CLACKMANNANSHIRE COUNCIL

THIS PAPER RELATES TO ITEM 7

ON THE AGENDA

Report to: Council

Date of Meeting: 26 November 2026

Subject: Draft Annual Accounts 2024/25

Report by: Chief Finance Officer

1.0 Purpose

1.1. The Council is required by law to prepare a statement of accounts in accordance with 'proper practices' which set out its financial position at the end of each financial year. This is defined as meaning compliance with the terms of the Code of Practice on Local Authority Accounting in the United Kingdom prepared by the CIPFA/LASAAC Joint Committee.

1.2. The Code specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the Council, including group financial statements where Councils have material interests in subsidiaries, associates or joint ventures. The financial statements aim to identify the key factors affecting the finances of the Council and that affect the physical resources that the Council can control to provide services.

1.3. The Local Authority Accounts (Scotland) Regulations 2014 require the Council's proper officer, being the officer responsible for the administration of the Council's financial affairs under section 95 of the Local Government (Scotland) Act 1973, to ensure that the Annual Accounts are prepared in accordance with the Regulations and proper accounting practices. The normal timetable is for the unaudited Annual Accounts to be submitted for audit by 30 June following the end of the financial year. Due to delays arising from the prior-year accounts and audit process, a revised timetable has been agreed with the Council's External Auditor. In line with this timetable, the draft Annual Accounts were completed and submitted to the Council's External Auditor as at 31 October 2026. The relevant statutory requirements provide that the Council must consider the unaudited accounts at a meeting held within two months of their submission. The accounts are therefore being presented to Council within the required timescale.

1.4. Within the Draft Annual Accounts, a Management Commentary is included that presents the collective view of those charged with governance and applies relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. The Management Commentary is signed by the Leader of the Council, Chief Executive and Chief Finance Officer (as s95 officer). The Management Commentary includes information on the financial year just passed along with a forward financial outlook.

1.5. The Draft Annual Accounts include the Remuneration Report and Annual Governance Statement (AGS), which sets out the Council's governance arrangements, assurance and improvement activity. During the year, the governance review was strengthened through wider participation, increased evidence requirements and corporate self-assessment, with resulting actions incorporated into the Council Improvement Plan.

1.6. The AGS also reflects improvement activity undertaken since the year end and identifies significant governance issues requiring continued action and oversight, including financial reporting and annual accounts, Internal Audit assurance, Freedom of Information compliance, housing regulatory scrutiny and organisational capacity.

2.0 Recommendations

2.1 Council is asked to:

2.1.1 formally consider the 2024/25 draft annual accounts;

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

2.1.3 otherwise note the contents of the report.

3.0 Considerations

3.1. The accounts have been prepared in accordance with proper practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.* The Annual Accounts show the actual figures for 2024/25 and the comparable figures for 2023/24.

Revenue Outturn

3.2 The financial results for 2024/25 are positive and provide a platform from which to address the challenging times ahead. Against the background of reducing resources and the current economic climate, the Council has successfully delivered services within budget and achieved a high percentage of its approved savings.

3.3 General Fund expenditure on the management accounting basis was £166.482m. This represents the running costs of the Council and indicates the significant size and complexity of the organisation.

3.4 The surplus achieved in the year compared to budget was £6.206m. After taking account of earmarked reserves of £3.074m this results in a net underspend of £3.132m. This is a favourable movement of £0.701m on the previously forecasted underspend of £2.431m as at December 2024 reported to Council in April 2025. Included within the final underspend is a number of earmarked underspends for areas of ring-fenced spend such as Pupil Equity Funding (PEF), Devolved School Management (DSM) and Housing, that are not recognised until the year end. These underspends are then carried forward to be used in the following year.

3.5 The General Fund started the year with a balance of £26.950m. £11.866m was utilised from earmarked and unearmarked general reserves. £6.207m was added from the underspend and £0.615m was added as a result of the IFRS 16 implementation adjustment. These movements resulted in an overall net decrease in general reserves of £5.044m resulting in a closing general reserve balance at 31 March 2025 of £21.906m.

3.6 Of the £21.906m balance at 31 March 2025, £14.851m is earmarked for specific purposes, much of which is for use either by individual services or to meet corporate liabilities. This committed balance can be summarised as follows:

Devolved School Management (DSM)	£0.601m
Pupil Equity Funding (PEF)	£0.611m
Ring-fenced Housing & Community Safety Grants	£0.998m
Organisational Change Fund	£0.121m
Employment Fund	£1.199m
Transformation Fund	£3.482m
Miscellaneous commitments	£2.701m
Developer Contributions	£0.933m
Employability Funding	£0.373m
Ukrainian Refugee Support	£0.341m
Homeless Accommodation	£1.358m
COVID Specific Funding	£0.160m
Amount to support Revenue budget	£0.346m
General pressures	£1.627m
Total	**£14.851m**

3.7 The Council's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 2% of budgeted net expenditure. Based on 2024/25 approved budget this equates to a figure of £3.420m. At the end of 2024/25, uncommitted reserves are £7.055m, therefore, £3.635m greater than this minimum reserve figure. Total uncommitted reserves therefore represent a level of 4.1% of budgeted net expenditure.

3.8 At the end of 2024/25, the Clackmannanshire locality of the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP) reported an overspend of £2.426m. However, the final outturn reflects a nil variance as reserves held by the Partnership have been allocated to offset this overspend.

Housing Revenue Account

3.9 The Housing Revenue Account achieved a surplus within the year of £6.800m against a budgeted surplus of £2.939m, £3.861m above budget. This is a movement of £2.605m higher than the forecast figure of £4.195m as at December, reported to Council in April 2025. During the year, the surplus and reserves have been used to fund a contribution to capital of £5.574m in accordance with the Housing Business Plan. The outcome of these in year results is that the opening housing reserve balance of £1.435m at the start of the year, has increased to £1.973m as at 31 March 2025, which equates to 8% of 2024/25 budgeted Housing Rents.

Other Reserves

3.10 The opening balance on the Capital Receipts Reserve was £1.463m. £0.050m was received in the year as a consequence of asset sales and £0.224m receipts were utilised. After taking account of these additional receipts in the year the closing balance of capital receipts at 31 March 2025 was £1.289m with no commitments.

3.11 The opening balance on the Capital Grants and Contributions Unapplied account was £1.662m. Grants of £0.163m have been added in the year to be applied to spend in future years and grants of £0.290m have been utilised in the year. As a result of these movements the closing balance on capital grants unapplied is £1.535m at 31 March 2025.

Pensions Liability/Asset

3.12 The estimation of the Council's net liability/ net asset in respect of pensions payable is a complex set of judgements. It requires estimates of the life expectancy of scheme members, assumptions about changes in retirement ages and expected returns on pension fund assets such as stock market investments. The Council engages actuaries to provide expert advice about prevailing assumptions.

3.13 As a result of the latest valuation of the Council's pension assets and liabilities in accordance with International Accounting Standard 19 (IAS19), the valuation reduced, converting the previous year's net asset of £15.339m into a net liability within the Balance Sheet of £10.846m. This is a reduction of £26.185m from the previous year mainly due to a combination of an increase in the net discount rate and asset returns.

Provisions

3.14 The two short term provisions for Municipal Mutual Insurance Limited and Voluntary Severance were fully utilised in the year and no further provisions were required. The previous long term provision for Municipal Mutual Insurance Limited (MMI) still remains and has been increased by £0.009m to £0.100m to reflect the updated estimate of the liability. A new long term provision was created in the year in relation to Braehead Golf Club with £0.038m being recognised in the year representing a long term loan to the Golf Club that does not require to be repaid if it reaches maturity. A corresponding asset is recognised on the balance sheet for this loan.

Contingent Liabilities

3.15 Where there is uncertainty over the timing or amount of a potential obligation, relevant matters are disclosed within the draft Annual Accounts as contingent liabilities. Aspects of those matters referenced in respect of Insurance set out in paragraph 3.14 above, are also reflected in the draft annual accounts as a contingent liability. In addition to this, the potential for claims in relation to Historic Sexual Abuse, Equal Pay and the Coalsnaughton major incident are recorded as contingent liabilities. As with all contingent liabilities, the timing and quantification of any liability in relation to these cases is unknown. No Contingent Assets have been identified as at 31 March 2025.

Capital Expenditure and Financing

3.16 During 2024/25 the Council spent £22.907m on Capital Expenditure, excluding the £11.245m accounting impact recognised on implementation of IFRS16, across both General Fund and HRA. Of this, £22.610m was invested in its own assets with £0.297m granted to third parties including Common Good. This reflects an underspend of £22.139m on the approved budgeted programmes for both HRA and General Fund.

3.17 Capital expenditure in the year has been financed by: government grants and contributions (£7.619m), revenue funding (£5.574m) and capital receipts (£0.020m). The remaining balance of £9.694m was funded through borrowing.

3.18 The Council's gross external debt as at 31 March 2025 was £155.173m, an increase of £23.460m from the position at 31 March 2024. The increase reflects £15.000m of new loans and an £11.245m increase in the PFI lease liability arising from the adoption of IFRS 16 Leases, offset by repayments of £0.484m in respect of PWLB and market loans and £2.301m in respect of Public Private Partnership (PPP) arrangements and finance leases.

Asset Valuations – Property, Plant & Equipment

3.19 A comprehensive valuation of the Council's property portfolio as at 31 March 2025 remains in progress and the draft financial statements have been prepared using the latest valuation information available at the date of preparation. Any material adjustments arising from completion of the valuation exercise, including consequential changes to asset values, depreciation, reserves and related disclosures, will be reflected in the final audited Annual Accounts.

IFRS16 Leases

3.20 The Council adopted IFRS 16 Leases from 1 April 2024, representing a significant change in lease accounting requirements for local authorities. The new standard generally requires lease arrangements to be recognised on the Balance Sheet as a right-of-use asset and corresponding lease liability. Its principal impact arose from remeasurement of the existing secondary schools PFI arrangement, increasing both Property, Plant and Equipment and the associated liability by £11.245m, with no effect on the Council's net assets at the date of transition.

Group Accounts

3.21 Group accounts are required to be prepared and included in the financial statements. The Council's group accounts consist of; Clackmannanshire and Stirling Integration Joint Board, Central Scotland Valuation Joint Board, and Common Good.

Public Inspection

3.22 The draft annual accounts have been made available for public inspection on the Council's website from 18 November 2026.

3.23 Following conclusion of the External Audit, the Council's final audited Annual Accounts will be presented to Council at a future meeting along with the External Auditor's Report.

4.0 Conclusion

4.1 The financial outturn for the year is favourable against the approved budget, with a General Fund surplus achieved and the Council's uncommitted reserves remaining above the minimum level set out in the Reserves Strategy. The outturn represents an improvement on the position forecast at December 2024 and subsequently reported to Council in April 2025.

4.2 Throughout the year, regular updates on progress in implementing the Budget Strategy and performance monitoring has been provided to Elected members through Council and Committee reports and briefings. Despite rising pressures, services worked hard to manage spend within budget to ensure the Council did not overspend its budget during 2024/25. In doing so, the Council consistently applied its agreed budget, finance and investment strategies throughout 2024/25.

4.3 In summary, the year end financial position, although favourable, remains challenging in light of the current financial circumstances of rising inflation and the ongoing impact of the cost of living crisis.

5.0 Sustainability Implications

5.1 Not applicable

6.0 Resource Implications

6.1 Financial Details

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

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

6.4 Staffing

7.0 Exempt Reports

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

8.0 Declarations

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

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

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

(2) **Council Policies**

Complies with relevant Council Policies ☒

9.0 Equalities Impact

9.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website).

No ☒

9.2 If an impact assessment has not been undertaken you should explain why:

This report is for noting and there are no direct impacts resulting from the content of this report.

10.0 Legality

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

11.0 Appendices

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

Appendix A - Draft Annual Accounts 2024/25

12.0 Background Papers

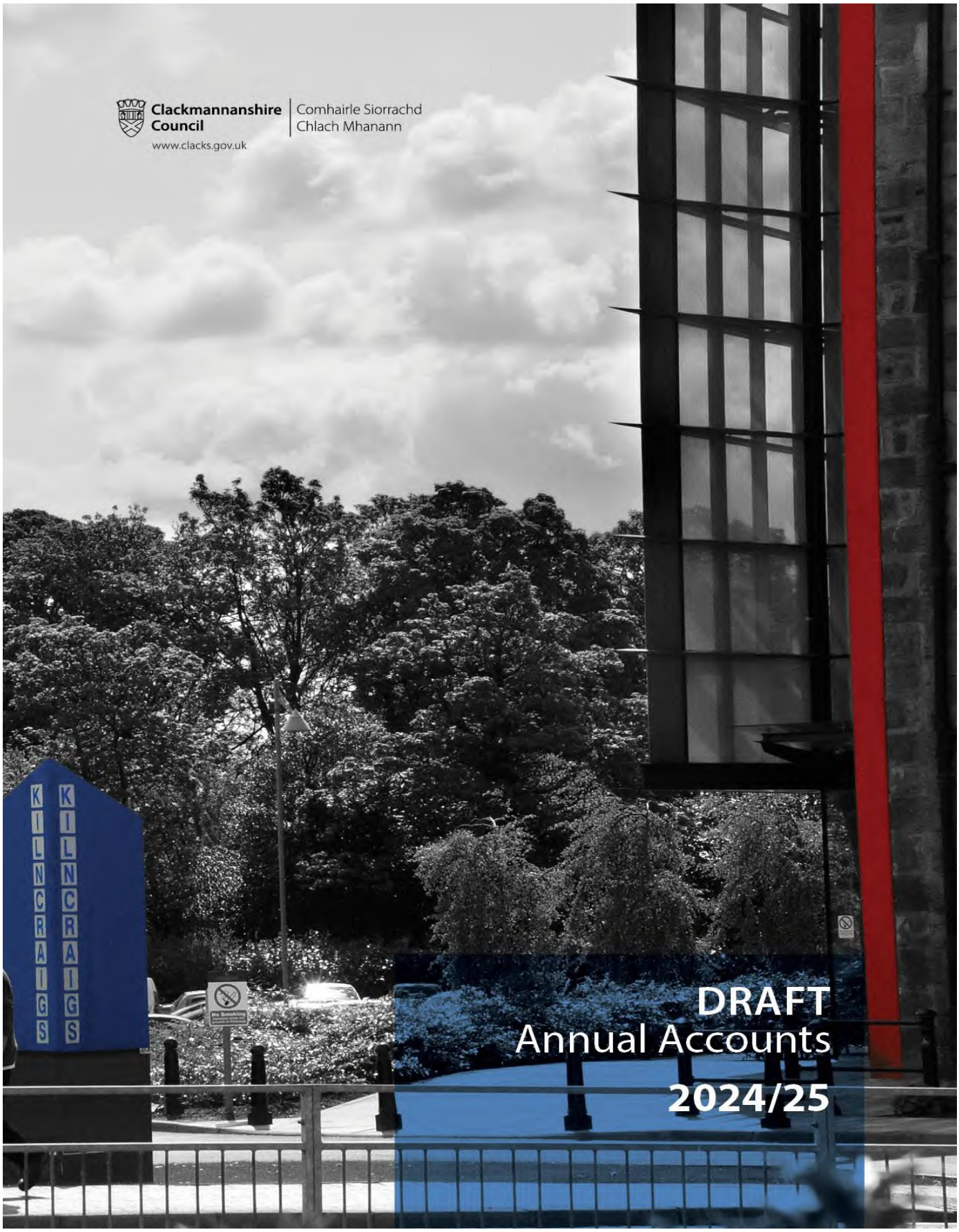
12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)
Yes ☐ (please list the documents below) No ☑

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Helen Coleman	Corporate Accountancy Team Leader	2256
Susan Mackay	Chief Accountant	2036
Lindsay Sim	Chief Financial Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Head of Service (Corporate)	[redacted]

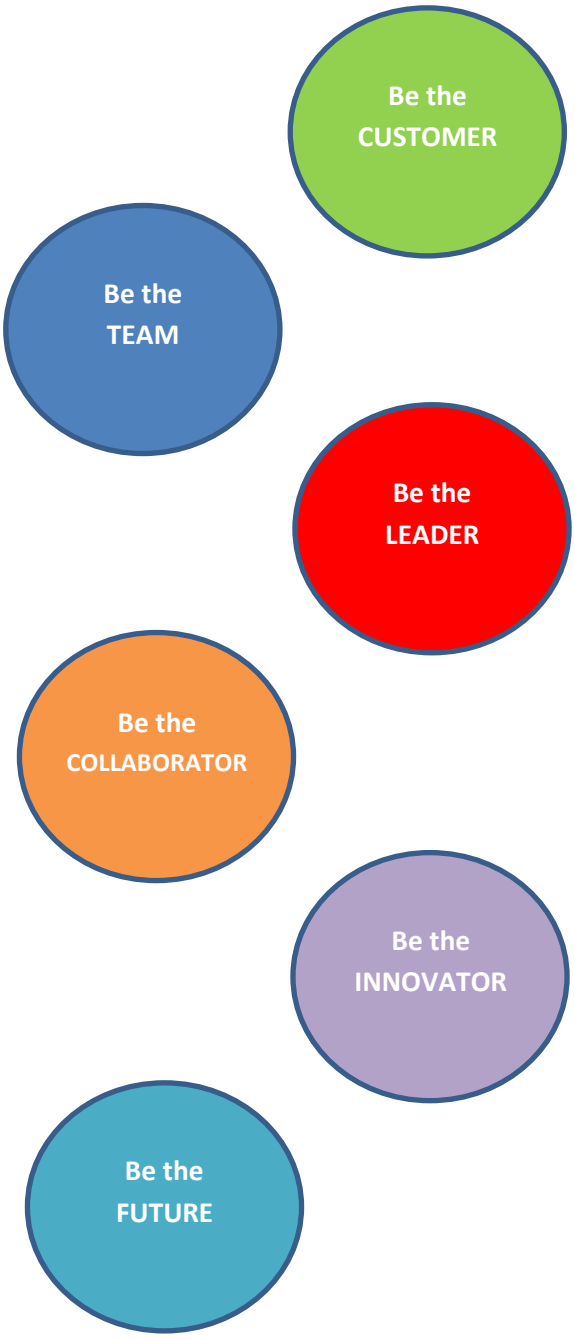


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CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25

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CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Management Commentary

Introduction

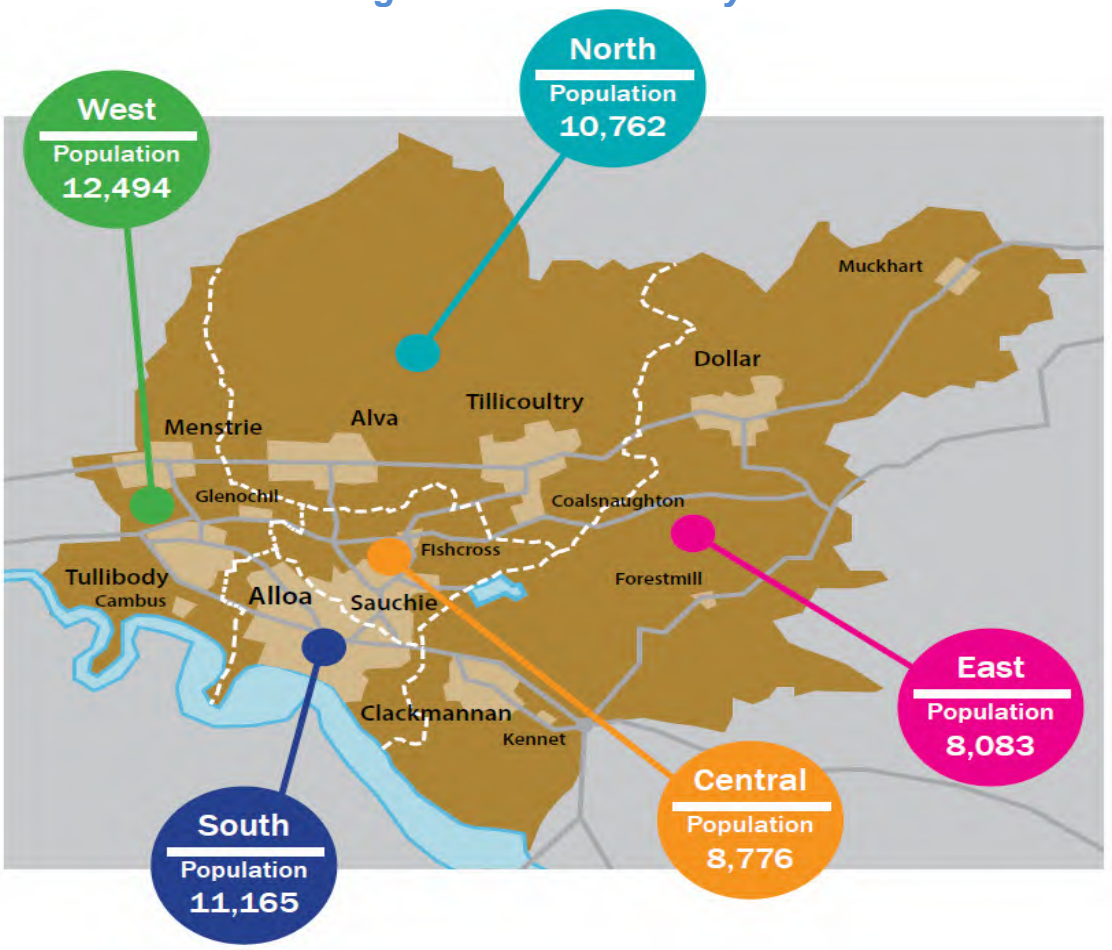
This commentary sets the scene and context for the Financial Statements for Clackmannanshire Council, for the year ended 31 March 2025 and provides specific details in relation to the Council's financial position, its priorities and performance and strategies and plans for achieving these objectives. Due to the timing of preparation of the 2024/25 Annual Accounts, the Management Commentary also refers, where relevant, to significant developments occurring after 31 March 2025. These are clearly identified as subsequent developments and are included to provide an up-to-date context for the Council's financial position, priorities and operating environment.

The commentary is compliant with The Local Authority Accounts (Scotland) Regulations 2014. The Management Commentary is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. The Financial Statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 which sets out the format and content contained within them.

2024/25 continued to be a challenging year for the Council, with ongoing cost of living pressures and wider economic uncertainty affecting both local communities and the cost and demand for Council services. Clackmannanshire continues to experience significant socio-economic challenges, including poverty and inequality, alongside increasing and more complex demand for essential services. Against this backdrop, the Council has continued to review and reshape how services are delivered, while supporting residents and businesses and maintaining a focus on longer-term service and financial sustainability.

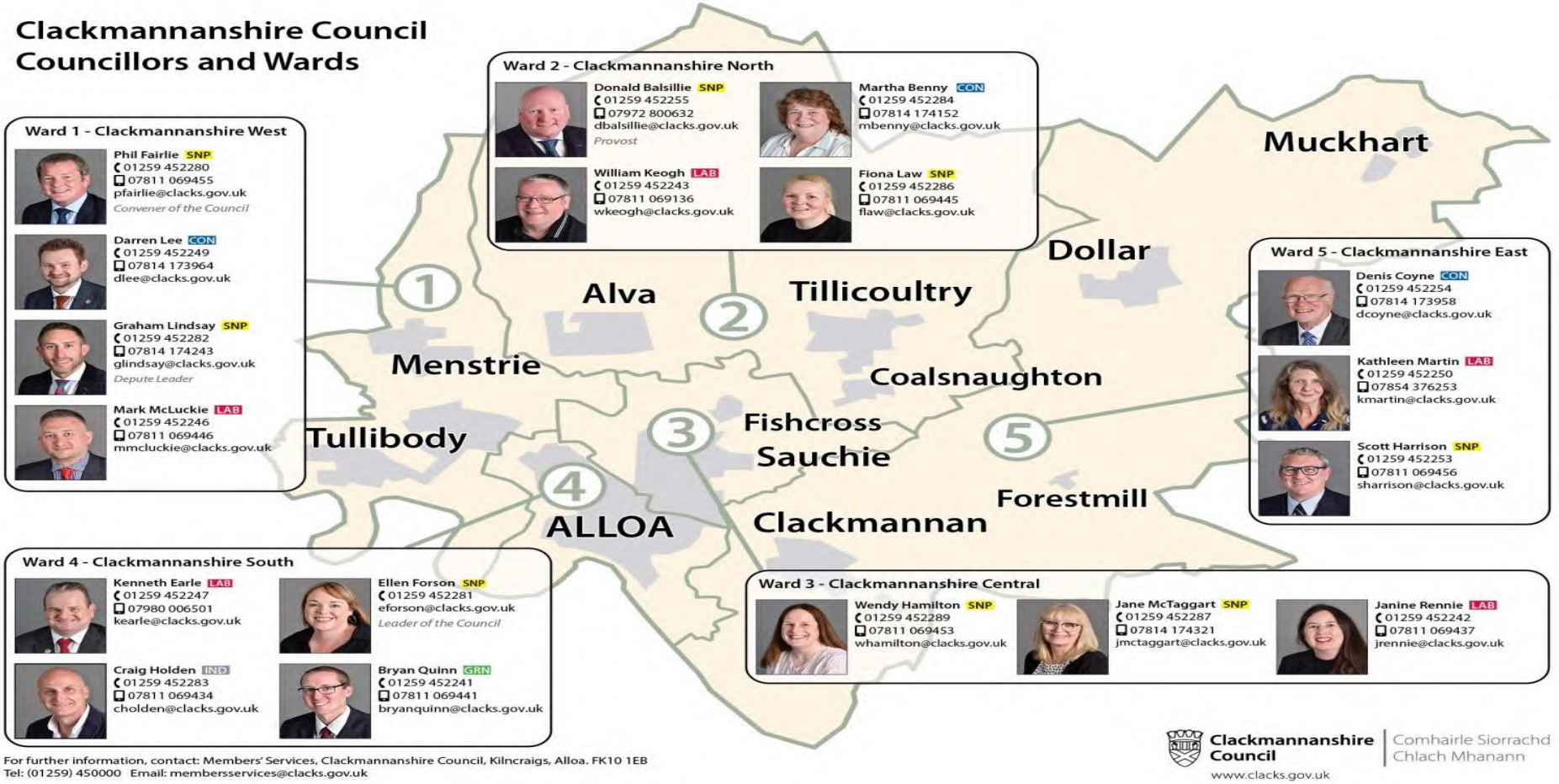
Clackmannanshire is located in Scotland's central belt, sharing administrative borders with Stirling, Perth and Kinross and Fife, and with natural boundaries provided by the Ochils and the River Forth. Clackmannanshire is the lowest populated mainland Council in Scotland, covering 61.5 square miles and serving a population of 51,800 (Scottish Government Census 2022). The Council employs 2,668 (headcount) staff (2023/24 2,727).

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Management Commentary



Local Government

Clackmannanshire Council consists of 5 wards, each represented by 3 or 4 elected members. The Council has 18 Councillors whose current political make-up following the local elections in May 2022 and changes to date are: 8 SNP, 5 Labour, 3 Conservative, 1 Green and 1 Independent. The Councillors for each ward are presented in the diagram below. Further information on Senior Councillors can be found in the Remuneration Report commencing page 56.



Management Structure & Service Areas

Throughout 2024/25, Clackmannanshire Council's Chief Executive was Nikki Bridle. The Chief Executive is the Head of Paid Service who leads and takes responsibility for the work of the Council and who runs the local authority on a day to day basis. The Chief Executive provides leadership, vision and strategic direction, and effective management of the Council.

During 2024/25 the Chief Executive was supported by three Strategic Directors and the Chief Officer for the Clackmannanshire and Stirling Health & Social Care Partnership. The Council also has four Statutory officers: Chief Finance Officer (S95 Officer), Monitoring Officer, Chief Education Officer and Chief Social Work Officer.

Community Planning Partnership and Local Outcomes Improvement Plan

The **Wellbeing Local Outcomes Improvement Plan (LOIP) 2024-34,** agreed in Autumn 2024 (Wellbeing Local Outcomes Improvement Plan 2024-2034), sets out the vision of the Community Planning Partnership 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 sets out the shared ambitions for change for Clackmannanshire over the period to 2034 under a shared vision and 3 key Strategic Outcomes:

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.

This is a key strategic plan for the Council, working with partners, to improve outcomes for communities in Clackmannanshire.

Council Priorities during 2024/25

During 2024/25, the Council continued to deliver against its agreed strategic priorities and Target Operating Model. The 2024/25 priorities, approved as part of the Council's budget-setting process, focused transformation activity on supporting financial sustainability, improving services and outcomes, and addressing the Council's longer-term operational challenges. The priorities set out below reflect the position for the year ended 31 March 2025.

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

Transformation Activity/Themes

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

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

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

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

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

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

Transformation Activity/Themes

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

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

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

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

Theme colour key: **Sustainable Growth** | **Empowering Families and Communities** | **Health and Wellbeing**

The Council's values remain a key focus of our leadership and organisational delivery under Be the Future and our Target Operating Model.

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

Performance

Performance reporting at the Council reflects an embedded and mature approach with regular scheduled reporting of statutory performance and the Local Government Benchmarking Framework and public performance reporting on the Councils website; reporting of the Local Outcome Improvement Plan and key partnership plans and strategies; reporting on progress of the Be the Future Transformation Programme; regular reporting on service performance, financial performance, complaints, risks, best value and our integrated continuous improvement plans.

The Council has an approved performance management framework in place.

The Council has also significantly matured its approach to self-assessment with a renewed focus on continuous improvement. The emphasis has shifted from periodic compliance checks to an integrated, risk-informed and evidence-based system that combines self-evaluation, external challenge, performance management and organisational improvement into a single Best Value framework. This approach is intended to support continuous organisational learning, stronger governance, transformational change and improved outcomes for communities.

In addition to a refreshed Annual Governance Statement process and a review of our Local Code of Governance implemented in 2024/25, the Council continued to strengthen its approach to corporate self-assessment and continuous improvement.

Subsequent Developments since 31 March 2025

In late 2025 and early 2026 the Community Planning Partnership undertook a self-assessment process which informed development and continuous improvement activity. This work included a review of the Community Planning Partnership operating arrangements and partnerships structures and the identification of two clear outcomes improvement areas for focused activity by the partnership. These are:

- Whole Family Support (including support for women and girls) – working together to support families earlier and prevent crisis
- Employability – creating new jobs and developing future skills and pathways

More information on our Local Outcome Improvement Plan and Community Planning can be found here: www.clacks.gov.uk/community/planning

The Council has continued to progress its transformation and organisational change programme. This has included changes to the Council's management structure and the agreement of updated Council priorities.

In February 2026, the Council approved changes to its Target Operating Model and senior management structure. The revised structure reduced the number of Director posts to two, reintroduced four Head of Service roles and provided for one of the Directors to also undertake the role of Depute Chief Executive, strengthening strategic and organisational capacity and resilience.

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



The senior management structure shown above reflects the current structure following the change approved in February 2026. Details of the senior officers and statutory post holders relevant to the reporting period are set out in the Remuneration Report commencing on page 56.

Following a decision by Council in 2024, the Council's Corporate Plan was replaced by a streamlined framework of annually agreed Be the Future programme priorities, aligned to the strategic aims of Sustainable Inclusive Growth, Empowering Families and Communities and Health and Wellbeing. Following the end of the 2024/25 financial year, these priorities were reviewed and refreshed, with updated priorities agreed in November 2025 to inform the Council's strategic direction for 2026/27. These are summarised below:

Digital and Data Transformation

The programme aims to create a more connected, efficient, and forward-thinking council by integrating technologies such as automation, IoT, and advanced data platforms. It is structured around four key themes: Customer Experience, Working Smarter, Colleague Journey, and Maximising Impact and is underpinned by a five-year roadmap aligned with national frameworks and local priorities.

Asset Strategy

Our Corporate Asset Management Strategy will help provide a structured approach to managing the physical assets of our Council within the context of the desire to maximise on

our financial investment and in return the social and community benefits. The strategy will outline the alignment of our assets to the Council Priorities and Objectives, seek to provide a framework for optimal performance, managing risk and enhancing sustainability and resilience, followed on by a high-level Strategic Asset Management Plan.

Workforce Strategy

In April 2025 the Council concluded its Interim Workforce Strategy, which provided a foundation for the Council's approach to workforce development and planning. Development of a new Strategic Workforce Plan for 2025-28 is being aligned with the Target Operating Model and will reflect the Council's future organisational and workforce requirements.

Collaboration Work

The focus of the Collaboration work is on delivering future efficiencies and savings to support the Council's agreed MTFS, while also considering longer term service sustainability. The work is aligned to the Target Operating Model and will help inform the next phase of the Council's transformation programme.

Be The Future

Over the last three years there has been considerable investment in creating the conditions which allow us to set out ambitious longer-term plans to transform the way in which public services are delivered in Clackmannanshire. During 2025/26 the Council approved its new Be the Future Target Operating Model (TOM), a significant organisational transformation programme designed to strengthen financial sustainability, improve outcomes for communities and support delivery of statutory responsibilities.

The TOM introduces an outcomes-focused leadership and organisational structure, enhanced performance and governance arrangements, and a stronger emphasis on partnership and collaborative service delivery. The programme includes the redesign of senior management structures, the development of a new Strategic Workforce Plan and Performance Management Framework, and the exploration of alternative service delivery models. The approved immediate-state changes are expected to deliver recurring management savings while creating a more resilient and flexible organisation capable of responding to future service, financial and workforce challenges.

The TOM identifies five key strategic drivers, under two strategic outcome portfolio's (wellbeing and Place and Economy) which underpin the transformation programme:

- Financial Sustainability
- Outcomes-Focused Service Delivery
- Collaboration and Partnership
- Community Empowerment
- Statutory and Regulatory Compliance

Performance and Continuous Improvement

The Target Operating Model sets out a significant evolution of the Council's performance management arrangements, moving from traditional service-based reporting towards a more integrated, outcomes-focused and evidence-led approach, building on the Councils approaches to performance and risk management as well as self-assessment, assurance and continuous improvement activities under our Best Value systems.

The Council has developed a revised performance management framework which will integrate corporate and service performance, financial and workforce performance, risk management, benefit realisation and continuous improvement activity into one coherent reporting framework which demonstrates achievement of community outcomes and value. This framework also strengthens the golden thread, linking national outcomes, our Local Outcomes Improvement Plan outcomes, corporate priorities, service delivery and individual accountability under the 'one plan, one report' approach to provide a single integrated view of performance across the organisation. When implemented, this will replace the existing performance management framework.

This approach, which seeks to build on existing good practice, will ensure a greater use of data, insight, automation and digital tools to improve our understanding of demand, performance trends, customer experience and service impacts which all contribute to evidence based decision making and appropriate direction of resources to secure improved outcomes and to best value.

This strengthened approach to performance management supports delivery of statutory performance reporting, including enhanced transparency and public reporting, as well as providing a robust framework for performance which is scalable across all models of future service delivery being considered and explored through collaboration and mixed economy service.

This work has included adoption of the Public Sector Improvement Framework (PSIF) to support assessment of the Clackmannanshire Community Planning Partnership, together with a corporate PSIF self-assessment which informed the Council's continuous improvement plan. A corporate self-assessment of the Council's transformation programme has also been completed, with further assessment activity planned in relation to the asset strategy and national self-assessment framework.

Financial Planning

The Council continues to operate within a challenging financial environment characterised by increasing demand for services, inflationary pressures, workforce costs and ongoing uncertainty regarding future funding settlements. During 2024/25 the Council operated within its approved General Fund budget and continued to strengthen its medium-term financial planning arrangements

Although financial performance during the year was positive, significant financial challenges remain. Current forecasts identify substantial budget gaps over the medium term driven by increasing demand for statutory services, inflation, nationally agreed pay awards and wider

economic pressures. These challenges are not unique to Clackmannanshire and are reflected across Scottish local government.

The Council continues to progress its transformation agenda through the Be the Future Programme, delivery of the Target Operating Model and service redesign activity. These programmes are intended to support the delivery of sustainable services, improve outcomes and ensure resources remain aligned with Council priorities.

Financial Sustainability Assessment

The Council has sufficient resources to meet its financial obligations in the short term. However, significant risks to medium and longer term financial sustainability remain as reflected in Insufficient Financial Resilience remaining one of the council's highest-rated corporate risks. Addressing these risks will require continued delivery of recurring savings, transformation activity, demand management and service redesign. Future funding levels, increasing demand for statutory services, workforce pressures and wider economic uncertainty will continue to require difficult choices regarding how services are delivered and prioritised. The Council will continue to monitor risks closely and review how services are delivered to ensure expenditure remains affordable and aligned to the resources available.

Health & Social Care

The Council is a partner in the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP), alongside Stirling Council and NHS Forth Valley. The Partnership delivers health and social care services in line with the priorities set out in its Strategic Commissioning Plan 2023-33.

2024/25 continued to be a financially challenging year for the Partnership, with significant pressures on the delivery of health and social care services and the achievement of financial balance. The financial position was monitored closely throughout the year, with the Clackmannanshire element of the Partnership reporting an overspend of £2.426m for the year to 31 March 2025. This was ultimately offset through the use of reserves held by the Partnership.

The financial position reflects the continuing challenge of delivering services within available resources while responding to demand and delivering the changes and savings required to support financial sustainability. The Partnership continues to focus on sustainable service delivery and delivery of the priorities within its Strategic Commissioning Plan.

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

https://clacksandstirlinghscp.org/

City Region Deal

The Stirling and Clackmannanshire City Region Deal (the Deal) is a ten-year programme of investment aimed at supporting inclusive economic growth across the region. The Deal has a total investment value of more than £214m, including up to £90.2m from the UK and

Scottish Governments, alongside investment of up to £123.8m from regional partners, including Clackmannanshire Council, Stirling Council and the University of Stirling.

The Deal was formally signed in February 2020 and supports a range of activity across innovation, skills, infrastructure and economic development. Within Clackmannanshire, projects include Active Travel, the Regional Digital Hub and Culture, Heritage and Tourism investment, alongside completed investment in the Japanese Garden.

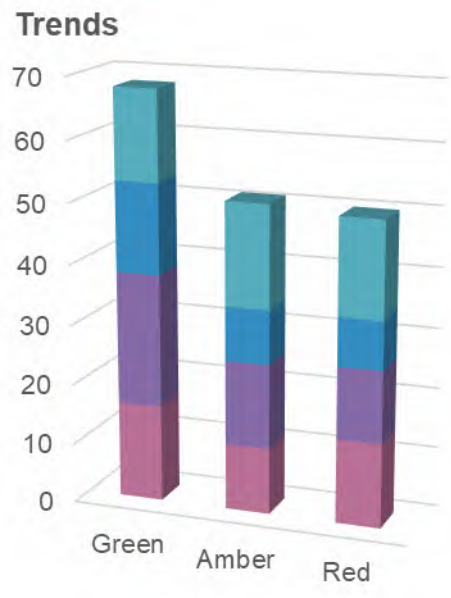
During 2024/25, delivery of the wider programme continued. Scotland's International Environment Centre Phase 1 was progressing during the year, while the Flexible Skills Fund was approved by the City Region Deal Joint Committee in October 2024. Financial monitoring during the year also identified changes in the timing and delivery profiles of a number of Deal projects, which continued to be monitored through the programme's governance arrangements.

Further information about the Deal can be found here:
https://www.stirclacksdeal.com/

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 authorities is available on a Public Dashboard. In addition to Best Value, Councils must report on "Improving local services and local outcomes". These were outlined in the Wellbeing Economy Local Outcomes Improvement Plan 2024-34 and 2024/25 Statement of Corporate Priorities on page 8. The LGBF has been augmented with Scottish Public Health Observatory (ScotPHO) datasets to ensure coverage of all priorities in the annual Corporate Performance Report. Key highlights are shown below.

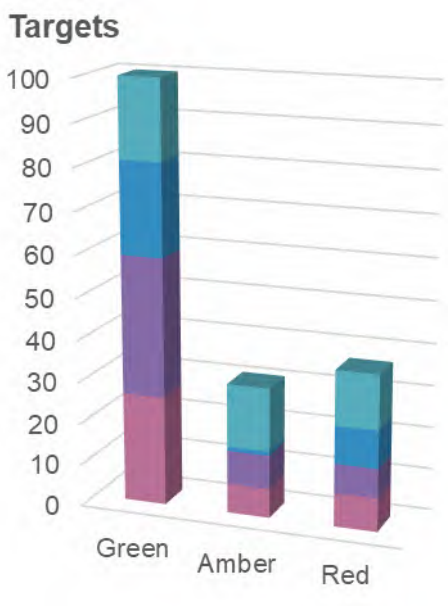
5-year trends are analysed to assess sustained direction of travel and 'even out' temporary variances (as low local numbers result in higher than average annual variances). For 'static' results (within 5% of 5-year average), other factors are considered to categorise as consistently strong/acceptable or potentially of concern. 40% improved or were static at positive levels (green). 30% were static at marginal/less positive levels or declined by 5-10% (amber). 30%, however, showed consistently poor performance or decline of more than 10% (red).



CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Management Commentary

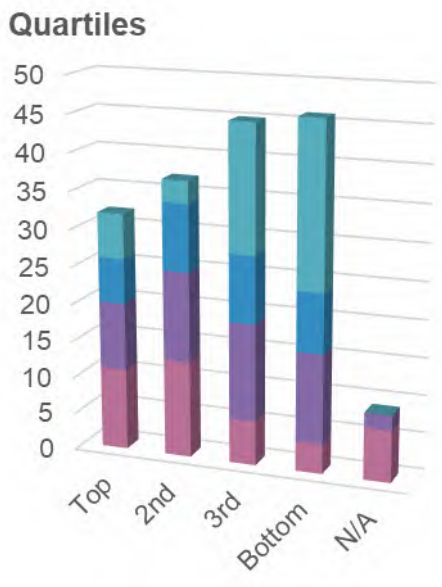
5-year Trend	Green		Amber		Red		Total
1. Wellbeing	15	31%	17	35%	16	33%	48
2. Economy & Skills	15	47%	9	28%	8	25%	32
3. Places	22	46%	14	29%	12	25%	48
4. Best Value	16	39%	11	27%	14	34%	41
Total	**68**	**40%**	**51**	**30%**	**50**	**30%**	**169**

Assessment of target achievement is sometimes more informative, incorporating realistic aspirations, local context and priorities. These may reflect national targets, Scottish or family group results (Councils with similar deprivation or rurality), or incremental improvement towards outcomes. Targets must be achievable, such as cost reductions taking into account minimum service viability. Audit Scotland thresholds (5 & 15%) highlight areas requiring attention, with 60% green (achieving or within 5% of target), 18% amber (5-15% outwith target) and 22% red (more than 15% outwith target).



Target Achievement	Green		Amber		Red		Total
1. Wellbeing	20	42%	15	31%	13	27%	48
2. Economy & Skills	22	69%	1	3%	9	28%	32
3. Places	33	69%	8	17%	7	15%	48
4. Best Value	26	63%	7	17%	8	20%	41
Total	**101**	**60%**	**31**	**18%**	**37**	**22%**	**169**

Results are ranked best (1st) to worst (32nd, or fewer if any authorities report 'no service') and grouped into quartiles (top 8, etc.) to support learning from strong performers and assess local, national and family group trends. While the extended dataset includes socio-economic factors beyond pure performance indicators, 41% were in the top 2 quartiles and 54% in the bottom 2. The remaining 5% are local indicators for which benchmarks are not available.

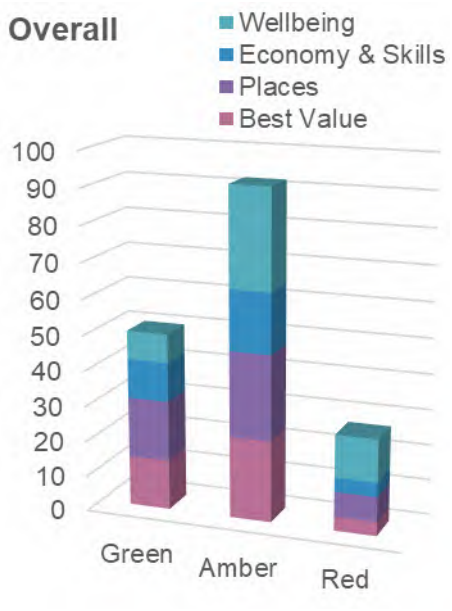


Bench-marks	Top		Second		Third		Bottom		N/A		Total
1. Wel	6	13%	3	6%	17	35%	22	46%	0	0%	48
2. E&S	6	19%	9	28%	9	28%	8	25%	0	0%	32
3. Pla	9	19%	12	25%	13	27%	12	25%	2	4%	48
4. BV	11	27%	13	32%	6	15%	4	10%	7	17%	41
Total	**32**	**19%**	**37**	**22%**	**45**	**27%**	**46**	**27%**	**9**	**5%**	**169**

Each indicator is summarised with an 'average' of the above 3 factors (equally weighted, though in certain processes one of these factors may be more important). This shows broadly positive results (green) in 30% of indicators, that attention or action may be required in some aspects (amber) in 54%, and that 16% are underperforming (red). Across all 4 elements of this assessment, there has been a slight reduction in red indicators over the last 3 years (of

4-7%), but also some evidence of indicators moving from green to amber, reflecting some of the demographic and socio-economic challenges faced in the local area.

Overall	Green		Amber		Red		Total
1. Wellbeing	8	17%	28	58%	12	25%	48
2. Economy & Skills	11	34%	17	53%	4	13%	32
3. Places	17	35%	24	50%	7	15%	48
4. Best Value	14	34%	23	56%	4	10%	41
Total	50	30%	92	54%	27	16%	169



Balanced and accessible reporting are key priorities in transparently demonstrating the challenges faced and successes achieved, with visuals presented alongside data tables and explanatory insights to aid understanding. Duties require reporting within the following financial year, and the 2024/25 report was uploaded to the Council website prior to the statutory 31 March deadline. While benchmark availability is not timely, good performance management practice requires their inclusion, and Data & Digital enhancements could support swifter decision-making to address underperformance. Plans are, therefore, in development to improve coverage, balance, accessibility and timeliness in future years.

The latest report showing the 2024/25 data was presented to the Audit & Scrutiny Committee in April 2026 and can be accessed here:
https://www.clacks.gov.uk/document/meeting/295/1326/8404.pdf

Public Performance Reports (PPR)

It is not possible to fulfil all statutory PPR duties within a single report, since they must satisfy a wide range of needs and audiences, from individual members of the public to the detailed requirements of audit and regulatory bodies. Therefore, a suite of Council Performance Web Pages is updated quarterly with links to a range of corporate, service and cross-cutting thematic plans and reports, with press releases providing more brief summaries. These include dedicated pages on key partnerships, transformation, governance and self-assessment, as well as core priorities, values and outcomes, presenting summarised and detailed information for the Council as a whole and individual directorates and services.

Financial Performance 2024/25

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom with the objective of presenting a true and fair view of the financial position of the Council and its income and expenditure for the year ended 31 March 2025. A brief explanation of each statement and its purpose is provided at the beginning of each statement. The main statements appear in the accounts followed by a series of additional statements to give the reader a full analysis of the funding received and how this is spent. The Expenditure and Funding Analysis (Note 6) brings together the net expenditure based on the management reporting structure and compares this against the net

expenditure that is reported in the Comprehensive Income and Expenditure Statement in line with the Accounting Framework.

The draft financial statements have been prepared using the latest valuation information available at the date of preparation. A comprehensive valuation of the Council's property portfolio as at 31 March 2025 remains in progress and any material adjustments arising from completion of that exercise will be reflected within the final audited accounts.

Within the General Fund for 2024/25, the Council delivered services within its approved budget, reporting an underspend of £6.206m against the management budget. After accounting adjustments and movements in earmarked reserves, the General Fund balance decreased by £5.044m, from £26.950m at 1 April 2024 to £21.906m at 31 March 2025. Of the closing balance, £14.851m was earmarked for specific purposes and £7.055m was uncommitted.

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

Key Financial Ratios

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

Financial Indicator	Notes	2023/24	2024/25
Outturns and Reserves			
Actual Outturn compared to Budgeted Expenditure	1	98.35%	96.40%
Actual contribution to/(from) Unallocated General Fund Balance compared to Budget		0.3%	1.8%
Uncommitted General Fund Reserve proportion of Net Actual Expenditure	2	2.30%	4.24%
Movement in the Uncommitted General Fund Balance	3	11.29%	92.86%
Council Tax			
In-year collection rate	4	95.8%	96.2%
Ratio of Council Tax Income to Overall Level of Funding	5	17.0%	15.9%
Debt			
Capital Financing Requirement (CFR) for the current year	6	£161.7m	£180.2m
External Debt Levels for the current year		£131.7m	£155.2m
Ratio of financing costs to net revenue stream		3.72%	3.65%

1 *Reflects how closely expenditure compares to budget showing the effectiveness of financial management. This indicator is based on the format of budget monitoring as reported throughout the year*
2 *Reflects the level of funding available to manage financial risk/unplanned expenditure. The Council's Policy for 2024/25 was 2% of net expenditure which is considered appropriate in the context of the Council's financial and ongoing risk profile and remains unchanged from 2% for 2023/24 in light of current financial volatility.*
3 *Reflects the extent to which the Council is using its Uncommitted General Fund Reserve. The positive movement is mainly due to the underspend in the year along with committed reserves released as no longer required.*
4 *Reflects the Council's effectiveness in collecting Council Tax debt and financial management. This has dropped due to the Cost of Living Crisis impacting ratepayers and internal system challenges.*
5 *Reflects the Council's capacity to vary expenditure by raising Council Tax income, the only principal source of finance within Local Authority control.*
6 *These indicators show that external debt levels are lower than the CFR and complement the assurances of borrowing only being for capital purposes. The ratio of financing costs to net revenue stream provides an indication of the Council's ability to afford the borrowing costs.*

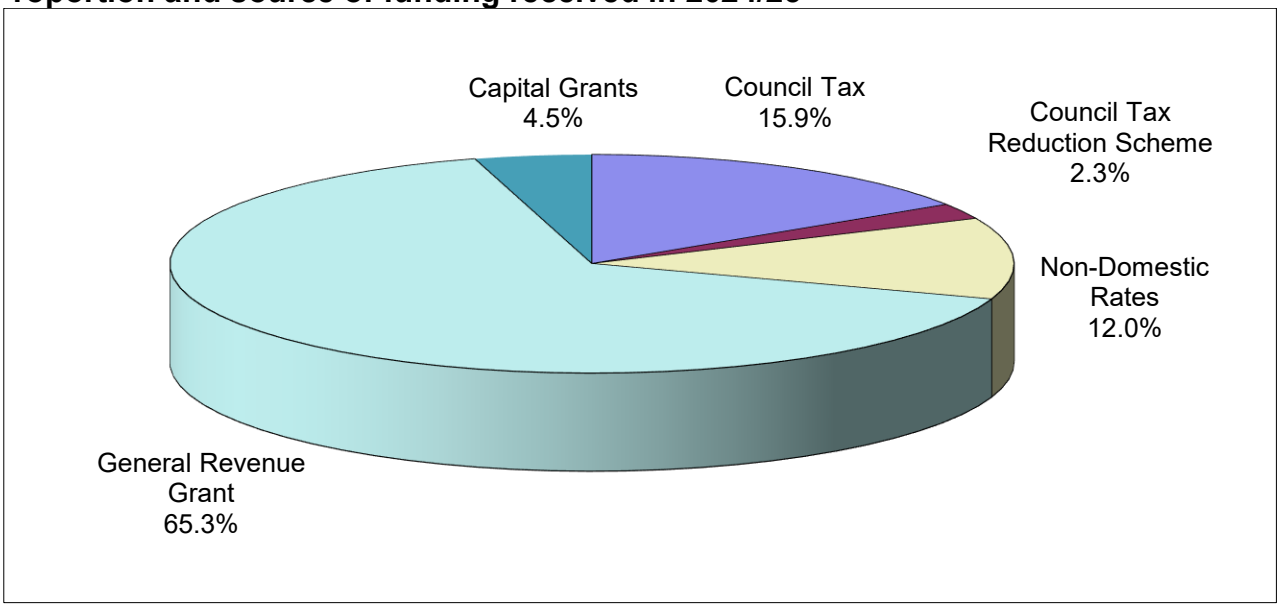
General Fund Results for the year

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

The largest source of funding the Council receives is the General Revenue Grant received from the Scottish Government including Non-Domestic Rates (NDR) which amounted to £126.189m for 2024/25, (2023/24 £112.197m). NDR income is collected by local authorities, and remitted to the Scottish Government, where it is pooled nationally, and re-distributed back to Councils within the General Revenue Grant. (This is described in more detail in the National Non-Domestic Rates Income Account on page 153).

Income from Council Tax in 2024/25 was £25.925m (2023/24 £26.214m). Funding was also received from the Scottish Government for the Council Tax Reduction Scheme for which the Council received income of £3.807m (2023/24 £3.788m). In 2024/25 capital grants totalled £7.314m (2023/24 £11.961m). The proportions of funding received by the Council in each of these categories are shown in the following chart and table:

Proportion and source of funding received in 2024/25



	2023/24		2024/25	
Sources of Income	**£'000**	**%**	**£'000**	**%**
Council Tax	**26,214**	**17.0**	**25,925**	**15.9**
Council Tax Reduction Scheme	**3,788**	**2.5**	**3,807**	**2.3**
Non-Domestic Rates (plus BRIS)	**17,764**	**11.5**	**19,659**	**12.0**
General Revenue Grant	**94,433**	**61.3**	**106,530**	**65.3**
Capital Grants	**11,961**	**7.7**	**7,314**	**4.5**
	154,160	**100.0**	**163,235**	**100.0**

Revenue and Capital Expenditure

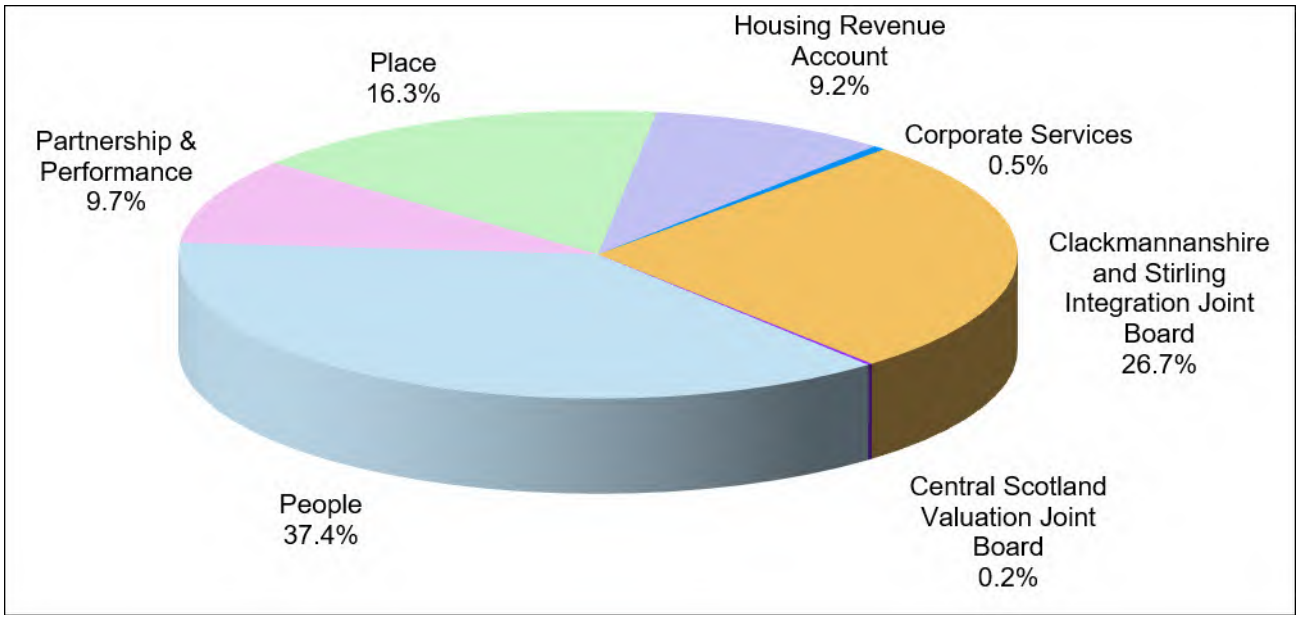
The Council's expenditure is split between the categories of capital and revenue. In broad terms expenditure for capital purposes relate to costs incurred on the acquisition or creation of tangible assets needed to provide services, such as houses, schools, vehicles etc. This is in contrast with revenue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

Revenue Expenditure

Proportion of 2024/25 Revenue Expenditure by Service

In 2024/25 the total operating expenses for service delivery was £275.807m (2023/24 £258.050m) as detailed in Comprehensive Income and Expenditure statement on page 69. This level of expenditure indicates the significant size and complexity of the organisation.

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



General Fund Outturn Position

At the end of the year, the Council reported an underspend against budget of £(6.206)m. After taking account of earmarked reserves of £(3.074)m this results in a net underspend of £(3.132)m. This is a favourable movement of £(0.701)m on the previously forecasted underspend of £(2.431)m as at December 2024 reported to Council in April 2025. Included within the final underspend is a number of earmarked underspends for areas of ring-fenced spend such as Pupil Equity Funding (PEF), Devolved School Management (DSM) and Housing, that are not recognised until the year end. These underspends are then carried forward to be used in the following year.

At the end of 2024/25, the Clackmannanshire locality of the HSCP had an actual overspend of £2.426m However, the final outturn reflects no variance as reserves held by the Partnership have been allocated to offset this overspend.

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

Council Summary 2024/25	Annual Budget 2024/25	Actual to March 2025	Variance Budget to Actual
	£'000	£'000	£'000
People	85,878	84,258	(1,620)
Place	35,859	32,866	(2,993)
Partnership & Performance	13,597	12,376	(1,221)
Health & Social Care Partnership	30,601	30,601	(0)
Chief Executive	327	350	23
Corporate Services	5,551	5,541	(10)
Central Scotland Valuation Joint Board	490	490	0
	172,303	**166,482**	**(5,821)**
Sources of Funding	(158,906)	(159,290)	(385)
	11,649	**7,192**	**(6,206)**

The Council Summary presents the expenditure of general fund services which are funded by government grant and local taxation. The Comprehensive Income and Expenditure Statement on page 69, which also includes the Housing Revenue Account is prepared in accordance with proper accounting practices and, as such, can lead to differences in presentation of certain items of expenditure.

The table below reconciles the Council Summary to the (Surplus) or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis in Note 6 on page 94.

	£'000
Council Summary	**7,192**
Add (Surplus) chargeable to HRA balances	(775)
Cost of Services incl Depreciation, Asset Revaluations & IAS19	13,153
Financing Income and Investment Expenditure	6,282
Gain/Loss on Sale of Non current Assets	(39)
Taxation and Non Specific Grant Income	(163,235)
Adjustments between Funding & Accounting basis	145,622
(Surplus) or Deficit on Provision of Services	**8,200**

Council Reserves

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

2024/25 Summary of Council Reserves

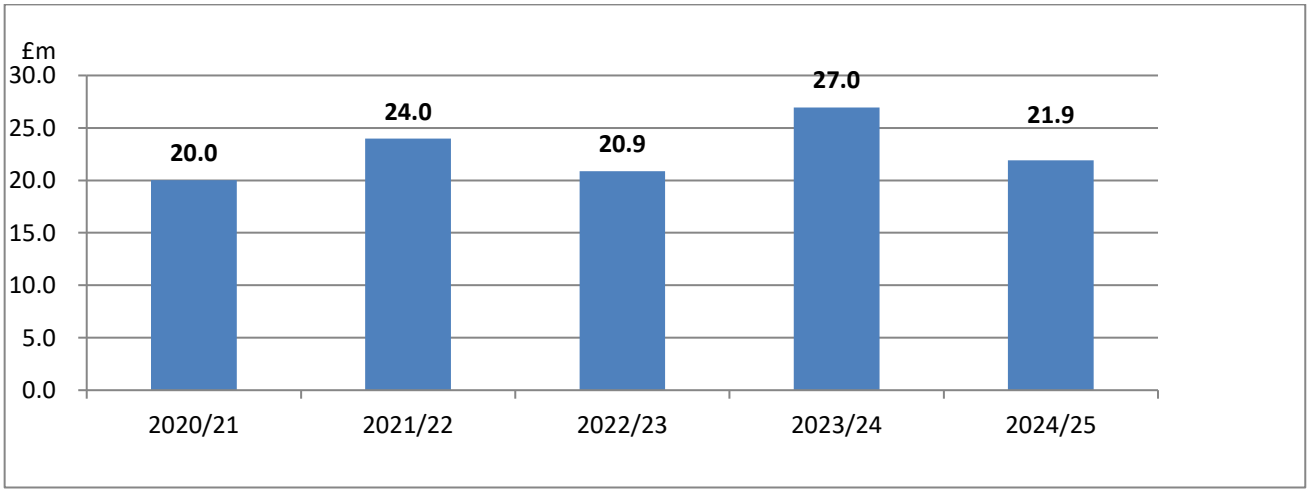
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants Unapplied Account £'000	Total £'000
As at 1 April 2024	**(26,950)**	**(1,435)**	**(1,463)**	**(1,288)**	**(1,662)**	**(32,798)**
Comprehensive Income & Expenditure	9,344	(1,144)	-	-	-	8,200
Adjustments between funding & accounting basis	(3,989)	606	(50)	-	(162)	(3,620)
Transfers	(311)	-	224	(12)	289	215
As at 31 March 2025	**(21,906)**	**(1,973)**	**(1,289)**	**(1,300)**	**(1,535)**	**(28,003)**

Total usable reserves have decreased to £28.003m (2023/24 £32.798m) at 31 March 2025. A comprehensive analysis of the Council's reserves is provided in the Movements in Reserves Statement on page 70 and supporting notes.

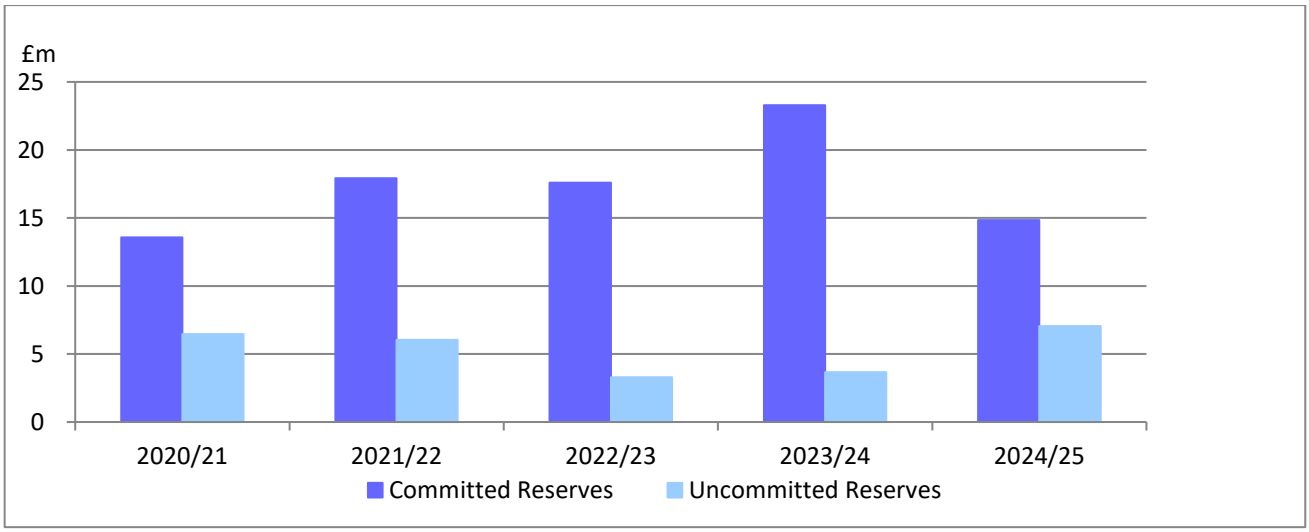
Total Usable Reserves

In 2024/25 the General Fund reserve has decreased to £21.906m (2023/24 £26.950m). For the four years from March 2021 to March 2025 total General Fund reserves have increased by £1.881m or 9.4%. Within that period there were large increases in 2020/21 and 2021/22, mainly due to additional Covid-19 funding received that was carried forward on a reducing basis to fund Covid-19 support and recovery. Reserves also increased in 2023/24 due to the accounting for Service Concessions. Further information on the movement in Usable Reserves is shown in Note 8 on page 105.

Total General Fund Reserves 2020/21 to 2024/25



Level of Committed and Uncommitted General Fund Reserves 2020/21 to 2024/25

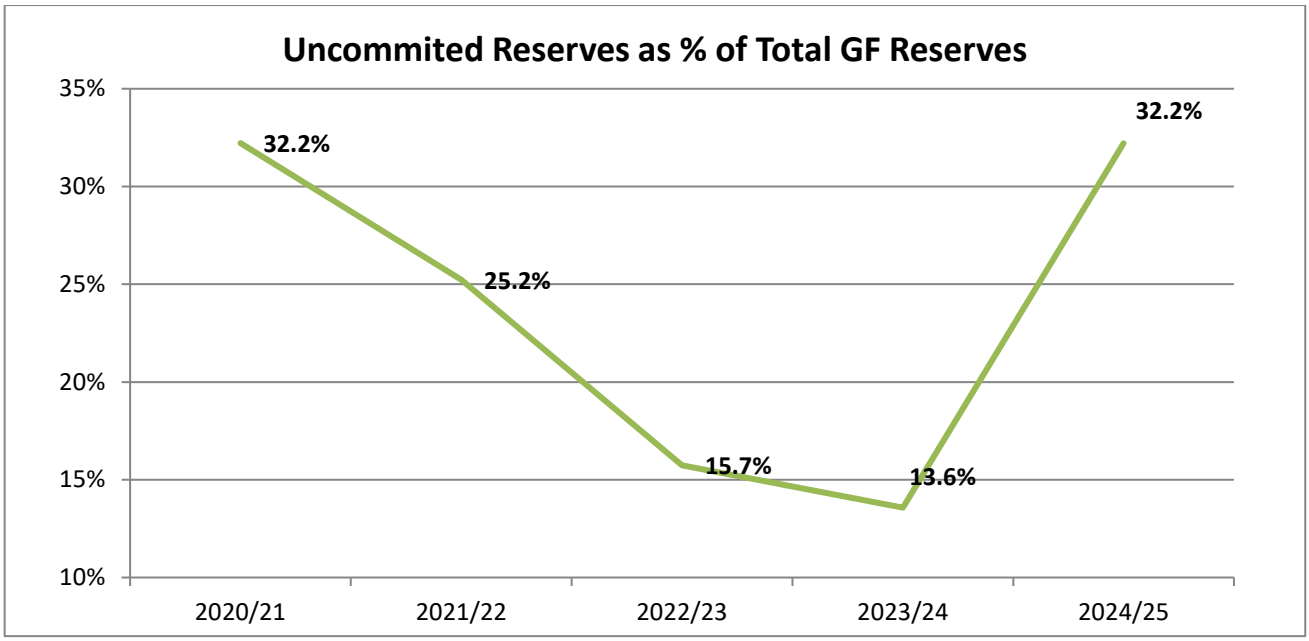


Committed (Earmarked) General Fund Reserves
Of the £21.906m general fund reserves at 31 March 2025, £14.851m (2023/24 £23.292m) is earmarked for specific purposes, either by individual services or to meet corporate liabilities. Further detail is contained in Note 8.

Uncommitted Reserves
The uncommitted element of General Fund Reserves at 31 March 2025, which are generally available to support future expenditure, stood at £7.055m (2023/24 £3.658m). For 2024/25, the Council's Reserves Strategy stipulates that it should retain uncommitted general fund reserves at a minimum level of 2% of net expenditure. The current general fund uncommitted reserves represent a level of 4.1% (2023/24 2.3%) of the 2024/25 net budgeted expenditure.

The movement in the Council's uncommitted reserves position compared to total General Fund reserves since March 2021 is shown below:

Trend in General Fund Reserves Position 2020/21 – 2024/25



Capital Expenditure

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

The Council invested £22.907m (2023/24 £28.924m) in capital projects during the year, the table below shows some of the main projects:

	2023/24	2024/25
	£'m	£'m
School Development	0.145	-
IT Investment	2.719	1.734
Kilncraigs Roof Works	0.586	0.132
Vacant & Derelict Land Investment Programme	0.522	-
Wheeled Bins	0.597	0.290
Street Lighting	0.078	0.166
Clackmannanshire Regeneration	1.037	0.150
Roads, footpaths, cycleways etc	5.006	3.200
Fleet Vehicles	0.580	0.382
City Deal	0.126	0.209
Park, Play Area & Open Space Improvements	0.195	0.168
Wellbeing Hub	1.783	2.934
Housing – new build and off the shelf purchases	5.085	4.390
Housing - replacement of kitchen/heating	1.474	1.364
Housing - replacement of roofs/windows	3.852	3.693
Housing – Safe Electrical Installations	1.682	1.100
Other Projects	3.457	3.253
	28.924	**22.907**

The Prudential Code for Capital Finance in Local Authorities governs the level of capital expenditure taking into account affordability, sustainability, the management of assets and the achievement of strategic objectives. Capital spending in 2024/25 on General Fund Services (including operational Common Good Properties) was £10.518m (2023/24 £14.168m) and on Housing was £12.389m (2023/24 £14.743m).

Expenditure	**£'m**	**Financed by**	**£'m**
Compliance & Operational Resilience	5.984	Government grant & contributions	7.619
Empowering Individuals, Families &Communities	0.407	Capital Receipts	0.020
Health & Wellbeing	3.447	Capital Finance from Revenue	5.574
Sustainable Growth	0.679	Borrowing	9.694
Housing Business Plan	12.389		
	22.907		**22.907**
Capital programme underspend	22.139		
Capital Budget	**45.046**		

During 2024/25 the Council invested £22.907m in Capital projects, excluding £11.245m accounting impact recognised on implementation of IFRS 16. £22.610m of this expenditure was on Council assets and £0.297m was granted to third parties. Capital expenditure in the

year has been financed by government grants and contributions (£7.619m), capital receipts (£0.020m) and direct revenue funding (£5.574m) leaving a balance of (£9.694m) which was financed from borrowing.

Whilst work on capital projects has been progressed, delays are still being incurred due to internal and external factors and as such £12.333m is to be carried forward to 2025/26 which is £4.987m greater than that included within the 2025/26 approved budget. At the end of the year there was an overall underspend of £22.139m on the budgeted programme. £13.358m of this related to the general fund resulting in rephasing of spend on large projects spanning multiple financial years such as: IT investment projects £1.357m, Property Asset Management Projects £1.756m and Wellbeing Hub £3.195m. The underspend on the HRA capital programme of £8.781m is mainly due to Westhaugh Travelling Site £4.979m and Lochies Road Clackmannan £1.881m that were delayed due to contractor availability and supply chain issues. Unspent budget of £6.362m will be carried forward to 2025/26.

Capital Receipts, Grants and Contributions

Receipts of £1.463m were held in Capital Receipts at the start of the year with further receipts of £0.050m received in the year. £0.204m was used to fund loans fund principal repayments and £0.020m was used to fund capital expenditure. The balance held in the capital receipts reserve at 31 March 2025 totals £1.289m.

Receipts of £1.662m were held in the Capital Grants & Receipts Unapplied Reserve at 31 March 2024. During the year £0.290m was utilised against capital projects in the year and £0.163m of additional grants were received but not applied. The balance of unused grants £1.535m is held in the reserve to be applied against specific projects in line with the conditions of the grants.

Housing Revenue Account

The Housing Revenue Account, which funds the provision of Council housing, achieved a surplus in the year on the management accounts of £6.8m against a budgeted surplus of £2.9m. From this surplus and the HRA Reserve, a revenue contribution to capital of £5.6m was made in accordance with the Housing Business Plan to maintain the Scottish Housing Quality Standard and the Enhanced Clackmannanshire Standard.

This has resulted in an increase of £0.6m to reserves at the year end, as shown in the Movement in Reserves Statement. Working balances available to the Housing Revenue Account have therefore increased to £2.0m as at 31 March 2025. This balance will continue to be earmarked to support the delivery of the Housing Business Plan in line with the Council's approved strategy.

£11.2m was invested in the housing stock over the year. This builds on previous investment commitments and continues to sustain and consolidate the Council's position in terms of compliance with the Scottish Housing Quality Standard. The government introduced the new Energy Efficiency Standard for Social Housing (EESSH) with compliance required by

December 2020. A further milestone has been set for December 2032 which will be formally reviewed in 2025 to assess progress.

Debt

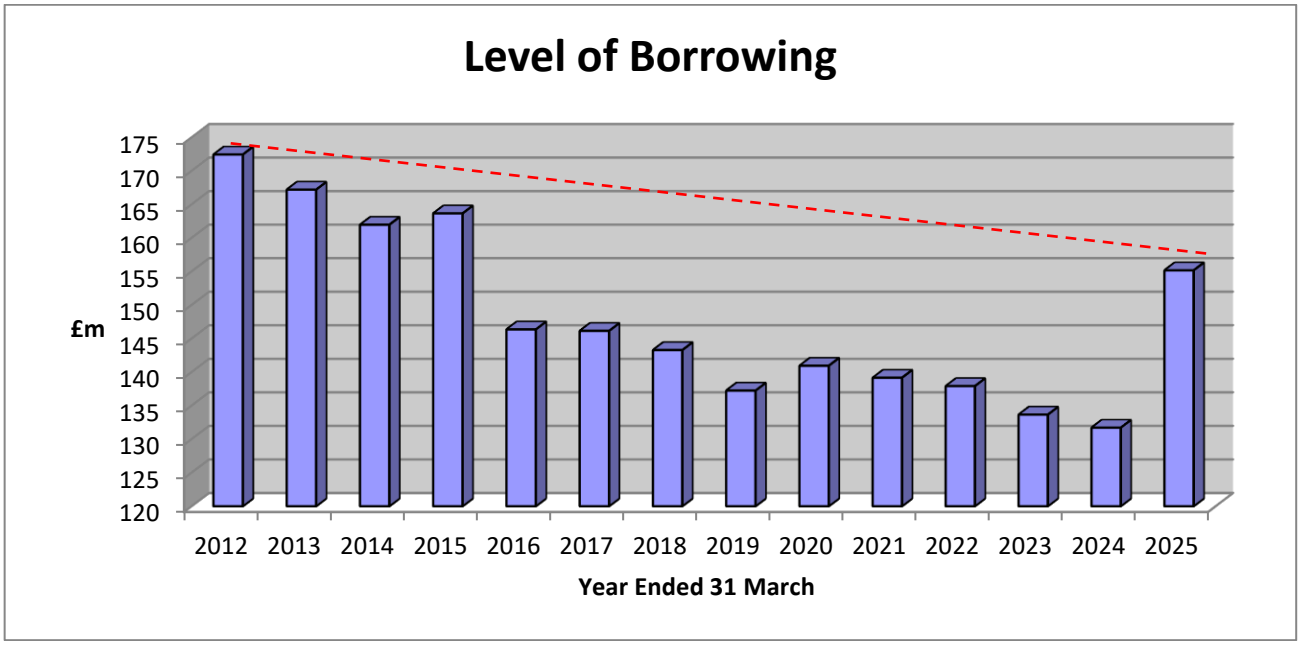
The Council's gross external debt as at 31 March 2025 which supports its investment and development of long-term assets totals £155.173m and consists of:

	2023/24 £'m	2024/25 £'m
External Borrowing	97.718	112.234
PFI and other finance leases	33.995	42.939
	131.713	**155.173**

This is an increase of £23.460m on the previous years external debt position of £131.713m. This movement is made up of new loans of £15.000m and the addition of £11.245m to PFI lease as a result of the adoption of IFRS 16 Leases. This is offset with repayments on borrowing of £0.484m and repayments were made to the PFI finance lease of £2.301m.

The new borrowing reflects the delivery of the Council's 20 year capital investment programme approved in March 2021. In order to support investment in priority infrastructure, digital and data and regeneration projects within the programme, the previous borrowing strategy to minimise external debt was revised to support investment and growth. The increase in the net borrowing in 2024/25 is therefore a planned consequence of delivering approved capital investment and is consistent with the Treasury Management Strategy Statement (TMSS) approved by Council.

In the year, £10.984m (2023/24 £10.882m) external interest was paid in relation to this borrowing.



Overall there was a reduction in cumulative external debt of 23.6% between 2012 and 2024, showing that over the period the Council did not increase its level of debt in line with the policy approved in 2012. During 2024/25, the Council undertook £15.000m of new borrowing from the PWLB to support the capital investment programme, which was in line with the TMSS for 2024/25 and the revised strategy to support investment and growth. Repayments towards the PFI finance lease partly offset the increase in external debt arising from new borrowing during the year.

In line with the Prudential Code and Treasury Management Strategy any borrowing undertaken is required to be prudent, affordable and sustainable. As at 31 March 2025 the Council was in an under-borrowed position which meant that its level of borrowing was less than its capital expenditure. Further detailed information including performance indicators can be found in the Council's Annual TMSS 2024/25 set by Council on 29th February 2024 and the Annual Treasury Management Report 2024/25 presented to Council on 29 January 2026.

Secondary Schools PFI Scheme

The Council's three secondary schools are recorded within the long-term assets of the Council, along with a liability for the financing provided by the PFI operator. The outstanding finance liability at March 2025 is £42.939 and this sum is included within the Council's overall borrowing position referred to above.

The unitary charge paid to the operator in 2024/25 was £10.198m (2023/24 £9.983m). This will increase annually by inflation over the 30-year term of the contract. The Scottish Government provides additional funding towards the scheme of £4.290m in 2024/25 (2023/24 £4.442m). The total cost of the contracted project is set out in Note 33 – Private Finance Initiative and Similar Contracts on page 134.

Net Pension Liability/Asset

Pension Fund reporting regulations require an annual valuation of the Pension Fund by fund actuaries which is included in the Councils Balance Sheet. The calculation as at 31 March 2025 disclosed a deficit of £10.846m (2023/24 surplus £15.339m). The calculation is prepared for the purposes of International Accounting Standard 19 (IAS 19) reporting requirements and is not relevant for funding purposes i.e. does not have a direct impact on council tax or housing rent payers. This is simply a snapshot of the position at that time.

The latest long-term triennial funding valuation of the Pension Fund for the purpose of setting the employers' actual contributions was at 31 March 2023. This set the employer contribution rates for 2024/25 to 2026/27 at 19.5%. The employer contribution rate for 2023/24 was 23% as set by the previous triennial valuation as at 31st March 2020.

Provisions

Provisions are made where an event has taken place which creates a legal or constructive obligation that more likely than not requires some form of transfer of economic benefits or service and a reliable estimate can be made about the amount of the obligation. As at 31 March 2025, two provisions are included in the Financial Statements, see Note 20.

Contingent Liabilities and Assets

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts. They arise where the Council has a possible obligation but this will only be confirmed or otherwise by uncertain future events not entirely within the control of the Council. They can also arise where a provision might otherwise have been made but it is not probable that resources will transfer, or if the obligation cannot be measured reliably. In 2024/25, four contingent liabilities are disclosed, see Note 35. The Council has no material contingent assets at the Balance Sheet date.

Group Accounts

The Council's group accounts consist of: Clackmannanshire and Stirling Integration Joint Board, Central Scotland Valuation Joint Board and Common Good. Further detail on the Councils Group Accounts and accompanying notes can be found on pages 157-165.

Business Environment and Risks

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

For 2024/25 an agreed pay award was achieved in September 2024 following negotiations between COSLA, Leaders and Trade Unions. Agreed pay awards over and above the funding provided by the Scottish Government will lead to further pressures for Local Authorities.

The Bank of England (BoE) primary monetary policy objective is to maintain inflation at 2%. The BOE's primary tool is setting the Bank Rate. During 2024/25, the Bank Rate reduced from 5.25% at March 2024 to 5% in August 2024 and continued to fall to 4.5% by March 2025. The level of interest rates impacts on the cost of new borrowing to finance the Councils capital programme.

The Council continues to operate within a challenging and uncertain funding environment, with future Scottish Government settlements remaining a significant factor in its financial planning. As a substantial proportion of the Council's income is derived from the local government settlement, future funding levels, national policy commitments and service demand pressures may have a material impact on the Council's medium-term financial position. While greater certainty through multi-year funding arrangements would support longer-term planning, the Council will continue to utilise scenario planning and regular review of key financial assumptions to inform decision-making and manage financial risk.

Given this operating context, the preparation of medium and long term financial plans is subject to a number of risks and uncertainties which may affect future budget assumptions. Continuing demand growth, inflationary pressures, workforce costs and wider economic uncertainty present ongoing challenges for the Council and the wider local government

sector. These pressures increase the need for service transformation, demand management and continuous improvement to ensure services remain affordable and sustainable while maintaining a balanced budget over the medium term. Delivery of the Council's financial sustainability plans is also dependent on maintaining sufficient organisational capacity to support transformation, improvement activity and the implementation of agreed savings.

Audit Scotland continues to emphasise the importance of robust medium to long term financial planning as a key component of financial sustainability. In Clackmannanshire, the Council has continued to develop its medium and longer term financial planning arrangements through successive budget rounds, with the key features outlined below:

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

Medium and long term financial planning supports the Council in managing financial and service delivery risks arising from funding uncertainty, increasing demand for services, inflationary pressures and new responsibilities. It also assists in identifying actions required to maintain financial sustainability whilst continuing to deliver the Council's strategic priorities and statutory obligations.

Principal Risks and Uncertainties

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

Appendices (reviewed annually) include the Risk Appetite Statement, Delivery Plan, Guidance & Governance Checklist, and terms of reference for the Corporate Risk & Integrity Forum (established 2013). The 2nd annual review was presented in the 2024/25 Annual Report to Audit & Scrutiny Committee in August 2025. Finance is highlighted throughout as one of twelve core risk categories, alongside: Assets, Community, Continuity, Environment, Governance, Information, Reputation, Security, Strategy, Wellbeing and Workforce.

The Corporate Risk Register is reported to Audit & Scrutiny Committee quarterly, following updates by service/cross-cutting theme leads at the Corporate Risk & Integrity Forum. Each

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

The 2024/25 Year-end Report to Audit & Scrutiny Committee (April 2025) shows the final position for the 18 corporate risks, with the undernoted changes made throughout the year

Title	Score	Status	Approach	Change	Notes (Q = Quarter)
Insufficient Financial Resilience	20		Treat		Static throughout year (having **reduced from 25** in Q4 of 2023/24 due to a balanced budget being approved)
Impact of Poverty, Inequality & Changing Demographics	20		Treat		Static throughout year (controls/actions balanced with cost of living/energy)
IT System Failure	20		Treat		Static throughout year (controls/actions balanced with global geopolitical threats)
Supply Chain & Labour Market Disruption	20		Tolerate		Static throughout year (cause outwith control, mitigations prevented worsening)
Health & Safety Breach	20		Treat		Static throughout year (strengthened controls but compliance to be improved)
Inadequate Workforce Planning	16		Treat		**Increased from 12** in Q3 (due to worsening recruitment/capacity issues)
Major Governance Failure	16		Treat		Static throughout year (controls/actions balanced with workforce challenges)
Information Not Managed Effectively	16		Treat		Static throughout year (progress seen but training needed to raise compliance)
Continued Contribution to Climate Change	15		Treat		**Increased from 10** in Q3 (based on National Adaptation Plan forecasts)
Failure of Public Utility Supply	15		Tolerate		Static throughout year (cause outwith control, vulnerable demographic profile)
Conflicting Needs Around Management of Reinforced Autoclaved Aerated Concrete (RAAC)	12		Treat	N	**Newly** added in Q2 (escalated from Place Directorate register following national media interest), then static until year-end
Failure to Comply with United Nations Convention on the Rights of the Child (UNCRC)	12		Treat	N	**Newly** identified in Q2, then **reduced from 15** in Q4 (due to actions taken to implement duties across all services)
Failure to Prepare for Severe Weather Events	12		Tolerate		Static throughout year (climate change means now threats in all 4 seasons)
Public Health Emergency	12		Tolerate		Static throughout (having **reduced from 20** in Q4 of 2023/24 due to national learning)
School Estate Condition Disrupts Education Provision	9		Treat	N	**Newly** identified in Q2, then **reduced from 12** in Q4 (after condition surveys)

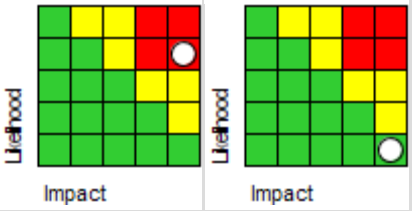
CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Management Commentary

Title	Score	Status	Approach	Change	Notes (Q = Quarter)
Industrial Unrest	9	✓	Tolerate	↓	**Reduced from 12** in Q2 (due to national pay negotiation/suspended strike action)
Insufficient Pace and Scale of Organisational Transformation	8	✓	Treat	↓↓	**Reduced from 15** in Q2, then **reduced from 10** in Q4 (plans & actions progress)
Harm to Child(ren)	6	✓	Treat	↓	**Reduced from 9** in Q4 (progress on redesign, training, recruitment & system)
Risks Demoted from Corporate Register During 2024/25					
Failure to Prevent Extremism and/or Radicalisation	15	⚠	Treat	– T	Scores static since 2018 (plans in place, ongoing review & improvement actions), **transferred** to Partnership & Performance Directorate Business Plan register in Q2
Failure to Address Serious Organised Crime	12	⚠	Treat	– T	
Increasing Attainment Gap	8	✓	Treat	↓ T	**Reduced from 12** in Q1 (gap data published), then **transferred** to People Directorate Business Plan register in Q2

At the end of 2024/25, there were 8 red risks (16 or higher, including Financial Resilience), 6 were amber (10-15) and 4 were green (9 or lower – fewer of these at the corporate level as often transferred to lower-level registers). The Council defines its approach to managing each risk as below (total number of risks shown). Sometimes a combination of approaches are used but the latter 2 are rarely applicable due to non-delegable and statutory Council duties.

Treat (13): we will take action to reduce the risk;
Tolerate (5): actions within our control have been completed and plans are in place (though they remain under continuing scrutiny and review);
Transfer: the risk will be passed to another party, such as insurers; or
Terminate: the activity that is causing the risk will be ceased (the latter 2 are less often options due to statutory provision requirements and non-delegable duties).

Insufficient Financial Resilience remained one of the Council's highest rated risks throughout 2024/25, with a year end score of 20. The risk continued to reflect the significant challenges associated with achieving financial sustainability while maintaining essential service delivery.

●	–	**Insufficient Financial Resilience**	Senior Manager Finance & Revenues	Current Score	20	Target Score 5
Risk	The Council does not have a balanced budget to meet essential service demands, customer needs, or external agendas.					
Potential Impact	Reputational and legal implications and severe, extended loss of service provision. Possibility of Alliance, Health & Social Care and other partners also experiencing budget pressures contributes to potential impact, given the interdependencies.					
Note	The budget for 2024/25 was approved in March reflecting a balanced position and including savings to be achieved during the year. Due to the use of reserves and cash savings to balance					

	the 24/25 budget, the budget gap for 25/26 has been estimated at £13m. This year's budget process is already progressing to take forward savings through transformation and other areas previously identified. The budget gap is also subject to the settlement funding from Scottish Government which will be known towards the end of the year. The reduction in score does not represent a material change in the projected budget gap but alignment with the revised risk guidance in reflecting that the balanced 24/25 budget means the risk will not materialise within this financial year.		
Related Actions	Audit of 2022/23 Accounts by Audit Scotland	Existing Controls	Financial Regulations
	Use the agreed strategic change framework and organisational design principles to implement a whole organisation redesign		Budget Strategy & Monitoring
	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		Contract Standing Orders

Where to find more Information

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

Conclusion and Acknowledgements

The Council has continued to maintain financial control and deliver approved budgets during a challenging financial environment, while recognising the significant improvement activity required in relation to financial reporting and annual accounts. The Council continued to progress major strategic initiatives such as the new Wellbeing Hub, City Region Deal, Organisational Redesign, Learning Estate Development and partnership working with the Health and Social Care Partnership. Alongside these, the Council also continues to support the Community through redesigning delivery of its services.

The Council would like to acknowledge the significant effort in producing the Annual Accounts and the Annual Governance Statement and to record thanks to colleagues for their continued hard work and support throughout 2024/25. The Council acknowledges that the annual accounts for 2024/25 were completed after the statutory deadline due to the cumulative impact of financial reporting, audit and organisational capacity challenges. The Council is working in conjunction with Deloitte LLP to bring the preparation and audit of the annual accounts back in line with the statutory deadlines. It greatly appreciates the significant efforts of all who were involved, elected members of the Council and colleagues in every Service, all of whose efforts in managing the resources available have contributed to the financial position disclosed by the 2024/25 Annual Accounts.

Ellen Forson	**Lindsay Sim**	**Nikki Bridle**
Leader of the Council	**Chief Finance Officer**	**Chief Executive**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs, including group interests, and to secure that the proper officer of the Council has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Council, that officer is the Chief Finance Officer;

- manage its affairs to secure economic, efficient and effective use of resources and safeguards its assets;

- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and

- approve the Annual Accounts for signature.

These draft Annual Accounts are due to be considered by Council at its meeting on 26 November 2026.

Signed on behalf of Clackmannanshire Council

Ellen Forson
Leader of the Council

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Statement of Responsibilities

The Chief Finance Officer's Responsibilities

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

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

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

The Chief Finance Officer has also:

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

I certify that the draft financial statements give a true and fair view of the financial position of the Council and its group at the reporting date and the transactions of the Council and its group for the year ended 31 March 2025.

Lindsay Sim
Chief Finance Officer
31 October 2026

Scope of Responsibility

Clackmannanshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded, properly accounted for and used economically, efficiently and effectively; and that arrangements are in place to secure Best Value and manage risk.

The Council is also responsible for maintaining a governance framework that supports the achievement of its priorities while ensuring transparency, accountability, integrity and effective stewardship of resources.

Purpose of the Annual Governance Statement

This Annual Governance Statement reports the extent to which the Council complied with its Local Code of Governance during the year ended 31 March 2025 and presents the outcome of the annual review of the effectiveness of its governance framework and system of internal control.

The Council's Annual Governance Statement is prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016), and the relevant requirements of the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom*.

During 2024/25, the Council maintained the principal governance arrangements required to support lawful decision-making, accountability, financial stewardship, risk management and service delivery. The annual review drew on management assurance, corporate oversight, Internal and External Audit findings, Best Value and regulatory activity, performance and risk information, and engagement with senior managers and governance groups.

The review identified evidence of continued development across the governance framework, including broader participation in corporate self-assessment, strengthened oversight of improvement actions, refreshed partnership and performance arrangements, and progress in data, asset, workforce and organisational development.

However, the Council’s overall assurance is qualified by significant weaknesses relating to financial reporting and annual accounts, the Limited Assurance opinion provided by Internal Audit, Freedom of Information compliance, areas of housing regulatory scrutiny, and organisational capacity to deliver the scale of improvement required.

These matters are being addressed through the Council Improvement Plan and the relevant financial recovery, audit and regulatory action plans. Progress will continue to be monitored through management and corporate governance arrangements and reported to the Audit and Scrutiny Committee.

Period Covered

This assessment covers governance arrangements operating from 1 April 2024 to 31 March 2025. Material developments between year-end and approval of this Statement are reported where they affect governance risks, assurance or improvement progress; they do not retrospectively alter the assessment of arrangements operating during 2024/25.

Supporting Improvement Information

All improvements identified through the AGS 2024/25 are consolidated within the Council Improvement Plan alongside actions arising from other corporate assurance and regulatory activity. This provides a single mechanism for monitoring improvement, with quarterly oversight by the Corporate Risk and Integrity Forum and regular progress reporting to the Audit and Scrutiny Committee. This Statement presents the material governance matters and overall assurance conclusion.

The Governance Framework

This Statement reports the extent to which the Council complied with its Local Code during 2024/25 and the outcome of its annual review of the effectiveness of its governance and internal-control arrangements.

The governance framework comprises the systems, processes, culture, values and behaviours through which the Council is directed and controlled, engages with communities, accounts to stakeholders and monitors achievement of its objectives.

CIPFA/SOLACE Principles

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

The Council assesses the effectiveness of its governance arrangements through eight local governance themes. These themes collectively support the seven principles of the CIPFA/SOLACE Framework, as summarised below. The mapping is indicative, recognising that individual governance arrangements may support more than one principle.

Council Local Governance Theme	Relevant CIPFA / SOLACE Principles	Main Relationship
01 Leadership, Values and Culture	A, E	Ethical leadership, responsibilities, and organisational capability.
02 Strategy, Performance and Risk	C, D, F	Outcomes, delivery, performance and risk.
03 Working in Partnership	B, C, D	Engagement, partnership outcomes and delivery.
04 Communication and Engagement	B, G	Openness, engagement and accountability.
05 Sustainability and Climate Change	C, D	Sustainable outcomes and long-term decision-making.
06 Financial Management	D, F	Resource management, control and financial resilience.
07 Information and Knowledge Management	F, G	Information control, transparency and accountability.
08 Workforce Management	E, F	Capacity, capability, and effective organisational management.

Local Code of Governance

The Council's Local Code brings together the policies, strategies, decision-making arrangements and control systems that support these principles. It includes Standing Orders, the Scheme of Delegation, codes of conduct, Financial Regulations, Contract Standing Orders, risk and performance frameworks, partnership governance, information governance, workforce arrangements and audit and scrutiny.

Review of Effectiveness

Sources of Assurance

- The Annual Governance Statement self-assessment and themed governance workshops.
- Certificates of Assurance from Strategic Directors.
- Contributions from the Extended Senior Leadership Group, Team Leaders and Service Managers.
- Internal Audit reports and the annual assurance opinion.
- External Audit findings and follow-up of recommendations.
- Best Value, inspection and regulatory reports.
- Corporate risk, performance, financial and improvement reporting.
- Oversight by the Senior Leadership Group and Audit and Scrutiny Committee.

Approach to the Annual Review

The annual review considered both the existence of governance arrangements and available evidence of their operation and effectiveness during 2024/25. Evidence was assessed across the Council's eight Local Code governance themes and considered collectively against the seven CIPFA/SOLACE principles.

The review included:

- consideration of policies, strategies, frameworks and formal decision-making arrangements;
- assessment of Certificates of Assurance and management representations;
- review of Internal and External Audit conclusions and outstanding recommendations;
- consideration of Best Value, inspection and regulatory findings;
- examination of corporate risk, performance, finance and improvement information;

- facilitated governance workshops and corporate self-assessment activity, and
- consideration of material developments arising after 31 March 2025 where these affected the current assessment of governance risk, assurance or improvement progress.

In reaching the overall conclusion, particular weight was given to independent assurance, statutory or regulatory non-compliance, the significance and duration of identified control weaknesses, their potential effect on Council objectives, and the Council's capacity and arrangements for delivering effective remedial action.

A matter was considered for inclusion as a significant governance issue where it represented a material weakness in governance, risk management or control; had attracted significant audit or regulatory concern; had persisted over more than one reporting period; or required continuing oversight by senior management, elected members or an external body.

Governance Review During 2024/25

The Council broadened participation in the governance review to strengthen ownership and governance awareness, increased evidence requirements and used multidisciplinary working groups aligned to the Local Code themes. A Corporate Public Service Improvement Framework self-assessment, facilitated by the Improvement Service, identified cross-cutting improvement priorities. Relevant actions were integrated into the Council Improvement Plan.

The Council Improvement Plan groups actions thematically, assigns senior ownership and links them to corporate and strategic risks. It consolidates AGS and PSIF self-assessment, External Audit, Best Value, inspection, regulatory and other assurance actions. Separate action schedules preserve audit trails or meet specific reporting requirements where necessary. Sponsors, the Corporate Risk and Integrity Forum, Senior Leadership Group and Audit and Scrutiny Committee monitor progress and escalate delivery, capacity or risk concerns.

The review concluded that the Council's governance framework remained in place during 2024/25, although the effectiveness of aspects of the framework was affected by the significant governance issues set out later in this Statement.

Governance Themes

01 Leadership, Values and Culture

Governance Arrangements

- Council Standing Orders and the Scheme of Delegation set out the framework for Council business and the allocation of decision-making responsibilities.
- The Council Decision-Making Framework supports clear accountability for decisions, with member oversight and scrutiny of policy, budgets and performance.
- Statutory Codes of Conduct for Councillors and employees.
- The Be the Future Target Operating Model and Be the Future transformation priorities provide the strategic context for organisational development, service delivery and improvement activity.

Review of Arrangements During 2024/25

- Corporate PSIF self-assessment engaged the Senior Leadership Forum and identified nine improvement actions.
- The Senior Leadership Forum was expanded and a Team Leaders' Forum established.
- Mid-term review of the Council's Decision-Making Framework and Councillor Responsibilities.

Areas for Improvement

- Maintain clear accountability for corporate improvement actions.
- Embed governance awareness across all levels of management.
- Keep decision-making and scrutiny arrangements under periodic review.

Subsequent Developments After 31 March 2025

- Revised AGS process extended to include Team Leaders Forum.

Assurance

Leadership and governance arrangements remained in place, with further work focused on organisational ownership, capacity and accountability.

02 Strategy, Performance and Risk

Governance Arrangements

- Corporate Performance Management Framework, annual corporate and public performance reporting, and partnership plans.
- Corporate Risk Management Strategy, management monitoring of corporate and strategic risks, and regular reporting to the Audit and Scrutiny Committee.
- Directorate business planning and workforce planning link service priorities with the capacity and skills required for delivery, alongside corporate performance and risk arrangements.
- Internal Audit planning, reporting and recommendation tracking provide independent assurance on governance, risk management and control, and support scrutiny of remedial action.

Review of Arrangements During 2024/25

- A corporate PSIF self-assessment identified nine improvement actions, strengthening organisational self-evaluation and providing a structured basis for continuous improvement.
- The People Directorate piloted a One Plan, One Report approach.
- The Clackmannanshire Alliance participated in a national partnership self-assessment.

Areas for Improvement

- Complete the review of performance and business planning arrangements.
- Strengthen outcomes, benefits realisation, and data-led reporting.
- Continue work on compliance with the Statutory Performance Information Direction 2024.

Subsequent Developments After 31 March 2025

- Approval and implementation of the consolidated Council Improvement Plan.

Assurance

Core arrangements remained in place, but stronger integration of planning, risk, performance and improvement, with a focus on outcomes and benefits, remains a priority.

03 Working in Partnership

Governance Arrangements

- The Wellbeing Local Outcomes Improvement Plan 2024-2034 provides a shared strategic framework for partnership priorities and intended outcomes for Clackmannanshire.
- The Clackmannanshire Alliance governance framework and memorandum of understanding set out partnership operating arrangements and provide a basis for shared accountability.
- Community empowerment and community planning processes support community participation in shaping local priorities and the work undertaken with partners.
- Community wealth building and anchor partnership arrangements support coordinated work between local and regional partners, including activity intended to strengthen social value.

Review of Arrangements During 2024/25

- The Wellbeing LOIP established a refreshed shared strategic framework.
- Creation of the Forth Valley Regional Achor Partnership and Clackmannanshire Anchor Partnership strengthened coordination and social value activity.
- The Local Employability Partnership developed a delivery plan with partners.
- The Family Wellbeing Partnership was independently evaluated.

Areas for Improvement

- Finalise and embed revised Alliance governance arrangements.
- Continue strengthening HSCP Integration Joint Board governance and accountability.

Subsequent Developments After 31 March 2025

- Community Planning Partnership self-assessment results informed improvement.

Assurance

Partnership governance was broadly effective, with work continuing to clarify operating arrangements, shared accountability and evidence of outcomes.

04 Communication and Engagement

Governance Arrangements

- The Corporate Communications and Marketing Strategy provides the framework for Council communications, alongside work to refresh the approach to communication and engagement.
- The Customer Charter and Customer Contact Policy set out the Council's approach to customer service and contact, supporting consistent communication with service users.
- Citizen Space and other consultation mechanisms provide channels for gathering views to inform Council decisions and improvement activity.
- Community empowerment and participation arrangements support involvement in local decision-making, including through Participation Requests and tenant participation.

Review of Arrangements During 2024/25

- The Tenant Participation Strategy 2024-28 was approved and implemented.
- A transformation project was approved to develop a revised communication and engagement strategy.
- Participation Request awareness activity supported community involvement.
- The 2024 Staff Survey informed organisational learning and engagement.

Areas for Improvement

- Develop a refreshed communication and engagement strategy.
- Implement improved complaints, comments and compliments arrangements.
- Coordinate consultation activity more effectively and demonstrate how feedback influences decisions.

Subsequent Developments After 31 March 2025

- Procurement completed and work began on a revised communication and engagement strategy.
- A new complaints system has been developed.

Assurance

Arrangements remained appropriate, with improvement required in coordination, feedback systems and consistent participation practice.

05 Sustainability and Climate Change

Governance Arrangements

- The Environmental Policy and Climate Change Strategy arrangements provide the framework for addressing environmental responsibilities and coordinating climate-related improvement activity.
- The Regional Energy Masterplan and Local Heat and Energy Efficiency Strategy provide the strategic context for energy planning, efficiency and de-carbonisation activity.
- Learning Estate, housing, transport and development planning form part of the Council's arrangements for considering sustainability in services, infrastructure and investment.
- Asset management plans and capital governance provide a framework for oversight of the Council's assets and investment programme, alongside continuing development of the Corporate Asset Strategy and portfolio plans.

Review of Arrangements During 2024/25

- A Strategic Energy Management Group strengthened coordination and oversight.
- Strategic Environmental Assessments supported emerging strategies.
- An improvement plan followed Internal Audit's Limited Assurance on climate duties reporting.
- A £2.86m school retrofit, upgrade and de-carbonisation programme was approved.

Areas for Improvement

- Embed the replacement Climate Change Strategy.
- Develop the Corporate Asset Strategy and portfolio asset plans.
- Continue regulatory engagement relating to homelessness, Westhaugh and RAAC risks.

Subsequent Developments After 31 March 2025

- Climate Change Strategy was approved in October 2025.

Assurance

Relevant arrangements remained in place, but climate reporting, asset governance and regulatory housing issues require continued attention.

06 Financial Management

Governance Arrangements

- Financial Regulations, Contract Standing Orders and the Procurement Strategy set out the framework for financial control, contracting and procurement, supporting stewardship of public resources.
- The Budgetary Control Framework and regular budget monitoring support oversight of financial performance and the identification of pressures requiring management attention.
- Revenue, capital, Housing Revenue Account (HRA) and treasury management arrangements provide the framework for managing the Council's principal financial activities and investment commitments.
- The Section 95 Officer's statutory responsibilities support proper financial administration and financially responsible decision-making, alongside the Council's wider financial governance arrangements.

Review of Arrangements During 2024/25

- A balanced 2025/26 revenue budget and 20-year capital programme were approved.
- A Future Housing Board strengthened HRA and investment oversight.
- The Section 95 Officer initiated review of Local Finance Return arrangements.
- IFRS 16 lease accounting changes were incorporated.

Areas for Improvement

- Deliver the Financial Reporting Recovery Plan.
- Strengthen finance capacity, closedown, quality assurance and reporting disciplines.
- Complete the Medium-Term Financial Strategy and Financial Resilience Framework.
- Restore statutory annual accounts reporting timescales.

Subsequent Developments After 31 March 2025

- A Medium-Term Financial Strategy and Financial Resilience Framework was approved by Council.

Assurance

Financial governance arrangements remained in place, but delayed accounts and weaknesses in financial reporting constitute a significant governance issue.

07 Information and Knowledge Management

Governance Arrangements

- The Digital Transformation Strategy and Digital and Data Transformation Roadmap provide the strategic framework for digital improvement and development of data, reporting and insight capability.
- The Data Protection Policy forms part of the information governance framework, setting out the Council's approach to protecting personal information.
- The Records Management Policy and supporting guidelines provide the framework for managing Council records, including retention and retrieval arrangements that support accountability and information requests.
- Information governance, Freedom of Information (FOI) and data assurance arrangements support oversight of information handling and statutory responses; the compliance weaknesses and required improvements are set out below.

Review of Arrangements During 2024/25

- A strategic data governance approach and cross-functional Data Advisory Group were developed.
- A Council-wide Data Maturity Assessment informed a Data Target Operating Model.
- A programme to enhance data, reporting and insight capability commenced.

Areas for Improvement

- Improve the timeliness and quality of FOI responses across services.
- Progress records management, retention schedules and case management arrangements.
- Implement the Data Target Operating Model and refreshed Digital Strategy.

Subsequent Developments After 31 March 2025

- Following the Scottish Information Commissioner's Level 3 intervention, further corporate improvement activity has been taken to strengthen Freedom of Information compliance and information management. These developments are addressed more fully under the significant governance issues section of this Statement.

Assurance

Arrangements remained in place, but FOI compliance is a significant governance issue and requires sustained corporate action.

08 Workforce Management

Governance Arrangements

- The Interim Workforce Strategy 2023-25 and workforce planning guidance provide the framework for identifying workforce needs, alongside development of the Strategic Workforce Plan.
- Recruitment, induction, learning and development arrangements, supported by core competencies, provide the framework for securing and developing the skills required for service delivery.
- Flexible and hybrid working arrangements form part of the Council's approach to workforce management and the organisation of work.
- Health and safety and human resources policy frameworks set out the arrangements supporting workforce management and the Council's responsibilities towards employees.

Review of Arrangements During 2024/25

- The Best Value thematic review on Workforce Innovation recognised positive strategic workforce work, digital technology, flexibility and collaboration.
- Workforce dashboards, skills analysis and intelligence continued to develop.
- Benefits realisation and standard project management arrangements were strengthened.
- Collaborative delivery opportunities progressed through Transformation Through Collaboration.

Areas for Improvement

- Complete and implement the Strategic Workforce Plan.
- Strengthen workforce capacity, succession planning and resilience.
- Establish clearer measures of workforce outcomes and digital benefits.
- Prioritise improvement activity within available capacity.

Subsequent Developments After 31 March 2025

- Collaborative workforce and organisational development activity has continued through regional and transformation partnerships, supporting exploration of shared approaches to workforce development, organisational capacity and service sustainability.

Assurance

The framework provides a sound basis, but capacity constraints, delivery delays and incomplete performance measures remain material risks.

Governance Assurance Framework

Statutory and Senior Officer Responsibilities

The Head of Paid Service, Section 95 Officer and Monitoring Officer have distinct statutory responsibilities that support lawful, effective and financially responsible decision-making. The Council also maintains statutory professional roles for education and social work. Strategic Directors provide management assurance for their areas of responsibility.

Member Oversight

Council and its committees approve policy and budget decisions, scrutinise performance and hold officers to account. The Audit and Scrutiny Committee oversees financial reporting, internal and external audit plans and reports, recommendations, the control environment, risk management, Best Value, performance and the Annual Governance Statement. Its annual reporting and self-assessment support accountability for its own effectiveness.

Sources and Levels of Assurance

Line	Primary assurance
Management	Operational controls, supervision, performance, risk ownership and Certificates of Assurance.
Corporate oversight	Finance, legal, governance, risk, performance, information governance, HR and other specialist functions.
Independent assurance	Internal Audit, External Audit, inspectorates and regulators.

Internal and External Audit Assurance

Internal Audit

The Internal Audit Annual Assurance Report and Opinion to year ending 31 March 2025 was considered as part of the annual review of effectiveness. Internal Audit provided Limited Assurance on the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control. This is a material qualification to the overall governance conclusion. The Council also considered the effectiveness of its Internal Audit arrangements as part of the review.

Oversight of Internal Audit recommendations has strengthened, but continuing weaknesses and new findings require a rolling improvement programme. The evidence required to resolve this significant issue is set out under Significant Governance Issues.

External Audit

The governance review considered External Audit findings, prior-year recommendations and Best Value work. Financial reporting weaknesses, their effects and recovery requirements are set out under Significant Governance Issues.

Following approval of the audited 2023/24 Annual Accounts in April 2026, the Controller of Audit issued a Section 102 Report in July 2026 regarding the continued delays in the preparation, audit and publication of the Council's annual accounts. The report identified concerns regarding the timeliness of financial reporting and the consequential impact on governance, financial oversight and decision-making.

Best Value and Inspection Assurance

Best Value and workforce

Best Value work recognised progress in priority setting, performance and scrutiny, budget development, community engagement, equalities and climate change, while highlighting financial sustainability, capacity, recruitment and resilience. The Workforce Innovation thematic review gave positive assurance in several areas but identified delivery delays, capacity constraints and gaps in strategic planning and outcome measurement.

Progress on Governance Improvement Actions

During the period following the 2024/25 review, progress included completion of the Target Operating Model, strengthening of business continuity arrangements, approval of updated Contract Standing Orders, implementation of the new complaints system, approval of the Climate Change Strategy and Corporate Asset Management Strategy, and development of benefits realisation and performance reporting arrangements. Progress was also made on finance capacity, workforce intelligence, data governance and collaborative transformation activity.

Outstanding actions include the Scheme of Delegation and Standing Orders reviews, the Strategic Workforce Plan, Freedom of Information improvement, financial reporting recovery, workforce performance measurement and elements of housing regulatory improvement.

Significant Governance Issues

A significant governance issue is a weakness or risk that is sufficiently serious to require ongoing senior management, elected member, audit or regulatory oversight. In determining significance, the Council considers factors including the scale and impact of the issue, statutory or regulatory implications, the strength of available assurance, the length of time the issue has remained unresolved, and the extent to which it may affect the Council's ability to achieve its objectives or maintain effective governance and internal control.

Financial Reporting and Annual Accounts

The preparation, audit and approval of the Annual Accounts is the most significant governance issue. Delays have affected the timeliness of financial reporting and assurance and have implications for governance, financial oversight and decision-making.

The Council has accepted the findings of External Audit and the Controller of Audit's July 2026 Section 102 Report. A Financial Reporting Recovery Plan, approved in September 2026, includes actions to strengthen finance capacity, improve accounts preparation, enhance quality assurance and restore statutory reporting timescales.

Internal Audit Assurance

The 2024/25 Limited Assurance opinion remains a significant governance issue: important weaknesses require management attention and effective completion of remedial actions must be evidenced.

Freedom of Information Compliance

The Scottish Information Commissioner's Level 3 intervention identified weaknesses in statutory compliance. Improvement activity addresses information governance, records management, retrieval processes and response timeliness and quality, but sustained improvement and consistent practice are still required across services.

Housing Regulatory Scrutiny

The Scottish Housing Regulator continues engagement on homelessness services and management of Reinforced Autoclaved Aerated Concrete (RAAC) risks in housing stock. Actions relating to the Westhaugh Gypsy/Traveller Site were completed during 2025/26; homelessness pressures and RAAC risks remain subject to regulatory oversight and improvement activity.

Organisational Capacity and Delivery of Improvement Activity

Workforce capacity and competing service demands constrain delivery of the improvement programme arising from audit, Best Value, regulatory findings and self-assessment, creating a cross-cutting risk to timely resolution of significant issues. Actions will be prioritised by statutory importance, risk, impact and available capacity, with slippage and escalation reported transparently.

Action Plan for Significant Governance Issues

The following table summarises the principal actions, ownership, timescales, monitoring arrangements and evidence required to address and close the significant governance issues identified through the 2024/25 review. Detailed actions and progress are maintained through the Council Improvement Plan and the relevant audit, recovery and regulatory action plans.

Significant Governance Issue	Agreed Action	Responsible Officer	Target Date	Monitoring Body	Success or Closure Evidence
Financial Reporting and Annual Accounts	Implement the Financial Reporting Recovery Plan, including strengthening finance capacity, maintaining clear milestones for outstanding and future accounts, improving closedown and quality-assurance processes, and restoring statutory reporting timescales.	Chief Finance Officer	Adherence with dates agreed in the Financial Reporting Recovery Plan.	Senior Leadership Group; Audit and Scrutiny Committee; and Council.	Outstanding accounts prepared, audited and approved to the agreed milestone plan; subsequent accounts returned to statutory timescales; sufficient finance capacity in place; and evidence that reconciliations, working papers, valuation controls, disclosure checks and management review have operated effectively.
Internal Audit Assurance	Maintain strengthened arrangements for implementing Internal Audit recommendations, with priority given to Grade 1 and Grade 2 actions, quarterly reporting, Directorate-level review and ongoing maintenance of action records in Pentana.	Head of Corporate Services, supported by Strategic Directors and action owners.	Ongoing, through the Internal Audit reporting cycle with recognised improvement by 31 March 2027	Directorate Senior Management Teams; Senior Leadership Group; Audit and Scrutiny Committee.	Reduction in overdue and high-priority recommendations; agreed actions completed within target dates; completion supported by evidence of improved controls and an improved Internal Audit annual assurance opinion.
Freedom of Information Compliance	Complete and embed the review of FOI management and reporting arrangements, including improved guidance and training, stronger records retrieval and management accountability, and consistent	Data Protection Officer, with support from the Monitoring Officer.	31 March 2027	Senior Leadership Group; Audit and Scrutiny Committee; regulatory monitoring by the Scottish Information Commissioner.	Sustained improvement in statutory response times and response quality; effective records retrieval arrangements; reduced non-compliance across services; and reduction or closure of the Scottish Information Commissioner's intervention.

	improvement in the quality and timeliness of responses.				
Significant Governance Issue	**Agreed Action**	**Responsible Officer**	**Target Date**	**Monitoring Body**	**Success or Closure Evidence**
Housing Regulatory Scrutiny	Continue delivery of actions relating to homelessness and the management of RAAC risks in housing stock, including completion of the stock condition survey programme.	Director, Place and Economy	31 March 2027	Future Homes Board; Asset Management Board; Senior Leadership Group; Audit and Scrutiny Committee; Scottish Housing Regulator.	Housing stock and asset-condition evidence completed and incorporated into investment and asset plans; agreed homelessness improvements delivered; RAAC risks assessed and managed through an approved action plan; and regulatory engagement reduced or closed.
Organisational Capacity and Delivery of Improvement Activity	Prioritise and coordinate the Council's improvement programme according to statutory importance, risk and impact; complete the Strategic Workforce Plan; roll out the Skills Matrix and workforce dashboards; and use collaboration, succession planning and workforce development to address critical capacity and resilience risks.	Chief Executive and Senior Leadership Group, with the Senior Manager, HR and Workforce Development, and relevant Council Improvement Plan sponsors.	31 March 2027	Directorate Senior Management Team; Corporate Risk and Integrity Forum; Senior Leadership Group; Audit and Scrutiny Committee.	Strategic Workforce Plan approved and implemented; organisation-wide skills and capacity evidence available; workforce measures and dashboards routinely reported; priority improvement actions delivered to agreed dates; slippage transparently escalated; and completion supported by evidence of stronger capacity, control or service outcomes.

The detailed actions addressing each significant governance issue, including the responsible officer, target date, milestones and current status, are contained in the Council Improvement Plan. Progress is monitored quarterly by the Corporate Risk and Integrity Forum and reported regularly to the Audit and Scrutiny Committee.

The Council remains committed to addressing these significant governance issues and strengthening its governance arrangements. Detailed progress will be maintained through the Council Improvement Plan and relevant audit, recovery and regulatory action plans, with exceptions, slippage and continuing risks reported through the governance routes set out above.

Forward Look

The Council's governance arrangements will continue to operate in an environment of financial constraint, workforce pressure, increasing regulatory expectations and demand for demonstrable improvement in service outcomes. During 2025/26 and 2026/27, particular governance attention will be required to ensure that improvement activity remains proportionate, risk-based and deliverable within available capacity.

The principal forward-looking priorities are:

- restoring timely and reliable financial reporting and annual accounts;
- demonstrating improved control effectiveness through completion of Internal Audit recommendations;
- achieving sustained improvement in Freedom of Information and records-management compliance;
- maintaining effective oversight of homelessness, housing-condition and RAAC-related risks;
- embedding integrated business planning, performance, risk and benefits-realisation arrangements;
- strengthening workforce capacity, succession planning and organisational resilience; and
- ensuring that the Council Improvement Plan remains focused on the actions of greatest statutory, financial, regulatory and service significance.

Governance arrangements will be kept under review as these priorities progress. Material changes in risk, assurance, delivery capacity or regulatory status will be escalated through the relevant management and member oversight arrangements.

Statement of Assurance

On the basis of the assurance sources considered, the Council concludes that its governance framework remained in place during 2024/25. However, the assurance available is qualified by significant weaknesses relating to the timeliness and quality of financial reporting, the Limited Assurance opinion provided by Internal Audit, Freedom of Information compliance, elements of housing regulatory compliance, workforce capacity and competing demands.

Subject to these qualifications, the Council is satisfied that the framework provided an appropriate basis for leadership, decision-making, accountability and continuous improvement during 2024/25.

Nikki Bridle
Chief Executive

Ellen Forson
Leader of the Council

General

Elements of the remuneration report are subject to audit, throughout the report the relevant sections have been noted as audited where applicable. The other sections of the Remuneration Report have been reviewed for consistency by the external auditors as detailed in the Independent Auditor's Report. The results presented in the tables comprising Clackmannanshire Council's Remuneration Report for 2024/25 reflect the following contextual factors:

- Pay award of 3.6% or £1,872 (whichever is larger) from 1 April 2024 is included in the 2024/25 figures;
- As at 31 March 2025 there were 8 Senior Councillors in post. The maximum allowed for Clackmannanshire Council is 8;
- The corporate management structure during the year was: Chief Executive, Strategic Director Place, Strategic Director People and Strategic Director Partnership & Performance; and
- The committee structure includes the Audit & Scrutiny Committee aligning with the CIPFA guidance for Audit Committees in Local Authorities.

Remuneration Arrangements

Councillors

The remuneration of Councillors is regulated by the Local Government (Scotland) Act 2004 (Remuneration) and Regulations 2007 (SSI No. 2007/183), amended by SSI 2024/24. The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure.

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

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

- Leader of the Council £35,580 (2023/24 £33,503);
- Civic Head (Provost) £26,686 (2023/24 £25,128) maximum remuneration is 75% of the sum payable to the leader; and
- Senior Councillors £24,015 (2023/24 £22,613).

The Regulations also set out that Clackmannanshire Council (Band A) is eligible to appoint a maximum of 8 Senior Councillors. Total remuneration available for Senior Councillors is based on a calculation detailed in Councillors' Remuneration Guidance. The total annual amount payable by the Council for remuneration to all its Senior Councillors shall not exceed £192,120 (2023/24 £180,905).

The remuneration paid to Senior Councillors in 2024/25 covering the year 1 April 2024 to 31

March 2025 totalled £189,944 (2023/24 £158,342). The net cost to Clackmannanshire Council in relation to Senior Councillors is £189,944 (2023/24 £158,342). This complies with current regulations.

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

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

Joint Boards

In addition to the Senior Councillors of the Council the Regulations also set out the remuneration payable to Councillors with the responsibility of a Convenor or a Vice-Convenor of a Joint Board. For Clackmannanshire, two joint boards exist; the Central Scotland Valuation Joint Board (CSVJB) and the Clackmannanshire and Stirling Integration Joint Board.

The regulations require the remuneration to be paid by the Council of which the Convenor or Vice-Convenor (as the case may be) is a member. The Council is also required to pay any related pension contributions arising from this appointment.

In 2024/25 Councillor Balsillie served as the Depute Convenor of the CSVJB. No payment was made to Councillor Balsillie for this responsibility as he was also paid as the Provost for Clackmannanshire Council which is higher than the payment for Depute Convenor therefore no additional payment is made for this role

No Councillors undertook the roles of Convenor or Vice-Convenor of the Clackmannanshire and Stirling Integration Joint Board in 2024/25 or 2023/24 therefore no additional payments were made.

Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular IR 10.24b sets the amount of salary for the Chief Executive of Clackmannanshire Council for the period April 2024 to March 2025. Senior employees do not receive any other benefits.

Disclosure of Remuneration for Relevant Persons

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

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

			Total Remuneration	
Post holder	**Position**	**Dates**	**2023/24 £**	**2024/25 £**
Ellen Forson	Leader of the Council Spokesperson for Partnership, Third Sector and Digital Strategy Spokesperson for Partnership & Performance	from 25/5/22 from 25/5/22 to 29/1/25 from 30/1/25	33,507	35,580
Donald Balsillie	Provost	from 25/5/22	25,128	26,686
Denis Coyne	Chair of Planning Committee	from 25/5/22	22,615	24,015
Graham Lindsay	Spokesperson for Education Spokesperson for People	from 22/5/22 to 29/1/25 from 30/1/25	22,615	24,015
Phil Fairlie	Convener of Council	from 25/5/22	22,615	24,015
Scott Harrison	Spokesperson for Sport, Leisure and Active Living Spokesperson for Place	from 25/5/22 to 29/1/25 from 30/1/25	22,615	24,015
Fiona Law	Spokesperson for Environment and Net Zero Depute Spokesperson for People	from 25/5/22 to 29/1/25 from 30/1/25	22,615	24,015
Jane McTaggart	Spokesperson for Housing and Property Depute Spokesperson for Place	from 25/5/22 to 29/1/25 from 30/1/25	22,615	24,015
Janine Rennie	Chair of Audit and Scrutiny Committee	From 4/4/23	22,652	24,015
Wendy Hamilton	Depute Spokesperson for Partnership & Performance	From 30/01/25	-	21,839
Total Remuneration			**216,977**	252,209

Notes

1. There were no Taxable Expenses or Benefits other than in cash paid to any of the Senior Councillors in 2024/25 or 2023/24.
2. During 2024/25 there was an agreement on 30th January 2025 to change the Council's Decision-Making Framework. From this date the new roles were; Spokesperson for People, Depute Spokesperson for People, Spokesperson for Place, Depute Spokesperson for Place, Spokesperson for Partnership & Performance and Depute Spokesperson for Partnership & Performance.
3. During 2024/25 there were no changes to the political administration of the Council which has been led by the SNP from 9 March 2017 to present.
4. During 2022/23 there was a Local Election on 4th May 2022 which resulted in changes to the leadership and roles of the Council from 25th May 2022. From this date the new leader of the Council was confirmed as Ellen Forson and six new roles were introduced, including Convener of Council which will support the administrative arrangements for conducting the Council's business. The other new roles were; Spokesperson for Partnership, Third Sector and Digital Strategy, Spokesperson for Sport, Leisure and Active Living, Spokesperson for Environment and Net Zero, Spokesperson for Housing and Property and Chair of Audit and Scrutiny Committee.
5. Councillor Hamilton received £10,945 remuneration from NHS Forth Valley for serving on the regional Health Board during 2024/25. This is paid directly by the NHS to each individual and

are not included above.

Remuneration Paid to Councillors

Clackmannanshire Council currently has 18 Councillors in total who serve under the following structure as at 31 March 2025:

Leader of the Council	1
Provost/Civic Head	1
Senior Councillors	8
Councillors	8
Total Councillors	18

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

Type of Remuneration (Audited)	2023/24	2024/25
	£	£
Salaries	397,898	422,970
Employer's NIC and Pension	114,007	109,409
Expenses	5,342	1,882
Total	**517,247**	**534,261**

The annual return of Councillors' salaries and expenses for 2024/25 is available for any member of the public to view at all Council libraries and public offices during normal working hours and is also available on the Council's website https://www.clacks.gov.uk under 'Remuneration to Elected members'.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Remuneration Report

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

Name and Positions held during the year	Total Remuneration 2023/24 £	Total Remuneration 2024/25 £
Nikki Bridle • Chief Executive	123,932	132,491
Stuart Crickmar • Strategic Director - Partnership & Performance from 30/06/20 to 31/05/24 (Annual Salary £111,522)	107,647	21,657
Chris Alliston • Strategic Director – Partnership & Performance from 15/04/24 (Annual Salary £103,600)	-	102,399
Pete Leonard • Strategic Director – Place from 05/08/19 to 04/08/24 (Annual Salary £111,522)	107,647	37,109
Kevin Wells • Strategic Director – Place from 05/08/24 (Annual Salary £111,522)	-	73,149
Lorraine Sanda • Strategic Director - People	107,647	111,522
Colin Bruce • Chief Education Officer	91,688	94,989
Sharon Robertson • Chief Social Work Officer	87,210	90,350
Lindsay Sim • Chief Finance Officer	87,210	91,681
Lee Robertson • Monitoring Officer and Senior Manager Legal	75,451	78,167
Total	**788,432**	**833,514**

Notes to Remuneration of Senior Employees of the Council

1. The senior employees in the table include all those employees who have responsibility for management of the Council to the extent that the person has power to direct or control the major activities of the Council (including activities involving the expenditure of money) during the year to which the Report relates whether solely or collectively with other persons, or who hold a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989.
2. Pay award of 3.6% or £10.67 uplift in hourly rate (whichever is larger) from 1 April 2024 is included in the 2024/25 figures.

3. The Chief Executive remuneration is in line with national agreement between Scottish Joint Negotiating Committee (SJNC) and Association of Local Authority Chief Executives (ALACE) includes a pay award 3.6%, the annual salary is £128,394.
4. The Chief Executive's remuneration in the table includes £3,449 as remuneration for acting as Returning Officer for the election held in the financial year ended 31 March 2025. These fees were fully reimbursed by the UK Government. It also includes £648.44 reimbursement for a personal holiday cancellation fee incurred due to fulfilling duties as Returning Officer.
5. Total remuneration for senior employees' remuneration includes salary, fees and allowances. There were no bonuses, taxable expense, compensation for loss of office or benefits other than in cash paid to any of the Senior Employees in 2024/25 or 2023/24.

General Disclosure by Pay Band (Audited)

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

Remuneration Band	No of Employees 2023/24	No of Employees 2024/25
£50,000 - £54,999	70	105
£55,000 - £59,999	54	70
£60,000 - £64,999	25	20
£65,000 - £69,999	37	25
£70,000 - £74,999	21	45
£75,000 - £79,999	13	9
£80,000 - £84,999	5	10
£85,000 - £89,999	2	1
£90,000 - £94,999	2	3
£95,000 - £99,999	1	1
£100,000 - £104,999	1	2
£105,000 - £109,999	3	1
£110,000 - £114,999	-	1
£115,000 - £119,999	-	-
£120,000 - £124,999	1	-
£125,000 - £129,999	-	-
£130,000 - £134,999	-	1
	235	**294**

Pension Benefits

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

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

defined benefit scheme.

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

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

From 1 April 2015 contribution rates were:

Whole Time Pay 2024/25 (2023/24) For pay between:		**Contribution rate 2024/25 (between %)**	**Contribution rate 2023/24 (between %)**
£0	£27,794 (£26,044)	5.5	5.5
£27,795 (£26,045)	£36,122 (£33,887)	5.6 - 6.0	5.6 - 6.0
£36,123 (£33,888)	£45,355 (£42,550)	6.1 - 6.5	6.1 - 6.5
£45,356 (£42,551)	£64,000 (£60,005)	6.6 - 7.5	6.6 - 7.5
£64,001 (£60,006)	£72,101 (£67,601)	7.6 - 8.0	7.6 - 8.0
£72,102 (£67,602)	£96,542 (£90,516)	8.1 - 9.0	8.1 - 9.0
£96,543 (£90,517)	£146,051 (£136,935)	9.1 – 10.0	9.1 – 10.0
£146,052 (£136,936	And above	10.1 & over	10.1 & over

*Source: Scottish Public Pensions Agency, Contributions.

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

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Remuneration Report

From 1 April 2015 the accrual rate guarantees an annual credit to members' Pension Accounts based on 1/49 of pensionable pay received in that scheme year. In those cases where members have transferred pension entitlements from previous employments, the pension figures shown relate to the benefits that the person has accrued as a consequence of their total government service, and not just their current appointment.

The pension entitlements for Senior Councillors who have elected to join the pension scheme for the year ended 31 March 2025 are shown in the table below, together with the contribution made by the Council to each Senior Councillors' pension during the year.

Table 3 (Audited): Senior Councillors Pension Benefits

		Pension Contributions		Accrued Pension Benefits			
		2023/24	2024/25	Difference to 2023/24		As at 31 March 25	
Post Holder	**Position**	**£**	**£**	**Pension £'000**	**Lump Sum £'000**	**Pension**	**Lump Sum**
Ellen Forson	Leader of the Council Spokesperson for Partnership, Third Sector & Digital Strategy to 29/1/25 Spokesperson for Partnership & Performance from 30/1/25	7,707	6,938	1	-	8	-
Donald Balsillie	Provost	5,779	5,204	1	-	9	2
Graham Lindsay	Spokesperson for Education to 29/1/25 Spokesperson for People from 30/1/25	5,201	4,683	1	-	4	-
Phil Fairlie	Convener of Council	5,201	4,683	-	-	1	-
Scott Harrison	Spokesperson for Sport, Leisure and Active Living to 29/1/25 Spokesperson for Place from 30/1/25	5,201	4,683	-	-	1	-
Fiona Law	Spokesperson for Environment and Net Zero to 29/1/25 Depute Spokesperson for People from 30/1/25	5,201	4,683	-	-	1	-
Jane McTaggart	Spokesperson for Housing and Property to 29/1/25 Depute Spokesperson for Place from 30/1/25	5,201	4,683	1	-	3	-
Janine Rennie	Chair of Audit and Scrutiny Committee	5,214	4,683	-	-	1	-
Wendy Hamilton	Depute Spokesperson for Partnership & Performance from 30/1/25		4,259	-	-	1	-
Total		**44,705**	**44,499**	4	-	29	2

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Remuneration Report

Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2025 are shown in the table below, together with the contribution made by the Council to each Senior Employees' pension during the year.

Table 4 (Audited): Senior Employees Pension Benefits

Name and Post Title	Pension Contributions		Accrued Pension Benefits			
	2023/24	2024/25	Increase/(decrease) from 31 March 2024		As at 31 March 2025	
	£	£	£'000	£'000	£'000	£'000
			Pension	Lump Sum	Pension	Lump Sum
Nikki Bridle Chief Executive	28,504	25,037	4	3	66	79
Stuart Crickmar Strategic Director - Partnerships & Performance From 30/06/20 to 31/05/24	24,759	3,499	-	-	53	67
Chris Alliston Strategic Director – Partnerships & Performance From 15/04/25	-	19,968	10	11	37	35
Pete Leonard Strategic Director – Place From 05/08/19 to 04/08/24	24,759	7,223	1	-	12	-
Kevin Wells Strategic Director – Place From 05/08/24	-	14,264	1	-	1	-
Lorraine Sanda Strategic Director - People	24,759	21,747	4	-	20	-
Colin Bruce Chief Education Officer	21,088	18,523	2	-	5	-
Sharon Robertson Chief Social Work Officer	20,058	17,618	2	-	41	54
Lindsay Sim Chief Finance Officer	20,058	17,618	3	1	36	29
Lee Robertson Monitoring Officer and Senior Manager Legal	17,354	15,243	2	-	10	-
Total	**181,339**	**160,740**	**29**	**15**	**281**	**264**

Notes

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

2. Where employees have joined the Council and transferred previous employment pension benefits into the Falkirk Pension Fund, the pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service and not just their current employment.

Termination Benefits (Audited)

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

A number of employees left the Council through voluntary redundancy and voluntary severance during 2023/24 and 2024/25. The number of employees and costs of exit packages per pay band is shown in the table below.

Disclosed costs include, where applicable: redundancy and pension costs in relation to lump sum, strain payments and capitalised added years. Any early terminations which might arise on the grounds of health or dismissal fall outside the regulatory disclosure requirement and would not be disclosed.

		Total Number of exit packages by Cost band		Total Cost of exit packages by Cost band	
Cost Bands		**2023/24**	**2024/25**	**2023/24**	**2024/25**
				£	£
£0	£20,000	9	8	52,594	57,217
£20,001	£40,000	2	4	45,437	118,157
£40,001	£60,000	-	2	-	98,714
£60,001	£80,000	2	0	140,012	-
£80,001	£100,000	1	1	86,405	95,772
Total		**14**	**15**	**324,448**	**369,860**

Paid Time-off provided to Trade Union Representatives

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

Relevant Union Officials

During the year 11 employees took part in union activities, as relevant union officials, some of whom were part time:

	2024/25 Central Function	2024/25 Education Function
Number of employees	11	5
Full-time Equivalent	11	2.65

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

% of time	**Employees 2024/25** Central Function	Education Function
0%	1	1
1-50%	9	3
51-99%	-	1
100%	1	-

Of the total pay bill, £108k (0.13%) related to facility time under taken during the year.

	2024/25 Central Function **£'000**	2024/25 Education Function **£'000**
Facility time cost	77	68
Total pay bill	108,106	108,106
% of pay bill	0.07%	0.06%

Paid trade union activities
The percentage of the total paid facility time that relates to relevant union officials was 0.52%.

Nikki Bridle
Chief Executive

Ellen Forson
Leader of the Council

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Independent Auditor's Report

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

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

Deloitte LLP

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25

Comprehensive Income & Expenditure Statement
For the year ended 31 March 2025

This statement shows the accounting cost in the year of providing services in accordance with proper accounting practices rather than the amount to be funded from taxation. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government in Scotland Act 2003. Councils raise taxation to cover expenditure in accordance with regulations, this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24 Gross Expenditure £'000	2023/24 Gross Income £'000	2023/24 Net Expenditure /(Income) £'000		Note	2024/25 Gross Expenditure £'000	2024/25 Gross Income £'000	2024/25 Net Expenditure /(Income) £'000
98,084	(7,459)	90,625	People		103,189	(9,058)	94,131
25,471	(22,099)	3,372	Partnership and Performance		26,638	(17,677)	8,961
45,618	(14,022)	31,596	Place		44,903	(14,727)	30,176
21,546	(21,282)	264	Housing Revenue Account		25,461	(26,236)	(775)
1,372	(1)	1,371	Corporate Services		1,353	-	1,353
65,497	(39,174)	26,323	Clackmannanshire and Stirling Integration Joint Board		73,773	(42,917)	30,856
462	0	462	Central Scotland Valuation Joint Board		490	-	490
258,050	**(104,037)**	**154,013**	**Cost of Services**		**275,807**	**(110,615)**	**165,192**
(210)	-	(210)	(Gain)/Loss on sale of non-current assets		(39)	-	(39)
9,755	(4,204)	5,551	Financing and Investment Income and Expenditure	9	8,671	(2,389)	6,282
-	(154,160)	(154,160)	Taxation and Non-Specific Grant Income	10	-	(163,235)	(163,235)
267,595	**(262,401)**	**5,194**	**(Surplus) or Deficit on Provision of Services**		**284,439**	**(276,239)**	**8,200**
		(9,548)	(Surplus)/Deficit on revaluation of non-current assets	24			-
		3,545	(Gain)/Loss on non-current asset to the revaluation reserve	24			-
		16,266	Remeasurement of the net defined benefit liability/(asset)	24			28,553
		10,263	**Other Comprehensive (Income) and Expenditure**				**28,553**
		15,457	**Total Comprehensive (Income) and Expenditure**				**36,753**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25

Movement in Reserves Statement

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

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25

Movement in Reserves Statement
For the year ended 31 March 2025

2024/25	Notes	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance Brought Forward		**(26,950)**	**(1,435)**	**(1,463)**	**(1,288)**	**(1,662)**	**(32,798)**	**(267,311)**	**(300,109)**
Movement in Reserves during 2024/25									
Total Comprehensive (Income) and Expenditure		9,344	(1,144)	-	-	-	8,200	28,553	36,753
Adjustments between accounting basis & funding basis	7	(3,989)	606	(50)	-	(187)	(3,620)	3,620	-
Net increase/decrease before transfers to Earmarked Reserves		**5,355**	**(538)**	**(50)**	**-**	**(187)**	**4,580**	**32,173**	**36,753**
Transfers (from)/to Earmarked Reserves	8	(311)	-	224	(12)	314	215	(215)	-
(Increase)/Decrease in 2024/25		**5,044**	**(538)**	**174**	**(12)**	**127**	**4,795**	**31,958**	**36,753**
Balance carried forward		**(21,906)**	**(1,973)**	**(1,289)**	**(1,300)**	**(1,535)**	**(28,003)**	**(235,353)**	**(263,356)**

2023/24	Notes	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants & Receipts Unapplied Account £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance Brought Forward		**(20,885)**	**(8,715)**	**(1,177)**	**(1,256)**	**(2,093)**	**(34,126)**	**(281,440)**	**(315,566)**
Movement in Reserves during 2023/24									
Total Comprehensive (Income) and Expenditure		7,674	(2,480)	-	-	-	5,194	10,263	15,457
Adjustments between accounting basis & funding basis		(2)	8,592	(286)	-	(351)	7,953	(7,953)	-
Net increase/decrease before transfers to Earmarked Reserves		**7,672**	**6,112**	**(286)**	**-**	**(351)**	**13,147**	**2,310**	**15,457**
Transfers (from) /to Earmarked Reserves		(13,737)	1,168	-	(32)	782	(11,819)	11,819	-
(Increase)/Decrease in 2023/24		**(6,065)**	**7,280**	**(286)**	**(32)**	**431**	**1,328**	**14,129**	**15,457**
Balance carried forward		**(26,950)**	**(1,435)**	**(1,463)**	**(1,288)**	**(1,662)**	**(32,798)**	**(267,311)**	**(300,109)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Balance Sheet as at 31 March 2025

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

31 March 2024 £'000		Note	31 March 2025 £'000
409,486	Property, Plant & Equipment	11	419,600
805	Heritage Assets	12	1,110
7,569	Investment Properties	13	7,633
541	Intangible Assets	14	1,851
1	Long-Term Investments	18	1
1	Long-Term Debtors		39
15,339	Pension Assets	34	-
433,742	**Non-Current Assets**		**430,234**
160	Investment Properties held for Sale	13	160
-	Assets held for Sale	15	-
608	Inventories	16	658
16,859	Short-Term Debtors	17	15,850
8,165	Short-Term Investments	18	14,225
4,295	Cash and Cash Equivalents	18	1,104
30,087	**Current Assets**		**31,997**
(30,715)	Short-Term Creditors	19	(31,597)
(72)	Short-Term Provisions	20	-
(2,591)	Short-Term Borrowings	21	(29,049)
(33,378)	**Current Liabilities**		**(60,646)**
(91)	Provisions	20	(138)
(97,243)	Long-Term Borrowing	21	(85,989)
(33,008)	Other Long-Term Liabilities	22	(41,256)
-	Pension Liabilities		(10,846)
(130,342)	**Long-Term Liabilities**		**(138,229)**
300,109	**Net Assets**		**263,356**
(32,798)	Usable Reserves		(28,003)
(267,311)	Unusable Reserves	24	(235,353)
(300,109)	**Total Reserves**		**(263,356)**

The unaudited financial statements were issued on 31 October 2026.

Lindsay Sim
Chief Finance Officer

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Council and Group
Cash Flow Statement
For the year ended 31 March 2025

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

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

2023/24 £'000		Notes	2024/25 £'000
(5,194)	Net (deficit) on the provision of services	CIES	(8,200)
9,051	Adjustments to net deficit on the provision of services for non-cash movements	25b	21,126
(92,258)	Adjustments for items included in the net deficit of the provision of services that are investing & financing activities	25c	(235,579)
(88,401)	**Net cash flows from Operating Activities**		**(223,653)**
89,222	Investing Activities	26	207,220
(2,415)	Financing Activities	27	12,243
(1,594)	**Net decrease in cash and cash equivalents**	18	**(3,190)**
5,889	Cash and Cash equivalents at the beginning of the reporting year	18	4,295
4,295	**Cash and Cash equivalents at the end of the reporting year**	18	**1,104**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Notes to the Financial Statements

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

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Note 1 - Accounting Policies

a) General Principles

The Annual Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which Section 12 of the Local Government in Scotland Act 2003 require to be prepared in accordance with proper accounting practices. These Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. In line with the code of practice the accounts have been prepared on a going concern basis of accounting.

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

b) Accruals of Income and Expenditure

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

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

c) Cash and Cash Equivalents

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

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

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

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

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

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

e) Charges to Revenue for Non-Current Assets

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

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

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

f) Employee Benefits Payable During Employment

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

g) Termination and Post Employment Benefits

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

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

Post Employment Benefits
Employees of the Council are members of two separate pension schemes:

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

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

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

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

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

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

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

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- net interest on the net defined benefit liability (asset) - calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset), taking account of any changes during the period as a result of contributions and benefit payments. Net interest is recognised within Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement;
- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited/credited to Other Comprehensive Income and Expenditure; and
- contributions paid to the Falkirk Pension Fund – cash paid as employers' contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

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

h) Events after the Reporting Period

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

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

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

i) Financial Instruments

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

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

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

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

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

Financial Assets

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

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

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

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

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

j) Government Grants and Contributions

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

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

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

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

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

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

k) Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are maintained principally for their contribution to knowledge and culture. The Council does not have a separate policy for the acquisition and disposal of Heritage Assets. All Heritage Assets are managed in line with the policy for Property, Plant and Equipment.

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

Recognised in Balance Sheet at Valuation

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

Not recognised in Balance Sheet

- War Memorials
- Glassworks & Mosaics
- Listed Building

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

l) Intangible Assets

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

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market (Fair Value Hierarchy Level 1 – quoted prices (unadjusted) in active markets). In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at cost less amortisation and any provision for impairment. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

m) Interests in Companies and Other Entities

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

n) Inventories

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

o) Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value. The fair value of investment properties has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and local market knowledge. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as Level 2 on the fair value hierarchy.

Properties are not depreciated but are reviewed annually according to market conditions at the year-end. For the 2023/24 financial statements a review was undertaken of a sample of investment properties. The assets were selected as a typical representative of a group of similar properties and the revaluation gains and losses flowing from these revaluations were extrapolated to the group of properties and accounted for in 2023/24. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

p) Property, Plant and Equipment

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

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

Measurement
The Council adopted IFRS13 - Fair Value Measurement, which provides a common definition of fair values, taking into account the characteristics of the assets or liabilities which would be

considered by market participants in determining the price of the asset or liability.

This standard defines a fair value hierarchy which describes the inputs to the valuation techniques in respect of assets or liabilities for which fair value is measured or disclosed in the Council's financial statements. These are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset of liability.

This standard would apply to all property, plant and equipment assets, however, as the purpose of a local authority acquiring and holding an asset is to deliver services it is the service potential which is the primary concern. On this basis the Code has adapted IAS16 - Property Plant and Equipment and requires that the definition of current value of operational local authority property, plant and equipment assets is measured for their service potential and not fair value.

Non operational property, plant and equipment (i.e. surplus assets) are measured at fair value (at highest and best use) based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Assets are initially measured at cost, comprising:

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

For the assets under construction, the expenditure is capitalised and shown on the Balance Sheet. Payment of the first loan fund principal repayment which is charged to the CIES is deferred until the financial year following the one in which the asset is first available for use or operational.
The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not lead to a variation in the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.
Assets are carried in the Balance Sheet using the following measurement bases (Fair Value Hierarchy – Level 2: significant observable input):

- infrastructure, community assets and assets under construction – depreciated historical cost;
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
- surplus assets – fair value (at highest and best use) based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date; and
- all other assets – fair value, determined by the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Where non-property assets that have short useful lives or low values (or both), depreciated

historical cost basis is used as a proxy for fair value.

The Council aims to undertake a full revaluation review of all non current assets every five years with the last review being undertaken as at 1 April 2019. Each year a sample of non-HRA assets are reviewed to ensure that their carrying amount is not materially different from their fair value at the year-end. For the 2023/24 financial statements, a sample of education, operational and non-operational properties were revalued. The Council applied an indexation to all primary schools and the three Academies based on the Building Cost Information Service Tender Price Index (BCIS TPI) adjusted for the Location Factor for Clackmannanshire. The indexation was applied only to the building element. Where there is a group of similar assets, one asset may be selected as a sample for revaluation and the revaluation gains and losses flowing from the revaluation is extrapolated to the group of asset. HRA assets are reviewed between the five yearly valuations to identify any significant impairment and valuations are updated, where relevant. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains, or credited to the Comprehensive Income and Expenditure Statement where they arise as a reversal of a revaluation loss previously charged to a service.

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

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

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

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

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

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

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

Depreciation

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

Depreciation is calculated using the straight-line method over the following periods:

Council Dwellings	30 to 40 years
Council Dwellings - internal components such as kitchens, bathrooms and central heating	15 to 23 years
Other Buildings	10 to 60 years
Infrastructure Assets	60 years
Street furniture	10 to 20 years
Vehicles, plant and equipment	3 to 15 years

Depreciation is not charged in year of purchase, but a full year charge is made in year of sale.

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

Componentisation

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

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

Disposals

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

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

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

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

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

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

q) Lease Arrangements

The Council assesses whether a contract is, or contains, a lease at the inception of the contract. A contract is, or contains, a lease where it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Council acts as a lessee, a right-of-use asset and corresponding lease liability are recognised at the commencement date of the lease, except where the lease qualifies as a short-term lease or relates to an asset of low value. The Council has elected to apply the recognition exemptions available under IFRS 16 for:

- short-term leases with a lease term of 12 months or less; and
- leases where the underlying asset, when new, has a value below £12,000.

Payments made under such arrangements are charged to the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease term.

Lease liabilities are initially measured at the present value of future lease payments and are subsequently measured at amortised cost using the effective interest method. Lease liabilities are increased by interest costs and reduced by lease payments made.

Right-of-use assets are initially measured at cost and subsequently measured in accordance with the accounting policies applicable to the related class of Property, Plant and Equipment. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset and are assessed for impairment where there is an indication that the asset may be impaired.

The Council adopted IFRS 16 Leases from 1 April 2024 in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 using the modified retrospective approach. Comparative information for prior years has not been restated

and the cumulative effect of initial application was recognised at 1 April 2024.

The principal impact of adopting IFRS 16 related to the application of the Code's requirements to the Council's existing Secondary Schools PFI arrangement. Further information on the impact of adoption is provided in Note 22.

r) Private Finance Initiative (PFI) and Similar Contracts

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

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

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

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

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- finance cost – an interest charge of 7.59% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- payment towards liability – applied to reduce the outstanding service concession liability recognised in the Balance Sheet; and
- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

s) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

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

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

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

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

t) Reserves

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

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

u) Revenue Expenditure Funded from Capital under Statute

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

v) VAT

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

Note 2 - Changes to Accounting Standards

Accounting Standards that have been issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2025/26 Code:

- **IAS 21 - The Effect of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

- **IFRS 17 - Insurance Contracts** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

- The changes to the **measurement of non-investment assets** within the 2025/26 Code include adaptations and interpretations of IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

The Code requires implementation of these from 1 April 2025, therefore there is no impact on the 2024/25 financial statements. There is also no expected material impact from the adoption of these new or amended standards in 2025/26.

Note 3 - Critical Judgements in Applying Accounting Policies

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

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

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

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

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

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Fair Value Measurements	When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities. Where Level 1 inputs are not available, the authority employs relevant experts to identify the most appropriate valuation techniques to determine. Information regarding the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in Note 1 - Accounting Policies.	The significant unobservable inputs used in the fair value measurement include management assumptions such as Building Cost Information Service Tender Price Index adjusted for regional factors. Significant change in any of the unobservable inputs would result in a higher or lower fair value measurement.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment - Valuations	Assets included within the balance sheet are normally revalued on a five yearly cycle by a professionally qualified Royal Institution of Chartered Surveyors (RICS) valuer. This is supplemented by an annual review of significant non-HRA assets to ensure that, in line with the CIPFA code, the carrying values do not differ materially from current value at the year end. As part of the Council's five-year rolling asset revaluation programme, a comprehensive valuation of the Council's property portfolio as at 31 March 2025 is being undertaken by Graham + Sibbald, Chartered Surveyors. At the date these draft financial statements were authorised for issue, the valuation exercise had not been completed and therefore the carrying values reflected in the draft accounts are based on the most recent valuation information available, adjusted for additions, disposals and depreciation during 2024/25. The completion of the valuation exercise may result in changes to the carrying value of Property, Plant and Equipment together with consequential adjustments to depreciation, the Revaluation Reserve, the Capital Adjustment Account and other related disclosures. As the valuation work remains in progress, the Council is currently unable to reliably quantify the financial impact of any such adjustments. Any material amendments identified through completion of the valuation review and subsequent audit procedures will be reflected in the final audited 2024/25 Annual Accounts.	The gross value of assets currently subject to the ongoing revaluation exercise is £423.783m. A 1% variation in their valuation would equate to approximately £4.238m. Any resulting revaluation gains or losses would be recognised in accordance with the Code through the Revaluation Reserve and/or the Comprehensive Income and Expenditure Statement, with no direct impact on the General Fund Balance.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment - Depreciation	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings and Council houses would increase by £1.561m and £0.562m respectively for every year that useful lives had to be reduced.
Arrears – Council Tax	At 31 March 2025 the Council had Council Tax debt outstanding of £12.579m. A review of outstanding balances suggested that an allowance for doubtful debts of £9.714m was appropriate resulting in coverage of 77% for doubtful debts. However, in the current economic climate such an allowance might not be sufficient.	If collection rates were to deteriorate and the provision had to be increased, for every 5% increase in the provision then a further contribution of £0.629m would be required.
Pensions Asset/Liability	Estimates of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the employer liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate would result in an increase of 2% equating to £5.794m.
Housing Rent Arrears	At 31 March 2025 the Council had Housing Rent Arrears of £2.079m. A review of outstanding balances suggested that an impairment for irrecoverable rents of £1.907m was appropriate resulting in a coverage of 92% for doubtful debts.	If collection rates were to deteriorate and the provision had to be increased, for every 2% increase in the provision then a further contribution of £0.042m would be required.

Note 5 – Events after the Reporting Period

The draft financial statements were authorised for issue by the Chief Finance Officer (Section 95 Officer) on 31 October 2026. There has been one material event to disclose after the Balance Sheet date up to the date of authorisation. In April 2025, an opportunity arose to redeem four Barclays loans (Market Loans) totalling £18.5m at a substantial discount. Further detail is provided in Note 24. Events taking place after the date of authorisation are not reflected in the Financial Statements or Notes.

Note 6 – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the funding available to the Council for the year, from government grants, council tax and business rates, has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on page 69. The Adjustments between Funding and Accounting basis is shown more fully in Note 7 on page 101.

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

Note 6 - Expenditure & Funding Analysis

2023/24				2024/25		
Net Expenditure chargeable to GF & HRA	Adjustments between Funding & Accounting basis	Net Expenditure In the CI&ES		Net Expenditure chargeable to GF & HRA	Adjustments between Funding & Accounting basis	Net Expenditure in the CI&ES
£'000	£'000	£'000		£'000	£'000	£'000
81,311	9,314	90,625	People	84,234	9,897	94,131
5,439	(2,067)	3,372	Partnership & Performance	10,194	(1,234)	8.960
28,867	2,729	31,596	Place	26,765	3,412	30,177
5,565	(5,301)	264	HRA - Place	(1,598)	823	(775)
1,371	-	1,371	Corporate Services	1,353	-	1,353
26,164	159	26,323	Clackmannanshire and Stirling Integration Joint Board	30,601	255	30,856
462	-	462	Central Scotland Valuation Joint Board	490	-	490
149,179	**4,834**	**154,013**	**Cost of Services**	**152,039**	**13,153**	**165,192**
(135,395)	(13,424)	(148,819)	Other Income and Expenditure	(147,222)	(9,770)	(156,992)
13,784	**(8,590)**	**5,194**	**(Surplus)/Deficit**	**4,817**	**3,383**	**8,200**
		(29,600)	**Opening GF & HRA Balance**			**(28,385)**
		13,784	Surplus/ (Deficit) in the year			4,817
		(12,569)	Transfer from other statutory reserves			(311)
		(28,385)	**Closing GF and HRA Balance**			**(23,879)**

Note 6 - Expenditure & Funding Analysis

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

2024/25	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
	£'000	£'000	£'000	£'000
People	10,163	423	(689)	9,897
Partnership & Performance	(206)	(833)	(195)	(1,234)
Place	3,225	196	(9)	3,412
HRA – Place	700	127	(4)	823
Corporate Services	-	-	-	-
Clackmannanshire and Stirling Integration Joint Board	148	136	(29)	255
Central Scotland Valuation Joint Board	-	-	-	-
Cost of Services	**14,030**	**49**	**(926)**	**13.153**
Other Income and Expenditure	(7,353)	(2,417)	-	(9,770)
(Surplus)/Deficit	**6,677**	**(2,368)**	**(926)**	**3,383**

Note 6 - Expenditure & Funding Analysis

2023/24	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
	£'000	£'000	£'000	£'000
People	9,298	40	(24)	9,314
Partnership & Performance	(734)	(1,132)	(201)	(2,067)
Place	2,766	20	(57)	2,729
HRA – Place	(5,257)	11	(55)	(5,301)
Corporate Services	-	-	-	-
Clackmannanshire and Stirling Integration Joint Board	158	14	(13)	159
Central Scotland Valuation Joint Board	-	-	-	-
Cost of Services	**6,231**	**(1,047)**	**(350)**	**4,834**
Other Income and Expenditure	(12,015)	(1,409)	-	(13,424)
(Surplus)/Deficit	**(5,784)**	**(2,456)**	**(350)**	**(8,590)**

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

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

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

Note 6 - Expenditure & Funding Analysis

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

2023/24				2024/25		
Net Expenditure chargeable to GF & HRA balances £'000	**Adjustments between Funding & Accounting basis £'000**	**Net Expenditure in the CI&E statement £'000**		**Net Expenditure chargeable to GF & HRA balances £'000**	**Adjustments between Funding & Accounting basis £'000**	**Net Expenditure in the CI&E statement £'000**
110,606	(1,183)	109,423	Employee costs	113,095	(686)	112,409
33,391	-	33,391	Other Operating Costs	32,086	-	32,086
72,896	-	72,896	Third Party & Transfer Payments	80,416	-	81,416
-	19,441	19,441	Depreciation & Revaluation Losses	-	22,049	22,049
13,424	(13,424)	-	Capital Financing Costs	8,210	(8,210)	-
(81,138)	-	(81,138)	Income	(81,768)	-	(81,768)
149,179	**4,834**	**154,013**	**Cost of Services**	**152,039**	**13,153**	**165,192**
(135,395)	**(13,424)**	**(148,819)**	**Other Income and Expenditure**	**(147,222)**	**(9,770)**	**(156,992)**
13,784	**(8,590)**	**5,194**	**(Surplus)/Deficit**	**4,817**	**3,383**	**8,200**

Note 6 - Expenditure & Funding Analysis

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

2024/25

	People £'000	Partnership & Performance £'000	Place £'000	HRA - Place £'000	Corporate Services £'000	Clackmannanshire and Stirling Integration Joint Board £'000	Central Scotland Valuation Joint Board £'000	Net Expenditure chargeable to GF & HRA balances £'000
Employee costs	70,271	8,962	13,969	9,151	1,455	9,287	-	**113,095**
Other Operating Costs	9,501	1,911	13,904	6,157	6	607	-	**32,086**
Third Party & Transfer Payments	13,520	14,930	13,619	3,174	(108)	34,791	490	**80,416**
Capital Financing Costs	-	2,068	-	6,142	-	-	-	**8,210**
Income								
Government Grants and Other Contributions	(5,983)	(16,459)	(4,079)	-	-	(14,061)	-	**(40,582)**
Fees, charges and other service income	(2,061)	(794)	(6,447)	(23,492)	-	(2)	-	**(32,796)**
Income from recharges for services	(1,014)	(424)	(4,201)	(2,730)	-	(21)	-	**(8,930)**
Cost of Services	**84,234**	**10,194**	**26,765**	**(1,598)**	**1,353**	**30,601**	**490**	**152,039**

Note 6 - Expenditure & Funding Analysis
2023/24

	People £'000	Partnership & Performance £'000	Place £'000	HRA - Place £'000	Corporate Services £'000	Clackmannanshire and Stirling Integration Joint Board £'000	Central Scotland Valuation Joint Board £'000	Net Expenditure chargeable to GF & HRA balances £'000
Employee costs	66,988	8,766	14,776	8,972	1,385	9,719	-	**110,606**
Other Operating Costs	9,774	2,136	14,294	6,480	95	612	-	**33,391**
Third Party & Transfer Payments	12,007	14,620	13,820	3,295	(108)	28,800	462	**72,896**
Capital Financing Costs	-	2,122	-	11,302	-	-	-	**13,424**
Income								
Government Grants and Other Contributions	(5,130)	(21,460)	(3,111)	-	(1)	(12,925)	-	**(42,627)**
Fees, charges and other service income	(1,604)	(384)	(5,795)	(21,265)	-	(42)	-	**(29,0907)**
Income from recharges for services	(724)	(361)	(5,117)	(3,219)	-	-	-	**(9,421)**
Cost of Services	**81,311**	**5,439**	**28,867**	**5,565**	**1,371**	**26,164**	**462**	**149,179**

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

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

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

General Fund Balance

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

Housing Revenue Account Balance

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

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or certain types of revenue expenditure including to finance historical capital expenditure. The balance on the reserve shows the resources that have not been applied for these purposes at the year-end.

Capital Grants Unapplied Account

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place. During 2022/23, this account also held Capital Receipts which had been earmarked to fund Council transformation projects in line with the statutory provision of Local Government Finance Circulars 4/2019 and 8/2022 (as amended 1/2023) which covered the period 2018/19 to 2022/23. There was no further extension to this flexibility and as such all unspent earmarked capital receipts were released at the end of 2022/23 to the Capital Receipts Reserve for general use.

Insurance Fund

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

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

2024/25

	Usable Reserves					
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Insurance Fund	Capital Grants Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment account:						
Reversal of items debited or credited to the CIES						
Charges for depreciation and impairment of non-current assets	(14,961)	(6,839)	-	-	-	**21,800**
Revaluation losses on property, plant and equipment	-	-	-	-	-	**-**
Movements in the fair value of investment assets	-	-	-	-	-	**-**
Amortisation of intangible assets	(246)	(4)	-	-	-	**250**
Difference between fair value and historic cost depreciation	-	-	-	-	-	**-**
Capital grants and contributions applied	6,003	1,124	-	-	-	**(7,127)**
Non-current assets written off on disposal/ sale as part of gain/ (loss) on disposal to the Comprehensive Income and Expenditure Statement	(12)	-	-	-	-	**12**
Insertion of items not debited or credited to the CIES						
Statutory provision for the financing of capital investment	1,878	568	-	-	-	**(2,446)**
Capital expenditure charged against the General Fund and HRA Balances	-	5,574	-	-	-	**(5,574)**
Adjustments primarily involving the Capital Grants Unapplied Account						
Capital Grants and contribution unapplied credited to the CIES	187	-	-	-	(187)	**-**
Adjustments primarily involving the Capital Receipts Reserve						
Transfer of cash sale proceeds as part of the Gain/ (loss) on disposal to the CIES	50	-	(50)	-	-	**-**
Adjustments primarily involving the Financial Instruments Adjustments Account						
Difference between finance costs charged to the CIES & statutory requirements	192	-	-	-	-	**(192)**
Adjustments involving Pension Reserve						
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the CIES (see Note 24)	(7,726)	(1,061)	-	-	-	**8,787**
Employer's pensions contributions and direct payments to pensioner in year	9,915	1,240	-	-	-	**(11,155)**
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Difference between officer remuneration charges to the CIES & statutory requirements	731	4	-	-	-	**(735)**
Total Adjustments	**(3,989)**	**606**	**(50)**	**-**	**(187)**	**(3,620)**

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

2023/24

	Usable Reserves					
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Insurance Fund	Capital Grants & Receipts Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment account:						
Reversal of items debited or credited to the CIES						
Charges for depreciation and impairment of non-current assets	(8,174)	(6,038)	-	-	-	14,212
Revaluation losses on property, plant and equipment	214	-	-	-	-	(214)
Movements in the fair value of investment assets	(156)	-	-	-	-	156
Amortisation of intangible assets	(60)	(6)	-	-	-	66
Difference between fair value and historic cost depreciation	(5,377)	-	-	-	-	5,377
Capital grants and contributions applied	8,490	3,121	-	-	-	(11,611)
Non-current assets written off on disposal/ sale as part of gain/ (loss) on disposal to the Comprehensive Income and Expenditure Statement	(77)	-	-	-	-	77
Insertion of items not debited or credited to the CIES						
Statutory provision for the financing of capital investment	1,908	481	-	-	-	(2,389)
Capital expenditure charged against the General Fund and HRA Balances	-	10,821	-	-	-	(10,821)
Adjustments primarily involving the Capital Grants & Receipts Unapplied Account						
Capital Grants and contribution unapplied credited to the CIES	351	-	-	-	(351)	-
Adjustments primarily involving the Capital Receipts Reserve						
Transfer of cash sale proceeds as part of the Gain/ (loss) on disposal to the CIES	286	-	(286)	-	-	-
Adjustments primarily involving the Financial Instruments Adjustments Account						
Difference between finance costs charged to the CIES & statutory requirements	213	-	-	-	-	(213)
Adjustments involving Pension Reserve						
Reversal of items relating to post employment benefits debited or credited to the Provision of Services in the CIES (see Note 24)	(9,084)	(1,188)	-	-	-	10,272
Employer's pensions contributions and direct payments to pensioner in year	11,382	1,346	-	-	-	(12,728)
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
Difference between officer remuneration charges to the CIES & statutory requirements	82	55	-	-	-	(137)
Total Adjustments	**(2)**	**8,592**	**(286)**	**-**	**(351)**	**(7,953)**

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Note 8 – Transfers to/from Earmarked Reserves

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

	Balance as at 1 April 2023 £'000	Transfers in 2023/24 £'000	Transfers out 2023/24 £'000	Balance as at 31 March 2024 £'000	Transfers in 2024/25 £'000	Transfers out 2024/25 £'000	Balance as at 31 March 2025 £'000
General Fund Balance							
Devolved School Management	(573)	(505)	573	(505)	(601)	505	**(601)**
Organisational Change Fund	(198)	-	-	(198)	-	77	**(121)**
Employment Fund	(839)	(39)	324	(554)	(1,000)	355	**(1,199)**
Pupil Equity Funding (PEF)	(788)	(560)	788	(560)	(611)	560	**(611)**
Education Covid-19 recovery	(201)	-	201	-	-	-	**-**
Ring-fenced Housing Grants	(1,139)	(180)	256	(1,063)	(183)	248	**(998)**
Transformation Fund	(1,841)	-	413	(1,428)	(2,500)	446	**(3,482)**
Other Miscellaneous Commitments	(2,133)	(484)	683	(1,934)	(1,473)	706	**(2,701)**
Covid-19 General Funding	(1,455)	-	1,166	(289)	-	289	**-**
Covid-19 Specific Funding	(428)	-	177	(251)	-	91	**(160)**
Amount to support Revenue Budget	(4,643)	-	4,643	-	(6,425)	6,079	**(346)**
Developers Contributions	(836)	-	49	(787)	(176)	30	**(933)**
Specific Employability Funding	(581)	-	58	(523)	(102)	252	**(373)**
Contractual Repairs & Maintenance	(315)	-	315	-	-	-	**-**
Ukrainian Refugee Support	(519)	(367)	287	(599)	-	258	**(341)**
Homeless Accommodation	(1,109)	(959)	-	(2,068)	-	710	**(1,358)**
Service Concessions Benefit	-	(12,533)	-	(12,533)	-	12,533	**-**
H&SCP Additional Contribution	-	-	--	-	(421)	421	**-**
General Pressures	-	-	-	-	(2,954)	1,327	**(1,627)**
Uncommitted Reserve	(3,287)	(3,465)	3,094	(3,658)	(7,238)	3,841	**(7,055)**

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	Balance as at 1 April 2023 £'000	Transfers in 2023/24 £'000	Transfers out 2023/24 £'000	Balance as at 31 March 2024 £'000	Transfers in 2024/25 £'000	Transfers out 2024/25 £'000	Balance as at 31 March 2025 £'000
Total General Fund Balance	(20,885)	(19,092)	13,027	(26,950)	**(23,684)**	**28,728**	**(21,906)**
Housing Revenue Account	(8,715)	(4,710)	11,990	(1,435)	(6,112)	5,574	**(1,973)**
Capital Receipts Reserve	(1,177)	(286)	-	(1,463)	(50)	224	**(1,289)**
Insurance Fund	(1,256)	(67)	35	(1,288)	(45)	33	**(1,300)**
Capital Grants Unapplied Account	(2,093)	(351)	782	(1,662)	(163)	290	**(1,535)**
Total Usable Reserves	(34,126)	(24,506)	25,834	(32,798)	(30,054)	34,849	**(28,003)**

Note 9 – Financing and Investment Income and Expenditure

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

	Notes	2023/24 £'000	2024/25 £'000
Interest payable and similar charges		10,882	10,984
Net Interest on the Net Defined Benefit Liability		(1,409)	(2,417)
Interest receivable and similar income		(3,941)	(2,169)
Changes in the carrying value of Market loans		(9)	(9)
Revaluation of Investment Property	7	155	-
Rental Income from Investments		(127)	(107)
Total		**5,551**	**6,282**

Note 10 – Taxation and Non-Specific Grant Income

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

	2023/24 £'000	2024/25 £'000
Credited to Taxation and Non-Specific Grant Income:		
Council Tax	26,214	25,925
Grant allocation for Council Tax Reduction Scheme	3,788	3,807
Non-Domestic Rate Income distributed by pool	17,764	19,659
Non-ring-fenced government grant	94,433	106,530
Capital grants and contributions	11,961	7,314
Total	**154,160**	**163,235**

Net Cost of Services within the Comprehensive Income and Expenditure Account
The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

	2023/24 £'000	2024/25 £'000
Credited to Services		
DWP grant for Benefits	12,443	12,259
Criminal Justice	1,415	1,498
Other revenue grants (including Early Learning and Childcare and Scottish Attainment Challenge)	6,836	1,872
Total	20,694	**15,629**

The table below reconciles the non-ring-fenced government grants to the Local Government Funding Settlement for 2024/25 from Scottish Government as shown in the Local Government Finance (Scotland) Order 2024 (as amended).

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

Note 11 – Property, Plant & Equipment (PPE)

Valuations
Assets at valuation are included in the Balance Sheet at their current value, as amended for additions, disposals, depreciation, impairment and revaluation movements where applicable. The basis of valuation is set out in the Statement of Accounting Policies.

As part of the Council's five-year rolling asset revaluation programme, a comprehensive valuation of the Council's property portfolio as at 31 March 2025 is being undertaken by Graham + Sibbald, Chartered Surveyors. At the date these draft financial statements were authorised for issue, this exercise had not been fully completed and the draft accounts have therefore been prepared using the latest valuation information available at that time. Any adjustments arising from completion of the valuation exercise, including consequential amendments to asset values, depreciation, reserves and related disclosures, will be reflected within the final audited 2024/25 Annual Accounts.

Further information on the estimation uncertainty associated with the ongoing valuation exercise is provided in Note 4 - Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty.

Movements in 2024/25	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, lant & Equip £'000	PFI Schools included in PPE £'000
Cost or Valuation							
At 1 April 2024	**162,813**	**196,286**	**30,688**	**5,390**	**729**	**395,906**	**108,851**
IFRS 16 Right of Use Asset remeasurement	-	11,245	-	-	-	11,245	11,245
Additions	12,150	923	1,695	3,329	0	18,097	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the CIES	-	-	-	-	-	-	-
Assets reclassified (to)/from Assets Held for Sale	-	-	(330)	-	-	(330)	-
Reclassifications & Other Movements in Cost or Valuation	-	337	(1,095)	(377)		(1,135)	-
At 31 March 2025	**174,963**	**208,791**	**30,958**	**8,342**	**729**	**423,783**	**120,096**

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Note 11 – Property, Plant & Equipment (PPE)

Movements in 2024/25	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	PFI Schools included in PPE £'000
Depreciation charge							
At 1 April 2024	**25,629**	**7,240**	**20,992**	**10**	**6**	**53,877**	**-**
Depreciation charge	6,658	10,776	2,860	6	17	20,317	4,713
Depreciation written out on revaluations recognised in the Revaluation Reserve	-	-	-	-	-	-	-
De-recognition – Disposals	-	-	(319)	-	-	(319)	-
Other movements in depreciation and impairment	-	-	(351)	(1)	-	(352)	-
At 31 March 2025	**32,287**	**18,016**	**23,182**	**15**	**23**	**73,523**	**4,713**
Net Book Value:							
At 31 March 2025	**142,676**	**190,775**	**7,776**	**8,327**	**706**	**350,260**	**115,383**

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Notes to the Financial Statements

Note 11 – Property, Plant & Equipment (PPE)

Movements in 2023/24	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	PFI Schools included in PPE £'000
Cost or Valuation							
At 1 April 2023	**148,492**	**197,402**	**27,328**	**2,389**	**958**	**376,569**	**111,429**
Additions	14,321	1,108	3,697	3,001	2	22,129	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	(2,622)	-	-	(48)	(2,670)	(2,578)
Revaluation increases/(decreases) recognised in the CIES	-	396	-	-	(183)	213	-
Assets reclassified (to)/from Assets held for Sale	-	-	(337)	-	-	(337)	-
Other Reclassifications	-	2	-	-		2	-
At 31 March 2024	**162,813**	**196,286**	**30,688**	**5,390**	**729**	**395,906**	**108,851**

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ANNUAL ACCOUNTS 2024/25
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Note 11 – Property, Plant & Equipment (PPE)

Movements in 2023/24	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	PFI Schools included in PPE £'000
Depreciation charge							
At 1 April 2023	**19,782**	**5,856**	**18,922**	**5**	**4**	**44,569**	**-**
Depreciation charge	5,847	10,038	2,354	5	22	18,266	4,629
Depreciation written out on revaluations recognised in the Revaluation Reserve	-	(8,654)	-	-	(20)	(8,674)	(4,629)
De-recognition – Disposals	-	-	(284)	-	-	(284)	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-
At 31 March 2024	**25,629**	**7,240**	**20,992**	**10**	**6**	**53,877**	**-**
Net Book Value:							
At 31 March 2024	**137,184**	**189,046**	**9,696**	**5,380**	**723**	**342,029**	**108,851**

Infrastructure Assets

The CIPFA/LASAAC Code of Practice for Local Authority Accounting in the United Kingdom requires infrastructure assets to be measured using the historical cost measurement basis and carried at depreciated historical cost. Due to information deficits surrounding the derecognition of infrastructure assets components, it is unclear as to whether when an assets component is replaced the old component has been derecognised, so as to avoid double counting, the Council has adopted the Statutory Overrides contained within the Local Government Finance Circular 09/2022: Statutory Override - accounting for infrastructure assets, as amended by Circulars 8/2024 and 06/2025, as follows:

- Statutory Override 1: For accounting period commencing from 1 April 2021 to 31 March 2027 a local authority is not required to report gross cost and accumulated depreciation on infrastructure assets;
- Statutory Override 2: For accounting periods commencing 1 April 2010 to 31 March 2027 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

	2023/24 £'000	2024/25 £'000
Infrastructure Assets - net book value as at 1st April	62,673	67,457
Additions	6,015	3,380
Depreciation charge	(1,321)	(1,496)
Infrastructure Assets - net book value as at 31st March	67,457	69,341
Other Property, Plant & Equipment Asset (from above table)	342,029	350,260
Other Property, Plant & Equipment Asset (as per Balance Sheet)	**409,486**	**419,600**

Capital Commitments

At 31 March 2025 the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years, budgeted to cost £73.9m. These commitments are not included in the financial statements. Similar commitments at 31 March 2024 were £81.1m.

Major commitments included within the £73.9m are as follows:

	£'000
Wellbeing Hub	61,194
HRA Council Housing Safe Electrical Systems	3,865
Westhaugh Travelling Site	2,302
HRA Council Housing Roof and Render Upgrade	1,878
HRA Window Replacement	1,218
HRA CCTV Security	483
HRA Aids and Adaptations	846
Vehicle Replacement	168
	71,954

Note 12 Heritage Assets

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

	Art Collection £'000	Public Art, Statues, Glasswork & Mosaics £'000	Industrial Equipment & Other Items £'000	Buildings £'000	Total Assets £'000
Cost or Valuation					
At 1 April 2024	115	510	180	-	805
Additions	-	-	-	295	295
Revaluation	-	-	-	-	-
Reclassification from PPE	-	-	-	10	10
31 March 2025	**115**	**510**	**180**	**305**	**1,110**
Cost or Valuation					
At 1 April 2023	115	510	180	-	805
Revaluation	-	-	-	-	-
31 March 2024	**115**	**510**	**180**	**-**	**805**

Art Collection

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

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

Public Art – Statues

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

Public Art - Glassworks and Mosaics

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

Industrial Equipment and Ephemera

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

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

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

Revaluation of Heritage Assets

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

Assets excluded from Heritage Assets

The Council has a number of assets that may be regarded as Heritage Assets, but which have not been included in the Balance Sheet since the Council considered that obtaining valuations would involve disproportionate cost or reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets held, and the lack of comparable market values. The Code therefore permits such assets to be excluded from the Balance Sheet. Within this category the Council owns and maintains 12 War Memorials throughout the County, the Alva ice house and glassworks and mosaic pieces installed at buildings in the County. The Council also owns the Tolbooth in Clackmannan which is a Category A listed building and classed as a heritage asset. Restoration expenditure of £0.305m is included in the carrying value of heritage assets on the Balance Sheet. £0.295m was incurred during 2024/25 and £0.010m was incurred during 2023/24, previously recorded within PPE.

Note 13 – Investment Properties

Fair Value Hierarchy

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (see Note 1 Accounting Policies Section p) Property, Plant and Equipment for an explanation of the fair value levels).

Valuation Techniques Used to Determine Level 2 Fair Values for Investment Property

The fair value of investment properties has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and local market knowledge. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as Level 2 on the fair value hierarchy. There has been no change in the valuation techniques used during the year for investment properties.

Highest and Best Use

In estimating the fair value of investment properties, the highest and best use is their current use.

Valuation Process for Investment Properties

The investment properties have been valued as at 31 March 2024 by Ian Hannon, MRICS, Managing Partner, Shepherd Chartered Surveyors who is RICS qualified, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

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

Investment Properties (Non Current Assets)

	2023/24 £'000	2024/25 £'000
Balance 1 April	7,532	7,569
Additions	139	64
Net gains/(losses)from fair value adjustments	(99)	
Transfers to/from:		
PPE	-	-
Assets held for sale	-	-
Depreciation	(3)	-
Balance 31 March	**7,569**	**7,633**

Investment Properties Held for Sale (Current Assets)

	2023/24 £'000	2024/25 £'000
Balance 1 April	242	160
Additions	-	-
Revaluation increases/(decreases) recognised in the CIES	(58)	-
De-recognition – Disposals	(24)	-
Transfers from Investment Properties	-	-
Balance 31 March	**160**	**160**
De-recognition – Disposals		
Total Investment Properties	**7,729**	**7,790**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or undertake repairs, maintenance or enhancement.

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

	2023/24 £'000	2024/25 £'000
Rental income from investment property	(263)	(220)
Direct operating expenses arising from investment property	136	113
	(127)	**(107)**

Note 14 – Intangible Assets

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

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

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £66k charged to revenue in 2023/24 was charged to the IT cost centre and then absorbed as an

overhead across all the service headings in the Net Cost of Services within the Comprehensive Income and Expenditure Statement. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

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

	2023/24 £'000	2024/25 £'000
Cost		
1 April	1,131	1,532
Additions	401	774
Transfer from Vehicles, Plant & Equipment and Assets under Construction	-	1,141
	1,532	3,447
Amortisation		
1 April	(925)	(991)
Disposal accumulated amortisation	-	-
Amortisation for the year	(66)	(252)
Transfer from Vehicles, Plant & Equipment and Assets under Construction	-	(353)
	(991)	(1,596)
Carrying Value 31 March	**541**	**1,851**

Note 15 – Assets Held for Sale

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

	Notes	2023/24 £'000	2024/25 £'000
Balance outstanding at start of year		-	-
Assets reclassified from Council Dwellings	11	-	-
Assets reclassified from Vehicles, Plant & Equipment	11	337	330
Assets reclassified from Surplus Assets	11	-	-
Assets reclassified from Investment Properties	13	24	-
Assets sold		(361)	(330)
Depreciation De-recognition - Disposals		(284)	(319)
Other movements in depreciation and impairment		284	319
Balance outstanding at year-end		-	-

Note 16 – Inventories

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

	Building Works		Roads		Vehicle Maintenance		Other		Total	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
1 April	**272**	**276**	**145**	**108**	**34**	**45**	**147**	**179**	**598**	**608**
Purchased	1,142	152	66	39	562	516	1,470	1,252	3,240	1,959
Expenses in the year	(1,138)	(121)	(103)	(30)	(551)	(528)	(1,438)	(1,230)	(3,230)	(1,909)
31 March	**276**	**307**	**108**	**117**	**45**	**33**	**179**	**201**	**608**	**658**

Note 17 – Short-Term Debtors

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

The Debtors balance at the year end is made up as follows:	2023/24 £'000	2024/25 £'000
Central Government Bodies	7,777	4,060
Other Local Authorities	594	544
NHS Bodies	1,412	1,068
Other Corporations & Trading funds	11	9
Other entities and individuals	7,065	10,169
Total	**16,859**	**15,850**

Note 18 – Short-Term Investments and Cash and Cash Equivalents

This note provides detail of the Long-Term Investments, Short-Term Investments and Cash and Cash Equivalents in the Balance Sheet on page 722.

	2023/24 £'000	2024/25 £'000
Long-Term Investments		
CSBP Clackmannanshire Investments Ltd (at cost)	1	1
TOTAL	**1**	**1**

	2023/24 £'000	2024/25 £'000
Short-Term Investments		
Cash deposit with banks	8,165	14,225
	8,165	**14,225**
Cash and Cash Equivalents		
Cash held by the Council	27	28
Bank current accounts	4,268	1,076
Total Cash and Cash Equivalents	**4,295**	**1,104**
TOTAL	**12,460**	**15,330**

Note 19 – Short-Term Creditors

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

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

	2023/24 £'000	2024/25 £'000
Central government bodies	3,772	4,995
Other local authorities	2,908	3,384
NHS bodies	3,377	282
Public corporations and trading funds	-	2
Other entities and individuals	20,658	22,934
Total	**30,715**	**31,597**

Note 20 – Provisions

2024/25 Short Term Provisions	Opening Balance At 1 April 2024 £'000	Additional provision made in 2024/25 £'000	Reduction In Provision £'000	Amounts used in 2024/25 £'000	Balance At 31 March 2025 £'000
Municipal Mutual	-	(14)	-	14	-
Voluntary Severance	(72)	(17)	-	89	-
Total Short Term Provisions	**(72)**	**(31)**	**-**	**103**	**-**
Municipal Mutual	(91)	(9)	-	-	(100)
Braehead Golf Club	-	(38)	-	-	(38)
Total Long Term Provisions	**(91)**	**(47)**	**-**	**-**	**(138)**
Total Provisions	**(163)**	**(78)**	**-**	**103**	**(138)**

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

Municipal Mutual Insurance
Prior to Local Government reorganisation in 1996, Central Regional Council and Clackmannan District Council entered into a solvent run-off arrangement with their insurer, MMI, with the aim of having sufficient assets to meet outstanding insurance claims. However, the outcome of previous litigation has triggered the Scheme of Arrangement and created a financial liability for Clackmannanshire Council as successor Council. The Council had originally made provision to cover a levy of up to 30% amounting to £262k and payments of £170k had been made against this provision. During the year an additional provision of £14k was made to the short term provision and a further £14k was paid out. The long term provision has been increased by £9k based on estimates of the outstanding liability as at 31 March 2025 resulting in a total provision balance of £100k to meet future claims.

Voluntary Severance
A provision of £72k was created in 2023/24 to reflect the costs of employees who were accepted for Voluntary Severance prior to 31 March 2024 but their agreed date for leaving employment falls within 2024/25. This provision was fully utilised in 2024/25. There were no employees who had accepted Voluntary Severance prior to 31 March 2025 and whose agreed date for leaving employment fell within 2025/26 therefore, no provision was required as at 31st March 2025.

Braehead Golf Club
A new provision was added during 2024/25 to reflect the possible non payment of a loan to Braehead Golf Club of £37.5k.

Note 21 - Borrowings

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

	2023/24 £'000	2024/25 £'000
Source of Loan		
Repayable within 12 months		
Public Works Loan Board	412	7,308
Market Loans	63	18,937
Revenue Advances:		
Common Good & Trust Funds	376	386
Central Scotland Valuation Joint Board	554	1,011
Accrued Interest on borrowing	1,186	1,407
	2,591	**29,049**
Repayable after 12 months		
Public Works Loan Board	73,297	80,989
Lender Option, Borrowing Option (LOBO) Loans	5,000	5,000
Market Loans	18,946	-
	97,243	**85,989**

Note 22 – IFRS 16 (Leases) and Right of Use Assets

The Council adopted IFRS 16 Leases on 1 April 2024 in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

IFRS 16 replaces the previous lease-accounting requirements of IAS 17. The principal change is that, subject to specified exemptions, arrangements that provide the Council with the right to control the use of an identified asset are recognised on the Balance Sheet through:

- recognition of a right-of-use asset, representing the Council's right to use the underlying asset; and
- recognition of a corresponding lease liability, representing the Council's obligation to make payments under the arrangement.

The Council adopted IFRS 16 using the modified retrospective approach permitted by the CIPFA/LASAAC Code. Comparative information for 2023/24 has not been restated and the cumulative effect of initial application was recognised at 1 April 2024.

Transition arrangements

On transition to IFRS 16, the Council applied the practical expedient permitted by the Code not to reassess whether existing contracts contained a lease. IFRS 16 was therefore applied to contracts previously identified as leases under IAS 17 and IFRIC 4, subject to the requirements applicable to arrangements for nil consideration and housing tenancies.

The Council has applied the recognition exemptions available for:

- short-term leases with a lease term of 12 months or less; and
- leases of low-value assets, defined by the Council as assets with a value below £12,000 when new.

Payments relating to exempt short-term and low-value leases are recognised as an expense on a straight-line basis over the lease term.

Council as lessee

The Council's review did not identify any operating leases that gave rise to a material transition adjustment separate from the remeasurement of the Secondary Schools PFI arrangement.

The material impact of adopting IFRS 16 arose from the Code's application of the standard to the Council's existing secondary schools Private Finance Initiative arrangement. This arrangement was already recognised on the Balance Sheet under the previous accounting requirements. On transition to IFRS 16, the asset and associated liability were remeasured to reflect the revised accounting requirements.

The remeasurement resulted in the following adjustments at 1 April 2024:

Balance Sheet Item	**Adjustment at 1 April 2024**
	£'000
Property, Plant and Equipment: other land and buildings	11,245
PFI and lease liability due within one year (current creditors)	664
PFI and Lease liability due after more than one year (non current creditors)	10,581
Total additional PFI and lease liability	**11,245**

The adjustment increased both Property, Plant and Equipment and the corresponding lease and PFI liability by £11.245m. It therefore had no effect on the Council's net assets at the date of transition.

The recognised asset forms part of the Council's Property, Plant and Equipment balance and is depreciated over the applicable remaining useful economic life. The corresponding liability is subsequently reduced by capital repayments, with the finance charge recognised over the remaining term of the arrangement.

Further information on:

- movements in Property, Plant and Equipment is provided in Note 11;
- the associated current and non-current liabilities is provided in Note 23;
- the impact on capital expenditure and the Capital Financing Requirement is provided in Note 32; and
- the secondary schools PFI arrangement and future contractual payments is provided in Note 33.

Note 23 – Other Long Term Liabilities

	2023/24 £'000	2024/25 £'000
PFI & Finance Liabilities (see note (a) below)	32,358	40,586
Other Long-term Liabilities (see note (b) below)	650	670
	33,008	**41,256**

(a) PFI & Finance Lease

This sum relates to the finance lease creditor associated with the financing of the three new secondary schools under the PFI scheme. Note 33 Private Finance Initiative and Similar Contracts page 134 in the Accounts provides more details in respect of the future payments that are due under the terms of the contract. The movements in the balance sheet values are detailed below:

	PFI Scheme 2023/24 £'000	PFI Scheme 2024/25 £'000
Balance at 1 April	35,435	33,995
IFRS 16 Implementation	-	11,245
Finance Lease Creditor Repaid in year	(1,440)	(2,301)
Balance 31 March	**33,995**	**42,939**
Ageing:		
Liabilities due over more than one year	32,358	40,586
Liabilities due within one year	1,637	2,353
	33,995	**42,939**

(b) Other Long-term Liabilities

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

	2023/24 £'000	2024/25 £'000
Reinstatement Bond	650	670
	650	**670**

Note 24 – Financial Instruments

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

Financial Instrument Balances

Categories of Financial Instruments

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

Financial Assets

	Non-Current				Current				
	Investments		Debtors		Investments		Debtors		Total
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2025 £'000
Amortised Cost Principal	-	-	1	38	1	1	2,847	2,588	2,627
Cash & Cash Equivalents	-	-	-	-	12,460	15,329	-	-	15,329
Total Financial Assets	**-**	**-**	**1**	**38**	**12,461**	**15,330**	**2,847**	**2,588**	**17,956**

Financial Liabilities

	Non-Current				Current				
	Borrowings		Creditors		Borrowings		Creditors		Total
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2025 £'000
Amortised Cost Principal	97,243	104,926	-	-	1,405	8,705	9,762	12,113	**125,744**
Accrued Interest	-	-	-	-	1,186	1,407	-	-	**1,407**
PFI and Finance Lease facilities	32,358	40,586	-	-	1,637	2,353	-	-	**42,939**
Total Financial Liabilities	**129,601**	**145,512**	**-**	**-**	**4,228**	**12,465**	**9,762**	**12,113**	**170,090**

Items of income, expense, gains or losses

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

	2023/24		2024/25	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Interest Income				
financial assets measured at amortised cost	2,277	-	1,083	-
Total interest revenue	**2,277**	**-**	**1,083**	**-**
Interest expense	**10,770**	**-**	**10,865**	**-**

Fair Value of Assets and Liabilities Carried at Amortised Costs

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

Methods and Assumptions in valuation technique

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

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

Fair Values of Assets and Liabilities
The Fair values are calculated as follows:-

	2023/24		2024/25	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
PWLB – Maturity	74,855	79,923	89,663	96,635
PWLB – Annuity	-	-	-	-
LOBOs	5,041	4,287	5,041	6,093
Market Loans	19,009	17,027	18,937	17,668
Total Debt/Financial Liabilities	**98,905**	**101,237**	**113,641**	**120,396**

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

The fair value of Public Works Loan Board (PWLB) loans of £96.635m (2023/24 £79.923m) measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB borrowing interest rates, termed the PWLB certainty rates. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

However, the authority has a continuing ability to repay at redemption rates published by the PWLB rather than from the markets. A supplementary measure of the fair value as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the redemption rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £74.8m would be valued at £79.9m. But if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge, based on the redemption interest rates, for early redemption. The exit price for the PWLB loans including the penalty charge would be £79.9m, comprising the principal of £74.8m, accrued interest of £1.2m and a premium of £3.9m.

Note 25 – Unusable Reserves

	Note	2023/24 £'000	2024/25 £'000
Revaluation Reserve	a)	(120,870)	(114,798)
Capital Adjustment Account	b)	(136,019)	(135,391)
Financial Instruments Investment Account	c)	1,264	1,072
Pensions Reserve	d)	(15,339)	10,846
Accumulating Compensated Absences Adjustment Account	e)	3,653	2,918
Total Unusable Reserves		**(267,311)**	**(235,353)**

a) Revaluation Reserve

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

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

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

	2023/24 £'000	2024/25 £'000
Balance at 1 April	**(120,264)**	**(120,870)**
Upward revaluation of non-current assets	(9,548)	-
Downward revaluation of non-current assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	3,545	-
Surplus/deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	**(6,003)**	**-**
Difference between fair value depreciation and historical cost depreciation	5,377	6,072
Accumulated (losses) on assets sold or scrapped	20	-
	5,397	**6,072**
Balance at 31 March	**(120,870)**	**(114,798)**

b) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charges to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

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

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

	2023/24 £'000	2024/25 £'000
Balance at 1 April	**(137,293)**	**(136,019)**
Financial Flexibility - Adjustment to the statutory repayment of debt for service concessions	12,533	-
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	14,212	15,727
Revaluation losses on property, plant and equipment	(214)	-
Amortisation of intangible assets	66	250
Amounts of non current assets written off on disposal / sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	77	12
Amounts written out of the Revaluation Reserve on assets sold or scrapped	20	-
	14,121	**15,989**
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(20)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(11,611)	(7,152)
Application of grants to capital financing from the Capital Grants Unapplied Account	(677)	(170)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balance	(2,390)	(2,446)
Capital expenditure charged against the General Fund and HRA balances	(10,858)	(5,573)
Movement in the market value of Investment Properties Debited or credited to CIES	156	-
	(25,380)	**(15,361)**
Balance at 31 March	**(136,019)**	**(135,391)**

c) Financial Instruments Adjustment Account

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

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

Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As at 31 March 2024 this period was 32 years.

In April 2025, an opportunity arose to redeem four Barclays loans (Market Loans) totalling £18.5m at a substantial discount. Finance Circular 07-2018 states that discounts should be treated the same as premiums and that, in any financial year, a local authority may choose to charge to the General Fund a sum greater than the annual charge calculated in accordance with the statutory guidance. For 2025/26, the Council has applied £1.072m of the discount to the Financial Instruments Adjustment Account thereby clearing the balance on the account to nil.

	2023/24 £'000	2024/25 £'000
Balance at 1 April	1,476	1,264
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(204)	(183)
Amount by which finance costs charges to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(8)	(9)
Balance at 31 March	**1,264**	**1,072**

d) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the cost. However, statutory arrangements require benefits earned, to be financed, as the Council makes employer's contributions to pension funds, or eventually pays any pensions for which it is directly responsible. The accounting requirements of International Financial Reporting Interpretations Committee - Interpretation 14 (IFRIC 14) places a cap (referred to an asset ceiling) on the value of a pension asset that can be reported. The credit balance on the Pensions Reserve therefore shows the benefits earned by past and current employees, the resources the Council has set aside to meet them and the impact of the asset ceiling which reduces the value of the pension asset to the maximum restricted amount.

	2023/24 £'000	2024/25 £'000
Balance at 1 April	(29,149)	(15,339)
Return on Pension Assets	(14,724)	3,859
Actuarial Gains or Losses on Pension Assets and Liabilities	(4,069)	(65,337)
Reversal of items debited or credited to CIES	10,272	8,787
Employer's Pension contributions and direct payments to pensioners in the year	(12,728)	(11,155)
Effect of Asset Ceiling	35,059	90,031
Balance at 31 March	**(15,339)**	**10,846**

Accumulating Compensated Absences Adjustment Account

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

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

	2023/24 £'000	2024/25 £'000
Balance at 1 April	3,790	3,653
Settlement or cancellation of accrual made at the end of the preceding year	(3,790)	(3,653)
Amounts accrued at the end of the current year	3,653	2,918
Movement in the year	(137)	(735)
Balance at 31 March	**3,653**	**2,918**

Note 26 – Cash Flow Statement – Operating Activities

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

	2023/24 £'000	2024/25 £'000
Interest Received	3,855	2,044
Interest Paid	(10,875)	(10,306)
(Surplus) or deficit on the provision of services (CIES)	5,194	8,200

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

	Notes	2023/24 £'000	2024/25 £'000
Depreciation	11 &13	19,590	21,799
Downward/(upwards) valuations	7	(57)	-
Amortisation	14	66	250
Increase/(decrease) in Creditors	19	(5,021)	1,366
Decrease/(increase) in Debtors	17	(2,851)	151
(Increase) in Inventories	16	(10)	(50)
Pension Liability/(Asset)	35	(2,456)	(2,368)
Contributions to Provisions	20	(278)	(25)
Carrying amount of non-current assets sold	7	77	12
Adjustments for effective interest rates	24c)	(9)	(9)
Other non-cash items		**9,051**	**21,126**

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

	2023/24 £'000	2024/25 £'000
Capital grants credited to surplus or deficit on the provision of services	(11,962)	(7,314)
Proceeds from the sale of short and long term investments	(80,010)	(228,215)
Proceeds from the sale of property plant and equipment, investment property and intangible assets	(286)	(50)
	(92,258)	**(235,579)**

Note 27 – Cash Flow Statement – Investing Activities

	2023/24 £'000	2024/25 £'000
Purchase of property, plant and equipment, investment property and intangible assets	(29,005)	(23,121)
Purchase of short-term and long-term investments	-	(5.865)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	286	(38)
Proceeds from short-term and long-term investments	106,000	225,215
Other receipts from investing activities	11,941	7,979
Net cash flows from investing activities	**89,222**	**207,220**

Note 28 – Cash Flow Statement – Financing Activities

	2023/24 £'000	2024/25 £'000
Cash receipts of short- and long-term borrowing	-	15,000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,440)	(2,302)
Repayments of short and long-term borrowing	(930)	(455)
Other Receipts from Financing Activities	(45)	-
Net cash from financing activities	**(2,415)**	**(12,243)**

Note 29 - Agency Income and Expenditure

The Council has an agency agreement with Scottish Water for the billing and collection of water and sewerage charges on its behalf. The income received from the Water Authority towards the Council's local tax collection costs was £0.209m (2023/24 £0.202m). This charge has been agreed by the Scottish Government and is included as income in the Comprehensive Income and Expenditure Statement.

Two Business Improvement District (BID) schemes operate in Clackmannanshire: Alloa First and Clacks First. The schemes are funded by a BID levy paid by non-domestic ratepayers. The Council

operates as an agent on behalf of the BID bodies and as a consequence income and expenditure of £258k (2023/24 £273k) is not shown in the Comprehensive Income and Expenditure Statement.

Note 30 – External Audit Costs

Fees payable to Audit Scotland within the year for external audit services carried out by the appointed auditor amounted to £0.307m (2023/24 £0.253m). These costs are shown within the Partnership and Performance line in the Comprehensive Income and Expenditure Statement.

Note 31 – Related Parties

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

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

The following related party transactions are disclosed elsewhere within the Financial Statements:

a) Receipts from Central Government (Revenue Support Grant, NNDR Contribution from Pool, Government Grants etc.) are shown in Note 10 (Grant Income);
b) Payments to the Falkirk Council Pension Fund and Scottish Government (Teachers' Pensions) are shown in Notes 33 and 34 Pension Schemes;
c) Requisitions paid to Joint Boards are shown on the Comprehensive Income and Expenditure Statement;
d) Payments to Elected Members and Chief Officers are shown in the Remuneration Report.

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

		2023/24 £'000	2024/25 £'000
Expenditure	NHS Forth Valley	480	1,587
Income	NHS Forth Valley	(8,253)	(8,024)
Contribution payment made to Clackmannanshire and Stirling Integration Joint Board*		26,208	28,833
Commissioning income received from Clackmannanshire and Stirling Integration Joint Board*		(26,208)	(28,833)

*Commissioning income received from Clackmannanshire and Stirling Integration Joint Board of £28,833 with expenditure of £31,259. The overspend of £2.426m was met by a draw down from reserves, leaving a balance of £0.025m in reserves held on behalf of the HSCP.

Note 32 – Capital Expenditure and Capital Financing

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

	2023/24 £'000	2024/25 £'000
Opening Capital Financing Requirement	145,988	161,670
Capital Investment		
Property Plant & Equipment	28,685	22,609
Revenue Expenditure Funded from Capital Under Statute	239	297
IFRS 16 Implementation	-	11,245
Sources of finance		
Capital receipts	-	(20)
Government grants and other contributions	(12,564)	(7,619)
Sums set aside from revenue:		
Direct revenue contributions	(10,821)	(5,574)
Repayment of Finance Lease Capital Debt	(1,440)	(1,638)
Loans Fund Principal	(2,099)	(2,086)
Application of service concession retrospective flexibility	12,533	-
Application of service concession in year flexibility	1,149	1,327
Other movements affecting the CFR	-	-
Closing Capital Financing Requirement	**161,670**	**180,211**
Increase in CFR (unsupported by government financial assistance)	**15,682**	**18,541**

Note 33 – Private Finance Initiative and Similar Contracts

Secondary Schools PFI Scheme

2024/25 was the 17th year of a 30 year PFI contract with Clackmannanshire Schools Education Partnership Limited for the construction, operation and maintenance of our three secondary schools in Clackmannanshire, namely Alloa, Alva and Lornshill Academies. The contract specifies the number of days and times that the schools are open. This includes an element of leisure provision in the evenings and weekends.

The contract specifies minimum standards for the provision of the serviced accommodation to be provided by the contractor, with reductions from the fee payable being made if the schools, or rooms, are unavailable or performance is below the minimum standards. The contractor took on the

obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant needed to operate the schools.

At the end of the contract the schools will be transferred to the Council for nil consideration.

Property, Plant and Equipment

The schools are recognised on the Council's Balance Sheet.

Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 11.

Payments

The Council makes an agreed payment each year which is increased annually by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2025, excluding any estimate of availability/performance deductions are as follows:

	Payment For Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total £'000
Payable within 1 year	5,100	1,691	3,891	10,681
Payable within 2 to 5 years	24,770	6,278	13,880	44,928
Payable within 6 to 10 years	30,103	12,937	18,503	61,544
Payable within 11 to 13 years	31,449	11,451	10,019	52,919
Total	**91,422**	**32,358**	**46,293**	**170,072**

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for:

- the fair value of services they provide; and
- the capital expenditure incurred and interest payable, until the capital cost is reimbursed.

The £32.358m reimbursement of capital expenditure shown in the table above represents the remaining contractual capital repayments due under the PFI contract. Following the adoption of IFRS 16, the Balance Sheet liability has been remeasured in accordance with the Code and consequently, the contractual capital repayment profile disclosed in this note does not directly reconcile to the remeasured liability reported in Note 22.

Service Concession Flexibility

During 2023/24, the Council has adopted the revised accounting arrangements under Local Government Finance Circular 10/2022 – Finance Leases and Service Concession Arrangements. The application of this accounting arrangement has recalculated the annual charges to the General Fund in relation to the principal capital repayment element of PFI contract for our three secondary

schools. As a result, the charges to the General Fund have been rescheduled over the fifty year useful economic life of the assets rather than the current contract terms.

The following table sets out the current repayments charged to revenue account, the total cost being £50.379m over 30 years. The revised repayment demonstrates that the total cost remains at £50.379m but, as this is now spread over the asset life of 50 years, the annual cost is reduced in years 1 to 29.

Repayment Profiles for Service Concessions

	Current Position Current Repayment £'000	Principal Repayments based on 50 year annuity Revised Repayment £'000	(Reduction)/ Cost £'000
Pre 2023/24 Yrs 1-13	14,940	2,407	(12,533)
2023/24	1,440	290	(1,150)
Yrs 15-18	6,404	1,384	(5,020)
Yrs 19-23	10,382	2,363	(8,019)
Yrs 24-29	17,213	4,150	(13,063)
Yrs 30-50	-	39,785	39,785
TOTAL	**50,379**	**50,379**	**-**

The revised repayments are calculated using the annuity method which means that the principal repayments are lower in the early years and increase over the repayment period. This appropriately reflects the consumption of the asset over the useful life as maintenance costs tend to increase in later years. The annuity method is also a fairer charge as it better reflects the time value of money, reflecting the real value of the charge when it falls due. Over the full life of service concession arrangements, the total repayment remains the same, however if the time value of money is taken into account, the reprofiled charges would result in an overall reduction.

The application of this flexibility makes no change to the actual payments to the contractor or to the value of interest or service charges made against the General Fund and the schools will still transfer to the Council at the end of the current contract for nil consideration. The adjustments are timing related and the overall repayments charged to the General Fund remain unchanged.

Note 34 - Pensions Schemes Accounted for as Defined Contribution Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Scottish Government. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Scottish Government uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of these Financial Statements, it is therefore accounted for on the same basis as a defined contribution scheme.

The employer contribution rate from 1 April 2024 was 26% of pensionable pay. In total for the year 2024/25 the Council paid £7.830m to Teacher's Pensions in respect of teachers' retirement benefits

which equates to 25.66% of pensionable pay. The comparative amount paid in 2023/24 was £6.641m which equates to 22.73% of pensionable pay.

As a proportion of the total contributions into the Teacher's Pension Scheme during the year ended 31 March 2025, the Council's own contribution equated to approximately 0.87% (0.84% in 2023/24).

Note 35 Defined Benefit Pension Schemes

Pension Costs
The Council participates in two formal pension schemes: the Local Government Pension Scheme (LGPS) administered by Falkirk Council and the Teachers' Scheme administered by the Scottish Government. Both schemes provide defined benefits to members. However, the liabilities for the Teachers' Scheme cannot be identified specifically to the Council; therefore the scheme is accounted for as if it were a defined contributions scheme. The Council does not recognise assets or liabilities related to the Teachers' Scheme as the liability for payment of pensions rests ultimately with the Scottish Government.

Local Government Pension Scheme (LGPS)
In accordance with International Accounting Standard 19 (IAS19) the Council is required to account for retirement benefits when it is committed to giving them, even if the giving will be many years into the future. This involves the recognition in the Balance Sheet of Clackmannanshire Council's share of the net pension asset or liability in the LGPS together with a pension reserve. The Comprehensive Income and Expenditure Statement (CIES) also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable to the LGPS and payments to pensioners in the year.

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

The following elements of pension costs are charged to the CIES:

- Current Service Cost - the increase in the present value of liabilities expected to arise from employee service in the current period;
- Past Service Costs - the increase in liabilities arising from decisions to improve retirement benefits in the current period but which are related to employee service in prior periods;
- Settlements - events that change the pension liabilities but are not covered by the actuarial assumptions;
- Interest Expense - the expected increase during the year in the present value of liabilities because the benefits are one year closer to settlement; and
- Expected Return on Assets (including interest income) - a measure of the expected average rate of return on the investment assets held by the scheme in the year.

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

	Local Government Pension Scheme	
	2023/24	2024/25
Comprehensive Income and Expenditure Statement (CIES)	**£'000**	**£'000**
Cost of Services:		
· Current service cost	11,256	10,805
· Past service costs	425	399
Financing and Investment Income and Expenditure:		
· Interest expense – defined benefit obligation	18,006	18,817
· Interest income on scheme assets	(19,415)	(21,234)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**10,272**	**8,787**
Other Post Employment Benefit Charged to the CIES		
Re-measurement of the net defined benefit liability comprising:		
· Return on pension fund assets (excluding interest income above)	(14,724)	3,859
· Actuarial (gains)/losses arising on changes in demographic assumptions	-	(653)
· Actuarial gains arising on changes in financial assumptions	(14,631)	(60,404)
· Effect of Asset Ceiling	35,059	125,090
· Other experience losses	10,562	(4,280)
(Gain)/ loss recognised in the CIES	**16,266**	**63,612**
Total Post Employment Benefit Charged to the CIES	**26,538**	**72,399**
Movement in Reserves Statement (MIRS)		
Reversal of net charge made to the surplus or deficit on the provision of Services	**(10,272)**	**(8,787)**
Employer's Contributions Payable to Falkirk Pension Fund	12,728	11,155
Pensions Assets and Liabilities Recognised in the Balance Sheet	**2,456**	**2,368**

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the local authority's obligation in respect of its defined benefit plan is as follows:

Movement in Reserves Statement (MIRS)	2023/24	2024/25
	£'000	£'000
Present value of the Pension Fund Liabilities	(379,740)	(334,795)
Fair value of pension fund assets	442,841	459,885
(Deficit)/Surplus	63,101	125,090
Present value of unfunded obligations	(12,703)	(10,846)
Effect of Asset Ceiling	(35,059)	(125,090)
Net Asset/(Liability) arising from Defined Benefit Obligation	**15,339**	**(10,846)**

The liabilities/assets show the underlying commitments that the Council has in the long term to pay post-employment (retirement) benefits. For 2024/25, the actuarial valuation produced a gross pension surplus. However, after application of the asset ceiling and inclusion of unfunded obligations, the Council reports a net defined benefit liability of £10.846m at 31 March 2025.

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

The impact of the asset ceiling has reduced the surplus by £125.090m resulting in a net liability arising from the defined benefit obligation of £10.846m. This has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, however, this can fluctuate annually due to economic and demographic factors and finance is only required to be raised to cover discretionary benefits when the pensions are actually paid. The surplus or deficit on the scheme will be considered by the actuary at the time of the triennial valuation to ensure contributions over the remaining working life of employees (i.e. before payments fall due), are sufficient.

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

	2023/24 £'000	2024/25 £'000
Opening Balance at 1 April	**(379,631)**	**(392,443)**
Current service cost	(11,256)	(10,805)
Interest cost	(18,006)	(18,817)
Contributions by Pension Fund participants	(2,945)	(3,040)
Re-measurement gains/(losses)		
Actuarial gains/(losses) from change in demographic assumptions	-	653
Actuarial gains from change in financial assumptions	14,631	60,404
Actuarial (losses) from other experiences	(10,562)	4,280
Past service costs	(425)	(399)
Benefits paid	15,751	14,526
Closing value at 31 March	**(392,443)**	**(345,641)**

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

	2023/24 £'000	2024/25 £'000
Opening fair value of pension fund assets	**408,780**	**442,841**
Interest income	19,415	21,234
Return on pension assets (excluding amounts included in net interest)	14,724	(3,859)
Contributions from employers	12,728	11,155
Contributions by employees in the scheme	2,945	3,040
Benefits paid	(15,751)	(14,526)
Re-measurement – other experience	-	-
Closing fair value of pension fund assets	**442,841**	**459,885**

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

	2023/24 £'000	2024/25 £'000
Equity instruments (by industry type)		
- Consumer	32,602	43,122
- Manufacturing	35,981	36,709
- Energy & Utilities	18,085	21,784
- Financial institutions	32,542	32,133
- Health & Care	18,669	16,301
- Information & Technology	29,726	24,103
- Other	3,490	3,685
Sub Total Equity	**171,095**	**177,837**
Debt Securities		
- Corporate Bond (investment grade)/Other	46,784	64,234

	2023/24 £'000	2024/25 £'000
- Other	5,886	5,951
	52,670	**70,185**
Property (by type)		
- UK	24,286	24,888
- Overseas	2	-
Sub Total Property	**24,288**	**24,888**
Private Equity		
- UK	4,045	1,577
Sub Total Private Equity	**4,045**	**1,577**
- Equities	82,369	70,160
- Bonds	20,145	7,337
- Infrastructure	65,632	67,152
- Other	10,234	7,916
Sub Total Other Investment Funds	**178,380**	**152,565**
Cash and cash equivalents	12,363	32,833
Total Assets	**442,841**	**459,885**

Basis for Estimating Assets and Liabilities

The Council's share of the net obligations of the Falkirk Pension Fund is an estimated figure based on actuarial assumptions about the future and is a snapshot at the end of the financial year. The net obligation has been assessed using the "projected unit method", that estimates that the pensions will be payable in future years dependent upon assumptions about mortality rates, salary levels and employee turnover rates.

The fund's obligation has been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates based on data as at 31 March of each financial year. The significant assumptions used by the actuary are shown in the table below. The note includes a sensitivity analysis for the pension obligation based on reasonably possible changes in these assumptions occurring at the reporting date.

	2023/24	2024/25
Long-term expected rate of return on assets in the fund		
Equity investments	4.80%	5.80%
Bonds	4.80%	5.80%
Property	4.80%	5.80%
Cash	4.80%	5.80%

Mortality assumptions	2023/24 Years	2024/25 Years
Longevity at 65 for current pensioners (years):		
Men	20.3	20.2
Women	23.3	23.2
Longevity at 65 for future pensioners (years):		
Men	20.8	20.7
Women	24.8	24.8

Inflation assumptions	**2023/24**	**2024/25**
Rate of inflation	2.80%	2.80%
Rate of increase in salaries	3.30%	3.30%
Rate of increase in pensions	2.80%	2.80%
Rate for discounting Fund liabilities	4.80%	5.80%

LGPS liabilities are sensitive to the actuarial assumptions set out in the table below. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The method and types of assumption used in preparing the sensitivity analysis below did not change from this used in the previous period.

Changes in assumptions

	Increase to Employer %	**Monetary Amount £'000's**
0.1% Decrease in Real Discount Rate	2%	5,794
1 year increase in member life expectancy	4%	13,826
0.1% increase in the Salary Increase Rate	0%	382
0.1% increase in the Pension Increase Rate	2%	5,568

Virgin Media Court Ruling

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

Goodwin

The remedy for the Goodwin ruling in relation to the past underpayment of spouses' benefits is still uncertain. The pension fund actuary has estimated that the impact is expected to be small at 0.1-0.2% for a typical fund. For Clackmannanshire this would equate to £0.346m to £0.692m. When weighing the fact that the remedy is still uncertain and the estimate is of small value, against the level of additional work that would be required, the actuary has not deemed it necessary or appropriate to make an adjustment for 2024/25 and no adjustment has been made to the figures noted above.

Impact on the Authority's Cash Flow

The objectives of the LGPS are to keep employers' contributions at a constant rate where possible. The employers' contribution rates per the triennial valuation on the fund at 31 March 2023 are shown in the table below:

	2023/24	2024/25	2025/26	2026/27
	Valuation March 2020	Valuation March 2023		
Employer Contribution rates	23%	19.5%	19.5%	19.5%

The total contributions expected to be made by Clackmannanshire Council to Falkirk Pension Fund in the year to 31 March 2026 is £9.846m.

Note 36 – Contingent Liabilities

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

Insurance
Prior to local government reorganisation in 1996, Central Regional Council and Clackmannan District Council, entered into a solvent run-off arrangements with their insurer, MMI, with the aim of having sufficient assets to meet outstanding insurance claims. The outcome of recent litigation has triggered the Scheme of Arrangement and created a financial liability for Clackmannanshire Council as successor Council. The Council has made a provision, as detailed in Note 20, which is deemed sufficient based on the latest estimate of any future claims. However, should additional claims arise over and above the remaining provision, there remains potential for an increase in provision. At the time of preparing these accounts the timing and amount of any further liability in relation to MMI claims is unknown.

Historic Sexual Abuse Cases
The Council has received claims in relation to historic sexual abuse cases which have been passed to its insurers. It is anticipated that there may be more claims received in the future, particularly in light of the important work of the National Scottish Child Abuse Inquiry and media coverage of other claims. These claims cannot be predicted or quantified at this time, but remain a potential risk as a future liability. The Council is part of the Forth Valley working group coordinated by SOLACE which is assessing the National Redress Scheme for the impact and consequences for the Council.

Potential litigation as a result of Coalsnaughton major incident
Following the major incident at Coalsnaughton in May 2026, which resulted in the evacuation of 97 residents from their homes, there is the potential for future claims to be made against the Council in respect of losses arising from the incident. The Mining Remediation Authority (MRA) has accepted liability in relation to the incident however, there remains the possibility of claims being brought against the Council arising from its previous involvement as planning authority and as a former owner

of a number of the affected properties through the LLP established in connection with the National Housing Initiative.

At the date of approval of these accounts, the extent of any potential liability to the Council is uncertain and no reliable estimate of the financial impact can be made or on the timing of any potential claim.

Note 37 – Nature and Extent of Risks Arising from Financial Instruments

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

1. Credit Risk
Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied. Details of the Investment Strategy can be found on the Council's website. The Treasury Management Strategy Statement for 2024/25 and Prudential Indicators for 2024/25 to 2026/27 were approved by Full Council on 29 February 2024 and are available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Authority's maximum exposure to credit risk, in relation to its investments in banks and financial institutions of £12.5m, cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution.

Debtors
The Council does not generally give credit to customers. Payment is due in full upon receipt of the invoice and, as such, £2.418m (2023/24 £2.725m) is past its due date for payment. The past due amount can be analysed by age as follows:

	2023/24 £'000	2024/25 £'000
Less than three months	780	527
Three to six months	203	46
Six months to one year	193	155
More than one year	1,549	1,690
Total	**2,725**	**2,418**

During the year £0.125m of debt was written off to the provision against current debt and £0.064m was charged to the Comprehensive Income and Expenditure statement, increasing the provision against current debts to £0.990m.

2. Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has access to a facility to borrow from the Public Works Loans Board. As a result, there is no significant risk that the Council will be unable to raise finance to meets its commitments under financial instruments. The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The Council's policy is to ensure that no more than 25% of loans are due to mature within any financial year through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The maturity structure of financial liabilities is as follows (at nominal value):

Loans Outstanding	**2023/24 £'000**	**2024/25 £'000**
Public Works Loans Board	73,709	88,297
LOBO Loan	5,000	5,000
Market Debt	19,009	18,937
Total	**97,718**	**112,234**

Maturity Structure	**2023/24 £'000**	**2024/25 £'000**
Less than 1 year	475	7,308
Between 1 and 2 years	2,308	412
Between 2 and 5 years	2,512	12,600
Between 5 and 10 years	3,500	3,000
More than 10 years	88,923	88,914
Total	**97,718**	**112,234**

Within the loans maturing in more than 10 years, £18.5 million related to market loans and £5 million to LOBO loans. The market loans had maturity dates ranging from 17 to 30 years. In April 2025, the Council took advantage of an opportunity to redeem these market loans at a substantial discount. LOBO (Lender Option Borrower Option) loans allow the lender to vary the interest rate on predetermined dates. Should the lender exercise this option, the Council may choose to repay the outstanding principal together with any accrued interest.

3. Market Risk

Interest rate risk

The Council is exposed to interest rate risk in two different ways; the first being the uncertainty of interest paid/ received on variable rate instruments, and the second being the affect of fluctuations in interest rates on the fair value of an instrument.

The current interest rate risk for the Council is summarised below:

- Decreases in interest rates will affect interest earned on variable rate investments, potentially reducing income credited to the Comprehensive Income and Expenditure Statement;
- Increases in interest rates will affect interest paid on variable rate borrowings, potentially increasing interest expense charged to the Comprehensive Income and Expenditure Statement;
- The fair value of fixed rate financial assets will fall if interest rates rise. This will not impact the Balance Sheet as assets are held at amortised cost, but will impact the disclosure note for fair value; and
- The fair value of fixed rate financial liabilities will rise if interest rates fall. This will not impact on the Balance Sheet for the majority of liabilities are held at amortised cost but will impact on the disclosure note for fair value.

The Council has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 25% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is reduced by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs. However, this is difficult to quantify as loan charge support is calculated on weighted average interest rates for all local authorities in Scotland.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

As the Council now only have fixed rate borrowing, there will be no impact on the Comprehensive Income and Expenditure Statement due to fluctuations in interest rates.

Price Risk

The Council has no investments held as available for sale and thus has no exposure to loss arising from price movements.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and therefore no exposure to loss arising from movements in exchange rates.

Note 38 – Trust Funds

The Council administers and holds cash on behalf of the following sundry trust funds Trusts are as follows:

	2023/24 £'000	2024/25 £'000
Value of other Charitable Trusts and Endowments	382	392
Total value of all Trusts and Endowments	**382**	**392**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
HOUSING REVENUE ACCOUNT (HRA)
Income and Expenditure Statement for the year ended 31 March 2025

The HRA Income and Expenditure Statement shows the economic cost in the year providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Councils charge rents to cover expenditure in accordance with regulations; this may be different from the accounting costs.

The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2023/24 £'000		2024/25 £'000
	Expenditure	
10,868	Repairs and maintenance	10,962
3,912	Supervision and management	4,256
6,044	Depreciation and impairment of non-current assets	6,842
128	Impairment of debtors	110
594	Other Expenditure	524
21,546	**Total Expenditure**	**22,695**
	Income	
(21,188)	Dwelling Rents	(23,415)
(94)	Non-dwelling rents	(50)
-	Other income	(3)
(21,282)	**Total income**	**(23,468)**
264	**Net Cost of HRA Services**	**(773)**
-	(Gain)/Loss on sale or disposal of HRA fixed assets	-
1,069	Interest payable and similar charges	1,183
(522)	Interest and Investment Income	(124)
(170)	Pensions Interest Costs and expected return on pension assets	(306)
(3,121)	Capital Grants and Contributions Receivable	(1,124)
(2,744)		**(371)**
(2,480)	**Surplus for the year on HRA Services**	**(1,144)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
HOUSING REVENUE ACCOUNT (HRA)
Movement in Housing Revenue Account Statement

2023/24 £'000		2024/25 £'000
(8,715)	**Balance on the HRA at the end of the previous year**	**(1,435)**
(2,480)	Deficit/(Surplus) for the year on the HRA Income and Expenditure Statement	(1,144)
8,592	Adjustments between accounting basis and funding basis under regulations (Note HRA 1)	606
6,112	Net Decrease before transfers to/from Reserves	(538)
1,168	Transfer to the General Fund Reserve	-
1,168	**Transfers to/from Reserves**	**0**
7,280	**(Increase)/Decrease in year on the HRA**	**(538)**
(1,435)	**Balance on the HRA at the end of the current year**	**(1,973)**

HRA 1. Adjustment between Accounting Basis and Funding Basis under Statute

2023/24 £'000		2024/25 £'000
-	Gain on sale and disposal of HRA Non Current Assets	-
10,821	Capital expenditure funded by the HRA (CFCR)	5,574
3,121	Capital Grants contributions that have been applied to capital financing	1,124
-	Capital Grants and Contributions unapplied credited to the CIES	-
	Transfer to/from the Capital Adjustment Account:	
(6,044)	- Depreciation, Amortisation and Impairment	(6,842)
481	- Repayment of Debt	568
158	HRA share of contributions to/from the Pension Reserve	179
55	Amount by which officer remuneration charged to the HRA Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4
8,592		**606**

HRA 2. Housing Stock

The Council's housing stock at 31 March 2025 was 5,073 (31 March 2024 5,045) in the following categories:

2023/24 Number		2024/2025 Number
29	One apartment	29
1,370	Two apartment	1,371
2,245	Three apartment	2,261
1,251	Four apartment	1,262
146	Five apartment	146
4	Six apartment	4
5,045		**5,073**

HRA 3. Rent Arrears

Rent Arrears decreased during the year by £0.300m to a total of £2.079m (2023/24: £2.379m). As a percentage of gross rental income, the arrear represents 8.9% (2023/24: 11%) which is the equivalent to £410 (2023/24: £471) per house.

HRA 4. Impairment of Debtors

In 2024/25 an impairment of £1.907m (2023/24 £2.294m) has been provided in the Balance Sheet for irrecoverable rents, a decrease of £0.387m on the provision in 2023/24.

HRA 5. Rent Lost Due To Empty Properties

Rent loss due to empty properties during the year was £0.547m (2023/24 £0.576m). This is reported within other expenditure in the Income and Expenditure.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Council Tax Income Account for the year ended 31 March 2025

The Council Tax Income Account shows the gross income raised from Council taxes levied and deductions made under Statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the Council.

2023/24 £'000		2024/25 £'000
(34,912)	**Gross Council Tax levied and contributions in lieu**	**(35,038)**
	Deduct	
4,323	Other discounts and reductions	**4,318**
174	Write-off of uncollectable debts and allowance for impairment	**474**
21	Adjustments to previous years Council Tax	**132**
4,180	Council Tax Reduction Scheme	**4,190**
(26,214)	**Net Council Tax Income transferred to General Fund**	**(25,924)**

CTI 1. Council Tax Properties and Council Tax Changes
Occupiers of domestic properties are liable to pay Council Tax. This is a tax levied by local authorities on domestic properties within their area.

Dwellings fall within a valuation band which is determined by the Assessor employed by the Central Scotland Valuation Board. In setting its budget the Council determines the Council Tax level each year. Charges for other bands are proportionate to the Band 'D' figure, which for 2024/25 was £1,410.96 (2023/24 £1,410.96). This remained the same as the previous year.

Valuation Band	Council Tax Charge
	£
A	940.64
B	1,097.41
C	1,254.19
D	1,410.96
E	1,853.84
F	2,292.81
G	2,763.13
H	3,456.85

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Council Tax Income Account for the year ended 31 March 2025

CTI.2 Calculation of the Council Tax Charge Base 2024/25										
number of dwellings (properties)	**A**	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**Total**
	(Disabled)									
	Relief)									
Total number of dwellings	-	6,292	7,358	2,206	2,833	3,501	2,106	944	55	**25,295**
Less exempt dwellings	-	(323)	(249)	(74)	(48)	(53)	(30)	(16)	(6)	**(799)**
Dwellings subject to disabled reduction	-	(22)	(29)	(24)	(23)	(61)	(18)	(4)	(1)	**(182)**
Dwellings subject to tax at this band due to disabled relief	22	29	24	23	61	18	4	1	-	**182**
Less adjustments for single discounts	(3)	(935)	(855)	(247)	(244)	(213)	(78)	(35)	(1)	**(2,610)**
Less adjustments for double discounts	-	(28)	(30)	(15)	(11)	(11)	(3)	(3)	-	**(100)**
Less adjustments for disregarded adults	-	(1)	(1)	-	(1)	(1)	-	(1)	-	**(5)**
Effective number of dwellings after discounts, exemptions and reliefs	**19**	**5,012**	**6,219**	**1,869**	**2,568**	**3,180**	**1,981**	**886**	**47**	**21,782**
Band D equivalent factor (ratio)	5/9	6/9	7/9	8/9	9/9	(473/360)	(585/360)	(705/360)	(882/360)	
Band D equivalent properties Number of Dwellings	11	3,342	4,837	1,661	2,568	4,178	3,219	1,735	115	**21,666**
Less provision for non-collection @ 2.5%										(542)
Council Tax Base 2024/25										**21,124**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Non-Domestic Rates Income Account for the year ended 31 March 2025

The Non-Domestic Rate Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The Statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

2023/24 £'000		2024/25 £'000
(23,937)	**Gross rates levied and contributions in lieu**	**(25,196)**
4,870	Reliefs and other deductions	4,624
1,730	Allowance for impairment of debts and appeals	2,005
(17,337)	**Net Non-Domestic Rate Income**	**(18,567)**
278	Adjustment to previous years' national non-domestic rates	278
(44)	Discretionary Reliefs charged to the General Fund	(45)
(414)	Charges for Voids and Empty Periods charged to the General Fund	(347)
-	Non-Domestic Rates Income Retained by Authority (NDRIS)	11
(17,517)	**Total Non-Domestic Rates Income/Income for Contribution to Non-Domestic Rate Pool**	**(18,670)**

2023/24 £'000		2024/25 £'000
17,517	Contribution to National Non-Domestic Rate Pool	18,670
(17,764)	Distribution from National Non-Domestic Rate Pool	(19,659)
(247)	(Gain)/Loss from National Pool	(989)
(17,764)	**Net NNDR Income per the Comprehensive Income and Expenditure Statement (Note 10)**	**(19,659)**

NDR 1. Net Rateable Value Calculation

The amount paid for NNDR is determined by the rateable value placed on the property by the Assessor multiplied by the rate per pound of £0.498 which is determined each year by the Scottish Government.

NDR 2. Rate Poundages Levied

	2023/24	2024/25
National Non-Domestic Rate	49.8p	49.8p
Intermediate Property Supplement – properties valued > £51,000	1.3p	4.7p
Large Property Supplement – properties valued > £95,000	2.6p	6.1p

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25

Non-Domestic Rates Income Account for the year ended 31 March 2025

NDR 3. Analysis of Rateable Values as at 1 April 2024

Type of Subject	Number of Premises	Rateable Value £'000
Commercial	949	15,047
Industrial	291	20,517
Miscellaneous	487	11,215
Total	**1,727**	**46,779**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Common Good

Summary

Common Good Funds are the assets and income of the former burghs of Scotland and stand separate from other accounts and funds of the Council. The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. The assets incorporated within the Common Good Account comprise the Speirs Centre, Alloa Town Hall and West End Park all within the former burgh of Alloa. There are also currently £9k principal funds held within the Common Good Accounts.

Common Good Comprehensive Income and Expenditure Statement
For the year ended 31 March 2025

2023/24 £'000		2024/25 £'000	2024/25 £'000
	Income		
(323)	Charges for use of premises	(414)	
(323)			**(414)**
	Expenditure		
15	Property Maintenance	107	
111	Utilities	112	
111	Rates	117	
65	Cleaning, land services and refuse collection	56	
20	Insurance	22	
187	Depreciation, Impairment and Revaluations	187	
509			**601**
186	**Cost of Services**		**187**
-	Taxation and Non-Specific Grant Income		-
186	**(Surplus)/Deficit on Provision of Services**		**187**
-	Surplus on revaluation of non-current assets charged to the revaluation reserve		-
186	**Total Comprehensive Income and Expenditure**		**187**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Common Good Balance Sheet
As at 31 March 2025

2023/24 £'000		2024/25 £'000
	Long-Term Assets	
4,792	Property, Plant and Equipment	4,605
	Current Assets	
9	Short-Term Investments	9
4,801	**Net Assets**	**4,614**
(9)	Usable Reserves	(9)
(1,701)	Revaluation Reserve	(1,701)
(3,091)	Funds tied up in Fixed Assets	(2,904)
(4,801)	**Total Reserves**	**(4,614)**

Common Good Movement on Reserves Statement
As at 31 March 2025

	Notes	Usable Reserves	Unusable reserves	Total reserves
2024/25		**£'000**	**£'000**	**£'000**
Balance at 1 April 2024		**(3,100)**	**(1,701)**	**(4,801)**
Movement in reserves during 2024/25				
Total comprehensive income and expenditure		187	-	187
Increase or (decrease) in 2024/25		187	-	187
Balance at 31 March 2025		**(2,913)**	**(1,701)**	**(4,614)**

	Notes	Usable Reserves	Unusable reserves	Total reserves
2023/24		**£'000**	**£'000**	**£'000**
Balance at 1 April 2023		**(3,286)**	**(1,701)**	**(4,987)**
Movement in reserves during 2023/24				
Total comprehensive income and expenditure		186	-	186
Increase or (decrease) in 2023/24		186	-	186
Balance at 31 March 2024		**(3,100)**	**(1,701)**	**(4,801)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Group Financial Statements

The Council has interests in its subsidiary, associates and joint ventures. It participates in these entities by means of Board membership and the provision of funding and management support. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared in addition to single entity financial statements.

The following entities have been consolidated into the Group Financial Statements:

Subsidiary:

- Common Good

Joint Ventures:

- Clackmannanshire and Stirling Integration Joint Board

Associates:

- Central Scotland Valuation Joint Board

Information on how the Council participates in these companies is given in Note 6 to the Group's Financial Statements.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Group Financial Statements

Group Comprehensive Income & Expenditure Statement for the year ended 31 March 2025

This statement combines the Comprehensive Income and Expenditure of the Council with the share of its subsidiary, consolidated on a line-by-line basis and its associates and joint ventures income and expenditure, accounted for using the equity method, to show the group position.

2023/24 Gross Expenditure	2023/24 Gross Income	2023/24 Net Expenditure /(Income)		2024/25 Gross Expenditure	2024/25 Gross Income	2024/25 Net Expenditure /(Income)
£'000	£'000	£'000		£'000	£'000	£'000
98,084	(7,459)	90,625	People	103,189	(9,058)	94,131
25,471	(22,099)	3,372	Partnership & Performance	26,638	(17,677)	8,961
45,295	(13,957)	31,338	Place	44,489	(14,671)	29,818
21,546	(21,282)	264	Housing Revenue Account	25,461	(26,236)	(775)
1,372	(1)	1,371	Corporate Services	1,353	-	1,353
65,497	(39,174)	26,323	Clackmannanshire & Stirling IJB	73,773	(42,917)	30,856
462	-	462	Central Scotland Valuation Joint Board	490	-	490
444	-	444	Common Good	545	-	545
258,171	**(103,972)**	**154,199**	**Group Cost of Services**	**275,938**	**(110,559)**	**165,379**
(210)	-	(210)	Other Operating Expenditure	(39)	-	(39)
9,755	(4,204)	5,551	Financing & Investment Income & Tax Expenditure	8,671	(2,389)	6,282
-	(154,160)	(154,160)	Taxation & Non-Specific Grant Income	-	(163,235)	(163,235)
267,716	**(262,336)**	**5,380**	**Deficit or (surplus) on Provision of Services**	**284,570**	**(276,183)**	**8,387**
		3,252	Share of (surplus) or deficit on provision of services by associates & joint ventures			**(142)**
		8,632	**Group Deficit/(Surplus)**			**8,245**
		(9,548)	Surplus on revaluation of non-current assets including share of subsidiary			-
		3,545	Impairment (gain)/ loss on non-current asset to the revaluation reserve			-
		16,266	Remeasurement of the net defined benefit liability/(asset)			28,553
		225	Share of other comprehensive income of associates & joint ventures			228
		10,488	**Other Comprehensive (Income) and Expenditure**			**28,781**
		19,120	**Total Comprehensive (Income) and Expenditure**			**37,026**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Group Financial Statements
Group Movement in Reserves Statement
For the Year Ended 31 March 2025

This statement shows the movement in the year on the different reserves held by the Council alongside the reserves of the subsidiary, associates and joint ventures that the Council has an interest in to present a total reserves position for the Group.

	Usable Reserves			Unusable Reserves			Total Group Reserves
	Council	Council's share of subsidiary, associates & joint ventures	Group Total	Council	Council's share of subsidiary, associates & joint ventures	Group Total	
2024/25	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 April 2024	**(32,798)**	**(5,603)**	**(38,401)**	**(267,311)**	**(1,870)**	**(269,181)**	**(307,582)**
Movement in Reserves during 2024/25							
Total comprehensive income & expenditure	8,200	45	8,245	28,553	228	28,781	37,026
Adjustments between accounting basis & funding basis under statutory provisions	(3,620)	5	(3,615)	3,620	(5)	3,615	-
Net (increase)/decrease before transfers	**4,580**	**50**	**4,630**	**32,173**	**223**	**32,396**	**37,026**
Transfers to/from Earmarked Reserves	215	-	215	(215)	-	(215)	-
(Increase)/decrease in 2024/25	**4,795**	**50**	**4,845**	**31,958**	**223**	**32,181**	**37,026**
Balance at 31 March 2025	**(28,003)**	**(5,553)**	**(33,556)**	**(235,353)**	**(1,647)**	**(237,000)**	**(270,556)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25

Group Financial Statements
Group Movement in Reserves Statement
For the Year Ended 31 March 2024

	Usable Reserves			Unusable Reserves			Total Group Reserves
	Council	Council's share of subsidiary, associates & joint ventures	Group Total	Council	Council's share of subsidiary, associates & joint ventures	Group Total	
2023/24	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 April 2023	**(34,126)**	**(9,069)**	**(43,195)**	**(281,440)**	**(2,067)**	**(283,507)**	**(326,702)**
Movement in Reserves during 2023/24							
Total comprehensive income & expenditure	5,194	3,438	8,632	10,263	225	10,488	19,120
Adjustments between accounting basis & funding basis under statutory provisions	7,953	28	7,981	(7,953)	(28)	(7,981)	-
Net (increase)/decrease before transfers	**13,147**	**3,466**	**16,613**	**2,310**	**197**	**2,507**	**19,120**
Transfers to/from Earmarked Reserves	(11,819)	-	(11,819)	11,819	-	11,819	-
(Increase)/decrease in 2023/24	**1,328**	**3,466**	**4,794**	**14,129**	**197**	**14,326**	**19,120**
Balance at 31 March 2024	**(32,798)**	**(5,603)**	**(38,401)**	**(267,311)**	**(1,870)**	**(269,181)**	**(307,582)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2024/25
Group Financial Statements
Group Balance Sheet as at 31 March 2025

The Group Balance sheet shows the value of the Group combining Clackmannanshire Council's assets and liabilities with its share of the assets and liabilities of those entities in which the Council has an interest.

31 March 2024 £'000		31 March 2025 £'000
414,277	Property, Plant & Equipment	424,205
805	Heritage Assets	1,110
7,569	Investment Properties	7,633
541	Intangible Assets	1,851
1	Long-Term Investments	1
2,465	Investments in Associates and Joint Ventures	2,562
15,339	Pensions Asset	-
208	VJB Assets	24
1	Long-Term Debtors	39
441,206	**Non-Current Assets**	**437,425**
160	Investment Properties held for Sale	160
608	Inventories	658
16,858	Short-Term Debtors	15,850
8,175	Short-Term Investments	14,234
4,295	Cash and Cash Equivalents	1,104
30,096	**Current Assets**	**32,006**
(30,715)	Short-Term Creditors	(31,597)
(72)	Provisions	-
(2,591)	Short-Term Borrowings	(29,049)
(33,378)	**Current Liabilities**	**(60,646)**
(91)	Provisions	(138)
(97,243)	Long-Term Borrowing	(85,989)
(33,008)	Other Long-Term Liabilities	(41,256)
-	Pension Liabilities	(10,846)
(130,342)	**Long-Term Liabilities**	**(138,229)**
307,582	**Net Assets**	**270,556**
(38,401)	Usable Reserves	(33,556)
(269,181)	Unusable Reserves	(237,000)
(307,582)	**Total Reserves**	**(270,556)**

The unaudited financial statements were issued on 31 October 2026.

Lindsay Sim
Chief Finance Officer

Notes to the Group Financial Statements

Note 1 Group Accounting Policies

In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared in addition to single entity financial statements. The Financial Statements for the Group have been prepared in accordance with the Accounting Policies specified for the Council's Financial Statements and are set out in Note 1 of this document.

Note 2 Disclosure of Interest in Other Entities

The Council has adopted the recommendations of the Code, which requires local authorities to consider their interests in all types of entity to incorporate into Group Financial Statements. Group accounts have been prepared using the following basis:

- subsidiaries – consolidated on a line-by-line basis; and
- associates and joint ventures – using the equity method of accounting.

A full set of Group Financial Statements with the exception of a Cash Flow Statement, has been prepared and presented in the pages above, incorporating material balances from identified associates. The Cash Flow Statement presented alongside the Council's single entity financial statements also represents the Group's cash flows as there are no material differences between the two.

Note 3 Group Entities

The accounting period end for the entities below is for the year end 31 March. Financial information up to 31 March was obtained and accounted for in the Group accounts. The dates of these accounts are included below.

The Group Accounts consolidate the results of other entities:

- The Common Good Fund has been consolidated in full as a subsidiary (31/03/25);
- Central Scotland Valuation Joint Board has been incorporated as an associate with a 15.7% share of total requisitions (31/03/25); and
- Clackmannanshire & Stirling Integration Joint Board has been incorporated as a joint venture with a 25% voting share (31/03/25).

The Council also has an interest in CSBP Clackmannanshire Investments Limited as a joint venture. On assessment of the financial information, the total net assets are below materiality level and the financial information is not consolidated into the Group Financial Statements. At a General Meeting of the company on 8 October 2024, a Special Resolution that the company be wound up voluntarily was passed.

The Council had an interest in Coalsnaughton NHT 2012 LLP as an associate until 19 March 2024 when the LLP was dissolved. On assessment of the financial information, the total net assets are below materiality level and the financial information is not consolidated into the Group Financial Statements.

The individual accounts relating to these entities are published separately and are available from Companies House or the Chief Finance Officer, Kilncraigs, Alloa, FK10 1EB.

Notes to the Group Financial Statements (continued)

With regard to the Joint Boards, the Council's interest reflects the requisition share paid by the Council. There is no requirement to account for goodwill as no consideration was paid for such interests.

The Council holds no shares in the bodies governed by these Boards.

The Joint Boards have a wide range of functions to discharge, and members of each Board are elected Councillors and are appointed by the Council in proportions specified in the legislation.

Under accounting standards guidance, the Council can be seen to have significant influence over these statutory bodies, through nominated Council Member involvement in the bodies' governing Boards. The Boards are included within the Group Accounts even when the Council's interest in these bodies is less than the 20% that is normally presumed to represent significant influence.

The Council has accounted for its interest in its joint venture using the equity method of accounting. The consideration paid by the Council equalled the fair value of assets and liabilities acquired, and therefore no goodwill arose on acquisition.

Note 4 Non-Material Interest in Other Entities

Until the LLP was dissolved on 19 March 2024, the Council previously recognised Coalsnaughton NHT 2012 LLP as an associate. The Council was one of four members of the LLP (25%). The Council made no contribution to the associate in 2023/24 and the financial information from this associate has not been consolidated into the Group Financial Statements as it is considered immaterial to the understanding of the accounts.

The Council recognises CSBP Clackmannanshire Investments Limited as a joint venture. The council has two elected members of the Council who sit on the board of directors. No funds were received in 2024/25 or 2023/24 however a full and final dividend of £20k was received by the Council in 2025/26. The Council made no contribution to the joint venture in the 2024/25 or 2023/24 financial years and the financial information from this joint venture has not been consolidated into the Group Financial Statements as it is considered immaterial to the understanding of the accounts.

The Council also has an interest in SEEMIS Group LLP and Scotland Excel. The financial results of the organisations have not been consolidated into the Council's Group Accounts as they are considered immaterial to the understanding of the accounts.

Note 5 Financial Impact of Group Consolidation

The effect of inclusion of the Subsidiary (Common Good), Associate, Joint Ventures and entities on the Group Balance Sheet is to increase both the Reserves and Net Assets by £7.200m (2023/24 £7.473m) representing the Council's net asset in the consolidating entities.

Notes to the Group Financial Statements (continued)

Note 6 Financial Results of Associates and Joint Ventures
The Council has interests in its subsidiary, associates and joint ventures. It participates in these entities by means of Board membership and the provision of funding and management support.

Subsidiary:

- **Common Good – the Common Good is administered and fully controlled by Clackmannanshire Council.**
  Common Good is treated as a subsidiary within the Council's Group accounts with assets, liabilities, reserves, income and expenditure being consolidated line-by-line.

The income and charges made in the year by the Council for services provided can be seen in the Common Good statements included in these accounts.

Joint Ventures:

- **Clackmannanshire and Stirling Integration Joint Board**
  The Clackmannanshire and Stirling Integration Joint Board (IJB) is a statutory body established to integrate health and social care services between Clackmannanshire Council, Stirling Council and NHS Forth Valley. The contribution provided by Clackmannanshire Council to the IJB in 2024/25 was £28.833m (2023/24 £26.208m). The IJB Board comprises twelve voting members with three elected members of Clackmannanshire Council (25% voting share).

Associates:

- **Central Scotland Valuation Joint Board**
  The Central Scotland Valuation Joint Board (VJB) is the statutory body responsible for maintaining the electoral, council tax and non-domestic rate register for Clackmannanshire, Stirling and Falkirk Councils. The contribution made by Clackmannanshire Council to the board for 2024/25 was £0.490m (2023/24 £0.462m). The VJB board comprises fifteen voting members with three elected members of Clackmannanshire Council representing 20% voting share. The accounts are consolidated based on the requisition payment share of 15.7%.

- **Coalsnaughton NHT 2012 LLP**
  Under the NHT initiative, the Scottish Futures Trust, Hadden Construction and Clackmannanshire Council (25%) entered into a Limited Liability Partnership (LLP) to purchase newly-built homes so they could be made available for rent at 'mid market' rates, for a period of up to 10 years. All housing units were sold to Kingdom Housing Association on 7th March 2021 and the investment was fully repaid to the Council on that date. This associate was dissolved on 19 March 2024 and is not included within the Group Financial Statements for 2023/24 as it is considered immaterial to the understanding of the accounts.

CLACKMANNANSHIRE COUNCIL
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Group Financial Statements

The following table represents the Group's share of key financial information included within the Group statements, extracted from the accounts of the above entities for 2024/25

	Central Scotland VJB		Clackmannanshire and Stirling IJB		Common Good	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
Gross Income	(475)	(522)	(2,131)	(2,520)	(323)	(414)
Gross Expenditure	534	486	70,337	75,428	509	601
Financing & Investment Income & Expenditure	(23)	(9)	(64,989)	(73,005)	-	-
(Surplus)/Deficit on Provision of Services	36	(45)	3,217	(97)	186	187
Other Comprehensive Income/Expenditure	225	228	-	-	-	-
Non-current assets	208	71	-	-	4,792	4,605
Current assets	123	171	2,465	2,562	9	9
Current liabilities	(82)	(95)	-	-	-	-
Long-term liabilities	(8)	(71)	-	-	-	-
Pension liabilities	(33)	(52)	-	-	-	-