



**Clackmannanshire  
Council**

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Comhairle Siorrachd  
Chlach Mhanann

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

# **Meeting of Clackmannanshire Council**

**Thursday 26 June 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](http://www.clacks.gov.uk)

If you require further information about Council or Committee meetings, please contact Committee Services by e-mail at [committees@clacks.gov.uk](mailto:committees@clacks.gov.uk) or by telephone on 01259 452006 or 452004.

**18 June 2025**

**A MEETING of the CLACKMANNANSHIRE COUNCIL will be held in the COUNCIL CHAMBER, KILNCRAIGS, ALLOA, on THURSDAY 26 JUNE 2025 at 9.30 AM**



**NIKKI BRIDLE**  
**Chief Executive**

**B U S I N E S S**

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1. Apologies	--
2. Declaration of Interests Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Services Officer.	--
3. Minutes of Meeting of Clackmannanshire Council held on 15 May 2025 (Copy herewith)	07
4. Medium Term Financial Strategy 2025 – report by the Section 95 Officer (Partnership and Performance) (Copy herewith)	15
5. Be the Future: Clackmannanshire Transformation Space Update - report by the Strategic Director (People) (Copy herewith)	85
6. Equalities Impact Assessment of Home to School Transport Policy – report by the Strategic Director (People) (Copy herewith)	97
7. South of Scotland Electric Vehicle Strategy and Update – report by the Strategic Director (Place) (Copy herewith)	101
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| 11. | Notice of Motion in terms of Standing Order 16.0 -<br>Potential for Banking Services at the Speirs Centre - motion<br>submitted by Councillor Ellen Forson (Copy herewith) | 197 |
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## **EXEMPT INFORMATION**

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

It is considered that the undernoted items are treated as exempt from the Council's general policy of disclosure of all papers by virtue of Schedule 7A, Part 1, Paragraph 9 of the Local Government (Scotland) Act 1973.

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| 12. | Asset Rationalisation – June 2025 – report by the Strategic<br>Director (Place) (Copy herewith) | 199 |
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## **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 (Membership 18 - Quorum 5)

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### 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

### Religious Representatives

We must appoint three religious representatives in accordance with Section 124 of the 1973 Act (inserted by Section 31 of the 1994 Act).

Religious representatives only have voting rights on matters relating to the discharge of the authority's function as education authority.

Our representatives are:

Reverend Sang Y Cha – Church of Scotland

Father Michael Carrie – Roman Catholic Church

Pastor Dee Jess – Baptist Church

Updated April 2025





**MINUTES OF MEETING of the CLACKMANNANSHIRE COUNCIL held in the Council Chamber, Kilncraigs, Alloa, on Thursday 15 May 2025 at 9.30 am.**

**PRESENT**

Provost Donald Balsillie (Provost) (Chair)  
Councillor Martha Benny  
Councillor Denis Coyne  
Councillor Kenneth Earle  
Councillor Ellen Forson  
Councillor Wendy Hamilton  
Councillor Scott Harrison  
Councillor Craig Holden  
Councillor Fiona Law  
Councillor Darren Lee  
Councillor Graham Lindsay  
Councillor Kathleen Martin  
Councillor Bryan Quinn  
Councillor Janine Rennie

**IN ATTENDANCE**

Nikki Bridle, Chief Executive (Via Teams)  
Chris Alliston, Strategic Director (Partnership & Performance)  
Lorraine Sanda, Strategic Director (People) (Professional Adviser to the Chair)  
Kevin Wells, Strategic Director (Place)  
Lindsay Sim, Chief Finance Officer (Partnership & Performance)  
Colin Bruce, Chief Education Officer (People) (Via Teams)  
Adrienne Aitken, Improving Outcomes Team Leader (People) (Via Teams)  
Lee Robertson, Senior Manager, Legal and Governance (Partnership & Performance) (Clerk to the Council)  
Wendy Forrest, Head of Strategic Planning & Health Improvement (HSCP)  
Claire Fullarton, Communications Officer (Partnership & Performance) (Via Teams)  
Sarah Goldberg, Team Leader, Legal and Governance (Partnership & Performance) (Via Teams)  
Alastair Hair, Team Leader/Senior Manager (Partnership & Performance)  
Sarah Langsford, Team Leader/Senior Manager (Partnership & Performance) (Via Teams)  
Cherie Jarvie, Senior Manager, Partnership & Transformation (Partnership & Performance)  
Nicola Mack, Chief Accountant (Partnership & Performance) (Via Teams)  
Carla MacFarlane, Communications Officer (Partnership & Performance) (Via Teams)  
Joanna McDonald, Interim Chief Officer for Clackmannanshire and Stirling Health and Social Care Partnership (HSCP)  
Ewan Murray, Chief Finance Officer, Clackmannanshire and Stirling Health and Social Care Partnership  
Wendy Robertson, Senior Manager Transformation (via Teams)  
Murray Sharp, Senior Manager, Housing (Place) (Via Teams)  
Robbie Stewart, Senior Manager, Sport and Leisure (People) (Via Teams)  
Donna Tierney, Accountant (Partnership & Performance) (Via Teams)  
Melanie Moore, Committee Services (Partnership & Performance)  
Gillian White, Committee Services (Partnership & Performance) (Minute)

**CC(25)031      APOLOGIES**

Apologies were received from Councillor Phil Fairlie (Convener), Councillor William Keogh, Councillor Jane McTaggart and Councillor Mark McLuckie. In the Convener's absence, the Provost, Councillor Donald Balsillie took the Chair.

## **CC(25)032      DECLARATIONS OF INTEREST**

There were no declarations of interest.

The Provost advised that an item of urgent business had been submitted to the Council for consideration:

### **E-mail from Sauchie Public Hall SCIO**

A motion which asked Council to request an urgent verbal update from the Strategic Director for Place on the progress of the transfer of Sauchie Hall and a response to the issues raised in the group's correspondence was submitted by Councillor Ellen Forson as a matter of urgent business. The Provost agreed that the motion would be taken as a matter of urgent business to allow the Council the opportunity to hear the update. The Provost advised that this item would be taken as the final item of business.

## **CC(25)033      MINUTES OF CLACKMANNANSHIRE COUNCIL – 20 MARCH 2025**

The minutes of the meeting of the Clackmannanshire Council held on 20 March 2025 were submitted for approval.

### **Decision**

The minutes of the meeting of Clackmannanshire Council held on 20 March 2025 were agreed as a correct record and signed by the Provost.

### **Action**

Clerk to the Council

## **CC(25)034      MINUTES OF THE PETITIONS COMMITTEE – 3 APRIL 2025**

The minutes of the meeting of the Petitions Committee held on 3 April 2025 were submitted for approval from those members of the Petitions Committee who were in attendance.

### **Decision**

The minutes of the meeting of the Petitions Committee held on 3 April 2025 were agreed as a correct record by those members who attended the Petitions Committee and signed by the Chair of the Petitions Committee, Councillor Scott Harrison.

### **Action**

Clerk to the Council

## **CC(25)035      COMMITTEE RECOMMENDATIONS REFERRED TO COUNCIL**

The report, submitted by the Chief Executive, sought Council approval of recommendations which had been made by the Petitions Committee on 3 April 2025 and the Audit & Scrutiny Committee on 17 April 2025.

### **Motion**

To agree the recommendations as set out in the report.

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

### **Decision**

1. From the **Petitions Committee**, in relation to the "*Public Petitions – Tillicoultry RAAC Homeowners*", where the Petitions Committee considered the petition, and the information presented to it; and made recommendations to Council for the disposal of the petition.

The Council agreed:

- 1.1. **In response to the request to provide pre-RAAC declaration valuations** – that a feasibility study, based on Royal Institution of Chartered Surveyors (RICS) requirements, is carried out by officers and surveyors to establish whether a mechanism for both pre and post RAAC valuations can be carried out as at the date of the Petitions Committee (3 April 2025).
- 1.2. **In response to the request to provide financial support for RAAC-related costs** – that the Council explores all avenues within existing frameworks to provide support in whatever form that takes including all sectors.
- 1.3. **In response to the request a public enquiry** – that the Council take no further action on this request at this time.
- 1.4. **In response to the request for Council to advocate for a National Financial Support Fund** – that the Council actively and more visibly lobby the Scottish Government and the UK Government for the establishment of a national financial support fund for RAAC-affected homeowners.
- 1.5. To note that the report relating to the Petitions Committee held on 3 April 2025 is available on the Council's website [Public Petition – Tillicoultry RAAC Homeowners](#)
2. From the Audit and Scrutiny Committee, in relation to the “Staff Survey 2024”, where the Audit and Scrutiny Committee noted the results of the survey; and made recommendations to Council.

The Council agreed:

- 2.1. The move to a bi-annual survey process.
- 2.2. To note that the report relating to the Audit and Scrutiny Committee held on 17 April 2025 is available on the Council's website [Staff Survey 2024](#).

#### **Action**

Chief Executive

#### **CC(25)036 BE THE FUTURE UPDATE: CLACKMANNANSHIRE AND FALKIRK COLLABORATION WORK**

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 report provided an update on the top three themes, and progress on the Collaboration Work with Falkirk Council.

#### **Motion**

To agree the recommendations in the report.

Moved by Councillor Ellen Forson. Seconded by Council Graeme Lindsay.

#### **Decision**

The Council noted:

1. Progress on the top three priority areas (paragraphs 3.1-3.6), and
2. Progress on the Collaboration Work with Falkirk Council (paragraphs 4.0-4.8).

## **CC(25)037      BUDGET STRATEGY UPDATE**

The report, submitted by the Chief Finance Officer, maintained Council's regular update on the approved Budget Strategy. The report provided an update on the post-Budget context and set the timetable and key milestones to commence the 2026/27 Budget process.

### **Motion**

To agree the recommendations in the report.

Moved by Councillor Ellen Forson. Seconded by Council Graeme Lindsay.

### **Decision**

The Council:

1. Agreed the high-level Budget Timetable (Appendix A);
2. Noted the extremely challenging financial position and financial risks faced by the Council and the mitigations being put in place to manage these risks (paragraphs 3.1 to 3.6);
3. Noted that a Medium-Term Financial Strategy (MTFS) is being developed and will be presented to Council in June (paragraph 3.7);
4. Noted that the indicative funding gap is £7.340m in 2026/27 rising to £19.132m by 2029/30 (paragraph 3.5 and Exhibit 2);
5. Noted the arrangements for 2026/27 budget preparation, including the work of the Budget Working Group and the proposed scheduling of three tranches of Budget Challenge sessions (paragraphs 4.1 to 4.3 and Appendix A);
6. Noted the approach to the preparation of the HRA 2026/27 Revenue and Capital Budgets (paragraphs 4.4 to 4.6);
7. Noted the establishment of a cross-party working group to support the budget setting process (paragraph 4.7); and
8. Note the ongoing work with CoSLA and the Scottish Government to raise awareness of the systemic and contextual challenges facing Clackmannanshire (paragraph 4.9).

### **Action**

Chief Finance Officer

## **CC(25)038      COMMISSIONING CHANGE TO THE MODEL OF LONG-TERM CARE FOR OLDER ADULTS AND THE IMPACT FOR CLACKMANNANSHIRE COUNCIL**

The report, submitted by Joanna MacDonald, Interim Chief Officer, provided Clackmannanshire Council with an update on the Integration Joint Board's decision made in March 2025 regarding changes to the commissioning model for long-term care for older adults, and the resulting implications for the capital asset of Menstrie House.

### **Motion**

To agree the recommendations in the report.

Moved by Councillor Ellen Forson. Seconded by Council Wendy Hamilton.

## **Decision**

The Council:

1. Noted that, the Integration Joint Board made the decision in March 2025, to approve a change in the model of long-term care in Clackmannanshire resulting in a permanent service change. As a result, Menstrie House will become surplus to requirements for its current use by December 2025; and
2. Noted the return of Menstrie House asset to the Council's Property Service Portfolio and agreed to receive an options appraisal of potential future use of the asset as outlined in paragraph 3.7.

## **Action**

Joanna MacDonald, Interim Chief Officer

### **CC(25)039      EQUALITY IMPACT ASSESSMENT OF HOME TO SCHOOL TRANSPORT POLICY**

The report, submitted by the Strategic Director (People), updated the Council on progress following its request for an Equality Impact Assessment (EQIA) of the Councils School Transport Policies which was to be brought back to Council for consideration in May 2025.

## **Motion**

To agree the recommendations in the report.

Moved by Councillor Graeme Lindsay. Seconded by Councillor Fiona Law.

## **Decision**

The Council:

1. Noted the progress being made on the completion of the EQIA and agreed that a completed EQIA be brought back to the meeting of Council on 26 June 2025.

## **Action**

Strategic Director, People

*Councillor Darren Lee withdrew from the meeting at 11.46 am prior to the following item of business.*

### **CC(25)040      DRUGS & ALCOHOL POLICY PILOT REVIEW**

The report, submitted by the Strategic Director (Partnership and Performance), provided an update to Council on the implementation of the Drugs and Alcohol Policy in 2023, with a particular focus on the pilot of 'with cause' testing.

## **Motion**

To agree the recommendations set out in the report.

Moved by Councillor Fiona Law. Seconded by Councillor Wendy Hamilton.

## **Decision**

Having challenged and commented on the report, the Council:

1. Approved the Drugs & Alcohol Policy as outlined at Appendix 1 which was originally presented to Council in February 2023; and
2. Noted that by approving, this introduces the permanent implementation of 'with cause' testing.

**Action**

Strategic Director, Partnership and Performance

*The Provost adjourned the meeting at 12.22 am for a comfort break. When the meeting resumed at 12.35 pm, 13 members remained present.*

**CC(25)041      MOTION TO COUNCIL – PARKING ENFORCEMENT**

A notice of motion in terms of Standing Order 16.0 was submitted by Councillor Craig Holden.

**Motion**

"Council recognises that inconsiderate, obstructive and dangerous parking is a major risk to public safety. Council agrees, therefore, to write to Police Scotland requesting that they undertake a review of their current approach to parking enforcement within Clackmannanshire and outline what steps they are prepared to take to ensure that public confidence is maintained in this key part of Police Scotland's public safety remit.

Council further agrees for Officers to bring forward an outline plan with options to a future meeting of Council in relation to its decision on 24 October 2019 to pursue a Decriminalised Parking Enforcement Scheme in Clackmannanshire, no later than the end of this calendar year."

Moved by Councillor Craig Holden. Seconded by Councillor Kenneth Earle.

**Decision**

Having recognised that inconsiderate, obstructive and dangerous parking is a major risk to public safety, the Council agreed:

1. To write to Police Scotland requesting that they undertake a review of their current approach to parking enforcement within Clackmannanshire and outline what steps they are prepared to take to ensure that public confidence is maintained in this key part of Police Scotland's public safety remit; and
2. That Officers to bring forward an outline plan with options to a future meeting of Council in relation to its decision on 24 October 2019 to pursue a Decriminalised Parking Enforcement Scheme in Clackmannanshire, no later than the end of this calendar year.

**Action**

Strategic Director (Place)

**CC(25)042      MOTION TO COUNCIL – CLACKMANNANSHIRE AND STIRLING HEALTH AND SOCIAL CARE INTEGRATION SCHEME**

A notice of motion in terms of Standing Order 16.0 was submitted by Councillor Ellen Forson.

**Motion**

"Council instructs the Chief Executive to initiate the dispute resolution process as set out in Section 14 of the Clackmannanshire and Stirling Health and Social Care Integration Scheme.

The dispute concerns two key issues:

- a) the process and governance arrangements for reviewing the Integration Scheme; and



- b) the need to formalise partner arrangements for reviewing the Integration Joint Board's Strategic Commissioning Plan.

The Chief Executive is further instructed to explore opportunities to align this process with the dispute initiated by Stirling Council, in order to maximise efficiency across all partners."

Moved by Councillor Ellen Forson. Seconded by Councillor Wendy Hamilton.

### **Decision**

The Council agreed:

1. To instruct the Chief Executive to initiate the dispute resolution process as set out in Section 14 of the Clackmannanshire and Stirling Health and Social Care Integration Scheme. The dispute concerns two key issues:
  - 1.1. the process and governance arrangements for reviewing the Integration Scheme; and
  - 1.2. the need to formalise partner arrangements for reviewing the Integration Joint Board's Strategic Commissioning Plan.
2. That the Chief Executive is further instructed to explore opportunities to align this process with the dispute initiated by Stirling Council, in order to maximise efficiency across all partners."

### **Action**

Chief Executive

## **CC(25)043 URGENT MOTION TO COUNCIL – SAUCHIE PUBLIC HALL SCIO**

A notice of motion in terms of Standing Order 16.0 was submitted by Councillor Ellen Forson and accepted by the Provost as an item of urgent business.

### **Motion**

"In light of the email received by all elected members on Tuesday from Sauchie Public Hall SCIO, Council requests an urgent verbal update from the Strategic Director for Place on the progress of the transfer of Sauchie Hall, and a response to the issues raised in the group's correspondence."

Moved by Councillor Ellen Forson. Seconded by Councillor Scott Harrison.

### **Decision**

Having heard a verbal update from Kevin Wells, Strategic Director and having had the opportunity to ask questions of officers present, the Council agreed to note the verbal update.

Ends: 2.00 pm



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**Report to : Clackmannanshire Council**

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**Date of Meeting: 26 June 2025**

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**Subject: Medium Term Financial Strategy 2025**

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**Report by: Section 95 Officer**

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## **1.0 Purpose**

- 1.1. The purpose of this report is to present the Council's Medium Term Financial Strategy (MTFS) for approval. This proposed MTFS represents progress in delivering the Council's Best Value Action Plan, agreed on 28 November 2024, following receipt of the Controller of Audit report and Accounts Commission Findings in September 2024.

## **2.0 Recommendations**

- 2.1. Council is asked to:

- 2.1.1. agree the Medium Term Financial Strategy (Appendix A)
- 2.1.2. note that further updates on the budget strategy and budget gap will be reported as usual through the regular Budget Strategy Update reports to Council
- 2.1.3. note the significant uncertainties which continue to prevail from a financial planning perspective, including those in respect of external financial pressures and the quantification of funding levels for future years (paragraph 3.4)
- 2.1.4. note that the progress, financial impact and timescales associated with key service and financial sustainability measures being taken forward by the Council will be reviewed on a regular basis, and consequential updates made to the MTFS as appropriate (Paragraphs 3.4-3.6)
- 2.1.5. note that the Financial Resilience Framework will be developed following agreement of the Council's MTFS (paragraph 3.7).

### 3.0 Considerations

- 3.1. In November 2024, Council agreed its Best Value Action Plan which included the following proposed actions in response to the recommendation that *‘The Council should urgently develop a medium-term financial strategy to set out how it intends to achieve financial sustainability’*:

*“While the Council regularly engages in scenario planning to prepare for various economic conditions, the Chief Finance Officer will develop a Medium-Term Financial Statement. This statement will incorporate insights from multiple sources, including Budget Strategy updates and Be the Future updates, which are routinely reported to the Council and relevant committees.*

*Lobbying SG and COSLA re the systemic funding issues/mechanisms impacting adversely on Clackmannanshire- aim to positively influence pre-budget engagement*

*TOM- mixed economy of service delivery models agreed in October 2022- this aims to build on and augment the Council’s extensive range of collaborations and significant work currently under consultation at Regional level*

*Council approved Investment Strategy and has leveraged significant external resource from both SG, Sport Scotland, Hunter Foundation, Vardy Foundation and through partnership with other agencies and third sector (£ and expertise)*

*The work to develop the FWP Transformation Funding Vehicle will contribute to a medium and longer term financial strategy in relation to the model of public service delivery.*

*Working collaboratively with HSCP Partners to encourage establishment of robust Recovery Plan supported by transparent due diligence over proposals re IJB overspend’*

- 3.2. Following the approval of this Action Plan, and the Council’s 2025/26 budget, work has been progressed at pace to consolidate key information into a single Medium Term Financial Strategy document.
- 3.3. Council will also note that the other key actions focussed on delivering service and financial sustainability (per paragraph 3.1) are also being prioritised and that Council has received separate updates on this work through the regular Be the Future and Budget Strategy Update reports.

3.4. Appendix A sets out the proposed MTFS for approval. Key points to note are:

3.4.1. The MTFS pulls together information from a wide variety of sources to allow the Council to demonstrate how it intends to manage its finances in the medium term (up to 5 years), drawing on the established foundations of robust financial management, a track record of delivering planned savings, strong history of partnership and collaboration and a creative and innovative approach to service design and delivery through the Council's agreed Be the Future Target Operating Model and Transformation Programme

3.4.2. The financial and socio-economic context within which the Council is operating remains challenging and highly uncertain as set out in the 2025/26 Budget reports to Council in February 2025. For this reason, spending restraint and the recruitment to critical posts only, implemented during the 2024/25 financial year, will continue during 2025/26. This position will be reviewed regularly throughout the year, informed by the Council's quarterly outturn forecasts and updates on any financial areas of uncertainty. This position will be reported to the Audit and Scrutiny Committee and/ or Council as appropriate

3.4.3. The indicative funding gap for 2026/27, after the setting of the 2025/26 budget, is £7.340m, with a cumulative gap of £19.132m by 2029/30. This is based on current assumptions and will be updated through the regular Budget Strategy updates to Council throughout the year.

**Exhibit 2: General Services Budget 2025/26-2029/30 Indicative funding gap**

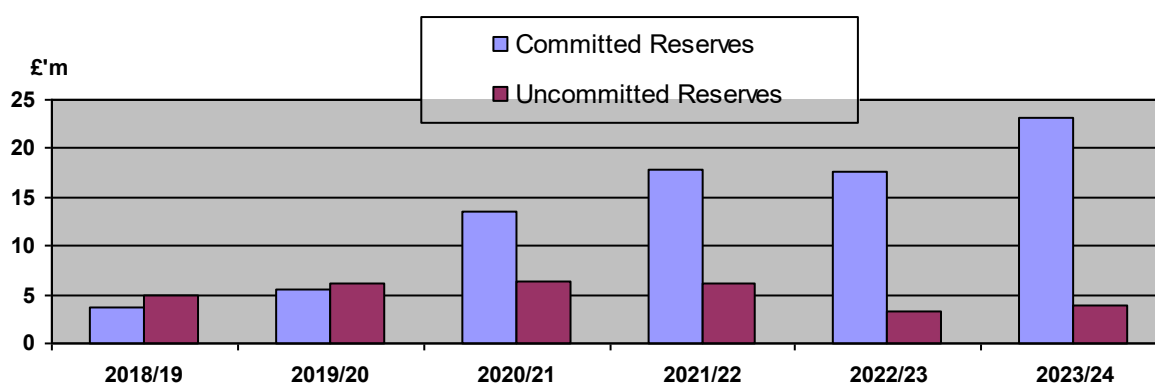
	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net Expenditure	170,980	179,396	186,987	194,663	201,763
Net Funding	(170,980)	(172,056)	(174,984)	(178,430)	(182,631)
Cumulative indicative Funding Gap	-	7,340	12,003	16,233	19,132
Annual indicative Funding Gap	-	7,340	4,663	4,230	2,899

3.4.4. The MTFS sets out a range of financial planning assumptions, uncertainties and risks. These are further considered in a range of High, Medium and Low financial planning scenarios which enhance the sensitivity analysis with regards the routine financial planning information reported to Council, showing the significant impact of potential changes in assumptions such as pay, demand and inflationary pressures, Grant funding and other income sources such as Council tax levels and Non-Domestic Rate income. The MTFS suggests the gap could rise as high as £47.8m under adverse conditions

3.4.5. The level of scrutiny in respect of the Council's reserves position has been enhanced as previously advised. The Council's current uncommitted reserves balance is £3.420m or 2% of net expenditure.

3.4.6. External Audit have highlighted the trend in the Council's utilisation and earmarking of reserves and this is set out at Exhibit 1 below. Exhibit 1 shows low levels of uncommitted reserves and increasing balances of earmarked reserves. This has been in part due to the receipt of one-off and/ or ring-fenced monies such as the receipt of grant funding which should be utilised in line with any terms and conditions. These balances are considered through routine budget monitoring to ensure utilisation, increase visibility, scrutiny and transparency, and to facilitate the timely release of funds no longer required.

**Exhibit 1: Earmarked reserves trends**



3.4.7. In light of these current challenges, the Council is undertaking a range of activities which aim to mitigate the service and financial risk exposure scenarios detailed, these include:

- 3.4.7.1. Prioritising the political and managerial awareness raising and lobbying with regards the systemic challenges facing the Council with key partners, including the Scottish Government, COSLA, Deloitte, the Council's external auditors, Audit Scotland and the Accounts Commission
  - 3.4.7.2. Be the Future Target Operating Model – This work has two current and high priority activities underway- firstly Collaborative Discovery Phase work with Falkirk Council to identify potential collaborative service delivery options; and secondly, the Senior Leadership Group (SLG) is developing potential design options for service delivery models as well as reviewing management arrangements options
  - 3.4.7.3. Be the Future Transformation Programme – Council recently considered and agreed developments related to the innovative Transformation Space/ Funding Vehicle work. Significant progress is also being made on Digital and Data transformation including the Data Insights work and work to develop the SWIT system
  - 3.4.7.4. Income maximisation
  - 3.4.7.5. The Councils MTFS and Financial Resilience Framework is being developed (paragraph 3.7), and
  - 3.4.7.6. Continued focus on sound financial governance and maximising management efficiency in operational delivery.
- 3.5. The Strategy proposed is multi-faceted. In summary, it focuses on three core elements:
- Reducing expenditure
  - Maximising income, and
  - Transformation of service delivery.
- 3.6. The Strategy aims to be realistic, pragmatic and action focussed. It seeks to build on sound financial management foundations and a positive track record of delivery to date. However, the Strategy also highlights the fact that due to the significant work and decisions taken over more than a decade, the options available are diminishing and not always entirely within the Council's sole influence.
- 3.7. As a consequence, progress will be carefully monitored, reported and acted upon, especially if our experience differs in any material aspect from our financial planning assumptions. This will ensure that the MTFS remains a 'live' document and is regularly updated for significant variations in assumptions.

- 3.8. It is proposed that as a 'companion' to the proposed MTFS, A Financial Resilience Framework is also developed. The Framework aims to complement the MTFS by ensuring that a longer term view is taken of the Council's financial resilience i.e the ability to withstand events that impact the Council's income and assets, including unforeseen events. Following the agreement of the MTFS, work will be taken forward to further develop this approach.

#### **4.0 Sustainability Implications**

- 4.1. There are no direct environmental 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*

#### **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".

Appendix A – Medium Term Financial Strategy

**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 ☐

- General Services Revenue and Capital Budget 2025/26 – February 2025
- Budget Context and Outlook Report – February 2025
- Budget Strategy Update – May 2025

**Author(s)**

NAME	DESIGNATION	TEL NO / EXTENSION
Lindsay Sim	Chief Finance Officer	2022

**Approved by**

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Chief Executive	



# Medium Term Financial Strategy

## 2025/26 -2029/30

Prepared as at June 2025



**Clackmannanshire  
Council**

[www.clacks.gov.uk](http://www.clacks.gov.uk)

Comhairle Siorrachd  
Chlach Mhanann

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## 1. Foreword

This Medium Term Financial Strategy (MTFS), the strategy pulls together information from a wide variety of sources to allow the Council to demonstrate how it intends to manage finances in the medium term, drawing on the established foundations of robust financial management; a track record of delivering on our saving plans; a strong history of partnership working and collaboration, and a creative and innovative approach to service design and delivery which continues to grow under the Council's ambitious Be the Future Target Operating Model and Transformation Programme.

In developing our strategy, it has been important to reflect the very challenging context within which the Council operates, with a level of need and demand which trends above the quantifiable deprivation levels in the County. This reflects the critical services and supports the Council provides to our communities and service users and underlines our mission to deliver the best services we possibly can for them.

This has required that we sustain a focus on our performance, set clear priorities for our investment decisions and deliver best value in our decision-making. Increasingly, in recent years, we have implemented transformational approaches to allow us to shift our service delivery models to focus on prevention and early intervention wherever possible, and to deliver improved outcomes and better manage current and future demand for services.

As the smallest mainland authority in terms of our resident population, the challenge we face remains amongst the most significant in Scotland, even with the longstanding proactive and effective steps we have taken to protect frontline services to date. Additionally, we have already implemented most measures that others are only now having to consider, reducing the scope for 'easy' solutions to the increasing demand and reducing real terms resourcing we are receiving.

This means that the strategy I am proposing is multi-faceted. It focuses on three core elements:

- Reducing expenditure
- Maximising income, and
- Transformation of service delivery.

There are a range of actions we are working on which seek to deliver medium term service and financial sustainability and some of the key activities are set out in the strategy alongside the risks we are seeking to mitigate. Our approach includes continuing with our significant investment prioritisation of those activities which will contribute to delivering service and financial sustainability, such as our revenue and capital investment in digital and data Transformation, which aims to help us to better interpret our data, inform decision-making, maximise operational efficiency and support the development of predictive scenarios.

The Exhibit below captures some of the headlines from our MTFS.

## **MTFS Content and Highlights 2025/26-20/29/30**

The Clackmannanshire Council Medium Term Financial Strategy (MTFS) 2025/26–2029/30 sets out a comprehensive framework for managing the Council’s finances over the next five years. It aims to ensure financial sustainability while aligning resources with the Council’s strategic priorities, as defined in the Local Outcome Improvement Plan (LOIP) and the “Be the Future” Target Operating Model and Transformation Programme.

### **Strategic Context and Challenges**

Clackmannanshire is Scotland’s smallest mainland council by population, facing significant socio-economic challenges including high deprivation, low job density, and increasing service demand. The Council’s strategic vision focuses on building a wellbeing economy, reducing inequality, and delivering sustainable public services through innovation and collaboration.

### **Financial Position**

The Council approved a balanced budget for 2025/26 with a General Fund net revenue budget of £171 million and a capital budget of £29 million. This was achieved through £3.8 million in savings and the use of £1.7 million in reserves, reflecting a significant shift in approach which seeks to maximise permanent reductions in expenditure, maximise income and minimise the use of reserves to support financial balance. Since 2010, the Council has delivered £74 million in savings, but options for further efficiencies are increasingly limited meaning the options being considered are necessarily more radical and innovative essentially focussed on transformation in the way services are delivered in the future.

### **Medium-Term Outlook**

The Council faces a projected cumulative funding gap of £19.1 million by 2029/30, driven by inflation, pay pressures, demographic demand, and flat grant funding. Key assumptions include a 3% annual pay award, 10% annual Council Tax increases, and static government funding. The MTFS sets out a range of scenarios analysis which suggests the gap could rise as high as £47.8 million under adverse conditions.

### **Strategic Response**

To address the gap, the Council will pursue a three-pronged strategy:

- Reducing expenditure (estimated 30% reduction)
- Increasing income (estimated 20% increase)
- Transformational change (estimated 50% contribution).

This includes service redesign, digital transformation, income maximisation, and cost efficiencies. The Council is also developing a Financial Resilience Framework to enhance long-term stability which will be brought forward to Council following approval of the MTFS.

### Capital

A 20-year capital investment plan supports key infrastructure and service priorities, with borrowing managed prudently. An asset management strategy is being developed to ensure a sustainable asset base. The Council's investment priorities are carefully aligned with those activities which will contribute to delivering priority outcomes and service and financial sustainability.

### Risk Management

Risk management is embedded in governance processes, with inflation, funding volatility, pace of organisational change and workforce capacity identified as key risks.

### Governance and Engagement

Robust governance structures ensure alignment between financial planning, service delivery, and performance monitoring. The Council engages extensively with elected members, staff, trade unions, and the public to inform budget decisions and maintain transparency.

This strategy aims to be realistic and pragmatic. It seeks to build on solid and sound foundations and a positive track record of financial management to date. However, it is important to note that due to the significant work and decisions we have already taken over more than a decade, the options available to us mean that the outcomes we are seeking are not always entirely within our influence. This underlines the importance of sustaining the national lobby and engagement to identify the most effective financial levers for a small council such as Clackmannanshire. This also means that our progress will need to be carefully monitored, reported and acted upon. We will need to remain agile in seeking the solutions that sustain service and financial sustainability and allow us to deliver the services our communities need and deserve.

**Councillor Ellen Forson**  
**Leader of the Council**





## 2. Purpose and Scope of the MTFS

This Medium Term Financial Strategy (MTFS), 'the strategy' is a key planning tool that outlines how the Council intends to manage its finances over the medium term, specifically the five-year period from 2025/26 to 2029/30. The strategy serves as a bridge between the short-term annual budgets and longer-term financial planning, assisting the Council in aligning its resources with its strategic priorities while achieving financial sustainability.

The strategy covers the Council's General Fund Revenue and Capital Budgets and aims to improve the transparency of the Council's financial position to its stakeholders to achieve a shared understanding of the financial challenges it faces.

The strategy aligns with the Council's vision and priorities set out in the recently agreed Wellbeing Economy Local Outcome Improvement Plan (LOIP).

The key objectives of the strategy are as follows:

- To ensure that effective financial planning and management contributes to the Council achieving its vision and priorities as set out in the LOIP;
- To frame and define the parameters for financial decisions to be taken;
- To direct resources to the Council's priorities to support the achievement of the Council's vision and priorities;
- To maximise income to support the priorities of the council;
- To analyse budget performance to assess the effectiveness of resource allocation;
- To continue to improve value for money - managing resources as efficiently as possible; streamlining processes and systems; enhancing value from commissioning and procurement; whilst seeking to minimise the impact of budget savings on priority services; and
- To ensure the Council's finances are prudent, robust, stable and sustainable.

The strategy collates all the factors that affect the financial position of the council and its financial sustainability over the medium term, building on the information presented as part of the annual budget setting process. The Council is required to set a balanced budget and is susceptible to many external factors, namely the funding that it receives from the Scottish Government with this accounting for around 81% of its overall funding. The financial planning process relies on national and local data from which assumptions are drawn and as with any projections the longer the period, the more uncertain the estimates. Therefore, it is prudent to consider a range of scenarios showing the impact of how these variables may impact on the overall funding position. Due to the uncertainty of these variables, estimates will require to be updated when further information is known.

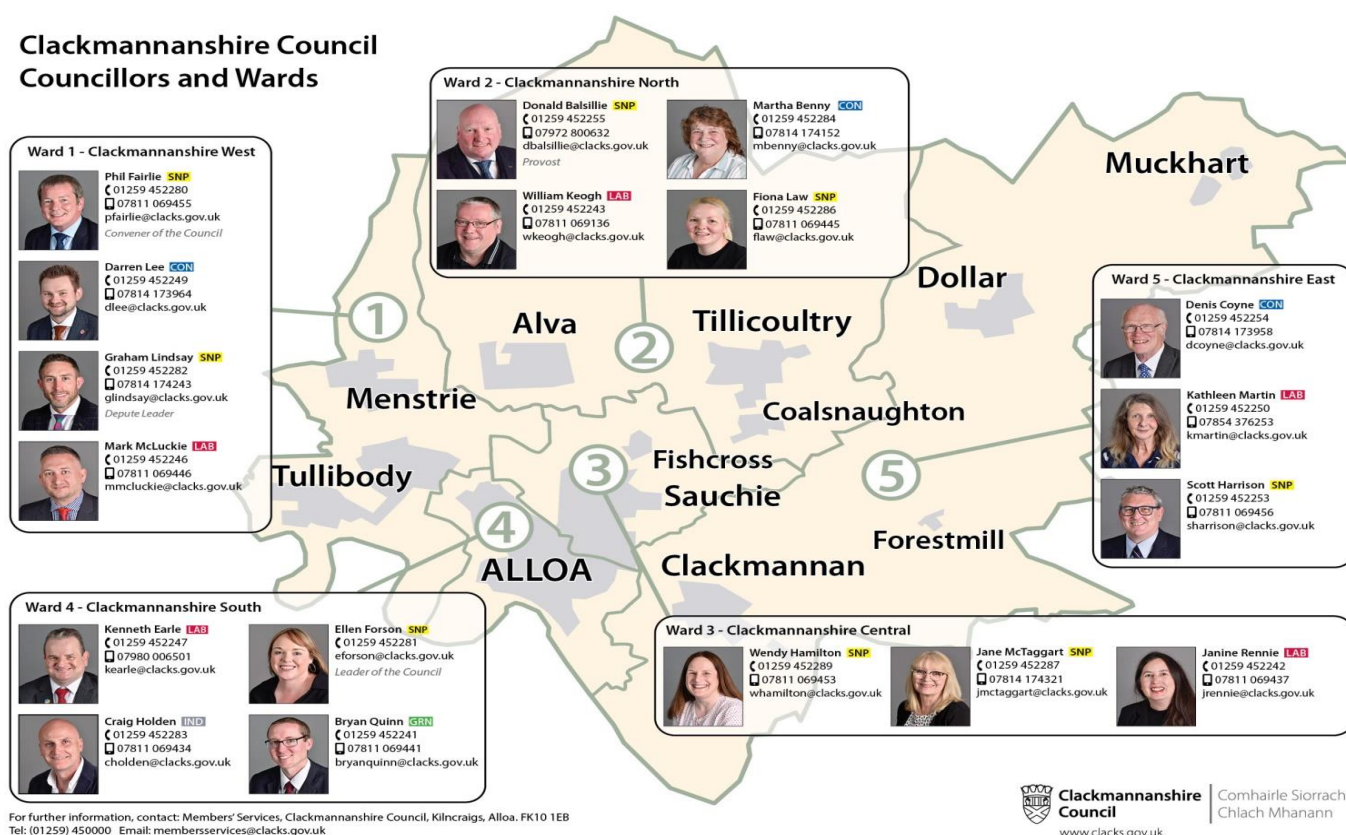
### 3. Strategic Context and Challenges

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 2,695 full time equivalents.

#### Political Make-up

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.

#### Clackmannanshire Council Councillors and Wards



#### Council Vision and Priorities

The Wellbeing Local Outcomes Improvement Plan (LOIP) 2024-34, approved in 2024, 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.

## Our Priority Themes for a Wellbeing Economy

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

The LOIP is a key strategic plan for the Council, working alongside our partners, to improve outcomes for our 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 has participated in a national self-assessment exercise led by the Improvement Service.

More information on the Councils Local Outcome Improvement Plan and Community Planning more generally can be found here: [www.clacks.uk.uk/communityplanning](http://www.clacks.uk.uk/communityplanning)

### **The Corporate Plan**

Following a Council decision in June 2023, the Councils 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 coming 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 Councils values remain a key focus, as does implementation of robust performance and risk management approaches.

### **‘Be The Future’**

The Councils Be the Future Transformation Programme approved in 2019, has provided the framework for shaping Council priorities, investment and delivery. It focuses on three key themes:

- Sustainable Inclusive Growth;

- Empowering Families and Communities, and
- Health and Wellbeing.

Over the last five years there has been considerable investment in creating the conditions which allows the Council 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 is reviewed annually and the revised plan was approved as part of the 2025/26 budget process. The plan will continue to be reviewed going forward on an annual basis as part of a rolling 20 year plan.

### **'Be the Future' – Corporate Values**

<b>Values</b>	<b>Descriptor</b>
<b>Be the Customer</b>	Listen to our customers; communicate honestly and with respect and integrity.
<b>Be the Team</b>	Respect each other and work collectively for the common good.
<b>Be the Leader</b>	Make things happen, focusing always on our vision and outcomes, and deliver high standards of people leadership and corporate governance.
<b>Be the Collaborator</b>	Work collaboratively with our partners and communities to deliver our vision and outcomes.
<b>Be the Innovator</b>	Look outwardly, be proactive about improvement and strive always for innovation and inclusive growth.
<b>Be the Future</b>	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.

The Be the Future Target Operating Model is shaped around seven main Transformation Activity/Themes: Digital & Data Transformation, Workforce Strategy, Asset Strategy, Communication and Engagement Model, Investment Strategy, Family Wellbeing Partnership and Place Redesign as set out in the diagram below. The top three priorities of: Digital and Data Transformation, Workforce Strategy and Asset Strategy were agreed by Council in October 2024.



# Be the Future Target Operating Model: Corporate Priorities 2025/26

Organisational transformation and the TOM places the needs of residents, communities, service users and businesses at the heart of Council decision-making and underpins our corporate priorities

## Transformation Activity/Themes

### Digital and Data Transformation \*

- Further embed M365 functionality
- Social Work IT system (SWITS)
- Customer Services Hub
- Housing and Property IT system
- App pipeline projects
- Enhance data management and utilisation, and ensure data-driven decision making

### Workforce Strategy \*

- Continued focus on future workforce needs-skills, numbers and culture
- Continue to embed consistent leadership skills and approaches including governance and performance management
- Develop skills development pathways
- Map current 'as is' commissioning capacity and capability and develop 'to be' options

### Asset Strategy \*

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

\* The top three priorities as agreed by the Council in October 24

## Transformation Activity/Themes

### Communication and Engagement Model

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

### Investment Strategy

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

### Family Wellbeing Partnership

- Tackling Poverty – Individuals and communities get the support they need at time/point of need
- Values Based Leadership/ Culture Change – promote positive culture first model and design for people's needs
- Collaborative Community Models – shift to early intervention and prevention, moving staffing and resources closer to communities. Pooling of funding sources and support activities
- Sustainable Transport – resilient local transport, carbon reduction and net zero, regional opportunities, partnership opportunities, consolidate/pooling opportunities

### 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

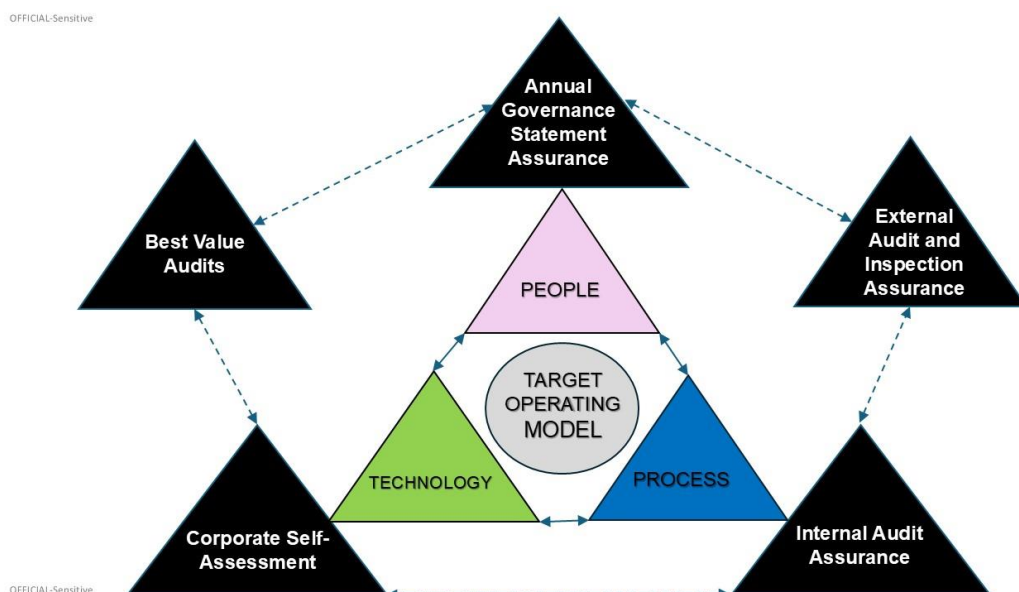
## **Best Value**

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;
- 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.

The Council is making good progress against these actions and has developed a Best Value eco-system. The eco-system, as outlined in the undernoted diagram, reflects current key approaches that are in place to support the Councils best value requirements. The eco-system is organic and will adapt as we respond to changing influences.

## **Best Value Eco-System**



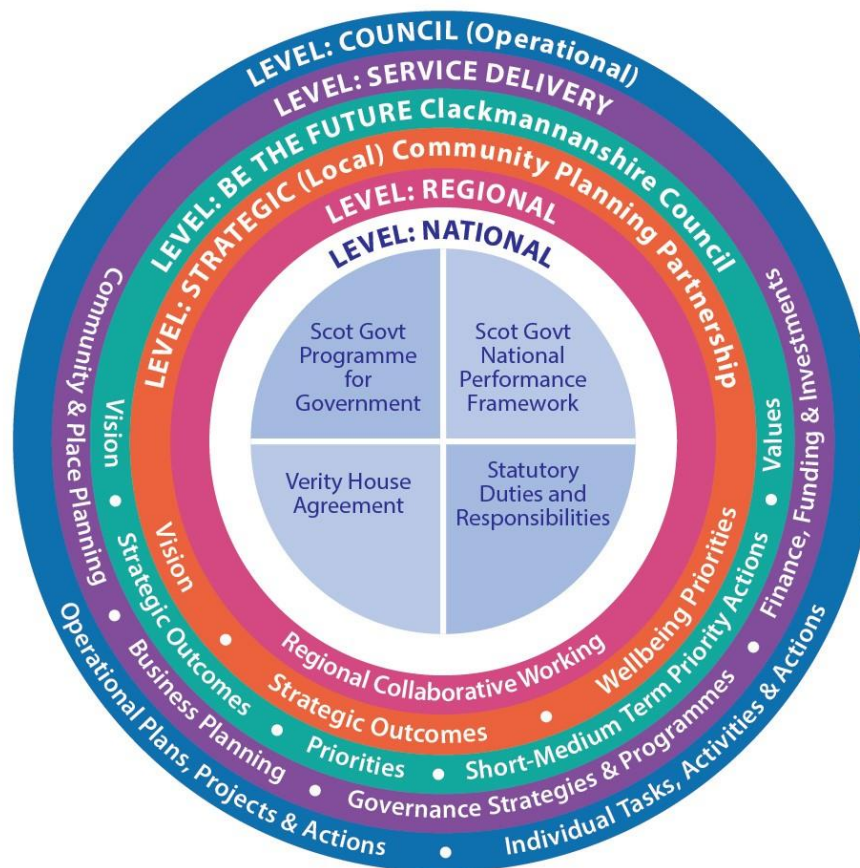
## Performance

### Performance Management Framework

The context in which the Council operates is ever-changing and as context changes, it is important that the Council is able to change with them, to make sure it is doing everything it can to improve the quality of life for our citizens and to make Clackmannanshire a better place to live and work.

The undernoted diagram captures the key approaches that influence or direct how we, Clackmannanshire Council, fulfil our statutory Best Value requirements.

### Draft Corporate Performance Management Framework



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](http://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 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 a self-assessment approach 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, in partnership with the Improvement Service. has also participated in a facilitated self-assessment process.

### **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'. The LGBF are augmented with Scottish Public Health Observatory (ScotPHO) datasets to ensure appropriate coverage across all priorities in the annual Corporate Performance Report.

### **Legislative and Regulatory Context**

The Council is a statutory body established under various Acts of the Scottish Parliament. Its core responsibilities and governance structures are shaped by key legislation, including:

- The Local Government (Scotland) Act 1973 – Establishes the basic structure and functions of local government.
- The Local Government in Scotland Act 2003 – Introduces the duty of Best Value, requiring councils to deliver continuous improvement in performance while maintaining an appropriate balance between quality and cost
- The Community Empowerment (Scotland) Act 2015 – Enhances community involvement in decision-making and asset transfers.
- The Public Bodies (Joint Working) (Scotland) Act 2014 – Mandates integration of health and social care services through partnerships like the Health and Social Care Partnership (HSCP).

The Council has:

- Mandatory duties (e.g., education, childcare, adult social care, waste collection),
- Permissive powers (e.g., economic development, leisure services), and
- Regulatory responsibilities (e.g., licensing, environmental health, trading standards)

The Council is governed by elected councillors which operate through full council meetings and committees. The Council must ensure transparency, accountability, and public engagement in its operations, and are subject to oversight by bodies including the Accounts Commission and Audit Scotland.

### **Demographic, Economic and Social Trends Impacting Service Demand**

Clackmannanshire experiences a variety of significant, well-rehearsed and unique challenges, the main ones are outlined below:

We experience significant levels of demand, and complexity of need, for our services which trend beyond even the area's Upper Quartile deprivation levels. This means that on many demand-led indicators, such as domestic violence, levels of trauma, additional support needs and child protection referrals, the area's performance ranks amongst the highest in Scotland. This situation is exacerbated by funding levels which do not meet the costs of providing such vital services. For instance, we receive £13k grant for Violence Against Women and Girls (VAWG) but we spend £174k on commissioned services plus further funding for the core team/services, these additional costs have required reprioritisation of funds from other areas. A further example is our Social Welfare Fund to which the Council has had to add additional funding in previous years e.g. £114k during 2023/24. A one off top up was received for 2024/25 however, there is no additional funding for 2025/26.

Clackmannanshire also experiences significant economic challenges, for instance high levels of worklessness, low job density (approximately two people for every job) and fewer and lower paid opportunities for employment, which is exacerbated by poor

mobility/connectivity issues, all of which contributes to significant poverty and inequality in the County.

The Council, the largest employer in the area, has staffing of 2,695 FTE (including externally funded posts). Both political and managerial remuneration levels are in the lowest bandings in Scotland, making recruitment and retention a significant challenge given we are in direct competition for scarce resources with larger public sector bodies in the Forth Valley/Central Belt. Many staff have left the Council for better remunerated roles with significantly narrower spans of control and greater supporting resources than the Council can offer. Remaining staff have to manage the same legislative and policy requirements as other council areas but without the resources and support. Services have been redesigned to improve efficiency and reduce duplication, but this has resulted in specialist roles being diluted. Despite these challenges, the Council has been driving a significant transformation agenda, leading on innovation both locally and nationally.

This principle also extends to administrative systems where the Council has a proportionately higher level of demand relative to both scale and deprivation, for instance Freedom of Information (FOI) requests and SPSO complaints. Capacity benchmarking shows the Council to be the lowest in Scotland for almost the full range of support services (Legal, Organisational Development, Procurement, Communications), following significant budget reductions over a number of years. This same principle also applies across frontline service delivery such as in Planning and staffing levels in Education and Social work are the lowest in Scotland. As a consequence, there is a dual pressure of increased demand and reduced/low resources to respond, potentially adversely impacting service quality and customer experience.

The Council has delivered an average of 82% of planned savings and protected frontline service delivery for our most vulnerable citizens. The Council is experiencing unprecedented financial pressures which are more acute for a small Council. Examples of these pressures include:

The funding distribution mechanism, which is largely population-driven, in many respects results in a settlement for the Council which could be compared with that of the island councils without any of the potential levers.

- As a small Council, within an area of significant deprivation and need, there are not significant opportunities to generate additional income, for instance 1% of council tax generates circa £255K; the Council does not have revenue streams such as oil revenue, and proposed local levies such as the visitor or parking levies would not generate significant income.
- There is no material acknowledgement of the issues of scale and context in the current distribution mechanism in terms of the delivery of services to our residents: there is no equivalent to the islands allowance; needs-based indicators within the distribution do not reflect the variable contextual

challenges; Clackmannanshire receives no benefit from the floor mechanism and the distribution does not take into account any minimum level of resourcing to deliver public services to a prescribed performance standard.

This snapshot of the Council's context is vital in understanding the financial challenges facing the Council area which are key components of this medium-term financial strategy. Service and financial sustainability challenges facing the Council area alongside some of the priority work that is being taken forward to mitigate these challenges are set out later in this document.

### **Economic Outlook**

The economic outlook over the medium term is uncertain. Recent instability both Globally and in the UK has impacted, and continues to impact, on the Council, directly affecting the cost of goods or services or in the needs of its communities. These factors include:

- War in Ukraine
- Energy crisis
- Cost of Living Crisis
- Increased demand for services
- Recovery from COVID 19 pandemic
- High inflation
- Brexit

### **Inflation**

Inflation has a significant impact on the Councils expenditure and income, with inflation increasing the price of goods and services. Changes in the bank rate influences the rate at which the Council can borrow money to fund its capital investment and the investment returns it can achieve from interest on cash deposits.

Inflation has been volatile over the past three years with the Consumer Price Index (CPI) reaching a high of 11.1% in October 2022, falling to lows of 2.4% in September 2024 where it has fluctuated over recent months to its current rate of 3.5% at April 2025. The bank rate has also fluctuated, reaching a most recent high of 5.25% in August 2023 where it stayed for almost a year, then started to reduce again in July 2024 and is currently at 4.25% at May 2025. The bank rate is expected to reduce further to 3.5% by mid 2026 as it continues to look to bring inflation down to the Monetary Policy Committees target of 2%.

In its latest Commentary the Bank of England revised upwards its economic growth figures for 2025 and revised downwards its inflation (CPI) forecasts, by a quarter to a half of a percentage point. However, real terms annual GDP growth remains at, or just over, 1% up to 2027.

The Bank of England also undertook an analysis of the impact of recent changes in trade policy on the UK economy. While these are highly uncertain, overall these are expected to have a negative impact on both growth and inflation. The Scottish Fiscal Commission also shares similar views as a result of its own analysis.

**Employment** - the Scottish Labour market has remained positive with unemployment at 4.3%, just below the UK rate of 4.5% at May 2025. Although this is positive from an economic point of view, this along with restrictions on freedom of travel through Europe, removed through the UK's withdrawal from the European Union, adds to the recruitment challenges faced by the Council through a shortage in the labour market and high demand for specialist skills.

### **Scottish and UK Government Financial Outlook**

The majority of the Councils funding comes from Scottish Government through UK Government. Both Governments are directly impacted by the global and UK uncertainty, inflation, including wage inflation as noted above. This along with political decisions on spending priorities all add to the uncertainty of the Councils future Government Funding and the direction of its Service priorities.

The UK Government is also subject to high levels of borrowing which means there is less money available to spend on public sector services.

The table below sets out the latest fiscal forecast of Funding Growth over the next 5 years. This shows that growth is not expected to keep pace with inflation.

**Table 1: Headline economy forecasts (% growth rates) Source: SFC, Scotland's Economic and Fiscal Forecasts - May 2025**

<b>£ million (nominal terms), unless specified</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>
<b>Total funding</b>	59,561	61,302	63,091	65,138	67,356
Nominal terms growth rate (per cent)	7.3	2.9	2.9	3.2	3.4
Real terms growth rate (per cent)	4.5	1.2	0.9	1.3	1.5
<b>Resource funding</b>	52,193	54,077	55,532	57,513	59,641
Nominal terms growth rate (per cent)	5.9	3.6	2.7	3.6	3.7
Real terms growth rate (per cent)	3.1	1.9	0.6	1.6	1.8
<b>Capital funding</b>	7,368	7,225	7,559	7,625	7,715
Nominal terms growth rate (per cent)	18.7	-1.9	4.6	0.9	1.2
Real terms growth rate (per cent)	15.7	-3.5	2.5	-1.1	-0.7
CPI estimates at May 2025	3.2	1.9	2.0	2.0	2.0

## **Climate Change and Net Zero Challenges**

The Council has set ambitious net zero targets:

- to achieve net zero emissions for council operations by 2040.
- to achieve area-wide net zero emissions by 2045.

These targets form part of the Councils Climate Strategy, which is set around the following key strategic Themes:

- Energy, Heat & Buildings
- Low-carbon Transport
- Waste & Circular Economy
- Biodiversity & Agriculture
- Adaptation & Planning
- Economic Development

The Council faces a number of challenges in achieving its climate and net zero targets. These include not only significant budget constraints, but also limitations in its capacity to effectively capture, manage, and analyse the data needed to inform decision-making. Additionally, implementing meaningful changes is made more difficult by the need to balance these efforts with the ongoing demands of delivering essential day-to-day services. Whilst promoting this agenda with our partners and communities.

## **4. Financial Overview**

### **Summary of the Current Financial Position**

The Council approved a balanced budget for 2025/26 at its meeting on the 27 February 2025. For 2025/26 the General Fund net revenue budget is £171m and the Gross Capital Budget is £29m. As part of the budget setting, savings of £3.814m were approved, consisting of £3.171m Management Efficiencies and £0.643m Policy savings. Of the £3.814m total approved, £1.684m were cash savings which add to the gap in future years. £1.746m of reserves was also used to support the budget.

### **Clackmannanshire & Stirling Health and Social Care Partnership (HSCP)**

The Council works in Partnership with Stirling Council and NHS Forth Valley to deliver its adult social care services. This arrangement has been in place since 2016 with the Partnership delivering health and social care and support for adults and older people including support to those with mental health problems, long term physical conditions and substance misuse problems. The Partners work together to provide these services through the HSCP workforce and Third and Independent Sector partners.

The Partnership is run by the Integration Joint Board (IJB) and the IJB has responsibility for the planning, resourcing and operating services in line with the strategic plan. The IJB is primarily funded by contributions from each of the three partners and these contributions are set annually by each Partner through their budget setting process and notified to the IJB in advance of its budget setting meeting.

In recent years the Scottish Government has set out the minimum contribution that Local Authorities can make to the Partnership, with these being no less than the previous year with any additional funding included within the Local Government Settlement to be passported in addition to this amount. The Council is therefore limited in its ability to reduce the funding contribution that it makes to the Partnership and as the contribution is around 18% of the Councils overall revenue budget, it also limits the net expenditure that is available to the Council to make savings on.

Whilst there has been no reduction in the contribution made to the IJB by the Council, the pressures that the IJB are facing are growing beyond any increases in funding from the Scottish Government. It is the responsibility of the IJB to agree a balanced budget within the resources that it has available, and those decisions may directly or indirectly affect the Council.

The Council has in recent years made additional contributions to the IJB to mitigate the overspend in the year. However, any decision must be made on the basis of affordability balanced with the ability to fund its own services. As such, the budget gap planning assumption is that the contribution to the IJB from the Council remains static over the five year period.



## **Review of Historical Budget Performance**

Since 2010, the Council has agreed £74m of savings. When considered in the context of the current operating budget of £171m, this is a significant reduction and means inevitably that there are few, if any, non-statutory efficiencies and policy areas which the Council has not already considered or agreed.

Inevitably the Council has had to take a number of significant and difficult decisions since 2010, including but not exhaustively:

- Several Community Asset transfers and community lease arrangements in respect of community assets such as a range of village halls across the County to promote community empowerment and unlock the potential of new funding streams whilst delivering cost reductions
- The relocation of a primary school within an Academy following a five-year temporary relocation
- Significant reductions made in a number of valued service areas, including refuse collection, Community Learning and Development, library and leisure provision and grounds maintenance, many of which place strains on other services and community wardens
- Closure of two swimming pools
- Significant reductions in senior managerial posts to protect frontline service delivery whilst delivering savings
- The Council was amongst the first to renegotiate the working week with unions in 2014, reducing the working week to 35 hours and delivering a saving of just over £1m.

The Council has also has a good track record of achieving savings, averaging 80%, with the remainder being met through compensatory savings where the approved saving could no longer be met within the year.

## **Current Year Forecast and Key Financial Pressures**

With the setting of the 2025/26 budget, Elected Members were provided with additional information in the form of the Budget Context and Outlook report which was presented ahead of the Councils proposed General Fund Revenue and Capital Budgets. This report aimed to assist members to consider broader issues of financial resilience and sustainability ahead of taking its budget decisions.

The following financial pressures were identified for 2025/26 at the time the budget was set:

- Pay award for 2025/26 – the pay award for 2025/26 has not yet been agreed for 2025/26 and discussions are ongoing between Trade Unions and COLSA on behalf of Council Leaders. The budget assumption for future years includes an assumed 3% increase based on the Scottish Governments Public Sector Pay award of 9% over 3 years. Any awards above the assumed 3% would



require to be funded from additional funds and would add to the budget gap in future years if not permanently funded.

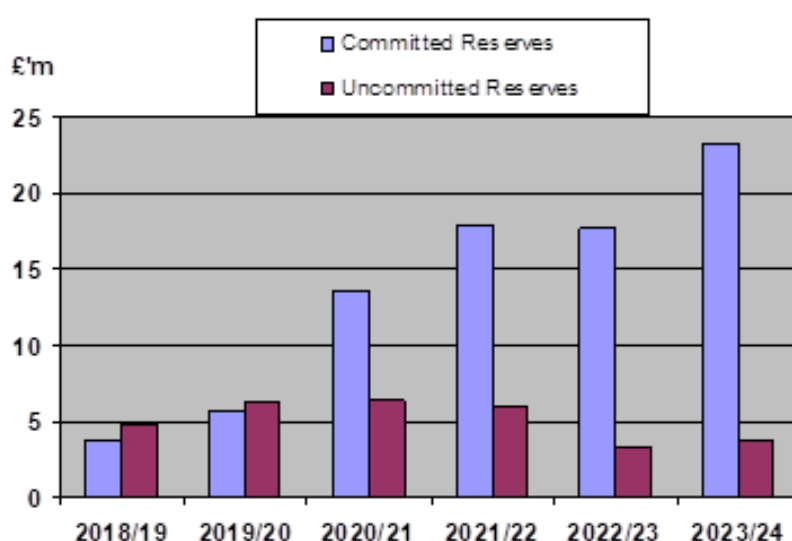
- HSCP projected overspend for 2024/25. As noted above, the HSCP are projecting a £7.1m overspend for 2024/25 with an expectation that this overspend be met by Partners. Any additional contribution, whether in the form of a one off payment or loan. would need to be met from reserves.
- HSCP budget for 2025/26. Based on the current projected overspend there are pressures that will continue into 2025/26 that require significant savings and /or reduction in services to mitigate. Limited additional funds have been included within the 2025/26 local government settlement however, these are for specific inflationary increases. There is a risk that the IJB may not be able to achieve financial balance for 2025/26.
- Increase in Employers National Insurance (NI). It is estimated that this increase will add £1.9m to the Councils paybill. The Scottish Government have indicated that they will provide funding to meet 60% of this cost, however, this leaves a pressure of c£800k for the council to fund on a permanent basis. There is also a risk that this additional cost pressure will be passed on to the Council by providers of commissioned services and also suppliers and contractors of goods and services. The quantum of this amount is currently unknown but would also need to be met from Council funds.
- Increase in demand for services. Demand for frontline services including Child Care and specialist areas within Education and Learning have also been increasing. While some additional funds have been provided within the 2025/26 settlement, Clackmannanshire's high level of deprivation and need, outlined previously, means there is a risk that this demand will continue to outweigh the funding provision.
- Continuing inflationary pressures on the costs of goods and services. Inflation remains above the UK target of 2% and continues to fluctuate, in addition wage inflation is well above 2% which, along with the National Insurance increase, will most likely be passed on by providers and suppliers in the cost of their goods and services;
- Reserves Balances. With the use of reserves to support the budget in previous years, and the anticipated cost pressures mentioned above, it is essential that the Council continues to prudently manage and direct reserve balances to ensure that these support activity/Council priorities including transformation, to maintain financial sustainability and protect services.
- Few of the financial flexibilities and/or income raising opportunities made available to Scottish Local Government make a significant impact in the Clackmannanshire context, for instance the visitor levy and Council tax on second homes.
- Future year budget gap. The indicative gap for 2026/27 after setting the proposed budget for 2025/26 indicates a funding shortfall of £7.4m rising to

£19.1m by 2029/30. There are a number of assumptions within these indicative figures including assumption on pay inflation 3%, assumptions on interest rates for borrowing, a Council tax increase of 10% and flat cash grant funding. Any variation in these assumptions can have a significant impact on the budget gap.

## **Reserves Position**

Based on the 2023/24 Draft Financial statements, the Council has Uncommitted reserves of £3.8m (£0.4m above the minimum 2% of net expenditure level) and Committed reserves of £27.1m (including reserves with restricted use). The table below shows the level of committed and uncommitted reserves over the period 2018/19 to 2023/24

**Table 2 - Trend in use of reserves 2018/19 to 2023/24:**



The table shows low levels of uncommitted reserves and an increasing balance of earmarked reserves. This has been, in part, due to the receipt of one-off and/ or ring-fenced monies such as the receipt of grant funding required to be utilised in line with specific terms and conditions and also funds received during 2020/21 to support the pandemic recovery which have been utilised over future years.

The Council also benefited from an increase in reserves as a result of the change in accounting treatment for Service Concessions. This added £12m to General Fund reserves in 2023/24 of which £6m has been utilised to support the 2024/25 budget with the remaining balance committed during the 2025/26 budget setting process for Transformation activity and General Pressures.

These balances are reviewed as part of routine budget monitoring to ensure utilisation, increase visibility, scrutiny and transparency, and to facilitate the timely release of funds which are no longer required.

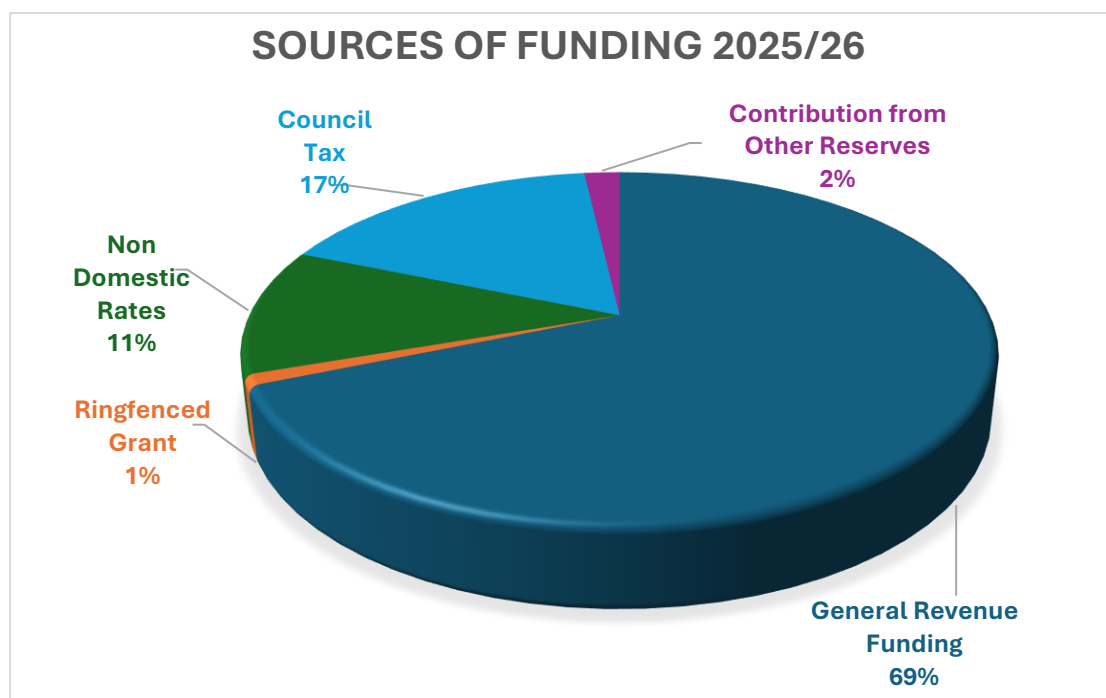
Based on the level of uncommitted reserves shown above, the Council has limited availability of funds to meet the potential pressures outlined previously should they materialise throughout the year.

## 5. Medium Term Financial Outlook (2-5 Years)

### Sources of Funding

The Councils annual budget is funded through five main categories of funding as shown in the diagram below:

**Exhibit 1 – Sources of Funding 2025/26**



### General Revenue Grant

As shown above ,exhibit 1, the Council receives the majority of its income through General Revenue Grant provided by the Scottish Government. This grant is notified annually in advance through the Local Government Settlement which thereafter goes through parliamentary process and is agreed in March each year.

### Other Government Funding Streams

In additional to the General Revenue Grant, the Scottish Government also provides funding for specific initiatives or priorities. This funding is ring-fenced and must be used for the purpose it is intended.

This funding may be in the form of a grant offer letter setting out the terms and conditions of the funding. As a result there may be a requirement for spending plans to be submitted and monitoring reports in order to show how the funds have been spent. As part of the conditions of funding, any unspent grant may be required to be returned.

## **Non-Domestic Rates**

Funding for Non-Domestic Rates makes up around 19% of the Councils total funding. Non-Domestic Rates is a pooled arrangement where the tax is set Centrally by the Scottish Government but administered and collected locally. The amount collected is paid into a central Government Pool which is then distributed by Government through the general revenue grant.

Some reliefs are managed locally at the discretion of the local authority.

## **Council Tax Income**

Council Tax income makes up around 17% of the Councils total funding. The rate of Council tax is set annually by the Council at its budget meeting in advance of the coming year.

Council Tax is calculated on the valuation band of a domestic property and the middle rate Band D is used to compare these rates across Scottish local authorities. For 2025/26 the Council increased its Council Tax by 13% equating to a Band D charge of £1,594.38, ranking it the 10th highest of all 32 Scottish Local Authorities.

The level of Council Tax is normally up to the Council to set locally and it is one of the few levers available to the Council to increase the level of funding that it receives. However, the Scottish Government can dictate the level of Council Tax, for example by implementing a council tax freeze or a cap on the amount it can be increased by, as it has done in previous years

## **Contributions From Reserves**

Alongside external funding streams, Councils can use any useable general fund reserves to support their budgets. This is one off funding that has generally been built up through underspends in previous years. Councils require to have a minimum reserves level, to ensure funding is available to meet any unseen demands during the year. Funds above this level can be used to support the budget as part of the budget setting process.

The Councils agreed minimum reserve level is to maintain reserves at 2% of budgeted net expenditure for the year. For 2025/26 that equated to £3.420m.

The use of reserves to support the budget is not sustainable. As mentioned above, reserves are one off-sources of funding and once they have been utilised they cannot be used again with the consequence being that it adds to the gap in the next financial year. The ability to generate reserves is also uncertain as surplus reserves above the minimum are created mainly through underspends which cannot be certain.

## **Key Factors Impacting Expenditure**

### **Salary Costs**

Wage inflation has steadily increased following a long term period of no inflation. Pay awards for Council staff are set through national agreements between National Trade Unions and COSLA who act on behalf of Council Leaders. Trade unions make representations for proposed rises and these are considered and an offer made. Over the past few years negotiations have continued well into the financial year making it extremely difficult to plan from a budget perspective as to that the pay award may be.

Councils generally use the Public Sector Pay Policy set by the Scottish Government as an estimate of the likely pay award for the coming year. However, past pay awards have been substantially higher than the Scottish Governments Policy, and have not always been fully funded. This, as a result, puts further pressure on the Council to find additional funding to cover these increases.

The Council has also signed up to be a living wage employer and commits to paying the Real Living Wage, currently set at £12.60 per hour. The Council also commits to paying, as a minimum, the Scottish Local Government Living Wage, to its employees which has not yet been set for 2025/26. This commitment was extended to all Modern Apprentices in April 2023 with Council agreeing the approach in October 2022.

Around 62% of the council's budget is spent on staffing costs with £106m budgeted for 2025/26. It is therefore essential that the affordability of the workforce is a key focus in ensuring the delivery of sustainable services.

The public sector pay policy, published for 2025/26 by the Scottish Government, set out a multi year pay policy that they expect to be above the 3 year average inflation rate of 7%. The policy consists of a 9% uplift covering the years 2025/26 through to 2027/28, with flexibility for employers to configure the proposals for each year within the 9% over the three years. The expectations are that Councils will negotiate multi year deals with trade unions within the parameters of the policy. As noted above, pay awards for local authority staff are negotiated and agreed between national Trade Unions and COSLA and on behalf of Council Leaders who set the conditions for any offers made. This also includes the pay award for Teachers which is negotiated separately.

### **Contractual Demand**

The Council has a number of contracts across its services that incur annual inflationary uplifts. This can be based on CPI or RPI or some other specified increase. These increases are added to the expenditure forecasts and considered through the demand pressure process as part of annual budget setting.

## **Policy Commitments**

The Scottish Government sets out its policy commitments in its programme for government. The Council is required to implement those relating to the services it delivers. For most additional commitments, or increases to existing initiatives, additional funding is identified and provided to the Council. Some recent examples include the expansion of Early Learning and Child Care hours and Free School meal provision in primary schools.

The quantum to support these policy initiatives is determined by the Scottish Government and agreement is reached on how these funds will be allocated, usually aligned to relevant data sets or in line with general revenue grant allocations. As the allocations are not based on actual costs, this means that the funding is not always sufficient to cover the full cost of fulfilling the commitment and the Council is then required to fund any shortfalls from its core revenue budget. This then impacts on the funding available for other services.

There are also a number of policy areas where Scottish Government has provided funding and this funding is predicated on meeting certain conditions. If these conditions are not met then this funding can be withdrawn or sanctions imposed. As an example, the Scottish Government provides funding for Teachers and, if the number of teachers reduces, sanctions can be applied which could result in the Council having to repay the funds.

## **Demographic Demand**

As highlighted in Section 3, Clackmannanshire experiences disproportionately high levels of demand and complex needs relative to its size. As a result, a greater share of the Council's services and funding must be directed to these areas than is covered by grant allocations. Specific areas include:

Social Care and Child Protection - high rates of domestic violence, trauma, and child protection referrals, placing intense pressure on social services and growing need for additional support services, particularly for vulnerable children and families.

Health and Wellbeing – Clackmannanshire experiences poorer health outcomes compared to national averages, with high demand for mental health and general health services and an ageing population is increasing demand for adult social care and community health services.

Education and Youth Services - Schools face challenges due to high levels of additional support needs among pupils and staffing levels in education are among the lowest in Scotland, affecting service delivery

Economic Support and Employment - Clackmannanshire has high worklessness and low job density (about two people for every job), contributing to economic hardship and there is strong demand for employment support, skills training, and economic regeneration.

Housing and Deprivation - A significant proportion of the population lives in areas with high deprivation and there is ongoing demand for affordable, energy-efficient housing and support for households in poverty.



## 6. Budget Gap Analysis

The Budget Gap is the difference between the estimated level of expenditure each year increased for inflation, demand pressures, wage inflation etc as noted above, against the funding available through Revenue Grant, Council Tax income and other sources of funding.

The gap is estimated to show how much the Council will need to reduce expenditure, or increase funding by, each year and cumulatively over the medium term.

A summary of the projected funding gap over the next 5 years is shown in the table below.

**Table 3: General Services Budget 2025/26-2029/30 Indicative Funding Gap**

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Net Expenditure	170,980	179,396	186,987	194,663	201,763
Net Funding	(170,980)	(172,056)	(174,984)	(178,430)	(182,631)
Cumulative Indicative Funding Gap	-	7,340	12,003	16,233	19,132
Annual Indicative Funding Gap	-	7,340	4,663	4,230	2,899
Cumulative Gap as % of Net Expenditure		4.09%	6.42%	8.34%	9.48%

*\* The figures used to calculate the indicative budget gap are based on current assumptions at this time as set out within this report.*

The table above shows that the indicative funding gap after the setting of the 2025/26 budget is £7.340m for 2026/27 and a cumulative gap of £19.132m by 2029/30. This equates to 4% of Net Expenditure in 2025/26 rising to 9.5% of Net Expenditure by 2029/30. Audit Scotland recently reported in its Briefing on 'Local Government Budgets 2025/26' that Clackmannanshire Council had the 4th largest budget gap as a percentage of net expenditure for 2025/26 (prior to setting its budget) across all Scottish Local Authorities, sitting closely below the top three Councils of Falkirk, East Dunbartonshire and Perth and Kinross.

The Council aims to manage the gap by adopting the following three approaches. The estimated percentage contribution that will be made by each of the three approaches to close the gap is also noted:

- Reducing spend - 30%,
- Increasing income - 20%,
- From transformation – 50%

The percentages are estimates based on current plans and there are clear links between them as transformation activity will aim to reduce spend and increase income in some areas. The Council will also look to reduce spend and increase income separately from the transformation activity.

With any estimates there is a risk that these percentages will not be achievable and more would need to come from one or both of the other categories if that was the case. As such future year percentage may need to be adjusted to reflect the change in the previous year with the expectation that the category that contributed less would then increase to compensate. These percentages will be amended to reflect expected benefits through transformation as these are quantified.

Further detail of how each will be taken forward are set out in Section 7.

### **Budget Gap Assumptions**

Within the budget gap are a set of assumptions that are based on best estimates at the time. The main assumptions included within the indicative budget gap scenarios for the five years to 2029/30 are set out in the table below:

**Table 4: – Budget Gap Scenario Assumptions 2025/26 – 2029/30**

<b>Variables</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>2029/30 £000</b>
Pay Award	3%				3%
Employers Pension Contributions	19.5%	19.5%	19.5%	19.5%	19.5%
Demand Pressures	£2.442m	£2.5m	£2.5m	£2.5m	£2.5m
Grant Funding	0%				0%

Non-Domestic Rate Income	0%				0%
Council Tax Increase	13%	10%	10%	10%	10%

Detail of each of the assumptions outlined in Table 4 are set out below:

### **Pay Award**

An increase of 3% for the pay award has been included within expenditure for 2025/26. This is in line with the Scottish Governments Public Sector Pay Policy of 9% over three years. As the Pay award has not yet been agreed for 2025/26 this is an estimate and will be updated when the pay negotiations are settled. An increase of 3% for future years has also been built into expenditure on this basis. Each 1% increase in the pay award is equivalent to approximately £1.060m and additional funding would need to be found for any increase above the assumed level in 2025/26.

As an accredited employer the Council also implements the Real Living Wage which increased to of £12.60 from 1 April 2025. The cost of this has been built into the expenditure budget. The Council also applies the Scottish Government Local Authority Living Wage which is set alongside the 2025/26 pay award. Any increases to the Scottish Government rate arising from agreed pay negotiations will be implemented accordingly from 1 April 2025.

### **Increments**

The Council uses a set of agreed pay scales for single status staff. An annual increment is paid to staff as they progress up the salary grade they are placed on. Pay grades, made up of either 3 or 4 points, were implemented as part of Single Status in 2010. The staffing budgets are built up based on existing postholders and any increments due are included within the increase to expenditure. An estimated amount based on the prior year is assumed for 2026/27 and beyond.

### **Employers Pension Contributions**

The employers pension contribution is set on a three yearly valuation carried out by the Pension Fund Actuaries. This informs the contribution rate to be paid for the following three years. The last triennial valuation was carried out in March 2023 and set the rates for the three financial years to 2026/27. The current rate for 2025/26 and 2026/27 is 19.5% following a reduction based on asset performance, a contribution rate of 19.5% is assumed beyond this period. This will be updated following the next triennial valuation as at March 2026. For each movement of 1% this increases/decreases expenditure by around £175K.

## **Demand Pressures**

The indicative gap includes an amount intended to meet inflationary increases. such as IT contracts, energy costs and care provider costs. This is initially set at £2.5m for all years. Pressures are put forward by services for consideration through the budget process. Any difference between the estimated amount and the actual bid included is adjusted within the budget gap. £2.442m were included within expenditure for 2025/26.

Due to increased inflation over the last 3 years, the estimated figure of £2.5m is only expected to offset Contract Inflation with these bids taking priority, however, the Council recognises that there are non-contractual pressures that it may need to increase expenditure for such as demographic changes, legislative, policy or statutory changes. These can include increases or decreases in loan charges which is the revenue cost of borrowing. General demand pressures not approved, including increasing demands on services, would need to be met through additional savings.

## **General Revenue Grant**

There has been an increase in General Fund grant in financial year 2025/26 to support additional and existing priorities including support for the recurring cost of the 2024/25 pay award. However, funding for core services is not sufficient to meet rising costs. The current assumption for future years is that funding will remain static and no increase or decrease has been built into the budget gap. However, it is recognised that this position is extremely uncertain as the UK and Scottish Government experience financial impacts both Globally and within the UK.

Updates are provided through the Spending Review, the UK Autumn Budget, the Scottish Budget, and subsequently the Draft Settlement. Other Scottish Government Funding/ Ring-fenced funding

Other income received from the Scottish Government, that does not form part of the general revenue grant, as it is usually ringfenced for specific priorities, is forecast to remain the same. Information as to fluctuations in this funding are normally notified through the draft Local Government Settlement and will be updated when that received. As it is linked to specific activities expenditure will be reduced in those areas if funding is reduced or withdrawn. Two examples of funding of this nature that the Council receives relates to Criminal Justice and Pupil Equity Funding (PEF).

## **Non-Domestic Rates Income**

The income received from the Scottish Government for Non-Domestic Rates is forecasted to remain the same at £19.8m across the medium term. In practice this will fluctuate based on the level of charges which are set by the Scottish Government annually, the rateable values of Domestic properties within Clackmannanshire and the reliefs applied. However, as this amount is adjusted in the General Revenue Grant there is nil impact between Non-Domestic Rate Income and General Revenue Grant.

## **Council Tax Income**

Each 1% increase in Council tax equates to approximately £255k. An increase in the Council Tax charge of 13% was agreed for 2025/26 which equated to an additional £3.321m of income and total income of £28.868m. An increase of 10% has been built into the gap for 2026/27 and future years, generating around £2.9m of additional income each year. The actual rate of Council Tax is decided by elected members as part of the approval of the annual budget but may be subject to a cap or freeze as directed by the Scottish Government.

Along with the key assumptions set out above, there are a number of additional assumptions and adjustments on income and expenditure built into the funding gap worth noting.

## **Fees and Charges**

Income from fees and charges is offset against net expenditure. The Council sets a standard increase in prices as part of the annual budget setting. This is normally in line with inflation within the second and third quarters of the year. The budget gap does not include any increases in income other than those where a specific savings proposal is approved i.e. where there is a new service being charged for or if there is a specific increase in the income budget above the current budget.

The Fees and Charges strategy is updated annually and approved alongside the budget. The strategy details the standard inflationary increase along with any exceptions to this increase. Exceptions occur for services that are not delivered by the Council, are set by statute or where the service have considered other factors such as the elasticity of demand or the impact on specific groups and therefore deemed it not appropriate to increase the charges by the standard amount.

## **Other Funding – Reserves**

Councils can use uncommitted useable general fund reserves to assist in setting the budget. These reserves are one-off sources of funding and are reversed out the following year, adding to the budget gap. For 2025/26, £1.746m of one-off reserves was used to support the revenue budget. This then adds to the gap in 2026/27. Table 2 above shows the level of one-off reserves that have been used over the last few years to support the budget.

As noted, the Council must keep a minimum of 2% of its net budget in uncommitted reserves to ensure there is funding to support any unforeseen financial pressures during the year.

These assumptions are based on estimates at the time and as such these are likely to fluctuate and become more uncertain the longer the view.

## Reversal of Cash savings

The expenditure budget is also adjusted each year for the removal of any cash savings approved in the previous year. As these are one year savings, the expenditure budget is reinstated back to the level before the saving was taken. Included within the savings for 2025/26 were cash savings of £1.684m.

## Sensitivity and Scenario Analysis for Key Assumptions

There is a significant level of uncertainty over a number of the elements within the funding gap that have the potential to positively or negatively impact the Council's financial performance and budget strategy. Due to the uncertainty around each of the assumptions, Low, Medium and High Scenarios have been prepared which reflect possible scenarios and these are presented in the tables below.

In these scenarios the indicative gap for 2025/26 ranges from £0m to £2.169m with a cumulative indicative gap of between £13.768m and £47.811m over the next 5 years. As the budget for 2025/26 has already been set, only those remaining uncertainties such as Pay remain.

**Table 5: General Services Budget - Indicative funding gap Low, Medium & High Scenarios**

<b>Annual Indicative Funding Gap</b>	<b>Current £000</b>	<b>Low £000</b>	<b>Medium £000</b>	<b>High £000</b>
2025/26	-	-	1,084	2,169
2026/27	7,340	6,065	9,601	13,509
2027/28	4,663	3,300	6,924	11,444
2028/29	4,230	2,867	6,491	11,011
2029/30	2,899	1,536	5,160	9,680
<b>Cumulative Indicative Funding Gap</b>	<b>19,132</b>	<b>13,768</b>	<b>29,259</b>	<b>47,811</b>

The main assumptions included within the indicative budget gap scenarios for each of the 5 years from 2025/26 are set out in the table below. All of the assumptions remain the same across each of the 5 years with the exception of the Employers Pension Contribution as the rate is confirmed until 2026/27:

**Table 6: – Budget Gap Scenario Assumptions 2025/26 to 2029/30**

<b>Variables</b>	<b>1% Value £ (based on 2025/26)</b>	<b>Current</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
Pay Award	£1.084m	3%			5%
Employers Pension Contribution (from 2027/28 only)	£0.175m	19.5%	19%	19.5%	23%
Demand Pressures	£0.250m	£2.5m	£2m	£2.5m	£3m
Grant Funding	£1.130m	0%			-5%
Council Tax Increase	£0.255m	10%	15%	10%	8%

Non-domestic rate income and Other Grants/ringfenced grants have been excluded from the sensitivity analysis as any fluctuation would be offset by an equal fluctuation in general revenue grant or a reduction/increase in delivery of a specific service or activity associated with the grant funding.

## 7. Financial Sustainability and Strategy

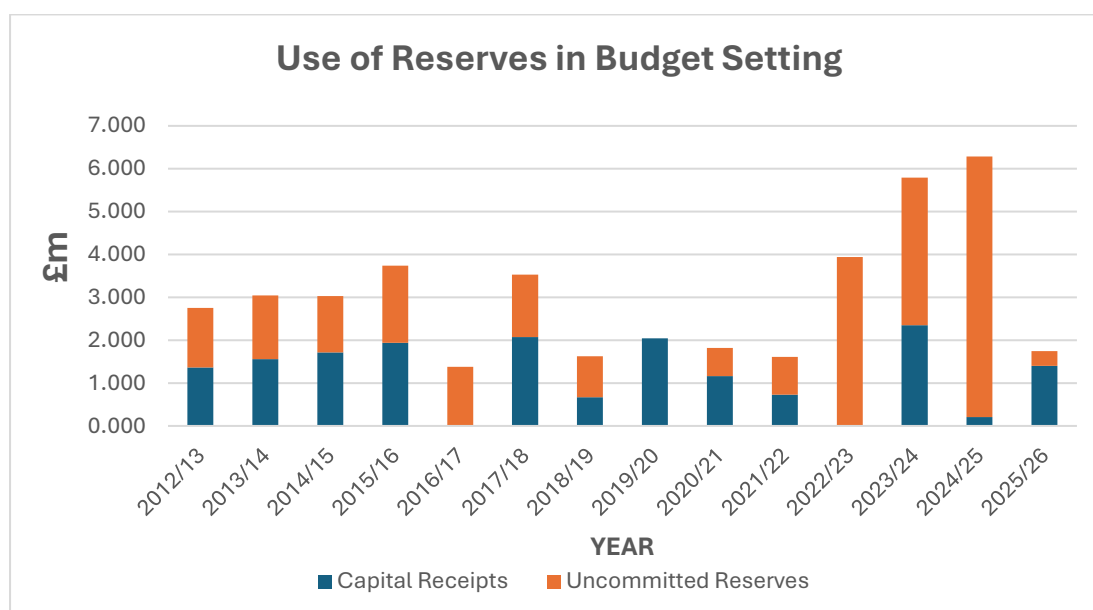
In order to be sustainable, the Council needs to make permanent changes to its income and expenditure, whether that be reducing expenditure or increasing income.

### Reserves

The Council in the past has also used reserves to support the budget setting process and close the funding gap. As the options for non-statutory efficiencies and policy proposals has been diminishing, the Council has consciously deployed one off cash savings and reserves to balance its budget to minimise the need to permanently/adversely impact on the delivery of statutory services.

In setting the current year's Budget (2025/26), the Council utilised £1.8m of one-off uncommitted reserves including capital receipts to offset loans charges. Exhibit 2 below shows the use of reserves in setting the Councils annual budget since 2012/13 that have been applied to protect service delivery. The much lower level of reserves utilised in 2025/26 reflects that this is not a sustained approach, however, this presents a challenge due to the savings that have already been made.

#### **Exhibit 2 – Use of Reserves in Budget Setting**



The use of one-off reserves to deliver financial balance is clearly not a sustainable strategy for the Council and the Council needs to ensure ways of reducing its expenditure and increasing its income on a permanent basis to ensure financial sustainability over the medium to long term.



## **Budget Strategy**

The budget strategy for the year is set out by the Chief Financial Officer and this is agreed by Council. The strategy sets out the budget approach which will be followed including a timeline of key activities and milestones. These include timescales for updating Elected Members and Trade Unions on progress.

The Budget approach for 2025/26 follows a similar process to previous years with a Budget Working Group consisting of the Chief Executive, Directors, the Chief Finance Officer, the Chief Accountant and the Senior Manager for Capital and Transform. Meetings are held on a monthly basis or more frequently as required.

The Budget Working Group is also supported by a Capital Operations Group that is made up of officers with responsibility for Capital Projects. This group monitors progress of projects against budget and plays a key role in the review of the any new capital project bids and rephasing of the 20 year programme. More detail of the Capital Programme is provided in section 8.

Three Budget Challenge Sessions are also held during the year for each of the Directorates. These are attended by members of the Budget Working Group along with the relevant Senior Managers for each Directorate.

As noted in section 6 the Council is adopting three key approaches to reducing the funding gap:

- Reduce spend;
- Increase income, and
- Transformational Change

Further detail of the three approaches to close the funding gap are detailed below:

### **Reduce Spend**

The key areas of focus under this theme are:

- **The well-established budget preparation process which leads to portfolio and cross-cutting savings proposals;**
- **Key areas of routine review to identify the opportunity to reduce spend, and**
- **Lobby and awareness raising with Scottish Government, COSLA, External Audit and Audit Scotland and Accounts Commission**

Throughout the year, officers identify savings proposals for their areas. These savings proposals are considered at the three budget challenge sessions. Savings proposals focus on reducing spend within services through service reduction or cessation.

The Council does not include efficiency targets within its budget savings. All savings proposals are required to be supported by a business case detailing the impact of the saving which includes impact on statutory services, equality impacts and risk. Savings are verified by finance to ensure viability before inclusion in the budget proposals.

Savings proposals can be permanent reductions in expenditure or increases in income or temporary one year reductions/increases, known as cash savings and are reversed the following year. As part of the saving identification process cash savings are reviewed to confirm whether they can be converted to permanent savings or can continue as cash savings the following year. If they are viable as either cash or permanent savings they will form part of the proposals for the budget setting process.

Savings are categorised into either Policy Savings – those that change the level of service provision or cease a service provision, or Management Efficiency savings – those savings that do not change the way a service is delivered and can be done under delegation.

Key areas where services look to reduce spend:

- Staffing reductions: staffing costs make up around 62% of the Councils overall budget. The Council has implemented a number of Voluntary severance schemes over the years inviting staff that may wish to leave the Council to come forward. Where applications are agreed the post is then removed. Services can identify areas where they no longer require the same level of staffing by reducing or changing the way they deliver services which can lead to staff being offered Targeted Voluntary Redundancy.
- Stopping or reducing services – where a service is not statutory services can look to reduce or stop delivery. This can give rise to operational savings on staffing, and related savings on closure of buildings etc.
- Reduce Service Level Provision: services can look to reduce the level of service standard provided for example reducing opening hours of facilities, increase response times, increase time between waste collections etc. This can apply to both statutory and non-statutory services as the function is still being delivered, just at a lower level.
- Reduce support functions: services can look to reduce back office services/introduce self service or de centralise functions to free up resources within the centre.
- Renegotiate contracts: As contracts reach their renewal point, services may review the existing provision. A procurement process can be undertaken to test the market and identify whether alternative suppliers can deliver the required quality of service at a lower cost.
- Review legacy budgets: as part of the annual budget process services will review their budgets and previous years spend to identify if there are areas of spend that are no longer required and the budget can be removed.

- Alternate delivery models/ service redesign including public, private, voluntary and third sector models focussed on collaboration and maximising the participation of our communities and service users and increasing potential for access to non-LG funding streams.

### **Lobby and Awareness Raising**

The Council has, for many years, sought to engage both politically and managerially to raise awareness of, and lobby for, improvements in respect of the challenges faced by the Council.

Over the last 12-18 month, this focus, and our activity, has been sharpened in this area. The detailed work submitted to Scottish Government as part of pre-Budget engagement has been helpful in securing an enhanced settlement for Scottish Local Government, including Clackmannanshire Council, in the 2025/26 Scottish Budget.

Notwithstanding this progress, it should be noted that the improved settlement position did not address the underlying challenges faced by Clackmannanshire Council of increasing demand, complexity of demand, lack of financial flexibilities available to small councils and funding distribution.

It remains a priority of this strategy that the external stakeholder dialogue continues with a particular emphasis on promoting better awareness and understanding of the lack of 'levers' available to small councils who do not receive the benefit of economies of scale in a distribution mechanism which remains largely population drive. To this end, discussions with COSLA on potential solutions for the future are being taken forward.

### **Increase Income**

**The key areas of focus under this theme are:**

- **Council Tax income**
- **Fees and Charges**
- **Investment Strategy including leverage of non-financial resource**
- **Maximising Grant income**

Maximisation of grant/ income is as important as minimising expenditure whilst delivering improved outcomes. Through the budget setting process, services look to identify ways in which they can increase their income. This may include increasing Council Tax or fees and charges for services, adding additional services to be charged for or generating income through other means.

## **Council Tax**

As noted in section three, the Council has the ability to generate income through the administration of Council Tax. The level of Council Tax is a local decision taken by Elected Members as part of the annual budget setting, however, the Scottish Government can impose a cap on the increase or a complete freeze.

For Clackmannanshire a 1% rise in Council tax equates to an additional £255k of income. In order to close the funding gap of £7.340m for 26/27, the Council tax would need to be increased by 28.8% taking the total increase in the year to 38.8%. If the 30% increase in income estimate per the approach to closing the gap then Council Tax would need to generate £2.2m in additional income, an increase of 8.6% over and above the 10% increase already assumed taking the increase in the year to 18.6% overall. The 10% assumption is for illustrative purposes as this will be determined as part of setting the budget, however, we are working towards setting Council Tax rates relative to the crystallisation of benefits of the work through Transformation.

## **Fees and Charges**

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

The Council also provides other discretionary services, some of which are provided at a cost to the customer. These discretionary services are primarily provided on a full cost recovery basis to ensure that all costs are covered by the charges made.

However, when setting the fees and charges, consideration is given to the ability of those in receipt of services to pay the proposed rates. Consideration is also given to the competitive environment in which services operate. The Council will benchmark the charges it makes against other Scottish Councils to ensure fees and charges are reasonable and affordable. Where a benchmark doesn't exist, a commercial rate may be used to set the rate.

Fees and charges are reviewed on an annual basis as part of the budget setting process but may be subject to changes in-year. An annual increase in all charges is applied using an appropriate CPI indicator. Any exceptions to this increase are noted in the Income and Charging strategy included within the budget.

Where an increase in the fees or charges expects additional income to be raised, this is included as a Management Efficiency saving within the proposed budget.

If a new service is implemented and is being charged for, this will be included within the Policy savings proposals requiring a decision of Council to increase the fee.

As part of the strategy to close the gap, services look to identify new income streams. Previous examples have been to implement a charge for Brown Bins collection, deliver Health and Safety training out with the Council and to offer design services externally.

Further potential income streams are currently being explored which will contribute to the estimated additional income in line with the strategy.

### **Investment Strategy**

Clackmannanshire's Investment Strategy, approved in March 2023, is currently being reviewed and updated. This presents an opportunity to align the Strategy more closely with the Council's wider transformation ambitions. The Investment Strategy draft Strategic Outcomes are as follows:

- The Investment Strategy is for Clackmannanshire and not only the Council
- It provides a strategic approach/ framework for how we pursue/ prioritise external capital and revenue investment opportunities for Clackmannanshire
- Additional public and private sector investment is leveraged
- Co-design and development of successful proposals with communities
- Targeted and effective collaborative approach to the pursuit of grants.

The Council has also successfully levered financial and non-financial resources in respect of a range of priority projects and Transformation activities including from Sports Scotland, the Vardy Foundation, the Hunter Foundation and Scottish Government. This additional resource has been critical in ensuring that priority work has been appropriately supported and resourced. This work will be further developed during 2025/26 and reported to the Be the Future Board and Council.

### **Maximising General Grant Income**

It is important that Council is assured that the General Revenue Grant income is maximised as far as possible. To facilitate this, the Chief Executive has requested that the Section 95 Officer undertakes a review of the Council's arrangements for completing and submitting its Local Finance Returns (LFRs) to ensure the Council accurately maximising access to the funding available.

LFRs are a series of detailed returns that collect final, audited expenditure figures for all local authorities including Councils, on an annual basis. The figures collected in the LFRs are published as part of the Scottish Local Government Finance Statistics publication. Once published, the data is used for a wide range of purposes, including in assessment of Grant Aided Expenditure (GAE). It is, therefore, important that returns submitted accurately reflect demand and spend on services.

Once the internal review has been completed it is intended to engage with practitioner leads within Scottish Government to review any findings/ impacts.

## **Service Transformation and Redesign**

The key areas of focus under this theme are:

- **Be the Future TOM and Transformation Programme**
- **Partnership and Collaboration**
- **Alternate delivery models/service redesign**
- **Prevention and early Intervention**
- **Digital and Data transformation**

### **Be the Future – Target Operating Model and Transformation Programme**

There is an acute awareness of the need to secure service and financial sustainability which is linked directly to the agreement of the Council's Be the Future Transformation Programme in 2018 and the Target Operating Model (TOM) as set out in section 3.

The Council's Be the Future programme has significant cross-party support and has been a unifying ambition for officers and members. The Target Operating Model (TOM) was formed around the three principal areas of People, Process and Technology and the seven agreed activities/themes, three of which have been prioritised for 2025/26: Digital and Data, Workforce Strategy and Asset management. These activities/themes constitute the enablers to create the conditions for change, this includes obvious enablers such as digital and data transformation as well as those to support culture change such as our Values Based Leadership work with Scottish Government, Hunter Foundation and Columba 1400 as part of our work on the Family Wellbeing Partnership.

### **Partnership and Collaboration**

The Council has a long history of partnership working and collaborations and it is widely known for proactivity in respect of partnership work and collaboration. Clackmannanshire Council was previously in a significant Shared Service arrangement with Stirling Council (Stirling Council Education lead; Clackmannanshire Council Social work lead). These arrangements prevailed for several years before they ended. In addition, Clackmannanshire Council led on the Regional Improvement Collaborative with Falkirk, Stirling and West Lothian Councils for four years until funding ended.

A range of partnership arrangements are currently in place, including:

- Health and Social Care Partnership- NHS Forth Valley and Stirling Council
- Forth Valley Public Protection
- School Transport- led by Stirling Council
- Out of Hours Social Work Duty - led by Stirling Council
- Animal Welfare - led by Stirling Council
- Bridges and Lighting Inspections / Repairs - led by Falkirk Council
- Waste Transfer / Disposal - led by Stirling Council

- Contaminated Land - Falkirk Council
- Trading Standards - Stirling Council
- Archaeology Specialist advice for planning applications - Stirling Council
- Internal Audit – Falkirk Council
- Under the Scottish Secure Tenants (Right to Repair) Regulations 2002, Stirling Council is our named secondary housing repairs contractor, and we are the named secondary repairs contractor for their tenants
- Dog Shelter (Bandeath) - led by Stirling Council

This strategy seeks to build on the foundations of this range of effective partnership arrangements and to maximise the potential of our relationships and networks. A key strand of activity is work currently being taken forward as Discovery Phase options appraisal with Falkirk Council.

This work will identify a range of potential options for new service delivery models on a collaborative basis. This work is being facilitated by Price Waterhouse Coopers (PwC), and Clackmannanshire Council, together with Falkirk Council, have submitted a Joint Bid to the Scottish Government's Invest to Save Fund to support the delivery of any options agreed, which would be delivered in a potential Phase 2.

The Discovery Phase work is due to report in June/ July 2025. It is planned to submit joint reports to each Council in the October Council cycle on any potential new models for Phase 2 with a strong emphasis on both delivering financial sustainability and supporting Public Sector Reform. Some of the Councils' strategic partners have also expressed an interest in considering the opportunity that may exist for wider collaboration once specific proposals have been developed.

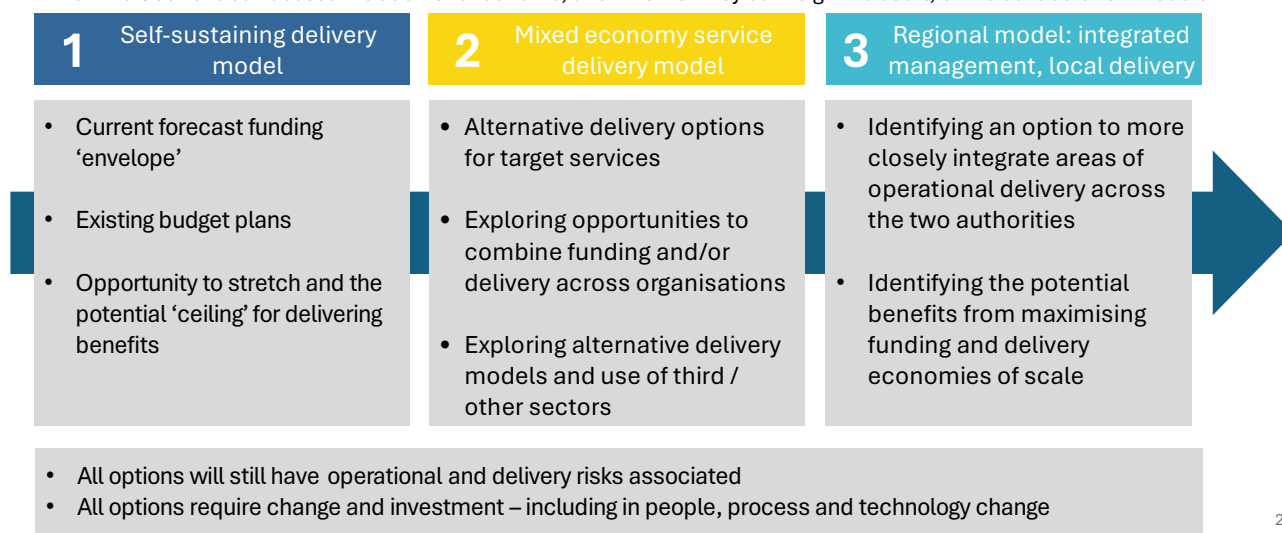
The three options being considered for collaboration are set out Exhibit 3 below.



## Exhibit 3 – Collaboration Options

### Understanding the options for collaboration

The discussions around vision and ambition at both a council-wide level and for each directorate were focused around three options; a self-sustaining delivery model, a mixed economy delivery model and a regional model with integrated management and local delivery. These options help to provide a consistent structure and framework for the potential collaboration opportunities to be explored across Directorates. The 'self-sustaining' model is effectively the baseline from which the Councils can assess the additional benefits, and whether they outweigh the costs, of the collaboration models.



Additionally, there is a related strand of activity to redesign the Council's (internal) Target Operating Model which has also commenced with facilitation by PwC and is aiming to contribute to the Council's 2026/27 Budget setting process and incorporates a review of organisational design and operational structures for the future (linked to our ongoing transformation activity).

### Alternate Delivery Models/Service Redesign

In recent years, significant budget savings have been made across Children's Services as part of the establishment of an integrated People Directorate. The development of an Early Help Team within the Directorate is working to prevent children and families from reaching crisis and resulting in an ongoing reduction in high-cost care placements. Whole family support and closer working across all services and with other Directorates has resulted in fewer out of authority education placements, both against a background of increasing complexity and demand.

### Prevention and Early Intervention

There are already demonstrable examples of progress as a consequence of our transformation work, bucking the national trend re the poverty-related attainment gap; independent evaluation of STRIVE suggests savings across partners of £66m as a consequence of preventing people from requiring statutory intervention; increased automation and digital access to Council services.



## **Digital and Data Transformation**

The Council has developed a 5 year Digital and Data Transformation roadmap which sets out a plan to modernise services, focusing on people, communities, and smarter ways of working. Key priorities include improving data use, expanding automation and AI, and building a modern digital workplace. The plan aims to support better decision-making through data insights, strengthening strategic partnerships and empowering communities with tools like citizen data portals and online platforms for community engagement. Over time, the council aims to create a more connected, efficient, and innovative organisation that delivers better outcomes for residents.

Included within the plan is a Data Insights project which aims to improve how we manage, understand, and use data across the Council. The project will focus on helping the Council make better use of data to support decision-making and improve outcomes for our communities. Over the next year, we will roll out the Business Intelligence tool - Power BI, to all our Service Areas, enabling more efficient reporting. We are also looking to launch a new Clackmannanshire Data Platform to give Elected Members, staff, and partners easier access to key local insights. In parallel, we will strengthen collaboration with our partners through improved data sharing, helping to build a more joined-up picture of our communities and the services they rely on.

By improving our data foundations, we are also laying the groundwork for wider opportunities such as automation and the responsible use of artificial intelligence.

## Exhibit 4 – Digital and Transformation Roadmap

OFFICIAL-Non Sensitive

### Digital Transformation 5 Year Roadmap



Clackmannanshire  
Council  
www.clacks.gov.uk

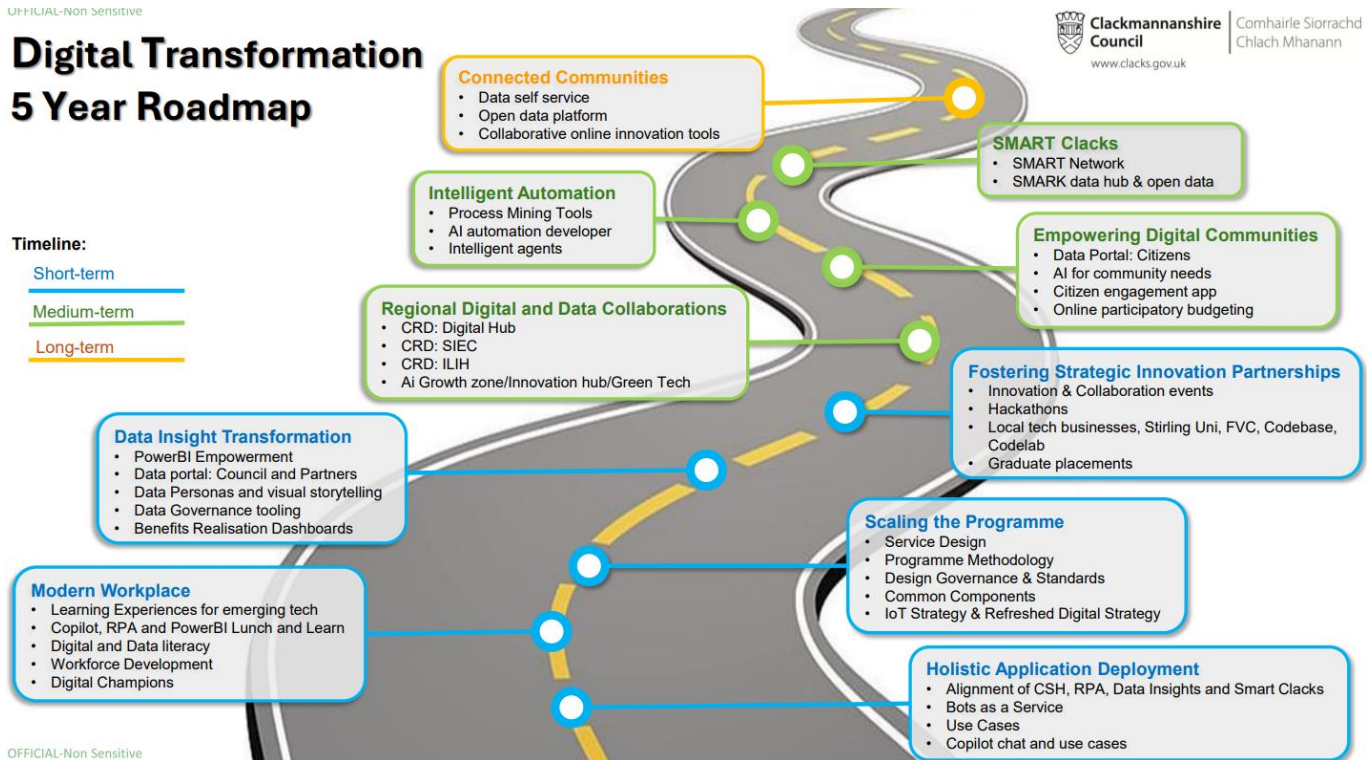
Comhairle Siorrachd  
Chlach Mhanann

#### Timeline:

Short-term

Medium-term

Long-term



OFFICIAL-Non Sensitive

## **8. Capital Strategy and Asset Management**

### **Capital Investment Priorities and Funding Sources**

The Council agreed a 20 year rolling capital investment programme as part of its budget setting for 2021/22. This aimed to provide a plan of investment of around £250m over the longer term in line with the Councils transformation ambitions.

The Capital plan is overseen by the Capital Operations Group that consists of officers across the Council with responsibility for projects within the plan. This group reviews the outturn position throughout the year and considers any updates to the capital plan, including any new project bids to be added. Through the annual review, timing and costs of projects are reviewed and updated and any new bids added or projects removed if they are no longer viable. This forms the updated 20 year programme that is proposed as part of the annual budget setting.

There are accounting rules around what can be classed as capital expenditure and this is often an area of focus for external auditors. Revenue funding can be used to fund capital expenditure but there are limited options for using Capital funds to offset Revenue spend. The Scottish Government can and has in the past passed laws to allow capital funds to offset revenue spend in certain instances.

### **Funding**

#### **General and Specific Capital Grant**

The Scottish Government provides annual funding for capital spend through the General Capital Grant that is announced as part of the Local Government Settlement. This grant has specific conditions attached to it and must be used in full during the financial year.

The Capital Grant the Council receives is relatively small compared to the capital investment it plans to make with only £4.3m being received for 2025/26 against a programmed spend of £29.3m (14.7%).

The Scottish Government also allocates Specific Capital Grant to fund specific areas of spend or initiatives.

The Council can also apply for various other capital grants for specific projects. Examples of these within the current programme include, Active Travel, City Region Deal with Stirling Council and Stirling University.

## **Capital Receipts**

Capital receipts are the net proceeds from the sale of an asset. These proceeds can be used to offset other Capital spend or carried forward for use in future years. They can also be used to fund specific revenue expenditure in relation to the principal repayments of debt. They cannot be used for any other purpose unless this is specifically set out in an amendment to legislation.

Capital receipts are similar to reserves in that they are one off sources of funding.

## **Other Sources of Funding**

The Council is exploring different capital funding models to expand its assets, for example leveraging partnership investment as part of its work on the Promise. As a consequence, the investment strategy will support the priority to identify and maximise the benefit of such opportunities to identify alternate funding sources.

## **Borrowing**

Where funding is not sufficient to meet the cost of planned capital investment, the remainder requires to be funded through Borrowing. Borrowing can be undertaken internally by using surplus cash balances or externally from a lender, commonly the Public Works Loan Board (PWLB). This is managed through the Treasury Management Strategy approved by council each year which ensures that the investment proposed within the annual budget and the resulting borrowing requirement is Prudent, Affordable and Sustainable in line with prudential indicators.

## **Planned Borrowing and Implications for Prudential Indicators**

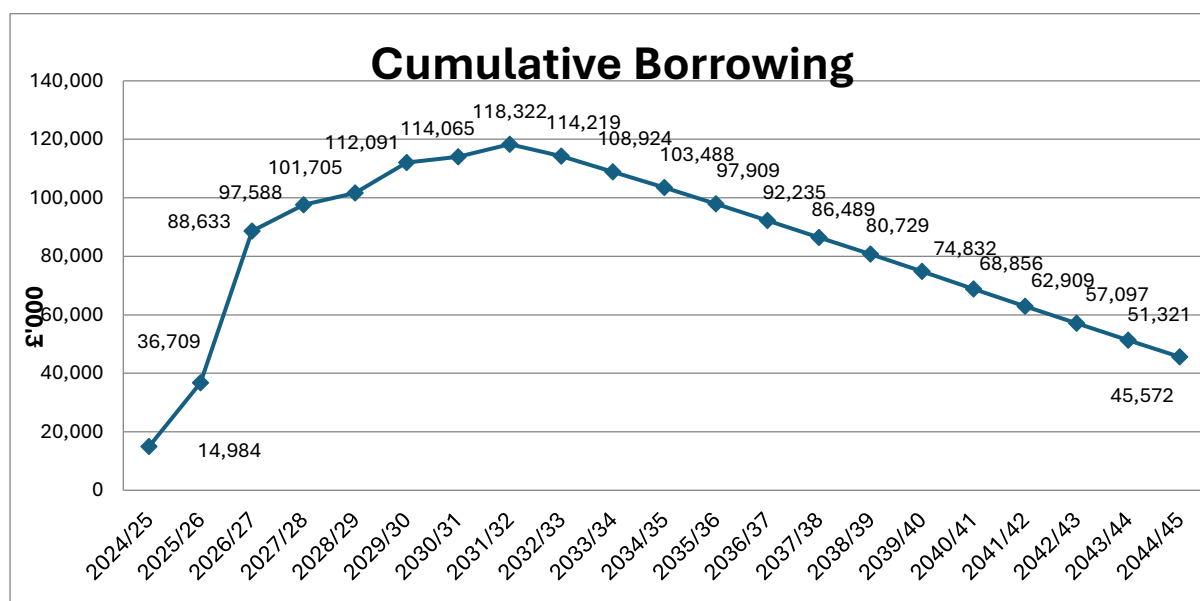
In previous years, the General Services Indicative Capital Programme has been developed in consideration of the financial strategy of minimising new borrowing. In 2021/22 the Council approved a departure from this strategy with a revised strategy focusing on supporting capital investment over the 20 year programme.

Since the previous strategy was introduced in 2012, and the change in strategy in 2021/22, there has been a reduction of £20.4m in the Council's level of debt as at end of March 2025. As such, the Council's borrowing as a proportion of income is now relatively low compared to other Scottish Councils. The ratio of the cost of borrowing relative to our income stream as at 31 March 2025 is estimated to be 3.89% compared to the Scottish Average of 5.75% (2023/24). This places the Council in a strong position from which to invest and stimulate local economic recovery on which the capital plan is based.

Within the 20 year programme, indicative spend increases in the initial years as does borrowing. This is due to significant investments in several significant projects including the Learning Estate and Wellbeing Hub. Towards the end of the 20 year programme, investment starts to reduce again to reflect routine cyclical spend and the

level of borrowing reduces as repayments are made and no further borrowing is undertaken as shown in exhibit 5 below.

### Exhibit 5 - Borrowing



It is important that medium to longer term levels of borrowing are closely planned and monitored. In particular, given the significant investment summarised in the capital programme, it is critical that considerable emphasis is placed on the identification of alternative funding streams including Capital Receipts, specific grant funding and internal borrowing are being considered to reduce any external borrowing requirement to continue to minimise the Council's overall level of debt.

When setting its Capital programme the Council needs to ensure that it is affordable. One of the measures to do this is the ratio of Costs of Borrowing to net revenues stream which is set out in the table below.

**Table 7: Ratio of Financing Costs to Net Revenue Stream**

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	2031/32 £000
Loan Charges/ Cost of Borrowing	7,232	8,286	9,862	11,417	16,355	15,552	14,688
General Revenue Funding	166,214	169,101	172,276	175,769	191,289	206,192	225,213
Ratio of Cost of Borrowing	4.35%	4.90%	5.72%	6.50%	8.55%	7.54%	6.52%

The table shows that over the initial years, revenue costs associated with borrowing, including the interest costs and loans fund advances, are rising as a percentage of the revenue income from grant and council tax. The ratio is estimated to increase from 4.35% in 2025/26 steadily over the life of the capital plan as borrowing costs increase and grant funding remains fairly stable. However, costs start to reduce towards the end of the programme after peaking in 2032/33 at 8.7%.

The revenue costs of borrowing shown above are estimated on current borrowing interest rates and estimated revenue funding as set out in the indicative funding gap. Any change to the assumed level of revenue funding and in the estimated borrowing interest rates would increase or decrease the cost of borrowing and the associated ratio.

The cost of external borrowing is built into the funding gap through inclusion in the expenditure forecasts. Any change to the capital programme and associated borrowing requirement would increase or decrease the expenditure forecast with the indicative funding gap shown in table 6.

## **Asset Management Strategy**

One of the key transformation areas of the Councils Be the Future programme, as noted in section 3, is a focus on the Councils Asset strategy. An Asset management strategy is currently being developed that will cover all of the Councils assets and contain proposals for their future use, development or declaration as surplus. More specifically the strategy will consider:

- Sustainable asset base;
- Learning estate review;
- Surplus assets;
- Income generation proposals;
- Carbon reduction and net zero;
- Community asset transfers, and
- Partnership/co-location.

The development of the strategy will follow a structured approach that aligns with both statutory requirements and local priorities. It will also link to place-based regeneration and sustainability goals. By developing a comprehensive strategy, the Council will ensure it can manage its resources effectively and deliver high quality services. In terms of sustainability, the strategy will ensure the council is using its assets to their full potential and to deliver maximum benefit to its Communities.

The strategy will be developed in stages incorporating the eight areas noted above. It will not only consider the Councils Corporate Assets, Commercial Assets and Fleet but also build on the Council Community Asset Transfer Policy. In advance, an exercise has also recently been undertaken to map of all the community assets that exist across the area with the aim of trying to efficiently align more resource to improving outcomes for local communities. Work is being taken forward with community groups under Community Asset Transfer for several assets currently owned by the council.

Along with the Asset Management Strategy, the Council is also refreshing its Learning Estate Strategy. These strategies will be closely aligned with many interdependencies.

Key elements of the Asset Management Strategy will create a framework which will consider the condition of the Councils 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 and best practice.

## 9. Risk Management

The strategy is a key document in the monitoring and reporting of financial sustainability risk. The strategy aims to identify financial challenges at an early stage, setting out the funding gap and potential risks and mitigations that the Council must work to achieve and provides a foundation for all decisions with a financial impact. The strategy helps ensure a shared understanding of the position, encouraging all stakeholders to work together to mitigate those challenges and achieve a financially sustainable operating environment.

The key financial risks are set out within this strategy which include inflation, demand volatility, demographics, funding changes etc.

The Councils Corporate Risk Register records one overall financial risk – risk of Insufficient Financial Resilience which is frequently updated and reported to Committee.

**Risk** - The Council does not have a balanced budget to meet essential service demands, customer needs, or external agendas.

Risk level 20, target 5.

**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.

**Related Actions:** Use the agreed strategic change framework and organisational design principles to implement a whole organisation redesign and 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.

Existing Controls: Budget Strategy and Monitoring, Contract Standing Orders and Financial Regulations.

The risk register also details two related risks that may impact on achieving financial sustainability:

1. Insufficient Scale and Pace of Organisational Change, risk level 8, target 5.
2. Inadequate Work Force Planning, risk level 16, target 3.

Further information including the Corporate Risk Register and Risk Management Policy can be found in the Corporate Risk Management Section of the Councils website.



## **Mitigation Strategies**

In light of these risks and the current challenges the Council faces, a number of activities are being undertaken that are in varying stages of development that will mitigate the pressures and service and financial sustainability challenges currently being faced:

- Prioritising the political and managerial awareness raising and lobbying with regards the systematic challenges facing the Council with the Scottish Government, COSLA and key stakeholders such as Deloitte, the Council's external auditors, Audit Scotland and the Accounts Commission. Key activities include meetings with Scottish Government post budget setting and a commitment to further meetings and regular check-ins with External Audit covering current issues including HSCP, MTFP etc.;
- Be the Future Target Operating Model. This work is being progressed in parallel with the Regional Collaborative Working options appraisal. The Senior Leadership Group (SLG) has held sessions to identify potential design options on delivery and the Chief Executive is developing consequential Management arrangement options. Good progress is being made on the Discovery Phase, associated with this is a joint invest to Save Bid which has been submitted to Scottish Government Fund in conjunction with Falkirk Council, requesting additional financial support to assist with phase 2 work which will follow this discovery phase (see Be the Future Report also on this agenda);
- Be the Future Transformation Programme. In March 2025, Council considered and agreed the Transformation Space work which is innovative in this area. Significant progress is also being made on Digital and Data transformation including the Data Insights work and work to develop the Social Work IT System (SWIT).
- Income maximisation. A refreshed draft strategic approach is being developed on the Investment Strategy and continued efforts are being undertaken to recruit a post holder.
- Officers are participating in a COSLA group which is reviewing the challenges of small Councils and the work undertaken by Clackmannanshire Council is informing the scope of the group;
- A Financial Resilience Framework is being developed to support this strategy and will be presented to Council in June 2025, and
- Continued focus on sound financial governance and maximising management efficiency in operational delivery. Financial mitigations of Spending Restraint and Recruitment to Critical Posts only is being continued for 2025/26 to ensure spend is in line with budget and support uncommitted reserves in light of the financial uncertainties noted above. Training sessions for budget holders along

with developing the financial ledger system to improve oversight of financial management is also being progressed.

Further updates on this work are being reported to Council through the appropriate reporting mechanism.

### **Workforce Planning**

Both the 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 actions identified in the Interim Workforce Strategy. 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. Actions completed include:

- Roll out and conclusion of the 2024 Staff Survey;
- 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.

Work is underway to develop the Strategic Workforce Plan with Senior Management Teams carrying out planning sessions within each of the Directorates which will inform the process along with output and feedback from the actions noted above.

### **Contingency Planning and Scenario Testing**

As noted above, the Council's policy is to maintain its uncommitted reserves at a minimum level of 2%, this provides a contingency if additional financial pressures arise in the year. The Council has also implemented spending restraint and vacancy management measures to minimise spend in the current year to provide further reserve balance in light of the scale of the challenges outlined. A general pressure reserve was also approved as part of the 2025/26 budget to cover pressures that were known but the amount was uncertain e.g. National Insurance, etc.

This strategy includes scenarios around the funding gap, presenting a low medium and high scenario determined by changes to the key variables within funding and expenditure. These will be monitored and updated as part of the financial planning and budgeting process.

## **Financial Resilience Framework**

To support risk management, a Financial Resilience Framework will also be developed which will provide a long-term view of the Councils financial resilience i.e. the ability to withstand events that impact the Councils income and asset, including unforeseen events. It is anticipated that this will be an iterative development process. This development will provide greater awareness and transparency over what financial resilience is, how it is defined and measured and link clearly to the subsequent actions and decisions required. The framework will also provide assurance and demonstration of the concept of 'Going Concern' for which local authorities and this Council have recently experienced scrutiny over from its External Auditors, the Controller of Audit and the Accounts Commission.

## **10. Governance and Monitoring**

It is the responsibility of Elected Members and Senior Officers to ensure the financial sustainability of the Council and that it is operating good financial governance and monitoring.

### **Financial Governance and Operational Efficiency**

Underpinning the collective political and managerial investment in finding innovative solutions to deliver services and financial sustainability, it is important, that a sharp focus is sustained on day-to-day management to ensure it remains operationally efficient and cost effective.

Regular leadership sessions are held with Senior Managers and Team Leaders to facilitate this and to promote awareness of current policies, requirements and expectations in respect of financial management.

The Section 95 Officer and Senior Leadership Group monitor the Council's financial performance through outturn monitoring reports closely to identify whether additional actions are required during the financial year to ensure financial balance is maintained once the budget has been agreed. This has resulted in specific actions being implemented such as spending restraint and short-term vacancy management. Significant additional scrutiny is also undertaken by elected members through the Audit and Scrutiny Committee and Council.

### **Alignment with the Budget-Setting Process and Service Planning**

Directorates prepare Business Plans that align with the LOIP and these are set annually with progress updates reported mid-way through the year. These plans set out the objectives of the Services within the Directorates including performance targets and describe how they will achieve these plans within their approved budgets.

### **Performance Monitoring and Reporting Arrangements**

Corporate Performance is reported annually to the Audit and Scrutiny Committee. The report provided presents a summary of key local demographics and Council performance data aligned to the Statement of Corporate Priorities. The 2023/24 report, tabled in April 2025, included information on the Council's statutory duties for Public Performance Reporting (PPR) and, for each priority area, summarised relevant statistics and performance levels, including data tables, analysis and management commentary.

### **Benefits Realisation Plan**

To demonstrate the impact and overall value of the Transformation Programme in delivering improved outcomes, accessible services and increased efficiency, a Benefits Realisation Framework has been developed.

The Framework comprises three elements:

- Transformation Programme - a selection of qualitative and quantitative indicators which demonstrate the impact and overall value of the Transformation Programme in 19 delivering improved outcomes, accessible services and increased efficiency.
- Thematic Outcomes - aggregated data showing how we are improving and transforming against the three Be the Future Strategic Themes: Sustainable Inclusive Growth, Empowering families and Communities and Health and Wellbeing
- Be the Future Priority Themes Metrics and Baseline - for each of the priority themes the benefits are stated, the baseline information (where available) and the metrics that are used to measure success (these are a mix of qualitative and quantitative measures) are recorded.

Following approval by Council of the Framework, work has started to populate the detail in the Councils performance system – Pentana, at level 3 Metrics and baseline. Indicators are also being developed for the subsequent levels 2 and 1 in consultation with Project sponsors, the Strategic Oversight Group and the Be the Future Board. Work continues to progress on developing templates to enhance reporting to the Board.

### **Regular Review and Update Cycle for Medium Term Financial Strategy**

This financial strategy is prepared at a point in time and relies on a series of assumptions and estimates. These assumptions and estimates are susceptible to fluctuations at both a macro and micro-economic level. As such this strategy will be reviewed and updated when significant changes in these assumptions and estimates are known. The regular reporting of the Budget Strategy for the coming financial year will also provide updates of any material changes in these assumptions which will be reported to Council through the regular reporting cycle.

The overall financial strategy will be refreshed in advance of the end of the period 2029/30 and reported to Council.

## **11. Stakeholder Engagement**

### **Communication and Engagement Strategy**

The Council recognises the importance of engaging effectively with its stakeholders including its Communities, Partners and its Staff in setting its budget which shapes the services provided to better align with their needs. As such the Communication and Engagement Plan is one of the Activities/Themes within the agreed Be the Future TOM Corporate Priorities as shown in section 3.

The Council requires a transformed, resilient, and future-focussed model of internal and external communications. This model aims to focus more specifically on promoting internal and external participation and co-design and delivery of alternative service delivery models. The Communication and Engagement strategy aims to increase the focus on promoting awareness of and celebrating key successes and achievements.

During 2024/25 a high level brief was approved by Council to support the procurement process to procure external capacity to take forward the development of a Communication and Engagement Strategy.

The appointed resource will work with a group of key stakeholders to develop the detailed scope, make recommendations and propose an implementation plan for delivery of the agreed approach. This scope document will be underpinned by a robust project and resourcing plan with clear milestones and timescales.

### **Elected Members**

Elected members are kept fully updated of the financial position of the Council and the financial challenges it faces. This is done through regular reporting to Council and through the Audit and Scrutiny Committee. Regular budget strategy reports are presented to Council which include the approach and progress on the annual budget setting process and quarterly financial outturn reports providing updates on the current financial position of the Council. These are supplemented by various other financial reports including the Draft and Audited Annual Accounts, Treasury Management Updates, Annual Debtors reports and reports from Internal and External Auditors. Elected members are able to scrutinise these reports and ask questions of officers for additional information.

The annual budget processes includes regular briefings to Elected Members, providing update on the budget gap and its assumptions and presenting savings proposals. The Chief Finance Officer also prepares briefings throughout the year on any specific financial updates including in addition to the scheduled briefings as required.

## **Public Consultation and Transparency**

The Council looks to ensure that its stakeholders are fully aware of the financial position facing the Council and the options available to it to set a balanced budget. Through public engagement it looks to inform stakeholders of the services that the Council offers and seeks feedback on what Services are important to its communities. It also looks to obtain feedback on changes that could be made to services to enhance them to better meet their needs and also to gather feedback on how specific policy changes will impact them.

The budget engagement process for 2025/26 was formed of 2 phases. The first phase sought views on the Council's priorities for the next four years and asked residents to provide feedback on the services most valuable to them.

Phase two was a more specific engagement which sought resident's views on a range of officer policy savings proposals. This engagement sought to understand potential impacts arising from proposals and any mitigation or amendments which should be considered in the context of an accompanying draft Equality and Fairer Scotland Impact Assessment.

All responses were classified by themes, alongside potential impacts and mitigations, to shape the development of the final Equality and Fairer Scotland Impact Assessment.

The broad themes were as follows:

- Council Tax, Fees, Charges and Income;
- Voluntary and Third Sector funding;
- Sports, Leisure and Libraries;
- Children and Families, and
- Environmental Services.

Responses from the budget engagement, as well as evidence gathered for Equality and Fairer Scotland Impact Assessments are provided to elected members in advance of the budget setting meeting to allow consideration before making their decisions on the budget proposals. The engagement feedback also includes highlighting areas for potential further dialogue where proposals have not been included in this Budget setting process.

## **Communities, Service Users and Partners**

Alongside the public engagement, officers also engage directly with Communities and Stakeholders that may be directly impacted on specific savings proposals. This allows information to be gathered to understand the direct impact to them and to identify any mitigations that may be available. This information is then used to inform the Equality Impact Assessments and the Savings proposals shared with elected members ahead of the budget setting decisions.

## **Staff & Trade Union Consultation**

Engagement with Trade Union representatives is embedded within the annual budget setting process. Briefings to Trade Unions are held throughout the year as outlined within the budget strategy approach approved by Council. The briefings provide an overview of the budget gap and assumptions and updates on progress with the identification and development of savings proposals with Trade Union representatives receiving the same information on areas for proposed savings as elected members.

Prior to the budget setting meeting of Council, a pre-budget staff cascade is prepared and circulated by the Chief Executive and Chief Finance Officer to all staff. As part of the Trade Union engagement process, staff are encouraged to provide feedback on proposals they may be impacted by, through their Trade Union representatives or through their line managers. throughout the budget process, staff have also been encouraged to engage with their senior managers to discuss proposals if they require further information. A post budget briefing is also prepared for staff detailing the key highlights of the approved budget.



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**Report to Clackmannanshire Council**

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**Date of Meeting: 26<sup>th</sup> June 2025**

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**Subject: Be The Future: Clackmannanshire Transformation Space  
Update**

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**Report by: Strategic Director, People**

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**1.0 Purpose**

- 1.1 This report updates Council following the report on 20 March 2025 about the Council's Be the Future Transformation Plan. The report notes the successful Invest to Save funding bid and describes work that has been taken forward on the creation of the Clackmannanshire Transformation Space, including the Community Interest Company ("CIC"), other funding identified and anticipated broad outcomes from the Transformation Space.

**2.0 Recommendations**

- 2.1 It is recommended that Council notes:
- 2.2 The success of the £1m Invest to Save Fund bid over the financial year 01/04/2025 to 31/03/2026 in connection with Clackmannanshire Transformation Space (Family Wellbeing Partnership).
- 2.3 The update on other funding that has been identified for Year 0 of the project, contained in sub paragraphs 3.7.1 to 3.7.3.
- 2.4 The update on the Year 0 setup of the CIC, the ongoing diligence and governance requirements contained in paragraphs 3.3 to 3.6, and the interim arrangement of the appointment of the Strategic Director for People to the CIC.
- 2.5 It is recommended that Council approves:
- 2.6 To the transfer of identified Council Budgets and/or Grants noted within this report and subject to input from Senior Manager of Legal & Governance and Chief Finance Officer any future identified Council Budgets and/or Grants to transfer Foundation Scotland as part of the operation of the Transformation Vehicle/Fund.

**3.0 Considerations**

- 3.1 Following on from Council's approval of the Transformation Vehicle, as set out in Report to Council in March 2025, both legal and other due diligence are continuing.
- 3.2 As set out in the said Report the aims of the Transformation Space are to:
- Reduce silos and deliver whole person and family wellbeing responses.

- Deliver community voice-led system transformation
  - Demonstrate agile and an impactful flow of funds
  - Build community wealth and a wellbeing economy
  - Deliver a single reporting framework which is accepted by partners and has relevance to the community
  - Leverage additional funds into the community
- 3.3 Recruitment for the Citizens Panel is underway with a particular focus being placed on those with lived experience of the issues we seek to address. It is anticipated that the first Citizens Panel will be reviewing proposals by mid-July 2025. A summary of the recruitment approach for the Citizens Panel is included as an Appendix A to this paper.
- 3.4 The Oversight Board (which will ratify the citizens' panel decisions) will be assembled over the coming months. Appendix B provides the Terms of Reference for the Oversight Board which will include elected member representation.
- 3.5 The CIC was formally constituted on 16 June 2025. To fulfil the legal requirements, a director requires to be appointed, which currently is the Strategic Director of People. Further directors will be required; with the role of ensuring that the Transformation Space aims are met. Further details will be included in the next update to Council on the appointment of Foundation Scotland Fund Manager, the creation of the Oversight Board and finalising of the citizens' panel.
- 3.6 The steps set out in this Report are integral to the pilot 'Year 0', as the transformation space is established and tested. Further updates on all aspects of the Transformation Space will be provided at future meetings.
- 3.7 Funds Identified**
- 3.7.1 Work began at the end of May 25, to establish and act on our strategy to generate additional funding via grants, trusts and foundations and the private sector. Extensive discussions have taken place with relevant officers in Scottish Government to gain support for the approach, which aligns with Government's focus on Whole Family Support and is in line with the Verity House Agreement and Clackmannanshire's People Community Wellbeing Plan (One Fund, One Plan, One Report).
- 3.7.2 A bid to the Invest to Save Fund, launched by Scottish Government in December 2024, for £1m has been successful and this will allow significant investment to the Transformation Space to test out approaches in Year 0 and beyond and support the strategy to leverage in additional funds. Funds will be transferred to Foundation Scotland with relevant governance and reporting.
- 3.7.3 Officers have identified the following initial funds for transfer which are focused on the strategic outcomes to be delivered by local solutions contained within the Clackmannanshire Alliance Wellbeing Local Outcomes Improvement Plan and in line Family Wellbeing Partnership objectives:

- Mental Health Funding £25,000
- Homelessness Prevention - Rapid Rehousing Transition Planning (RRTP) £200,000

- Family Wellbeing Partnership £75,000

These funds align directly with:

- Wellbeing: addressing physical and mental health and wellbeing; outcomes for young people; and poverty.
- Places: creating sustainable places and environmental sustainability

### 3.8 Reporting

A Report will be brought back to Council during the year on further Director appointments and progress on the CIC and associated work. Additionally, a full report on Year 0 will be prepared, seeking relevant authorisations before proceeding to future years. Audit and Scrutiny, and where appropriate Council, will be provided with regular reporting on how the funding has been used, and outcomes achieved. Relevant reporting to Scottish Government will also continue

### 4.0 Sustainability Implications

- 4.1 The information contained within the ARC demonstrates that housing priorities contribute positively to sustainability.

### 5.0 Resource Implications

- 5.1 Costs of running the Transformation Space will be covered within the Invest to Save funding and the Hunter Foundation.

#### 5.2 Financial Details

- 5.3 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 ☒

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

### 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".

- Appendix A – Community Voice
- Appendix B – Clackmannanshire Transformation Space Oversight Board

## 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 ☐

- Report to Clackmannanshire Council, March 2025 - Be the Future: Clackmannanshire Transformation Space

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Veronica Cully	Senior Manager (People) Strategic Lead: Family Wellbeing Partnership	2404
Murray Sharp	Senior Manager (Housing)	5113

### Approved by

NAME	DESIGNATION	SIGNATURE
Lorraine Sanda	Strategic Director, People	

## **Appendix A**

### **Clackmannanshire Transformation Space – Community Voice – June 2025**

The Clackmannanshire Voice Led Transformation Space is a multi-year community fund that puts decision-making power into the hands of those who are most often excluded. It will support approaches to improve the lives of people living in poverty and hardship by enabling equity, power-sharing and long-term change. It will put more power into the hands of individuals and communities, by engaging local people on how best to deliver public services in Clackmannanshire and involving them in the design and delivery of the services they use.

The Transformation Space will give the citizens of Clackmannanshire voice and agency as we involve them in the creation and prioritisation of solutions as well as decisions on where funding should be invested.

#### **Citizens Panel**

A group of 40-50 individuals will be brought together from across Clackmannanshire (initially called a Citizens Panel, one of their first tasks being to decide what they should be called).

Our aim is to have a good representation of people who have experience of the problems we are trying to solve. With this in mind we have been targeting recruitment at groups across the county where that lived experience exists. These include, for example, Alloa Bumps and All and Street Soccer.

Groups have been provided with an information page linked to a series of questions which allows citizens to apply to join the panel. This information, and a link to the application form, will also be provided on the Transformation Space website when live w/c 16/6. At that point information around the panel and its role will be shared widely on social media and via other contacts (e.g. Hillfoots groups already working with Foundation Scotland, our Fund Manager).

Two information sessions will be held on 24<sup>th</sup> June 25, where prospective panel members can find out more about the role of the panel as well as being given the opportunity, and help, to sign up.

The selection of the 40-50 individuals will be made on the basis of achieving a wide range of locations, backgrounds and experiences. Panel members will be paid for their time in a way that suits them and will also be able to access cover for costs which might otherwise prove to be a barrier, such as childcare and transport.

#### **Citizens Panel and Oversight Board**

From our overall panel of 40-50, a smaller group of 8-10 will be selected on a topic by topic basis. Selection will be related to their background and experience to ensure we get the right voices in the room. This group will work with Foundation Scotland over several meetings to define issues, review solutions and propose funding destinations.

The Oversight Board will make decisions on who receives funding. These decisions will be made using consensus decision-making through facilitated discussions supported by Foundation Scotland.

Based on models of deliberative democratic civic participation, Foundation Scotland will also be on hand for the decision-making panel members to ask questions during their decision-making. They will bring a mix of their lived and learned experience to the decision-making panel but will not have decision-making powers.



## Appendix B: Clackmannanshire Transformation Space Oversight Board

### Terms of Reference

#### 1. Introduction

The Transformation Space (TS) is a structure that sets out to eliminate siloed funding and maximise community assets to deliver improved outcomes. It will also attract funds from other sources, leveraging public sector funds and strategically aligning existing local funding towards a set of locally agreed transformation goals.

The Transformation Space is not only focused on what needs to change, but on how change is implemented and sustained. The TS is creating the conditions for radical transformation in the design and delivery of local solutions, so that we can maximise our impact on local people and communities.

The vision for TS involves a step change in the way people approach, think through and develop solutions to problems by putting the community at the heart of the process. It asks everyone to believe that radical is possible when delivering better outcomes for citizens and invites them to put into place the Christie recommendations around empowering individuals, early intervention, and collaborating across sectors.

The TS has 5 Strategic Aims:

- Reduce silos and deliver a whole person response
- Voice-led system transformation
- Agile and impactful flow of funds
- Build community wealth and deliver a Wellbeing Economy
- Deliver a single reporting framework with relevance to the community

#### 2. Role Within Overall Governance

Oversight Board	<ul style="list-style-type: none"><li>• Sets overall strategy for fund priorities</li><li>• Ensures that investment proposals put forward fit with strategic objectives and thematic analysis</li><li>• Provides constructive challenge to CIC management and to Fund Manager</li><li>• Passes instruction on prioritised investments on to Fund Manager</li></ul>
Citizens Panel	<ul style="list-style-type: none"><li>• Proposes solutions based on lived experience and prioritises for investment</li><li>• Reviews investment proposals at Stage 1 of investment process and prioritises which go forward</li><li>• Reviews investment proposals at Stage 2 and decides which receive investment</li><li>• Passes instruction on prioritised investments to Oversight Board</li></ul>
Fund Manager	<ul style="list-style-type: none"><li>• Acts on instruction of Oversight Board, provided the charitable aims are met</li></ul>

#### 3. Oversight Board Role and Purpose

The Oversight Board forms a key part of the infrastructure of the TS and is established to ensure robust governance, transparency, and accountability in the endorsement and monitoring of investment proposals put forward by the Citizens Panel. The Board will also approve the strategy and provide challenge to management proposals, always prioritising and amplifying community voice within decision-making processes.

The Role of the Oversight Board:

## **Appendix B: Clackmannanshire Transformation Space Oversight Board**

- Receive input on investment proposals from the Fund Manager and Citizens Panel
- Ensure investment proposals are in line with strategic objectives.
- Monitor the progress of funded initiatives.
- Provide strategic challenge to ensure alignment with priorities.
- Enhance local engagement by continuing to integrate community perspectives into all investment decisions.

### **4. Functions carried out by The Board:**

#### **Enabling**

- Help address any issues or barriers that have significant implications for achieving the goals of the TS.
- Freely share all information necessary to the agreed investments with those leading the activity - for e.g. information on trends, outcomes, performance, risks and associated dependencies, assumptions, previous review materials, finances, etc.

#### **Learning**

- Help ensure that the work can benefit from local knowledge and experience of what is currently working alongside that gained from wider activities including, national reviews, research, and outcome evaluation from 'what works?' and 'best value' perspectives – supporting the use of consistent 'assessment' and 'capture' tools, and associated materials necessary to robust review and data analysis.
- Support the development of a learning community, promote a shared understanding of expectations about the measurement of long term and immediate impact and ensure that emerging learning informs the development of the work in real time.

#### **Transformation**

- Support both system and cultural change by sharing and accelerating the implementation of policies and practice which consistently put the voices of citizens at the centre.
- Enable the re-balancing and investment of public resources dedicated to citizens towards early support which results in them thriving.

#### **Listening**

- Enable people across all bodies represented to listen to citizens and respond in a relational way.
- Champion the rights of citizens to determine their own solutions and support them to make these real.

#### **Communications**

- Create the conditions for deep collaboration and alignment with parallel/concurrent initiatives and programmes.
- Proactively support story telling both internally and externally that celebrates success and creates a sense of change being possible.
- Develop and deliver a communication strategy.



### 5. Strategic Behaviours of The Board

- **We Listen** – to the evidence – voice of people – parents/children/ professionals, data and wider research.
- **We Identify** - areas the TS can create the greatest change and improvements.
- **We Learn** – be curious, understand what's changing, what's not, what impact it is or isn't having and why.
- **We Influence** – unlock, challenge, accelerate and by challenging current service delivery, develop opportunities for change.
- **We Lead** – model and support change at all levels. We make decisions and do things differently.
- **We Share** – stories of change, take an active role in communications and share the impact of our work.

### 6. Membership

The Board will consist of representatives from key sectors, ensuring a balanced and informed approach to oversight. Members include mandatory and optional representatives with a minimum of two from each group of mandatory representatives being required at each meeting:

Mandatory Representatives:

- Elected Council Members (3 representatives)
- Citizens Panel Representatives (3 members selected from the Citizens Panel)

Optional Representatives:

- Health and Social Care Partnership (HSCP) Representative
- Ceteris Representative (Business and Economic Development)
- Third Sector Representative
- Private Sector Representative
- Community Planning Partnership Representative
- Independent Funder Representative
- Independent Research Representative

There will be co-chairs for this board with one being a community representative and another independent of the public sector

### 7. Roles and Responsibilities

#### Board Members

- Review and endorse investment proposals against agreed criteria.
- Monitor financial and operational progress of funded initiatives.
- Challenge strategic decisions to ensure effective resource allocation.

## Appendix B: Clackmannanshire Transformation Space Oversight Board

- Ensure community needs remain at the forefront of decision making
- Represent stakeholder interests.
- Provide input on policy recommendations related to investment strategy.

### Co-Chairs

- Facilitate Board meetings and ensure efficient decision-making.
- Act as a spokesperson for the Board when required.
- Ensure all members contribute effectively and that meetings are inclusive and productive.

### Secretariat

A dedicated support team will be responsible for agenda setting, documentation, meeting minutes, and follow-up actions.

## 8. Decision-Making Process

- Decisions will be made by consensus where possible; otherwise, by a majority vote.
- A quorum will be met when at least 50% of the Board members, including at least two from each group of mandatory representatives, are present.
- Conflicts of interest must be declared, and affected members may be required to abstain from relevant decisions.

## 9. Meetings

- The Board will meet **quarterly**, with additional meetings scheduled as required.
- Meetings will be conducted in a hybrid format (in-person and virtual options available).
- Agendas will be distributed at least **one week in advance**.
- Minutes will be recorded and shared with all members within **two weeks** post-meeting.

## 10. Monitoring and Reporting

- Regular reports on funded projects will be presented at each meeting.
- An **annual review** of investment outcomes will be conducted by the Fund Manager.
- The Board will produce a **public-facing report** summarizing key decisions and impacts.

## 11. Review and Amendments

The Terms of Reference will be reviewed annually to ensure alignment with objectives and emerging needs. Amendments must be approved by a majority vote of the Board.

### **12. Confidentiality and Conduct**

- Members are expected to adhere to confidentiality agreements regarding sensitive information.
- Ethical conduct, professionalism, and impartiality must be maintained at all times.



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**Report to Clackmannanshire Council**

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**Date of Meeting: 26 June 2025**

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**Subject: Equality Impact Assessment of Home to School Transport Policy**

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**Report by: Strategic Director (People)**

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**1.0 Purpose**

- 1.1. The purpose of this paper is to update the Council on progress following its request for an Equality Impact Assessment (EQIA) of the Councils School Transport Policies which was to be brought back to Council for consideration in May 2025 and which was deferred to June 2025's meeting.

**2.0 Recommendations**

- 2.1 It is recommended that Council note the progress being made on the completion of the EQIA, additional issues have been raised which require further diligence to be carried out and agree that a completed EQIA be brought back to the meeting of Council on August 2025

**3.0 Considerations**

- 3.1. At its meeting on 30 January 2025, it was agreed that an Equality Impact Assessment of the Council's School Transport Policies would be undertaken and be brought back to Council for consideration in May 2025.
- 3.2. It was agreed by Council on 16 May 2025 to defer the completed EQIA to 26 June 2025 meeting.
- 3.3. As confirmed at May 2025's Council significant work has been carried out in terms of the EQIA on the existing School Transport Policy. However, as result of that work additional issues have been raised which require proper due diligence to allow completion of the EQIA.
- 3.4. Unfortunately, as a result of the additional diligence there has been insufficient time to consider and complete the EQIA and as such require to defer the presentation of EQIA to August 2025 Council.

**4.0 Sustainability Implications**

- 4.1. None

## 5.0 Resource Implications

### 5.1. Financial Details

5.2. There are no financial implications of accepting the recommendation

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

## 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 ☒

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Michael Boyle	Education Business Manager	2454
Cherie Jarvie	Senior Manager	2365

### Approved by

NAME	DESIGNATION	SIGNATURE
Lorraine Sanda	Strategic Director (People)	





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**Report to Council**

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**Date of Meeting: 26<sup>th</sup> June 2025**

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**Subject: South of Scotland Electric Vehicle Strategy and Update**

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**Report by: Strategic Director: Place**

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**1.0 Purpose**

- 1.1. The purpose of this report is to provide an update to Council on the progress of the South of Scotland (SoS) electric vehicle partnership and to seek approval of the SoS Electric Vehicle Charging Strategy.

**2.0 Recommendations**

- 2.1. It is recommended that Council approves the publication of the SoS Electric Vehicle Charging Strategy.
- 2.2. It is recommended that Council notes the updates since the January 2025 Council report, in particular the following:
- ChargePlace Scotland back-office to be switched off in April 2026;
  - The Regional SoS procurement for a new charge point operator and Transport Scotland (TS) grant funding for the SoS; and
  - Alternatives to the SoS project.

**3.0 Considerations**

- 3.1. The SoS Electric Vehicle (EV) Collaboration is a coordinated, region-wide approach to delivering and operating public EV charging infrastructure across eight council areas: Edinburgh, Clackmannanshire, Dumfries & Galloway, Falkirk, Fife, Midlothian, Scottish Borders, and West Lothian.
- 3.2. This collaboration aims to ensure a high-quality, accessible, and affordable charging network that supports the region's ambitious climate targets and the transition to net zero transport.
- 3.3. The SoS EV strategy responds to rapidly growing EV adoption, evolving market conditions, and the need to replace aging infrastructure as initial government funding phases out. It aligns with national policy, including

Scotland's goal to end the sale of new petrol and diesel cars by 2030, and uses the Electric Vehicle Infrastructure Fund (EVIF) to attract private investment for network expansion – especially in areas, such as Clackmannanshire, that may not be commercially viable or attractive without public subsidy. By working together, the eight councils are maximising EVIF to deliver the collective goals of:

- Delivering a well-designed, accessible, and equitable charging network that meets the needs of all communities, regardless of location or socio-economic status;
  - Ensuring fair tariffs in relation to national benchmarks and promoting the use of renewable energy;
  - Attracting private sector investment while maintaining a focus on public benefit and user experience.
- 3.4. The councils are collaborating to provide a consistent user experience, reduce operational costs, and streamline management through a central team. It is intended that by procuring as a region, the offering to the commercial sector will be more attractive and commercially viable, compared to individual local authorities going to the market alone.
- 3.5. All public EV charges in Clackmannanshire are accessed via the ChargePlace Scotland (CPS) back-office system. CPS is currently operated and funded by Transport Scotland (TS). TS have indicated that in April 2026 CPS will be switched off and all charge point owners, including Clackmannanshire Council, will require to transition off this back office onto a new system of their choosing. This switch off deadline is the driver for change in EV delivery and the procurement timescales for the SoS to secure a new regional concessionaire/operator. The SoS partnership is currently in discussion with TS to seek an extension to this date, to ensure a positive procurement outcome.
- 3.6. As part of the SoS collaboration, TS have issued advanced notification of an intended grant offer for £6.3 million to the SoS. The grant terms state it is to be used to contract with a private charge point operator to install a defined number of public facing charge points equitably across the region and support the migration of existing units off CPS. It is understood that this grant offer will be made to City of Edinburgh Council, as the Lead Authority for the SoS partnership. Around £22m of additional investment is expected from the private sector concessionaire who will be awarded the SoS contract.
- 3.7. It is a condition of the TS grant offer that the SoS produce and publish an EV strategy in Summer 2025. This strategy sets out how the eight councils intend to support the accessibility and availability of a high quality and affordable network of public EV charge points across the SoS. The strategy focuses on EV charging provision for cars, light-goods vehicles and taxis, but does not cover EV charging provision for HGVs or buses which will require dedicated infrastructure provision in the future.
- 3.8. The strategy sets out how the funding will be used to deliver around 1,800 new chargers in SoS, with around 80 new chargers being delivered in Clackmannanshire by 2030. It is understood that the government funding is only available to councils who are entering into a public/private partnership

and it not available to councils directly to maintain existing operations or to secure a replacement back office system.

- 3.9. This EV strategy seeks to overcome some of the key challenges that residents, visitors and businesses face, such as charge point availability, financial viability, and ensuring infrastructure is accessible to all, including those without off-street parking which is particularly acute in Clackmannanshire given the small scale EV network currently in situ; all of which would be cost prohibitive for the Council to address.
- 3.10. Transport Scotland have advised that should a Council withdraw from this proposed collaboration, the grant allocation proportion would be lost to the collaboration. Additionally, Transport Scotland are not able confirm that the exiting Council would be able to still access their proportion of grant funding. Should this be the position for Clackmannanshire Council, it would further inhibiting our ability to invest within the EV infrastructure locally.
- 3.11. Councils will work together to monitor pricing, to ensure it broadly aligns with national benchmarks, ensuring consistency and fairness across the network. This expansion will also support the regional shared goal of decarbonising transport across the SoS.
- 3.12. Over the next year, a competitive process will select a new network operator for the SoS area. The operator will be responsible for managing and expanding the current infrastructure over the next four years. The operator will also deliver economic and social benefits to the region, including job creation, apprenticeships, partnerships with schools, colleges, and universities, and support for people entering employment.
- 3.13. The Council should be aware that tariffs for use of the charge points will be set by the charge point operator, for the duration of the contract. However, these tariffs are restricted to a set increase above the national average market rate. As Clackmannanshire already has a tariff rate which is considered commercial, any increases in tariffs are not expected to be significant.
- 3.14. If at any stage the council does not proceed with the SoS, given the CPS switch off there would be only a small window of time to put an alternative in place. There are two alternative options to SoS. The Council could procure its own back office and continue to operate the existing network at the Council's cost and risk, or switch off all public chargers, leaving the commercial network potentially to develop naturally to meet local needs. However given Clackmannanshire is one of two councils in Scotland where there is very little commercial interest or development, this may not be achieved. Should the Council choose the former, the Council would need to identify a suitable Capital and Revenue budget to advance this area, as none currently exist.
- 3.15. As per the January 2025 report, Clackmannanshire continues to be a member of the SoS. Further update reports will be brought back to Council on the SoS as the project develops. In line with the ask of Council as part of the January 2025 report, Council requires to provide approval to the Lead Authority to award the contract. This is expected to be sought in early 2026. This date is however contingent on the ongoing discussions with TS regarding the CPS switch off being extended beyond April 2026.

#### **4.0 Sustainability Implications**

- 4.1. The move towards electric vehicles will meet with the government ambitions to decarbonise transport, to meet net zero targets.

#### **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- this project is utilising existing council staff, however external legal support is being provide by MFMac and this is being funded via the EVIF.

#### **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 ☒

At this stage no equality impacts are anticipated. The needs of those with protected characteristics will be included in the procurement process documents.

## 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".

South of Scotland Electric Vehicle Charging Strategy

## 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 ☐

South of Scotland Electric Vehicle Charging Strategy

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lesley Deans	Principal Transportation Planner	2597

### Approved by

NAME	DESIGNATION	SIGNATURE
Kevin Wells	Director Place	



# SOUTH OF SCOTLAND EV CHARGING STRATEGY



Clackmannanshire  
Council

Dumfries  
& Galloway



• EDINBURGH •  
THE CITY OF EDINBURGH COUNCIL

FALKIRK COUNCIL  
.....



Midlothian



Scottish  
Borders  
COUNCIL



West Lothian  
Council

The South of Scotland Electric Vehicle (EV) Charging Strategy is a coordinated, region-wide approach to delivering and operating public EV charging infrastructure across eight council areas.





# EXECUTIVE SUMMARY

The South of Scotland Electric Vehicle (EV) Charging Strategy is a coordinated, region-wide approach to delivering and operating public EV charging infrastructure across eight council areas: Edinburgh, Clackmannanshire, Dumfries & Galloway, Falkirk, Fife, Midlothian, Scottish Borders, and West Lothian.

This collaboration aims to ensure a high-quality, accessible, and affordable charging network that supports the region's ambitious climate targets and the transition to net zero transport.

This strategy responds to rapidly growing EV adoption, evolving market conditions, and the need to replace ageing infrastructure as initial government funding phases out. It aligns with national policy, including Scotland's goal to end the sale of new petrol and diesel cars by 2030, and uses the Electric Vehicle Infrastructure Fund (EVIF) to attract private investment for network expansion – especially in areas that may not be commercially viable without public subsidy. By working together, the eight councils are maximising EVIF to deliver the collective goals of:

- Delivering a well-designed, accessible, and equitable charging network that meets the needs of all communities, regardless of location or socio-economic status
- Ensuring fair tariffs in relation to national averages and promoting the use of renewable energy
- Attracting private sector investment while maintaining a focus on public benefit and user experience

The councils are collaborating to provide a consistent user experience, reduce operational costs, and streamline management through a central team. This unified approach is expected to enhance the region's attractiveness for residents, businesses, and visitors, while ensuring equitable access to infrastructure.

Significant progress has already been made, with over 700 public charging units installed and is a strong foundation for further growth. To meet projected demand, driven by both national targets and local needs, the region will require a substantial increase in charge points.

This strategy seeks to overcome some of the key challenges that residents, visitors and businesses face, such as charge point availability and ensuring infrastructure is accessible to all, including those without off-street parking.

Over the next year, a competitive process will select a new network operator responsible for managing and expanding the current infrastructure, with a target of installing nearly 2,000 new charge points in the next four years. The operator will also deliver economic and social benefits to the region, including job creation, apprenticeships, partnerships with schools, colleges, and universities, and support for people entering employment.

Ongoing community engagement, transparent progress updates, and a commitment to high service standards will underpin the delivery of a future-ready, inclusive, and sustainable EV charging network for the South of Scotland.

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# INTRODUCTION

INTRODUCTION

# What is the South of Scotland EV Charging Strategy?

**This regional strategy represents a coordinated approach to the delivery and operation of public EV charging infrastructure across the South of Scotland.**

The eight council areas covered by this strategy are City of Edinburgh, Clackmannanshire, Dumfries and Galloway, Falkirk, Fife, Midlothian, Scottish Borders, and West Lothian.

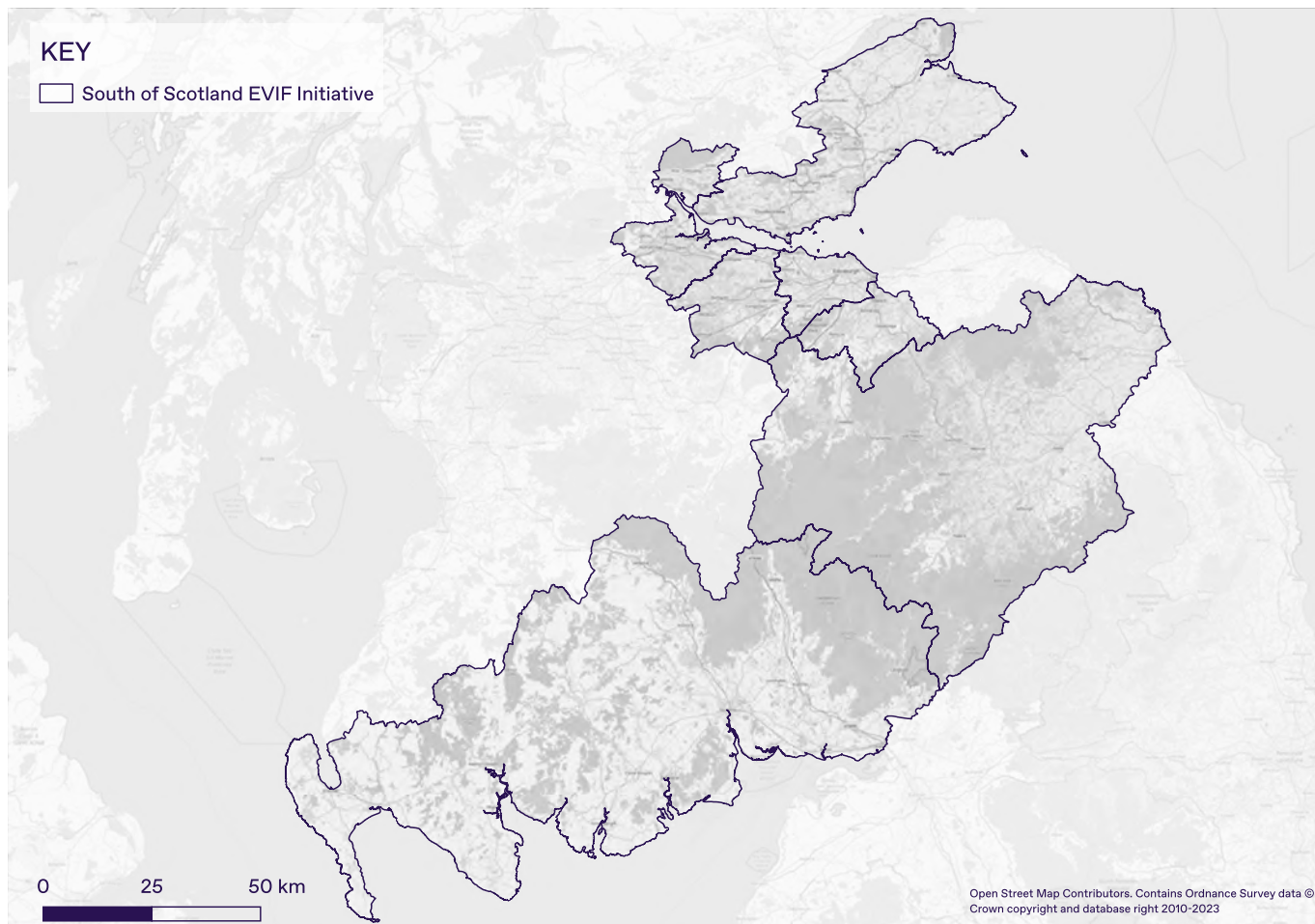
The strategy sets out how the eight councils intend to support the accessibility and availability of a high quality and affordable network of EV charge points across the South of Scotland. It also supports their shared goal of cutting transport emissions within the region.

The strategy:

- Outlines the key aims and priorities for building a better public EV charging network.
- Helps businesses, communities, and other partners understand how the councils and transport bodies want the network to develop across the South of Scotland.
- And importantly, it puts fairness first, making sure no one is left out as we move towards electrified and net zero transport.

The strategy focuses on EV charging provision for cars, light-goods vehicles and taxis, but does not cover EV charging provision for HGVs or buses which will require dedicated infrastructure provision in the future.

Figure 1: Administrative boundaries of the South of Scotland EV charging collaboration.



# Why is the strategy needed?

## Policy Context

This strategy supports the work already happening at both local and regional levels to meet important transport and climate change goals. It also helps deliver the four priorities of Scotland's National Transport Strategy (Figure 2 below) and supports the aim to stop selling new petrol and diesel cars by 2030.

## Evolving EV market in the UK and Scotland

The strategy is being published at a time when the EV market in Scotland and the UK is changing rapidly. The EV market is moving beyond early adopters, with more and more people switching to electric cars. As the market broadens, the initial government funding that helped set up the first charging points is coming to an end.

The first EV charge points installed by councils are also reaching the end of their useful life. To keep up with growing demand, private investment is needed to upgrade, maintain, and expand the current charging network.

## The Electric Vehicle Infrastructure Fund

Building on existing provision and seeking to deliver more of the right chargers in the right places, a new public electric vehicle infrastructure fund (EVIF) was launched in 2022 by Transport Scotland.

The aim of the fund is to enable local authorities to use private sector funding to support the delivery of new EV charging infrastructure at the pace and scale required to meet demand.

EVIF will support the deployment of local, publicly accessible charging infrastructure across Scotland to expand the current public charging network in areas which may not be commercially viable without public subsidy.

Using EVIF funding, each council has developed an expansion plan outlining how they will grow their charging network, their key goals, and the priorities that matter most to their communities.

Figure 2: National Transport Strategy Objectives







## New Regulation

In 2023, new rules were introduced to make EV charging easier and more reliable in the UK. These rules help customers find the right charging point, pay easily, ensure the network works well, and provide clear price information across different networks. The regulations include:

- 🔑 **Pricing transparency**
  - Maximum price of charging session to be displayed in pence per kilowatt hour.
- 📶 **Contactless**
  - New public charge points of 8kW and above and existing charge points of 50kW and above must offer contactless to consumers.
- 🛡️ **Reliability**
  - Rapid charge point networks must average above 99% reliability.
- 📞 **Helpline**
  - A free 24/7 staffed helpline must be available and advertised at all charge points.

## ChargePlace Scotland

The current network is managed under the national electric vehicle charging brand, ChargePlace Scotland (CPS), which is set to end in 2026.

To maintain a reliable and accessible public charging network, the eight local authorities will need to secure a new provider before the CPS agreement expires, ensuring continued service and user confidence.

# Why are the eight councils collaborating?

**As key landowners, planning authorities, and highways authorities, councils play an important role in ensuring a fair transition to EV adoption and access to charging networks.**

Councils can directly influence policies, such as planning rules, and help shape strategies that support the growth of EVs. However, they don't have control over broader incentives, such as financial support for purchasing EVs, which are also needed to encourage adoption.

The eight councils are collaborating to deliver infrastructure for the following reasons:

## High user satisfaction through a consistent experience

- A unified charging system eliminates confusion for users traveling across the region, providing transparent and predictable pricing.
- Consistent payment methods and processes simplify transactions, enhancing convenience and user satisfaction.
- A cohesive infrastructure network will make the entire region more attractive to residents, businesses and visitors.

## Significant cost reduction for the councils

- Collaboration prevents individual councils from undertaking similar projects independently, eliminating redundant planning, procurement and administrative overhead.
- A unified regional approach may be more attractive to private operators.
- The risks associated with infrastructure development and operation are shared among the participating authorities.

## Streamlined operations through a central team

- A central team can ensure consistent standards in charge point layout design, installation, and maintenance across the region.
- A single point of contact and management streamlines communication, decision-making, and project coordination for the new operator.

# VISION & OBJECTIVES

VISION & OBJECTIVES



# Our Vision

In South Scotland, we see EVs as a key part of creating a cleaner, more sustainable transport system. We want to provide an equitable, resilient, accessible and customer focussed public EV charging network that works for everyone.

We're working to increase the number of EV charging points, ensuring that people in both urban and rural areas can easily find a charger. This will make EVs a practical choice for everyone in Southern Scotland, whether you're a resident, business, or visitor.

We're working towards a Southern Scotland where electric vehicles help create a cleaner, greener, and more connected future for everyone.

# Regional objectives

The goals of the South of Scotland EV Charging Strategy match key points from Transport Scotland's "A Network Fit for The Future: Vision for Scotland's Public Electric Vehicle Charging Network".



## 01 / Well-Designed

Local communities, businesses, and visitors will have easy access to a well-planned and convenient network of charging points where they're needed.

## 02 / Accessible

The charging network will be designed to work for everyone, no matter their age, health, income, or other needs.

## 03 / Privately funded

Scotland has attracted private investment to grow and sustain the public electric vehicle charging network.

## 04 / Fair Tariffs

A consistent and transparent pricing structure is applied across the region, avoiding disparities between urban and rural areas. Tariffs are benchmarked to ensure fairness and designed to be sustainable for both users and network operators.

## 05 / Sustainable

EV charge points complement enhancements to walking, cycling, and public transport to cut emissions and build a sustainable, low-emission transport future.

# Local objectives

The eight councils have developed local EV charging expansion plans which reflect the unique geographic and socio-economic context of each local authority area.

The local authority expansion plans respond to the key challenges of delivering a future EV charging network at a local scale. A summary of the objectives at a local authority level are summarised in Table 1.

Table 1: Council specific objectives

COUNCIL	OBJECTIVES
City of Edinburgh	<ul style="list-style-type: none"> <li>→ A well-designed, comprehensive, and people-focused public charge point network, ensuring a good geographic spread of charge points across the city.</li> <li>→ A just transition to electric vehicles – supporting communities without home charging and ensuring convenient access at a fair cost.</li> </ul>
Dumfries & Galloway	<ul style="list-style-type: none"> <li>→ Deliver a consistent level of EV charging provision across D&amp;G's towns and villages reflective of the parts of D&amp;G which are currently best served.</li> <li>→ Provide EV charging infrastructure in locations which attract significant tourist-related trips.</li> </ul>
Falkirk Council & Clackmannanshire Council	<ul style="list-style-type: none"> <li>→ Aim to meet a target for 95% of residents within Falkirk and Clackmannanshire (who have a reliance on on-street parking) to be within a 10-minute walk from a publicly accessible EV charge point by 2030.</li> <li>→ Establish good coverage for all communities as well as focusing government funding to ensure less commercially attractive areas have access to charging.</li> </ul>
Fife	<ul style="list-style-type: none"> <li>→ Gives access to a well-designed and comprehensive public network of charge points.</li> <li>→ Works for everyone regardless of age, health, income or other needs.</li> </ul>
Midlothian	<ul style="list-style-type: none"> <li>→ Provide a reliable, accessible, community focused network that works for everyone.</li> <li>→ Support sustainable development, ensuring that our rural and urban communities benefit equitably.</li> </ul>
Scottish Borders	<ul style="list-style-type: none"> <li>→ Provide a resilient, accessible, customer focused network that works for everyone.</li> <li>→ All towns and villages within the Scottish Borders to have access to public EV charging.</li> <li>→ A catalyst for sustainable and inclusive growth.</li> </ul>
West Lothian	<ul style="list-style-type: none"> <li>→ 10% of parking spaces in key West Lothian Council owned car parks will be EV by 2026.</li> <li>→ Over 50% of households with no off-road car parking in West Lothian will be within a reasonable walk of a charging site by 2026.</li> </ul>

# LOCAL CONTEXT

LOCAL CONTEXT





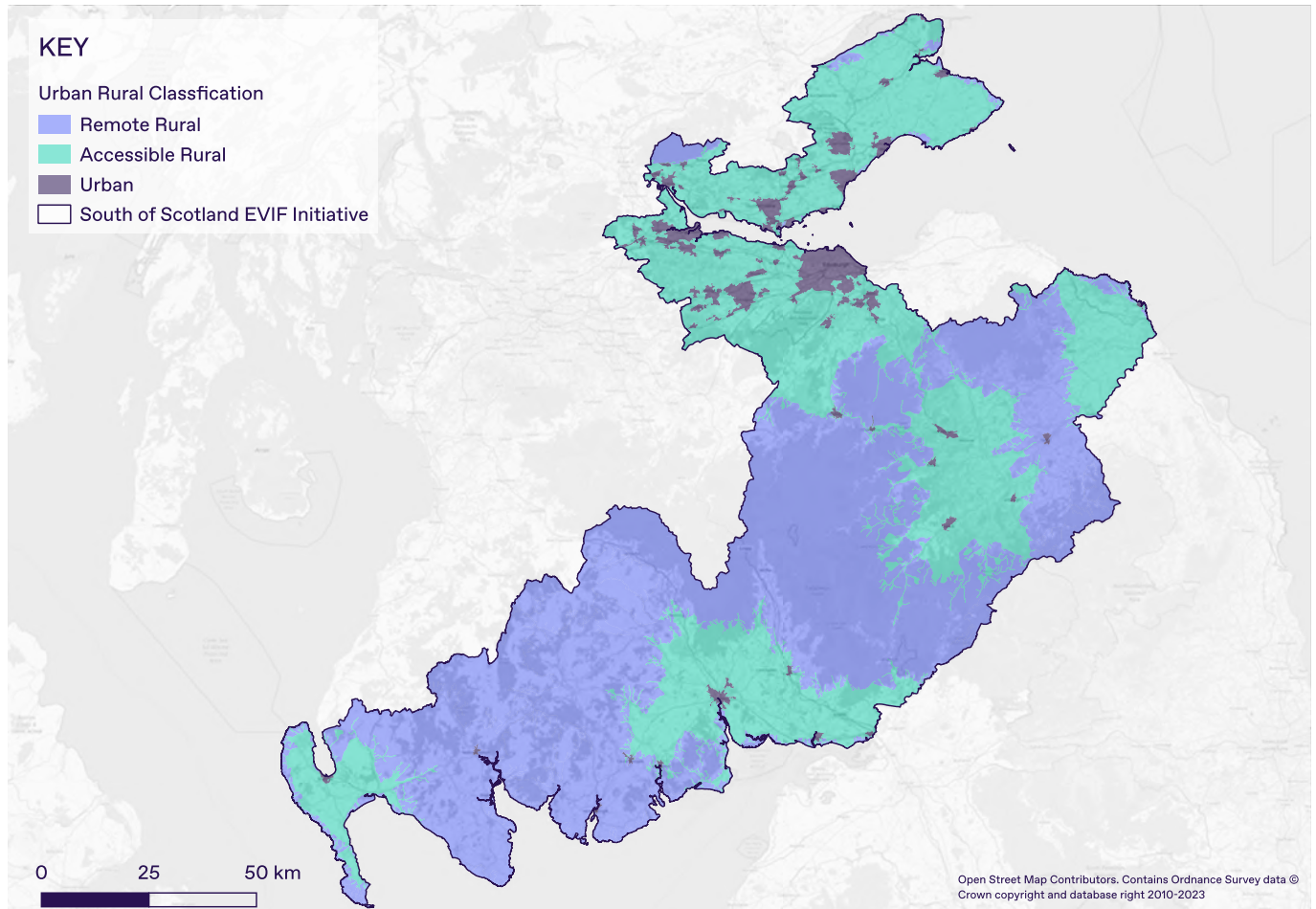
# The region

This region covers 18% of Scotland's land area and nearly a third of Scotland's total population.

The region has diverse urban-rural characteristics. For example, almost everyone in Edinburgh lives in urban areas, while in the Scottish Borders and Dumfries and Galloway, half the population lives in rural areas.

Because of this mix, the region needs different types of electric vehicle chargers to suit the local area, types of homes, travel habits, and the electricity network.

Figure 3: South of Scotland Urban Rural Classification



# Growth of electric vehicles

To meet net-zero emissions targets by 2050, the UK government has set an ambitious goal to ban the sale of new petrol and diesel cars by 2030, with all new cars and vans being fully zero emission by 2035.

Figure 4: Growth of EVs in the South of Scotland

In the South of Scotland, the number of EVs has grown quickly, from 423 in 2014 to 24,160 in mid-2024. EVs in the South of Scotland area now make up 23% of all EVs in Scotland.

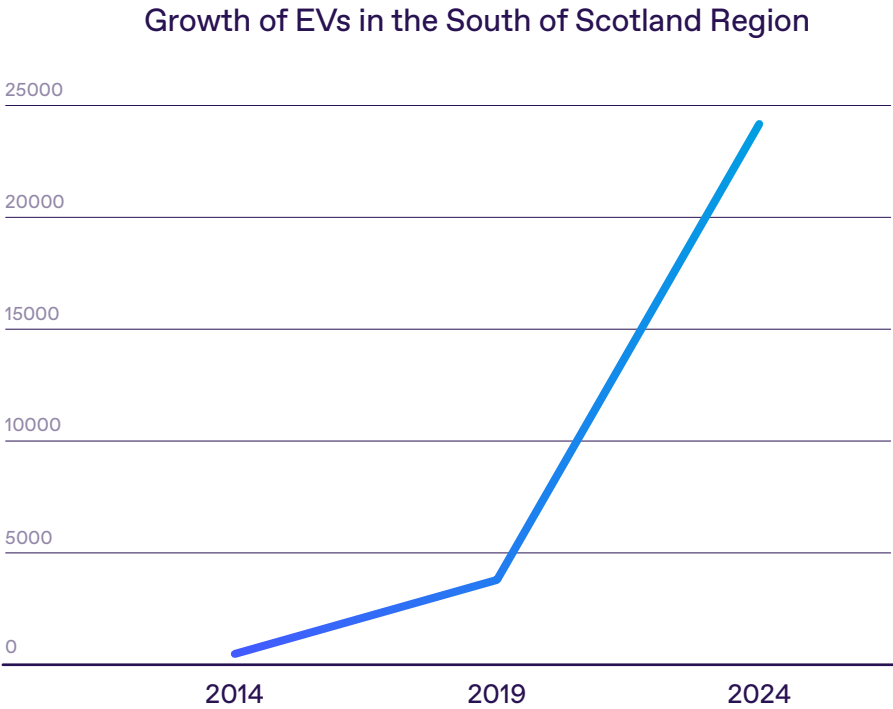
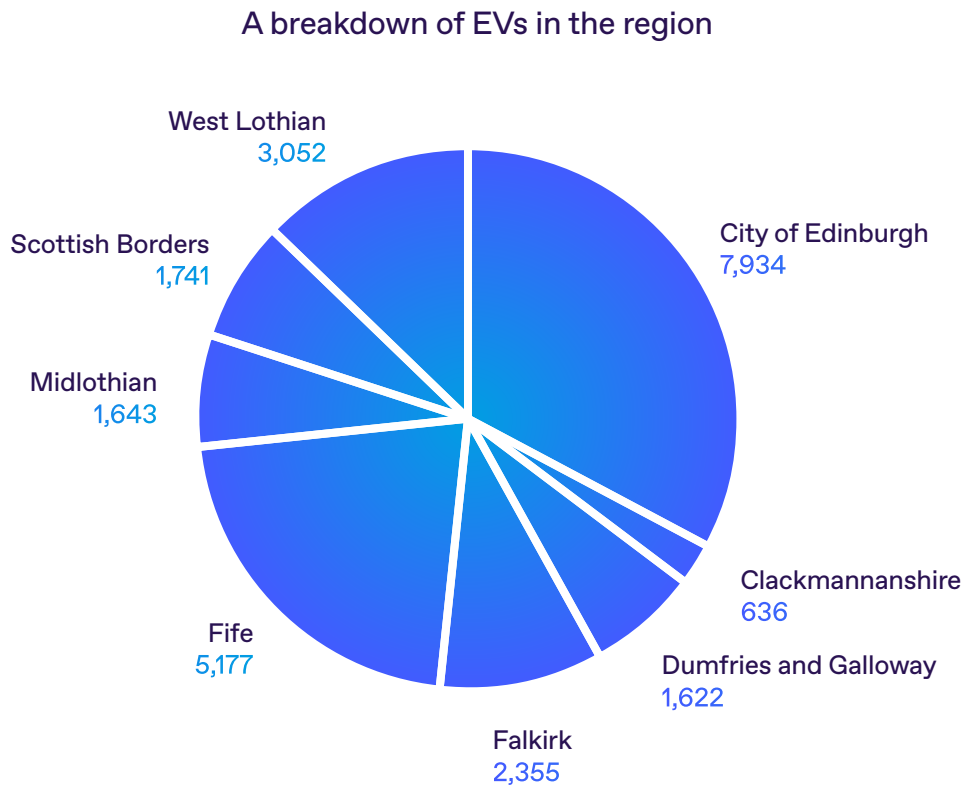


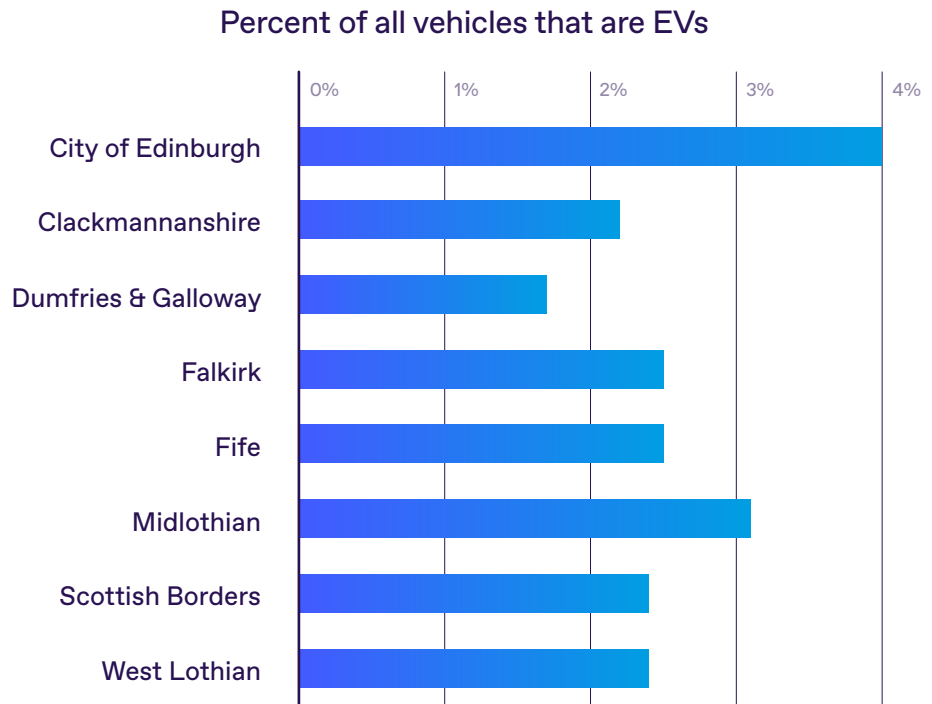
Figure 5: Distribution of EVs in the South of Scotland region

Edinburgh has the highest number of electric vehicles compared to all cars and vans on the road, with 4.1% being fully electric. Across the whole South of Scotland region, the average is 2.8%.



Good progress has been made so far,  
but there's still a long way to go to  
meet national targets.

Figure 6: Percent of all  
vehicles that are EVs in  
each authority area

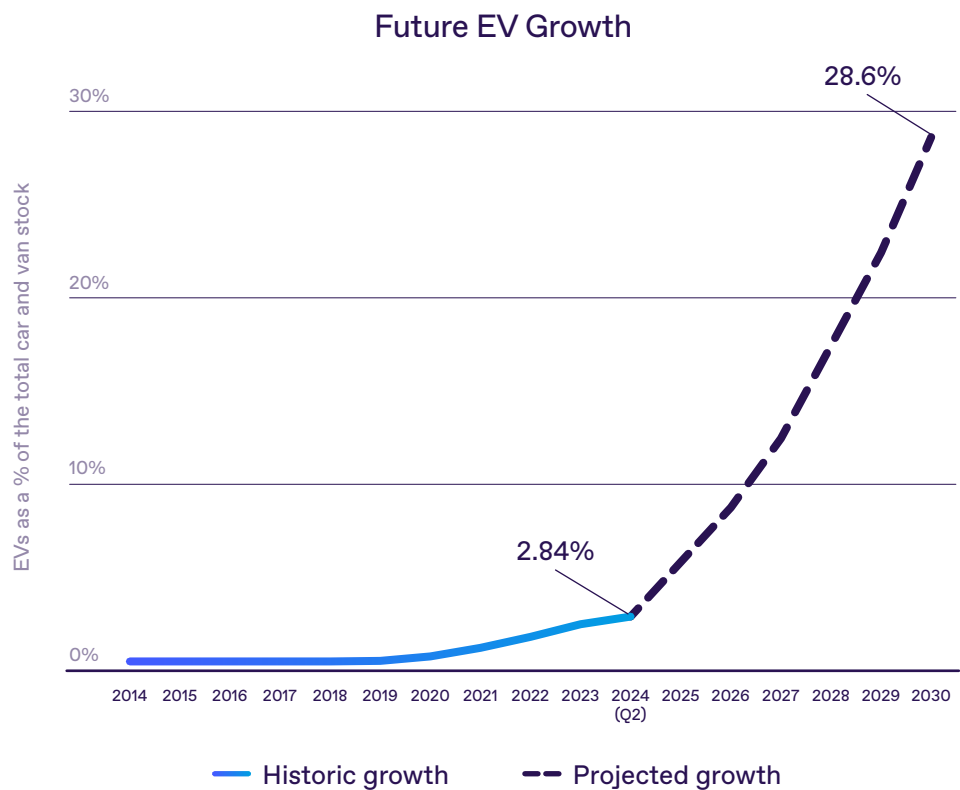


LOCAL CONTEXT

Figure 7: Future expected  
EV growth in the South of  
Scotland region



Right now, electric vehicles  
make up just 10% of the  
number expected in the  
region over the next five  
years.



# Existing network of charge points

**Transport Scotland grant funding has enabled councils to deploy a significant amount of EV charging infrastructure.**

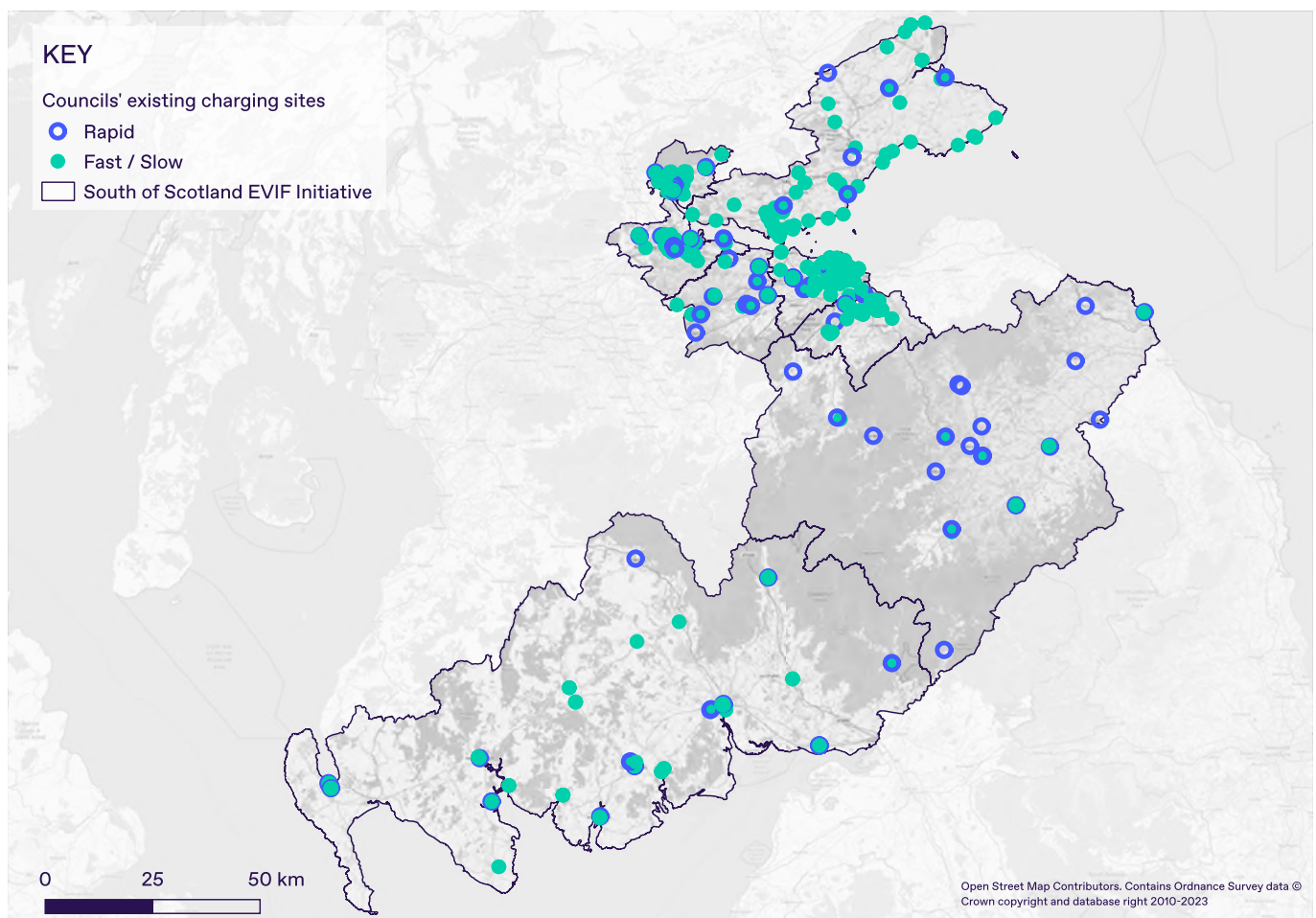
To date, councils in the South of Scotland have delivered and operate more than 700 EV charging units, accelerating early adoption of EVs.

Approximately 70% of the EV charging infrastructure operated by the councils consists of fast (7-22kW) provision, catering to longer-stay users. However, this

is complemented by a selection of rapid and ultra-rapid chargers (50–150 kW).

The network of charging points owned by the councils is also supported by other public and private charging stations. Private companies are setting up large charging hubs with multiple ultra-rapid chargers in key locations across the region. This trend is expected to grow, with both public and private organisations working together to meet the region's charging needs.

Figure 8: Existing charge points in the South of Scotland



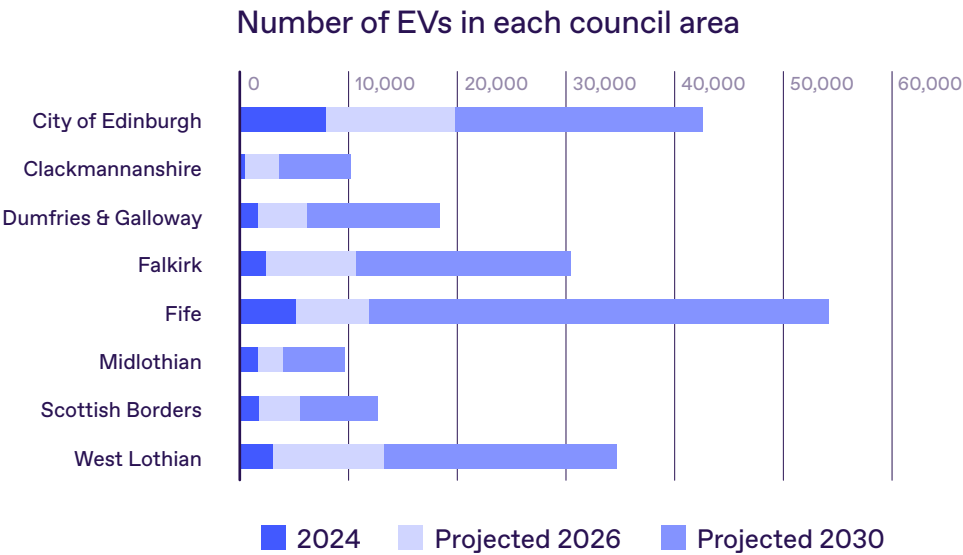


# Future demand for charge points

Projections from the councils EV infrastructure strategy and expansion plans show a rapid increase in demand for EVs and infrastructure.

Figure 9: Councils’ Strategy and Expansion Plan EV Projections to 2026 and 2030

Figure 9 shows the EV growth expected by 2026 and 2030.



LOCAL CONTEXT

Table 3: Projected Required Charge Points

Council	Existing number of council-owned charge points	No. of charge points required in 2026 across the whole network*	No. of charge points required in 2030 across the whole network *
City of Edinburgh	172	1,042	—
Clackmannanshire	36	148	350
Dumfries and Galloway	203	253	767
Falkirk	72	443	1048
Fife	86	522	—
Midlothian	75	416	901
Scottish Borders	28	452	1,027
West Lothian	33	—	—

\* — indicates where a council has not calculated future provision but may have calculated power provision to meet demand of vehicles.

Charging infrastructure needs to keep up with this growth in EVs. Table 3 (above) displays what South of Scotland councils have projected to be the charge points required to meet this demand.

Future infrastructure development won’t be the sole responsibility of councils. In Edinburgh, for instance, 39% of the charge points needed by 2026 are anticipated to come from private networks.

Councils are expected to provide most of the slow chargers that serve homes where off-street charging options are limited. Private companies are particularly interested in setting up rapid chargers at commercial sites such as petrol stations, retail parks, and supermarkets.

# CHALLENGES

CHALLENGES

Several key challenges will need to be overcome to achieve widespread EV adoption in the region.

These challenges have been broadly categorised into three themes:

→ Charge point availability

→ Charge point viability

→ Accessible & inclusive infrastructure



# Charge point availability

The availability of EV charging solutions are frequently referenced as major barriers in the widespread adoption of electric vehicles.



Highly urbanised environments make provision of residential on-street charging infrastructure difficult, whilst rural settings will require provision of on-street charging infrastructure to ensure that range limitations do not prohibit the uptake of EVs in these more car-dependent areas”

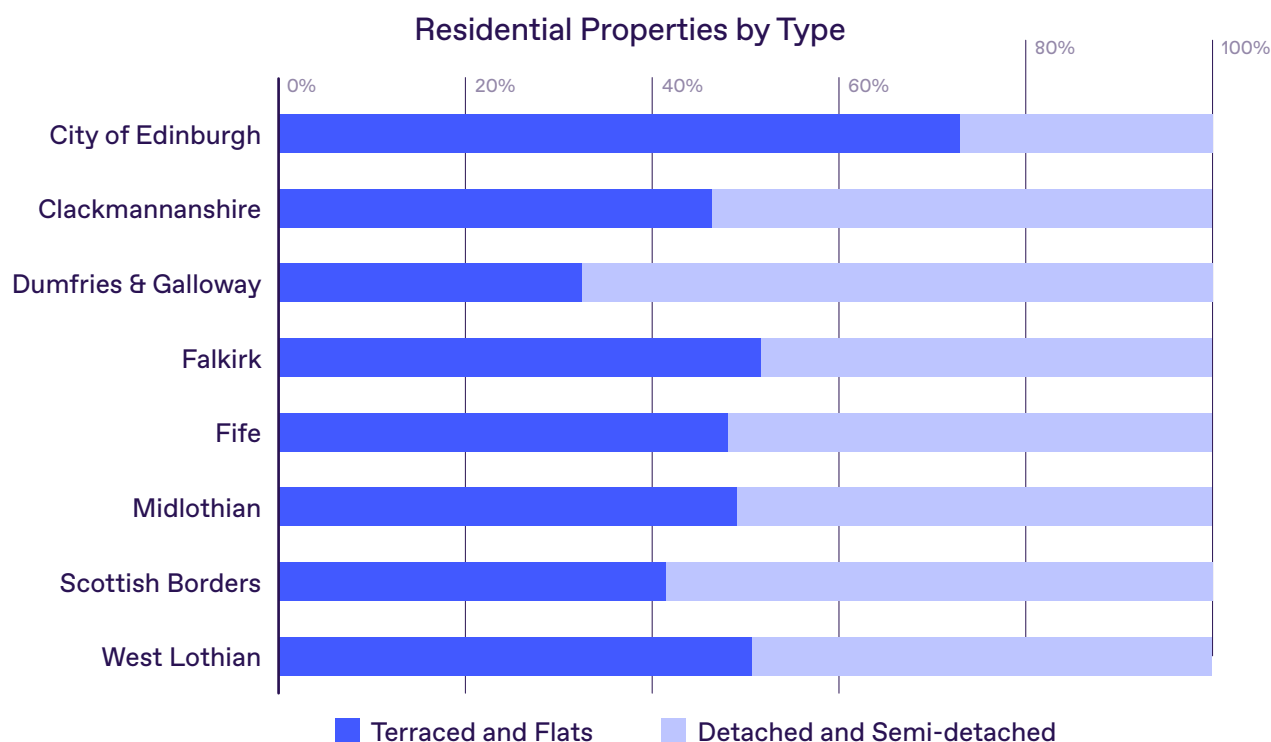
## REGIONAL TRANSPORT STRATEGY

In places where people are unable to park on their own driveways, nearby charging options like charge points on pavements or in local car parks will be key to helping current and future EV owners charge easily.

Some areas have more flats and terraced houses, which usually do not have off-street parking, so they will need more of these nearby charging solutions (see Figure 8).

The future EV charging network will provide a comprehensive network of near-residential EV charging infrastructure, ensuring a lack of private off-street parking provision is not a barrier to EV uptake.

Figure 10: Properties by Type



# Charge point viability



The Regional Transport Strategy seeks the roll out of EV charging infrastructure for all to support decarbonisation of car-based travel and support development in areas which may be commercially unviable for private sector investment”

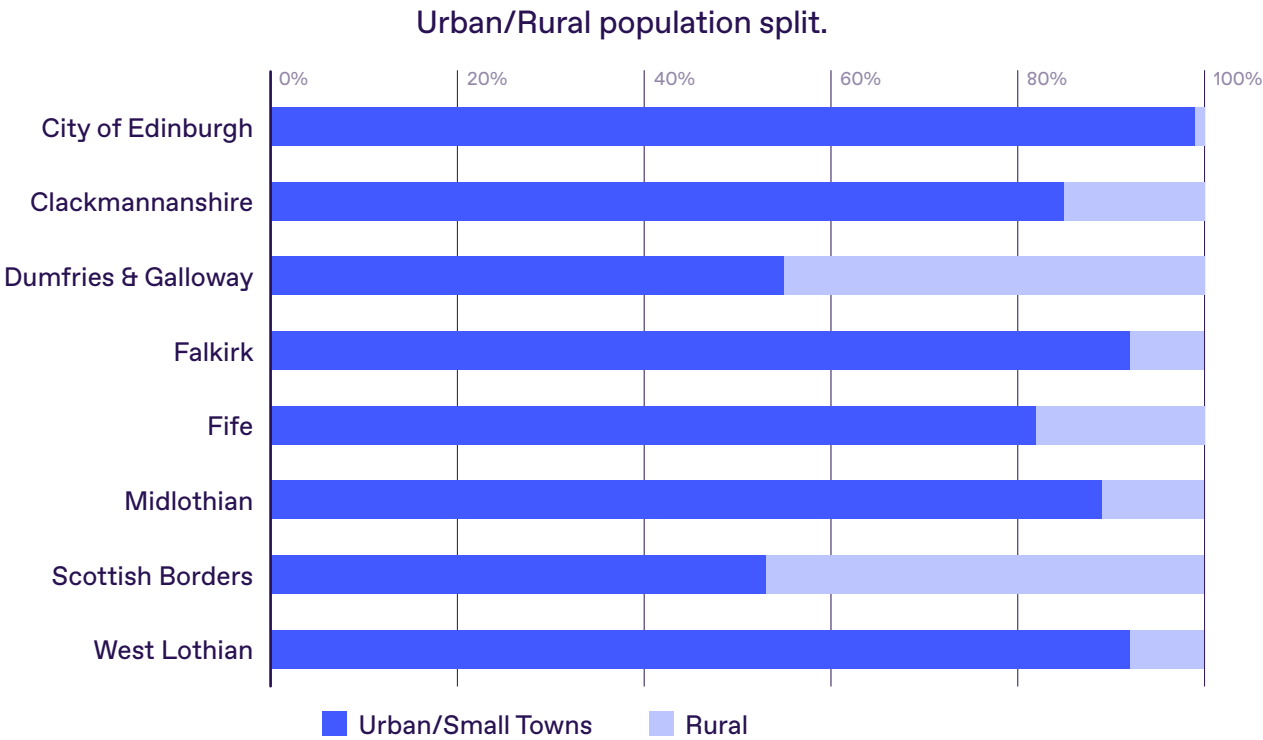
## REGIONAL TRANSPORT STRATEGY

Current EV charge point provision installed by councils has typically been installed in council-owned parking assets, in more urban areas, where there is likely to be demand for charging and where it is affordable to connect to the electricity supply.

Looking ahead, the charging network will need to grow to cover both urban and rural areas, while also making sure the locations are financially sustainable.

By taking a regional approach, the rollout of EV charge points will support both towns and rural areas. Busier, more commercial locations will help fund chargers in places where they are most needed but less profitable, making sure no communities are left behind.

Figure 11: Urban/Rural population split.  
Source: Scottish Government, 2022, Scottish Government Urban Rural Classification 2020



# Accessible and inclusive charge points



Both the outcome - a fairer, greener future for all, and the process - how we get to a net zero and climate resilient economy, in a way that delivers fairness and tackles inequality and injustice.”

## A JUST TRANSITION

**It is important that the switch to EVs is fair and does not leave anyone behind.**

The transition to electric vehicles must be fair, ensuring that no one is left behind. Accessibility means that charge points must be usable by everyone, including disabled drivers. This requires thoughtful site design, adherence to emerging accessibility standards, and intuitive, inclusive user interfaces.

To ensure that all communities benefit, charge points need to be located where they are most needed, particularly in areas where residents are unable to charge at home. These drivers rely more heavily on the public charging network, so it is important that chargers are conveniently located in places such as local car parks or near community facilities.

As these users are more likely to pay more for charging, it is also essential to keep costs fair. The appointed charge point operator will be monitored to ensure that tariffs remain broadly aligned with market benchmarks, helping to maintain affordable access for all.



# OUR PLAN FOR DELIVERY

OUR PLAN FOR DELIVERY

# Our plan for delivery

To help achieve our objectives, the councils within the next year will run a competitive exercise to select a new operator.

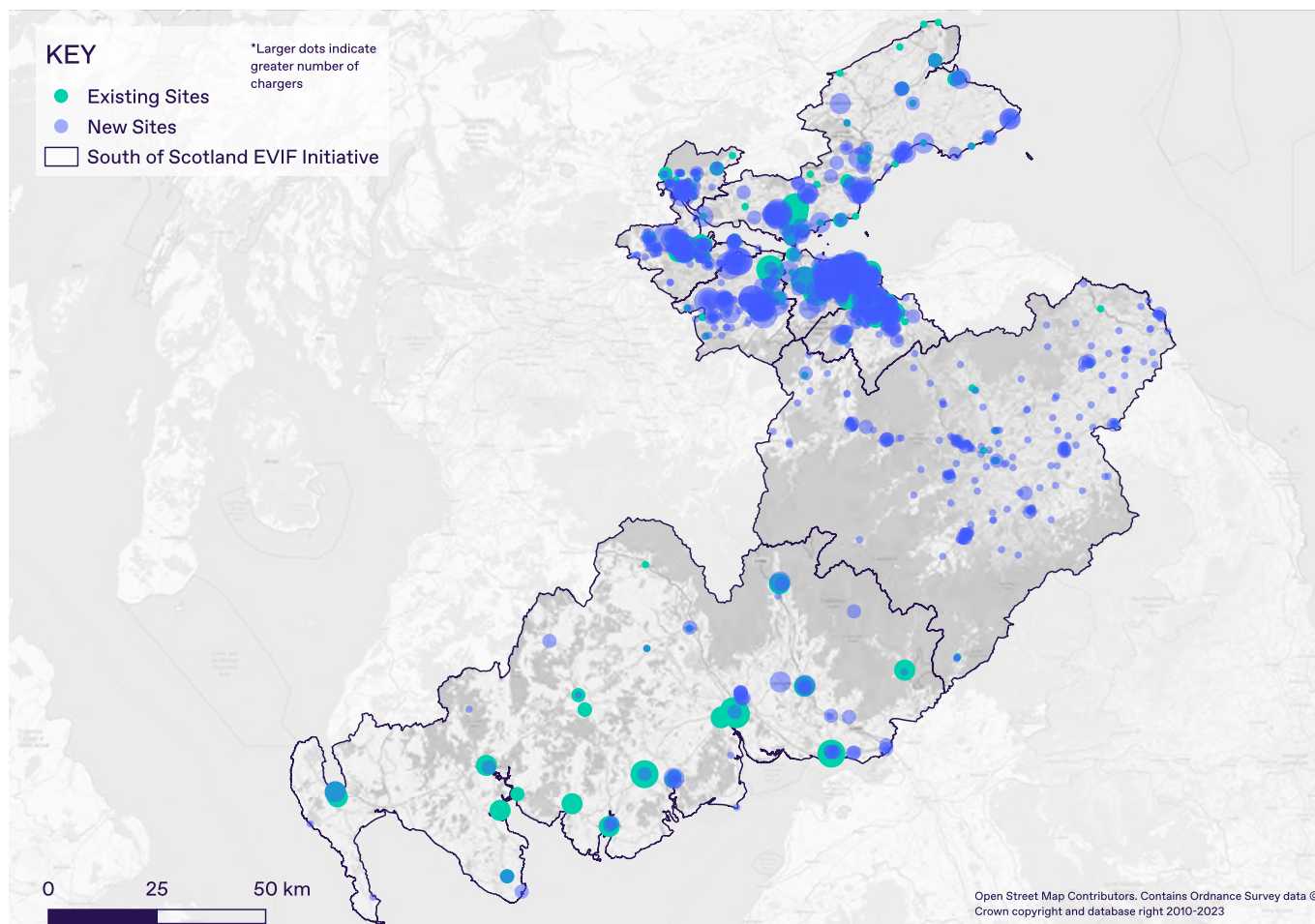
This operator will run and fund:

- The existing EV charging network owned by local councils and upgrade where necessary.
- The installation of nearly 2,000 new charge points over the next four years, aligned with each council's EV expansion strategy and partially funded through public sector grant.
- The expansion of the network in the long-term as required.

Our long-term vision is to support a fair and inclusive transition to electric vehicles across the South of Scotland. In partnership with the selected operator, the councils will ensure:

- High standards of service and safety are consistently maintained.
- All councils and communities receive their fair share of the benefits from this investment.
- Continued investment in the network to keep up with growing demand and technological advancements.
- Timely and transparent updates on the progress of network expansion are provided to the public.

Figure 12: Indicative spread of existing and proposed chargers



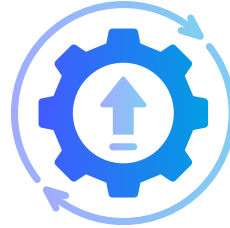




## Attract private investment

We will attract significant private investment into the public network. This is intended to be approximately £20m in the first 4 years of the contract to support the rollout of nearly 2,000 charge points. To attract the best operator and private investment, we will offer:

- The opportunity to manage the network for at least 15 years.
- Further opportunities to expand the network on council-owned land.



## Transition the current network

The selected operator will be responsible for transitioning the existing South of Scotland ChargePlace Scotland network onto their own system. This will involve:

- Clearly communicating the change to customers alongside Transport Scotland and the councils.
- Ensuring a smooth and seamless transition of the current network.



## Ensure fair and sustainable tariffs

The operator will be required to set tariffs that are broadly aligned with national benchmarks, ensuring consistency and fairness across the network. The new operator will set a tariff that allows for cost recovery, ensuring the network remains sustainable, and at a high standard, while delivering value to all consumers.

The current tariffs set by local authorities in Scotland are not commercially sustainable due to the ongoing subsidy and maintenance support from Transport Scotland.



## Provide an accessible and safe network

The selected operator will run and maintain the charging network to a high standard, ensuring it is reliable and accessible for everyone. This includes:

- Keeping charge points available at least 99% of the time.
- Providing a 24/7 customer support service.
- Designing the layout of charge points so that they are easy to use for all drivers.



## Ensure that all communities benefit

The chosen operator will be required to offer wider community benefits to the region. This could include:

- Creating jobs and apprenticeships.
- Offering work experience opportunities.
- Working with schools, colleges, and universities.
- Supporting people into employment.



## Promote sustainable modes

This expansion will support the regional shared goal of decarbonising transport across the South of Scotland. It aligns with regional transport strategies which highlight EV charging as a key part of the move to cleaner travel.

EV infrastructure works alongside improvements to walking, cycling, and public transport to reduce emissions. Together, these efforts aim to tackle the climate emergency and create a more sustainable, low-emission transport system for the future.



## Communicate effectively

We will ensure that both the new operator and our regional partnership provide you, the public, with regular updates on the expansion of the charging network.

The new operator will also be required to maintain a public dashboard showing the availability and usage of the network, ensuring full transparency for all customers.



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**Report to: Clackmannanshire Council**

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**Date of Meeting: 26 June 2025**

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**Subject: Housing Needs & Demand Assessment (HNDA)**

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**Report by: Director of Place**

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### **1.0 Purpose**

- 1.1. To inform Council of the background requirement of the Housing Need and Demand Assessment (HNDA) and progress of work undertaken to bring the Councils up to date with legislation.
- 1.2. The report details the timetable to completion, including public consultation on the draft HNDA document.

### **2.0 Recommendations**

- 2.1. Note the purpose of the Housing Need & Demand Assessment,
- 2.2. Council to endorse the initial findings of the research to ensure that any planning applications for Housing Development are cognisant of them; and
- 2.3. Approve the public consultation as set out at 3.12 in relation to the HNDA findings, please see draft consultation proposal at Appendix 1.

### **3.0 Considerations**

- 3.1. The HNDA is a statutory document designed to give broad, long-run estimates of what future housing need over all tenures might look like, based on an evidential base. This evidence base will inform housing policy decisions in the future Local Housing Strategy (LHS) and land allocation decisions in the Local Development Plan (LDP).
- 3.2. Each Chapter of the HNDA is signed off by the short term working group, Housing Market Partnership Group, made up of housing, planning and health & social care partnership officers, Registered Social Landlords, Homes for Scotland and the elected members for housing and planning.
- 3.3. The Housing Market Partnership group has met in December 2024, April 2025, May 2025 and June 2025 to approve findings at individual stages of completion and agree the most likely scenarios to enable running the HNDA Tool and give a range of housing estimates.

- 3.4. The HNDA Tool is an Excel Spreadsheet developed by the Scottish Government to allow selection of inputs around demographic and housing affordability scenarios.
- 3.5 The Tool is populated with a range of scenarios about future incomes, house and rental prices (alternative futures). However, it is for HNDA Practitioners to decide which scenario or scenarios best reflect what might happen in their local area in future.
- 3.6 With this in mind, the Tool is designed to produce a range of BROAD housing estimates about several alternative futures; any of which might occur but one or two of which are more likely to occur based on previous housing market trends and local knowledge of housing markets.
- 3.7 The choice of scenarios should not attempt to predict future housing estimates with complete precision. Instead, it should be based on producing a range of broad housing estimates. This gives a range of housing estimates that can be accepted or rejected as the future of the housing market unfolds. A single housing estimate that is too precise cannot provide enough flexibility to plan for a future which will always contain some uncertainty.
- 3.8 At the time of writing, further work is being carried out using the HNDA tool to give a broader range of housing need scenarios, however, the figures below shown, scenario 1, base data (pre-loaded to the excel spreadsheet) and scenario 2 based on agreed inputs from the evidence gathered so far and agreed with the Housing Market Partnership Group.

3.9 Scenario 1 – base figures (per annum). This scenario is pre-loaded into the HNDA

- Principle household growth - 2016 based National Record Of Scotland figures
- Current housing need - the HNDA tool has this pre-loaded at 970 people
- Low increase in cost of renting and buying
- No income growth

This shows the annual requirement by housing tenure going forward and the total numbers over the ten year period to 2034. This is the base line figure of housing need and demand pre-loaded into the HNDA Tool.

<b>Tenure</b>	<b>2025-29</b>	<b>2030-34</b>	<b>10 year Total</b>	<b>10 year Avg Per annum</b>
Social Rent	41	-2	390	39
Below Market Rent	4	-3	10	1
Private Renting	3	-2	10	1
Buyers	5	-3	20	2
<b>Total</b>	<b>54</b>	<b>-10</b>	<b>430</b>	<b>43</b>

- 3.10 Scenario 2 – makes assumptions based on evidence gathered and agreement with the Housing Market Partnership. These figures are entered into and run through the HNDA tool to give estimates of housing need.

High household projections	- 2018 based National Records of Scotland
Current Housing need	- from waiting list data at October 2024 - 1,455
Higher than expected house prices and increase in private renting costs	- as agreed with the Housing Market Partnership
Real terms income growth	- as agreed with the Housing Market Partnership

This shows the annual requirement for each housing tenure going forward and the total numbers over the ten year period to 2034.

<b>Tenure</b>	<b>2025-29</b>	<b>2030-34</b>	<b>10 year Total</b>	<b>10 year Avg Per annum</b>
Social Rent	130	36	830	83
Below Market Rent	14	46	300	30
Private Renting	10	26	180	18
Buyers	17	46	315	31
<b>Total</b>	<b>171</b>	<b>154</b>	<b>1,625</b>	<b>162</b>

- 3.11 As Council is aware, due to the Clackmannanshire's HNDA being out of date, the Scottish Government Reporter has allowed developments to proceed without consideration of affordable housing needs. Whilst the result of this process is still to be consulted upon and verified by the Scottish Government, Council is asked to endorse the initial findings from the tables at 3.9 and 3.10, although broad estimates at this stage, both show a requirement for new affordable housing. This is to ensure that in any such case in the interim period, the planning service has an evidence base to revert to and would assist any discussions with the Scottish Government Reporter.
- 3.12 It is proposed that the draft HNDA document will go out to public consultation between June and early August 2025. The purpose will be to get feedback on the assumptions made on the data collected in the document and get feedback on the range of housing need estimates made. The proposed consultation is appended to this report.



3.13 The HNDA will be appraised by the Centre for Housing Market Analysis (CHMA) at the Scottish Government. The assessment is likely to take around 8 weeks to complete.

3.14 It is proposed that the HNDA should come to Council in November 2025 for approval.

#### **4.0 Sustainability Implications**

4.1 None

#### **5.0 Resource Implications**

5.1 None

#### **6.0 Financial Details**

6.1 The Service is working with Finance colleagues to determine any potential impact.

#### **6.3. Staffing**

There are no staffing implications from this report.

#### **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".

11.2 Appendix 1 Draft Consultation Summary

## 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
Kate Fleming	Senior Housing Strategy Officer	
Murray Sharp	Senior Manager (Housing)	5113

### Approved by

NAME	DESIGNATION	SIGNATURE
Kevin Wells	Strategic Director of Place	

## Appendix 1

The Housing Need and Demand Assessment (HNDA) is produced every five years to ensure housing in Clackmannanshire reflects the need and demand.

The Housing (Scotland) Act 2001 places a duty on local authorities to carry out an assessment of the following within the local authority area:

- the type and condition of the housing stock,
- the housing needs of the people in the area,
- the demand for, and availability of housing, and
- the specialist housing provision available to meet particular needs.

This Assessment will be used as the evidence base to inform the development of the Council's Local Housing Strategy and Local Development Plan.

Have you read or reviewed the Draft HNDA Summary or Full Report

- Yes/No

Do you feel the HNDA clearly explains its purpose and methodology?

- Yes/No

**Key Housing Drivers** include the assessment of household formation, population, housing affordability and the key drivers to the local and national economy.

The 2018 National Records of Scotland (NRS) statistics show an ageing population and project that by 2043, the profile of the older population in Clackmannanshire will be greater than that in Scotland overall. The HNDA assumes that supporting older population and addressing adaptations will be essential when planning for affordable homes and private developments. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

## Appendix 1

The 2018 NRS statistics project a decrease in population but an increase in the number of households. Compared with a projected increase in the age of the population, the HNDA assumes that in the future, smaller households will predominantly be older single people or couples. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

The HNDA assumes that with the increased requirement for larger deposits for first time buyers, it is becoming more difficult for buyers to enter the market for the first time. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

The HNDA assumes that private renting is unaffordable for lower quartile income households due to a gap between the local housing allowance and rent prices that have to be met by private rented tenants. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

The HNDA assumes and models high population growth scenario to set more ambitious targets for local housing land requirements and to address the increase in number of households. To what extent do you agree with the assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

### Economic issues for the Local Housing Markets

#### ***Current Provision and Needs***

The HNDA assesses that there are currently x number of homes, and the current need is x by type and tenure.

To what extent do you agree with the HNDA's assessment of current housing needs? – provide info on the total number of homes needed by type and tenure, etc.

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Do you have any other comments?

### ***Future Needs***

Summarise information on future population and household trends.

Do you believe the assessment adequately captures future population and household trends (e.g. inward and outward local migration, aging population)?

- Yes/No

Do you have any other comments?

To what extent do you agree with the HNDA's assessment of future needs?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Which set of assumptions do you think best estimates likely future housing needs?

Do you have any other comments?

### ***Specialist Provision***

Using nationally and locally available sources, the HNDA assumes that there is a lack of information on the needs of specialist housing and housing-related provision for owner occupiers and private rented sector across Clackmannanshire. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Using national statistical data, the HNDA assumes that the rapidly ageing population and worsened physical and mental health of the population has and will continue to have an increased impact on the provision of health and social care services as well as increase in the demand and an unmet need for specialist housing and housing-related provision. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Using local data, the HNDA assumes that there is a significant shortfall in the provision of accessible and adapted housing (including disabled adaptations) across Clackmannanshire. To what extent do you agree with this assessment?

## Appendix 1

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Using the methodology established by Chartered Institute of Housing (CIH), the HNDA uses higher estimates to establish the unmet housing need for wheelchair-user households and estimates that by 2043, there will be 175 wheelchair-user households with unmet housing need. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Historic trends show that homeless presentations have been increasing across Clackmannanshire with an increase in the number of households in temporary accommodation and an increase in the breaches of Unsuitable Accommodation Order. The HNDA assumes that this trend will continue, and that the demand for temporary accommodation to meet the needs of homeless households within Clackmannanshire will continue to increase. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Statistics have shown a reduction in the number of registered care places, the number of care home residents and care home occupancy rates. The HNDA assumes that there is no need for future care home places, and the focus should be on offering more community-based support and alternative models of housing (such as sheltered housing). To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Following locally available data, consultations with partner stakeholders and client groups, the HNDA assumes that there is a lack of sheltered accommodation and other alternative models of housing to meet the needs of older people and disabled people. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Using nationally and locally held data, the HNDA assumes there has been an increase in the number of people with multiple and complex needs who get care at home. To what extent do you agree with this assessment?

## Appendix 1

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Following locally available data, consultations with partner stakeholders and client groups, the HNDA assumes that there are currently gaps in the provision of care and support services to enable independent living, and there is a need to increase the provision of support services going forward to ensure that the system can cope with the increasing demands. To what extent do you agree with this assessment?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

To what extent do you agree with the HNDA's overall assessment about housing provision to meet particular needs?

- Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree

Do you have any other comments?

Are there any groups you believe are missing or underrepresented?

- Yes/No

If so, what groups are missing or underrepresented?

Do you have any additional comments, feedback, or evidence you'd like to submit?

### Equalities questions:

Gender

Age group

- Under 18
- 18-24
- 25-34
- 35-49
- 50-64

## Appendix 1

- 65-74
- 75+
- Not Answered

Do you consider yourself to have a disability

What is your ethnic group/background

What religion, religious denomination or body do you belong to?

Which of the following best describes your sexual orientation?



# Appendix 1

Action	December 2024	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025
Housing Market Partnership	Introduction & Chapter 2 Meeting Demographics		Chapter 3 Meeting Stock	Chapter 5 Meeting Specialist Housing	Chapter 4 Meeting Estimates of future need and demand		Survey & consultation feedback
Specialist Housing Consultation		Consultation Event (multi-agency)  Older Adults' Forum  Alzheimer's Scotland					
Stakeholder event						Events TBA	Events TBA
Citizens Space						Open Survey	Close Survey & feedback to HMP



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**Report to:** **Clackmannanshire Council**

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**Date of Meeting:** **26<sup>th</sup> June 2025**

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**Subject:** **Housing Property Acquisitions Policy and Asset Disposal Policy**

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**Report by:** **Strategic Director (Place)**

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## **1.0 Purpose**

- 1.1. This report outlines the work undertaken to establish policies for housing acquisition activity and the disposal of housing owned assets. The policies support the efforts made by Clackmannanshire Council to progress the Council's housing investment priorities and our affordable housing development plans.

## **2.0 Recommendations**

- 2.1. It is recommended that Council:

2.1.1. Approve the Housing Property Acquisition Policy (attached as Appendix 1),

2.1.2. Approve the Housing Asset Disposal Policy (attached as Appendix 2),

2.1.3. Approve the limited delegation to the Director Of Place in disposing of HRA assets in line with section 4.11,

2.1.4. Note that the Service plan to review the current arrangements in place for a small number of shared ownership mortgage rescue properties that are jointly owned by the Council and private owner occupiers.

## **3.0 Background**

### **Property Acquisition**

- 3.1. In recent years the Housing Service has allocated budget within the Housing Revenue Account (HRA) Capital Programme to purchase properties from the open housing market. These properties are bought "off-the-shelf" to add to our

existing housing stock and contribute to the supply of affordable housing across Clackmannanshire.

- 3.2. This activity is detailed within our Strategic Housing Investment Plan (SHIP) and the Scottish Government provides grant funding to help support acquisitions through the Resource Planning Assumption (RPA) monies attributed to Clackmannanshire as part of the Affordable Housing Supply Programme (AHSP).
- 3.3. In 2024/25, the Housing Service bought 38 off-the-shelf properties, all of which were ex-Council houses. The current SHIP outlines our intention to acquire a further 20 properties in this financial year with potential for further acquisitions beyond this should budget be available for this.
- 3.4. When purchasing properties, the Housing Service may consider acquiring properties that have not previously been in Council ownership, properties are targeted on the basis of our identified needs and demands as evidenced by our housing waiting list. Efforts will be made within existing funding and Scottish Government guidance constraints to ensure that we are working towards Keeping the Promise in Clackmannanshire. The purchase of ex-Council housing stock does, in some instances, come with the benefit of consolidating the Council's share of ownership in mixed tenure housing blocks and enables us to become the majority or sole owner within a block. This in turn enables an easier route to progressing external fabric and common area maintenance activity.

#### Asset Disposal

- 3.5. As well as acquiring properties, the Housing Service may also seek to dispose of certain assets in circumstances where:
  - There is no demonstrable need and/or demand for the asset.
  - It's location and/or type are not suitable and/or there is no demand for this location/or type of asset.
  - The level of repair and maintenance required to meet housing standards does not constitute value for money to the HRA.
  - Generally, the asset no longer fulfils its original purpose in benefiting tenants or, in the case of investment properties, may not generate a financial return to the HRA;
- 3.6. The service intend to take forward a stock condition survey of all HRA owned assets in this current financial year, domestic and non-domestic assets will be surveyed and the information derived from this used to inform a Housing Asset Management Plan. Asset disposal will form part of future considerations contained in the asset management plan.

## 4.0 Considerations

### Property Acquisition

- 4.1. The Property Acquisition Policy sets out the criteria for eligibility for the Council to consider the purchase of a property.
- 4.2. As stated in point 3.4, the purchase of properties within mixed tenure blocks can increase the Council's share of ownership or result in the Council becoming the sole owner within a block. The Council own a considerable number of flatted properties contained within mixed tenure blocks, acquisition to increase ownership share can provide an easier route to progressing external fabric and common area maintenance activity. Improvement works within these areas will be a key consideration within the Asset Management Plan and within the context of our aim to improve the energy efficiency of council housing.
- 4.3. There should be no threshold limit on the price paid to acquire any one singular property, the overall collective cost of property acquisitions within any given financial year will be in line with a) the agreed HRA Capital Budget approved by Council as part of the annual budget setting process and b) the approved plan for property acquisitions and the anticipated expenditure associated with this as set out within the SHIP (approved annually by Council).

### Asset Disposal

- 4.4. Subject to specified conditions (outlined below and in section 3.6), the Housing Service may seek to dispose of certain HRA owned assets.
- 4.5. Where properties are in mixed tenure, and the Council is in the minority ownership, and/or there is low demand for properties (in mixed tenure or not), then the service may decide that they no longer offer best value or meet with the needs of the service and our tenants.
- 4.6. Mixed tenure properties are more likely to suffer from a lack of investment in external fabric and common areas, this places the property and our tenant at greater risk of experiencing issue with weather damage and penetrating damp in buildings, it also impacts our compliance with the Scottish Housing Quality Standards.
- 4.7. The service seek approval to deem HRA assets surplus to requirements and to sell these on the open market with intention to reinvest the income received back into the HRA, this with an aim of supporting activity aligned to meeting our current and future strategic housing needs and objectives.
- 4.8. In 2016, the Scottish Ministers provided Councils the delegated authority to dispose of HRA assets by way of General Consent whereby Councils can 'self-certify' the consent to dispose of assets rather than seeking the consent from the Scottish Ministers for the majority of disposals.
- 4.9. The Council's Financial Regulations outlined within the Scheme of Delegation state (in Section 17.6.) that where a Chief Officer deems that Land or Buildings are surplus to requirements, a report must be submitted to Council for approval to declare surplus and disposal.

- 4.10. This paper seeks Council approval (as noted in 2.1.3) to provide delegated authority to the Strategic Director (Place) to progress with disposal of HRA owned assets that are deemed surplus to requirements. To do so will require Council to approve an amendment to be made to the Financial Regulations contained within the Scheme of Delegation.
- 4.11. The Strategic Director (Place) will approve to dispose of HRA owned assets, following confirmation having been provided by the Senior Manager Housing and the Chief Finance Officer that the asset is surplus to requirements, disposal is the best value option for the Council and the HRA and the proposed action meets with relevant legislation. Ahead of any proposed disposal action, an appropriate level of consultation will be had with the Housing Spokesperson and with council tenants (this in line with the requirements of the Housing (Scotland) Act 1987) and a clear audit trail kept evidencing the process gone through and the engagement activity completed.
- 4.12. The HRA must comply with legislation, statutory guidance and accounting codes of practice. Assets must provide, or be likely to provide a positive return to the HRA. Assets not benefitting tenants must be considered for disposal, transfer or change of use and decisions to retain or dispose of assets must be explained to tenants. Scottish Ministers' consent is required if assets are sold for less than the market value (March 2015 Scottish Government Guidance, Disposal of assets from HRA's).

#### Mortgage Rescue Properties

- 4.13. Clackmannanshire Council currently has a small number of shared ownership mortgage rescue properties within its housing stock, each of these has varying levels of shared ownership. These arrangements were entered into a number of years ago with owners who had difficulty in keeping up with mortgage payments and undertaking the necessary repairs and maintenance works to their home.
- 4.14. The Housing Service intends to engage with sharing owners to review the current arrangements in place and explore any potential to fully acquire ownership of these properties with owners becoming sitting tenants. Decisions will be based on individual ownership arrangements, the financial circumstances of owners, and other relevant circumstances as appropriate.

### **5.0 Sustainability Implications**

- 5.1. There are no sustainability implications.

### **6.0 Resource Implications**

#### *6.1. Financial Details*

- 6.2. The Service is working with Finance colleagues to determine any potential impact.

#### *6.3. Staffing*

There are no staffing implications from this report.

## 7.0 Exempt Reports

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

## 8.0 Declarations

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

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

Clackmannanshire will be attractive to businesses & 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 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.

Appendix 1. Housing Property Acquisitions Policy

Appendix 2. Housing Asset Disposal Policy

Appendix 3. Equality and Fairer Scotland Impact Assessment

## 12.0 Background Papers

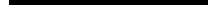
12.1. Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered).

Yes ☐ No ☒ X  
(please list the documents below)

**Author(s)**

NAME	DESIGNATION	TEL NO / EXTENSION
Murray Sharp	Service Manager (Housing)	5113
Andrew Buchanan	Team Leader Housing Business Management	5169

**Approved by**

NAME	DESIGNATION	SIGNATURE
Kevin Wells	Strategic Director – Place	





**Clackmannanshire Council**  
**Housing Service**  
**Property Acquisition Policy**  
**June 2025**



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## **1. Scope of the Policy**

Clackmannanshire Council's Housing Service recognises that many Council-owned properties were sold under the Right-to-Buy scheme which operated from 1980 to 2016. To address the shortage of affordable housing and meet the increasing demand for social housing, the Housing Service seeks to add properties to its existing housing stock by buying back ex-council and other suitable properties from the local open housing market.

The Housing Service will in most cases purchase properties which were previously owned by the Council or by another registered social landlord (RSL). Other properties which have never at anytime been in Council ownership will also be considered for purchase as required. Decisions on which properties to acquire are based on our known housing needs and demands with particular consideration given to property type and location. Clackmannanshire Council's Housing Property Acquisition Policy sets out the framework for purchasing properties into Clackmannanshire Council's housing stock.

This policy sits alongside and supports the aims of Clackmannanshire Council's Strategic Housing Investment Plan (SHIP) 2024-2029, the Local Outcomes Improvement Plan (LOIP) 2017-2027, the Housing Revenue Account (HRA) Business Plan and the development of a strategic housing asset management plan. All of these are critical in delivering the Council's future housing investment priorities, meeting affordable housing development ambitions, reducing and tackling inequalities around poverty and socio-economic disadvantages, as well as seeking to reduce homelessness.

## **2. Aims of the Policy**

The Property Acquisition Policy seeks to outline the means by which Clackmannanshire Council will identify and acquire available properties from the local open housing market and directly from property owners.

This policy aims to:

- Contribute to addressing the shortage of affordable social housing across the Council area;
- Provide an established framework by which the Council will follow in the process of acquiring properties;
- Increase the Council's housing stock;
- Meet the identified housing needs and demands, including the need for particular property types/sizes/locations and specialist housing and adapted properties;
- Consolidate the Council's share of ownership of mixed tenure housing blocks to realise majority/sole Council ownership;
- Raise the standard of available housing in Clackmannanshire by acquiring and improving properties to meet the Scottish Housing Quality Standard (SHQS) and an improved energy efficiency standard.



### **3. Criteria for Eligibility:**

For the property to be considered for purchase, the following criteria must be met:

- The property must be located within the Clackmannanshire Council area;
- The individual selling the property must be the owner of the property, or if this is not the case, be able to provide sufficient evidence to show that they are authorised to act on behalf of the owner.
- Subject to legal due diligence, the Council must be able to obtain valid marketable title with vacant possession of the property within a mutually agreeable timescale;
- The property owner must provide a valid home report for the property and this must be sourced from a suitably qualified surveyor registered in Scotland with the Royal Institute of Chartered Surveyors (RICS);
- The property owner understands that it is their own responsibility to make arrangements for securing other suitable housing provision.
- The property owner must disclose and make the Council aware of all known information relevant to the property and its potential sale at the time of entering into discussion with the Council.

The Council will consider other relevant factors when deciding to make an offer to purchase a property. These may include, but are not limited to:

- An identified strategic demand for properties based on the size, type and locality of the property to meet with the Council's known housing needs. This will vary from area to area and is subject to change over time;
- The property build type (i.e. traditional, non-traditional) and its age.
- The condition of different elements of each property, such as the heating and hot water system, electrical installation or external fabric;
- The extent of any damp rot, asbestos containing materials (ACMs), structural disrepair, or the presence of any other known deleterious materials identified;
- The extent and estimated cost of any repairs, improvements or other alterations required for the property to meet the Council's lettable standard, the Tolerable Standard and the Scottish Housing Quality Standard;
- The energy efficiency of the property and its potential to be improved to meet net zero targets;
- Whether a purchase would represent good value for money for the Council, the HRA and its tenant base.

### **4. Managing Applications and Offers**

#### *4.1. Applying to sell to the Council*

To apply to sell to the Council directly, the property owner can email their enquiry to [home@clacks.gov.uk](mailto:home@clacks.gov.uk)



#### *4.2. Making contact*

There are two ways by which the Council will progress to make contact with a selling party regarding the potential acquisition of a property:

- If the property is advertised for sale on the local open housing market, the Council will make contact with the estate agent to arrange a viewing;
- If the property owner contacts the Council directly, the Council will liaise directly with the owner.

#### *4.3. Ensuring suitability and viewing:*

An initial assessment of the suitability of the property as a potential purchase will be carried out. This will first be undertaken by desk top study considering suitability factors against current housing needs. Following this a visit to view the property in person will be arranged with a suitably qualified housing officer undertaking the viewing and joined by other relevant officers as required. The Council will assess the condition of the property, its type and location and any required work for the needed in order to meet the Council's lettable standard, the Tolerable Standard and the Scottish Housing Quality standards.

#### *4.4. Making an offer*

Where the Service are to make an offer on a property, this will be reasonable and appropriate and dependant upon a number of different factors.

Factors include, but are not limited to:

- Current housing market conditions within Clackmannanshire;
- The value of the property based on the Home Report;
- The property build type, location and age;
- Current condition of the property and any required repairs;
- Investment works required for in future;
- Availability of other similar homes in the local area;
- The extent of need and demand on the housing waiting list for particular property types;
- The availability of adequate budget and including Scottish Government Resource Planning Assumption (RPA) monies available to the Council via the Affordable Housing Supply Programme (AHSP).

The offering price will be in line with the Scottish Standard Clauses. For further information on Standard Clauses, please visit [Law Society of Scotland](http://www.law.soc.scot) website.

There is no threshold limit on the price that the Council may pay to acquire any one singular property, the overall collective cost of property acquisitions within any given financial year will be in line with a) the agreed HRA Capital Budget approved by Council as part of the annual budget setting



process and b) the approved plan for property acquisitions and the anticipated expenditure associated with this as set out within the SHIP (approved annually by Council).

All property acquisitions must be agreed and approved by the Senior Manager (Housing) and approved by the HRA accountant (finance) prior to a formal offer being made.

#### *4.5. Accepting an offer*

Sellers who accept an offer from the Council should appoint a solicitor to manage the transaction on their behalf. Sellers are responsible for covering their own legal expenses.

#### *4.6. If a property goes to a closing date*

The Council does not intend to bid against other prospective buyers. If a closing date has been set, the Council will not make an offer. If another prospective buyer has already made an offer, the Council will not enter into a bidding situation.

### **5. Equal Opportunities and Diversity**

Clackmannanshire Council is committed to the elimination of unlawful discrimination, advancing equality of opportunity and fostering good relations between people.

The Council believes that equality of opportunity should be a guiding principle in all of its activities. The Council aims to ensure that its commitment to equality is embedded in all council services and in the organisations that it funds.

In accordance with the Equality Act 2010, the Council is actively working towards the elimination of policies and practices that discriminate unfairly on grounds including age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race including colour, nationality, ethnic or national origin; religion or belief; sex; and sexual orientation.

### **6. Privacy Statement**

Clackmannanshire Council must adhere with its legal obligations under Data Protection Legislation as set out in the Data Protection Act 2018 and UK General Protection Regulation (GDPR).

In order to provide the required and/or requested services, the Council will collect, store and process relevant personal information or data.

Personal information may also be shared with other partner agencies and organisations.



Personal information will be kept securely, as long as required by law and/or by specific service requirements. Once the data is no longer required, it will be securely disposed of. The Council has a Record Retention Schedule which sets out the period of time and reasons for keeping particular records. The Retention Schedule is available on request.

Under the Data Protection Act 2018 and the Freedom of Information (Scotland) Act 2002, individuals have the right to access personal information and data held about them by Clackmannanshire Council as well as the right to access information from records held by the Council.

To submit a Subject Access or Freedom of Information request, please follow [the link](#).

To make a complaint in relation to the Council's handling and processing of personal data and information, please contact the [Information Commissioner's Office](#).

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## **7. Complaints**

If the service user is dissatisfied with the conduct, treatment by or attitude of a member of staff, please follow the Council's Complaints Procedure. Complaints can be made in person, in writing, by email or online. For further information on the Complaints Procedure and how to make a complaint, please visit the [Council's Complaints Procedure webpage](#).

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For further information on how to make a complaint to SPSO, please visit the [SPSO website](#).

## **8. Monitoring and Reviewing**

The policy will be continuously monitored to ensure that it is performing efficiently against the aims set out in the policy.

The Council will review and evaluate this policy every 3 years to ensure the adherence to the relevant legislation and statutory guidance as well as changes in organisational practices and policies.







**Clackmannanshire Council**  
**Housing Service**  
**Asset Disposal Policy**  
**June 2025**



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## **1. Scope of the Policy**

Clackmannanshire Council's Housing Service may seek to dispose of housing revenue account (HRA) owned assets as necessary where the Service has identified that these are surplus to requirements and no longer offer best value to the HRA and its tenant base.

The Clackmannanshire Council's Asset Disposal Policy sets out a framework for disposing of HRA owned assets.

The policy sits alongside and supports the aims of Clackmannanshire Council's Strategic Housing Investment Plan (SHIP) 2024-2029, the HRA Business Plan and the Strategic Housing Asset Management Plan, all of which are key to realising the Council's future housing investment priorities.

## **2. Aims of the Policy**

This policy aims to:

- Facilitate the disposal of assets deemed surplus to requirements and to sell these on the open market;
- Minimise the risks arising from retaining assets whose management or maintenance needs can no longer be adequately met;
- Minimise the potential for void rent loss resulting from the retention of assets that are in low demand;
- Provide a means to dispose of assets where they no longer fulfil their original purpose in benefiting tenants or, in the case of investment properties, may not generate a financial return to the HRA;
- Provide means to generate an income from the disposal of assets that can be utilised to the benefit of Council tenants and the HRA;
- Provide means to dispose of assets where the Council is in minority ownership within mixed tenure blocks, minimising the risk of deterioration to Council housing stock and the resulting impact that this has on tenants.

## **3. Legislative Framework**

The housing revenue account (HRA) must comply with legislation, statutory guidance and accounting codes of practice. Assets must provide, or be likely to provide a positive return to the HRA. Assets not benefitting tenants must be considered for disposal, transfer or change of use and decisions to retain or dispose of assets must be explained to tenants. Scottish Ministers' consent is required if assets are sold for less than the market value (March 2015 Scottish Government Guidance, Disposal of assets from HRA's).



Clackmannanshire Council will ensure that this policy adheres to all legislative requirements under relevant legislation and gives due regard to statutory guidance.

The main legislative framework for disposal of assets is set out in the following legislation:

- Disposal of Land by Local Authorities (Scotland) Regulations 2010
- Housing (Scotland) Act 1987
- Local Government Act 2003
- Local Government (Scotland) Act 1973

#### **4. Disposal of Assets**

##### *4.1. Considerations for asset disposals*

Clackmannanshire Council's Housing Service may consider the disposal of its assets in the following circumstances:

- The Service deems the asset to be surplus to requirements and not longer fit for purpose and/or offering best value to the HRA;
- The asset has no identified potential for future use or other redevelopment purposes permitted under HRA financial guidance;
- There is no demonstrable need and/or demand for the asset;
- The asset is a property within a mixed tenure block where the Council has a minority share and it is unlikely the Council will obtain a majority share;
- The asset is a property, and the level of repair and/or maintenance required to meet Scottish Housing Quality Standard and energy efficiency requirements does not constitute value for money to the Housing Revenue Account;
- The disposal of the asset would not be detrimental to Council tenants and/or to the management of existing Council stock.

##### *4.2. Conditions for asset disposal*

In line with legislative requirements, the Housing Service may dispose of its assets valued under £10,000 at less than market value without seeking General Consent. Assets valued above £10,000 require General Consent to be granted.

The Scottish Government Guidance on Disposal of assets from HRA's (March 2015) outlines that "In the main, General Consent is granted when two key considerations have been met: that the disposal price is in line with a best consideration valuation performed by someone accredited to the Royal Institution of Chartered Surveyors (RICS) and that an appropriate level of consultation with tenants has taken place. Best consideration is the amount for which an asset could be exchanged between 1 knowledgeable, willing parties in an arm's-length transaction. Best consideration is the amount that would be paid for an asset in its highest and best use, i.e. market value."



The Housing Service may seek to dispose of its assets valued over £10,000 at market value where a General Consent is deemed to be granted in line with the below noted circumstances:

- The disposal price of the asset is at least 75% of market value;
- The disposal price of the asset is below 75% of market value, and the end use is social housing;

Under General consent, the Council has 'self-certified' the consent without seeking consent from the Scottish Minister. As noted above, General Consent will be granted when the following circumstances are met:

- The asset disposal price is in line with a best consideration valuation carried out by a Chartered surveyor;
- The Housing Service has carried out an appropriate level of consultation with the tenants.

The type and level of consultation undertaken will vary on a case-by-case basis, will include the tenants' views on the use of HRA assets, and will be taken into account when reaching final decision about the disposal of the assets.

If the Housing Service seeks to dispose of its assets where the disposal price of the asset is below 75% of market value, and the end use is not social housing, the Council will need to seek consent from the Scottish Ministers.

#### 4.3 Approval for Asset Disposal

The Strategic Director (Place) will approve to dispose of HRA owned assets, following confirmation having been provided by the Senior Manager (Housing) and the Chief Finance Officer that the asset is surplus to requirements, disposal is the best value option for the Council and the HRA and the proposed action meets with relevant legislation. Ahead of any proposed disposal action, an appropriate level of consultation will be had with the Housing Spokesperson and with council tenants, a clear and detailed audit trail will be kept to evidence the process followed and the engagement activity undertaken.

### 5. Equal Opportunities and Diversity

Clackmannanshire Council is committed to the elimination of unlawful discrimination, advancing equality of opportunity and fostering good relations between people.

The Council believes that equality of opportunity should be a guiding principle in all of its activities. The Council aims to ensure that its commitment to equality is embedded in all council services and in the organisations that it funds.

In accordance with the Equality Act 2010, the Council is actively working towards the elimination of policies and practices that discriminate unfairly on grounds including age; disability; gender



reassignment; marriage and civil partnership; pregnancy and maternity; race including colour, nationality, ethnic or national origin; religion or belief; sex; and sexual orientation.

## **6. Privacy Statement**

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## **8. Monitoring and Reviewing**

The policy will be continuously monitored to ensure that it is performing efficiently against the aims set out in the policy.

The Council will review and evaluate this policy every 3 years to ensure the adherence to the relevant legislation and statutory guidance as well as changes in organisational practices and policies.





## **Equality and Fairer Scotland Impact Assessment - Screening**

<b>Title of Policy:</b>	Property Acquisition/ Asset Disposal Policies
<b>Service:</b>	Housing
<b>Team:</b>	Housing Business Management

Will the policy have to go to Council or committee for approval	Yes
Is it a major policy, significantly affecting how functions are delivered?	No
Does it relate to functions that previous involvement activities have identified as being important to particular protected groups?	No
Does it relate to an area where the Council has set equality outcomes?	No
Does it relate to an area where there are known inequalities?	No
Does it relate to a policy where there is significant potential for reducing inequalities or improving outcomes?	No

**IF YES TO ANY - Move on to an Equality & Fairer Scotland Assessment**

**IF NO - Explain why an Equality & Fairer Scotland Assessment is not required**

--

<b>APPROVAL</b>		
<b>NAME</b>	<b>DESIGNATION</b>	<b>DATE</b>

NB This screening exercise is not to be treated as an assessment of impact and therefore does not need to be published. However, if you decide not to assess the impact of any policy, you will have to be able to explain your decision. To do this, you should keep a full record of how you reached your decision.

## **Equality and Fairer Scotland Impact Assessment - Scoping**

<b>Purpose of the proposed policy or changes to established policy</b>
<p>Clackmannanshire Council's Housing Service recognises that many Council-owned properties were sold under the Right-to-Buy scheme which operated from 1980 to 2016. To address the shortage of affordable housing and meet the increasing housing demands, the Housing Service seeks to bring properties back into the public sector by buying back ex-council and other suitable properties from the local open market. The Service may also seek to dispose of its land and building assets as it sees fits, where the Service has identified vacant and surplus assets, there is a benefit to the Service in reducing its portfolio of assets and/or where the assets are not deemed worth refurbishing.</p> <p>The Policies sets out the framework for purchasing properties into Clackmannanshire Council's housing stock and disposing of any Housing Revenue Account assets.</p>
<b>Which aspects of the policy are particularly relevant to each element of the Council's responsibilities in relation to the General Equality Duty and the Fairer Scotland Duty?</b>
<b>General Equality Duty -</b>
<p>➤ <b>Eliminating unlawful discrimination, harassment and victimisation and other prohibited conduct</b></p>
<p>The Housing Service has carefully considered its responsibilities under the Equality Act 2010 to eliminate unlawful discrimination, harassment, and victimisation. In doing so, it has ensured that the property acquisition policy is accessible to all eligible property owners, regardless of protected characteristics.</p> <p>Any property owner wishing to sell their property to the Council will have the opportunity to register their interest and submit an application through an open and transparent process. The Council will purchase properties from the open market where private owners have advertised their property for sale, or, alternatively, individuals will be able to contact the Council directly to make the Council aware of a property which they intend to sell.</p> <p>Each application will be subject to a consistent and streamlined assessment framework, which will take into account the individual circumstances of the applicant. This approach is designed to ensure fairness, promote equality of opportunity, and prevent any form of unlawful discrimination in the decision-making process.</p>
<p>➤ <b>Advancing equality of opportunity between people who share a relevant protected characteristic and those who do not</b></p>
<p>The impacts of this policy in relation to advancing equality of opportunity are assessed as low. Nevertheless, the policy includes proactive measures to ensure inclusive engagement and communication with all property owners, including those who may share one or more protected characteristics.</p> <p>The Council will seek to establish clear, accessible, and responsive communication channels to facilitate the sale of properties. These measures aim to remove potential barriers and ensure that all eligible individuals have an equal opportunity to understand, consider, and participate in the process, regardless of their background or personal circumstances.</p>
<p>➤ <b>Fostering good relations between people who share a protected characteristic and those who do not.</b></p>
<p>Impacts are assessed as low in relation to this policy. The policy invites everyone, regardless of their protected characteristics to register their interest and apply to the Council to sell their property. The Council will purchase properties from the open market where private property owners have advertised their property for sale, or alternatively, individuals will be able to contact the Council directly to make us aware of a property which the individual intends to sell.</p>

## Fairer Scotland Duty -

### ➤ Reducing inequalities of outcome caused by socioeconomic disadvantage

The policy may have implications for property owners who are currently experiencing, or are at risk of experiencing, socioeconomic disadvantage. It provides an opportunity for property owners to voluntarily sell their properties, should they express an interest and consider it appropriate to do so. This may be particularly beneficial for individuals who are asset-rich but income-poor, by offering a simplified and supportive route to sell off assets, generate income, and reduce ongoing financial or physical burdens related to property ownership.

In particular, the policy could help alleviate the responsibilities of maintaining properties that owners may no longer be able to sustain – especially in cases involving mixed tenure developments where owners have additional obligations for the upkeep of shared or communal areas.

To which of the equality groups is the policy relevant?		
Protected Characteristic	Yes/No*	Explanation
Age	Yes	<p>The policy may have a positive impact on this protected group. According to National Records of Scotland, as of 2018 there were 23,670 households across Clackmannanshire, 9,000 of which were over 60 years old. The number of households aged 75 and over is projected to increase by 88% in 2043. As the 2022 Census presents, out of 15,000 owner occupier households, over 5,200 are aged 65+ and over.</p> <p>The policy may provide significant benefits to older property owners, including those who may be seeking to downsize, reduce financial or maintenance burdens, or more easily manage their living arrangements. By offering a straightforward and supportive process for selling properties, the policy acknowledges that older individuals may face age-related challenges, such as reduced mobility, declining health, or fixed incomes that make property upkeep more difficult.</p>
Disability	Yes	<p>There are approximately 3,000 owner occupier households out of a total of 8,000 households which have one or more long-term sick or disabled person in them.</p> <p>The policy offers flexible and accessible options for property owners, including those with disabilities, to engage with the Council and explore the voluntary sale of their properties.</p> <p>In relation to the disposal of assets, the policy aims to ensure that the Council effectively communicates its intention to sell any HRA assets where it sees fit, following a consultation with its tenants. The size and type of consultation will be determined on a case-by-case basis, based on the potential impact that the sale of the asset will have on the tenants and functions of the Housing Service. The Service will aim to ensure that there are different ways for tenants to engage and have their say, including for those with disabilities.</p>
Gender Reassignment	No	There is no indication at this stage that this protected characteristic would be impacted
Marriage and civil partnership	No	There is no indication at this stage that this protected characteristic would be impacted
Pregnancy and Maternity	No	There is no indication at this stage that this protected characteristic would be impacted
Race	No	There is no indication at this stage that this protected characteristic would be impacted
Religion and Belief	No	There is no indication at this stage that this protected characteristic would be impacted



**What evidence is already available about the needs of relevant groups, and where are the gaps in evidence?**

The evidence in relation to the needs of protected characteristics can be found in the Scottish Census, the Scottish Households Survey, the Scottish Census as well as publications on disability, poverty and income inequality. Internal documents include Clackmannanshire's Strategic Housing Investment Plan.

**Which equality groups and communities might it be helpful to involve in the development of the policy?**

Clackmannanshire Tenants and Residents Federation (CTRF) are invited to be involved in the development and the review process of the proposed policy to ensure that it is fit-for-purpose, and does not unlawfully discriminate and/or exclude any persons with protected characteristics from the Council's property acquisition process and the consultations in terms of asset disposals.

**Next steps**

Following the review of the policy and the equalities impact assessment, necessary amendments will be implemented.

The policy will be followed by the development of the procedure document to ensure efficient application of the policy.

The policy will be reviewed every 3 years, following relevant consultations, to ensure that it adheres to the relevant legislation and statutory guidance as well as changes in organisational practices and policies.

## Equality and Fairer Scotland Impact Assessment - Decision

Evidence findings		
<p>The assessment has found no evidence that the property acquisition and asset disposal policy will result in unlawful discrimination or disproportionately negative impacts on individuals with protected characteristics. The policy is designed to be voluntary, transparent, and accessible to all eligible property owners, with safeguards in place to ensure fairness. Measures are in place to consider individual circumstances, and no adverse impacts on age, disability, sex, or other protected characteristics have been identified.</p> <p>Where the disposal of assets is concerned, the Housing Service will aim to carry out an appropriate level of consultation with its tenants, based on the size and type of the proposed disposal of assets. The consultation will take into account the needs of tenants with protected characteristics.</p>		
Details of engagement undertaken and feedback received		
<p>The policy will be considered by the senior leadership group and the elected members, and is on track to be approved by the Council.</p>		
Decision/recommendation		
<p>Having considered the potential or actual impacts of this policy, the following decision/recommendation is made:</p>		
<b>Tick</b> <input checked="" type="checkbox"/>	<b>Option 1: No major change</b> <p>The assessment demonstrates that the policy is robust. The evidence shows no potential for unlawful discrimination and that all opportunities have been taken to advance equality of opportunity and foster good relations, subject to continuing monitoring and review.</p>	
	<b>Option 2: Adjust the policy</b> – this involves taking steps to remove any barriers, to better advance equality or to foster good relations. It may be possible to remove or change the aspect of the policy that creates any negative or unwanted impact, or to introduce additional measures to reduce or mitigate any potential negative impact.	
	<b>Option 3: Continue the policy</b> – this means adopting or continuing with the policy, despite the potential for adverse impact. The justification should clearly set out how this decision is compatible with the Council's obligations under the duty.	
	<b>Option 4: Stop and remove the policy</b> – if there are adverse effects that are not justified and cannot be mitigated, consideration should be given to stopping the policy altogether. If a policy leads to unlawful discrimination it should be removed or changed.	
Justification for decision		
APPROVAL		
NAME	DESIGNATION	DATE

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**Report to: Clackmannanshire Council**

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**Date of Meeting: 26<sup>th</sup> June, 2025**

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**Subject: Reinforced Autoclaved Aerated Concrete**

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**Report by: Strategic Director (Place)**

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## **1.0 Purpose**

- 1.1. This report provides Council with an update on progress on the Council's response to Reinforced Autoclaved Aerated Concrete (RAAC) being found on the roofing structure of mixed ownership properties in Tillicoultry. The report focuses specifically on the three blocks of flats where evacuation action was undertaken.
- 1.2. Following the Council receiving costed information from a contractor, this has enabled further detailed consideration of an options appraisal exercise.
- 1.3. Additionally, this report provides Council with an update on recommendations approved by Council in May of this year following a hearing of the Petitions Committee relating to RAAC Affected owners and residents on 3<sup>rd</sup> April 2025.

## **2.0 Recommendations**

It is recommended that Council:

- 2.1. **Note** the progress made by Officers working with evacuated owners and occupiers to find a sustainable and affordable solution for the 3 blocks of flats in Tillicoultry affected by RAAC;
  - 2.2. **Note** the Options appraised by Officers as outlined within Section 5 and summarised within appendix A of this report;
  - 2.3. **Approve** the recommendation to progress within Options 1 or 2 of the report, recognising the majority of owners' preference for such options and the resultant benefit to the Council in returning a significant number of Housing Units to operational use;
  - 2.4. **Notes** that evacuated tenants will be offered the opportunity to convert their current temporary accommodation into a secure tenancy as provided for in paragraph 7.4;
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- 2.5. **Approve** the home loss payment of £1500 for those tenants who have converted their tenancy as provided in paragraph 2.4 the details of the payment are contained in paragraph 7.5;
- 2.6. **Approve** that, for owners who have expressed a preference for a voluntary sale, officers are authorised to enter into negotiations to agree terms and conditions in respect of such sale as outlined in paragraph 8.6;
- 2.7. **Approve** the re-profiling of the Housing Revenue Account (“HRA”) Roof and Render budget to accommodate works on the three evacuated blocks, alongside the scheduled programme of activity for 2025/26 as provided for in paragraph 9.1;
- 2.8. **Approve** the recommendation of Option 1 and 2 in respect of repairs to the evacuated blocks as referenced at paragraphs 9.1 to 9.3 to be taken forward by the service in consultation with the Chief Finance Officer and Senior Manager for Legal & Governance;
- 2.9. **Notes** the responses to the actions agreed as part of the Petitions Committee, 3<sup>rd</sup> April 2025 as outlined within Section 10 of this report.

### 3.0 Background

- 3.1. This report follows on from a report provided to Council in November 2023 which outlined the extent of the situation around RAAC within Council properties including the three evacuated blocks of mixed ownership.
- 3.2. An all-members briefing was held in April 2024 to provide an update on progress in managing the RAAC issue and a further Briefing Note distributed in August 2024. An owners and occupiers briefing was hosted by the Strategic Director of Place in November 2024 and in the run-up to this Council meeting.
- 3.3. At the present time the three evacuated blocks in Tillicoultry remain unoccupied, due to the statutory notice served by Building Standards on the owners of the properties. The Council has (on a number of occasions) facilitated action to enable owners and occupiers to have their belongings removed from the properties subject to the usual risk assessments. The last facilitated entry took place late 2024. Secure window and door shuttering has been affixed at points of entry and common area alarm systems have been enabled.
- 3.4. Regular visual inspection of the three evacuated blocks is ongoing to ensure continuous monitoring of condition with both the Council and owners keen to see movement towards a decision made with respect of the evacuated blocks.
- 3.5. It is important to note that Clackmannanshire is not the only Scottish Council area where RAAC has been discovered within residential dwellings. There has been significant publicity around the discovery within Aberdeen City with approx. 500+ homes affected and West Lothian Council with approx. 90

homes affected. Each Council area is addressing RAAC concerns in a manner that is appropriate to the context and scale within their respective localities, however this does add pressure by campaigning groups seeking to maximise the opportunities and outcomes for owners and residents impacted.

#### **4.0 Care for People**

- 4.1 We have continued to engage with the owners, with some being granted temporary accommodation after presenting as homeless and have been given advice/support by Housing Officers and the Citizens Advice Bureau. Some owners have also now been allocated secure tenure properties to meet their housing need.
- 4.2 The seven RAAC managed and monitored blocks, which remain occupied, continue to be inspected on a regular basis. We are currently engaging with the appointed Structural Engineer to discuss more invasive surveying of the RAAC panels which would involve hatches being cut in the ceilings of the top floor properties. Once further guidance is obtained, we will contact the owners and occupiers in the blocks. This work will provide officers with information in order to establish a forward plan of action for these occupied blocks in line with the wider stock asset evaluation.

#### **5.0 Options Appraisals**

- 5.1. The members of the working group provided eight possible options for consideration. Please refer to Appendix A for full details and associated costs.

- Option 1- Full replacement of the RAAC roof
- Option 2- Full replacement of the RAAC roof with external building wall energy efficient fabric upgrade
- Option 3- Installation of Fail-Safe Crash Deck
- Option 4- Demolition
- Option 5- Demolition and Redevelopment
- Option 6- Manage and Monitor (retain “as is” i.e. do nothing)
- Option 7- Manage and Monitor (retain “as is” with a future potential future sale to private developers)
- Option 8- Restricted Retention for Alternative Accommodation.

##### **5.2 Option 1 and 2**

In order to carry out a full replacement of the roof, with or without external wall fabric upgrade works, we would require engagement with the owners within

each block as we would expect the owners of the building to cover the cost as detailed in their title deeds.

### Financial Implications

The cost of undertaking roof and wall render upgrade work. The current estimated cost of undertaking the improvement works are detailed below. This does not include any contingency of around 15% to 20% that would be expected on a project of this scale. It should be noted that these costs do not include any professional and/or legal costs associated with the Council managing the Project and dealing with any repayment plans securing any debt due to the Council. These costs are also provided on the basis that all three blocks progress at the same time. If that situation is not the case, then updated estimated costs will need to be obtained, and/or alternatively this may need to be re-considered by Council.

There may be potential for private owners to obtain a VAT exemption and/or reduction relevant to the repairs and energy improvement works. A reduction may also be applicable given the period of time that the properties have been unoccupied. The service will explore potential for this.

Block	Roof Area (sqm)	Cost to replace roof only (inc. VAT) <b>Option 1</b>	Each individual owner's cost (inc VAT)	Cost to replace roof & wall render (inc. VAT) <b>Option 2</b>	Each individual owner's cost (inc VAT)
6 – 22 Park Street	273	£234,750	£26,083.33	£374,641.20	£41,626.80
35 – 51 High Street	273	£234,750	£26,083.33	£374,641.20	£41,626.80
75 – 97 Chapelle Crescent	364	£298,152	£24,846.00	£530,426.88	£44,202.24

### 5.3 Option 3

The crash deck is a very complex, intrusive and disruptive option and only provides a temporary solution as it does not remove the RAAC panels. This reduces the useable floor to ceiling height in each top floor property and can also potentially result in significant changes such as new window and door openings etc, if affected. This would require lengthy pre-planning and

installation processes and generally would not be easy to undertake. We expect there to be an extremely high cost associated with any such works.

The appraisal recommends that this Option be discounted at this stage.

#### 5.4 Options 4 and 5

Demolition of these blocks would remove the risk within the shortest timescale at the lowest cost. The Council would require to acquire the privately owned properties by a voluntary sale agreement or possible Compulsory Purchase Order through the relevant legislation.

To progress with redevelopment of existing three evacuated blocks, the challenge of mixed ownership would have to be overcome, there would also require significant capital funding investment to deliver such a proposal.

Further feasibility and design development work would be required to provide more detail on this option and any potential to extend into adjacent areas of HRA owned land to achieve an increase in the size of the development sites as the existing plots have limitations.

#### 5.5 Options 6 and 7

The options to safely manage and monitor the evacuated blocks would leave these blocks vacant and uninhabitable for the foreseeable future or retained as a potential sale for future private developers.

The HRA account requires to provide Best Value for tenants in line with its social charter aspects and this offers the lowest immediate costs. Whilst this option may be the cheapest in relation to managing the RAAC concerns initially, it does not address the problem, nor find a solution for Owners. It does however restrict the use of approximately 18 HRA units in a time where we are experiencing significant strain on housing demand.

#### 5.6 Option 8

This option would allow the Council to consider the properties to be acquired from the owners. The top floors would not be occupied but the remainder of the block could potentially be used for alternative accommodation.

### 6.0 **Progression of Options**

6.1 It is recognised that as the Council does not own all of the properties within the evacuated blocks, there is a requirement to engage with the affected owners to explore the most suitable option.

6.2 If Council Officers, were to solely consider the impact in respect of the Housing Revenue Account, the Council may consider to take the approach of taking **no action** as outlined within Options 6 and 7. However, considering the wider context involved, including the consequential impact on housing availability, the existing housing emergency and the pressures of homelessness on the Council's General Fund, there is clear evidence for an alternative approach and to this end Officers explored alongside the other

owners the appetite and potential route map that could address the aforementioned concerns, in particular Options 1 and 2.

## **7.0 Resident & Tenant Engagement**

- 7.1 Since January of this year, Officers have been engaging with the owners' and the Council's Contractors over the potential options available. This has been welcomed by the owners and has assisted Officers in considering some of the wider concerns previously highlighted.
- 7.2 The Council's current roof and render contractor has advised that they have relevant experience in respect RAAC remediation in public buildings in England. On the basis of this experience Contractor has been asked to prepare costed proposals for the three evacuated blocks. During this period, Officers engaged with the owners to gauge their willingness to consider a remedial approach, which would require them to contribute to the associated costs, should this option be progressed (**Options 1 or 2**). The contractor submitted draft proposals aimed at making the properties safe and suitable for habitation.
- 7.3 A presentation on this option was initially scheduled for March 2025. However, owners requested that the meeting proceed with officers only, without the contractor present to explain the pricing, specification, and repair process. This fuller engagement has now taken place. A significant proportion of the owners were interested in progressing with Options 1 or 2, however it is worth indicating that there were a couple of owners who indicated that they would prefer to dispose of their property.
- 7.4 The impact of RAAC discovery within the three evacuated blocks as referenced above, did not just impact owners, but resulted in a number of Council tenants being rehoused. Officers have also through this time been in contact with these tenants following the evacuation action. The majority appear to be settled and, in most cases, have expressed a desire to remain in their current accommodation. It is recognised that for these tenants, the pathway going forward to reduce the potential disruption and understandable stress and anxiety in rehoming, that the Council would convert the tenancy of those who wish to remain within the evacuated property to a secured let.
- 7.5 In recognition of the impact on our tenants on the evacuation and relocation to other properties and the experience this has had on those tenants, Officers are recommending a home loss payment. Although tenants in this situation would not typically qualify for a statutory home loss payment, given that choosing not to return is a voluntary decision, it is recommended that a payment of £1,500 be made from the HRA, to those who opt to convert their tenancy. In line with the Council's Corporate Debt Strategy, this payment will only be made where rent accounts are clear and up to date.

## **8.0 Recommendations from the Options Appraisal**

- 8.1 Whilst it can be considered that at present the options 6 & 7 (the do nothing options) could represent the lowest cost to the Council and the wider tenant

base. Officers concluded that when considering all obligations and factors and the willingness of Private Owners to give serious consideration and commitment to Options 1 and 2, this should be recommended to Council for as the preferred options for addressing these three RAAC affected blocks.

- 8.2 There is no doubt that Options 1 or 2 will represent a significant financial undertaking for each owner including the Council. The Council will need to be satisfied that owners have sufficient funding to cover such costs (which will include any professional and legal associated with the managing of the works) or meet the criteria linked to affordability, in respect of any agreements to allow owners to pay their share of the cost of the works by instalments (which will include any legal and professional costs and outlays to protect the Council in respect of the installed payments). These provisions will be reviewed on a case by case basis with each of the owners. Owners will be advised to obtain their own independent legal advice.
- 8.3 One such mechanism maybe if Council was minded to progress with Options 1 or 2, in partnership with the the other owners, there would be requirement to establish an owner's association. Further, to obtain consent of the owners for the proposed works under Options 1 or 2 a formal voting process as provided for in the Tenement (Scotland) Act 2004 would be required.
- 8.4 Where the scheme decision is in acceptance of either of the above options, there will be an estimated lead-in period of 8-12 weeks in order to confirm final contractors costs, obtain any relevant Building Warrant/Planning Permissions, road closure applications etc, prior to proceeding. The proposed roof replacement design will also require to certified and signed off on by a structural engineer. This is in addition to the Contractors own lead-in time to programme in a schedule of works and mobilise the required resources needed. Completion of works would be expected to take 15 weeks per block and is weather determined and seasonal so is not expected to progress between December-February.
- 8.5 However, similar to some evacuated tenants, a number of owners have informed officers that they have either fully settled into their current accommodation or do not wish to return to their property for various personal reasons.
- 8.6 It is therefore proposed that officers be authorised to negotiate individually with the owners to voluntarily acquire their property. As the properties currently hold a 'nil' market value, officers require Council approval for the Strategic Director of Place to negotiate a purchase price. These negotiations would take into account the anticipated market value post-repair, the cost of the repairs, and any expenditure already incurred to date by the Council. This is in line with the approach adopted by the Council in the acquisition of properties from the open market for the purposes of social housing.
- 8.7 It is recognised that some owners may be financially vulnerable, particularly where outstanding mortgage balances exceed the potential offer outlined in paragraph 8.6. However, lenders may be to exercise discretion and flexibility in such cases, especially where the property has a 'nil' market value. Trained money advisors or legal advisors are best placed to support owners in these

discussions, presenting a full financial picture to lenders and helping to avoid negative consequences where a sale is being considered.

- 8.8 For many owners, agreeing to a voluntary sale may offer closure - and potentially a more positive outcome than seemed possible just a few months ago. However, it is important to acknowledge that homeownership carries inherent risks, and the Council must avoid creating a perception of moral hazard. While the discovery of RAAC has undoubtedly had a significant financial and emotional impact on owners, the Council has been impacted both financially and from the loss of critical housing stock during a national housing emergency.
- 8.9 For other owners, even in light of what may be considered a evacuated settlement offer, their preference might be to proceed with the repairs and return home. This is, of course, entirely understandable and acceptable.

## **9.0 Repairs Funding**

- 9.1 In January 2025 the Council approved a capital allocation of £3 million for roof and render works, to be utilised up to April 2027. The current contract is due to end in September 2026. To enable the repair works on the evacuated blocks to proceed alongside the scheduled programme for the 2025/26 financial year, it is proposed that £1 million of the 2026/27 capital budget be brought forward into the current financial year. The budget for a new roof and render contract will be reviewed and presented as part of the HRA budget approval process in January 2026.
- 9.2 Proceeding with the repair works requires a process of engagement with the owners and may include conducting a formal block vote. This could be carried out under the Tenements (Scotland) Act 2004, which established a default framework for tenement maintenance and management known as the Tenement Management Scheme (TMS). Under this scheme, each individual flat is allocated one vote, with the majority determining the course of action.
- 9.3 However, a number of alternative charging order mechanisms are available to the Council. The Service is continuing to consult with Finance and Legal teams to determine the most appropriate approach to ensure the Council's financial interests are fully protected and to mitigate the risk of non-payment. Officers will continue to work with relevant services and engage with owners to progress this matter, taking into account owners' views while safeguarding the Council's position.

## **10.0 Petition and Specific Asks of the RAAC Group & Residents**

- 10.1 Members will recall that Council in May agreed the three recommendations from the Petitions Committee held 3rd April 2025, brought forward by one of owners affected by RAAC. The Petition explored and recommended 3 of 4 key asks. The following gives Council an update on those recommendations.



**Provide Pre-RAAC Declaration Valuations – that the Council agree that a feasibility study, based on Royal Institution of Chartered Surveyors (RICS) requirements, is carried out by officers and surveyors to establish whether a mechanism for both pre and post RAAC valuations can be carried out as at the date of the Petitions Committee (3 April 2025).**

- 10.2 Officers have engaged with Senior Specialist Valuation Leads from RICS who confirmed that, while the RICS Global Red Book does permit surveyors, in certain limited and exceptional circumstances, to provide backdated valuations, this special assumption cannot be applied in cases where a known hazard exists.

*“RICS valuation standards allow for special assumptions, but these must ‘reasonably be regarded as realistic, relevant and valid for the particular circumstances of the valuation’ (Global Red Book VPS 2).*

*Red Book UK national supplement VPGA 11.6 para 4 covering residential property notes that ‘Unless limited enquiries reveal otherwise, the following assumptions and special assumptions may be made without verification....(d) No deleterious or hazardous materials have been used in the construction. However, if the limited inspection indicates that there are such materials, this must be reported and further instructions requested.’”*

- 10.3 Although, what is possible, is the provision of a market value at the date of survey and expected market value once proposed repair works are complete. The Council organised valuations of all privately owned properties within the three evacuated blocks with our RICS appointed Surveyor. These took place week commencing 2nd June and the valuations have now all been shared with the owners.
- 10.4 This details that, at the date of valuation, “the properties are currently uninhabitable due to the presence of RAAC within the block and therefore would currently return a ‘nil’ value on the open market with no lending available. The properties are suitable for cash purchase only by an investor/developer who would be willing to take the works on themselves.” In addition, each owner was also provided an expected market value of the open market value subject to the works exhibited to the surveyor being completed. This placed a range of valuations between £52,000 to £65,000.

**Financial support for RAAC-related costs – that the Council explores all avenues within existing frameworks to provide support in whatever form that takes including all sectors.**

- 10.5 The Council is in the process of meeting each owner individually, this aspect of their financial outlays will be explored at the meeting to see what further help and or assistance might be available.

**Advocate for a National Financial Support Fund – that the Council actively and more visibly lobby the Scottish Government and the UK Government for the establishment of a national financial support fund for RAAC-affected homeowners.**

- 10.6 The housing spokesperson will write again to the Scottish and UK Governments to request the establishment of a support fund to assist those homeowners affected by the presence of RAAC within their homes.

## **11.0 Sustainability Implications**

- 11.1 The return of RAAC properties back into use will mean we help reduce embodied carbon.

## **12.0 Resource Implications**

### **12.1 Financial Details**

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

***The Service is working with Finance colleagues to determine any potential impact aligned to existing HRA Capital programme and the use of the Council's Scottish Government funding for Housing.***

## **13.0 Exempt Reports**

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

## **14.0 Declarations**

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

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

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

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

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

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

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

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## 15.0 Equalities Impact

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

Yes ☐

No ☒

## 16.0 Legality

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

Yes ☒

## 17.0 Appendices

RAAC Options Appraisal – Appendix A

## 18.0 Background Papers

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

Yes ☐

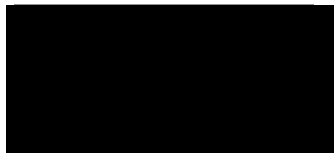
No ☒

(please list the documents below)

### Author(s)

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Andrew Buchanan	Team Leader Housing Business Management	5169

### Approved by

NAME	DESIGNATION	SIGNATURE
Kevin Wells	Strategic Director – Place	



## **Appendix A**

### **Summary Table of Options**

<b>Factors for Consideration</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>	<b>Option 6</b>	<b>Option 7</b>	<b>Option 8</b>
	Roof Replacement	Roof replacement with render & wholesale improvement work	Fail Safe Crash Deck Installation	Demolition & Asbestos Removal	Demolition and Redevelopment	Manage and Monitor (retain “as is”)	Manage and Monitor (potential sale to private investors)	Restricted Retention for Alternative Accommodation
Is RAAC removed	Yes	Yes	No - Not Viable	Yes	Yes	No	No	No
Ease of Construction	Complex – However there is a Contractor available on the Council’s Framework	Complex - However there is a Contractor available on the Council’s Framework		No issues anticipated	No issues anticipated	-	-	Further consideration needed
H&S Implications	Several risks while work undertaken but would remove the RAAC completely	Several risks while work undertaken but would remove the RAAC completely.	Several risks while work undertaken and ongoing risk of failure with RAAC remaining in-situ.	Risks for a short period of time while work undertaken but would remove the RAAC completely.	Risks for a short period of time while work undertaken but would remove the RAAC completely	Ongoing requirement to ensure continued monitoring of condition and compliance with conditions of the dangerous buildings notice,	Ongoing requirement to ensure continued monitoring of condition and compliance with conditions of the dangerous buildings notice,	Several risks while work undertaken and potential for further risks to develop over time if RAAC not removed.

Factors for Consideration	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
						and to maintain security of building.	and to maintain security of building.	
Indicative Budget inc. VAT <b>(does not</b> include for suggested 15%-20% contingency)	£767,652 + (15-120 contingency)	£1,279,709.28 + (15-20% contingency)		£205,560.00	£8,668,784.48	£1,000 monthly ongoing revenue cost to securely manage the buildings	£1,000 monthly ongoing revenue cost to securely manage the buildings	Unknown at present further work needed to define costs
Delivery Timeline (indicative range)	12 months (following all owners agreement to proceed)	12 months (following all owners agreement to proceed)		6 –8 weeks (following agreement of legal process)	3-5 years	Immediate	Market Testing Required	12 months
Potential Costs/Impact to Owner Occupiers	Costs circa £26k. Return to their properties, might be in negative equity	Costs circa £43k. Return to their properties, might be in negative equity	Top floor, flats removed from occupancy.	Owners required to contribute to costs of demolition.	Owners required to contribute to costs of demolition.	Owners will still be liable for ongoing costs and still have no conclusion to their property	Owners will still be liable for ongoing costs and still have no conclusion to their property	Owners likely to receive payment towards clean title to proceed
Will significant capital interventions be required	Yes	Yes		No	Yes	No	No	Potential to fund from surplus/significant savings p

Factors for Consideration	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
Private Ownership Impact	Agreement and cost contribution where roofs and building fabric are shared. Funding consideration & Legal Implications	Agreement and cost contribution where roofs and building fabric are shared. Funding consideration & Legal Implications		Need for negotiated agreement, risk of future CPO	Need for negotiated agreement, risk of future CPO	Owners likely to be unhappy at this course of action and may seek to explore other options available to them	Owners likely to be unhappy at this course of action but may be keen to explore what private investors can offer	Need for negotiated agreement, risk of future CPO.  Owners may be unhappy at the building being re-occupied by the Council







**THIS PAPER RELATES TO  
ITEM 11  
ON THE AGENDA**

## **Motion to Clackmannanshire Council Meeting 26<sup>th</sup> June 2025**

### **Potential for Banking Services at the Speirs Centre**

That Council notes:

- The recent relocation of Council cash services from the Speirs Centre to Kilncraigs, and welcomes the extension of public opening hours at Kilncraigs to 9am–5pm, which supports improved access to Council services.
- The continuing and significant decline in access to local banking services across Clackmannanshire, with only one high street bank branch remaining in operation.
- The growing risk of financial exclusion for residents—particularly older people, those without digital access, and small businesses—as a result of these closures.
- The ongoing campaign by Keith Brown MSP for the establishment of a Banking Hub in Alloa, and recognises the potential benefits such a hub would bring to the local area.
- That the relocation of Council services has created available space within the Speirs Centre.
- That improving access to ethical and inclusive financial services is consistent with the principles of Clackmannanshire's Community Wealth Building Strategy, particularly around supporting local financial resilience, plural ownership, and community-led economic activity.

That Council agrees to:

- Write to all major high street banks and relevant financial institutions, including LINK—the organisation responsible for delivering banking hubs—to highlight the newly available space at the Speirs Centre and the community's need for improved access to banking services.
- Subject to the relevant due diligence being carried out the possibility of offering available space at the Speirs Centre as a potential location for a shared banking hub or similar in-person financial service and/or local credit unions or other ethical finance providers, as a way of supporting the Council's Community Wealth Building Strategy and promoting inclusive access to financial services.

- Encourage the relevant banks and institutions to engage with the Council and local communities to explore collaborative and sustainable solutions for access to cash and banking support in Clackmannanshire.
- Explore opportunities for the space to host financial advice or education services, potentially in partnership with community organisations or third-sector providers, to help build financial resilience and inclusion.

That Council further agrees that:

- The Chief Executive, or an appropriate officer, brings a report to a future meeting outlining any responses received, along with potential options for partnership working to improve local banking access.



Councillor Ellen Forson  
Ward 4, Clackmannanshire South

16<sup>th</sup> June 2025