (year 6/7), if the rent increase proposal (10%) is approved, that will shift the debt affordability based on future rent rises as detailed in 11.7 to year 14. This is also based on current borrowing and interest charges. As members will note the HRA is not legally allowed to either propose a deficit budget and or be in deficit, with any in-year deficit/loss required to be met in year by the Council's General Fund account, with the burden falling on tenants to repay any loss the following financial year. As detailed above,

³ Inflation as per CPI forecasts in Bank of England, November 2023 'fanchart' Data

given the pressure facing the account, the Section 95 officer has fiduciary role where the statutory obligation is that she needs to be satisfied that the Council can manage and finance its obligations to tenants prudently. This is clearly not a position that either the Council's section 95 officer or the auditors will accept. Therefore, further modelling of future rent charges will be required to ensure that the Council can prudently retain its landlord role to eliminate. This will take place during 2025/26 when it can be assessed against the updated stock condition information. Both of these exercises will be subject to tenant engagement and continued close working with CTRF.

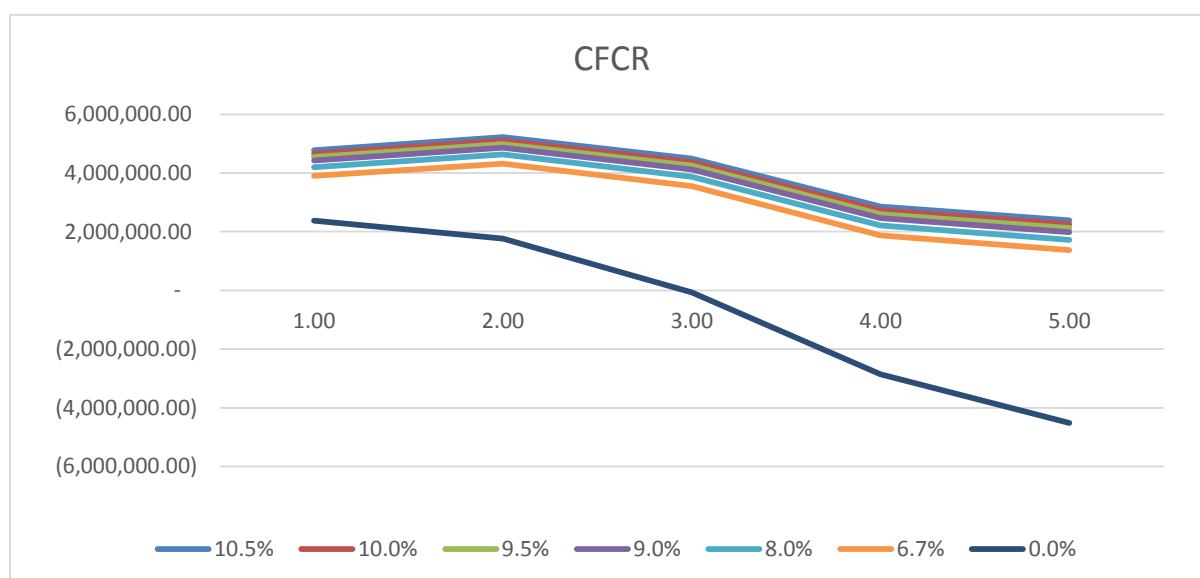
10.12. Graph 5



10.13. To help illustrate for Members a possible impact of the stock condition survey and including an educated assumption for Net Zero adoption by 2045, Graph 5 above documents that even with the 10% Rise and assumed rent rises at Table 10.7 the Council will be in breach of its debt affordability in around a decade. Therefore, whilst we are still in a healthy situation with regards outstanding debt with key performance matrixes being in some cases in top quartile, there is a real and significant risk that could lead to the Housing Service either A - not being able to perform its statutory functions, B - meeting tenant and regulatory expectations, and C - a real question unless rent rises sufficiently for the Council to remain as a landlord.

10.14. As demonstrated in Graph 6 below, there is a reduction in revenue surplus to fund the capital programme (over the 5 year planning period) based on a variety of different rental options.

10.15. Graph 6



10.16. Therefore, as noted to Council last year and demonstrated above, the HRA is under considerable financial pressure and faces a high level of financial risk based on the assumptions outlined in this paper. The Council is not alone in facing this challenge with some HRA's facing a real in-year task of balancing the Income and Expenditure of their accounts.

10.17. Robust business planning is critical to ensuring that the Council can continue (in line with tenant feedback) to act as the main delivery agent for Social Housing in the area. As this report demonstrates, prudent financial management of the HRA will be required to ensure the medium to long term viability of the service under local government stewardship.

10.18. The proposed 10% rent increase this year and the actions proposed to review future year rent rises supports financial stability and allows the service to deliver the Capital Forward Plan as agreed. It is important to note that the proposed budget and Capital Plan does not include:

- Anticipated further investment in the existing stock based on the completion of the stock condition survey,
- RAAC costs from the blocks whose condition is being actively monitored,
- Enhanced energy efficiency/net zero obligations,
- Further new build aspirations, beyond 2028/29.

10.19. The 30 year business plan will look to address the inclusion of the above.

10.20. If Council implemented the same rent increase as last year (6.7%), it would mean a loss of £22.6m over 30 years, thus effectively wiping out CFCR in next 5 years. This would either increase borrowing over the longer term, or fully remove any capital spend for more than one year from the 5 year Capital Plan.

10.21. As detailed in the Consultation with tenants, any proposed amendment to the rent option below the recommended 10% increase would need to be supported by a specific reduction in capital programme expenditure that matches the loss. Without doing so it would not be considered competent by the Section 95 Officer.

11. Lock-up's and Garage Pitch Site Fees

11.1. The Council currently have 1,205 lock-ups on our asset register. The management of lock-up rentals and garage pitch sites moved from Revenues to the Housing Service as part of the recent Housing redesign. As there are currently some discrepancies in the pricing structure across the council ward areas, it is proposed to increase the lock-up rental fee by a maximum of £1.21 per week and to fix the charge at £10 per week, for all Council lockups. This will improve the marketing and administration of the lock-ups, and as this is a higher than usual rise the service is proposing that this charge is fixed until 29th March 2027.

11.2. The Council have 519 garage site pitches for rental, available to be leased out, on a yearly charge. It is proposed to increase the charge by £10.11 per year to be fixed at £110 per year until 1st April 2027. Again, by simplifying the charging strategy, Housing is actively looking to generate interest in these units and pitches. Please see Appendix 6 for details.

12. Budget Strategy

12.1. The capital plan supports the Council's continued undertaking to provide high quality homes by:

- delivery of a multi-million pound planned capital programme of home improvement works in 2025/26 with an indicative plan to 2029/30,
- a continued commitment to providing a 24/7/365 on call reactive repairs and maintenance service,
- a commitment to continue to grow our housing stock size, choice and availability through our property acquisitions programme,
- in line with the Council's net zero commitment, the exploration of use of zero emission heating systems, at the point of use within the housing stock.

13. Outline HRA Budget 2025/26

13.1. Table 12 below shows the proposed HRA Revenue Budget for 2025/26 grouped by the main items of expenditure, compared with the annual budget for 2024/25 and the current forecast outturn projection. Further details can be found in Appendix 1.

13.2. It should be noted that the income budget for 2025/26 includes for a proposed rent increase of 10%.

13.3. Table 12

Description	Annual Budget for 2024-2025 £'000	Forecast to March 2024 £'000	Proposed Annual Budget 2025-2026 £'000
Employee Related Expenditure	10,147,645	9,177,890	10,668,745
Premises Related Expenditure	1,705,605	2,210,593	1,756,774
Transport Related Expenditure	449,500	482,250	542,985
Supplies and Services	3,185,890	3,936,584	3,980,467
Third Party Payments	1,880,781	2,818,817	1,937,204
Support Services	1,204,000	1,204,000	1,240,120
Capital Financing Costs	1,792,725	1,792,725	2,421,828
Total Gross Expenditure	20,366,146	21,622,860	22,548,122
Description	Annual Budget for 2024-2025	Forecast to March 2024 £'000	Proposed Annual Budget 2025-2026
General Rents	(102,350)	(62,350)	(75,421)
Housing Rents	(22,572,640)	(22,696,524)	(25,107,432)
Other Income	(1,965,040)	(3,152,041)	(2,021,471)
Income Total	(24,640,030)	(25,910,915)	(27,204,324)
Net Expenditure	(4,273,884)	(4,288,055)	(4,656,201)

14. Proposed HRA Budget Adjustments 2025/26

14.1. Table 13 below details some specific adjustments which have had to be accounted for in the budget setting process for 2025/26.

14.2. Table 13

Income Adjustments - Pressures/(Savings)	2025/26 £'000	Description
House Rents	(2,535)	Proposed 10% increase on rents
General Rents	27	Temporary decrease in rent due to Westhough project delays
Internal Trading	(54)	Recovery of inflationary increases in costs
Income Adjustments Sub Total	(2,562)	

Expenditure Adjustments - Pressures/(Saving)	2025/26 £'000	Description
Employee Related Expenditure	521	£0.226m 3% salary increase (based on public sector pay policy), £0.077m of pension costs and £0.231m of Employers NI due to the change in the calculation method announced at the UK Budget (this equates to 1% of the rent rise).
Premises Related Expenditure	51	Grown by inflation of 5%
Transport Related Expenditure	93	Increase costs of Electric fleet including increased cost of running existing petrol/diesel fleet
Supplies and Services	795	£0.040m increase in scaffolding hire costs, £0.059m increase in software maintenance costs due proposed upgrade to new software, £0.095m inflationary costs relating to direct materials, £0.600m in Professional fees relating to £0.500m for stock condition survey, £0.050m for allocations policy consulting, £0.050m to cover areas of HRA operations that require external input.
Third Party Payments	56	Grown by inflation factor of 5%
Support Services	36	Grown by inflation factor of 5%
Capital Financing Costs	629	Estimate based on latest projections
Expenditure Adjustments Sub Total	2,182	
Total Net	(380)	

15. Capital Investment and Prudential Borrowing

- 15.1. The level of debt carried by the HRA is dependent on the amount of borrowing required to deliver the capital programme. Surplus income is used to offset capital spend but any spend over and above the available surplus needs to be borrowed, the surplus is known as Capital Funded from Current Revenue (CFCR).
- 15.2. Gross Expenditure for 2025/26 is forecast at £22.5m, generating a surplus of £4.66m. After adjusting to ensure minimum reserves are maintained at 4%, £4.76m is available to fund capital investment for tenant priorities. Based on a budgeted net capital spend of £11.4m, borrowing of £6.9m is needed to fund the programme. Projected capital investment and borrowing requirements over a 5 year period 2025/26 through to 2029/30 are set out in Appendix 2 and Appendix 3.

16. Westhaugh

- 16.1. Works on site have been paused since March 2024, discussions held between the Council, Hubco East Central Scotland and the Scottish Government have resulted in an expectation of being able to recommence with a planned programme of works within the final quarter of this current

financial year, the revised programme would be anticipated to complete in December 2025. The project will ensure that the redeveloped site meets with modern standards and the cultural needs of the residents. The majority of our travelling community continue to be housed temporarily within our housing stock whilst the site is closed for regeneration. Further future updates on project progress will be provided to members as appropriate.

17. Capital Programme Works Progress 2024/25

- 17.1. Progress on delivery of the 2024/25 HRA Capital Programme to the end of Quarter 3 (December 2024) is attached in Appendix 4. The works projects highlighted below are key to ensuring our continued compliance with the Scottish Housing Quality Standard and in meeting our commitments within the Strategic Housing Investment Plan.

17.2. Lochies Road Clackmannan Regeneration Project

Following the purchase of land and the demolition of the unused garage site at Lochies Road Clackmannan, the site has been designed for development of eight bungalows (7 to amenity standard and 1 to wheelchair standard). The project has been delayed due to the loss of the previous contractor (engaged to undertake both Westhaugh and Lochies projects) and the higher than anticipated costs received when this work was subsequently then re-tendered. The service continues to engage with the Scottish Government and Hubco East Central Scotland to review the latest cost information provided and consider the financial viability of the proposed development. The Scottish Government requires us to provide evidence of full planning permission having been granted in order for them to progress to consider the funding position, and we are working with colleagues in Planning to obtain the necessary requirements.

17.3. 'Off the shelf' (OTS) property purchases

23 OTS purchases have been made from the open market with a commitment to a further 20 acquisitions in the Strategic Housing Investment Plan (SHIP) for 2025/26. Although the average cost of property acquisition and refurbishment has increased significantly, the overall unit cost remains significantly less expensive than the average unit cost of new build development (our average acquisition cost is £120K with average refurbishment cost of £35k per unit).

17.4. Renewable Heating (zero direct emissions at point of use)

The Service realised grant drawdown from the UK Government grant schemes to trial renewable heating system installations in properties which are "off the grid". Air Source Heat Pumps (ASHP) were installed in a small number of pilot properties with Solar P.V. panels also fitted. Initial feedback from tenants has been positive and post occupancy evaluation works will continue to evaluate systems performance. The schemes also allowed the Council to specify the heat pump manufacturer, this enabled us to name a product which was linked to a heavily discounted manufacturer/energy supplier tariff, around 10p per kWh cheaper than the price cap tariff.

17.5. Kitchens/Windows/External Fabric Improvements to end of Q3 (December) 2024/25

142 properties have had new kitchen installation works undertaken by our in-house trade team, materials purchased from suppliers are stored at Kelliebank before the installation process is managed through to completion within tenanted households.

402 properties have had new windows installed to secure by design standard with energy efficient double glazing to minimise heat loss from properties.

Roof and Wall Render works are undertaken based on the condition of a property's external fabric, a large number of our housing stock that have had external upgrade works back programmed previously and now require this work to ensure the integrity of the building. Some works have been carried out on properties with an energy rating of E, bringing these up to a C rating. 24 properties have had new roofs installed with a further 38 having both roof and wall render renewal works completed.

Discussion with RAAC evacuated private owners at each of the three affected blocks is to be scheduled to explore the potential replacement of the three RAAC roof structures. The roof and render budget will be required to accommodate the cost to the Council for our share of these works, should they progress. This means that until that the decision by residents is clear, the remaining budget will focus on priority roofing works referred to the capital programme. If decisions are positive with residents, we might consider rep profiling this budget/contract over its remaining term and value.

17.6. Adapted Bathroom Installations

Significant reduction has been achieved in the number of individuals awaiting bathroom adaptation works with similar reduction in waiting times for works to be completed. The waiting list for adaptation has been reduced by around 85% since Q3 2023-24 with currently only 17 persons awaiting works (previously 120). Lead in time to works completion has more than halved from an average of 9-12 months in 2023-24 to now 4-5 months from point of assessment. This improved level of performance has come at a cost with a near 50% increase in the average installation costs of an adapted bathroom, this work is fully funded by the HRA. The difference that these works make to our tenants is significant and provides essential facilities to tenants in need of adaptations at home.

17.7. Tenant Improvement Fund

The service has a specific capital budget for community improvements or additional works to specific individual properties. Noted below is work that has been carried out this year, which has delivered real positive benefits for tenants. This work has been undertaken following feedback from residents and tenants enhancing the quality of life of occupants and tackling (in some cases) reasons for lower demand. Where possible, this work is being channelled through internal Environmental Teams to ensure that the investment is kept in house and locally.

- Two tenanted properties have had extensive works undertaken to improve their garden grounds with these works tailored to the specific

needs of the tenants. One property with a particularly large garden area was completely overhauled to make suitable for a wheelchair user enabling the whole family to have enjoyment and use of the full garden area. The Tenant Improvement Fund paid for a contractor to thin the garden out and fell several trees. The garden was levelled and a patio area built along with an accessible pathway wide enough for a wheelchair to access the bottom of the garden. Another property let to a new tenant had several outhouses in the rear garden area which were removed during the void period. However, the concrete hard standing remained in situ and the area was generally unusable. We undertook works to break up the concrete and prepare the garden to be turfed, fenced and partly chipped. It's now accessible for the tenant's younger children to safely utilise.

- Argyll Street, Alloa: Argyll Street in Alloa is the main road running through the Hutton Park area of the town. On either side of a number of junctions planted shrubs had become overgrown and unsightly. It had been highlighted that parking was difficult in the area, the Tenant Improvement Fund was used to clear and tar spaces that will be lined for parking. We plan to purchase large planters for the remaining areas and plant small trees and colourful plants for the summertime.

18. Sustainability Implications

- 18.1. The sustainability implications of this report are comprehensively positive if the recommendations are approved in terms of financial resilience, community participation, the local economy, energy efficiency, climate change, asset management and human resource.
- 18.2. The housing service contributes positively toward the Councils Interim Climate Change Strategy and Climate Emergency Action Plan, the budget proposed has an ongoing commitment to testing and piloting zero emission heating systems at the point of use.

19. Resource Implications

- 19.1. *Financial Details*
- 19.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. ☒
- 19.3. Finance has been consulted and have agreed the financial implications as set out in the report. Yes ☒
- 19.4. The report outlines that the HRA financial plan is at risk and careful management including appropriate rent rises, along with exploration of efficiencies will be required going forward.

- 19.5. As detailed to Council the Housing Service have been recruiting to vacant posts in the service redesign and only one post now remains to be designed, graded, and advertised. The Council's Property Service have also started a process of engagement with Trade Unions and Senior Leadership Group (SLG) on a redesign in line with the council's organisational redesign principles.
- 19.6. During 2024/25 the Housing Service engaged with the Chartered Institute of Housing (CIH) to contribute to the professionalism of our organisation and the wider sector. This work will continue throughout 2025/26 to identify and develop a tailored Continued Professional Development (CPD) programme for staff, based on CIH's Professional Standards Framework and Clackmannanshire Council's own constructive conversation framework, with the aim of signing up to a partnership agreement with CIH to support the development of new pathways into the housing sector.

20. Exempt Reports

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

21. Declarations

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

(1) Our Priorities

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

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

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

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

(2) Council Policies

Complies with relevant Council Policies ☒

Strategic Housing Investment Plan (SHIP) – October 2024

22. Equalities Impact

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

Yes ☒ No ☐

23. Legality

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

24. Appendices

Appendix 1 -	HRA Revenue Budget Summary 2025/26
Appendix 2 -	HRA Capital Programme 2025/2026 to 2029/30
Appendix 3 -	HRA Borrowing Requirement 2025/2026 to 2029/30
Appendix 4 -	HRA Capital Programme Progress 2024/25
Appendix 5 -	Rent Consultation Response 2025/26
Appendix 6 -	Proposed Rent Increase Illustration 2025/26
Appendix 7 -	Rent Modelling – Funding Impact
Appendix 8 –	Rent Increase Example
Appendix 9 -	Housing Policy Forward Schedule

25. Background papers

- 25.1. 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 ☐

1. Clackmannanshire Council Tenant Satisfaction and Aspiration Survey 2023 – (May 2023)
2. Clackmannanshire Council Housing Revenue Account Budget 2024/25 and Capital Programme 2024/25 – paper to Clackmannanshire Council – February 2024
3. Clackmannanshire Council Rent Increase 2025/26 Consultation – December 2024
4. Clackmannanshire Council Housing Revenue Account 30 Year Financial Business Plan Review (2023-24)
5. Annual Assurance Statement (October 2024)


6. Audit & Scrutiny (December 2024)

7. Westhaugh Budget May 2023

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Murray Sharp	Senior Manager (Housing)	5113
Lindsay Sim	Chief Finance Officer	2002
Claire McNair	Management Accountant	6214
Andrew Buchanan	Team Leader (Housing Business Management)	5168
Katie Roddie	Housing Service Policy & Innovation Coordinator	2688

Approved by

NAME	DESIGNATION	SIGNATURE
Kevin Wells	Strategic Director (Place)	

Directorate Summary - Housing Revenue Account

Appendix 1

Description	Annual Budget for 2025-26	Proposed Annual Budget 2026-2027	Indicative Annual Budget for 2027-2028	Indicative Annual Budget for 2028-2029	Indicative Annual Budget for 2029-2030
Apprentice Levy	24,471	25,694	26,979	28,328	29,744
Employee Management Costs	2,000	2,100	2,105	2,210	2,321
Long Service Awards	2,350	2,467	2,473	2,597	2,727
Pay Funding	0	0	0	0	0
Salary Related Admin Costs	2,600	2,730	2,737	2,873	3,017
Single Status Employers NIC	10,063,825	10,063,825	10,365,739	10,997,013	11,326,923
Single Status Employers Superann	0	0	0	0	0
Single Status Gross Salaries	0	0	0	0	0
Single Status Overtime	472,500	496,125	497,306	522,172	548,280
Staff Training	101,000	106,050	106,302	111,618	117,198
Vacancy Management	0	0	0	0	0
	10,668,745	10,698,991	11,003,642	11,666,811	12,030,211
Annual Maintenance External Providers	395,644	415,426	436,197	458,007	480,907
Bad Debt Provision	185,400	194,670	204,404	214,624	225,355
Building Costs - Recharges Internal	170,347	178,864	187,807	197,197	207,057
Cleaning & Hygiene Materials	10,300	10,815	11,356	11,923	12,520
Council Tax	31,930	33,527	35,203	36,963	38,811
Electricity	56,650	59,483	62,457	65,580	68,858
Gas	20,600	21,630	22,712	23,847	25,040
Land Services - Internal Recharges	60,997	64,047	67,249	70,612	74,142
Property Insurance	276,946	290,794	305,333	320,600	336,630
Property Maint-Man.Charge	0	0	0	0	0
Rates	32,960	34,608	36,338	38,155	40,063
Void Rent Loss	515,000	540,750	567,788	596,177	625,986
Water Charges	0	0	0	0	0
	1,756,774	1,844,612	1,936,843	2,033,685	2,135,369
Insurance Repairs	0	0	0	0	0
Short Term Vehicle Hire	90,900	95,445	100,217	105,228	110,489
Staff Travel Mileage Expenses	10,300	10,815	11,356	11,923	12,520
Vehicles - Maintenance Recharges	441,785	463,874	487,068	511,421	536,992
	542,985	570,134	598,641	628,573	660,002
Computer Hardware Purchase	20,600	21,630	22,712	23,847	25,039
Computer Peripherals	0	0	0	0	0
Computer Software Maint.	276,330	290,147	304,654	319,887	335,881
Computer Software Purchase	0	0	0	0	0
Equipment Maintenance	39,140	41,097	43,152	45,310	47,575
Equipment Rental/Leasing	33,990	35,689	37,474	39,348	41,315
General Consumables (small items)	55,157	57,914	60,810	63,851	67,043
Hospitality	103	108	114	119	125
Insurance	52,200	54,810	57,551	60,428	63,450
Legal Expenses	69,010	72,461	76,084	79,888	83,882
Materials - Direct purchases from suppliers	1,159,368	1,217,336	1,278,203	1,342,113	1,409,219
Materials (issued from Stock)	1,283,741	1,347,928	1,415,324	1,486,090	1,560,395
Medical Supplies	515	541	568	596	626
Mobile Telephones	36,050	37,853	39,745	41,732	43,819
Office Equipment - Purchases	3,760	3,947	4,145	4,352	4,570
Performing Rights	309	324	341	358	376
Postages	8,240	8,652	9,085	9,539	10,016
Printing & Photocopying	2,060	2,163	2,271	2,385	2,504
Professional Fees	705,215	140,475	147,499	154,874	162,618
Provision Of Food	0	0	0	0	0
Publications	824	865	908	954	1,002
Purchase Of Equipment	98,880	103,824	109,015	114,466	120,189
Purchase Of Furniture	515	541	568	596	626
Scaffold Hire	101,491	106,565	111,894	117,488	123,363
Stationery	6,448	6,770	7,109	7,464	7,837
Storage & Removal Charges	2,060	2,163	2,271	2,385	2,504
Subscriptions	21,218	22,279	23,393	24,562	25,791
Telephones	155	162	170	179	188
Uniforms & Clothing	3,090	3,245	3,407	3,577	3,756
	3,980,467	3,579,490	3,758,464	3,946,388	4,143,707
Bank Charges	670	703	738	775	814
Other Agencies Payment	0	0	0	0	0
Other Council Accounts	963,751	1,011,938	1,062,535	1,115,662	1,171,445
Other Local Authorities	(0)	(0)	(0)	(0)	(0)
Payment To Subcontractor	892,237	936,849	983,692	1,032,876	1,084,520
Payments To Contractors	49,647	52,129	54,735	57,472	60,346
Voluntary Organisations Payment	30,900	32,445	34,067	35,771	37,559
	1,937,204	2,034,064	2,135,768	2,242,556	2,354,684
Support Cost	1,240,120	1,302,126	1,367,232	1,435,594	1,507,374

	1,240,120	1,302,126	1,367,232	1,435,594	1,507,374
Debt Management Expenses	21,048	22,100	23,205	24,366	25,584
Loans Fund Interest	1,723,901	2,482,289	2,943,651	3,664,124	4,312,399
Principal Repayments	676,879	753,601	1,459,562	2,488,029	2,739,961
	2,421,828	3,257,990	4,426,418	6,176,519	7,077,944
Total Expenditure	22,548,122	23,287,409	25,227,008	28,130,125	29,909,290
Charges for Services Standard VAT	(52,942)	(55,589)	(58,369)	(61,287)	(64,351)
Charges for Services Exempt VAT	0	0	0	0	0
Fees Exempt VAT	0	0	0	0	0
General Rents	(75,421)	(110,692)	(116,226)	(122,037)	(128,139)
Housing Rents	(25,107,432)	(26,161,944)	(27,260,746)	(28,405,697)	(29,598,737)
Interest(Revenue Balance)	(84,000)	(84,000)	(84,000)	(84,000)	(84,000)
Internal Trading Contract	(1,868,317)	(1,961,733)	(2,059,820)	(2,162,811)	(2,270,951)
Other Income	(16,212)	(17,023)	(17,874)	(18,768)	(19,706)
Subscriptions	0	0	0	0	0
	(27,204,324)	(28,390,981)	(29,597,034)	(30,854,600)	(32,165,884)
Net Surplus	(4,656,201)	(5,103,572)	(4,370,026)	(2,724,475)	(2,256,594)

HRA Capital Budget 2025/26 to 2029/30

Appendix 2

	CWF	2025/26	Revised 2025/26	2026/27	2027/28	2028/29	2029/30
		£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
SHQS ELEMENTS							
Primary Building Elements							
Structural Works		300	300	250	250	263	276
Vehicles		40	40				
Secondary Building Elements							
Damp Proof Course and Rot Works		200	200	400	400	420	441
Roof/Rainwater/External Walls		1,500	1,500	1,500	1,500	1,575	1,654
Windows		1,100	1,100	2,000	1,000	1,050	1,103
Energy Efficiency							
Full/ Efficient Central Heating		750	750	750	750	788	827
Renewables Heating and Solar		225	225	225	525	551	579
EPC Programme		50	50	50	50	53	55
Modern Facilities & Services							
Kitchen Renewal		1,000	1,000	1,000	1,000	1,050	1,103
Bathroom Renewal		0	0	0	1,000	1,050	1,103
						0	0
Health Safe & Secure							
Safe Electrical Systems		1,300	1,300	1,300	1,300	1,365	1,433
Improvement Fencing		245	245	245	245	257	270
Secure Door Entry Systems & CCTV		275	275	325	325	341	358
Landscaping and communal environment		150	150	150	150	158	165
New Build							
Westthagh		0	0	0	0	0	0
Off the Shelf Purchases & Refurbishment		3,100	3,100	3,100	3,100	3,255	3,418
Lochies Road Clackmannan	1,870		1,870	0	0	0	0
New Build	90	0	90	2,500	2,900	3,045	3,197
Demolitions	223	400	623	400	400	420	441
NON SHQS ELEMENTS							
Conversions and Upgradings		250	250	250	250	263	276
Disabled Adaption Conversions		447	447	634	634	666	699
HRA Roads & Footpaths Improvements		200	200	200	200	210	221
Rename: MCB Tenant Community Improvement Fund		229	229	250	250	263	276
Lock Ups		0	0	0	0	0	0
Housing Business Management System		0	0	0	0	0	0
IT Infrastructure	37	137	174	137	137	144	151
Construction Design & management		0	0	0	0	0	0
						0	0
Gross Capital Programme (inc cfwd)	2,220	11,898	14,118	15,666	16,366	17,184	18,044
Income							
Westthagh			0	0	0	0	0
Off the Shelf Purchases & Refurbishment		2,100	2,100	1,100	1,100	1,155	1,213
Lochies Road Clackmannan	620		620	0	0	0	0
						0	0
Income	620	2,100	2,720	1,100	1,100	1,155	1,213
						0	0
Net Capital Programme Budget	1,600	9,798	11,398	14,566	15,266	16,029	16,831

HRA Borrowing Requirement 2025/26 to 2029/30

Appendix 3

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Reserve Balance	903	1,004	1,046	1,090	1,136	5,180
Projected HRA Surplus	(4,656)	(5,104)	(4,370)	(2,724)	(2,257)	(19,111)
Minimum Reserve Balance	(1,004)	(1,046)	(1,090)	(1,136)	(1,184)	(5,461)
CFCR Available	(4,758)	(5,146)	(4,414)	(2,770)	(2,304)	(19,392)
						0
HRA Capital Forecast	11,398	14,566	15,266	16,029	16,831	74,090
New Borrowing Requirement	6,640	9,420	10,852	13,259	14,526	54,698

Housing Investment Team Performance Update 2024-25

Quarter 3 – HRA Capital Programme & SHQS

Completed Works to 31st December, 2024

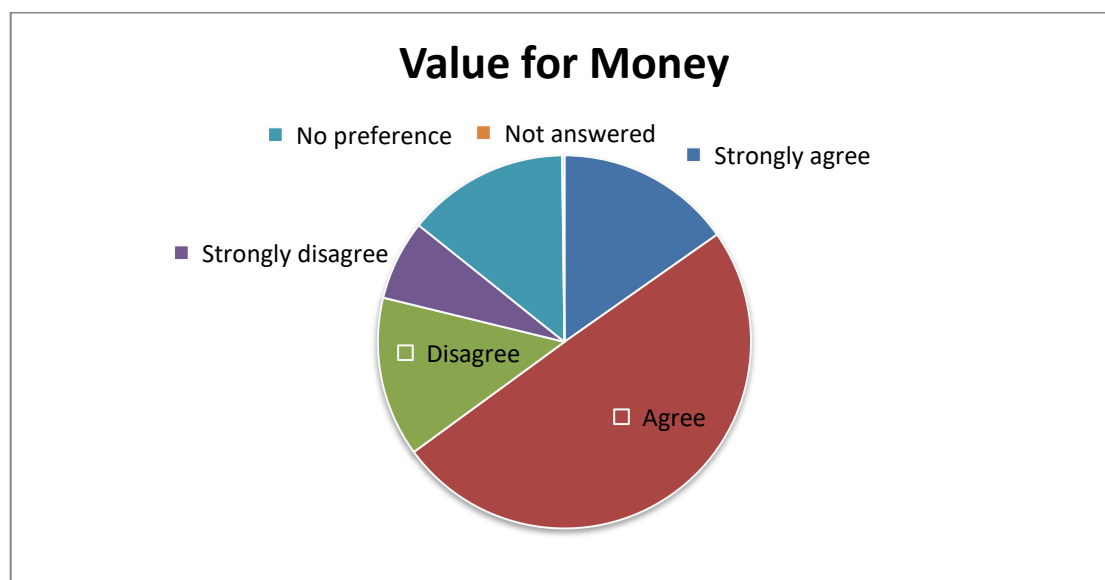
Project	Number of Properties Completed to end of Quarter 3
Window Replacement Programme	402
Kitchen Replacement	142
Disabled Bathroom Adaptations	44
Central Heating Upgrades	163
Renewable Heating Pilot Installation	5
Safe Electrical Tests & Upgrades	758 Tests 667 Remedial Upgrades 19 Full Re-wires
Roof Replacements	24
Roof and Render	38
Secure Door Entry Upgrades CCTV	44 Door entry closes 8 CCTV installations in closes
Fencing Replacements	76
Completed Damp/Rot Works	120
“Off the Shelf” property acquisitions and refurbishments to SHQS	23 acquisitions 17 refurbishments completed 6 refurbishments in progress
Structural Works	Works ongoing to retaining walls in Branshill Park and to replace failing boundary walls in Sprotwell Terrace, Sauchie
Westhaugh Travellers Site	Works anticipated to recommence on site in Q4 2024/25

Rent Consultation 2025/26

The following details the results of the consultation published on Citizen Space in relation to the Rent Consultation 2025/26, which was open from 6th December 2024 to 10th January 2025.

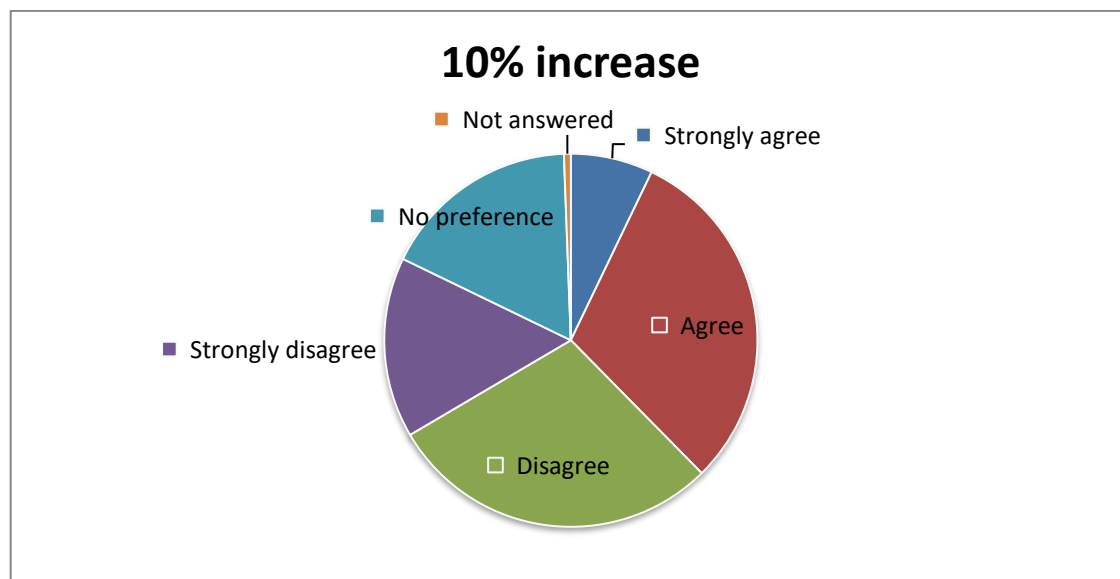
505 responses were received, a summary of the responses are detailed below:

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



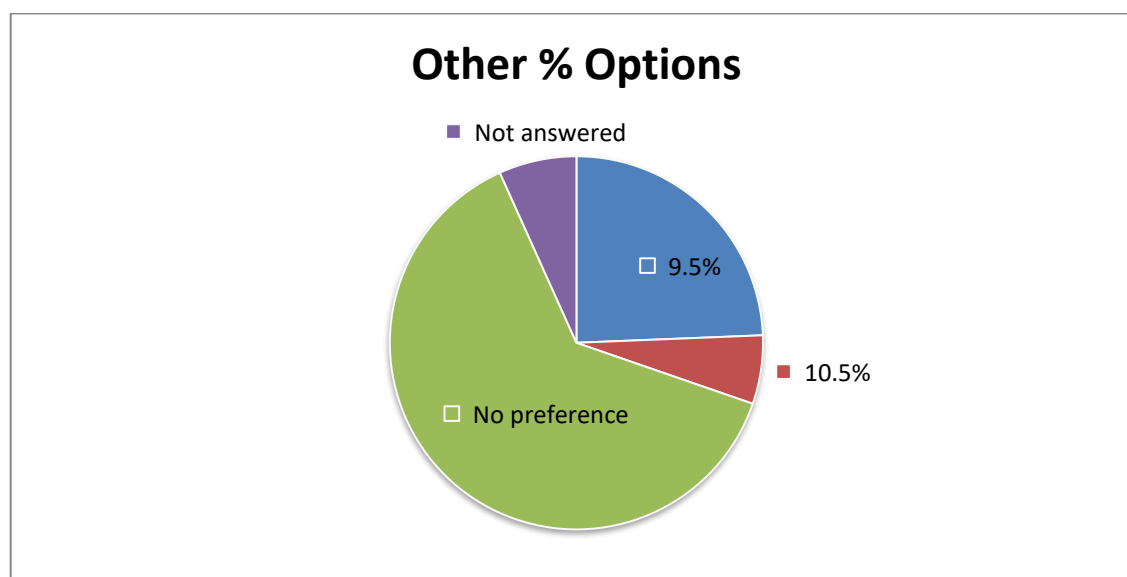
	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference	Not answered
Value for Money	77	251	70	35	71	1
	15.25%	49.7%	13.86%	6.93%	14.06%	0.2%

To afford our current business plan for the next 5 years we require a minimum of 10% increase for 2025/26. Do you feel this increase would be appropriate?



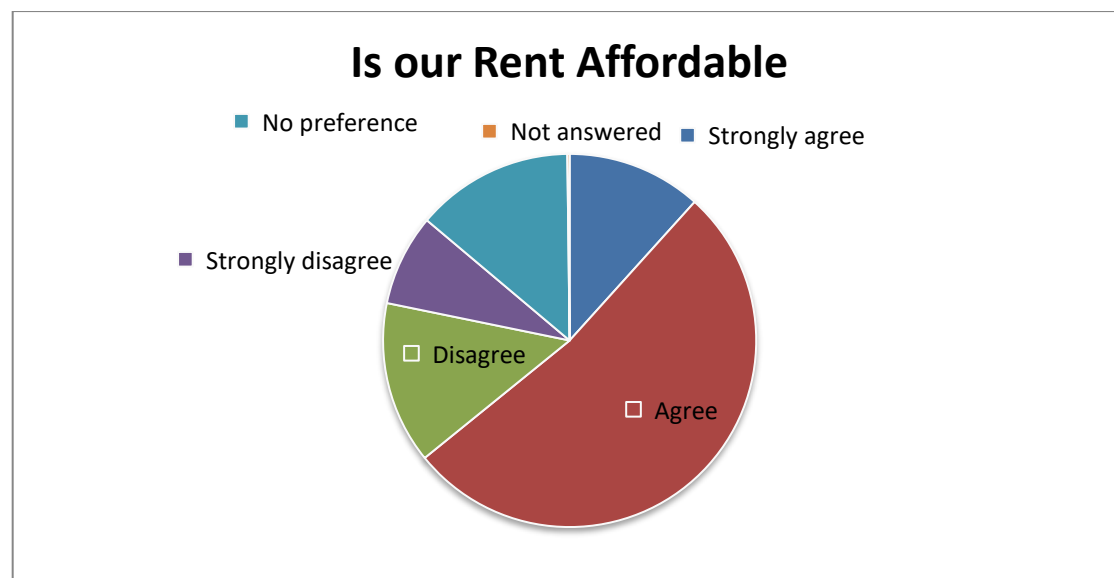
	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference	Not answered
10% increase	36	154	146	79	87	3
	7.13%	30.50%	28.91%	15.64%	17.23%	0.59%

If you feel that a 10% increase is not appropriate, what if any would you feel, from the other options above would be appropriate?



	9.5%	10.5%	No Preference	Not answered
Other % options	123	30	318	34
	24.36%	5.94%	62.97%	6.73%

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



	Strongly Agree	Agree	Disagree	Strongly Disagree	No Preference	Not answered
Is the rent affordable	59	265	71	40	69	1
	11.68%	52.48%	14.06%	7.92%	13.66%	0.2%

10%

New Rent Costs for Houses with effect from 31 March 2025

Revised Rent Structure

Size	Type	24-25 Charge	Increase	25-26 Charge
0 Bed	Flat	£60.60	£6.06	£66.66
0 Bed	Bungalow Mid Terrace	£70.60	£7.06	£77.66
0 Bed	Bungalow End Terrace	£73.10	£7.31	£80.41
1 Bed	Flat	£74.60	£7.46	£82.06
1 Bed	4 in a Block	£79.60	£7.96	£87.56
1 Bed	House/Bungalow Mid Terrace	£84.60	£8.46	£93.06
1 Bed	Bungalow End Terrace	£87.10	£8.71	£95.81
1 Bed	House/Bungalow semi detached	£89.60	£8.96	£98.56
1 Bed	Bungalow Detached	£94.60	£9.46	£104.06
2 Bed	Flat	£84.60	£8.46	£93.06
2 Bed	4 in a Block/maisonette	£89.60	£8.96	£98.56
2 Bed	House /Bungalow - Mid terrace	£94.60	£9.46	£104.06
2 Bed	Maisonette Upper	£94.66	£9.47	£104.13
2 Bed	House/Bungalow End Terrace	£97.10	£9.71	£106.81
2 Bed	House/Bungalow Semi Detached	£99.60	£9.96	£109.56
2 Bed	Bungalow Detached	£104.60	£10.46	£115.06
3 Bed	Flat	£92.10	£9.21	£101.31
3 Bed	4 in a Block	£97.10	£9.71	£106.81
3 Bed	House - Mid terrace	£102.10	£10.21	£112.31
3 Bed	House End Terrace	£104.60	£10.46	£115.06
3 Bed	House Semi Detached	£107.10	£10.71	£117.81
3 Bed	House/Bungalow Detached	£112.10	£11.21	£123.31
4 Bed	Flat	£99.60	£9.96	£109.56
4 Bed	4 in a Block	£104.60	£10.46	£115.06
4 Bed	House - Mid terrace	£109.60	£10.96	£120.56
4 Bed	House End Terrace	£112.10	£11.21	£123.31
4 Bed	House Semi Detached	£114.60	£11.46	£126.06
5 Bed	House - Mid terrace	£114.60	£11.46	£126.06
5 Bed	House Semi Detached	£119.60	£11.96	£131.56
5 Bed	House Detached	£124.60	£12.46	£137.06

Average Rent (48 weeks)

£106.10

Average Rent (52 weeks)

£97.94

10%

Rent Cost for Lock-ups with effect from 31 March 2025 – 31 March 2027

Lock-ups		Increase £	Weekly £
Lock-up Rent	£8.79	1.21	10.00
Lock-Up with VAT	£10.55	1.45	12.00

Garage Pitch Site Annual Cost £110.00 (£132.00 VAT)

The rent charge-free weeks for 2025/26 will be the weeks commencing:

4 August 2025

11 August 2025

22 December 2025

29 December 2025

Rent Modelling - Funding Impact

The table below shows the impact on income of the various rent increase options, subsequent years assume CPI+1%

Impact of rent increase compared to 9%

Proposed Rent Increase 2025/26	Rent Income 2025/26	Loss of Rent compared to 9%	Cumulative loss of rent 2025/26 to 2028/29	Surplus 2025/26 for CFCR	Cumulative Surplus for CFCR 2025/26 to 2028/29
	£M	£M	£M	£M	£M
10.5%	25.22	0.34	0.44	(4.77)	(19.73)
10.0%	25.11	0.23	0.29	(4.66)	(19.11)
9.5%	24.99	0.11	0.15	(4.54)	(18.49)
9.0%	24.88	0.00	0.00	(4.43)	(17.87)
8.0%	24.65	(0.23)	(0.29)	(4.20)	(16.63)
6.7%	24.35	(0.52)	(0.67)	(3.90)	(15.01)
0.0%	22.82	(2.05)	(9.02)	(2.37)	3.30

Rent Increase Example

Average Example

0 Bed Average

Current 0 Bed Stock 29

Broken down to below

Rent	Total Charge	Dwellings
66.66	1199.88	18
77.66	776.6	10
80.41	80.41	1
Grand Total	2056.89	29

The total Rent for these properties is £2,056.89.

Divided by the number of properties is £2,056.89/29 = £70.93.

This works the averages over the whole 29 properties, it gives a more reflective average for the Stock Types

1 bed semi-detached bungalow

10% Increase only:

Current rent	£ 90.76
10% Increase	£ 9.08
New weekly rent	£ 99.84

Under the new rent structure, the basic rent would reduce to £89.60

Applying the 10% increase:

Revised rent	£ 89.60
10% Increase	£ 8.96
New weekly rent	£ 98.56

The increase under the new rent structure of £8.96 is £0.12 less than the increase of £9.08 that would have been applied to the existing rent. Overall, the rent figure for 2025/26 will be lower than the current amount paid.

3 bed semi detached house

10% Increase only:

Current rent	£94.86
10% Increase	£ 9.49
New weekly rent	£104.35

Under the new rent structure, the basic rent would increase to £ 107.10

Applying the 10% increase:

Revised rent	£107.10
10% Increase	£ 10.71
New weekly rent	£117.81

The increase under the new rent structure of £10.71 is £1.22 higher than the increase of £9.49 that would have been applied to the existing rent.

Housing Policy Forward Schedule

Housing Policies under consideration	Timeframe for review and / or consultation (if required)	Proposed Qtr for presentation to Council
Missing Shares Policy	Q4 2024/25	Q1 2025/26
Property Acquisition Policy	Q4 2024/25	Q1 2025/26
Housing Rent Setting Policy	Q1 2025/26	Q2 2025/26
Current and Former Tenant Arrears Policy	Q1 2025/26	Q2 2025/26
Damp and Mould Policy	Q2 2025/26	Q3 2025/26
Allocations Policy (Westhaugh)	Q2 2025/26	Q3 2025/26
Garden Structure Permissions Policy	Q2 2025/26	Q3 2025/26
Rechargeable Repairs Policy	Q3 2025/26	Q4 2025/26
Open Space Management Policy	Q3 2025/26	Q4 2025/26
Estate Management Policy	Q3 2025/26	Q4 2025/26
Communal Repairs and Investment Policy	Q4 2025/26	Q1 2026/27
Allocations Policy (General)	Q1 2026/27	Q2 2026/27

Report to: Clackmannanshire Council

Date of Meeting: 30 January 2025

**Subject: Mid-term Review of the Council's Decision-Making Framework
and Councillor Responsibilities**

Report by: Chief Executive

1.0 Purpose

- 1.1. The purpose of this report is to seek approval to further refine the Council's decision-making framework and to highlight those political roles which attract Special Responsibility Allowance under the proposed arrangements.
- 1.2. These proposals have arisen following the mid-term review of the revised arrangements that were put in place following the Local Government Election held in May 2022.

2.0 Recommendations

- 2.1. Council is asked to agree to suspend Standing Orders per Standing Order paragraph 20.7, which requires notice of changes to Standing Orders to be given at a preceding meeting
- 2.2. Subject to agreement of Standing Order paragraph 20.7, it is recommended that Council:
 - a) agrees to the proposals in this report to change the Council's decision making framework as set out at sections 4, 5 & 6 of this report;
 - b) selects which option, if any, from those set out in Table 1, it wishes to adopt to further enhance the operation of the Audit and Scrutiny Committee functions and responsibilities
 - c) subject to agreement of these changes, Council:
 - i. appoints members to the new spokesperson and depute spokesperson positions
 - ii. approves the positions which are awarded senior councillor responsibility payments as set out in paragraph 4.2 of this report

- iii. notes that revisions to Standing Orders, which detail the consequential changes arising from approval of these proposals, will be made
- iv. notes the improvements proposed to further develop the implementation of the four Boards set out in Section 7, Table 2
- v. notes that a further implementation review will be undertaken, prior to the next Local Government elections in May 2027 (section 8)
- vi. notes that subject to approval of recommendations 2.2a) and b), consequential changes will be made to Council Champion roles , last approved in March 2023, and that these proposals will be submitted to the next scheduled meeting of Council.

3.0 Background

- 3.1. Following the Local Government Election held on 5 May 2022, the Chief Executive submitted a report to Council proposing changes to the decision-making framework. These proposals were prepared following open and transparent cross-party engagement and discussion.
- 3.2. The aim of the proposed changes was as follows:
 - to maximise the participation of all elected members in decision making
 - to sustain maximum transparency over the Council's decision-making
 - to streamline the administration of Council business
 - to enhance the effective scrutiny of Council activity and decisions.
- 3.3. In the report to Council it was noted that the implementation and effectiveness of these new arrangements would be kept under review to ensure that the effectiveness of arrangements is improved /sustained. This paper to Council sets out a mid-term review of both the implementation and effectiveness of the revised arrangements, making further recommendations for improvement where appropriate.
- 3.4. Council will also recall that the revised arrangements are underpinned by an augmented/ more routine Programme of briefings/fora. The details of these arrangements were agreed by Council in a subsequent report to Council in August 2022. This paper established the following Briefing Fora:
 - Be the Future Transformation Board
 - Climate Change Emergency Board
 - Children and Young People's Board
 - Adult Social Care Board.

This review has also included these arrangements within its scope.

- 3.5. To facilitate this review, a series of interviews have been undertaken with the Chair/ Convener of relevant Committee/ Boards, as well as with Internal and External Audit. The interviews conducted followed the format of the questionnaire which was issued to all members during summer recess (2024) which is attached at Appendix A for reference.

4.0 Considerations

- 4.1. The effectiveness of the changes made with regards the running of both Council and Audit and Scrutiny Committee meetings were the two most significant aspects of discussion in the feedback received. The matters relating to Audit and Scrutiny Committee are set out in section 6 and Table 1. The following feedback was received in respect of Council meetings:

- Council conducts its business in a transparent way and councillors have full opportunity to participate
- agenda management has proved challenging with significant volumes of papers for Council approval and some occasions where some items have received less attention/scrutiny
- steps have been taken to improve the administration of Council meetings by the Convener and Clerk
- there is a perceived improvement in the management of the agenda and managing the significant volume of papers by careful attention to the running order of business, formalising breaks, lunchtime etc
- additional briefings held on more complex papers have been welcomed and are viewed as valuable
- no further proposals for improvement were made.

- 4.2. Feedback from both spokespeople and officers identified that there is an opportunity to better align political and managerial portfolios as part of the review process. This would ensure greater clarity in sustaining strategic and operational alignment of responsibilities. Council is, therefore, requested to make the following changes to political responsibilities:

- a) disestablish the post of spokesperson for Partnership, Third Sector and Digital Strategy
- b) disestablish the post of spokesperson for Education
- c) disestablish the post of spokesperson for Sport, Leisure and Active Living
- d) disestablish the post of spokesperson for Health and Social Care
- e) disestablish the post of spokesperson for Environment and Net Zero
- f) disestablish the post of spokesperson for Housing and Property
- g) establish the post of Spokesperson for People (Children's services (incorporating Education and Children's social work), Sport and Active Living)
- h) establish the Post of Depute Spokesperson for People (Health and Adult Social Care, Community and Criminal Justice)
- i) establish the post of Spokesperson for Place (Environment, Planning and Climate Change)
- j) establish the post of Depute Spokesperson for Place (Housing and Property)
- k) establish the post of Spokesperson for Partnership and Performance (Finance, Performance and Digital)
- l) establish the post of Depute Spokesperson for Partnership and Performance (Partnerships).

- 4.3 In accordance with Section 124 of the 1973 Act (inserted by Section 31 of the 1994 Act), the Council must also appoint three religious representatives. Religious representatives only have voting rights on matters relating to the

discharge of the authority's function as education authority. It is proposed that religious representatives would continue to be invited to attend such meetings as require a decision on education matters to be taken.

5.0 Political Responsibility and Special Responsibility Allowances

5.1. In summary, the following senior political responsibilities are proposed as part of the revised decision-making framework:

- Provost
- Depute Provost
- Council Leader
- Depute Council Leader
- **Convener of Council**
- Vice Convener
- **Spokesperson for People (Children's services (incorporating Education and Children's social work), Sport and Active Living)**
- **Depute Spokesperson for People (Health and Adult Social Care, Community and Criminal Justice)**
- Spokesperson for Partnership and Performance (Finance, Performance and Digital)
- **Depute Spokesperson for Partnership and Performance (Partnerships)**
- **Spokesperson for Place (Environment, Planning and Climate Change)**
- **Depute Spokesperson for Place (Housing and Property)**
- **Chair of Audit and Scrutiny Committee** (subject to option approved per Table 1)
- **Chair of Planning Committee**
- Chair of Regulatory

Additionally, those posts presented in **bold** are proposed to be awarded senior councillor responsibility payments.

5.2 The proposals require that no single member receives more than one special responsibility allowance to remain compliant with the financial framework within which members allowances are administered.

5.3 Council is asked to appoint members to the positions set out in paragraph 4.2 g) to l) above.

6.0 Audit and Scrutiny Committee

- 6.1. The Audit and Scrutiny Committee has eight members and the Chair of the Committee is the Leader of the main Opposition, and the Vice Chair also comes from outwith the political Administration. In line with the previously agreed protocol, the majority of members of the Audit Committee also come from outwith the political Administration.
- 6.2. The current remit for the Committee is set out at Appendix B and the Agenda for meetings is clearly structured as follows:
- Part A: Audit and Finance
 - Part B: Scrutiny.
- 6.3. In undertaking this review, the Audit and Scrutiny Committee was one of the areas where specific comments have been received. The key comments are summarised as follows:
- the Committee conducts its business in a transparent way and councillors have full opportunity to participate
 - the additional briefings held on more complex papers have been welcomed and are viewed as valuable
 - the Committee is well run, developing an improvement agenda and enhanced by the operational escalation process developed by the Strategic Director (Partnership and Performance)
 - agenda management has proved challenging with significant volumes of papers for the Committee to consider on an increasingly frequent basis which has meant that some of the meetings have been extended
 - the running order of the Committee's agenda can mean that later items receive less attention/scrutiny
 - the steps to embed a Training Plan for the Committee are welcome.
- 6.4. Several options to enhance the smooth operation of the Committee have been suggested and these have been captured within Table 1 below.

Table 1: options to enhance the operation of the Audit and Scrutiny Committee

Option Reference	Classification	Comment
1	Increase frequency of Committee meetings	<p>There are currently 6 cycles of Council and committee meetings, with Council having an additional meeting fitted in at the end of June. As there is currently a 4/5 week lead in time for each and taking into account the 13 week impact of avoiding school holidays in February half term, Easter, Summer, October and Christmas it would be challenging to add additional meetings. There are on average 36 meetings to fit into the remaining part of the year.</p> <p>One option may be to change the day of the week on which Committee meetings are held, for instance, the deadlines for Tuesday meetings are different. However, officers are</p>

		already reporting/observing difficulties meeting current deadlines with the volume of papers.
2	Standalone Audit and Scrutiny Committees	<p>This proposal would likely prove challenging for both councillors and officers as it effectively adds a new Committee to the calendar.</p> <p>It has the potential to undermine the aims set out at paragraph 3.2 which is an important consideration as the underlying rationale being addressed, at least in part, by the changes implemented in May 2022 was to streamline the number of separate meetings and to maximise the participation opportunity for all councillors. This rationale was unanimously supported on a cross-party basis at that time.</p>
3	Embed Audit Committee remit within Full Council remit and retain separate Scrutiny Committee	<p>Council has previously operated with a version of such arrangements with specific items such as the External Audit report, the Council's Financial statements and Best Value reports all being presented to Council.</p> <p>If Council were to adopt this option, the full Audit Committee remit would be embedded within the Council remit and agenda management adjusted accordingly. The existing Audit and Scrutiny Committee would be renamed the Scrutiny Committee, retaining only that part of the remit which relates to the scrutiny responsibilities. All other elements of the administration of the new Scrutiny Committee would continue as per those currently in place for the Audit and Scrutiny Committee.</p> <p>This option is likely to place an additional pressure on the management of the Council agenda which has, as noted, proved challenging previously.</p>
4	Further embed the pre-Committee briefing process whilst retaining the current Audit and Scrutiny Committee Format	<p>As part of the revised arrangements since May 2022, there has been a renewed focus on improving the briefing and training elected members receive to allow them to fulfil their roles in both Council and committees generally. This has also been the case for the Audit and Scrutiny Committee.</p> <p>A programme of training was undertaken after the 2022 Local Government Elections and a further round of training is being reviewed by Senior Manager (Legal and Governance) and Senior Manager (HR) and will be rolled out in due course. The Council has also engaged with the Improvement Service to undertake a Political Skills Assessment (PSA) for elected members.</p> <p>Continue the recently implemented changes to pre-agenda meetings where all Audit and</p>

		Scrutiny members attend with officers. This will continue to provide the opportunity to have high level overview and scrutiny of papers both in preparation for and during the Committee.
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7.0 Briefings and Boards

- 7.1. Following the approval of the four Boards in August 2022, officers sought to implement the arrangements as described in the remits agreed by Council. Table 2 sets out the Feedback received.

Table 2: Feedback on the operation of new Boards

Board	Comments
Be the Future Transformation Board	<p>Working with the Chief Executive and Senior Manager (Transformation and Capital), a number of improvements have been made to the operation of the Board since May 2022 with the aim of increasing transparency, awareness and the opportunity for participation for all elected members.</p> <p>Reporting has improved and is becoming more systematic and the Board has advanced the Benefits Realisation Framework which was also agreed by Council.</p> <p>No additional suggestions for improvement proposed.</p>
Climate Change Emergency Board	<p>This Board has experienced challenges in engagement resulting in a perception of a lack of clarity in focus. The Board has strong , committed leadership, however, has evolved into a good practice forum, rather than a catalyst/ driver of the Climate Change Strategy.</p> <p>The Board has the potential to refocus and re-establish its function as an oversight Board for the Council's agreed Climate Change Strategy and priorities. The Strategic Director (Place) will progress with the Chair and relevant officers.</p>
Children and Young People's Board	<p>This Board is amongst the most well-established and runs smoothly, providing appropriate briefing and improving broader awareness and understanding of issues in Clackmannanshire.</p> <p>No additional suggestions for improvement proposed.</p>
Adult Social Care Board.	<p>There have been challenges in consistently establishing and developing the Board and its associated agenda. Elected members still consider that there is scope for improved briefing to facilitate scrutiny and awareness.</p> <p>There has been a recent change in senior management within the Health and Social Care</p>

	Partnership, following the appointment of a new Interim Chief Officer. This provides an opportunity to reset the implementation of the Board. The Chief Executive will progress with the Interim Chief Officer.
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8.0 Future review

8.1. It is proposed that a further review will be conducted prior to the next Local Government elections in May 2027. As part of that review, amongst other matters, it is proposed that the following themes will be explored:

- progress and impact with the Council's Be the Future Target Operating Model and whether the Council's arrangements require amendment. For instance in respect of how the partnership portfolio is designed, structured, overseen and scrutinised
- the potential role and benefits or otherwise of reestablishing service committees.
- the implementation of a Tenant Participation Housing Board.

9.0 Sustainability Implications – N/A

10.0 Resource Implications - the proposals included in this paper are within the budget available for such purposes, that budget being £192,120 for special responsibility allowances (excluding the Provost and Leader).

11.0 Exempt Reports

11.1. Is this report exempt? No

12.0 Declarations

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

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

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

(2) **Council Policies**

Complies with relevant Council Policies Yes ☒

13.0 Equalities Impact

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

Yes ☐ No ☒

14.0 Legality

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

15.0 Appendices

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

APPENDIX A: Review of Council decision-making questionnaire

APPENDIX B: Audit and Scrutiny Committee Remit

16.0 Background Papers

16.1. 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 ☐

- **The Council's Decision-Making Framework and Special Responsibility Allowances** – Paper to Council, 25 May 2022
- **Councils Decision Making Framework - Boards and Briefing Framework** – Paper to Council, 11 August 2022

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Nikki Bridle	Chief Executive	452002

Approved by

NAME	DESIGNATION	SIGNATURE
Lee Robertson	Senior Manager, Legal and Governance and Monitoring Officer	
Lindsay Sim	Chief Finance Officer	
Nikki Bridle	Chief Executive	

Review of Streamlined Decision-making arrangements June 2024

<p>Question 1</p> <p>Does the Council's Decision-making Framework maximise your opportunity to participate in decision-making?</p> <p>YES/ NO</p>		
<p>Name of Forum (for instance Council, Audit and Scrutiny, CYP Board etc)</p>	<p>Role at Forum (Convener, Chair, Member etc)</p>	<p>Comments</p>
<p>Question 2</p> <p>Is the Council's business conducted in a transparent way?</p> <p>YES/ NO</p>		
<p>Name of Forum</p>	<p>Role at Forum</p>	<p>Comments</p>
<p>Question 3</p> <p>Is the management of agenda items ensuring that appropriate business is considered in each forum?</p> <p>YES/ NO</p>		
<p>Name of Forum</p>	<p>Role at Forum</p>	<p>Comments</p>
<p>Question 4</p> <p>Do the Council's arrangements provide appropriate opportunity for the scrutiny of performance and decision-making?</p>		

YES/ NO		
Name of Forum	Role at Forum	Comments
Question 5 Is the frequency of meetings appropriate? YES/NO		
Name of Forum	Role at Forum	Comments
Question 6 ARE there any gaps in the current arrangements? YES/ NO IF YES, please provide further details below		
Name of Forum	Role at Forum	Comments
Question 7 Are there any improvements you would suggest to enhance the current arrangements? YES/ NO IF YES, please provide further details below		
Comments		

APPENDIX B – Audit and Scrutiny Committee remit

PART A Agenda: Audit & Finance

- a) Receive, review and consider reports on the Council's finance
- b) Receive, review and consider reports on value for money and best value
- c) Consideration and monitoring of the Council's Annual Governance Statement
- d) Consider internal audit reports and results of internal audit investigations
- e) Consider external audit and resultant action plans
- f) Monitor and review actions taken on internal and external audit recommendations
- g) Consider the effectiveness of the Council's risk management procedures and the control environment
- h) Receive and consider reports on countering fraud and corruption.

PART B Agenda: Scrutiny

- a) Monitor council services, including the Health and Social Care Partnership (HSCP) against agreed outcomes, standards and targets
- b) Monitor the achievement of organisation-wide agreed outcomes, standards and targets
- c) Monitor the achievement of agreed outcomes, standards and targets by the community planning partnership
- d) Monitor Police and Fire performance against Plans approved by the Council
- e) Scrutiny of Council decision-making, with the ability to call in decisions
- f) Initiate or undertake scrutiny reviews
- g) Deal with matters referred by the Council for scrutiny purposes.

Report to: Clackmannanshire Council

Date of Meeting: 30 January 2024

Subject: Draft Annual Accounts 2023/24

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 previous year delays as a consequence of the COVID 19 pandemic, this has been extended in agreement with the External Auditors.
- 1.4. Within the Draft Annual Accounts, a Management Commentary is included that presents the collective view of those charged with governance and applies 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 information on the financial year just passed along with a forward financial outlook for the Council for 2024/25. Further detail of the Councils financial forecast for 2024/25 will be presented to the Audit and Scrutiny Committee during the year.
- 1.5. The Council's Draft Annual Accounts 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

2.1 Council is asked to:

2.1.1 note and consider the 2023/24 draft annual accounts;

2.1.2 approve the submission of the draft annual accounts for audit to the Councils external auditors;

2.1.3 note that audited annual accounts will be presented to Council following conclusion of the audit, and

2.1.4 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 2023/24*. The Annual Accounts show the actual figures for 2023/24 and the comparable figures for 2022/23.

Revenue Outturn

3.2 The financial results for 2023/24 are positive and provide a platform from which to address the challenging times ahead. Against the background of reducing resources and the current economic climate, 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 £159.045m. This represents the running costs of the Council and indicates the significant size and complexity of the organisation.

3.4 The surplus achieved in the year compared to budget was £2.788m. This is a favourable movement of £2.053m on the £0.735m underspend position (excluding Clackmannanshire element of the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP), as reported in the December outturn report presented to Council in May 2024. However, this underspend includes carry-forward earmarked reserves of £3.055m for ring-fenced areas of spend such as PEF, DSM, Housing and other commitments, resulting in a net overspend of £0.267m compared to budget.

3.5 The General Fund started the year with a balance of £20.885m. £12.533m was added as a result of the Service Concession arrangement along with the £2.788m underspend and £9.133m was utilised from earmarked general reserves. These movements resulted in an overall net increase in general reserves of £6.188m resulting in a closing general reserve balance at 31 March 2024 of £27.073m.

3.6 Of the £27.073m balance at 31 March 2024, £23.253m 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)	£0.505m
Pupil Equity Funding (PEF)	£0.560m
Ring-fenced Housing & Community Safety Grants	£1.063m
Organisational Change Fund	£0.198m

Employment Fund	£0.515m
Transformation Fund	£1.428m
Miscellaneous commitments	£1.934m
Developer Contributions	£0.787m
Employability Funding	£0.523m
Ukrainian Refugee Support	£0.599m
Homeless Accommodation	£2.068m
COVID General Funding	£0.289m
COVID Specific Funding	£0.251m
Service Concessions	£12.533m
Total	£23.253m

- 3.7 The Council's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 2% of budgeted net expenditure as amended in the 2023/24 budget paper. Based on 2024/25 approved budget this equates to a figure of £3.230m. At the end of 2023/24, uncommitted reserves are £3.820m, therefore, £0.590m greater than this minimum reserve figure. Total uncommitted reserves therefore represent a level of 2.4% of budgeted net expenditure.
- 3.8 At the end of 2023/24, the Clackmannanshire locality of the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP) reported an overspend of £3.719m. However, the final outturn reflects a nil variance as reserves held by the Partnership have been allocated to offset this overspend.

Housing Revenue Account

- 3.9 The Housing Revenue Account achieved a surplus within the year of £4.718m against a budgeted surplus of £3.818m, £0.900m greater than budget. This is a movement of £0.722m greater than the forecast figure of £3.996m as at December, reported to Council in May 2024. During the year this surplus has been used to fund capital expenditure along with £6.111m of reserves which mitigated the requirement to borrow. This has resulted in a net decrease in reserves of £7.729m. The outcome of these in year results is that the opening housing reserve balance of £8.715m at the start of the year, has reduced to £1.436m as at 31st March 2024, which equates to 6% of 2024/25 budgeted Housing Rents. The closing reserves also include earmarked reserves of £0.444m of the underspend on Voids that has been carried forward from 2022/23 to be utilised in 2023/24. Excluding this earmarked reserve, the unearmarked reserve of £0.992m represents 4% of Budgeted Housing rents which is the minimum level.

Other Reserves

- 3.10 The opening balance on the Capital Receipts Reserve was £1.177m. £0.286m was received in the year as a consequence of asset sales and no receipts were utilised. After taking account of these additional receipts in the year the closing balance of capital receipts at 31 March 2024 was £1.463m with no commitments.
- 3.11 The opening balance on the Capital Grants and Contributions Unapplied account was £2.093m. Grants of £0.351m have been added in the year to be applied to spend in

future years and grants of £0.800m have been utilised in the year. As a result of these movements the closing balance on capital grants unapplied is £1.644m at 31 March 2024.

Pensions Liability/Asset

- 3.12 The estimation of the Council's net liability/ net asset 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.
- 3.13 As a result of the latest valuation of our Pension accounts in accordance with International Accounting Standard 19 (IAS19), the net asset within the Balance Sheet reduced to £15.3m. This is a reduction of £13.8m from the previous year mainly due to a combination of an increase in the net discount rate and asset returns.

Provisions

- 3.14 There are two provisions as at 31 March 2024. The first reflects the expected costs in relation to Voluntary Severance for staff who have been agreed to be released before the financial year end but their leaving date is after 31 March 2024. The second is the previous long term provision for Municipal Mutual Insurance Limited (MMI) still remains and has been increased by £26k to £91k to reflect the updated estimate of the liability.

Contingent Liabilities

- 3.15 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 annual accounts as a contingent liability. In addition to this, the potential for claims of Historic Sexual Abuse, Equal Pay and the Judicial Review of a number of Social Services cases remain as contingent liabilities. As with all contingent liabilities, the timing and quantification of any liability in relation to these cases is unknown. No Contingent Assets have been identified as at 31 March 2024.

Capital Expenditure and Financing

- 3.16 During 2023/24 the Council spent £28.924m on Capital Expenditure across both General Fund and HRA. Of this, £28.685m was invested in its own assets with £0.239m granted to third parties including Common Good. This reflects an underspend of £19.890m on the approved budgeted programmes for both HRA and General Fund.
- 3.17 Capital expenditure in the year has been financed by: government grants and contributions (£12.580m) and revenue funding (£10.821m). The remaining balance of £5.523m was funded through borrowing.
- 3.18 The Council's gross external debt as at March 2024 stands at £131.713m, a decrease of £1.950m from the position as at March 2023. This was as a result of repayments of £0.510m towards PWLB and Market Loans and £1.440m towards Public Private Partnership (PPP) arrangements and finance leases. Further detail will be provided in the Annual Treasury Report on the agenda for the next Council meeting.

Group Accounts

- 3.19 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, and Common Good.

Public Inspection

- 3.20 The draft annual accounts will be made available for public inspection on the Councils website.
- 3.21 Following conclusion of the External Audit, the Council's final audited Annual Accounts will be presented to Council at a future meeting along with the External Auditors Report.

4.0 Conclusion

- 4.1 The results for the year are positive with a surplus being achieved in the year on General Fund which ensures the Councils uncommitted reserves remain in excess of the Council's minimum level. This position is an improvement on that previously forecast at December and reported in May due to a more favourable outturn than anticipated at that time.
- 4.2 Throughout the year, regular updates on progress in implementing the Budget Strategy and performance monitoring has been provided to Elected members through Council and Committee reports and briefings. Despite rising pressures, services worked hard to manage spend within budget to ensure the Council did not overspend its budget during 2023/24. In doing so, the Council consistently applied its agreed budget, finance and investment strategies throughout 2023/24.
- 4.3 In summary, the year end financial position, although favourable, remains challenging in light of the current financial circumstances of rising inflation and the ongoing impact of the cost of living crisis.

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

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

Complies with relevant Council policies. ☐

9.0 Equalities Impact

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

10.0 Legality

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

11.0 Appendices

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

Appendix A - Draft Annual Accounts 2023/24

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)

NAME	DESIGNATION	TEL NO / EXTENSION
Elizabeth Hutcheon	Management Accountancy Team Leader	6214
Helen Coleman	Corporate Accountancy Team Leader	2256
Nicola Mack	Chief Accountant	
Lindsay Sim	Chief Financial Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Strategic Director of Partnership and Performance	

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24



CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Contents

Page No

Management Commentary	2
Statement of Responsibilities	36
Annual Governance Statement	37
Remuneration Report	52
Independent Auditor's Report	64

Financial Statements:

Comprehensive Income and Expenditure Statement	65
Movement in Reserves Statement	66
Balance Sheet	68
Cash Flow Statement	69
Notes to the Financial Statements	70
Housing Revenue Account	142
Council Tax Income Account	145
Non-Domestic Rates Income Account	147
Common Good	149
Group Financial Statements	151

Be the
CUSTOMER

Be the
TEAM

Be the
LEADER

Be the
COLLABORATOR

Be the
INNOVATOR

Be the
FUTURE



**Clackmannanshire
Council**

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Comhairle Siorrachd
Chlach Mhanann

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

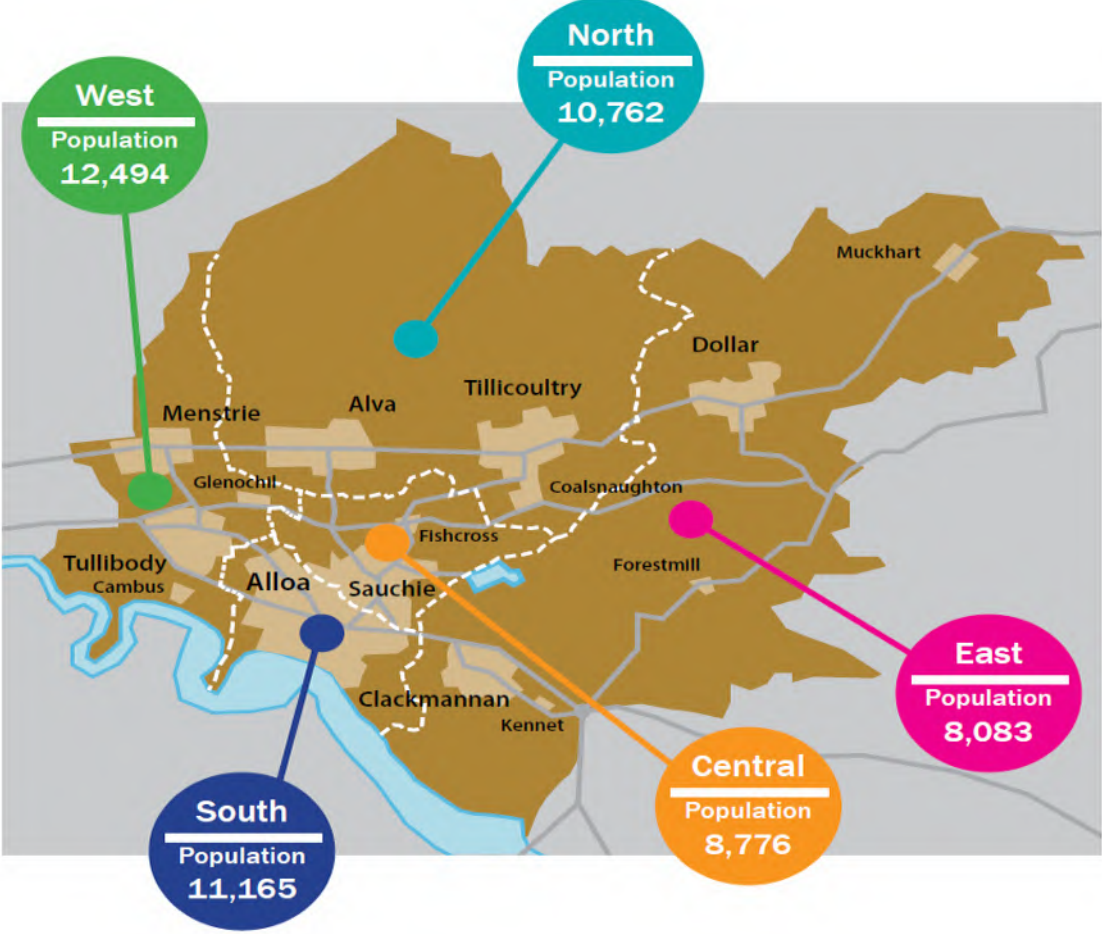
Introduction

This commentary sets the scene and context for the Financial Statements for Clackmannanshire Council, for the year ended 31 March 2024 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 2023/24 which sets out the format and content contained within them.

2023/24 has been another significant year as the Council continues to transition to a post-pandemic environment, focusing on recovery and adapting to new challenges. While life has largely returned to business as usual, the rising cost of living has become an increasingly pressing issue for many. The Council has remained steadfast in its commitment to supporting the residents and businesses of Clackmannanshire, continually reviewing and reshaping the services and supports it provides. Further details on how the Council is addressing the cost of living pressures and facilitating recovery through its services can be found on page 29.

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 lowest populated mainland Council in Scotland, covering 61.5 square miles and serving a population of 51,800 (Scottish Government Census 2022). The Council employs 2,726 (headcount) staff (2022/23 2,695).

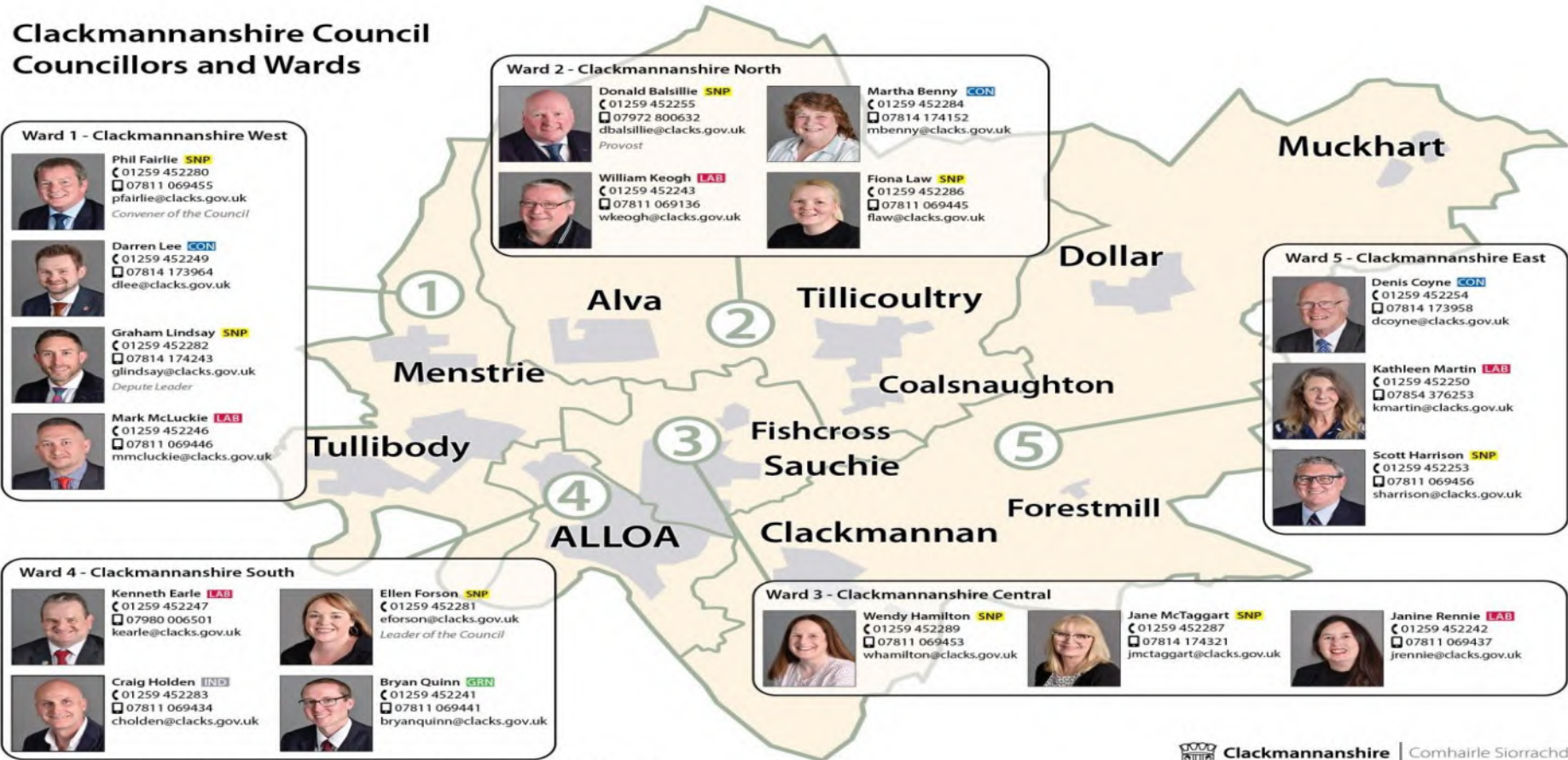
CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary



Local Government

Clackmannanshire Council consists of 5 wards, each represented by 3 or 4 elected members. The Council has 18 Councillors whose current political make-up following the local elections in May 2022 and changes to date are: 8 SNP, 5 Labour, 3 Conservative, 1 Green and 1 Independent. The Councillors for each ward are presented in the diagram below. Further information on Senior Councillors can be found in the Remuneration Report commencing page 52.

Clackmannanshire Council
Councillors and Wards



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

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

Management Structure & Service Areas

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

Strategic Management



Throughout 2022/23, 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.

During 2023/24 the Chief Executive was supported by three Strategic Directors and the Chief Officer for the Clackmannanshire and Stirling Health & Social Care Partnership.

The Council also has four Statutory officers: Chief Finance Officer (S95 Officer), Monitoring Officer, Chief Education Officer and Chief Social Work Officer.

The post holders at Strategic Management level as well as statutory post holders shown above were in place at the date of signing of these accounts. Further information can be found in the Remuneration Report commencing page 52.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

The **Wellbeing Local Outcomes Improvement Plan (LOIP) 2024-34** sets out the vision of the Community Planning Partnership, the Clackmannanshire Alliance, for the next 10 years and builds on the previous LOIP plan approved in 2017. A central theme of this Plan is a joint commitment across partners to delivering a wellbeing economy which seeks to address the inequalities that exists in Clackmannanshire as a result of poverty and socio-economic disadvantage, and improve outcomes for local communities.

The LOIP, developed by the Clackmannanshire Alliance, sets out the shared ambitions for change for Clackmannanshire over the period to 2034 under 3 key Strategic Outcomes. The plan, agreed at Council in October 2024, was developed with partners following a robust development and engagement process, which included participating in a pilot with Scottish Government on developing a wellbeing economy with Community Wealthbuilding core to that work. Whole systems mapping with the University of Sheffield was also part of this innovative approach to robust data led decision making.

The refreshed Wellbeing LOIP sets out the shared commitment to reducing inequality through effective partnership working to secure better outcomes for Clackmannanshire. In developing the LOIP, the Alliance chose to focus its collective efforts on a core set of priorities based on a sound understanding of local need and circumstances. Each strategic outcome is supported by 3 key priorities, with a set of early activities outlined for immediate focus. The vision, outcomes and priorities contained in the LOIP is set out below:

Our vision:



Working together to reduce inequality and improve the wellbeing of all people in Clackmannanshire

Our Strategic Outcomes



Wellbeing: Working in partnership we will: reduce inequality, tackle the causes and effects of poverty and health inequality and support people of all ages to enjoy healthy and thriving lives



Economy and Skills: Working in partnership we will: help people to access fair work, learning and training; and will work together to build a strong local economy



Places: Working in partnership and with communities we will: create sustainable and thriving places where people have a sense of connection and have control over decisions.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

Our Priority Themes for a Wellbeing Economy

Wellbeing	Economy & Skills	Places
<ul style="list-style-type: none"> Physical and Mental Health & Wellbeing Outcomes for Young People Poverty 	<ul style="list-style-type: none"> Labour Market & Fair Work Economic Opportunities 	<ul style="list-style-type: none"> Sustainable Places Environmental Sustainability

The LOIP is a key strategic plan for the Council, working alongside our partners, to improve outcomes for Clackmannanshire's communities. Each partner is committed to the priorities and to reflecting these commitments through their own strategic plans. The Clackmannanshire Alliance has agreed to an early action to review its structures and operating arrangements and is currently participating in a national self-assessment exercise led by the Improvement Service.

More information on our Local Outcome Improvement Plan and Community Planning more generally can be found here: www.clacks.uk.uk/communityplanning

The Corporate Plan

Following a Council decision in June 2023, the Council's Corporate Plan has been replaced by a streamlined performance management framework with greater emphasis on Be the Future programme priorities, the Target Operating Model, business plans and the LOIP. As a result, an annual statement of priorities is published each year which sets the high level strategic priorities for the year. This remains focussed on the long term vision and outcomes of the Council which is shaped on sustainable growth; health and wellbeing and empowering communities. The Council's values remain a key focus, as does implementation of robust performance and risk management approaches.

Be The Future

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 took 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. This plan was reviewed as part of the 2024/25 budget process and will be reviewed going forward on an annual basis as part of a rolling 20 year plan.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

‘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, focusing 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.

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

Be the Future Target Operating Model: Corporate Priorities 2024/25

Transformation Activity/Themes

Digital and Data Transformation

- Implement Microsoft 365
- Social Work IT system (SWITS)
- Customer Services Hub
- Housing and Property IT system
- App pipeline projects

Asset Strategy

- Sustainable asset base
- Learning estate review
- Surplus assets
- Income generation proposals
- Carbon reduction and net zero
- Community Asset Transfers
- Partnership/co-location

Sustainable Transport

- Resilient local transport
- Carbon reduction and net zero
- Regional opportunities
- Partnership opportunities
- Consolidate/pooling opportunities

Communication and Engagement Model

- Resilient and future-focus model of internal and external communications
- Clear engagement mechanisms that promote participation and local leadership

Tackling Poverty

- Invest in family wellbeing approaches
- Align funding to tackling poverty
- Invest in what matters and works for communities
- Keep The Promise
- Wellbeing economy lens

Investment Strategy

- Recruit skilled/expert resource
- Develop implementation plan
- Develop revenue investment proposition to complement existing capital investment priorities

Transformation Activity/Themes

Workforce Strategy

- Align Interim Workforce Strategy with Be the Future/TOM programmes of activity
- Focus on future workforce needs-skills, numbers and culture
- Embed consistent leadership skills and approaches including governance and performance management
- Develop skills development pathways
- Redesign business support model, including options for member and committee services
- Map current 'as is' commissioning capacity and capability
- Develop proposed 'to be' commissioning model options underpinned by assessment of capacity and capability requirements

Values Based Leadership/ culture change

- Promote positive customer first culture
- Support innovation in transformation priorities
- Embed Be the Future values
- Design for people's needs
- Empowerment
- Accessible digital and data-led approaches

Collaborative Community Models

- Shift to early intervention and prevention
- Moving resources and staff closer to communities
- Pooling of funding sources and support activities
- Leveraging additional partnership and philanthropic funding
- Creation of new community entity for decision making and funding opportunities
- Co-design of services with communities
- Data mapping and development of targeted outcomes and alignment of reporting

Place Redesign

- Map current design and structure of full range of services cross Place directorate
- Review capacity and skills
- Review deployment of capacity and skills
- Identify potential options for future design

Theme
colour key

Sustainable Growth

Empowering Families
and Communities

Health and Wellbeing

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

Organisational Redesign

In 2019, Council agreed its approach to Organisational Redesign, establishing a framework and a supporting action plan to focus on how we improve and develop our organisation to support sustainable change. 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.

In August 2022, Council agreed to establish a Target Operating Model (TOM) that would provide a consistent foundation and framework within which future organisational change and redesign could be developed and accelerated. The proposed TOM prioritises getting the basics right for the users of our services by placing the needs of residents, communities and businesses at the heart of Council decision-making. It also reflects a mixed economy model of service delivery, underpinned by objective analytical evaluations of the most effective ways of addressing customer needs, delivering outcomes, ensuring resilience in service delivery and securing financial sustainability. The TOM approach reflects the valuable learning gained through the period of the pandemic and will guide the organisation through the next stage of its Transformation journey.

The framework and activity set out above is complementary to, and aligned with the Council's Transformation Programme, Be the Future. This programme, the aims of which are set out on page 13, has provided the framework for shaping Council priorities, investment, and delivery since 2019 and focuses on three key themes:

- Sustainable Inclusive Growth
- Empowering families and Communities
- Health and Wellbeing

These themes are delivered through 10 associated corporate priority areas (Page 9)

In February 2024 Council approved an updated the Governance Framework for the Be the Future Programme with the aim to ensure responsibilities and reporting arrangements remained aligned with priorities agreed by Council. The review resulted in minor amendments being made to the Terms of Reference of both the Be the Future Board, chaired by the Council Leader; and the Strategic Oversight Group, chaired by the Chief Executive. A key emphasis of the changes was to ensure focus was sustained on the scrutiny of progress with agreed Council priorities.

To facilitate this focus for the Be the Future Board, a standardised project reporting template was developed using a "project on a page" approach. The template highlights key activities and milestones achieved in the current period, milestones and outcomes to be achieved in the next reporting period, risks and issues, budget and financial expenditure. There is also a section on transformation alignment.

In addition to ensure the Be the Future programme is achieving its outcomes a Benefits Realisation Plan (BRP) is being developed to track progress. The BRP will identify, define, plan, and monitor the benefits for the Be the Future Programme. It will demonstrate how activities link to outcomes. The BRP aims to incorporate both quantitative and qualitative

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

indicators. The BRP will provide a framework against which actions and interventions can be evaluated in terms of driving improvement in the delivery of agreed priority outcomes.



Aims and Programme Themes

Aims	We will transform our organisation and approaches
to: <ul style="list-style-type: none"> empower people and places to improve their wellbeing, skills and prosperity; and 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.

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

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.

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 2024/25 Budget Report approved by Council in February 2024 presented a financial planning scenario which indicated a potential funding gap of £13.0m for 2025/26 rising to a cumulative gap of £29.7m by 2028/29. This is clearly a challenging position will require a review of what and how services are delivered by the Council and how it can work in conjunction with its partners.

Over the last five years the Council has achieved £13.0m of savings with a further £5.4m approved for 2024/25. Continually achieving savings year on year is challenging, however in 2023/24 the Council achieved £2.6m (69%) of the £3.8m planned savings approved in the 2023/24 budget. As noted above, the Council still faces a significant funding gap of £29.7m over the next four years, with any unachieved savings and use of one off reserves adding pressure and increasing the gap in future years.

During 2023/24, Chief Officers worked closely with the members of each political Administration to develop savings proposals which were included in the 2024/25 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 annual budget process is 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

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 *Management Commentary*

progress of the transformation programme, agreeing priorities, reviewing transformation proposals and monitoring their progress.

The management team believe that the continuation of the approved Be the Future Transformation Programme alongside the Target Operating Model (TOM) to underpin Organisational Redesign will support the Council to remain financially sustainable over the medium to long term. The financial position presented in these Annual Accounts 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.

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. 2023/24 has been another extremely challenging year for the Partnership requiring ongoing development and implementation of options for financially sustainable service delivery and financial recovery plans aligning, as far as possible, to the priorities agreed within the Partnerships Strategic Commissioning Plan (SCP) 2023-33.

The challenges included:

- significant and enduring increased demand for health and social care services;
- increased acuity and complexity of care requirements with associated increased costs;
- increasingly competitive labour markets and scarcity of appropriately skilled and trained workforce;
- inflationary pressures;
- delivery of transformational change demonstrating alignment to SCP priorities, and
- delivery of sufficient savings and efficiency programmes to maintain a balanced budget position.

For 2024/24 these challenges resulted in a deficit of £12.662m for the Partnership which was met through the use of reserves. A significant contributing factor to the overspend was due to only 48% of approved savings being delivered in the year and no significant savings being achieved in relation to the Set Aside budget for Large Hospital Services due to ongoing system pressures. This was partly mitigated through slippage on key business cases and underspends on staffing due to workforce challenges.

Given the challenging financial performance for the year the Partnership will continue to face significant financial challenges in 2024/25 to deliver the current and future Strategic Plan priorities and improved outcomes for service users, unpaid carers, and communities in a climate of growing demand, cost, and complexity.

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

<https://clacksandstirlinghscp.org/>

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

City Region Deal

The Council continues to deliver ambitious plans in a joint City Region Deal with Stirling Council and Stirling University. The City Region deal is funded by both Westminster and Scottish Governments and aims to deliver total investment of £214m over a ten year period to support the economic development of the Stirling and Clackmannanshire city region. 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.

The deal was formally signed in 2020 and 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.

The Covid-19 pandemic has had an impact on the deliverability of the initial City Region Deal plan and a revised delivery plan was presented to the Scottish and UK governments. The Partnership are now working towards that plan with regular updates provided to the Stirling & Clackmannanshire City Region Deal Joint Committee. Several projects are now underway, including the Flexible Skills project, and Active Travel projects. Notably a £0.750m investment in the Japanese Garden as part of the Clackmannanshire Fund which was completed during 2022/23.

Further information about the City Region Deal can be found here:

<https://www.stirclacksdeal.com/>

Performance

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, measures and reports on its performance in a number of ways, including:

- annual reporting of the Local Government Benchmarking Framework and Statutory Performance Indicators to the Audit & Scrutiny Committee;
- Public Performance Reporting of plans and reports on Council performance on www.clacks.gov.uk
- annual reviews of Local Outcome Improvement Plan (LOIP), and key partnership plans and strategies, which is scrutinised by both the Alliance and the Audit & Scrutiny Committee;
- progress of the Council's Be the Future Transformation programme, including stated

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

annual priorities, through update reports to Council and Be the Future Programme Board and Strategic Oversight Group;

- annually publishing of Directorate business and workforce plans
- biannual reporting of Directorate performance and risks to the Audit & Scrutiny Committee;
- reporting on financial and procurement performance including financial outturns to Audit and Scrutiny Committee;
- quarterly reporting of corporate risks to the Audit & Scrutiny Committee including a review of the Statement of Preparedness and Community Risk register;
- annual reporting on the Annual Governance Statement and assessment on progress relating to the Councils local code of governance, and
- annual reporting on complaints handling.

Self-Assessment

As part of our wider performance management framework and our commitments to demonstrating best value and continuous improvement, the Council implemented self-assessment approaches in 2024. Our ambition is to create an integrated best value eco-system, consolidating a number of plans and improvement actions into one streamlined improvement process which can be easily managed across all service areas. An early commitment to this eco-system approach has been to integrate our embedded Annual Governance Statement and review of our Local code of Governance approach with a revised and refreshed corporate self-assessment approach. In the Summer of 2024, senior managers participated in a facilitated self-assessment process working alongside the Improvement Service. Three key areas for improvement were identified through this approach and agreed at Senior Leadership Team. In addition, the Community Planning Partnership in Clackmannanshire is also participating in a facilitated self-assessment process working in partnership with the Improvement Service.

Best Value

The statutory Best Value report, published by the Accounts Commission in September 2024, commended the progress made by Clackmannanshire Council since previous Best Value reports in 2018 and 2019 noting, in particular, priority setting, performance management and scrutiny, budget development, community engagement and empowerment, equalities and climate change. The report also recognised the ongoing challenges the Council faces in the ability to deliver financial sustainability as well as issues regarding capacity, recruitment and resilience. The Commission welcomed the steps the Council has taken to develop its transformation programme. Four recommendations were identified, and an actioned plan was developed and approved by Council in November 2024. The four recommendations were:

- the leadership (both political and officer) has been effective in setting clear priorities; it now needs to ensure it has the capacity and capability to deliver them;
- the Council should urgently develop a medium-term financial strategy to set out how it intends to achieve financial sustainability;

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

- it is critical that the Council develops detailed plans at pace, with robust benefits realisation tools to demonstrate that it is achieving its intended outcomes, and
- the Council should review its capital budget setting and monitoring arrangements to ensure it sets realistic budgets with clear timelines and a clear linkage to Council priorities.







Local Government Benchmarking Framework (LGBF)

The LGBF forms part of Councils' statutory Public Performance Reporting duties, comprising a set of performance indicators to encourage shared learning and continuous improvement. Data for all local authorities is available on the Improvement Services website on a [Public Dashboard](#). In addition to Best Value, Councils must report on 'Improving local services and local outcomes'. These were outlined in the [2023/24 Statement of Corporate Priorities](#), and the LGBF augmented with [Scottish Public Health Observatory \(ScotPHO\)](#) datasets to ensure appropriate coverage across all priorities in the annual [Corporate Performance Report](#). Key highlights are shown below.

1 - 5-year trends

5-year trends are analysed to 'even out' temporary variances (e.g. pandemic anomalies) and assess sustained direction of travel. For 'static' results (within 5% of 5-year average), other factors are considered to categorise as consistently strong/acceptable or potentially of concern.



46% of indicators improved or were static at positive levels (green). 21% were static at marginal/less positive levels or declined by 5-10% (amber). 33% of indicators, however, showed consistently poor performance or decline of more than 10% (red).

		 Improving	 Static	 Static	 Declining	 Static	 Declining	Total
5-year Trend	Sub-total	63 (40%)	10 (6%)	21 (13%)	12 (8%)	10 (6%)	43 (27%)	159
	Total	Green: 73 (46%)		Amber: 33 (21%)		Red: 53 (33%)		

2 – Target Achievement

Assessment of target achievement is sometimes more informative, incorporating realistic aspirations, local context and priorities. These may reflect national targets, Scottish or family group results (Councils with similar deprivation levels or rurality/population density), or incremental improvement towards key outcomes. Targets must be achievable, such as cost reductions taking into account minimum service viability.

Audit Scotland thresholds (5 & 15%) highlight areas requiring attention, with 58% of results green (achieving or within 5% of target), 16% amber (5-15% outwith target) and 26% red (more than 15% outwith target).

Target Achievement (Status)	 Green	 Amber	 Red	Total
	93 (58%)	25 (16%)	41 (26%)	159

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

3 - Comparison to Benchmarks



Results are ranked best (1st) to worst (usually 32nd, varies if not all report) and grouped into quartiles (top 8, etc.) to support learning from strong performers and assess local, national and family group trends. While the extended dataset includes socio-economic factors beyond pure performance indicators, 39% were in the top 2 quartiles and 61% in the bottom 2. Methodological changes mean historical comparisons are not available for all analyses, however, for the LGBF, slight reductions are seen in the top and 3rd quartiles, and slight increases in the 2nd and bottom quartiles, with a range of areas moving up/down in all years.

Comparison to Benchmarks (Rank Quartile)		<div><div></div><div></div><div></div><div></div></div> Top	<div><div></div><div></div><div></div></div> Second	<div><div></div><div></div><div></div><div></div><div></div></div> Third	<div><div></div><div></div><div></div><div></div></div> Bottom	Total	
		35 (22%)	27 (17%)	47 (30%)	50 (31%)	159	
LGBF Only		N/A*					
	2020/21	2 (2%)	28 (26%)	20 (19%)	28 (26%)	29 (27%)	107
	2021/22	3 (3%)	27 (25%)	25 (23%)	22 (21%)	30 (28%)	107
	2022/23	4 (4%)	26 (24%)	25 (23%)	19 (18%)	33 (31%)	107

*N/A if no service (museums, all years), no value reported by external body (living wage, all years), or low result suppressed for anonymity (school exclusions – all pupils 21/22 & 22/23, and care-experienced children 22/23).

4 – Overall Summary of Performance

Each indicator is summarised with an 'average' of the above 3 factors (equally weighted, though in certain processes one of these factors may be more important). This shows broadly positive results (green) in 32% of indicators, that attention or action may be required in some aspects (amber) in 46%, and that 22% are underperforming (red).

Overall Summary of Performance		 Green	 Amber	 Red	Total
		51 (32%)	73 (46%)	35 (22%)	159

Balance and accessibility are key priorities, with indicators transparently demonstrating the challenges faced and successes achieved, and visual charts presented alongside data tables and explanatory insights to aid understanding. Duties require reporting within the following financial year, and the report for 2022/23 was uploaded to the Council website prior to the statutory deadline of 31 March. While benchmark availability is not suitably timely, good performance management practice requires their inclusion, though improvements could support more swift decision-making to address underperformance. Plans are, therefore, in development to enhance coverage, balance, accessibility and timeliness in future years.

The latest report showing the 2022/23 data was presented to the Audit & Scrutiny Committee in April 2024 and can be accessed here:

<https://www.clacks.gov.uk/document/meeting/295/1211/7869.pdf>

Public Performance Reports (PPR)

It is not possible to fulfil all statutory PPR duties within a single report, since they must satisfy a wide range of needs and audiences, from individual members of the public to the

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

detailed requirements of audit and regulatory bodies. Therefore, a suite of Council [Performance Web Pages](#) is updated quarterly with links to a range of corporate, service and cross-cutting thematic plans and reports, with press releases providing more brief summaries. These include dedicated pages on key partnerships, transformation, governance and self-assessment, as well as core priorities, values and outcomes, presenting summarised and detailed information for the Council as a whole and individual directorates and services.

Financial Performance 2023/24

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 2024. 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 for 2023/24, against a background of continuing reducing resources, the Council has successfully delivered services within budget reporting an underspend of £2.8m. This contribution to reserves along with the Service Concession benefit of £12.5m less the reserves utilised during the year of £9.1m, results in a net increase in General Fund reserves of £6.2m taking the total to £27.1m (2022/23 £20.9m). Of this total, £23.3m (2022/23 £17.6m) is earmarked for specific purposes, leaving £3.8m 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

Financial Indicator	Notes	2022/23	2023/24
Outturns and Reserves			
Actual Outturn compared to Budgeted Expenditure	1	96.70%	98.27%
Actual contribution to/(from) Unallocated General Fund Balance compared to Budget		0.6%	0.3%
Uncommitted General Fund Reserve proportion of Net Actual Expenditure	2	2.21%	2.40%
Movement in the Uncommitted General Fund Balance	3	(45.6%)	16.2%
Council Tax			
In-year collection rate	4	96.8%	95.8%
Ratio of Council Tax Income to Overall Level of Funding	5	17.02%	17.00%
Debt			
Capital Financing Requirement (CFR) for the current year	6	£146.0m	£161.7m
External Debt Levels for the current year		£133.7m	£131.7m
Ratio of financing costs to net revenue stream		3.03%	3.72%

- 1 Reflects how closely expenditure compares to budget showing the effectiveness of financial management. This indicator is based on the format of budget monitoring as reported throughout the year
- 2 Reflects the level of funding available to manage financial risk/unplanned expenditure. The Council's Policy for 2023/24 was 2% of net expenditure which is considered appropriate in the context of the Council's financial and ongoing risk profile, reduced from 2.4% for 2022/23 in light of current financial volatility.
- 3 Reflects the extent to which the Council is using its Uncommitted General Fund Reserve. The positive movement is mainly due to the underspend in the year along with committed reserves released as no longer required.
- 4 Reflects the Council's effectiveness in collecting Council Tax debt and financial management. This has dropped due to the Cost of Living Crisis impacting ratepayers and internal system challenges.
- 5 Reflects the Council's capacity to vary expenditure by raising Council Tax income, the only principal source of finance within Local Authority control.
- 6 These indicators show that external debt levels are lower than the CFR and 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 afford the borrowing costs.

General Fund Results for the year

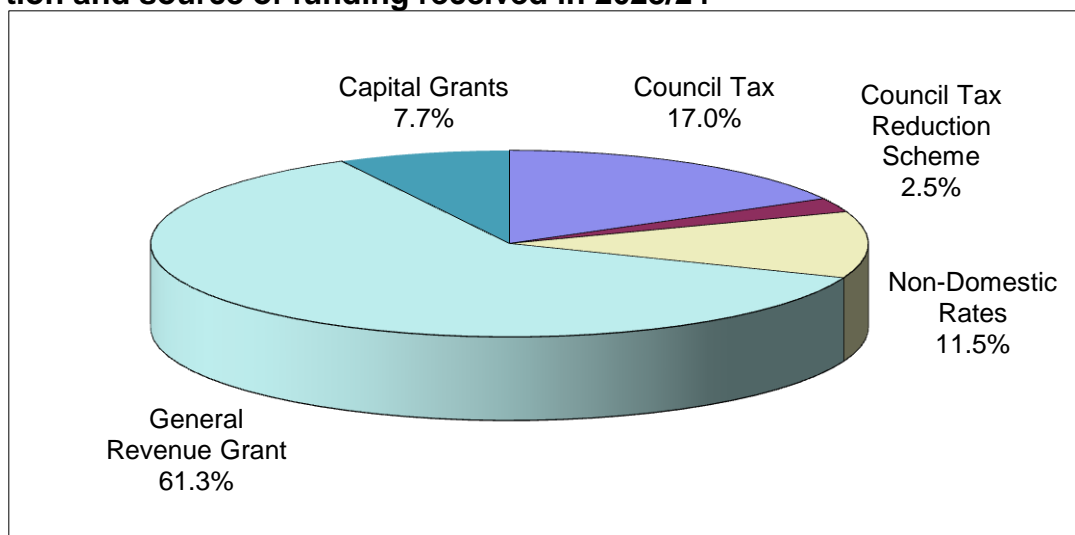
The General Fund covers all the areas of the Council's service provision with the exception of the management of its own housing stock which is covered within the Housing Revenue Account (HRA). General Fund services are financed by government grant and local taxation (i.e. council tax).

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

The largest source of funding the Council receives is the General Revenue Grant received from the Scottish Government including Non-Domestic Rates (NDR) which amounted to £112.2m for 2023/24, (2022/23 £106.6m). 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 147).

Income from Council Tax in 2023/24 was £26.2m (2022/23 £24.4m). Funding was also received from the Scottish Government for the Council Tax Reduction Scheme for which the Council received income of £3.8m (2022/23 £3.7m). In 2023/24 capital grants totalled £12.0m (2022/23 £8.8m). The proportions of funding received by the Council in each of these categories are shown in the following chart and table:

Proportion and source of funding received in 2023/24



Sources of Income	2022/23		2023/24	
	£'000	%	£'000	%
Council Tax	24,432	17.0	26,214	17.0
Council Tax Reduction Scheme	3,686	2.6	3,788	2.5
Non-Domestic Rates (plus BRIS)	18,065	12.6	17,764	11.5
General Revenue Grant	88,521	61.7	94,433	61.2
Capital Grants	8,849	6.1	11,961	7.8
	143,553	100.0	154,160	100.0

Revenue and Capital 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

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

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 £28.911m (2022/23 £19.697m) during the year; the table below shows some of the main projects:

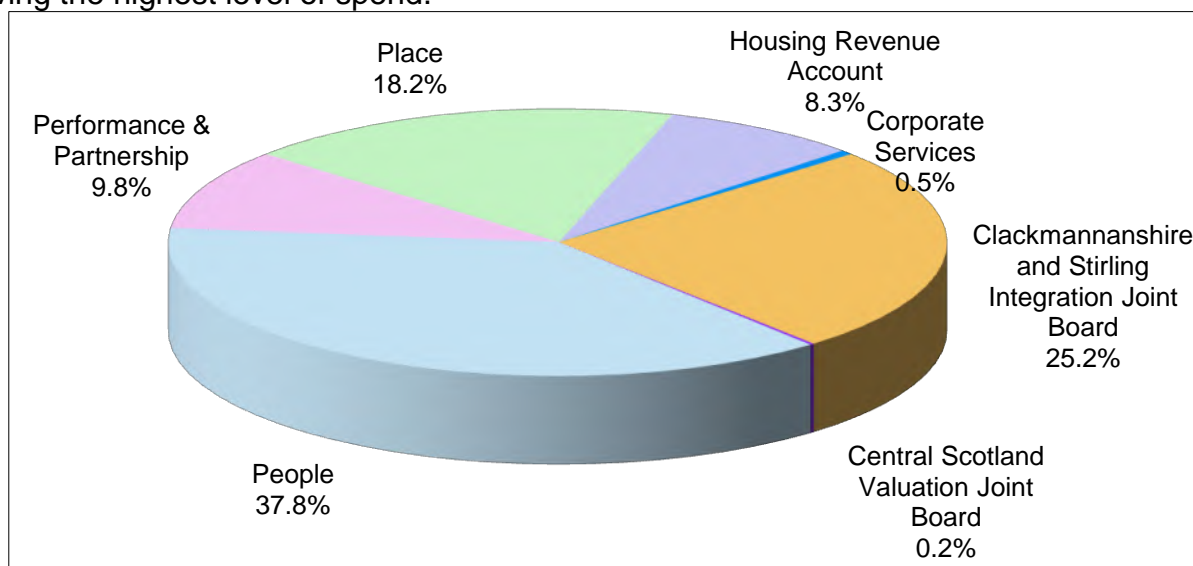
	2022/23 £'m	2023/24 £'m
IT Investment	1.936	2,719
Wellbeing Hub	0.222	1.783
Clackmannan Regeneration	0.229	1.037
Roads, foot paths, cycleways etc.	2.979	5.006
Wheeled Bins	0.049	0.597
Housing New Build and Off the shelf purchases	3.084	3.084
Housing - replacement of kitchen & heating	1.084	1.084
Housing - replacement of roofs/windows	2.687	2.687

Revenue Expenditure

Proportion of 2023/24 Revenue Expenditure by Service

In 2023/24 the total operating expenses for service delivery was £260m (2022/23 £259m) as detailed in Comprehensive Income and Expenditure statement on page 65. This level of expenditure indicates the significant size and complexity of the organisation.

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



CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

Outturn Position

At the end of the year, the Council reported an underspend against budget of £2.788m on its management accounts. This is a favourable increase of £2.053m on the previously forecasted underspend of £0.735m as at December 2023 reported to Council in May 2024. 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 Housing, 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 of £3.055m this results in a net overspend of £0.267m compared to budget.

At the end of 2023/24, the Clackmannanshire locality of the HSCP outturned an overspend of £3.719m. However, the final outturn reflects a nil variance as reserves held by the Partnership have been allocated to offset this overspend.

The outturn position per the Management Accounts per portfolio area is shown below:

Council Summary 2023/24			
	Annual Budget 2023/24	Actual to March 2024	Variance Budget to Actual
	£'000	£'000	£'000
People	81,885	81,334	(551)
Place	35,482	33,193	(2,289)
Partnership & Performance	11,942	12,351	409
Health & Social Care Partnership	26,209	26,166	(43)
Chief Executive	525	426	(99)
Corporate Services	4,634	5,113	479
Central Scotland Valuation Joint Board	462	462	-
	161,139	159,045	(2,094)
Sources of Funding	(149,755)	(150,449)	(694)
	11,384	8,596	(2,788)

The Council Summary presents the expenditure of general fund services which are funded by government grant and local taxation. The Comprehensive Income and Expenditure Statement on page 65, which also includes the Housing Revenue Account is prepared in accordance with proper accounting practices and, as such, can lead to differences in presentation of certain items of expenditure.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

The table below reconciles the Council Summary to the (Surplus) or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis in Note 6 on page 89.

	£'000
Council Summary	8,596
Add (Surplus) chargeable to HRA balances	6,111
Cost of Services incl Depreciation, Asset Revaluations & IAS19	8,486
Financing Income and Investment Expenditure	3,345
Gain/Loss on Sale of Non current Assets	(210)
Taxation and Non Specific Grant Income	(8,841)
Adjustments between Funding & Accounting basis	(10,426)
(Surplus) or Deficit on Provision of Services	7,061

Council Reserves

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

2023/24 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 2023	(20,885)	(8,715)	(1,177)	(1,256)	(2,093)	(34,126)
Comprehensive Income & Expenditure	7,795	(2,182)	-	-	-	5,613
Adjustments between funding & accounting basis	(268)	8,293	(286)	-	(352)	7,674
Transfers	(13,715)	1,168	(286)	(32)	800	(11,756)
As at 31 March 2024	(27,073)	(1,436)	(1,463)	(1,288)	(1,645)	(32,595)

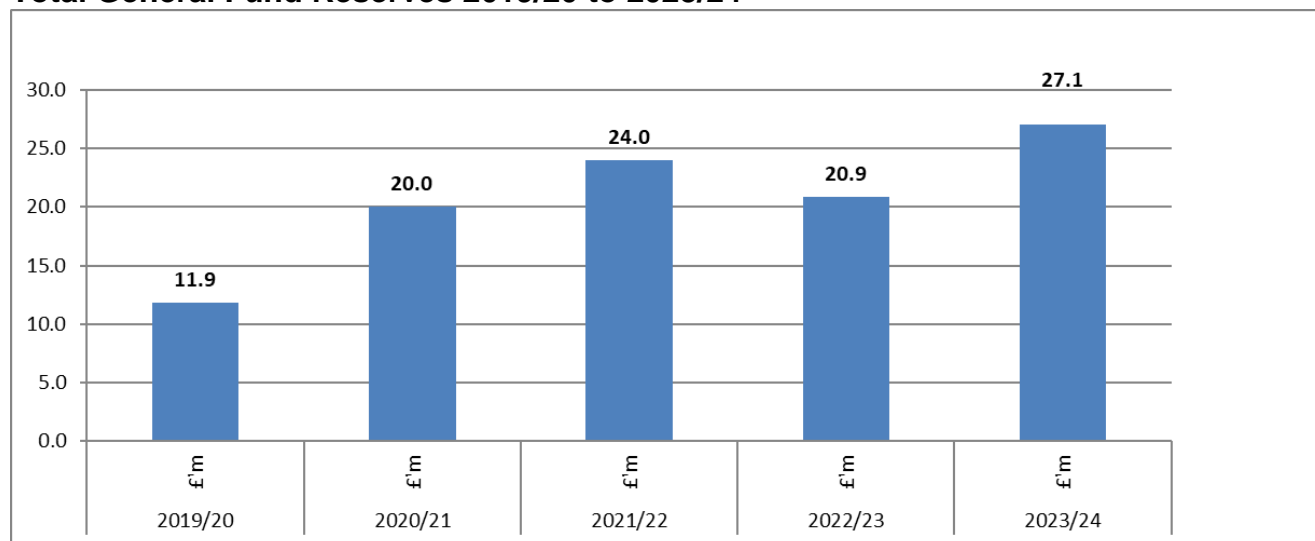
Total usable reserves have decreased to £32.6m (2022/23 £34.1m) at 31 March 2024. A comprehensive analysis of the Council's reserves is provided in the Movements in Reserves Statement on page 66 and supporting notes.

Total Usable Reserves

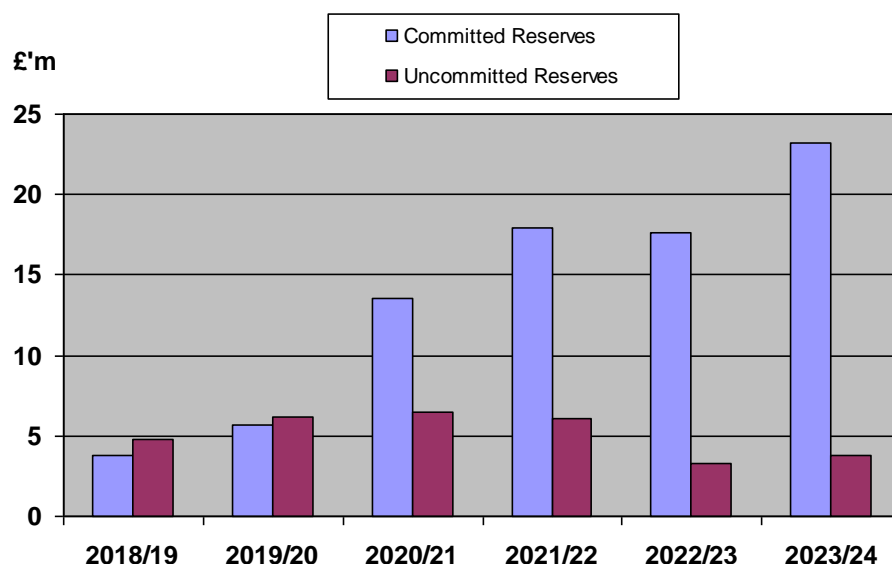
In 2023/24 the General Fund reserve has increased to £27.1m (2022/23 £20.9m). For the four years from March 2020 to March 2024 total General Fund reserves have increased by £15.2m or 128%. The large increase from 2019/20 is mainly due to additional Covid-19 funding received in 2020/21 and 2021/22 that has been carried forward on a reducing basis to fund Covid-19 support and recovery. Reserves have also increased in 2023/24 due to the accounting for Service Concessions.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

Total General Fund Reserves 2019/20 to 2023/24



Level of Committed and Uncommitted General Fund Reserves 2019/20 to 2023/24



Committed (Earmarked) General Fund Reserves

Of the £27.1m general fund reserves at 31 March 2024, £23.3m (2022/23 £17.6m) is earmarked for specific purposes, either by individual services or to meet corporate liabilities. Further detail is contained in Note 8.

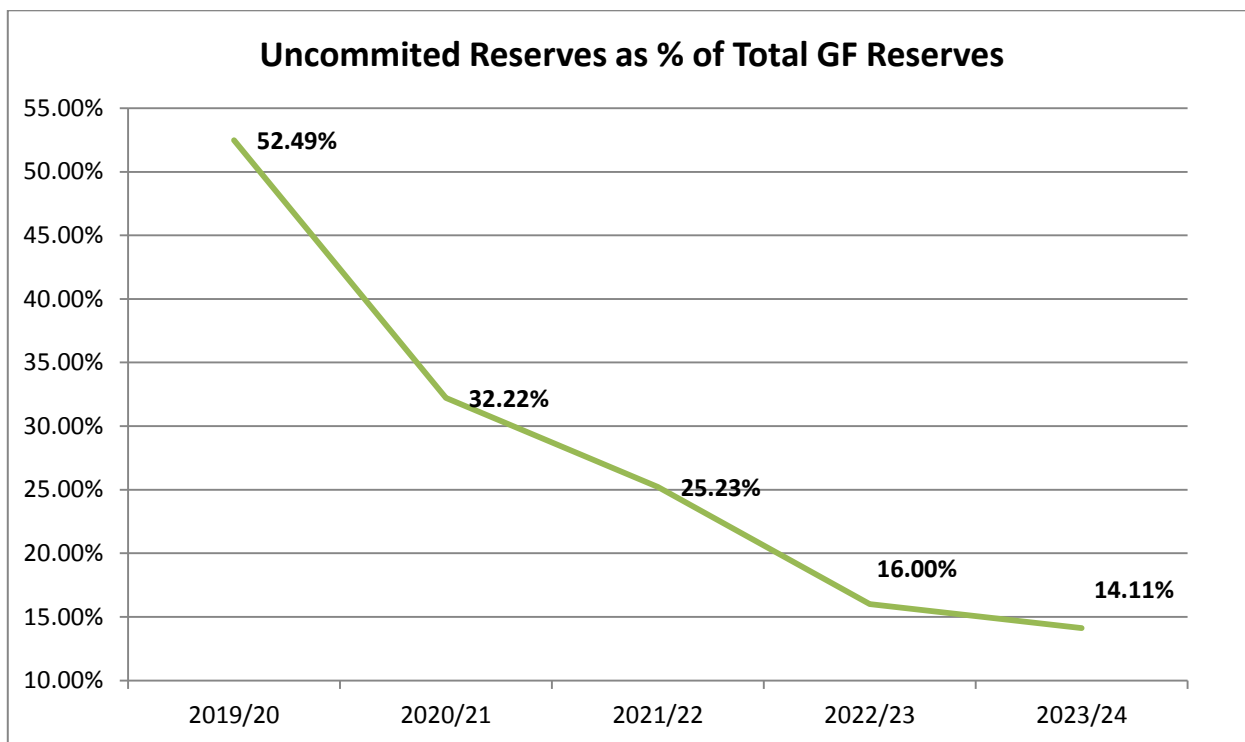
Uncommitted Reserves

The uncommitted element of General Fund Reserves at 31 March 2024, which are generally available to support future expenditure, stood at £3.8m (2022/23 £3.3m). For 2023/24, the Council's Reserves Strategy stipulates that it should retain uncommitted general fund reserves at a minimum level of 2% of net expenditure. The current general fund reserves represent a level of 2.4% (2022/23 2.2%) of the 2023/24 net budgeted expenditure.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

The movement in the Council's uncommitted reserves position compared to total General Fund reserves since March 2020 is shown below:

Trend in General Fund Reserves Position 2019/20 - 2023/24



Capital 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 £28.924m (2022/23 £19.697m) in capital projects during the year, the table below shows some of the main projects:

	2022/23	2023/24
	£'m	£'m
School Development	0.184	0.145
IT Investment	1.936	2.719
Kilncraigs Roof Works	-	0.586
Vacant & Derelict Land Investment Programme	-	0.522
Wheeled Bins	-	0.597
Street Lighting	0.450	0.078
Clackmannanshire Regeneration	0.229	1.037

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

Roads, footpaths, cycleways etc	0.512	5.006
Fleet Vehicles	0.556	0.580
City Deal	0.879	0.126
Village & Small Town Alva	0.621	-
Clackmannan Town Hall	0.915	-
Bowmar Community Hub	0.021	-
Park, Play Area & Open Space Improvements	0.512	0.195
Wellbeing Hub	0.222	1.783
Fleet Vehicles	0.556	0.580
Housing – new build and off the shelf purchases	3.084	5.085
Housing - replacement of kitchen/heating	1.084	1.474
Housing - replacement of roofs/windows	2.687	3.852
Housing – Safe Electrical Installations	-	1.682
Other Projects	3.338	3.457
	19.697	28.924

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 2023/24 on General Fund Services (including operational Common Good Properties) was £14.168m (2022/23 £9.928m) and on Housing was £14.743m (2022/23 £9.769m).

Expenditure	£'m	Financed by	£'m
Compliance & Operational Resilience	6.597	Government grant & contributions	12.580
Empowering Individuals, Families & Communities	2.131	Capital Finance from Revenue	10.821
Health & Wellbeing	2.620	Borrowing	5.523
Sustainable Growth	2.820		
Housing Business Plan	14.756		
	28.924		28.924
Capital programme underspend	19.890		
Capital Budget	44.814		

During 2023/24 the Council invested £28.924m in Capital projects, £28.685m of this expenditure was on Council assets and £0.239m was granted to third parties. Capital expenditure in the year has been financed by government grants and contributions (£12.580m) and direct revenue funding (£10.821m) leaving a balance of (£5.523m) which was financed from borrowing.

Whilst work on capital projects has been progressed, delays are still being incurred due to internal and external factors and as such £10.043m is to be carried forward to 2024/25 which is £2.151m greater than that included within the 2024/25 approved budget. At the end of the year there was an overall underspend of £19.890m on the budgeted programme.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

£12.803m of this related to the general fund resulting in rephasing of spend on large projects spanning multiple financial years such as: IT investment projects £0.743m, Clackmannan Regeneration £1.488m and WellBeing Hub £3.177m. The underspend on the HRA capital programme of £7.101m is mainly due to Westhaugh Travelling Site £5.151m and Lochies Road Clackmannan £1.945m that were delayed due to contractor availability and supply chain issues. Unspent budget of £6.906m will be carried forward to 2024/25.

Capital Receipts, Grants and Contributions

Receipts of £1.177m were held in Capital Receipts at the start of the year with further receipts of £0.286m received in the year. The balance held in the capital receipts reserve at 31 March 2024 totals £1.463m.

Receipts of £2.095m were held in the Capital Grants & Receipts Unapplied Reserve at 31 March 2023. During the year £0.800m was utilised against capital projects in the year and £0.351m of additional grants were received but not applied. The balance of unused grants £1.646m is held in the reserve 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, achieved a surplus in the year on the management accounts of £4.7m against a budgeted surplus of £3.8m. From this surplus and the HRA Reserve a revenue contribution to capital of £10.8m 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 a decrease of £7.2m to reserves at the year end, as shown in the Movement in Reserves Statement. Working balances available to the Housing Revenue Account have therefore decreased to £1.4m as at 31 March 2024. This balance will continue to be earmarked to support the delivery of the Housing Business Plan in line with the Council's approved strategy.

£14.8m 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.

Debt

The Council's gross external debt as at 31 March 2024 which supports its investment and development of long-term assets totals £131.7m and consists of:

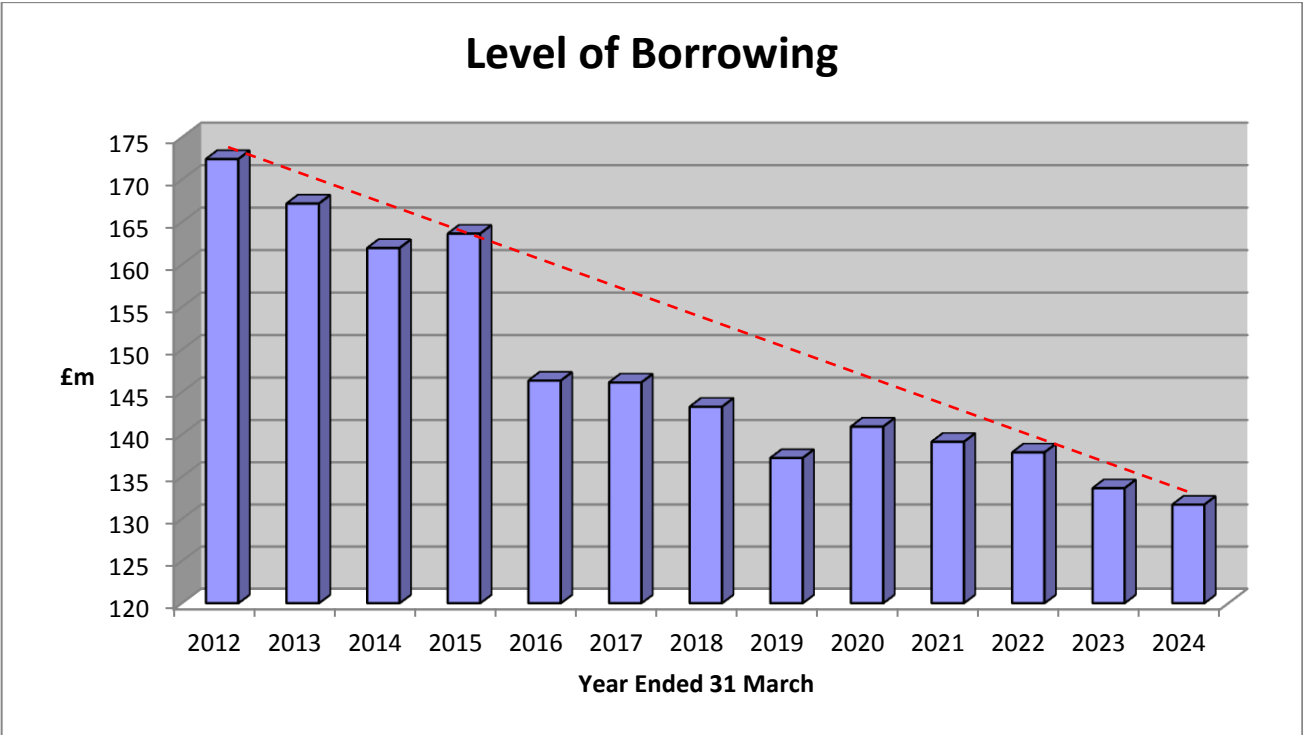
	2022/23	2023/24
	£'m	£'m
External Borrowing	98.228	97.718

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

PFI and other finance leases	35.435	33.994
	133.663	131.713

This is a decrease of £1.950m on the previous year's external debt position of £133.7m. This movement is made up of repayments on borrowing of £0.510m and repayments were made to PFI and other Finance leases of £1.440m. The Councils' borrowing strategy, as set out in the Treasury Management Strategy, is to supports growth and investment in line with the 20 year capital programme but looks to reduce external debt over the longer term.

In the year, £10.9m (2022/23 £9.2m) external interest and principal repayments of £0.5m were paid in relation to this borrowing.



Overall there has been a reduction in cumulative external debt of 23.6% between 2012 and 2024, showing that over the longer term the Council is not increasing its level of debt to finance its capital programme. Repayments towards PFI liabilities 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 2024 the Council was in an under-borrowed position which meant that its 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) 2023/24 set by Council on 9th March 2023.

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

Secondary Schools PFI Scheme

The Council's three 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 2023 is £33.994m and this sum is included within the Council's overall borrowing position referred to above.

The unitary charge paid to the operator in 2023/24 was £9.983m (2022/23 £9.058m) 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 32 – Private Finance Initiative and Similar Contracts on page 130.

Net Pension Liability /Asset

Pension Fund reporting regulations require an annual valuation of the Pension Fund by fund actuaries which is included in the Council's Balance Sheet. The calculation as at 31 March 2023 disclosed a surplus of £50.4m (2022/23 surplus £29.1m). 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 latest long-term triennial funding valuation of the Pension Fund for the purpose of setting the employers' actual contributions was at 31 March 2023. In line with the valuation and actuarial advice, the employers' contribution rates remained the same for 2021/22 and 2022/23 and were increased by 0.5% for 2023/24. The Triennial valuation as at 31 March 2023 set the employer contribution rates for 2024/25 to 2026/27 at 19.5%.

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 2024, two provisions are included in the Financial Statements, see Note 20.

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 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 2023/24, four contingent liabilities are disclosed, see Note 35. The Council has no material contingent liabilities or 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 and Common Good. Further detail on the Council's Group Accounts and accompanying notes can be found on pages 151-159.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

Covid-19 and Cost of Living

The Covid-19 pandemic and the Cost of Living crisis has had a significant impact on the Council and its communities over the past 4 years. Since March 2020, the Council has put actions in place and reprioritised services to safeguard its communities and these are now embedded into business as usual. Over the past year, focus has been directed to provide communities with Cost of Living supports to those affected by increasing inflationary pressures.

Staff wellbeing continues to be a key focus for the Council. Most services have implemented some pattern of hybrid working where appropriate to the role. The Council has adopted for office staff, no less than 40% office attendance. There is a continued emphasis on supporting mental wellbeing and 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. The Council also continued to offer and deliver a suite of HR training courses for managers and staff throughout 2023/24

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Management Commentary

Business Environment and Risks

Longer term impacts of the Covid 19 pandemic, world events including ongoing conflicts and associated global tensions and economic conditions have a significant effect on the Scottish, UK and global economy. This has translated into reduced funding provided to local authorities through both UK and Scottish Government settlements. High inflation including increases in energy costs and corresponding increases in the cost of goods and services also directly impact on the ability of local authorities to manage spend within reducing resources. Above inflationary pay awards have also directly impact on the funding challenges of the Council.

For 2024/25 an agreed pay award was achieved in September 2024 following negotiations between COSLA, Leaders and Trade Unions. For 2025/26, no pay increase has been agreed and discussions are ongoing with trade unions and COSLA at a national level. Any agreed pay award over and above the funding provided by the Scottish Government will lead to further pressures for Local Authorities.

The Bank of England (BoE) maintains target inflation at 2%. Increases in interest rates have successfully reduced inflation down to this level, however, inflation has started to rise in the last few months, indicating any reduction in interest rates is likely to be over a prolonged period. The level of interest rates impacts on the cost of borrowing to finance the Councils capital programme.

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 expected 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 that will assist the Council in prioritising its own finances.

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 historic reductions in funding and potential increased costs of service provision due to continued cost of living and inflationary pressures, managing the effects of these increased costs will be a 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;
- 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 continued development and progression of the Be the Future programme

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

identifying areas for Transformation to increase efficiency and reduce costs over a 10 year period, and

- A rolling 20 year Capital Investment Plan as first 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



A 5-year [Corporate Risk Management Strategy](#) was approved by Council in October 2023. This formalises and documents the purpose, roles & responsibilities, and links to other corporate approaches, strategies and local/national governance principles. The key aims are: to be aware, transparent, consistent, collaborative, clear, proportionate and objective. The strategy also outlines definitions, assurance mechanisms, processes and supports which are mapped in a high-level self-assessment to the stated aims and maturity model themes (Leadership, Strategy, People, Partnership, Processes, Handling & Assurance and Outcomes & Delivery).

Appendices to the strategy are reviewed annually and include a Risk Appetite Statement, Delivery Plan, Guidance & Governance Checklist, and terms of reference for the Corporate Risk & Integrity Forum (established 2013). The first annual review was presented in the [2023/24 Annual Report](#) to Audit & Scrutiny Committee in August 2024. Finance is highlighted throughout as one of twelve core risk categories, alongside: Assets, Community, Continuity, Environment, Governance, Information, Reputation, Security, Strategy, Wellbeing and Workforce.

The Corporate Risk Register is reported to Audit & Scrutiny Committee quarterly, following updates by service/cross-cutting theme at the Corporate Risk & Integrity Forum. Each report re-iterates the purpose, corporate lead and review process followed. Business Planning Guidance requires Directorate registers to be reported to Audit & Scrutiny Committee, and support is also provided for service, team, thematic and partnership registers. The Council also contributes to the Community Risk Register (led by Scottish Fire & Rescue), and the Health & Social Care Partnership Joint Risk Forum which reports to the Integration Joint Board.

The [2023/24 Year-end Report](#) to Audit & Scrutiny Committee (June 2024) shows the final position for the 18 corporate risks, with the undernoted changes made throughout the year.

Low: 9 or less  Medium: 10 – 15  High: 16 or more 

Title	Score	Status	Approach	Change	Notes (Q = Quarter)
Insufficient Financial Resilience	25		Treat		Static throughout year (controls/savings balanced with inflationary pressures)

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

Title	Score	Status	Approach	Change	Notes (Q = Quarter)
Impact of Poverty, Inequality & Changing Demographics	20		Treat		Static throughout year (controls/actions balanced with cost of living/energy)
Supply Chain & Labour Market Disruption	20		Tolerate		Static throughout year (cause outwith control, mitigations prevented worsening)
Health & Safety Breach	20		Treat		Static throughout year (strengthened controls but compliance to be improved)
IT System Failure	20		Treat		Increased from 15 Q2 (raised global threat, mitigations in progress)
Public Health Emergency	20		Tolerate		Static throughout year (vaccinations, etc. balanced with new viruses/strains)
Major Governance Failure	16		Treat		Escalated by Director Q2 (implications of other risks on legal/gov. compliance)
Information Not Managed Effectively	16		Treat		Static throughout year (strengthened controls but cyber accreditation required)
Insufficient Pace and Scale of Organisational Transformation	15		Treat		Reduced from 20 Q3 (senior/project managers recruited, plan in place)
Failure of Public Utility Supply	15		Tolerate		Static throughout year (cause outwith control, vulnerable demographic profile)
Failure to Prevent Extremism and/or Radicalisation	15		Treat		Static throughout year (actions balanced with evidence of global civil unrest)
Failure to Prepare for Severe Weather Events	12		Tolerate		Static throughout year (climate change means now threats in all 4 seasons)
Inadequate Workforce Planning	12		Treat		Reduced to 9 Q1, increased Q3 (plans progress but recruitment/capacity issues)
Increasing Attainment Gap	12		Treat		Reduced from 16 Q3 (data shows gap reducing due to literacy interventions)
Failure to Address Serious Organised Crime	12		Treat		Static throughout year (actions balanced with evidence of national/global increase)
Industrial Unrest	12		Tolerate		Reduced to 9 Q1, to 15 Q2, to 9 Q3, to 12 Q4 (pay negotiations/threat of strike)
Continued Contribution to Climate Change	10		Treat		Static throughout year (actions continue but impacts of increasing severity seen)
Harm to Child(ren)	9		Treat		Reduced from 12 Q1 (redesign, training, recruitment & improved responsiveness)

At the 2023/24 year-end, there were 8 red risks (16 or higher, including Financial Resilience at the highest risk score of 25, details below), 9 were amber (10-15) and 1 was green (9 or lower). There are fewer greens corporately as these are often demoted to lower-level registers unless particular scrutiny is needed (the final risk will remain due to its significant nature). The Council defines its approach to managing each risk as below (total shown):



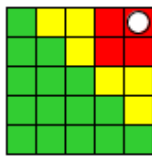
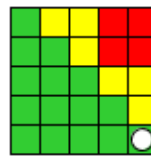
- Treat (13): we will take action to reduce the risk;
- Tolerate (5): actions within our control have been completed and plans are in place (though they remain under continuing scrutiny and review);
- Transfer: the risk will be passed to another party, such as insurers; or

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Management Commentary

Terminate: the activity that is causing the risk will be ceased (the latter 2 are less often options due to statutory provision requirements and non-delegable duties).

There were 17 risks on the Corporate Register at the end of financial year 2022/23, which currently remain in place.

Insufficient Financial Resilience remains as the risk with the highest score of 25.

		Insufficient Financial Resilience	Senior Manager Finance & Revenues	Current Score	25	Target Score	5
Risk	The Council does not have a balanced budget to meet essential service demands, customer needs, or external agendas.			 Likelihood Impact		 Likelihood Impact	
Potential Impact	Reputational and legal implications and severe, extended loss of service provision. Possibility of Alliance, Health & Social Care and other partners also experiencing budget pressures contributes to potential impact, given the interdependencies.						
Note	The budget for 2024/25 was approved in March 2024 reflecting a balanced position and including savings to be achieved during the year. Due to the use of reserves and cash savings to balance the 2024/25 budget, the budget gap for 2025/26 has been estimated at £13m. This year's budget process is already progressing to take forward savings through transformation and other areas previously identified. The budget gap is also subject to the settlement funding from Scottish Government which will be known towards the end of the year.						
Related Actions	Actions from Audit of 2022/23 Accounts by Audit Scotland			Existing Controls	Financial Regulations		
	Use the agreed strategic change framework and organisational design principles to implement a whole organisation redesign				Contract Standing Orders		
	Balance the drive for savings with the need for sufficient officer time and skills to support change and consider how to make more use of external assistance to support improvement				Budget Strategy & Monitoring		

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 continued to progress major strategic initiatives such as the new Wellbeing Hub, City Region Deal, Organisational Redesign, Learning Estate Development and partnership working with the Health and Social Care Partnership. Alongside these, the Council also continues to support the Community through redesigning delivery of its services.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

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 throughout 2023/24. The Council acknowledges that the annual accounts for 2023/24 were completed after the statutory deadline due to competing priorities and challenges however it will aim to meet future deadlines. It greatly appreciates 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 2023/24 Annual Accounts.

Ellen Forson
Leader of the Council
30 January 2024

Lindsay Sim
Chief Finance Officer
30 January 2024

Nikki Bridle
Chief Executive
30 January 2024

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Council has 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 considered by Council at its meeting on 30 January 2025.

Signed on behalf of Clackmannanshire Council

Ellen Forson
Leader of the Council
30 January 2025

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
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 draft 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 2024.

Lindsay Sim
Chief Finance Officer
30 January 2024

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

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, reinforcing a culture of good governance across the organisation. Good governance enables an authority to pursue its aims effectively, while controlling and managing risk.

Local Code of Governance

Our Local Code of Governance is made up of the key Council policies and strategies that together determine 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.

Our Local 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.

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Annual Governance Statement

Leadership, Values and Culture

This section of our Local Code covers the arrangements we have for ensuring that the Council's leadership set and communicate a clear direction and are transparent and accountable.

Local Code approaches in this area are:

- Scheme of Delegation, and
- Council Standing Orders.

CIPFA Good Governance Principles Alignment:

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the entity's capacity including the capability of its leadership and the individuals within it, and
- Managing risk and performance through robust internal control and strong public financial management.

The Scheme of Delegation sets out the duties and responsibilities of the Council, its committees, sub-committees and officers.

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.

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 and implemented.

Local Code approaches in this area are:

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

CIPFA Good Governance Principles Alignment:

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law;
- Ensuring openness and comprehensive stakeholder engagement;

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Annual Governance Statement

- Defining outcomes in terms of sustainable economic, social and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the entity's capacity including the capability of its leadership and the individuals within it;
- Managing risk and performance through robust internal control and strong public financial management, and
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Council's Performance Management Framework covers the strategies, plans and reports that take direction from the LOIP to make sure that resources are focused on Council priorities.

Corporate Risk Management Guidance explains the principles, processes and scrutiny arrangements used by the Council for managing risk, particularly in the context of achieving the Council's vision, outcomes and priorities.

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, and
- Community Planning processes.

CIPFA Good Governance Principles Alignment:

- Defining outcomes in terms of sustainable economic, social and environmental benefits, and
- Determining the interventions necessary to optimise the achievement of the intended outcomes.

A new Wellbeing Economy LOIP is currently being developed and community and stakeholder engagement on the plan is underway. The Alliance Board has agreed to

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Annual Governance Statement

review the Memorandum of Understanding and Community Planning processes following agreement of the Local Outcomes Improvement Plan.

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.

CIPFA Good Governance Principles Alignment:

- Ensuring openness and comprehensive stakeholder engagement, and
- Determining the interventions necessary to optimise the achievement of the intended outcomes.

The Council use the online survey tool Citizen Space to consult on issues such as service satisfaction, policy proposals and strategies. The Corporate Communications Strategy, related policies and Communications channels are in the process of being refreshed in 2023/24.

Sustainability and Climate Change

The Council's Environmental Policy sets out Council commitments to continuously improve its environmental performance.

An Interim Climate Change Strategy approved in August 2022, sets out a framework for Council achieving net zero greenhouse gas emissions by 2040. An Emergency Board provides oversight of delivery of the strategy.

Asset management plans covering, for instance, buildings, vehicles and ICT equipment generally aim to ensure that our assets are fit for purpose, used efficiently and maximise value for money, environmentally and energy efficient and employed flexibly and responsibly.

CIPFA Good Governance Principles Alignment:

- Defining outcomes in terms of sustainable economic, social and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the entity's capacity including the capability of its leadership and the individuals within it, and

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Annual Governance Statement

- Implement good practices in transparency, reporting, and audit to deliver effective accountability.

Financial Management

Financial Regulations set out roles and responsibilities in relation to sound 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.

Key underpinning policies and guidance in this area are:

- Financial Regulations
- Contract Standing Orders
- Procurement Strategy

CIPFA Good Governance Principles Alignment:

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law;
- Ensuring openness and comprehensive stakeholder engagement;
- Defining outcomes in terms of sustainable economic, social and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Managing risk and performance through robust internal control and strong public financial management, and
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Information Management

Effective Information Management is vital for ensuring that the right information is available to the right people, at the right time, to support and inform decision making, while ensuring appropriate storage, access and protection of information and data. Information and data management forms an important element of the Council's Digital Transformation strategy and roadmap.

Key underpinning policies and guidance in this area are:

- Digital Strategy 2019-25;
- Data Protection Policy, and
- Records Management Plan.

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Annual Governance Statement

CIPFA Good Governance Principles Alignment

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law, and.
- Developing the entity's capacity including the capability of its leadership and the individuals within it.

Workforce Management

The Strategic Workforce Plan 2019-22 sets out the Council's workforce planning priorities, to: create positive and inclusive organisational cultures; create sustainable and resilience workforce; support, empower, respect and engage our workforce; ensure our workforce has the knowledge, skills and behaviours required for future demands.

CIPFA Good Governance Principles Alignment:

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law, and
- Developing the entity's capacity including the capability of its leadership and the individuals within it.

Statutory Roles

Councils are required to make a number of statutory appointments and these are detailed in the Management Commentary on page 6. Further information on the statutory appointments of officers can be found in the Scheme of Delegation.

Audit and Assurance

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

1. The Audit and Scrutiny Committee has an important role in the Council's governance. The committee remit covers two broad areas:

Audit & Finance:

- Receive, review and consider reports on the Council's finances;
- Receive, review and consider reports on value for money and best value;
- Consideration and monitoring of the Council's Annual Governance Statement;
- Consider internal audit reports and results of internal audit investigations;
- Consider external audit and resultant action plans;
- Monitor and review actions taken on internal and external audit recommendations;

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Annual Governance Statement

- Consider the effectiveness of the Council's risk management procedures and the control environment, and
- Receive and consider reports on countering fraud and corruption.

Scrutiny:

- Monitor council services, including the Health and Social Care Partnership (H&SCP) against agreed outcomes, standards and targets;
 - Monitor the achievement of organisation-wide agreed outcomes, standards and targets;
 - Monitor the achievement of agreed outcomes, standards and targets by the community planning partnership;
 - Monitor Police and Fire performance against Plans approved by the Council;
 - Scrutiny of Council decision-making, with the ability to call in decisions;
 - Initiate or undertake scrutiny reviews, and
 - Deal with matters referred by the Council for scrutiny purposes.
2. The role of Council's **Internal Audit** function is to provide a balanced and evidence based opinion to elected members on the adequacy of the Council's arrangements for risk management, governance, and control. To do this, the Internal Audit team must be:
- independent;
 - objective in performing audit work; and
 - adequately resourced, experienced, qualified, and knowledgeable.

The Internal Audit service is delivered via a joint working arrangement with Falkirk Council.

The Public Sector Internal Audit Standards 2017 (PSIAS) require the preparation of a risk based Internal Audit Plan setting out the team's annual work programme. The Internal Audit plan for 2022/23 was agreed by the Audit & Scrutiny Committee in October 2022. It proposed sixteen assignment areas, including two covering other bodies (the Clackmannanshire and Stirling Integration Joint Board, and the Central Scotland Valuation Joint Board).

Internal Audit provides regular progress reports to the Audit and Scrutiny Committee and an annual Assurance report, which gives an overall opinion on the Council's risk management, governance, and control arrangements, based on the assignments agreed within the audit plan and undertaken over the course of the year.

The Annual Assurance Report by Internal Audit was presented to the Audit & Scrutiny Committee in August 2023.

3. The Council is externally audited by Deloitte LLP, appointed by the Controller of Audit, who conduct an audit in accordance with the Code of Audit Practice approved by the Accounts Commission.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Annual Governance Statement

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:

- 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;
- Reports provided by our External Auditor (currently Deloitte LLP);
- 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, and
- 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

The 2021/22 Annual Report, provided by our external auditor (at that time Audit Scotland, now Deloitte LLP) found that the Council had made limited progress in implementing their prior year audit recommendations, owing to capacity issues and to staff being abstracted on to pandemic and cost of living response Actions to address the recommendations were included in last year's AGS, and progress is reported later in this document.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Annual Governance Statement

Progress made on areas for improvement contained in the 2021/22 AGS

Code	Description	Carried forward from	Latest Note
AGS 020 003	An updated Risk Management Framework will be finalised	31-Mar-2023	Advanced draft completed – anticipated final completion by October 2023 following consideration by Council.
AGS 020 004	Covid Recovery plans will be reviewed to ensure alignment with Be the Future	31-Mar-2023	This work is ongoing and is being integrated into the Councils Be the Future planning. It is progressing in the context of a refresh of the Councils Target Operating Model and also through a range of transformational initiatives such as Future Ways of Working and Digital Transformation which aim to optimize service design as part of post pandemic recovery.
AGS 020 006	Action will be taken to ensure that new Hate Crime legislation is reflected in key Council policies.	31-Mar-2021	Hate Crime is a key action in the Councils Mainstreaming Equalities and Diversity Outcomes approved in 2021, and is reflected in appropriate employee and partnership strategies. Information on 3 rd party reporting is provided on the Councils website alongside the range of partners across Forth Valley that we work alongside as part of wider equalities work.
AGS 020 011	The review of the Sustainability and Climate Change Strategy will be completed, followed by engagement with key stakeholders.	31-Mar-2023	An Interim Climate Change Strategy was approved by Council in August 2022. A full Climate Change Strategy will be considered by Council in Autumn 2023. Five Climate Change Forums have been set up to facilitate engagement with communities and promote sustainability across the county.
AGS 020 015	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.	31-Mar-2021	This major work is ongoing and remains a key priority for the Council as set out in Be the Future and our Target Operating Model. A digital transformation strategy is in place, and whilst we have plans to refresh the strategy, significant work is being taken forward around digital, data and ICT modernisation which is reflected in the strategy. This work is being progressed in partnership with a range of industry experts, and whilst significant progress is planned in 2023/24, the overall delivery plan is under constant review.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Annual Governance Statement

Code	Description	Carried forward from	Latest Note
AGS 021 001	The Governance assurance process will be reviewed, to ensure it is effective and proportionate.	31-Mar-2023	The Governance assurance process has been reviewed and changes implemented.
AGS 021 002	The review of the Scheme of Delegation will be completed after the conclusion of the Council restructure.	31-Mar-2023	The review of the scheme is at an advanced stage and is expected to conclude and be considered by Council by October 2023.
AGS 021 003	A detailed review of Standing Orders will be undertake, with the aim of consolidating incremental changes that have been made in recent years, improving clarity and ensuring Standing Orders remain fit for purpose. Training will be provided for elected members.	31-Mar-2023	An officer/elected member working group was agreed by Council in 2022. Work continues; it is expected that this work will complete in late 2023 on conclusion of the refreshed Scheme of Delegation.
AGS 021 005	Options for enhancing arrangements for Fraud Risk Management will be investigated as part of the restructure of the Legal & Governance service.	31-Mar-2023	This work is ongoing beyond the projected target date, expected to conclude in late 2023.
AGS 021 006	The Local Outcome Improvement Plan will be refreshed and a Wellbeing Local Outcome Improvement Plan will be developed	31-Mar-2023	The present LOIP 2017-27 remains current. Community and stakeholder engagement to develop the wellbeing LOIP is underway. A set of draft outcomes and priorities are being consulted on as part of this work with the final LOIP anticipated to be finalised in Autumn 2023. This approach is being jointly led by Community Planning Partners on behalf of the Clackmannanshire Alliance.
AGS 021 007	Clackmannanshire Alliance operating arrangements and structures, including the Memorandum of Understanding, will be refreshed.	31-Mar-2023	This will be reviewed following completion of the LOIP refresh.
AGS 021 008	The Council's Customer Charter will be refreshed.	31-Mar-2023	A review of the Customer Charter has been completed and following a period of stakeholder consultation will be considered by Council in October 2023, along with a refreshed Unacceptable Behaviour policy.
AGS 021 009	The refresh of the Communications Strategy will be finalised.	31-Mar-2022	Ongoing. A high level corporate communications strategy has been drafted. The intention is to finalise this in 2023 following Council's approval of a revised Target Operating Model and a period of consultation.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Annual Governance Statement

Code	Description	Carried forward from	Latest Note
AGS 021 012	Information on Sustainable Asset Management on the Council website will be improved to make it clearer and more accessible.	31-Mar-2023	Significant work has been done to develop and improve website information on Sustainability, with pages covering the Interim Climate Change Strategy, Climate Change Forums and annual climate reports, as well as links to external organisations.
AGS 021 013	Further guidance and training on Financial Governance and financial system processes will be rolled out, including promoting awareness of the management information produced by the finance system to assist decision making	31-Mar-2023	In progress. Initial training has been rolled out to the Accountancy team who will then roll out to Budget Holders. Further specific training to be identified and delivered throughout the year. A session on Governance including Financial Regulations and Contract Standing Orders is planned to be held with the Senior Leadership Forum during the year.
AGS 021 015	Debt recovery processes will be reviewed to ensure Council is recovering debts due.	31-Mar-2022	A Credit Controller has been employed to complete a focussed review of outstanding debt and recovery options and to update processes. To be completed by September 2023.
AGS 021 016	Additional support will be secured for Procurement and Community Wealth Building work.	31-Mar-2022	Additional supports are in place within economic development to support Community Wealth Building. Ongoing market conditions continue to make securing additional procurement resources challenging.
AGS 021 017	The Information and Communication Technology (ICT) Strategy and ICT Asset Management Plans will be finalised.	31-Mar-2022	This work is being taken forward as part of the Council's Digital Transformation Roadmap and Microsoft 365 migration project implementation plan, which is ongoing.
AGS 021 018	Remaining outstanding actions in the Workforce Programme will be completed.	31-Mar-2022	The workforce programme was closed down following report to Strategic Oversight Group. Due to capacity, some communication actions remain outstanding, however, these will be included in both a refreshed interim workforce plan and corporate communications strategy, due to be considered by Council in September 2023.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Annual Governance Statement

Code	Description	Carried forward from	Latest Note
AGS 021 019	The feasibility of introducing a structured approach to the publication of policies and strategies will be investigated, to ensure they are accessible and up to date.	31-Mar-2022	Ongoing, to be wrapped up in wider M365 deployment work. Sharepoint anticipated to provide the platform. Policies and guidance is being developed for deployment over 23/24.
AGS 022 001	Financial Regulations Review	31-Mar-2023	Revised Financial Regulations have been reviewed and have been considered and approved by Council in June 2023.
AGS 022 002	Contract Standing Orders Review	31-Mar-2023	Ongoing. Planned for 2023.
AGS 022 003	Procurement Strategy Review	31-Mar-2023	Ongoing. Planned for 2023.
AGS 022 004	Corporate Plan refresh will be undertaken	31-Mar-2023	Council agreed in May 2023, that it will no longer prepare a Corporate Plan and that instead service business plans will align and report with strategic priorities. Refreshed guidance will be provided to directorates, with revised business plans due to be considered by Council in October 2023.
AGS 022 005	Information and knowledge management programme of work will be scoped and capacity, resources and roles and responsibilities identified	31-Mar-2023	Ongoing. A cross service team are actively progressing this work as part of M365 deployment, supported by additional M365 and data transformation project resource. Additional posts have also been identified and resourced.
AGS 022 006	The Strategic Workforce Plan 2019–2022 will be replaced with an updated and refreshed Strategic Plan covering 2022–2025. This will be jointly developed in line with review of the LOIP and Corporate Plan	31-Mar-2023	An Interim strategic workforce plan will be considered by Council in September 2023.
AGS 022 007	A communication plan will be developed to roll out across the Council in order to raise awareness of the new Strategic Workforce plan and underpinning workforce programme	31-Mar-2023	See AGS 021 009 above.
AGS 022 008	Workforce Planning events will be undertaken within each Directorate and the outputs of these will inform the overall Strategic Plan	31-Mar-2023	Service working planning workshops have taken place over 2022 and 2023. All directorates plan to put these to Council for consideration in autumn 2023.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Annual Governance Statement

Code	Description	Carried forward from	Latest Note
AGS 022 009	Focused SLF sessions regarding good corporate governance e.g. procurement, financial regulations, Legal, HR processes	31-Mar-2023	SLF forward plan now in place, with governance session being planned and deployed. For example, information security and governance training and health and safety training has been provided for all senior managers.
AGS 022 010	Continue to develop approaches to engaging 'hard to reach groups', both through training and development provision, career progression, and ongoing engagement with the Council	31-Mar-2023	The Workforce Development & Learning team continue to develop 'offline' approaches for learning programmes such as mandatory training in order to address hard to reach groups. Further work to be defined within the Interim Workforce Plan.
AGS 022 011	Implement and track progress with the outputs of the Trueman Change Capacity and Skills Audit, ensuring that recommendations where applicable are included within the Strategic Workforce Plan 2022-25	31-Mar-2023	Recommendations will be incorporated into the Interim Workforce Plan for 2023-25 scheduled to be considered by Council in September 2023.
AGS 022 012	Financial reconciliations will be completed more regularly, with review and evidencing of reconciliations strengthened	31-Mar-2023	In progress throughout 2022/23.
AGS 022 013	A schedule for reviewing access to core systems will be introduced	31-Mar-2023	Planned for 2023/24
GS 022 014	Training in combating fraud and corruption for Directors, Senior Managers and other key officers will be rolled out	31-Mar-2023	Planned for 2023/24 following Council approval of revised Whistleblowing policy.
AGS 022 015	A new Whistleblowing Policy will be introduced	31-Mar-2023	Policy has been refreshed following a review of practice elsewhere, due to be considered by Council in October 2023.
AGS 023 001	Complete the review of the social media policy and guidelines.	31-Mar-2024	Following approval of the Corporate Communications Strategy, Customer Charter and Unacceptable Behaviour Policy, a review of the Council's Social Media Policy and Guidelines will be undertaken. This is included in the improvement plan below.

Improvement Plan

The following improvement actions have been agreed for delivery during 2023/24:

Agreed action	Due by	Lead
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CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Annual Governance Statement

Agreed action	Due by	Lead
A full Climate Change Strategy will be presented to Council in Autumn 2023.	Autumn 2023	Senior Manager Development
Development of the interim 2 year workforce plan (2023-25)	August 2023	Organisational Development Adviser
Development of the 3 year Strategic Workforce plan (2025-28)	March 2024	Organisational Development Adviser
Portfolio workforce planning events	August 2023	Organisational Development Adviser
Focused SLF sessions regarding good corporate governance e.g. procurement, financial regulations, Legal, HR processes	March 2024	Organisational Development Adviser
Continue to develop approaches to engaging 'hard to reach groups', both through training and development provision, career progression, and ongoing engagement with the Council	March 2024	Organisational Development Adviser
Implement and track progress with the outputs of the Trueman Change Capacity and Skills Audit, ensuring that recommendations where applicable are included within the Strategic Workforce Plan 2023-25. These will be incorporated in the Interim Plan.	August 2023	Organisational Development Adviser
Complete refresh of the wellbeing economy Local Outcome Improvement Plan 2023-2033.	December 2023	Senior Manager Partnership and Transformation
Complete update of the Clackmannanshire Alliance Memorandum of Understanding and related operating arrangement.	March 2024	Senior Manager Partnership and Transformation
Finalise the Corporate Communications Strategy following consultation on the draft.	December 2023	Senior Manager Partnership and Transformation
Complete the review of the social media policy and guidelines.	March 2024	Senior Manager Partnership and Transformation
Finalise and publish the Customer Charter and Unacceptable Behaviour Policy.	October 2023	Senior Manager Partnership and Transformation

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 2024 AGS.

Nikki Bridle
Chief Executive
30 January 2024

Ellen Forson
Leader of the Council
30 January 2024

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

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 the External Auditors as detailed in the Independent Auditor's Report. The results presented in the tables comprising Clackmannanshire Council's Remuneration Report for 2023/24 reflect the following contextual factors:

Pay award as follows;

- For employees paid the Scottish Local Government Living Wage and national Spinal Column Points (SCP) 19 to 23: an increase in the hourly rate of £1.04. For employees paid at national SCP 24-43 a £1.00 uplift in hourly rate, or a 5% uplift followed by 2.5% uplift (both percentage uplifts effective from 1 April 2023) whichever is worth more. For employees paid at national SCP 44-64 a £1.00 uplift in hourly rate, or a 5% uplift followed by 1.5% uplift (both percentage uplifts effective from 1 April 2023) whichever is worth more. For employees paid at national SCP 65-123 a 5% uplift followed by 1% uplift (both effective from 1 April 2023).
- As at 31 March 2024 there were 7 Senior Councillors in post. The maximum allowed for Clackmannanshire Council is 8;
- The corporate management structure during the year was: Chief Executive, Strategic Director Place, Strategic Director People, Strategic Director Partnership & Performance and Strategic Director Transformation; and
- The committee structure includes the Audit & Scrutiny 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 2023/21. 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.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 *Remuneration Report*

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

- Leader of the Council £33,503 (2022/23 £32,622);
- Civic Head (Provost) £25,128 (2022/23 £24,467) maximum remuneration is 75% of the sum payable to the leader, and
- Senior Councillors £22,613 (2022/23 £22,019).

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 £180,905 (2022/23 £176,150).

The remuneration paid to Senior Councillors in 2023/24 covering the year 1 April 2023 to 31 March 2024 totalled £158,342 (2022/23 £157,766). The net cost to Clackmannanshire Council in relation to Senior Councillors is £158,342 (2022/23 £157,271). 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

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. For Clackmannanshire, two joint boards exist; the Central Scotland Valuation Joint Board (CSVJB), and the Clackmannanshire and Stirling Integration 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 related pension contributions arising from this appointment.

In 2022/23 Councillor Holden served as the Vice-Convenor of the CSVJB for part year but in 2023/24 there was no Councillor from Clackmannanshire in this role. Clackmannanshire Council made payments of £312 in 2022/23 to Councillor Holden for his role as the Vice-Convenor of the CSVJB. This amount is recovered in full from the CSVJB.

No Councillors undertook the roles of Convenor or Vice-Convenor of the Clackmannanshire and Stirling Integration Joint Board in 2022/23 or 2021/22 therefore no additional payments were made.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Remuneration Report

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 IR 11-23 sets the amount of salary for the Chief Executive of Clackmannanshire Council for the period April 2023 to March 2024. 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Remuneration Report

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

Post holder	Position	Dates	Total Remuneration	
			2022/23 £	2023/24 £
Ellen Forson	Leader of the Council Spokesperson for Partnership, Third Sector and Digital Strategy	from 12/4/18 to 4/5/22 & from 22/5/22 from 2/2/23	30,796	33,507
Tina Murphy	Provost	from 1/6/17 to 4/5/22	2,374	-
Donald Balsillie	Spokesperson for Audit and Finance Chair of Planning Committee Provost	from 1/2/19 to 4/5/22 from 1/6/17 to 4/5/22 from 25/5/22	22,995	25,128
Denis Coyne	Chair of Planning Committee	from 25/5/22	18,771	22,615
Graham Lindsay	Spokesperson for Education	From 28/6/17 to 4/5/22 & from 22/5/22	20,908	22,615
Les Sharp	Spokesperson for Health & Social Services	from 12/4/18 to 4/5/22	2,137	-
Craig Holden	Spokesperson for Environment & Housing Valuation Joint Board - Depute Convenor Spokesperson for Partnership, Third Sector and Digital Strategy	from 25/06/20 to 4/5/22 from 26/6/17 to 4/5/22 from 25/5/22 to 9/12/22	14,051	-
Helen Lewis	Spokesperson for Partnership and Third Sector	To 4/5/22	2,137	-
Dave Clark	Chair of Audit Committee	from 1/07/21 to 4/5/22	2,137	-
Kenny Earle	Chair of Licensing Board Chair of Audit and Scrutiny Committee	from 20/6/17 to 04/5/22 and from 25/5/22 from 25/5/22 to 4/4/23	20,908	-
Phil Fairlie	Convener of Council	from 25/5/22	18,771	22,615
Scott Harrison	Spokesperson for Sport, Leisure and Active Living	from 25/5/22	18,771	22,615
Fiona Law	Spokesperson for Environment and Net Zero	from 25/5/22	18,771	22,615
Jane McTaggart	Spokesperson for Housing and Property	from 25/5/22	20,402	22,615
Janine Rennie	Chair of Audit and Scrutiny Committee	From 4/4/23	-	22,652
Total Remuneration			214,109	216,977

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Remuneration Report

Notes

1. There were no Taxable Expenses or Benefits other than in cash paid to any of the Senior Councillors in 2023/24 or 2022/23.
2. During 2023/24 there were no changes to the political administration of the Council which has been led by the SNP from 9 March 2017 to present.
3. During 2022/23 there was a Local Election on 4th May 2022 which resulted in changes to the leadership and roles of the Council from 25th May 2022. From this date the new leader of the Council was confirmed as Ellen Forson and six new roles were introduced, including Convener of Council which will support the administrative arrangements for conducting the Council's business. The other new roles were; Spokesperson for Partnership, Third Sector and Digital Strategy, Spokesperson for Sport, Leisure and Active Living, Spokesperson for Environment and Net Zero, Spokesperson for Housing and Property and Chair of Audit and Scrutiny Committee.
4. Councillor Sharp received £753 remuneration from NHS Forth Valley for serving on the regional Health Board during 2022/23. This is paid directly by the NHS to each individual and are not included above.

Remuneration Paid to Councillors

Clackmannanshire Council currently has 18 Councillors in total who serve under the following structure as at 31 March 2024:

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

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 all Councillors during the year:

Type of Remuneration (Audited)	2022/23	2023/24
	£	£
Salaries	385,017	397,898
Employer's NIC and Pension	111,156	114,007
Expenses	4,350	5,342
Total	500,523	517,247

The annual return of Councillors' salaries and expenses for 2023/24 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: <https://www.clacks.gov.uk> under 'Remuneration to Elected members'.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Remuneration Report

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

Name and Positions held during the year	Total Remuneration 2022/23	Total Remuneration 2023/24
	£	£
Nikki Bridle <ul style="list-style-type: none"> Chief Executive 	116,862	123,932
Stuart Crickmar <ul style="list-style-type: none"> Strategic Director - Partnership & Performance 	101,506	107,647
Pete Leonard <ul style="list-style-type: none"> Strategic Director – Place 	101,506	107,647
Fiona Colligan <ul style="list-style-type: none"> Strategic Director – Transformation (to 31/03/23) 	101,506	-
Lorraine Sanda <ul style="list-style-type: none"> Strategic Director - People 	101,506	107,647
Catherine Quinn <ul style="list-style-type: none"> Chief Education Officer (Interim) from 21/12/20 to 31/08/22 (Annual Salary £86,457) 	35,651	-
Colin Bruce <ul style="list-style-type: none"> Chief Education Officer from 1/8/22 (Annual Salary £86,457) 	57,638	91,688
Sharon Robertson <ul style="list-style-type: none"> Chief Social Work Officer 	82,235	87,210
Lindsay Sim <ul style="list-style-type: none"> Chief Finance Officer 	82,236	87,210
<ul style="list-style-type: none"> Monitoring Officer to 31/08/21 (Annual Salary £67,759) 		
Lee Robertson <ul style="list-style-type: none"> Monitoring Officer and Senior Manager Legal 	71,147	75,451
Total	851,793	788,432

Notes to Remuneration of Senior Employees of the Council

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Remuneration Report

1. 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.
2. Pay award as follows;
For employees paid the Scottish Local Government Living Wage and national Spinal Column Points (SCP) 19 to 23: an increase in the hourly rate of £1.04. For employees paid at national SCP 24-43 a £1.00 uplift in hourly rate, or a 5% uplift followed by 2.5% uplift (both percentage uplifts effective from 1 April 2023) whichever is worth more. For employees paid at national SCP 44-64 a £1.00 uplift in hourly rate, or a 5% uplift followed by 1.5% uplift (both percentage uplifts effective from 1 April 2023) whichever is worth more. For employees paid at national SCP 65-123 a 5% uplift followed by 1% uplift (both effective from 1 April 2023).
3. The Chief Executive remuneration is in line with national agreement between Scottish Joint Negotiating Committee (SJNC) and Association of Local Authority Chief Executives (ALACE) includes a pay award of 6.05%, the annual salary is £123,932.
4. The table includes salaries paid by Scottish Care Inspectorate for the Chief Social Work Officer Sharon Robertson who was on secondment in 2022-23.
5. Total remuneration for senior employees' remuneration includes salary, fees and allowances. There was no bonuses, taxable expense, compensation for loss of office or benefits other than in cash paid to any of the Senior Employees in 2023/24 or 2022/23.

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 2022/23	No of Employees 2023/24
£50,000 - £54,999	68	71
£55,000 - £59,999	24	50
£60,000 - £64,999	39	26
£65,000 - £69,999	20	38
£70,000 - £74,999	16	18
£75,000 - £79,999	6	12
£80,000 - £84,999	2	7
£85,000 - £89,999	-	1
£90,000 - £94,999	2	2
£95,000 - £99,999	1	1
£100,000 - £104,999	4	2
£105,000 - £109,999	-	3
£110,000 - £114,999	-	-
£115,000 - £119,000	1	-
	183	231

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Remuneration Report

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 2023/24 (2022/23) For pay between:		Contribution rate 2023/24 (between %)	Contribution rate 2022/23 (between %)
£0	£26,044 (£23,676)	5.5	5.5
£26,045 (£23,677)	£33,887 (£30,765)	5.6 - 6.0	5.6 - 6.0
£33,888 (£30,766)	£42,550 (£38,635)	6.1 - 6.5	6.1 - 6.5
£42,551 (£38,636)	£60,005 (£54,488)	6.6 - 7.5	6.6 - 7.5
£60,006 (£54,489)	£67,601 (£61,386)	7.6 - 8.0	7.6 - 8.0
£67,602 (£61,387)	£90,516 (£82,194)	8.1 - 9.0	8.1 - 9.0
£90,517 (£82,195)	£136,935 (£124,346)	9.1 – 10.0	9.1 – 10.0
£136,936 (£124,347)	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.

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Remuneration Report

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.

The pension entitlements for Senior Councillors who have elected to join the pension scheme for the year ended 31 March 2024 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			
		2022/23	2023/24	Difference to 2022/23		As at 31 March 24	
Post Holder	Position	£	£	Pension £'000	Lump Sum £'000	Pension	Lump Sum
Ellen Forson	Leader of the Council	7,199	7,707	1	-	7	-
Tina Murphy	Provost	-	-	-	-	-	-
Donald Balsillie	Spokesperson for Audit and Finance Chair of Planning Committee Provost	5,403	5,779	1	-	8	2
Denis Coyne	Chair of Planning Committee	2,816	-	-	-	-	-
Graham Lindsay	Spokesperson for Education	4,934	5,201	-	-	3	-
Les Sharp	Spokesperson for Health & Social Services to 4/5/22	481	-	-	-	-	-
Helen Lewis	Spokesperson for Partnership & Third Sector to 4/5/22	481	-	-	-	-	-
Martha Benny	Chair of Audit Committee to 23/8/21	4,404	-	-	-	-	-
Dave Clark	Chair of Audit Committee to 4/5/22	481	-	-	-	-	-
Kenny Earle	Chair of Licensing Board Chair of Audit and Scrutiny Committee to 4/4/23	4,934	4,625	1	-	7	-
Phil Fairlie	Convener of Council	4,453	5,201	1	-	1	-
Scott Harrison	Spokesperson for Sport, Leisure and Active Living	4,453	5,201	1	-	1	-
Fiona Law	Spokesperson for Environment and Net Zero	4,453	5,201	1	-	1	-
Jane McTaggart	Spokesperson for Housing and Property	4,880	5,201	-	-	2	-
Janine Rennie	Spokesperson for Housing and property	-	5,214	1-	-	1	-
Total		49,372	49,332	7	-	31	2

- 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Remuneration Report

Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2024 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			
	2022/23	2023/24	Increase/(decrease) from 31 March 2023		As at 31 March 2024	
	£	£	£'000	£'000	£'000	£'000
			Pension	Lump Sum	Pension	Lump Sum
Nikki Bridle Chief Executive	26,294	28,504	6	4	62	76
Stuart Crickmar Strategic Director – Partnership & Performance	22,839	24,759	5	4	53	67
Pete Leonard Strategic Director - Place	22,839	24,759	3	-	11	-
Fiona Colligan Strategic Director – Transformation From 1/3/21 to 31/3/23	22,839	-	-	-	-	-
Lorraine Sanda Strategic Director - People	22,839	24,759	4	-	16	-
Catherine Quinn Chief Education Officer (Interim) from 21/12/20 to 31/08/22	7,719	-	-	-	-	-
Colin Bruce Chief Education Officer from 1/8/22	12,969	21,088	2	-	3	-
Sharon Robertson Chief Social Work Officer	13,980	20,058	2	-	2	-
Lindsay Sim Chief Finance Officer	18,503	20,058	3	1	33	28
Lee Robertson Monitoring Officer and Senior Manager Legal from	16,008	17,354	2	-	8	-
Total	186,829	181,339	27	9	188	171

Notes

- All Senior Employees employed by Clackmannanshire Council shown in the tables above are members of the Local Government Pension Scheme (LGPS).

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Remuneration Report

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.

A number of employees left the Council through voluntary redundancy and voluntary severance during 2022/23 and 2023/24. The number of employees and costs of exit packages per pay band is shown in the table below.

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.

Cost Bands	Total Number of exit packages by Cost band		Total Cost of exit packages by Cost band	
	2022/23	2023/24	2022/23	2023/24
£0 £20,000	1	7	£ 1,713	£ 51,708
£20,001 £40,000	1	-	27,374	-
£40,001 £60,000	1	2	48,147	85,361
£60,001 £200,000	1	3	76,505	226,417
Total	4	12	153,739	363,486

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Remuneration Report

Relevant Union Officials

During the year 14 employees took part in union activities, as relevant union officials, some of whom were part time:

	2023/24	
	Central Function	Education Function
Number of employees	16	3
Full-time Equivalent	15.24	2.3

Facility time

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

% of time	Employees 2023/24	
	Central Function	Education Function
0%	3	-
1-50%	12	2
51-99%	-	1
100%	1	-

Of the total pay bill, £100k (0.10%) related to facility time undertaken during the year.

	2023/24	
	Central Function	Education Function
	£'000	£'000
Facility time cost	58	48
Total pay bill	106,099	106,099
% of pay bill	0.06%	0.05%

Paid trade union activities

The percentage of the total paid facility time that relates to relevant union officials was 6.24%.

Nikki Bridle
Chief Executive
30 January 2025

Ellen Forson
Leader of the Council
30 January 2025

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
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

Deloitte LLP

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24

Comprehensive Income & Expenditure Statement For the year ended 31 March 2024

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 2021/22 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.

			Note	2023/24		
Gross Expenditure	Gross Income	Net Expenditure/(Income)		Gross Expenditure	Gross Income	Net Expenditure/(Income)
£'000	£'000	£'000		£'000	£'000	£'000
101,365	(7,194)	94,171		98,297	(7,458)	90,839
26,901	(23,282)	3,619		25,471	(22,264)	3,207
43,721	(12,923)	30,798		47,410	(14,022)	33,388
19,119	(20,516)	(1,397)		21,546	(21,282)	264
1,372	(1)	1,371		1,411	(1)	1,410
65,739	(38,754)	26,985		65,499	(39,174)	26,325
453	-	453		462	0	462
258,670	(102,670)	156,000		260,096	(104,201)	155,895
(201)	-	(201)		(210)	-	(210)
12,878	(1,489)	11,389	9	9,740	(4,204)	5,536
-	(143,553)	(143,553)	10	-	(154,160)	(154,160)
271,347	(247,712)	23,635		269,626	(262,562)	7,061
		(16,926)	24			(8,065)
		12,061	24			13,536
		(131,048)	24			16,266
		(135,913)				21,737
		(112,278)				28,798

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 and the Cost of Living Crisis. There were no such payments in 2023/24. In 2022/23 there were £1.091m of expenditure and income which is not shown within the Comprehensive Income and Expenditure Statement above.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24

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 2023/24

Movement in Reserves Statement For the year ended 31 March 2024

	Notes	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
2023/24									
Balance Brought Forward		(20,885)	(8,715)	(1,177)	(1,256)	(2,093)	(34,126)	(281,440)	(315,566)
Movement in Reserves during 2023/24									
Total Comprehensive (Income) and Expenditure		9,542	(2,481)	-	-	-	7,061	21,737	28,798
Adjustments between accounting basis & funding basis	7	(1,992)	8,592	(286)	-	(351)	5,963	(5,963)	-
Net increase/decrease before transfers to Earmarked Reserves		7,550	6,111	(286)	-	(351)	13,024	15,774	28,798
Transfers (from)/to Earmarked Reserves	8	(13,738)	1,168	-	(32)	800	(11,802)	11,802	-
(Increase)/Decrease in 2023/2		(6188)	7,279	(286)	(32)	449	1,222	27,576	28,798
Balance carried forward		(27,073)	(1,436)	(1,463)	(1,288)	(1,644)	(32,904)	(253,864)	(286,768)

	Notes	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
2022/23									
Balance Brought Forward		(23,972)	(9,552)	(801)	(1,250)	(3,302)	(38,877)	(164,411)	(203,288)
Movement in Reserves during 2022/23									
Total (Income) and Expenditure		26,990	(3,355)	-	-	-	23,635	(135,913)	(112,278)
Adjustments between accounting basis & funding basis		(21,856)	3,024	(262)	-	(674)	(19,768)	19,768	-
Net increase/decrease before transfers to Earmarked Reserves		5,134	(331)	(262)	-	(674)	3,867	(116,145)	(112,278)
Transfers (from) /to Earmarked Reserves		(2,047)	1,168	(114)	(6)	1,883	884	(884)	-
(Increase)/Decrease in 2022/23		3,087	837	(376)	(6)	1,209	4,751	(117,029)	(112,278)
Balance carried forward		(20,885)	(8,715)	(1,177)	(1,256)	(2,093)	(34,126)	(281,440)	(315,566)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Balance Sheet as at 31 March 2024

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 2023 £'000		Note	31 March 2024 £'000
394,763	Property, Plant & Equipment	11	396,006
805	Heritage Assets	12	805
7,532	Investment Properties	13	7,564
206	Intangible Assets	14	541
1	Long-Term Debtors		1
29,149	Pension Assets	34	15,339
432,456	Non-Current Assets		420,256
242	Investment Properties held for Sale	13	181
-	Assets held for Sale	15	-
598	Inventories	16	608
14,142	Short-Term Debtors	17	17,021
34,001	Short-Term Investments	18	8,166
5,889	Cash and Cash Equivalents	18	4,295
54,872	Current Assets		30,271
(35,916)	Short-Term Creditors	19	(30,754)
(376)	Short-Term Provisions	20	(72)
(3,032)	Short-Term Borrowings	21	(2,591)
(39,324)	Current Liabilities		(33,417)
(65)	Provisions	20	(91)
(97,754)	Long-Term Borrowing	21	(97,243)
(34,619)	Other Long-Term Liabilities	22	(33,008)
(132,438)	Long-Term Liabilities		(130,342)
315,566	Net Assets		286,768
(34,126)	Usable Reserves		(32,904)
(281,440)	Unusable Reserves	24	(253,864)
(315,566)	Total Reserves		(286,768)

The unaudited financial statements were issued on 30 January 2025.

Lindsay Sim
Chief Finance Officer

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Council and Group
Cash Flow Statement
For the year ended 31 March 2024

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. As the impact of the consolidation on the Councils' Cash Flow Statement is immaterial, this statement covers both Council only and Group disclosure requirements.

2022/23			2023/24
£'000		Notes	£'000
(23,635)	Net (deficit) on the provision of services	CIES	(7,064)
43,447	Adjustments to net deficit on the provision of services for non-cash movements	25b	10,922
(32,610)	Adjustments for items included in the net deficit of the provision of services that are investing & financing activities	25c	(92,258)
(12,798)	Net cash flows from Operating Activities		(88,400)
13,007	Investing Activities	26	89,222
(3,554)	Financing Activities	27	(2,415)
(3,345)	Net decrease in cash and cash equivalents	18	(1,593)
9,234	Cash and Cash equivalents at the beginning of the reporting year	18	5,889
5,889	Cash and Cash equivalents at the end of the reporting year	18	4,296

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
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.

Index of Notes	Page
Note 1 Accounting Policies	71
Note 2 Changes to Accounting Standards	85
Note 3 Critical Judgements in Applying Accounting Policies	86
Note 4 Assumptions Made about the Future and Other Major Sources of Estimation / Uncertainty	86
Note 5 Events after the Reporting Period	89
Note 6 Expenditure & Funding Analysis	89
Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations	96
Note 8 Transfers to/from Earmarked Reserves	100
Note 9 Financing and Investment Income and Expenditure	102
Note 10 Taxation and Non-Specific Grant Income	102
Note 11 Property, Plant & Equipment	104
Note 12 Heritage Assets	109
Note 13 Investment Properties	111
Note 14 Intangible Assets	112
Note 15 Assets held for Sale	113
Note 16 Inventories	113
Note 17 Short-Term Debtors	113
Note 18 Short-Term Investments and Cash and Cash Equivalents	114
Note 19 Short-Term Creditors	114
Note 20 Provisions	115
Note 21 Borrowings	116
Note 22 Other Long-Term Liabilities	116
Note 23 Financial Instruments	118
Note 24 Unusable Reserves	121
Note 25 Cash Flow Statement – Operating Activities	125
Note 26 Cash Flow Statement – Investing Activities	126
Note 27 Cash Flow Statement – Financing Activities	126
Note 28 Agency Income and Expenditure	126
Note 29 External Audit Costs	127
Note 30 Related Parties	127
Note 31 Capital Expenditure and Capital Financing	128
Note 32 Private Finance Initiative and Similar Contracts	128
Note 33 Pensions Schemes Accounted for as Defined Contribution Schemes	130
Note 34 Defined Benefit Pension Schemes	130
Note 35 Contingent Liabilities	137
Note 36 Nature and Extent of Risks Arising from Financial Instruments	138
Note 37 Trust Funds	141

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Notes to the Financial Statements

Note 1 - Accounting Policies

a) General Principles

The Annual Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. 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 2023/24 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 2023/24
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 adjusting transactions with the Revaluation Reserve and Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 Notes to the Financial Statements

f) 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.

g) Termination and Post Employment 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 2023/24
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 2023/24
Notes to the Financial Statements

h) 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.

i) 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 2023/24 *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.

j) 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

k) 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:

Recognised in Balance Sheet at Valuation

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

l) 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.

m) 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

n) Inventories

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

o) 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 reviewed annually according to market conditions at the year-end. The review is not a full revaluation but a Desk Valuation Impairment Review of a sample investment properties for the 2022/23 financial statements. The assets were selected as a typical representative of a group of similar properties and the revaluation gains and losses flowing from these revaluations were extrapolated to the group of properties and accounted for in 2022/23. 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.

p) 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 requires that the definition of current value of operational local authority

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

property, plant and equipment assets is 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.

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.

The Council undertakes a full revaluation review of all non current assets every five years. The last review was at 1 April 2019. A sample of non-HRA assets are reviewed annually to ensure that their carrying amount is not materially different from their fair value at the year-end. The exercise was not a full revaluation but a Desk Valuation Impairment Review of a sample of education and non-operational properties for the 2022/23 financial statements. The assets were selected as a typical representative of a group of similar assets and the revaluation gains and losses flowing from these revaluations were extrapolated to the group of assets and accounted for in 2022/23. HRA assets are not reviewed between the five yearly valuations. 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

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 General Fund.

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

consumption of economic benefits of those assets.

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.

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.

q) 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

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24 *Notes to the Financial Statements*

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
- 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.

r) 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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

s) 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.

t) 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.

u) 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 2 - Changes to Accounting Standards

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.

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- IFRS 16 (Leases) - the impact in future years from the implementation of this standard is that the leased asset, along with the lease liability, will appear on the Council's balance sheet. The Council will adopt this standard in 2024/25 in line with the mandatory adoption deadline therefore there is no impact on the 2023/24 financial statements.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
 - clarify how lending conditions affect classification, and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
 - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
 - targeted disclosure requirements for affected entities.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
 - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
 - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The Code requires implementation of these from 1 April 2024, therefore there is no impact on the 2023/24 financial statements. With the exception of IFRS16 Leases, these new or amended standards are not expected to have a material impact on the 2024/25 financial statements.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

IFRS16 - Leases was originally due for implementation on 1 April 2020 but has been deferred until 1 April 2024. Whilst the Code allows for adoption at an earlier date, Clackmannanshire Council has opted to wait for the implementation date.

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:
- 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: and
- The Council has considered relevant guidance and determined the accounting treatment, as either principal or agent, to be applied to Covid-19 related income, expenditure and balances.

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.

The items in the Council's Balance Sheet at 31 March 2024 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
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CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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 non-HRA 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>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 £1.051m and £0.404m respectively for every year that useful lives had to be reduced.</p>
Arrears – Council Tax	<p>At 31 March 2024 the Council had Council Tax debt outstanding of £12.658m. A review of outstanding balances suggested that an allowance for doubtful debts of £9.515m was appropriate resulting in coverage of 75% 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 £0.612m would be required.</p>

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Pensions Asset/Liability	Estimates of the net asset or 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.	The effects on the employer liability of changes in individual assumptions can be measured. For instance a 0.1% decrease in the real discount rate would result in an increase of 2% equating to £7.014m.
Housing Rent Arrears	At 31 March 2024 the Council had Housing Rent Arrears of £2.400m. A review of outstanding balances suggested that an impairment for irrecoverable rents of £2.247m was appropriate resulting in a coverage of 94% for doubtful debts.	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 £0.152m would be required.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 5 – Events after the Reporting Period

The Draft Annual Accounts were authorised for issue by the Chief Finance Officer (Section 95 Officer) on 30 January 2025. Where events taking place before this date provided information about conditions existing at 31 March 2024, 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 65. The Adjustments between Funding and Accounting basis is shown more fully in Note 7 on page 96.

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

2022/23

2023/24

193

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

2023/24	Net Change for			Total Adjustments
	Adjustments for Capital Purposes	Pension Adjustments	Other Adjustments	
	£'000	£'000	£'000	£'000
People	9,512	40	(24)	9,528
Partnership & Performance	(734)	(1,132)	(202)	(2,068)
Place	4,557	20	(56)	4,521
HRA – Place	(5,258)	12	(55)	(5,301)
Corporate Services	-	-	-	-
Clackmannanshire and Stirling Integration Joint Board	158	14	(13)	159
Central Scotland Valuation Joint Board	-	-	-	-
Cost of Services	8,235	(1,046)	(350)	6,839
Other Income and Expenditure	(12,030)	(1,409)	-	(13,439)
(Surplus)/Deficit	(3,795)	(2,455)	(350)	(6,600)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 6 - Expenditure & Funding Analysis

2022/23	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
	£'000	£'000	£'000	£'000
People	13,337	4,728	(25)	18,040
Partnership & Performance	(418)	502	(271)	(187)
Place	2,383	2,389	(4)	4,768
HRA – Place	(1,484)	1,272	60	(152)
Corporate Services	-	-	-	-
Clackmannanshire and Stirling Integration Joint Board	148	1,611	59	1,818
Central Scotland Valuation Joint Board	-	-	-	-
Cost of Services	13,966	10,502	(181)	24,287
Other Income and Expenditure	(7,993)	2,538	-	(5,455)
(Surplus)/Deficit	5,973	13,040	(181)	18,832

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 6 - Expenditure & Funding Analysis

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

2022/23				2023/24			
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	
103,215	10,532	113,747	Employee costs	110,647	(1,184)	109,463	
109,464	-	31,018	Other Operating Costs	33,391	-	33,391	
69,128	-	69,128	Third Party & Transfer Payments	72,896	-	72,896	
-	22,306	22,306	Depreciation & Revaluation Losses	-	21,447	21,447	
8,551	(8,551)	-	Capital Financing Costs	13,424	(13,424)	-	
(80,199)	-	(80,199)	Income	(81,299)	-	(81,299)	
131,713	24,287	156,000	Cost of Services	149,059	6,839	155,898	
(126,910)	(5,455)	(132,365)	Other Income and Expenditure	(135,395)	(13,439)	(148,834)	
4,803	18,832	23,635	(Surplus)/Deficit	13,664	(6,600)	7,064	

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 6 - Expenditure & Funding Analysis

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

2023/24

		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
	People £'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee costs	66,988	8,766	14,777	8,972	1,424	9,720	0	110,647
Other Operating Costs	9,775	2,136	14,293	6,480	95	612	0	33,391
Third Party & Transfer Payments	12,006	14,621	13,820	3,295	-108	28,800	462	72,896
Capital Financing Costs	-	2,122	-	11,302	-	-	-	13,424
Income								
Government Grants and Other Contributions	(5,130)	(21,622)	(3,112)	-	(1)	(12,924)	-	(42,789)
Fees, charges and other service income	(1,604)	(384)	(5,794)	(21,265)	-	(42)	-	(29,089)
Income from recharges for services	(724)	(361)	(5,117)	(3,219)	-	-	-	(9,421)
Cost of Services	81,311	5,278	28,867	5,565	1,410	26,166	462	149,059

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 6 - Expenditure & Funding Analysis
2022/23

	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	62,829	8,374	13,843	7,665	1,301	9,203	-	103,215
Other Operating Costs	9,117	2,007	13,707	5,374	179	634	-	31,018
Third Party & Transfer Payments	11,379	15,049	11,404	2,034	(108)	28,917	453	69,128
Capital Financing Costs	-	1,512	-	7,039	-	-	-	8,551
Income								
Government Grants and Other Contributions	(5,133)	(22,363)	(3,244)	-	(1)	(13,613)	-	(44,354)
Fees, charges and other service income	(1,428)	(429)	(5,349)	(20,551)	-	26	-	(27,731)
Income from recharges for services	(633)	(344)	(4,331)	(2,806)	-	-	-	(8,114)
Cost of Services	76,131	3,806	26,030	(1,245)	1,371	25,167	453	131,713

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24

Notes to the Financial Statements

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 the 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 not been 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 to fund Council transformation projects in line with the statutory provision of Local Government Finance Circular 4/2019 that covers the period 2018/19 to 2021/22. This was further extended for financial year 2022/23 by Local Government Finance Circular 8/2022.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 7 – Adjustments between Accounting Basis and Funding Basis under Regulations 2023/24

	Usable Reserves					
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Insurance Fund	Capital Grants & Receipts Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'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	(9,106)	(6,038)	-	-	-	15,144
Revaluation losses on property, plant and equipment	(1,792)	-	-	-	-	1792
Movements in the fair value of investment assets	(141)	-	-	-	-	141
Amortisation of intangible assets	(60)	(6)	-	-	-	66
Difference between fair value and historic cost depreciation	(4,445)	-	-	-	-	4,445
Capital grants and contributions applied	8,490	3,121	-	-	-	(11,611)
Non-current assets written off on disposal/ sale as part of gain/ (loss) on disposal to the Comprehensive Income and Expenditure Statement	(77)	-	-	-	-	77
Insertion of items not debited or credited to the CIES						
Statutory provision for the financing of capital investment	1,909	481	-	-	-	(2,390)
Capital expenditure charged against the General Fund and HRA Balances	-	10,821	-	-	-	(10,821)
Adjustments primarily involving the Capital Grants & Receipts Unapplied account						
Capital Grants and contribution unapplied credited to the CIES	351	-	-	-	(351)	-
Adjustments primarily involving the Capital Receipts Reserve						
Transfer of cash sale proceeds as part of the Gain/ (loss) on disposal to the CIES	286	-	(286)	-	-	-
Adjustments primarily involving the Financial Instruments Adjustments Account						
difference between finance costs charged to the CIES & statutory requirements	213	-	-	-	-	(213)
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 24)	(9,084)	(1,188)	-	-	-	10,272
Employer's pensions contributions and direct payments to pensioner in year	11,382	1,346	-	-	-	(12,728)
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Difference between officer remuneration charges to the CIES & statutory requirements	82	55	-	-	-	(137)
Total Adjustments	(1,992)	8,592	(286)	-	(351)	(5,963)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 7 – Adjustments between Accounting Basis and Funding Basis under Regulations 2022/23

	Usable Reserves					Movement in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants & Receipts Unapplied £'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	(7,738)	(5,550)	-	-	-	13,288
Revaluation losses on property, plant and equipment	(2,974)	-	-	-	-	2,974
Movements in the fair value of investment assets	(1,057)	-	-	-	-	1,057
Amortisation of intangible assets	(100)	(6)	-	-	-	106
Difference between fair value and historic cost depreciation	(5,938)	-	-	-	-	5,938
Capital grants and contributions applied	5,229	2,945	-	-	-	(8,174)
Non-current assets written off on disposal/ sale as part of gain/ (loss) on disposal to the Comprehensive Income and Expenditure Statement	(17)	(44)	-	-	-	61
Insertion of items not debited or credited to the CIES						
Statutory provision for the financing of capital investment	1,300	384	-	-	-	(1,684)
Capital expenditure charged against the General Fund and HRA Balances		6,655	-	-	-	(6,655)
Adjustments primarily involving the Capital Grants & Receipts Unapplied account						
Capital Grants and contribution unapplied credited to the CIES	589	85	-	-	(674)	-
Adjustments primarily involving the Capital Receipts Reserve						
Transfer of cash sale proceeds as part of the Gain/ (loss) on disposal to the CIES	93	169	(262)	-	-	-
Adjustments primarily involving the Financial Instruments Adjustments Account						
difference between finance costs charged to the CIES & statutory requirements	213	-	-	-	-	(213)
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 24)	(21,672)	(2,692)	-	-	-	24,364
Employer's pensions contributions and direct payments to pensioner in year	10,186	1,138	-	-	-	(11,324)
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Difference between officer remuneration charges to the CIES & statutory requirements	30	(60)	-	-	-	30
Total Adjustments	(21,856)	3,024	(262)	-	(674)	19,768

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 8 – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside in the Council's usable reserves and the amounts posted back from these reserves to meet expenditure during the year.

	Balance as at 1 April 2022 £'000	Transfers in 2022/23 £'000	Transfers out 2022/23 £'000	Balance as at 31 March 2023 £'000	Transfers in 2023/24 £'000	Transfers out 2023/24 £'000	Balance as at 31 March 2024 £'000
General Fund Balance							
Devolved School Management	(631)	(573)	631	(573)	(505)	573	(505)
Organisational Change Fund	(198)	-	-	(198)	-	-	(198)
Employment Fund	(853)	-	14	(839)	-	324	(515)
Pupil Equity Funding (PEF)	(680)	(788)	680	(788)	(560)	788	(560)
Early Learning & Childcare (ELCC)	(226)	-	226	-	-	-	-
Education Covid-19 recovery	(500)	-	299	(201)	-	201	-
Ring-fenced Housing Grants	(1,008)	(143)	12	(1,139)	(180)	256	(1,063)
Transformation Fund	(1,841)	-	-	(1,841)	-	413	(1,428)
Other Miscellaneous Commitments	(2,094)	(1,218)	1,179	(2,133)	(484)	683	(1,934)
Covid-19 General Funding	(2,580)	-	1,125	(1,455)	-	1,166	(289)
Covid-19 Specific Funding	(1,326)	-	898	(428)	-	177	(251)
Amount to support Revenue Budget	(3,942)	(4,643)	3,942	(4,643)	-	4,643	-
Developers Contributions	(890)	(38)	92	(836)	-	49	(787)
Specific Employability Funding	(840)	(43)	302	(581)	-	58	(523)
Contractual Repairs & Maintenance	(315)	-	-	(315)	-	315	-
Ukrainian Refugee Support	-	(519)	-	(519)	(367)	287	(599)
Homeless Accommodation	-	(1,109)	-	(1,109)	(959)	-	(2,068)
Service Concessions	-	-	-	-	(12,533)	-	(12,533)
Uncommitted Reserve	(6,048)	(6,313)	9,074	(3,287)	(3,588)	3,055	(3,820)
Total General Fund Balance	(23,972)	(15,387)	18,474	(20,885)	(19,176)	12,988	(27,073)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

	Balance as at 1 April 2022 £'000	Transfers in 2022/23 £'000	Transfers out 2022/23 £'000	Balance as at 31 March 2023 £'000	Transfers in 2023/24 £'000	Transfers out 2023/24 £'000	Balance as at 31 March 2024 £'000
Housing Revenue Account	(9,552)	(6,986)	7,823	(8,715)	(4,710)	11,989	(1,436)
Capital Receipts Reserve	(801)	(573)	197	(1,177)	(286)	-	(1,463)
Insurance Fund	(1,250)	(16)	10	(1,256)	(67)	35	(1,288)
Capital Grants Unapplied Account	(3,302)	(674)	1,883	(2,093)	(351)	800	(1,644)
Total Usable Reserves	(38,877)	(23,636)	28,387	(34,126)	(24,950)	25,812	(32,904)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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	2022/23	2023/24
		£'000	£'000
Interest payable and similar charges		9,210	10,882
Net Interest on the Net Defined Benefit Liability		2,538	(1,409)
Interest receivable and similar income		(1,287)	(3,941)
Changes in the carrying value Market loans		(8)	(9)
Revaluation of Investment Property	7	1,057	140
Rental Income from Investments		(121)	(127)
Total		11,389	5,536

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.

	2022/23	2023/24
	£'000	£'000
Credited to Taxation and Non Specific Grant Income:		
Council Tax	24,432	26,214
Grant allocation for Council Tax Reduction Scheme	3,686	3,788
Non-Domestic Rate Income distributed by pool	18,065	17,764
Non-ring fenced government grants*	88,521	94,433
Capital grants and contributions	8,849	11,961
Total	143,553	154,160

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.

	2022/23	2023/24
	£'000	£'000
Credited to Services		
DWP grant for Benefits	12,367	12,447
Criminal Justice	1,396	1,415
Other revenue grants (including Early Learning and Childcare and Scottish Attainment Challenge)	7,195	6,836
Total	20,958	20,698

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

The table below reconciles the non ring-fenced government grants to the Local Government Funding Settlement for 2023/24 from Scottish Government as shown in the Local Government Finance (Scotland) Order 2024 (as amended).

	£'000
Non ring-fenced government grants	94,433
Add Grant allocation for Council Tax Reduction Scheme	3,788
Total General Revenue Funding	98,221
Non-Domestic Rate Income distributed by pool	17,764
Ring fenced Grants shown with in Cost of Services	7,925
Total Settlement	123,910

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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 as amended by annual revaluation at the year end (where applicable) and subsequent additions and disposals. The Council appointed J&E Shepherd Chartered Surveyors to conduct its five-yearly valuation of assets during 2019/20 and also to carry out a Desk Valuation Impairment Review of a sample of Education and non-operational properties for the 2022/23 financial statements. The determination of fair value is carried out by Ian Hannon, MRICS, Managing Partner. The basis for valuation is set out in the Statement of Accounting Policies.

Movements in 2023/24	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 2023	148,492	197,402	27,328	*	2,389	958	*	111,429
Additions	16,059	1,108	3,697	6,015	1,218	2	28,099	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	(20,919)	-	-	-	(58)	(20,977)	(13,776)
Revaluation increases/(decreases) recognised in the CIES	-	5,251	-	-	-	(163)	5,088	-
Assets reclassified (to)/from Assets Held for Sale	-	-	(337)	-	-	-	(337)	-
Reclassifications & Other Movements in Cost or Valuation	-	47	-	-	-	-	(47)	-
At 31 March 2024	164,551	182,889	30,688	*	3,607	739	*	97,653

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 11 – Property, Plant & Equipment (PPE)

Movements in 2023/24	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
Depreciation charge								
At 1 April 2023	19,782	5,856	18,922	*	5	4	*	-
Depreciation charge	5,847	10,038	2,354	1,321	5	22	19,587	4,629
Depreciation written out on revaluations recognised in the Revaluation Reserve	-	(8,607)	-	-	-	(19)	(8,626)	(4,629)
De-recognition – Disposals	-	-	(284)	-	-	-	(284)	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-	-
At 31 March 2024	25,629	7,287	20,992	*	10	7	*	-
Net Book Value:								
At 31 March 2024	138,922	175,602	9,696	67,457	3,597	732	396,006	97,653

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 11 – Property, Plant & Equipment (PPE)

Movements in 2022/23	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 2022	139,261	204,736	25,080	*	1,843	538	*	99,962
Additions	9,280	703	2,554	4,586	546	-	17,669	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	(11,877)	-	-	-	(823)	12,700	11,467
Revaluation increases/(decreases) recognised in the CIES	-	5,251	-	-	-	(163)	5,088	-
Assets reclassified (to)/from Assets held for Sale	(49)	-	(306)	-	-	-	(355)	-
Other Reclassifications	-	(1,411)	-	-	-	1,406	(5)	-
	148,492	197,402	27,328	*	2,389	958	*	111,429
At 31 March 2023	148,492	197,402	27,328	*	2,390	958	*	111,429

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 11 – Property, Plant & Equipment (PPE)

Movements in 2022/23	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
Depreciation charge								
At 1 April 2022	14,444	4,648	17,276	*	2	3	*	-
Depreciation charge	5,344	10,710	1,935	1,227	3	1	19,281	4,012
Depreciation written out on revaluations recognised in the Revaluation Reserve	-	(8,955)	-	-	-	(547)	(9,502)	(4,012)
De-recognition – Disposals	(6)	-	(289)	-	-	-	(295)	-
Other movements in depreciation and impairment	-	(547)	-	-	-	547	-	-
	19,782	5,856	18,922	*	5	4	*	-
At 31 March 2023								
	128,710	191,546	8,406	62,763	2,384	954	394,763	111,429
Net Book Value:								
At 31 March 2023	128,710	191,546	8,406	62,763	2,384	954	394,763	111,429

***Infrastructure Assets**

The CIPFA/LASAAC Code of Practice for Local Authority Accounting in the United Kingdom requires infrastructure assets to be measured using the historical cost measurement basis and carried at depreciated historical cost. Due to information deficits surrounding the derecognition of infrastructure assets components, it is unclear as to whether when an assets component is replaced the old component has been derecognised so as to avoid double counting, the Council has adopted the Statutory Overrides contained within the Local government finance circular 09/2022: statutory override - accounting for infrastructure assets as follows:

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

- Statutory Override 1: For accounting period commencing from 1st April 2021 to March 2024 a local authority is not required to report gross cost and accumulated depreciation on infrastructure assets
- Statutory Override 2: For accounting periods commencing 1 April 2010 to 31st March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Capital Commitments

At 31 March 2024 the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2023/24 and future years budgeted to cost £74.7m. These commitments are not included in the financial statements. Similar commitments at 31 March 2023 were £23.6m.

The major commitments are as follows:

	£'000
Wellbeing Hub	61,798
HRA Council Housing Roof and Render Upgrade	4,031
HRA Council Housing Safe Electrical Systems	2,461
Westhaugh Travelling Site	2,309
HRA Window Replacement	1,456
HRA Aids and Adaptations	1,013
HRA Off the Shelf Purchase	661
HRA CCTV Security	510
Digital Transformation	211
Vehicle Replacement	210
	74,660

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 2023	115	510	180	805
Revaluation	-	-	-	-
31 March 2024	115	510	180	805
Cost or Valuation				
At 1 April 2022	115	510	180	805
Revaluation	-	-	-	-
31 March 2023	115	510	180	805

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

Notes to the Financial Statements

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.

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 in 2019, as mentioned in Note 11, the Commemoration Room within the residential development at Menstrie Castle has been written on the Balance Sheet and is included within the carrying value of Heritage Assets held by the Council.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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 at buildings in the County. The Council also owns the Tolbooth in Clackmannan which is a listed building and classed as a heritage asset 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)

	2022/23	2023/24
	£'000	£'000
Balance 1 April	7,711	7,532
Additions	918	139
Net gains/(losses) from fair value adjustments	(1,094)	(104)
Assets reclassified (to)/from Assets Held for Sale		
Transfers to/from:		
PPE	-	-
Assets held for sale	-	-
Depreciation	(3)	(3)
Balance 31 March	7,532	7,564

Investment Properties Held for Sale (Current Assets)

	2022/23	2023/24
	£'000	£'000
Balance 1 April	204	242
Additions	-	-
Revaluation increases/(decreases) recognised in the CIES	38	(37)
De-recognition – Disposals	-	(24)
Transfers from Investment Properties	-	-
Balance 31 March	242	181
De-recognition – Disposals		
Total Investment Properties	7,774	7,745

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 undertake repairs, maintenance or enhancement. The only direct operating expenses for the period relates to professional fees incurred in marketing Greenfield House.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

	2022/23	2023/24
	£'000	£'000
Rental income from investment property	(202)	(263)
Direct operating expenses arising from investment property	81	136
	(121)	(127)

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 £113k charged to revenue in 2021/22 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:

	2022/23	2023/24
	£'000	£'000
Cost		
1 April	1,129	1,131
Additions	2	401
Disposals Gross Cost	-	-
	1,131	1,532
Amortisation		
1 April	(819)	(925)
Disposal accumulated amortisation	-	-
Amortisation for the year	(106)	(66)
	(925)	(991)
Carrying Value 31 March	206	541

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 15 – 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	2022/23 £'000	2023/24 £'000
Balance outstanding at start of year		-	-
Assets reclassified from Council Dwellings	11	49	-
Assets reclassified from Vehicles, Plant & Equipment	11	306	337
Assets reclassified from Surplus Assets	11	-	-
Assets reclassified from Investment Properties	13	-	24
Assets sold		(355)	(361)
Depreciation De-recognition - Disposals		(295)	(284)
Other movements in depreciation and impairment		295	284
Balance outstanding at year-end		-	-

Note 16 – 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	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
1 April	213	272	127	145	34	34	161	147	535	598
Purchased	1,046	1,142	134	66	270	562	1,121	1470	2,571	3240
Expenses in the year	(987)	(1,138)	(116)	(103)	(270)	(551)	(1,135)	(1438)	(2,508)	(3230)
31 March	272	276	145	108	34	45	147	179	598	608

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 17 – 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:	2022/23 £'000	2023/24 £'000
Central Government Bodies	5,381	7,790
Other Local Authorities	1,126	594
NHS Bodies	1,121	1,412
Other Corporations & Trading funds	11	11
Other entities and individuals	6,503	7,214
Total	14,142	17,021

Note 18 – 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 68.

	2022/23 £'000	2023/24 £'000
Short-Term Investments		
CSBP Clackmannanshire Investments Ltd (at cost)	1	1
Cash deposit with banks	34,000	8,165
	34,001	8,166
Cash and Cash Equivalents		
Cash held by the Council	32	27
Bank current accounts	5,857	4,268
Total Cash and Cash Equivalents	5,889	4,295
TOTAL	39,890	12,461

The investment in CSBP Clackmannanshire Investments Ltd is anticipated to be repaid during 2024/25.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 19 – 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:

	2022/23	2023/24
	£'000	£'000
Central government bodies	3,335	3,772
Other local authorities	3,571	2,908
NHS bodies	771	3,377
Public corporations and trading funds	47	-
Other entities and individuals	28,192	20,697
Total	35,916	30,754

Note 20 – Provisions

2023/24	Opening Balance At 1 April 2023	Additional provision made in 2023/24	Reduction In Provision	Amounts used in 2023/24	Balance At 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Short Term Provisions					
Municipal Mutual	-	(9)	-	9	-
Street Lighting Equipment	(251)	-	-	251	-
Voluntary Severance	(125)	(72)	-	125	(72)
Total Short Term Provisions	(376)	(81)	-	385	(72)
Municipal Mutual	(65)	(26)	-	-	(91)
Total Long Term Provisions	(65)	(26)	-	-	(91)
Total Provisions	(441)	(107)	-	385	(163)

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 £227k and payments of £162k had been made against this provision. During the year an additional provision of £9k was made to the short term provision and a further £9k was paid out. The long term provision has been increased by £26k based on estimates of the outstanding liability as at 31 March 2024 resulting in a total provision balance of £91k to meet future claims.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Voluntary Severance

A new provision has been created in 2022/23 to reflect the costs of employees who were accepted for Voluntary Severance prior to 31 March 2023 but their agreed date for leaving employment falls within 2023/24. This provision was fully utilised in 2023/24. A further provision of £72k has been created in 2023/24 to reflect the costs of employees who were accepted for Voluntary Severance prior to 31 March 2024 but their agreed date for leaving employment falls within 2024/25.

Street Lighting Equipment

A new provision has been created in 2022/23 to reflect the cost of full and final settlement for the transfer of the Street Lighting Equipment which was previously held by the Council on a Finance Lease. The twenty year lease ended in 2020/21. On termination of the initial lease period the Council continued to pay rental to the Lessor while negotiations were ongoing to transfer ownership of the equipment to the Council. This provision was fully utilised in 2023/24 and no further provision is required.

Note 21 - 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:

	2022/23 £'000	2023/24 £'000
Source of Loan		
Repayable within 12 months		
Public Works Loan Board	412	412
Market Loans	63	63
Revenue Advances:		
Common Good & Trust Funds	361	376
Central Scotland Valuation Joint Board	1,010	554
Accrued Interest on borrowing	1,186	1,187
	3,032	2,592
Repayable after 12 months		
Public Works Loan Board	73,736	73,297
Lender Option, Borrowing Option (LOBO) Loans	5,000	5,000
Market Loans	19,018	18,946
	97,754	97,243

Note 22 – Other Long Term Liabilities

	2022/23 £'000	2023/24 £'000
PFI & Finance Liabilities (see note (a) below)	33,995	32,358
Other Long-term Liabilities (see note (b) below)	624	651
	34,619	33,009

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

(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. Note 32 Private Finance Initiative and Similar Contracts page 130 in the Accounts provides more details 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 2022/23 £'000	PFI Scheme 2023/24 £'000
Balance at 1 April	36,672	35,435
Finance Lease Creditor Repaid in year	(1,237)	(1,440)
Balance 31 March	35,435	33,995
Ageing:		
Liabilities due over more than one year	33,995	32,358
Liabilities due within one year	1,440	1,637
	35,435	33,995

(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.

	2022/23 £'000	2023/24 £'000
Developer Contributions	-	-
Reinstatement Bond	624	651
	624	651

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 23 – 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 straightforward 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		
	31	31	31	31	31	31	31	31	
	March	March	March	March	March	March	March	March	
	2023	2024	2023	2024	2023	2024	2023	2024	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Amortised Cost Principal	-	-	1	1	1	1	4,165	2,847	2,849
Cash & Cash Equivalents	-	-	-	-	39,888	12,460	-	-	12,460
Total Financial Assets	-	-	1	1	39,889	12,461	4,165	2,847	15,309

Financial Liabilities

	Non-Current				Current				Total
	Borrowings		Creditors		Borrowings		Creditors		
	31	31	31	31	31	31	31	31	
	March	March	March	March	March	March	March	March	
	2023	2024	2023	2024	2023	2024	2023	2024	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Amortised Cost Principal	97,753	97,243	-	-	1,855	1,405	8,170	9,783	106,818
Accrued Interest	-	-	-	-	1,187	1,187	-	-	1,187
PFI and Finance Lease facilities	33,995	32,358	-	-	1,440	1,637	-	-	33,995
Total Financial Liabilities	131,748	129,601	-	-	4,482	4,229	8,170	9,783	142,000

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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:

	2022/23 (Restated)		2023/24	
	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	723	-	2,277	-
cost				
Total interest revenue	723	-	2,277	-
Interest expense	9,100	-	10,770	-

The 2022/23 figures were omitted from the 2022/23 annual accounts and have been included above to provide comparison for 2023/24.

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

- 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:-

	2022/23		2022/23	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
PWLB – Maturity	75,267	86,283	74,855	79,923
PWLB – Annuity	27	34	-	-
LOBOs	5,041	4,747	5,041	4,287
Market Loans	19,080	18,424	19,009	17,027
Total Debt/Financial Liabilities	99,415	109,488	98,905	101,237

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 £79.923m (2022/23 £86.317m) 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 £74.8m would be valued at £79.9m. 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 £79.9m, comprising the principal of £74.8m, accrued interest of £1.2m and a premium of £3.9m.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 24 – Unusable Reserves

		2022/23 £'000	2023/24 £'000
	Note		
Revaluation Reserve	a)	(120,264)	(110,349)
Capital Adjustment Account	b)	(137,293)	(133,092)
Financial Instruments Investment Account	c)	1,476	1,264
Pensions Reserve	d)	(29,149)	(15,339)
Accumulating Compensated Absences Adjustment Account	e)	3,790	3,653
Total Unusable Reserves		(281,440)	(253,863)

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.

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.

	2022/23 £'000	2023/24 £'000
Balance at 1 April	(121,368)	(120,264)
Upward revaluation of non-current assets	(16,926)	(8,066)
Downward revaluation of non-current assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	12,061	13,536
Surplus/deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(4,865)	5,470
Difference between fair value depreciation and historical cost depreciation	5,938	4,445
Accumulated (losses) on assets sold or scrapped	31	-
	5,969	4,445
Balance at 31 March	(120,264)	(110,349)

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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

	2022/23 £'000	2023/24 £'000
Balance at 1 April	(137,350)	(137,293)
Financial Flexibility - Adjustment to the statutory repayment of debt for service concessions	-	12,533
<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	13,288	15,144
Revaluation losses on property, plant and equipment	2,974	1,792
Amortisation of intangible assets	106	66
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	61	77
Amounts written out of the Revaluation Reserve on assets sold or scrapped	(31)	-
	16,398	17,079
<u>Capital financing applied in the year:</u>		
Use of the Capital Receipts Reserve to finance new capital expenditure	(169)	-
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(8,174)	(11,629)
Application of grants to capital financing from the Capital Grants & Receipts Unapplied Account	(562)	(693)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balance	(1,684)	(2,390)
Capital expenditure charged against the General Fund and HRA balances	(6,809)	(10,840)
Movement in the market value of Investment Properties Debited or credited to CIES	1,057	141
	(16,341)	(25,411)
Balance at 31 March	(137,293)	(133,092)

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

As a result, the balance on the Account at 31 March 2024 will be charged to the General Fund over the next 32 years.

	2022/23 £'000	2023/24 £'000
Balance at 1 April	1,689	1,476
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	(9)	(8)
Balance at 31 March	1,476	1,264

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 pension funds, or eventually pays any pensions for which it is directly responsible. The accounting requirements of International Financial Reporting Interpretations Committee - Interpretation 14 (IFRIC 14) places a cap (referred to an asset ceiling) on the value of a pension asset that can be reported. The credit balance on the Pensions Reserve therefore shows the benefits earned by past and current employees, the resources the Council has set aside to meet them and the impact of the asset ceiling which reduces the value of the pension asset to the maximum restricted amount.

	2022/23 £'000	2023/24 £'000
Balance at 1 April	88,859	(29,149)
Return on Pension Assets	7,674	(14,724)
Actuarial Gains or Losses on Pension Assets and Liabilities	(138,722)	(4,069)
Reversal of items debited or credited to CIES	24,364	10,272
Employer's Pension contributions and direct payments to pensioners in the year	(11,324)	(12,728)
Effect of Asset Ceiling	-	35,059
Balance at 31 March	(29,149)	(15,339)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

	2022/23	2023/24
	£'000	£'000
Balance at 1 April	3,759	3,790
Settlement or cancellation of accrual made at the end of the preceding year	(3,759)	(3,790)
Amounts accrued at the end of the current year	3,790	3,653
Movement in the year	<u>31</u>	<u>(137)</u>
Balance at 31 March	<u>3,790</u>	<u>3,653</u>

Note 25 – Cash Flow Statement – Operating Activities

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

	2022/23	2023/24
	£'000	£'000
Interest Received	1,217	3,855
Interest Paid	(9,257)	(10,875)
(Surplus) or deficit on the provision of services (CIES)	23,635	7,064

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

	Notes	2022/23	2023/24
		£'000	£'000
Depreciation	11 & 13	19,226	19,589
Downward valuations	7	4031	1,933
Amortisation	14	106	66
Increase in Creditors	19	3,105	(4,978)
Decrease in Debtors	17	3,568	(3,011)
(Increase)/Decrease in Inventories	16	(63)	(10)
Pension Liability	35	13,040	(2,456)
Contributions to Provisions	20	381	(278)
Carrying amount of non-current assets sold	7	61	77
Adjustments for effective interest rates		(8)	(9)
Other non-cash items		<u>43,447</u>	<u>10,923</u>

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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

	2022/23	2023/24
	£'000	£'000
Capital grants credited to surplus or deficit on the provision of services	(8,848)	(8,848)
Proceeds from the sale of short and long term investments	(23,500)	(80,010)
Proceeds from the sale of property plant and equipment, investment property and intangible assets	(262)	(286)
	(32,610)	(92,258)

Note 26 – Cash Flow Statement – Investing Activities

	2022/23	2023/24
	£'000	£'000
Purchase of property, plant and equipment, investment property and intangible assets	(17,672)	(29,005)
Purchase of short-term and long-term investments	(2,001)	-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	262	286
Proceeds from short-term and long-term investments	23,500	106,000
Other receipts from investing activities	8,918	11,941
Net cash flows from investing activities	13,007	89,222

Note 27 – Cash Flow Statement – Financing Activities

	2022/23	2023/24
	£'000	£'000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,237)	(1,440)
Repayments of short and long-term borrowing	(3,004)	(930)
Other Receipts from Financing Activities	687	(46)
Net cash from financing activities	(3,554)	(2,416)

Note 28 - 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 £0.202m (2022/23 £0.177m). This charge has been fixed by the Scottish Government for a 3 year period to 31 March 2026. 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 and the Cost of Living Crisis. There were no payments in 2023/24. In 2022/23, there was £1.091m of expenditure and income which is not shown within the Comprehensive Income and Expenditure Statement.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Two Business Improvement District (BID) schemes operate in Clackmannanshire: Alloa First and Clacks First. 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.

Note 29 – External Audit Costs

Fees payable to Audit Scotland within the year for external audit services carried out by the appointed auditor amounted to £0.242m (2022/23 £0.239m). These costs are shown within the Partnership and Performance line in the Comprehensive Income and Expenditure Statement.

Note 30 – 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 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 33 and 34 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) The following table shows significant payments and receipts between Clackmannanshire Council and its associated entities

		2022/23	2023/24
		£'000	£'000
Expenditure	NHS Forth Valley	1,673	480
Income	NHS Forth Valley	(8,684)	(8,253)
Contribution payment made to Clackmannanshire and Stirling Integration Joint Board*		25,167	26,208
Commissioning income received from Clackmannanshire and Stirling		(25,167)	(26,208)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

2022/23 **2023/24**
£'000 **£'000**

Integration Joint Board*

* Commissioning income received from Clackmannanshire and Stirling Integration Joint Board of £26,208 with expenditure of £29,927. The overspend of £3.719m was met by a draw down from reserves, leaving a balance of £0.366m in reserves held on behalf of the HSCP.

Note 31 – 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.

	2022/23 £'000	2023/24 £'000
Opening Capital Financing Requirement	144,797	145,988
Capital Investment		
Property Plant & Equipment	18,588	28,685
Revenue Expenditure Funded from Capital Under Statute	1,109	239
Sources of finance		
Capital receipts	(169)	-
Government grants and other contributions	(10,088)	(12,580)
Sums set aside from revenue:		
Direct revenue contributions	(6,655)	(10,821)
Repayment of Finance Lease Capital Debt	(1,237)	(1,440)
Loans Fund Principal	(447)	(2,099)
Application of service concession retrospective flexibility	-	12,533
Application of service concession in year flexibility	-	1,149
Other movements affecting the CFR	90	-
Closing Capital Financing Requirement	145,988	161,654
Increase in CFR (unsupported by government financial assistance)	1,191	15,666

Note 32 – Private Finance Initiative and Similar Contracts

Secondary Schools PFI Scheme

2023/24 was the 16th 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

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 2024, 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	4,090	1,638	3,203	8,931
Payable within 2 to 5 years	19,796	6,173	11,509	37,478
Payable within 6 to 10 years	25,418	11,797	13,919	51,134
Payable within 11 to 15 years	32,124	14,387	9,032	55,543
Total	81,428	33,995	37,663	153,086

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 shown in Note 22

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 33 - 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 2023 was 23% of pensionable pay. In total for the year 2023/24 the Council paid £6.641m to Teacher's Pensions in respect of teachers' retirement benefits which equates to 22.73% of pensionable pay. The comparative amount paid in 2022/23 was £6.194m which equates to 22.60% of pensionable pay.

As a proportion of the total contributions into the Teacher's Pension Scheme during the year ended 31 March 2023, the Council's own contribution equated to approximately 0.80% (0.84% in 2021/22).

Note 34 Pension Schemes Accounted for as Defined Contribution 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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

The following transactions have been made in the Financial Statements in accordance with IAS19:

	Local Government Pension Scheme	
	2022/23	2023/24
Comprehensive Income and Expenditure Statement (CIES)	£'000	£'000
Cost of Services:		
· Current service cost	21,676	11,256
· Past service costs	150	425
Financing and Investment Income and Expenditure:		
· Interest expense – defined benefit obligation	13,890	18,006
· Interest income on scheme assets	(11,352)	(19,415)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	24,364	10,272
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)	7,674	14,724
· Actuarial (gains)/losses arising on changes in demographic assumptions	(10,598)	-
· Actuarial gains arising on changes in financial assumptions	(190,508)	(14,631)
· Effect of Asset Ceiling	-	35,059
· Other experience losses	62,384	10,562
(Gain)/ loss recognised in the CIES	(131,048)	16,266
Total Post Employment Benefit Charged to the CIES	(106,684)	26,538
Movement in Reserves Statement (MIRS)		
Reversal of net charge made to the surplus or deficit on the provision of Services	24,364	10,272
Employer's Contributions Payable to Falkirk Pension Fund	11,324	11,686
Pensions Assets and Liabilities Recognised in the Balance Sheet	35,688	21,958

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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)	2022/23	2023/24
	£'000	£'000
Present value of the Pension Fund Liabilities	(393,322)	(405,146)
Fair value of pension fund assets	408,780	442,841
(Deficit)/Surplus	15,458	37,695
Present value of unfunded obligations	13,691	12,703
Effect of Asset Ceiling	-	(35,059)
Net Asset /(Liability) arising from Defined Benefit Obligation	29,149	15,339

The liabilities/assets show the underlying commitments that the Council has in the long term to pay post employment (retirement) benefits. For 2023/24, the net defined benefit asset has been measured to the lower of the surplus in the defined benefit plan and the asset ceiling.

In deriving the asset ceiling, assumptions have been made on the present value of the economic benefits available in the form of refunds from the plan and reductions in future contributions to the plan. No economic benefit has been recognised with regards to a refund as it is an entitlement which is not wholly within the Council's control. The economic benefit associated with a reduction in future contributions, recognising a minimum funding requirement for future service, has been estimated as the present value of employer future service costs less the present value of future employer contributions. This economic benefit, however, cannot be reduced below zero where the present value of future employer contributions exceeds the present value of future service costs.

The impact of the asset ceiling has reduced the surplus by £35.059m resulting in a net asset arising from the defined benefit obligation of £15.339m. This has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, however, this can fluctuate annually due to economic and demographic factors and finance is only required to be raised to cover discretionary benefits when the pensions are actually paid. The surplus or deficit on the scheme will be considered by the actuary at the time of the triennial valuation to ensure contributions over the remaining working life of employees (i.e. before payments fall due), are sufficient.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

A reconciliation of Clackmannanshire Council's share of the present value of Falkirk Pension Fund's defined benefit obligation (liabilities) is as follows:

	2022/23 £'000	2023/24 £'000
Opening Balance at 1 April	(508,979)	(379,631)
Current service cost	(21,676)	(11,256)
Interest cost	(13,890)	(18,006)
Contributions by Pension Fund participants	(2,730)	(2,945)
Re-measurement gains/(losses)		
Actuarial gains/(losses) from change in demographic assumptions	10,598	-
Actuarial gains from change in financial assumptions	190,508	14,361
Actuarial (losses) from other experiences	(46,136)	(10,562)
Past service costs	(150)	(425)
Benefits paid	12,824	15,751
Closing value at 31 March	(379,631)	(392,443)

A reconciliation of Clackmannanshire Council's share of the fair value of Falkirk Pension Fund's Assets is as follows:

	2022/23 £'000	2023/24 £'000
Opening fair value of pension fund assets	420,120	408,780
Interest income	11,352	19,415
Return on pension assets (excluding amounts included in net interest)	(7,674)	14,724
Contributions from employers	11,324	12,728
Contributions by employees in the scheme	2,730	2,945
Benefits paid	(12,824)	(15,751)
Re-measurement – other experience	(16,248)	-
Closing fair value of pension fund assets	408,780	442,841

A reconciliation of the movements in Clackmannanshire Council's share of the fair value of Falkirk Pension Fund's assets is as follows:

	2022/23 £'000	2023/24 £'000
Equity instruments (by industry type)		
- Consumer	28,179	32,602
- Manufacturing	33,084	35,981
- Energy & Utilities	16,335	18,085
- Financial institutions	30,093	32,542
- Health & Care	15,056	18,669
- Information & Technology	30,606	29,726
- Other	3,541	3,490
Sub Total Equity	156,894	171,095
Debt Securities		
- Corporate Bond (investment grade)/Other	41,626	46,784

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

	2022/23 £'000	2023/24 £'000
- Other	5,717	5,886
	47,343	52,670
Property (by type)		
- UK	23,315	24,286
- Overseas	7	2
Sub Total Property	23,322	24,288
Private Equity		
- UK	2,634	4,045
Sub Total Private Equity	2,634	4,045
- Equities	73,217	82,369
- Bonds	19,340	20,145
- Infrastructure	62,713	65,632
- Other	10,070	10,234
Sub Total Other Investment Funds	165,340	178,380
Cash and cash equivalents	13,247	12,363
Total Assets	408,780	442,841

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 based on data as at 31 March of each financial year. 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.

	2022/23	2023/24
Long-term expected rate of return on assets in the fund		
Equity investments	4.75%	4.80%
Bonds	4.75%	4.80%
Property	4.75%	4.80%
Cash	4.75%	4.80%

	2022/23 Years	2023/24 Years
Mortality assumptions		
Longevity at 65 for current pensioners (years):		
Men	20.3	20.3
Women	23.3	23.3
Longevity at 65 for future pensioners (years):		
Men	20.8	20.8

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Women	24.8	24.8
Inflation assumptions	2022/23	2023/24
Rate of inflation	2.95%	2.80%
Rate of increase in salaries	3.55%	3.30%
Rate of increase in pensions	2.95%	2.80%
Rate for discounting Fund liabilities	4.75%	4.80%

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 Employer %	Monetary Amount £'000's
0.1% Decrease in Real Discount Rate	2%	6,640
1 year increase in member life expectancy	4%	15,698
0.1% increase in the Salary Increase Rate	0%	445
0.1% increase in the Pension Increase Rate	1%	6,688

Virgin Media Court Ruling

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes. This case may have implications for other defined benefit schemes in the UK. The impact of the case is continuing to be assessed and any potential impact on the Board accounts will be considered in future years

Goodwin

The remedy for the Goodwin ruling in relation to the past underpayment of spouses' benefits is still uncertain. The pension fund actuary has estimated that the impact is expected to be small at 0.1-0.2% for a typical fund. For Clackmannanshire this would equate to £0.361m to £0.722m. When weighing the fact that the remedy is still uncertain and the estimate is of small value, against the level of additional work that would be required, the actuary has not deemed it necessary or appropriate to make an adjustment for 2023/24 and no adjustment has been made to the figures noted above.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Impact on the Authority's Cash Flow

The objectives of the LGPS are to keep employers' contributions at a constant rate where possible. The employers' contribution rates per the 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 2024 is £9.543m

The employers' contribution rates for 2024/25 to 2026/27 have been set at 19.5% following conclusion of the triennial valuation on the fund at 31 March 2023.

Note 35 – Contingent Liabilities

Equal Pay

The Council has previously received claims of historic pay inequality from specific groups of staff. At this time there are no known claims however, this contingent liability represents the potential liability for any future claims.

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 20, 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 which have been passed to its insurers. 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.

Social Services Judicial Reviews (Scottish Prison Service)

At this time there are a number of Social Services cases under judicial review relating to the Scottish Prison Service. The Council has a Service Level Agreement with the Scottish Prison Service under which statutory requirements of the Scottish Prison Service sit with the Council. At this time, no quantification or timing of any potential liability is known for these cases.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 36 – 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 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 2023/24 and Prudential Indicators for 2023/24 to 2025/26 were approved by Full Council on 9 March 2023 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 £12.5m, 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 £2.725m, (2022/23 £3.973m) is past its due date for payment. The past due amount can be analysed by age as follows:

	2022/23	2023/24
	£'000	£'000
Less than three months	1,227	780
Three to six months	114	203
Six months to one year	397	193
More than one year	2,235	1,549
Total	3,973	2,725

During the year £0.622m of debt was written off to the provision against current debt and £0.087m was charged to the Comprehensive Income and Expenditure statement, increasing the provision against current debts to £1.051m.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

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.

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	2022/23 £'000	2023/24 £'000
Public Works Loans Board	74,148	73,709
LOBO Loan	5,000	5,000
Market Debt	19,080	19,009
Total	98,228	97,918

Maturity Structure

	2022/23 £'000	2023/24 £'000
Less than 1 year	475	475
Between 1 and 2 years	475	2,308
Between 2 and 5 years	4,820	2,512
Between 5 and 10 years	3,526	3,500
More than 10 years	88,932	88,923
Total	98,228	97,918

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.

The current interest rate risk for the Council is summarised below:

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

- 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
ANNUAL ACCOUNTS 2023/24
Notes to the Financial Statements

Note 39 – Trust Funds

The Council administers and holds cash on behalf of the following sundry trust funds
Trusts are as follows:-

	2022/23	2023/24
	£'000	£'000
Value of other Charitable Trusts and Endowments	367	382
Total value of all Trusts and Endowments	367	382

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
HOUSING REVENUE ACCOUNT (HRA)
Income and Expenditure Statement for the year ended 31 March 2024

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.

2022/23		2023/24
£'000		£'000
	Expenditure	
7,981	Repairs and maintenance	10,868
4,893	Supervision and management	3,912
5,555	Depreciation and impairment of non-current assets	6,044
85	Impairment of debtors	128
605	Other Expenditure	596
19,119	Total Expenditure	21,547
	Income	
(20,413)	Dwelling Rents	(21,188)
(103)	Non-dwelling rents	(94)
(20,516)	Total income	(21,282)
(1,397)	Net Cost of HRA Services	(265)
(125)	(Gain)/Loss on sale or disposal of HRA fixed assets	-
1,098	Interest payable and similar charges	1,068
(184)	Interest and Investment Income	(522)
282	Pensions Interest Costs and expected return on pension assets	(170)
(3,030)	Capital Grants and Contributions Receivable	(3,171)
(1,959)		(2,745)
(3,356)	Surplus for the year on HRA Services	(2,479)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
HOUSING REVENUE ACCOUNT (HRA)
Movement in Housing Revenue Account Statement

2022/23		2023/24
£'000		£'000
(9,552)	Balance on the HRA at the end of the previous year	(8,715)
(3,356)	Deficit/(Surplus) for the year on the HRA Income and Expenditure Statement	(2,479)
3,025	Adjustments between accounting basis and funding basis under regulations (Note HRA 1)	8,592
(331)	Net Decrease before transfers to/from Reserves	6,113
1,168	Transfer to the General Fund Reserve	1,168
1,168	Transfers to/from Reserves	1,168
837	(Increase)/Decrease in year on the HRA	7,281
(8,715)	Balance on the HRA at the end of the current year	(1,434)

HRA 1. Adjustment between Accounting Basis and Funding Basis under Statute

2022/23		2023/24
£'000		£'000
125	Gain on sale and disposal of HRA Non Current Assets	-
6,655	Capital expenditure funded by the HRA (CFCR)	10,821
2,945	Capital Grants contributions that have been applied to capital financing	3,121
85	Capital Grants and Contributions unapplied credited to the CIES	-
	Transfer to/from the Capital Adjustment Account:	
(5,555)	- Depreciation and Impairment	(6,044)
384	- Repayment of Debt	481
(1,554)	HRA share of contributions to/from the Pension Reserve	158
(60)	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	55
3,025		8,592

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
HOUSING REVENUE ACCOUNT (HRA)

HRA 2. Housing Stock

The Council's housing stock at 31 March 2024 was 5,045 (31 March 2023 5,007) in the following categories:

2022/23		2023/24
Number		Number
29	One apartment	29
1,367	Two apartment	1,370
2,231	Three apartment	2,245
1,232	Four apartment	1,251
144	Five apartment	146
4	Six apartment	4
5,007		5,045

HRA 3. Rent Arrears

Rent Arrears decreased during the year by £0.116m to a total of £2.379m (2022/23: £2.495m). As a percentage of gross rental income, the arrears represent 11% (2022/23:12.2%) which is the equivalent to £471 (2022/23: £500) per house.

HRA 4. Impairment of Debtors

In 2023/24 an impairment of £2.247m (2022/23 £2.361m) has been provided in the Balance Sheet for irrecoverable rents, a decrease of (£0.114)m on the provision in 2022/23.

HRA 5. Rent Lost Due To Empty Properties

Rent loss due to empty properties during the year was £0.576m (2022/23: £0.539m). This is reported within other expenditure in the Income and Expenditure.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Council Tax Income Account for the year ended 31 March 2024

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.

2022/23		2023/24
£'000		£'000
(33,098)	Gross Council Tax levied and contributions in lieu	(34,912)
	Deduct	
4,115	Other discounts and reductions	4,323
592	Write-off of uncollectable debts and allowance for impairment	174
56	Adjustments to previous years Council Tax	21
3,903	Council Tax Reduction Scheme	4,180
(24,432)	Net Council Tax Income transferred to General Fund	(26,214)

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 2023/24 was £1,410.96 (2022/23 £1,343.77). This was a 5.0% increase from the previous year.

Valuation Band	Council Tax Charge
	£
A	960.64
B	1,097.41
C	1,254.19
D	1,410.96
E	1,853.84
F	2,292.81
G	2,763.13
H	3,456.68

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Council Tax Income Account for the year ended 31 March 2024

CTI.2 Calculation of the Council Tax Charge Base 2023/24										
<i>number of dwellings (properties)</i>										
	A	A	B	C	D	E	F	G	H	Total
	(Disabled)									
	Relief)									
Total number of dwellings	-	6,305	7,353	2,209	2,830	3,490	2,101	934	55	25,277
Less exempt dwellings	-	(345)	(259)	(78)	(52)	(50)	(16)	(13)	(7)	(820)
Dwellings subject to disabled reduction	-	(23)	(28)	(20)	(24)	(61)	(17)	(7)	-	(181)
Dwellings subject to tax at this band due to disabled relief	23	28	20	24	61	17	7	1	-	181
Less adjustments for single discounts	(3)	(936)	(859)	(252)	(241)	(211)	(79)	(34)	(1)	(2,615)
Less adjustments for double discounts	-	(31)	(31)	(24)	(18)	(16)	(8)	(5)	-	(132)
Less adjustments for disregarded adults	-	(1)	(1)	-	-	(1)	-	-	-	(4)
Effective number of dwellings after discounts, exemptions and reliefs	20	4,998	6,196	1,859	2,556	3,169	1,988	877	46	21,708
Band D equivalent factor (ratio)	5/9	6/9	7/9	8/9	9/9	(473/360)	(585/360)	(705/360)	(882/360)	
Band D equivalent properties Number of Dwellings	11	3,332	4,819	1,652	2,556	4,164	3,231	1,716	112	21,593
Less provision for non-collection @ 2.5%										(540)
Council Tax Base 2023/24										21,053

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24

Non Domestic Rates Income Account for the year ended 31 March 2024

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.

2022/23 £'000		2023/24 £'000
(21,564)	Gross rates levied and contributions in lieu	(23,937)
4,338	Reliefs and other deductions	4,870
(446)	Allowance for impairment of debts and appeals	1,730
(17,672)	Net Non-Domestic Rate Income	(17,337)
525	Adjustment to previous years' national non-domestic rates	278
-	- Non-Domestic Rates Income Retained by Authority (BRIS)	(44)
(36)	Discretionary Reliefs charged to the General Fund	(414)
(17,183)	Total Non-Domestic Rates Income/Income for Contribution to Non-Domestic Rate Pool	(17,517)
2022/23 £'000		2023/24 £'000
17,183	Contribution to National Non-Domestic Rate Pool	17,517
(18,065)	Distribution from National Non-Domestic Rate Pool	(17,764)
(882)	(Gain)/Loss from National Pool	(247)
(18,065)	Net NNDR Income per the Comprehensive Income and Expenditure Statement (Note 10)	(17,764)

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

	2022/23	2023/24
National Non-Domestic Rate	49.8p	49.8p
Intermediate Property Supplement – properties valued > £51,000	1.3p	1.3p
Large Property Supplement – properties valued > £95,000	2.6p	2.6p

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24

Non Domestic Rates Income Account for the year ended 31 March 2024

NDR 3. Analysis of Rateable Values as at 1 April 2023

	Number of Premises	Rateable Value £'000
Type of Subject		
Commercial	949	14,917
Industrial	297	20,119
Miscellaneous	466	11,628
Total	1,712	46,664

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24

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 2024

2022/23 £'000		2023/24 £'000	2023/24 £'000
	Income		
(322)	Charges for use of premises	(323)	
(322)			(323)
	Expenditure		
55	Property Maintenance	15	
103	Utilities	111	
100	Rates	111	
45	Cleaning, land services and refuse collection	65	
19	Insurance	20	
187	Depreciation, Impairment and Revaluations	187	
509			509
187	Cost of Services		186
-	Taxation and Non-Specific Grant Income		-
187	(Surplus)/Deficit on Provision of Services		186
-	Surplus on revaluation of non-current assets charged to the revaluation reserve		-
187	Total Comprehensive Income and Expenditure		186

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Common Good Balance Sheet
As at 31 March 2024

2022/23 £'000		2023/24 £'000
	Long-Term Assets	
4,978	Property, Plant and Equipment	4,792
	Current Assets	
9	Short-Term Investments	9
<u>4,987</u>	Net Assets	<u>4,801</u>
(9)	Usable Reserves	(9)
(1,701)	Revaluation Reserve	(1,701)
(3,277)	Funds tied up in Fixed Assets	(3,091)
<u>(4,987)</u>	Total Reserves	<u>(4,801)</u>

Common Good Movement on Reserves Statement
As at 31 March 2024

	Notes	Usable Reserves £'000	Unusable reserves £'000	Total reserves £'000
2023/24				
Balance at 1 April 2023		(3,286)	(1,701)	(4,987)
Movement in reserves during 2023/24				
Total comprehensive income and expenditure		186	-	186
Increase or (decrease) in 2023/24				
Balance at 31 March 2024		<u>(3,100)</u>	<u>(1,701)</u>	<u>(4,801)</u>
	Notes	Usable Reserves £'000	Unusable reserves £'000	Total reserves £'000
2022/23				
Balance at 1 April 2022		(3,473)	(1,701)	(5,174)
Movement in reserves during 2022/23				
Total comprehensive income and expenditure		187	-	187
Increase or (decrease) in 2022/23				
Balance at 31 March 2023		<u>(3,286)</u>	<u>(1,701)</u>	<u>(4,987)</u>

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
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

Associates:

- Central Scotland Valuation Joint Board

Information on how the Council participates in these companies is given in Note 6 to the Group's Financial Statements.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements
Group Movement in Reserves Statement
For the Year Ended 31 March 2024

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
2023/24							
Balance at 1 April 2023	(34,126)	(8,979)	(43,105)	(281,440)	(2,067)	(283,507)	(326,612)
Movement in Reserves during 2023/24							
Total comprehensive income & expenditure	7,061	3,348	10,409	21,737	225	21,962	32,371
Adjustments between accounting basis & funding basis under statutory provisions	5,963	28	5,991	(5,963)	(28)	(5,991)	-
Net (increase)/decrease before transfers	13,024	3,376	16,400	15,774	197	15,971	32,371
Transfers to/from Earmarked Reserves	(11,802)	-	(11,802)	11,802	-	11,802	-
(Increase)/decrease in 2023/24	1,222	3,376	4,598	27,576	197	27,773	32,371
Balance at 31 March 2024	(32,904)	(5,603)	(38,507)	(253,864)	(1,870)	(255,734)	(294,241)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements
Group Movement in Reserves Statement
For the Year Ended 31 March 2023

	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
2022/23							
Balance at 1 April 2022	(38,877)	(10,595)	(49,472)	(164,411)	(863)	(165,274)	(214,746)
Movement in Reserves during 2022/23							
Total comprehensive income & expenditure	23,635	1,698	25,333	(135,913)	(1,287)	(137,200)	(111,867)
Adjustments between accounting basis & funding basis under statutory provisions	(19,768)	(82)	(19,850)	19,768	83	19,851	1
Net (increase)/decrease before transfers	3,867	1,616	5,483	(116,145)	(1,204)	(117,349)	(111,866)
Transfers to/from Earmarked Reserves	884	-	884	(884)	-	(884)	-
(Increase)/decrease in 2022/23	4,751	1,616	6,367	(117,029)	(1,204)	(118,233)	(111,866)
Balance at 31 March 2023	(34,126)	(8,979)	(43,105)	(281,440)	(2,067)	(283,507)	(326,612)

The opening balance at 1 April 2022 has been adjusted to reflect the change in share of the Valuation Joint Board from 15.4% in 2021/22 to 15.7% in 2022/23. This increase reflects the inclusion of additional Barclay funding within the requisitions made to the Board from the constituent authorities.

The 2022/23 figures for the Councils share of subsidiary, associates and joint ventures has been restated in line with revised final accounts from these bodies..

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements
Group Balance Sheet as at 31 March 2024

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 2023 £'000		31 March 2024 £'000
399,741	Property, Plant & Equipment	400,798
805	Heritage Assets	805
7,532	Investment Properties	7,564
206	Intangible Assets	541
5,631	Investments in Associates and Joint Ventures	2,465
29,149	Pensions Asset	15,339
428	VJB Assets	208
1	Long-Term Debtors	1
443,493	Non-Current Assets	427,721
242	Investment Properties held for Sale	181
598	Inventories	608
14,311	Short-Term Debtors	17,021
34,010	Short-Term Investments	8,175
5,889	Cash and Cash Equivalents	4,295
55,050	Current Assets	30,280
(36,085)	Short-Term Creditors	(30,754)
(376)	Provisions	(72)
(3,032)	Short-Term Borrowings	(2,591)
(39,493)	Current Liabilities	(33,417)
(65)	Provisions	(91)
(97,754)	Long-Term Borrowing	(97,243)
(34,619)	Other Long-Term Liabilities	(33,008)
(132,438)	Long-Term Liabilities	(130,342)
326,612	Net Assets	294,242
(43,105)	Usable Reserves	(38,507)
(283,507)	Unusable Reserves	(255,735)
(326,612)	Total Reserves	(294,242)

The unaudited financial statements were issued on 30 January 2025.

Lindsay Sim
Chief Finance Officer

CLACKMANNANSHIRE COUNCIL

ANNUAL ACCOUNTS 2023/24

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 Note 1 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 and presented in the pages above, incorporating material balances from identified associates. The Group Cash Flow Statement is provided alongside the single entity statements as it is not materially different to the cash flow statement for the Council as a single entity.

Note 3 Group Entities

The accounting period end for the entities below 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 (31/03/24).
- Central Scotland Valuation Joint Board has been incorporated as an associate with a 15.7% share of total requisitions (31/03/24); and
- Clackmannanshire & Stirling Integration Joint Board has been incorporated as a joint venture with a 25% shareholding (31/03/24).

The Council also has an interest in CSBP Clackmannanshire Investments Limited as a joint venture. On assessment of the financial information, the total net assets are below materiality level and the financial information is not consolidated into the Group Financial Statements. At a General Meeting of the company on 8 October 2024, a Special Resolution that the company be wound up voluntarily was passed.

The Council had an interest in Coalsnaughton NHT 2012 LLP as an associate until 19 March 2024 when the LLP was dissolved. On assessment of the financial information, the total net assets are below materiality level and the financial information is not consolidated into the Group Financial Statements.

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.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements

Notes to the Group Financial Statements (continued)

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.

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 the Councils' 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 its joint venture using the equity method of accounting. 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

Until the LLP was dissolved on 19 March 2024, the Council previously recognised Coalsnaughton NHT 2012 LLP as an associate. The Council was one of four members of the LLP (25%). The Council made no contribution to the associate in the 2023/24 or 2022/23 financial years and the financial information from this associate has not been consolidated into the Group Financial Statements as it is considered immaterial to the understanding of the accounts.

The Council recognises CSBP Clackmannanshire Investments Limited as a joint venture. The council has two elected members of the Council who sit on the board of directors (50 No funds were received in 2023/24 or 2022/23). The Council made no contribution to the joint venture in the 2023/24 or 2022/23 financial years and the financial information from this joint venture has not been consolidated into the Group Financial Statements as it is considered immaterial to the understanding of the accounts.

The Council also has an interest in SEEMIS Group LLP and Scotland Excel. The financial results of the organisations have not been consolidated into the Council's 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 £7.474m (2022/23 £11.136m) representing the Council's net asset in the consolidating entities.

CLACKMANNANSHIRE COUNCIL ANNUAL ACCOUNTS 2023/24

Group Financial Statements

Notes to the Group Financial Statements (continued)

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.

The income and charges made in the year by the Council for services provided can be seen in the previous section of these accounts.

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 2023/24 was £26.208m (2022/23 £25.167m). The IJB Board comprises twelve voting members with three elected members of Clackmannanshire Council (25% voting share).

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 2023/24 was £0.462m (2022/23 £0.443m). 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 15.7%.

- **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) to purchase newly-built homes so they could be made available for rent at 'mid market' rates, for a period of up to 10 years. All housing units were sold to Kingdom Housing Association on 7th March 2021 and the investment was fully repaid to the Council on that date. This associate was dissolved on 19 March 2024 and is not included within the Group Financial Statements for 2023/24 or 2022/23 as it is considered immaterial to the understanding of the accounts.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements

The following table represents the Group's share of key financial information included within the Group statements, extracted from the accounts of the above entities for 2023/24

	Central Scotland VJB		Clackmannanshire and Stirling IJB		Common Good	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Gross Income	(459)	(475)	(2,158)	(2,131)	(322)	(323)
Gross Expenditure	515	494	65,388	70,286	509	509
Financing & Investment Income & Expenditure	23	(23)	(61,798)	(64,989)	-	-
(Surplus)/ Deficit on Provision of Services	79	(4)	1,432	3,166	187	186
Other Comprehensive Income/ Expenditure	(1,287)	225	-	-	-	-
Non-current assets	409	208	-	-	4,978	4,792
Current assets	168	123	5,631	2,465	9	9
Current liabilities	(112)	(82)	-	-	-	-
Long- term liabilities	-	(8)	-	-	-	-
Pension liabilities	(37)	(33)	-	-	-	-

Report to Clackmannanshire Council

Date of Meeting: 30th January 2025

Subject: Be the Future Update – Asset Strategy

Report by: Chief Executive

1.0 Purpose

This paper provides the latest update in respect of the Council's Be the Future Target Operating Model (BtF TOM) and associated Transformation Programme. This paper provides an update on the priority three themes, and progress in the development of the Asset Management Strategy (AMS).

2.0 Recommendations

Council to note:

- 2.1. Progress in the AMS and timeline (para 3.2 – 3.6)
- 2.2. The Learning Estate Strategy (LES) will be a strategy in its own right but will be developed in parallel with the AMS. (para 3.7.2)
- 2.3. The underlying principles that will be within scope of the Asset Management Strategy (AMS). (para 3.7)
- 2.4. Progress in delivering the three priority themes approved by Council (para 3.1)

3.0 Considerations

Top 3 Priority Themes Progress

Please note the progress in the priority themes set out below:

3.1. Digital and Data Transformation

Public Services Networks (PSN) Security -The Council's submission on the PSN was made in December and is currently being assessed by officers in the Cabinet Office. A further IT Health Check (ITHC) will be commissioned to take place later this year, although work is ongoing to address issues identified from the previous Health Check with significant investments made to replace critical infrastructure, enhancing the organisation's robustness.

Governance of this work is provided through the established Technical Design Authority (TDA), IT and Digital Programme Board and regular updates provided to the Be the Future Strategic Oversight Group and Board. An update on the outcome of the PSN submission will be provided in due course.

M365 – Migration to Outlook email and calendar continues to progress with the majority of corporate users and Elected Members now migrated supported by IT colleagues and Digital Champions, and we continue to receive positive feedback in relation to the move. A range of training and support materials, including FAQs and training videos have been prepared and shared with employees and a dedicated space on Connect has been created for the migration. In December security labelling, a Microsoft security feature, was activated supported by a comms plan. Work is currently ongoing to support the migration of employees 'off-site'. Once that work is completed and all Council users are migrated, work will commence to consider migration to other features of the Microsoft 365 product

Digital Transformation

Social Work IT Management System – Contractors have been appointed for the duration of three months to review and refresh the extensive preparatory work that has already been undertaken, to deliver a specification and core requirements to inform the ITT through to the final tender process for the new system. Work is progressing well with 25 workshops scheduled to take place in January, (across Children's, Adults, Criminal Justice, Finance and Education service areas) to finalise the core statement of requirements which will be used as the basis for the ITT.

Customer Services Hub - Aims to deliver new digital services which enhance the customer experience, improve the employee experience and modernise the workplace. We have number of applications in development which have gone live since the last update and will be going live in Jan/Feb.

Roads : New digital services will be provided when applying for a range of road permits. The new services will enhance the customer experience by streamlining the application process and improving communication.

Education: School enrolments: which will facilitate the online application for school enrolments at Primary Schools and ELC admissions will provide the facility for parents and guardians to apply for their choice of funding and placements for early learning placement. This application will use the Improvement Service's, MyGovScot account, a portal which will provide citizens with secure sign-in service for online public services in Scotland.

Fuel Poverty Applications: A new digital service will be provided for Fuel Voucher Applications, which aims to provide financial assistance to individuals and families experiencing fuel poverty, helping to alleviate the burden of energy costs during challenging times.

Workforce Strategy

Both our current Interim Workforce Strategy, and the forthcoming Strategic Workforce Plan are designed to ensure that the Council both now, and in the future, has the right people, in the right place, and undertaking the right work to support our communities. That includes ensuring that we embrace cross-service collaboration and innovation, flexible and hybrid working, and digital transformation, to upskill and engage our workforce, and better support staff to meet the needs of our residents and service users.

Progress continues to be made against the Interim Workforce Strategy, with a detailed update being tabled at the December meeting of the Audit and Scrutiny Committee, noting progress to date with all 28 actions included within the Action Plan. These actions are designed to ensure that there is a solid workforce development foundation in place within the Council, ahead of the anticipated Strategic Workforce Plan for 2025-28. Elements delivered of the period include:

- Roll out and conclusion of the 2024 Staff Survey (with reporting due in the new year)
- A programme of leadership development events for our Senior Leadership Forum and Team Leaders Forum, centred on the CIPFA Local Code of Governance
- Re-establishment of the healthy Working Lives Group; and
- Roll out of a new Elected Member development programme, centred on the Improvement Services' Political Skills Assessment.

3.2. Asset Management Strategy Progress

3.3. As set out in the Forward Plan, the BtF update for January contains further information on progress with the Asset Management Strategy.

3.4. Since its inception the Be the Future programme set out key themes for transformational change within the Council. In the BtF update report 5th October 2023 The Be the Future Annual Statement of Priorities 2023/24 was approved. The annual Be the Future Statement provides a thread of continuity over the long-term and provides added agility to pivot and adapt our work and priorities annually, based on emerging events and threats and organisational learning, development and continuous improvement. The Asset Strategy was one of these key priorities to cover the following areas:

- Sustainable asset base
- Learning Estate Review
- Surplus assets
- Income generation proposals
- Carbon reduction and net zero

- Community Asset Transfers
 - Partnership/co-location
- 3.5. Creating our AMS requires a structured approach that aligns with both statutory requirements and local priorities. By developing a comprehensive AMS, we will ensure we can manage our resources effectively and deliver high quality services. As a local authority in times of increasing budgetary constraints we will ensure our assets are used to their full potential and to deliver maximum benefit to our communities. The AMS will be outcome focussed to improve service delivery utilising fit for purpose assets, equitable access for all, and to respond to our changing demands over time.
- 3.6. The AMS will be developed in stages and will not only consider the Council's Corporate Assets, Commercial Assets, and Fleet, but will also seek to build upon the Council's Community Asset Transfer Policy. The timelines for these stages will be set out in the implementation plan for the AMS. The Asset Management Strategy will clearly align with the Learning Estate Strategy (see para 3.7.2 below).

The LES will be a stand-alone strategy in its own right but will be closely referenced and aligned with the AMS as there will be dependencies and alignments.

Key elements of the Strategy will create the framework, which will consider the condition of our assets, value and suitability for future need. This work will inform the Council as to the level of assets required for future service delivery and provide robust information to optimise the lifespan of assets, combining financial investment with maintenance best practice.

Aligned to the priority of the AMS has been a series of Conditions Surveys undertaken on a number of corporate assets. This work will contribute and inform the AMS.

Work will commence to procure resource to add capacity in progressing the AMS and LES. The following milestones are being worked towards:

<u>Milestone</u>	<u>Estimated Timescale</u>	<u>Council Approval</u>
Additional resource secured	Quarter 1/ 2025	
Community Asset Transfer Policy update drafted	April 2025	May 2025
Learning Estate Options Appraisal completed	Quarter 2/ 2025	
Learning Estate Strategy draft	Quarter 3/ 2025	Quarter 4/2025 2025
Asset Management Strategy draft (including	August 2025	October 2025

Corporate, Commercial, Fleet and Community Asset Transfer)		
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3.7. **Asset Management Strategy Scope**

The Scope will be based on the following underlying principles

3.7.1. **Sustainable Asset Base**

To ensure the information on our asset portfolio is accurate, current and comprehensive with measures put in place to ensure this is updated routinely. Our AMS will align with the Council's strategic vision with the flexibility to meet the demands of the TOM which will deliver a mixed economy model.

To pursue partnership arrangements, and in particular the direction of travel of empowering families and communities through the work of the Family Wellbeing Partnership and the proposed Transformation Vehicle.

To ensure that land and property assets are suitable and sufficient for service delivery, recognising the wider delivery of public services. To work with service areas to understand long term requirements to support a sustainable future plan.

To challenge the cost of property activities to drive performance improvement.

To ensure that buildings are sustainable in design, construction, operation and maintenance,

In the context of diminishing resources and budget constraints and in line with our medium-term financial strategy to ensure our portfolio drives value for money.

3.7.2. **Learning Estate Review**

The Scottish Government National Learning Estate Strategy, published in 2019, (Connecting People, Places and Learning [Learning estate strategy - gov.scot](https://www.gov.scot/publications/national-learning-estate-strategy/pages/1_to_4.aspx)) outlines a vision for a learning estate of the future which supports Excellence and Equity for all. Each local authority is required to produce its own Learning Estate Strategy. This strategy will be presented to Council for approval in line with the timescales in the table in para 3.6 above.

Clackmannanshire Council approved its last Learning Estate Strategy in December 2019. (Background paper) . Progress against the Learning Estate Strategy of 2019 has included improvements and changes to a range of learning establishments across the council including, improvements to the Clackmannanshire Support Service, investment in ELC provisions, development of the Tullibody South Campus and the council decision to prioritise the investment of a new Lochies School. Highlights of progress within the Learning Estate Strategy are outlined in the background papers

The 2019 Strategy is now being reviewed as per the timeline above and will be presented to Council as a separate Strategy, albeit aligned to the AMS, and the Council's overall strategic vision, outcomes and priorities. The Learning Estate, along with the new Wellbeing Hub, will contribute to improving outcomes for the communities of Clackmannanshire ie in relation to Sustainable Inclusive Growth; Empowering Families and Communities; and Health and Wellbeing. The Learning Estate is a major part of the Council's overall property estate and will be integral to the Council's Asset Management Plan.

Officers from People and Place Directorates will work on the updated LES jointly.

3.7.3. Surplus Assets

To maintain and develop the management of property assets to continually improve how assets work, optimise returns, and minimise the costs of operation. To ensure that ownership and occupation of assets is robustly challenged. In terms of Capital Receipts, to dispose of surplus assets in a timely and structured manner. This will reduce revenue operating costs including energy and maintenance costs.

3.7.4. Income Generation Proposals

To optimise financial return and commercial opportunities. To use key assets to stimulate and support regeneration and inward investment (taking cognisance of the developing Investment Strategy and City Region Deal investment opportunities).

To utilise investment for income generation and to create local employment, increase social value and bring sustainable revenues into Council.

To manage our commercial property portfolio effectively, balancing regeneration needs, job creation and income generation and the diversification of income streams. To identify a future supply of land suitable for a range of needs that supports growth, regeneration and inward investment.

To work with private sector Consultants, Developers and Investors to ensure we have an outside in view of best practice and innovation.

3.7.5. Carbon Reduction and Net Zero

To commit to a roadmap for achieving carbon neutrality, energy efficiency, and waste reduction. Specifically, to establish a carbon reduction plan for all properties, aiming to meet the Scottish Government's net-zero targets by 2045. In terms of energy efficiency, to invest in retrofitting buildings with energy-efficient technologies (e.g., LED lighting, smart heating systems, solar panels). To promote the sustainable design principles and advocate for all

new developments and major refurbishments meet BREEAM or Passivhaus standards.

3.7.6. Community Asset Transfer (CAT)

To ensure Community Engagement align property decisions with local community needs, fostering transparency and collaboration

To promote and support the transfer of surplus or underused properties to community organisations where appropriate, underpinned by the Community Empowerment Act 2015.

To consult and engage with the local community, and key stakeholders on property decisions, ensuring their input informs strategic choices.

To align with the Family Wellbeing Partnership approach and mixed economy model, complementary with the TOM and the direction of travel agreed by Council, to ensure our communities are truly empowered.

3.7.7. Partnership/Co-location

To work with other public services and community groups to optimise the use of assets and land. This will also include third sector groups, local businesses and further/higher education establishments.

To challenge the current use of property assets and identify co-location opportunities, rationalise and dispose of assets where appropriate.

To seek efficiencies in occupancy and utilisation and move towards modern ways of agile working and alternative service delivery models.

3.7.8. Connection With Other Council Functions

The AMS will align with other aspects of the Council's functionality including the development of the Authority's Local Development Plan 4 and the responsibilities aligned to the Council's Housing Landlord obligations. The work of the AMS will seek to compliment the Council's Strategic Housing Investment Programme and will take cognisance of the Housing Needs Demand Assessment currently under development, considering how the Council's Assets can support and add value to these developments.

This Asset Management Strategy outlines the framework for managing Clackmannanshire Council's property portfolio over the next five years. By prioritising efficient use, financial sustainability, service delivery, and environmental stewardship, Clackmannanshire Council will ensure its assets contribute positively to the well-being of the community, local economy, and environment.

4.0 Sustainability Implications

4.1. N/A

5.0 Resource Implications

5.1. *Financial Details*

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

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

5.4. *Staffing*

6.0 Exempt Reports

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

7.0 Declarations

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

(1) Our Priorities

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

Complies with relevant Council Policies ☐

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 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 ☐

Learning Estate Strategy

[Item 10 Learning Estate Strategy 2019-2040](#)

Clackmannanshire council Learning Estate – Urgent Matters
(CSSS)

[Item 03a Learning Estate – Urgent Matters](#)

Clackmannanshire Council Meeting - Learning Estate: Progress Report 11 February 2021

(ELC)

[Item 08 Learning Estate - Progress Report](#)

Clackmannanshire Council - Learning Estate Update 10 February 2022

(Lochies)

[Item 08 Learning Estate Update](#)

Clackmannanshire council - Learning Estate Primary School Review and Planned Investment 29 Aug 2024

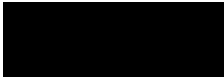
(Conditions Reports)

[CLACKMANNANSHIRE COUNCIL](#)

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Wendy Robertson	Senior Manager Transformation and Capital	

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Chief Executive	

Report to Clackmannanshire Council

Date of Meeting: 30th January 2025

Subject: Wellbeing Hub & Lochies School Project Update

Report by: Robbie Stewart, Senior Manager, Sport & Leisure

1.0 Purpose

- 1.1. The purpose of this report is to provide Council with an update on the progress of the Wellbeing Hub & Lochies School project and to seek Council approval to enter into an agreement and contract with Hub East Central Scotland Ltd (Hubco) for the project Enabling Works.

2.0 Recommendations

It is recommended that Council:

- 2.1. Notes the key programme updates **(see paragraphs 3.1 to 3.6)**.
- 2.2. Notes verbal update on planning decision **(see paragraphs 3.3)**.
- 2.3. Approves the execution of a formal contract agreement, up to a maximum cap of £2,600,000, between the Council and Hubco to undertake the proposed Enabling Works ahead of the main construction works commencing **(see paragraphs 3.7 to 3.11)**.

3.0 Considerations

Key Programme Update

- 3.1. Hubco and their Tier 1 Contractor (Robertson Construction) have concluded the Hub Stage 2 work package procurement and market testing activities. They are currently reviewing the tender returns and considering value engineering options that will maintain the function and aesthetics of the new facilities, deliver best value, and ensuring the project is delivered within projected timescales. Detailed costs will be provided with the Full Business Case (FBC) at a future Council meeting including the Hubco Pricing Report and Value for Money assessment.
- 3.2. The report for the Wellbeing Hub and Lochies School planning application will be presented to Planning Committee on the 23rd of January 2025. A verbal update will be provided to Council on the 30th of January 2025. An Enabling Works programme would only proceed if Planning Permission is granted.

- 3.3. Subject to Council approval in terms of this Report the technical documents (design, programme, costs, etc.) for the proposed Enabling Works and the associated commercial and legal documents including the contract agreement will be finalised and completed.
- 3.4. The Hubco Stage 2 Submission, including the complete package of design proposals and confirmed maximum price, will be submitted in May 2025 for review, comment, and approval. This submission will enable the Full Business Case to be finalised for Council approval.
- 3.5. It is intended to bring the Full Business Case to Council in June 2025 for approval to proceed to Financial Close for the full project. This will be the final investment decision at the end of RIBA Stage 4 (Technical Design) and Hub Stage 2 and will provide the final recommendation for an affordable project which delivers value for money.
- 3.6. This gateway will conclude the pre-construction phase of the project and formally commence the construction delivery stage.

Enabling Works Contract Agreement Approval

- 3.7. The rationale behind entering into a contract for the proposed Enabling Works is primarily to maintain and mitigate any further delay to the overall programme timescales by undertaking early works whilst the design and main building contract is being finalised.
- 3.8. Information returned from the construction supply chain has increased durations for individual work packages and is putting pressure on the completion dates. We are therefore proposing to offset this by undertaking early works.
- 3.9. The Enabling Works will optimise the target construction completion date for the Wellbeing Hub to return public swimming facilities to the people of Clackmannanshire as soon as possible and aim to ensure Lochies School is ready to move into the new school in 2027.
- 3.10. The risk for Council in approving the cost of the Enabling Works would be if Council decided not to approve the Hubco Stage 2 Submission or the Full Business Case (paragraphs 3.4 and 3.5) that are being brought back at later dates. In this event the majority of the cost incurred would be mitigated as the Enabling Works will prepare the land at Alloa West for any future development for the Council or a third party.
- 3.11. The scope of the proposed Enabling Works includes;
 - 3.11.1. Form site access and establish site boundary.
 - 3.11.2. Contractor mobilisation and site establishment (set-up).
 - 3.11.3. Diversion of the SPEN overhead HV power cables.
 - 3.11.4. Installation of the new HV supply/connection incl. substation.
 - 3.11.5. Surface Water drainage diversion.

- 3.11.6. Earthworks (topsoil strip); and,
- 3.11.7. Site import (fill) material, pile mat and piling.

4.0 Sustainability Implications

- 4.1. Alignment with the Clackmannanshire Council Interim Climate Change Strategy.

5.0 Resource Implications

5.1. Financial Details

The projected costs for the Wellbeing Hub and Lochies School developments are outlined in the General Services Capital Programme 2023/24 to 2042/43 and within the Outline Business Case shared with Council on 27 June 2024.

Discussions are ongoing with Scottish Futures Trust to confirm the level of revenue funding that will be provided from the Learning Estate Investment Programme.

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒
- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

5.4. Staffing

Not applicable

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

- 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**

Complies with relevant Council Policies ☒

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".

10.2 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 ☒

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Robbie Stewart	Senior Manager (People Directorate)	2431

Approved by

NAME	DESIGNATION	SIGNATURE
Lorraine Sanda	Strategic Director (People Directorate)	

Report to Clackmannanshire Council

Date of Meeting: 30th January 2025

Subject: Electric Vehicle Charging - Concession Model

Report by: Strategic Director: Place

1.0 Purpose

- 1.1 This paper seeks council approval to enter into a concession model in collaboration with 7 other local authorities in the South of Scotland (City of Edinburgh, Clackmannanshire, Dumfries & Galloway, Falkirk, Fife, Midlothian, Scottish Borders, West Lothian) for the appointment of a single supplier for the future delivery of public electric vehicle (EV) charging in Clackmannanshire.

2.0 Recommendations

- 2.1 The council are asked to approve the following:
- 2.1.1. To divest the council of the existing public electric vehicle charging infrastructure, this is likely to be by way of licence or lease of existing electric vehicle charging point locations as part of the project.
 - 2.1.2. Delegate authority to the Strategic Director: Place to grant licences/leases of future electric vehicle charging point locations as part of the project.
 - 2.1.3. To collaborate with 7 other Local Authorities in South of Scotland area (SoS) to jointly procure a concessionaire to operate and expand the public EV charging network for the next 12-20 years.
 - 2.1.4. Agree in principle to enter an Inter-Authority Agreement (IAA) with one or more partner authorities related to the service delivery period of the proposed contract.
 - 2.1.5. Delegate authority to the Strategic Director: Place for the selection of a Lead Authority for the concession contract and to conclude negotiations to enter into the resulting IAA.
 - 2.1.6. Delegate authority to the Strategic Director: Place for commercial decisions relating to the commencement and conclusion of the procurement process.

- 2.1.7. Delegate authority to the Strategic Director Place to authorise the City of Edinburgh Council, on behalf of the council, to award the contract to the provider whose tender is the most economically advantageous.
- 2.1.8. Authorise the Strategic Director: Place to agree the South of Scotland Electric Vehicle Infrastructure Regional Strategy.
- 2.1.9. Provide the Strategic Director: Place in consultation with the Senior Manager - Legal & Governance and Monitoring Officer with delegated authority to negotiate and agree final contract and other terms and enter into appropriate legal agreements on behalf of the council.

3.0 Background

- 3.1 EV charging infrastructure has been installed in the council area over the past decade, funded by Scottish Government grants. The programme commenced in 2014 and was administered by Transport Scotland, with investment in Clackmannanshire of £729,449. The programme delivered 36 EV chargers in the area with all main settlements now having at least one public EV charge point.
- 3.2 ChargePlace Scotland (CPS) is the public charging network operator on local authority land assets. Transport Scotland funds this back-office function but announced this contract will expire on 31st December 2025. After this, local authorities need to provide these back-office functions. SoS authorities have since had it confirmed that Transport Scotland will extend this back-office function until 30th April 2026.
- 3.3 Scottish Government launched the Electric Vehicle Infrastructure Fund (EVIF) in 2022 to unlock private investment to expand the EV charging network to locations that may be less commercially viable. Transport Scotland engaged Scottish Futures Trust to support local authorities to develop EV Strategy & Expansion Plans (SEPs), and supports regional approaches to network expansion. Using the EVIF a SEP was prepared with Falkirk Council. This plan provides recommendations on scope, locations, delivery model and funding for significant expansion of the public EV charging network in both council areas.
- 3.4 To lever maximum private sector investment Transport Scotland are encouraging collaboration to move to the delivery phase. Collaboration minimises resource demands on authorities, obtains optimal market responses by adopting a consistent approach and engages a new Charge Point Operator (a CPO) prior to CPS back-office functions expiring. The partner local authorities are working on an agreed route to market to operate the existing public EV charging network and to expand this network from 2026 onwards.
- 3.5 The preferred operating model is for a 'concession' type operation. Concession contracts involve arrangements between public authorities and CPO's. The CPO can exploit existing networks to operate commercially and in return provide services and deliver maintenance and network improvements. Investment is remunerated through profits from tariffs and other charges applied to users.

- 3.6 £5.9 million of EVIF grant is available to the SoS region. The proposed procurement will use this grant to attract £28 million of private investment to the region. If achieved, this would represent a £3.87 million investment in Clackmannanshire & Falkirk. The EVIF grant for network expansion must be drawn down by 2028/29.
- 3.7 SoS authorities have chosen a 'single supplier' procurement route with a Lead Authority in place and using a 'concession' contract to engage a private sector partner able to transition existing CPS assets and deploy new charging infrastructure under the EVIF programme. The consensus is for one local authority to contract with the CPO on behalf of SoS authorities using one procurement process rather than a 'framework contract' approach. City of Edinburgh Council have agreed in principle to be the Lead Authority for procurement and centralised project management. If agreement with City of Edinburgh Council is not approved by their committee, SEStran have agreed to act as the lead authority.

4.0 Considerations

- 4.1 Collaborating to expand the EV network in the SoS region provides a range of benefits in the following areas.

Leveraging private sector investment means:

- a regional offer funded by a CPO which is subsidised by EVIF grant from Transport Scotland with no, or minimal, capital investment from the partner authorities to fund service delivery costs.
- the region is presented as a single market offering economies of scale, leading to better value and more competition from CPOs.
- a 'Lead Authority' model secures a single CPO, removing the risk of a single supplier from a 'framework contract'. Under a framework contract model a CPO would not be mandated to sign any contract call-off.
- a network designed to be efficient whilst maximising private investment by bundling sites in commercially attractive neighbourhoods with those in less commercially attractive areas.

- 4.2 Financial and commercial risks are better managed by:

- preventing competition between individual procurements across local authorities that may leave one, or more, without a supplier.
- minimising risks for authorities by transferring commercial, financial, technical and regulatory risks to a commercial partner, with a centralised operating team in place hosted by the Lead Authority or other partners so reducing contract management burdens.
- investing in infrastructure for areas of low utilisation. CPOs operating across the region can balance network utilisation across locations ensuring all communities are well served.

4.3 Generating income for contract management:

- allows a commercial partner to operate EV Charging Infrastructure on local authority land and assets with potential to generate income for SoS authorities through various arrangements, such as a combination of concession fees and revenue, or income share. A Lead Authority contract can pool resources and revenue to meet contract management costs.
- A Memorandum of Understanding (MoU) has been drafted which sets out the relationship between SEStran, the Lead Authority and partner authorities. This also sets out roles and responsibilities and governance arrangements for collaborative working during the procurement period. The MoU, which will be agreed by the Strategic Director: Place, ensures the council is represented during the procurement process, including preparation, tender documentation, bidder selection and evaluation.
- It demonstrates a commitment by the council to negotiate and enter into an Inter-Authority Agreement (IAA) that will determine the relationship between the authorities under the contract. The IAA will come into effect upon contract award.
- The proposed procurement will result in significant time savings across the SoS area avoiding work duplication that would otherwise need to be done individually by eight local authorities.

4.4 Significant economies of scale will be achieved using this procurement route including the cost of technical consultancy support, procurement and programme management which could exceed £300,000. These costs will be shared among the seven partner authorities and the Lead Authority.

4.5 As part of the concessionaire arrangement existing charging points will be transferred or managed by the concessionaire and there should also be provisions relating to new charging points and locations. A further report on this and implications arising will be brought back to Committee as these aspects develop.

4.6 Further information on considerations is contained within the attached Appendix 1.

5.0 Sustainability Implications

5.1 The proposed procurement seeks to achieve the outcomes of the Strategic Expansion Plan, including an increased rate of electric vehicle ownership across authority areas. This will drive decarbonisation and directly support the primary goals of the council's climate ambitions.

6.0 Resource Implications

6.1 Financial Details

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 ☒

- 6.2 The approach set out in this report aims to lever private sector investment so that no, or minimal, capital investment is required from participating authorities to expand EV charging infrastructure. There is not anticipated to be any need for capital investment. However, this cannot be confirmed before concluding the competitive dialogue process.
- 6.3 The Inter-Authority Agreement (IAA) will set out the contract's centralised long-term management, funded by income from the contract. The revenue implications for the council are minimal. Any surplus income could be distributed amongst the authorities based on an agreed formula.
- 6.4 Specific reports will be brought to council should arrangements diverge from the intended capital and revenue spend associated with the proposed network following competitive dialogue.
- 6.5 An IAA will be drafted using legal advisors appointed by the Lead Authority but involving colleagues from participating authorities formed into a 'legal working group'. The intention is to use EVIF grant to meet procurement and external legal and technical advice costs. EVIF grant will also be used to appoint independent legal advisors if an authority is not party to any joint instruction.
- 6.6 Participation in the procurement process will require officer involvement from Transportation, Procurement and Legal teams, including through working groups. This resource allocation will be reduced given the Lead Authority approach.
- 6.7 Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒
- 6.8 *Staffing* – the overarching contract will be managed by City of Edinburgh Council, however the day to day and local issues will be managed utilising existing staff resources.

7.0 Exempt Report

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

8.0 Declarations

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

(1) **Our Priorities**

- 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**

- Complies with relevant Council Policies ☒

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 ☒

An Equality and Diversity Impact Assessment has not been undertaken, as the proposed procurement does not require a change, or revision, to existing policies. The procurement seeks to achieve a market solution that delivers the outcomes outlined in the Forth Valley Strategy and Expansion Plan, including securing a just transition and delivering a range of community benefits.

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".

Further information on Considerations on Electric Vehicle Concession Model.

12.0 Background Papers

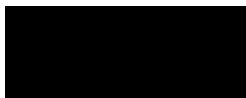
12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lesley Deans	Principal Transportation Planner	2597
Stuart Cullen	Transportation Team Leader	2593

Approved by

NAME	DESIGNATION	SIGNATURE
Kevin Wells	Strategic Director (Place)	

Appendix 1 – Further Information on Considerations of Electric Vehicles Concession Model

- 1.1. The approach to collaboration in expanding the EV network captures the desired outcomes present across all EV Strategy Expansion Plan areas, which includes:
- 1.2. **A resilient, accessible, customer-focused network:**
 - For service users, a consistent network across the region, with common charging policies, payment mechanisms and other functions;
 - ensuring deprived areas are not neglected in the electrification of transport;
 - a minimum level of service to areas designated as a public need, including locations that attract significant tourism and neighbourhood charging hubs where appropriate;
 - Infrastructure that is built to reflect the needs and local context of each local area, with a good geographic spread and a higher density of charging opportunities for those without access to off-street parking;
 - controls on tariffs that ensure the public receive good value and the authorities are not subsidising the tariff.
- 1.3. **Community and supply chain benefits:**
 - As with all major contracts, there is a requirement for the inclusion of community benefit clauses in the tender and procurement process;
 - In addition, the contract can provide for prioritisation of installations in particular locations to meet community benefits outcomes;
 - The network can act as a catalyst for sustainable and inclusive local economic development, ensuring that rural and urban communities benefit equitably and local supply chains are used.
- 1.4. **Wider-reaching benefits:**
 - supporting the wider Scottish Government objectives to provide a fairer, greener future where no one is left behind from the positive shift to a zero-emission transport system;
 - contributing to the just transition to net zero and enabling further e-mobility and shared mobility.
- 1.5. A collaboration of this nature requires a clear governance and decision-making process, and key decisions that require approval through the relevant local governance structures of each of the SoS authorities. Each authority is also proceeding through its own governance structures to delegate authority

as set out in the recommendations and above, including prior to any contract being entered into.

- 1.6. The SoS procurement programme will be delivered by the Lead Authority, in cooperation with seven Partner Authorities, with external technical and legal support where required.
- 1.7. A Memorandum of Understanding (MoU) has been drafted, which sets out the relationship between SEStran, the Lead Authority and Partner Authorities and roles and responsibilities and governance arrangements of collaborative working throughout the procurement period. The MoU, which will be agreed by the Director of Place ensures the Clackmannanshire is appropriately represented throughout the procurement process including in the preparation of contractual and tender documentation, the bidder selection and evaluation. It also commits Clackmannanshire to negotiate and enter into an Inter-Authority Agreement (IAA) that determines the relationship between the authorities under the contract. The IAA will come into effect upon contract award with the new CPO.
- 1.8. Authority officers have retained a proportion of the enabling EVIF to instruct an external legal firm to advise on the conclusion of an Inter-Authority Agreement.
- 1.9. The main benefits of pooling remaining enabling EVIF are:
- 1.10. **The ability to go to market:**
 - There is insufficient funding available for this Authority to go to market independently, or with a small subset of the SoS.
- 1.11. **Reduced duplication of effort:**
 - Significant savings in time across the region, avoiding duplication of work that would otherwise have to be done individually by eight local authorities
- 1.12. **Economies of scale:**
 - Significant economies of scale during the procurement phase, the cost of technical consultancy support, procurement, and programme management, which is likely to exceed £300,000, will be shared among the seven Partner Authorities and Lead Authority.
 - Additional savings under the Lead Authority arrangement associated with the centralised long-term contract management

Report to: Clackmannanshire Council

Date of Meeting: 30th January 2025

Subject: Early Learning and Childcare (ELC) Review

Report by: Adrienne Aitken, Senior Manager

1.0 Purpose

- 1.1 This paper provides an update on the Change Areas set out in the Early Learning and Childcare Review agreed at Council on 5th October 2023.

2.0 Recommendations

- 2.1 It is recommended that Council notes:
- 2.2 The updates and progress against the Change Areas as set out in the October 2023 paper.

3.0 Background

- 3.1 In October 2023, Council agreed to a new delivery model for Early Learning and Childcare which would provide efficiencies, namely:

Change Area 1 – Centralised Admissions
Change Area 2 – Continued suspension of admissions to Banchory ELC
Change Area 3 – 48 week per year operating model for Stand Alone ELCs
Change Area 4 – Contractual hours of 32.5 hours per week for all new posts

3.2 Change Area 1 – Centralised Admissions

- 3.2.1 In October 2023 the introduction of new a centralised admissions process was agreed. The new process was implemented in February 2024. As part of this process families are asked to identify their first, second and third choice of ELC for their child.

3.2.2 Almost all families were allocated their first choice of ELC setting at enrolment in February 2024. Where allocating their first choice was not possible, they were offered, and accepted, their second choice. There have been no appeals. The model is now fully implemented with a fully digitalised offer in place for admissions from February 2025.

3.3 Change Area 2 – Banchory ELC

3.3.1 In October 2023, Council agreed to the suspension of enrolments at Banchory ELC and gave a commitment to keep this under review. This resulted in no children in Banchory ELC from session 24/25. Families living in the catchment area of Banchory Primary school were prioritised as part of the centralised admissions process for 24/25 and received their first choice of ELC setting.

3.3.2 Banchory Primary school was able to benefit from re-purposing the space previously dedicated to the ELC provision. This enabled the provision of nurturing spaces to meet a wide range of children's needs. However, the Banchory school roll has continued to fall. This follows a pattern across most schools in Clackmannanshire due to falling birth rates. Banchory PS school roll in session 24/25 is 135. This has fallen from 201 since 2021/22. From session 22/23 there have been a total of 2 placing requests into Banchory with no placing requests this session. Over the same period, there has been a high number of placing requests outwith the Banchory catchment into other Tullibody primary schools. This means that there is now sufficient space within the school to maintain adequate flexible/nurture space within the school, at the same time, reinstating space for ELC. This offers an opportunity to re-open admissions from February 2025 for session 25/26 and beyond. An updated Learning Estate Strategy will be brought to Council later in 2025.

3.3.3 Initial engagement with the parent council has taken place and parents/carers will be advised that admissions will re-open for 3 and 4 year olds from February 2025. 16 places will be available in Banchory ELC as part of the Centralised Admissions process.

3.4 Change Area 3 – 48 week Operating Model

3.4.1 The 4 Stand Alone ELC settings (Tulach, Menstrie, Park and Sauchie) have now moved to a 48 week provision. This has resulted in continued choice of provision for families for example five mornings, 2.5 days or five days during term time. All options provide children with 1140hours of quality early learning and childcare.

3.5 Change Area 4 – New 32.5 hrs per week contracts

- 3.5.1 Early years educator vacancies and new posts are advertised at 32.5 hours. To date seven new staff have been employed on this basis. This has resulted in a more efficient service whilst maintaining quality experiences for children and families.

4.0 Sustainability Implications

- 4.1 No sustainability implications are identified.

5.0 Resource Implications

- 5.1 Financial Details

- 5.2 Savings related to the ELC Review, as agreed in 23/24 and 24/25 Budgets, will be achieved.

5.3 Staffing

Re-opening of Banchory ELC can be implemented within existing budgets.

6.0 Exempt Reports

- 6.1 Is this report exempt? No

7.0 Declarations

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

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

Complies with relevant Council Policies ☒

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.

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? YES (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)


Early Learning and Childcare (ELC) Review, 5th October 2023

<https://www.clacks.gov.uk/document/meeting/1/1201/7695.pdf>

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Adrienne Aitken	Senior Manager	2378

Approved by

NAME	DESIGNATION	SIGNATURE
Lorraine Sanda	Strategic Director (People)	

Councillor Ellen Forson
Leader of the Council

Ward 4 Clackmannanshire South (Multi Member Ward)
Kilncraigs, Greenside Street, Alloa, FK10 1EB
Email: membersservices@clacks.gov.uk



**Clackmannanshire
Council**

www.clacks.gov.uk

Comhairle Siorrachd
Chlach Mhanann

**THIS PAPER RELATES TO
ITEM 13
ON THE AGENDA**

Motion to Clackmannanshire Council Meeting 30th January 2025

That Council notes the attached correspondence received by the Leader of the Council, acknowledges that the Leader does not have the delegated authority to unilaterally agree to the request contained within the correspondence on behalf of the Council, and resolves to determine the Council's position on the request received from Daphne Hamilton.

On this basis I am submitting the information received from Daphne Hamilton to allow Council to resolve its position in respect of the request.



Councillor Ellen Forson
Ward 4, Clackmannanshire South

16th January 2025

UNFAIR NAE MAIR - Is a group of Alloa businesses seeking lower levy charges from Alloa First
Using actual non-domestic rateable values [NDR] the tables illustrate the kind of levies paid by businesses in the Alloa First Business Improvement District (BID) compared with (35) BIDs across Scotland and neighbouring BIDs (in 2023)

Non-domestic RV [NDR] £3,600				of 35 BIDs
Median	£200	Average	£184	
Alloa First Levy 2024	9%	£312		
ClacksFirst Levy	2.5%	£90		
Falkirk Levy	1.25%	£50		
GoforthStirling Levy	1.25%	£45		
Alloa First Levy 2018	7%	£240		

- a. 30% increase for Band A levy payers 2024-2028
- b. 42% of NDR for Council's air testing station in Alloa
- c. 328% of NDR (non-domestic rate) on Police Dog Kennels
- d. Goforth Stirling Opt in if NDR less than (<) £10k
- e. Levy 9% of NDR highest in Scotland at RV £3,600
- f. Falkirk fixed one off payment £50 if NDR less than £5k

Non-domestic RV £9,000				of 35 BIDs
Median	£250	Average	£251	
Alloa First Levy 2024	7%	£624		
ClacksFirst Levy	2.50%	£225		
Falkirk Levy	1.25%	£100		
GoforthStirling Levy	1.25%	£113		
Alloa First Levy 2018	6%	£540		

- a. 16% increase for band B businesses 2024-2028
- b. Goforth Stirling Opt in if levy <£10,000 at 1.25% of NDR
- c. Falkirk one off payment of £100 levy if NDR =>£5001 & = <£10,000
- d. £624 is highest town BID levy in Scotland at this NDR level
- e. % of NDR charged by Alloa First continues to be above the norm
- f. Falkirk businesses in the BID area pay 1.25% of NDR over £10k

The impact of banded levies	Direction & % of NDR Change		NDRs		Alloa First (AF)		Unfair Nae Mair 2.5%		AF Levy changes 2024		
			2018 RV	2023 RV	2018 Levy	2024 Levy	2018 if 2.5%	2024 if 2.5%	% increase	Direction	
EXAMPLE A	Up	⬆️	28%	£5,800	£7,400	£240	£416	£145	£185	73%	⬆️
EXAMPLE B	Down	⬇️	16%	£7,500	£6,300	£340	£416	£188	£158	22%	⬆️

Using bands disguises the real levy levels. Using percentage of individual NDRates creates greater transparency. Alloa First directors set the levy levels. The legal route to change the levy is for directors to hold an alteration ballot

Non-domestic RV £35,250				of 35 BIDs
Median	£595	Average	£641	
Alloa First Levy 2024	3%	£1,041		
ClacksFirst Levy	2.5%	£881		
Falkirk Levy	1.25%	£441		
GoforthStirling Levy	1.25%	£441		
Alloa First Levy 2018	3%	£940		

- a. 11% increase for levy payers in Band E 2024-2028
- b. Levy above all other BIDs within a 25 mile radius of Alloa
- c. £570 is the highest levy for the other 3 BID towns
- d. Alloa First charges hundreds more than neighbouring BIDs
- e. BIDs charging less in 2023 than Alloa First did in 2018!
- f. Since 2008 the Council has failed to recognise the "disproportionate financial burden" * on small businesses

Non-domestic RV £50,001				of 35 BIDs
Median	£795	Average	£928	
Alloa First Levy 2024	4%	£1,872		
ClacksFirst Levy	2.5%	£1,250		
Falkirk Levy	1.25%	£625		
GoforthStirling Levy	1.25%	£625		
Alloa First Levy 2018	2%	£1,041		

- a. 80% increase on NDR of £50,001 + at renewal in 2023
- b. Kilncraigs (Council HQ), pays a levy of just 0.004%
- c. NDR of £50,001+ and above is top band - Council HQ is £470,000
- * Planning etc (Scotland) Act 2006 Part 9 42(4)(c)(i)(ii)

So if every business had A PROPORTIONATE LEVY of 2.5% of non-domestic rate this would raise a potential £97,000 a year. A 90% collection would raise c£437,000 over 5 years.

A CALL FOR FAIR BID LEVIES BY Dec. 2025



Achievable with support of BID businesses and Alloa First



UNFAIR NAE MAIR

...is a group of Alloa business owners calling for an Alteration ballot to cut the levy levels charged by Alloa First

WHY? Because:

- .. a shocking third of businesses pay 30% more than before the renewal ballot in 2023
- ..Alloa town centre businesses have been paying high levies since the start of the BID in 2008
- .. levies disproportionately disadvantage Alloa town centre businesses
- ..Stirling, ClacksFirst, and Falkirk BIDs charge up to a maximum of 2.5% and did not increase on renewal (**see over**)
- ..Alloa First, charges a levy up to 328% of non-domestic rate for businesses in the BID
- ..**it is the only way to create a fairer more affordable BID for all**

Unfair Nae Mair have:

- researched BID levies and services across Scotland
- met with directors of Alloa First and had their levy concerns dismissed by them
- consulted the Scottish Government funded BID agency Scotland's Towns Partnership, and Improvement Districts Scotland
- had another 5 years of Alloa First imposed on them by a 25 business majority where **one hundred and ten** businesses did not vote!
- identified 29 votes held by publicly funded bodies eg Clacks Council 14, Police 5, DWP 1, Scottish Courts 2, CTSI 2, Alloa First 1, FVCollege 1,etc
- called on Scottish Ministers, to revisit the regs. to limit levy levels to a max 4% of non-domestic rate
- **to ask you: "Are you happy with the hike in the levy since 2023?"**

A CALL FOR FAIRNESS

WHY was this "derelict" school included in the 2023 renewal ballot?
And the air testing station on King Street- such properties are frequently excluded from BID levies and votes.

**Your voice matters
make it heard
TODAY**

**If you support the call for an
ALTERATION BALLOT**

email:

unfairnaemair@outlook.com

or TEXT: 07928 284 055

**Subject: - My business supports an
Alteration Ballot -**

**Include: your name and business
address.**

(Closing date 15 October 2024)

IN THE FOREFRONT OF CHANGE

ALLOA FIRST (Population of Alloa 14 thousand & c246 BID levy properties)*							
Levy Banding	A	B	C	D	E	F	G
NDR** from	£95	£6,001	£8,500	£13,101	£22,251	£36,251	£50,001
NDR to	£6,000	£8,499	£13,100	£22,250	£36,250	£50,000	
% From	328.42%	6.90%	7.34%	6.30%	4.60%	3.70%	3.70%
% To	5.20%	4.89%	4.70%	3.70%	2.86%	2.70%	0.004%
Levy	£312	£416	£624	£832	£1,040	£1,352	£1,872
No. of NDRPs if known	80	32	50	41	21	10	12
Levy raised	£24,960	£13,312	£31,200	£34,112	£21,840	£13,520	£22,464
Grand Total	£161,408	An increase of 60% on BID renewal in 2023					

**Levies are based on non-domestic rates (NDR) set periodically by the Scottish Assessors Association

[Levies are in place for 5 years, any change requires an Alteration ballot.]

Key Levies above 4%

One LINLITHGOW BID (Population of Linlithgow 13 thousand & c 241 BID levy properties)														
Levy Banding	A	B	C	D	E	F	G	K	L	M	N	O	P	Q
NDR from	£0	£1,000	£5,000	£10,000	£20,000	£30,000	£40,000	£50,000	£60,000	£80,000	£100,000	£200,000	£300,000	£400,000
NDR to	£999	£4,999	£10,000	£19,999	£29,999	£39,999	£49,999	£59,999	£79,999	£99,999	£199,999	£299,999	£399,999	
% From	Voluntary	0.90%	3.8%	3.30%	2.20%	1.90%	2.25%	2.40%	2.40%	2.25%	2.40%	2.00%	1.93%	
% To		1.80%	1.90%	1.65%	1.50%	1.46%	1.80%	2.00%	1.90%	1.80%	1.20%	1.33%	1.45%	1.50%
Levy	£0	£90	£190	£330	£440	£570	£900	£1,200	£1,500	£1,800	£2,400	£4,000	£5,800	£6,000
No. of NDRPs if known	0	54	78	72	13	6	3	4	4	0	3	1	2	1
Levy raised	£0	£4,860	£14,820	£23,760	£5,720	£3,420	£2,700	£4,800	£6,000	£0	£7,200	£4,000	£11,600	£6,000
Grand Total	£94,880	No increase on BID renewal in 2024 ^												

*Alloa First property numbers have been abstracted from the SAA website (based on 2023 rateable values). Levy banding from Alloa First Business Plan

^ Figures taken from the OneLinlithgow BID Business Plan 2024 (Non-domestic rates based on 2023 valuation)

unfairnaemair@outlook.com

Unfair Nae Mair - 4% MAX November 2024

Unfair Nae Mair - 4% Max

A Business Improvement District (BID) comparison between:

Alloa First Co.Ltd and the nearest small town BID One Linlithgow

Alloa First, has placed an unfair burden on the majority of BID businesses in Alloa. Linlithgow **levies deliver similar services to Alloa First**, but One Linlithgow keeps levies at an inclusive level and below 4%, as do Stirling, Falkirk, and ClacksFirst BIDs. **A voluntary association, Unfair Nae Mair - 4% MAX** is determined to bring about change in Alloa and across Scotland. Why? Because there is no cap in Scotland, and the evidence shows that without a cap Scotland's small independent businesses have no protection from ill-advised BID companies. Levies are capped at 4% in England and are normally 1 to 2.5% of NDR. **To encourage support for Business Improvement Districts, a regulation cap of 4% MAX is needed in Scotland.**

Councillor Craig Holden

Ward 4 Clackmannanshire South (Multi Member Ward)

Kilncraigs, Greenside Street, Alloa, FK10 1EB

Telephone: 01259 452283

Email: cholden@clacks.gov.uk



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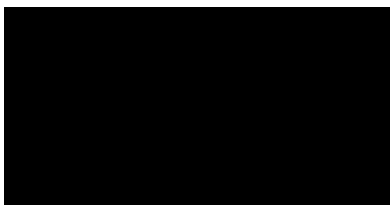
Comhairle Siorrachd
Chlach Mhanann

**THIS PAPER RELATES TO
ITEM 14
ON THE AGENDA**

Contact: Lynne Clark
Business Support Officer
Telephone: 01259 452015
Email: lclark@clacks.gov.uk
Our ref: CH/LC
Date: 17th January 2025

Motion to Meeting of Clackmannanshire Council 30th January 2025

“Council agrees to undertake an Equality Impact Assessment of School Transport Policies which shall be brought back to Council for consideration within a period of three months.”



Councillor Craig Holden

Ward 4, Clackmannanshire South

