



**Clackmannanshire
Council**

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Greenfield, Alloa, Scotland, FK10 2AD (Tel.01259-450000)

Clackmannanshire Council

Thursday 29 September 2011 at 9.30 am

Venue: Council Chamber, Greenfield, Alloa, FK10 2AD

Date	Time
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Clackmannanshire Council

There are 32 Unitary Councils in Scotland. Clackmannanshire Council is the smallest mainland Council. Eighteen Councillors are elected to represent the views of the residents and businesses in Clackmannanshire. The Council has approved Standing Orders that detail the way the Council operates. Decisions are approved at the 6 weekly meetings of the full Council and at Committee Meetings.

The Council is responsible for approving a staffing structure for the proper discharge of its functions, approving new policies or changes in policy, community planning and corporate governance including standards of conduct. Co-option of religious representatives in respect of Education policy decisions is also a Council responsibility.

The Council has further responsibility for the approval of budgets for capital and revenue expenditure, it also has power to make, alter or cancel any scheme made under statute and to make, alter or cancel any orders, rules, regulations or bye-laws and to make compulsory purchase orders. The Council also determines the level of Council Tax and approves recommendations relating to strategic economic development.

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

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

If you require further information about Council or Committee meetings, please contact Finance and Corporate Services by e-mail at customerservice@clacks.gov.uk or by telephone on 01259 452106 or 452004.

21 September 2011

A MEETING of the CLACKMANNANSHIRE COUNCIL will be held within the Council Chamber, Greenfield, Alloa, FK10 2AD, on THURSDAY 29 SEPTEMBER 2011 at 9.30 am.

NIKKI BRIDLE
Director of Finance and Corporate Services

B U S I N E S S

PRESENTATION of AWARD at 9.15 am

2011 Association of Public Service Excellence (APSE) National Service Awards:

Imagine Alloa - Winner of Best Community and Neighbourhood Initiative

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Clackmannanshire Council – Councillors and Wards

Councillors		Wards		
Councillor	Eddie Carrick	1	Clackmannanshire West	LAB
Councillor	George Matchett, QPM	1	Clackmannanshire West	LAB
Councillor	Tina Murphy	1	Clackmannanshire West	SNP
Councillor	Janis Paterson	1	Clackmannanshire West	SNP
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	John S Biggam	2	Clackmannanshire North	SLD
Councillor	Walter McAdam, MBE	2	Clackmannanshire North	SNP
Councillor	Robert McGill	2	Clackmannanshire North	LAB
Councillor	Sam Ovens	3	Clackmannanshire Central	LAB
Provost	Derek Stewart	3	Clackmannanshire Central	LAB
Councillor	Gary Womersley	3	Clackmannanshire Central	SNP
Councillor	Janet Cadenhead	4	Clackmannanshire South	LAB
Councillor	Kenneth Earle	4	Clackmannanshire South	LAB
Councillor	Mark English	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	IND
Councillor	Alastair Campbell	5	Clackmannanshire East	CON
Councillor	Irene Hamilton	5	Clackmannanshire East	SNP
Councillor	Harry McLaren	5	Clackmannanshire East	LAB

Religious Representatives

Reverend Mhairi Lovett	Church of Scotland
Father Michael Milton	Roman Catholic Church



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**THIS PAPER RELATES TO
ITEM 3
ON THE AGENDA**

MINUTE OF MEETING of the CLACKMANNANSHIRE COUNCIL held within the Council Chamber, Greenfield, Alloa, FK10 2AD, on THURSDAY 18 AUGUST 2011 at 9.30 am.

PRESENT

Provost Derek Stewart (Chair)
Councillor Donald Balsillie
Councillor John Biggam
Councillor Janet Cadenhead
Councillor Alastair Campbell
Councillor Eddie Carrick
Councillor Kenneth Earle
Councillor Craig Holden
Councillor George Matchett, QPM
Councillor Walter McAdam, MBE
Councillor Bobby McGill
Councillor Harry McLaren
Councillor Tina Murphy
Councillor Reverend Sam Ovens
Councillor Janis Paterson
Councillor Gary Womersley

IN ATTENDANCE

Angela Leitch, Chief Executive
Nikki Bridle, Director of Finance and Corporate Services
Garry Dallas, Director of Services to Communities
Deirdre Cilliers, Joint Head of Social Services
Stephen Crawford, Head of Facilities Management
Martin Dunsmore, Accounting and Budgeting Manager
Belinda Greer, Joint Head of Education
Julie Hamilton, Strategy and Support Manager
Elaine McPherson, Head of Strategy and Customer Services

INTIMATION

On behalf of the Council, the Provost paid tribute to two members of staff who had recently passed away and extended condolences to the families and friends of both.

"Des Gallagher worked for the Council for 22 years. He passed away suddenly at the age of 52. During his time with the Council, Des worked in a variety of roles in education as a youth and community worker and latterly in Strategy and Customer Services.

Mark Carey worked for the Council for 8 years. He passed away suddenly at the age of 45. During his time with the Council, Mark was the systems accountant within the Accountancy Team."

CC.42 APOLOGIES

Apologies for absence were received from Councillor Mark English and Councillor Irene Hamilton.

CC.43 DECLARATIONS OF INTEREST

Councillors Craig Holden and Janet Cadenhead declared an interest in item 10 on the agenda (Proposed Acquisition of Former Health Centre Site, Marshall, Alloa). (CC.51)

CC.44 MINUTE OF MEETING: CLACKMANNANSHIRE COUNCIL 30 JUNE 2011

The minute of the meeting held on 30 June 2011 was submitted for approval.

Decision

The minute of the meeting of the Clackmannanshire Council held on 30 June 2011 was approved as a correct record of the proceedings and signed by the Provost.

CC.45 ALLOA FOOTBALL AND ATHLETIC CLUB LTD - SPONSORSHIP REQUEST

A report submitted by the Chief Executive advised the Council of a request for sponsorship from Alloa Football and Athletic Club Ltd and sought a decision from Council on this request.

The Provost had received a request from the local football club that the Council provide sponsorship totalling £12,000 over the coming two seasons, equating to £7,000 in the current financial year and £5,000 in financial year 2012-13. The sponsorship money would be used to enhance the community projects run by the club, with a particular focus on school visits and the involvement of young people.

Motion

That Council approves the request from Alloa Football and Athletic Club Ltd for sponsorship totalling £12,000, over the coming two seasons, equating to £7,000 in the current financial year and £5,000 in financial year 2012-13.

Moved by Councillor Bobby McGill. Seconded by Councillor Kenneth Earle.

Amendment

That the matter be deferred to allow a more comprehensive business case to be submitted to Council; the Business Case to set out how sponsorship will dovetail with the Council's Leisure Strategy, how it will enhance the Council's Single Outcome Agreements and highlight any additional elements.

Moved by Councillor Gary Womersley. Seconded by Councillor Donald Balsillie.

Voting

On a division, the amendment was defeated by 9 votes to 7 with no abstentions.

Councillor Craig Holden asked for a roll call vote. The Council agreed that a vote be taken by calling the roll and at this stage there were 16 Members present who were eligible to vote. On the roll being called the Members present voted as follows:-

For the Motion (9)

Provost Derek Stewart
Councillor George Matchett, QPM
Councillor Reverend Sam Ovens
Councillor Bobby McGill
Councillor Janet Cadenhead
Councillor Kenneth Earle
Councillor Harry McLaren
Councillor Eddie Carrick
Councillor Alastair Campbell

Against the Motion (5)

Councillor John Biggam
Councillor Craig Holden
Councillor Walter McAdam, MBE
Councillor Tina Murphy
Councillor Janis Paterson

Abstain from Voting (2)

Councillor Donald Balsillie
Councillor Gary Womersley

Decision

The motion was carried by 9 votes to 5 with 2 abstentions, and accordingly the Council agreed:

- To provide sponsorship to Alloa Football and Athletic Club Ltd totalling £12,000 over the coming two seasons, equating to £7,000 in the current financial year and £5,000 in financial year 2012-13.

Action

Chief Executive

CC.46 REVIEW OF DEBTORS 2010/11

A report submitted by the Director of Finance and Corporate Services provided Council with an update on council income collection rates, arrears positions and provided recommendations for writing off those arrears classified as irrecoverable or 'bad debts'. The report also set out the main improvement actions currently being developed by the service to improve on performance.

The last write off exercise was undertaken in 2008/09; the Finance Strategy states that debts should be written off annually and this policy will be included within the revised Corporate Debt and Write Off Policies which are anticipated to be presented to Council for approval before Christmas 2011.

Motion

That Council notes the trends in income collection levels and arrears positions, approves the write off of £2,792,430 and notes the proposed priority developments and improvements in respect of the Council's corporate recovery arrangements.

Moved by Councillor Bobby McGill. Seconded by Councillor Harry McLaren.

Decision

The motion was carried by 11 votes to 5 with 0 abstentions, and accordingly the Council agreed:

- to note the trends in income collection levels and arrears positions
- to approve the write off of £2,792,430
- to note the proposed priority developments and improvements in respect of the Council's corporate recovery arrangements.

Action

Director of Finance and Corporate Services.

CC.47 ANNUAL TREASURY REPORT

A report submitted by the Director of Finance and Corporate Services detailed Treasury Management activities for the Council for 2010/11.

At its meeting on 16 December 2010, the Council agreed to adopt CIPFA's 2009 Treasury Management in the Public Service Code of Practice and Cross Sectoral Guidance Notes as a basis for Treasury Management by Clackmannanshire Council. In addition, the Council adopted CIPFA's new Prudential Code and approved the Investment Strategy to be implemented as required for 2010/11 and 2011/12.

The need to prepare a Treasury Management Annual Report is a requirement of the revised Treasury Management in the Public Services Code of Practice.

Motion

That Council notes and reviews the Annual Report on 2010/11 Treasury Management activities for Clackmannanshire Council

Moved by Councillor Bobby McGill. Seconded by Councillor Kenneth Earle.

Decision

The Council agreed unanimously to note and review the Annual Report on 2010/11 Treasury Management activities for Clackmannanshire Council.

- In line with Standing Order 10.24, the Provost adjourned the meeting at this point in the proceedings (11.20 am). The meeting resumed at 11.30 am; there were 15 members present at this point.

CC.48 AMENDMENTS TO COUNCIL STANDING ORDERS (PETITIONS AND MULTIPLE AMENDMENTS)

A report submitted by the Head of Strategy and Customer Services asked Council to note the progress in reviewing Standing Orders in relation to the handling of petitions and multiple amendments.

At its meeting on 30 June 2011, Council approved a number of amendments to Standing Orders and noted that further information on how other local authorities deal with petitions and multiple amendments would be sourced and that a report would come forward to this meeting on the matter.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Reverend Sam Ovens. Seconded by Councillor George Matchett, QPM.

Decision

The Council agreed unanimously:

- to note that background information on how other authorities handle petitions and multiple amendments has been sourced.
- that a briefing for all elected members takes place to review the background information in a Clackmannanshire context
- to note, as required under Standing Order 21.7, that any potential changes to Standing Orders will be brought before the next meeting of the Council.

Action

Head of Strategy and Customer Services

CC.49 REVIEW OF CLACKMANNANSHIRE COUNCIL CORPORATE HEALTH AND SAFETY POLICY STATEMENT

A report submitted by the Health and Safety Adviser provided the Council with the recently reviewed Council Corporate Health and Safety Policy statement for consideration and authorisation.

The audit of Health and Safety Management within the Council (completed November 2009) recommended that the Corporate Health and Safety Policy Statement be formally approved by senior management and by Council. The legal requirement for organisations (with five or more employees) to compile a written Health and Safety policy is detailed in the Health and Safety at Work etc Act 1974 section 2(3).

Motion

That Council notes the information set out in the policy and authorises it for distribution to all staff.

Moved by Councillor Bobby McGill. Seconded by Councillor Kenneth Earle.

Decision

The Council agreed unanimously to note the information set out in the policy and to authorise it for distribution to all staff.

Action

Head of Strategy and Customer Services

- Councillor Balsillie returned to the meeting at this point in the proceedings (11.35 am). There were 16 members present at this point.

CC.50 CLACKMANNANSHIRE LOCAL PLAN 1ST ALTERATION (HOUSING LAND) FINALISED PLAN - CONSIDERATION OF THE EXAMINATION REPORT AND PLAN ADOPTION

A report submitted by the Head of Community and Regulatory Services summarised the Examination Report into the unresolved objections to the Clackmannanshire Local Plan 1st Alteration Finalised Plan (Housing Land), and sought agreement to incorporate those findings into the Alteration in order that it can be adopted by the Council.

The Examination Report was prepared by a Reporter from the Directorate of Planning and Environmental Appeals and appointed by Scottish Ministers. The Reporter's recommendations are generally binding on the Council with only a limited number of grounds on which a planning authority may decline to make modifications, none of which apply to this Plan.

Motion

That Council agrees the recommendations set out in the report.

Moved by councillor Eddie Carrick. Seconded by Councillor Alastair Campbell.

Decision

The Council agreed unanimously to:

- implement the Reporter's recommendations contained in their report and amend the Local Plan Alteration accordingly (Appendix 1 of the report).
- proceed to adopt the Local Plan Alteration after the amendments have been made.

Action

Director of Services to Communities

Declarations of Interest

Councillors Craig Holden and Janet Cadenhead declared an interest in the following item of business and withdrew from the Council Chamber during consideration of, and voting on, the proposed acquisition of the former health centre site at Marshall, Alloa.

Councillor Craig Holden declared an interest as an employee of NHS Forth Valley and Councillor Janet Cadenhead as a member of Forth Valley NHS Board.

CC.51 PROPOSED ACQUISITION OF FORMER HEALTH CENTRE SITE, MARSHILL, ALLOA

A report submitted by the Head of Facilities Management sought approval of terms to acquire an area of ground comprising the site of the former Health Centre at Marshall, Alloa.

The principle of the acquisition was agreed by Council on 30 June 2011 as part of the Vacant/Surplus Council Land and Buildings Sales and Acquisition Strategy. Acquisition of the site will facilitate enlargement of the Council's strategic property asset at Marshall for future development and investment purposes. This was a priority within the approved Alloa Town Centre Strategy.

Motion

That Council approves the purchase of 1.56 acres at Marshall from the NHS for the sum of £300,000.

Moved by Councillor Eddie Carrick. Seconded by Councillor George Matchett.

Decision

The Council agreed unanimously to:

- approve the purchase of 1.56 acres at Marshall, Alloa, from the NHS for the sum of £300,000

Action

Head of Facilities Management

- Councillor Craig Holden and Councillor Janet Cadenhead returned to the meeting at this point in the proceedings (11.56 am)

CC.52 CHIEF SOCIAL WORK OFFICER REPORT

A report submitted by the Chief Social Work Officer updated Council on the key duties undertaken by the Chief Social Work Officer over the past year and outlined key developments for Social Work Services over the coming year.

In addition, the report highlighted significant changes which are impacting on Social Work. The responsibilities for the Chief Social Work Officer include Child Care, Criminal Justice and Adult Care Services. The duties require an overview of internal and external social work service delivery and include statutory decisions, professional advice, monitoring and support.

Motion

That Council notes the information set out in the report.

Moved by Councillor Janet Cadenhead. Seconded by Councillor Kenneth Earle.

Decision

The Council agreed unanimously to note the information set out in the report.

- Councillor George Matchett, QPM, withdrew from the meeting at this point in the proceedings (12.15 pm).

CC.53 NOTICE OF MOTION IN TERMS OF STANDING ORDER 16: PROPOSED CHANGES TO THE HOUSING BENEFIT SYSTEM

A notice of motion in terms of Standing Order 16 was submitted by Councillor Tina Murphy. The notice was signed by Councillors Murphy, Womersley, Paterson, Balsillie, English and McAdam.

Motion

That Council writes to the Westminster Government expressing our concerns with the proposed changes to the Housing Benefit system and the effect that such changes will have on our tenants and also on the income derived from said benefits to Council.

Also, that part of the proposed changes would contravene the Scottish Secure Tenancy Agreement. That we believe that such changes will give rise to debt and increase levels of the homeless.

Moved by Councillor Tina Murphy. Seconded by Councillor Gary Womersley.

Amendment

Addendum - That Council calls upon the Scottish Government to honour its Manifesto commitment to provide financial support for the building and delivery of 6,000 social houses per year over the life time of the current Parliament.

Moved by Councillor Reverend Sam Ovens. Seconded by Councillor Bobby McGill.

In terms of Standing Order 10.23, the Provost adjourned the meeting at this point in the proceedings (12.35 pm) to allow members opportunity to consider the amendment. The meeting resumed at 12.40 pm. There were 14 members present when the meeting resumed; Councillor Alastair Campbell withdrew from the meeting during the adjournment.

Voting

There were 7 votes for the amendment and 7 votes against the amendment.

Decision

In terms of Standing Order 14.4, the amendment was carried on the casting vote of the Provost, and accordingly the Council agreed the motion as amended:

- To write to the Westminster Government expressing Council's concerns with the proposed changes to the Housing Benefit system and the effect that such changes will have on its tenants and also on the income derived from said benefits to Council. Also, that part of the proposed changes would contravene the Scottish Secure Tenancy Agreement. That we believe that such changes will give rise to debt and increase levels of the homeless.
- To call upon the Scottish Government to honour its Manifesto commitment to provide financial support for the building and delivery of 6,000 social houses per year over the life time of the current Parliament.

Action

Chief Executive

As this was the last meeting of the Clackmannanshire Council that the Chief Executive would attend before taking up a new post, the Provost passed on personal congratulations and, on behalf of the Council, thanked Angela Leitch and wished her every success in her new post as Chief Executive of East Lothian Council.

On behalf of the political groups, Councillors Rev Ovens, Womersley, Holden, Biggam, Cadenhead and Balsillie also wished the Chief Executive well in her new post.

The Chief Executive thanked the Council and paid tribute to the management team.

ENDS 1.05 pm

Report to : Council

Date of Meeting: 29 September 2011

**Subject: External Audit Report on Statement of Accounts 2010/11
and Audited Statement of Accounts 2010/11**

Report by: Director of Finance & Corporate Services

1.0 Purpose

- 1.1. This report presents to Council the report by our external auditors Grant Thornton on the audit of the Council's accounts for 2010/11. This is included as Appendix 1, titled 'Key Issues Memorandum'.
- 1.2. Following the conclusion of the audit, the Statement of Accounts for the year ended 31st March 2011 are included for approval as Appendix 2.

2.0 Recommendations

- 2.1. That the Council notes the content of the external audit report.
- 2.2. That the Council approves the audited Accounts for 2010/11.

3.0 Considerations

- 3.1. A draft set of unaudited accounts was presented to Council at its meeting on 30th June 2011.
- 3.2. Our external auditors, Grant Thornton, have now completed the audit of these draft statements, and their report on the accounts '*Key Issues Memorandum*', is included at Appendix 1. Section 2 of their report highlights the financial results and their comments on the main issues. Section 3 covers the main matters identified during the audit. Section 4 notes all the adjustments made to the draft accounts following the audit, and Section 5 highlights three issues and risks together with the Council's management response.
- 3.3. It will be noted at paragraph 1.3 of Grant Thornton's report that they give an unqualified opinion on the Council's 2010/11 financial statements. The External Auditors have also highlighted the quality and relatively small number of adjustments required by their audit.
- 3.4. Following the completion of the audit, the Statement of Accounts have been revised to include the adjustments referred to within the auditors report.

- 3.5. It is the intention of Grant Thornton to attend this Council meeting to give members the opportunity to ask questions on their report.

4.0 Sustainability Implications

- 4.1. N/A

5.0 Resource Implications

5.1. Financial Details

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

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

5.4. Staffing - none

6.0 Exempt Reports

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

7.0 Declarations

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

- (1) **Our Priorities 2008 - 2011** (Please double click on the check box ☒)

- | | |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses | <input type="checkbox"/> |
| Our communities are more cohesive and inclusive | <input type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer | <input type="checkbox"/> |
| Vulnerable people and families are supported | <input type="checkbox"/> |
| Substance misuse and its effects are reduced | <input type="checkbox"/> |
| Health is improving and health inequalities are reducing | <input type="checkbox"/> |
| The environment is protected and enhanced for all | <input type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | <input checked="" type="checkbox"/> |

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

8.0 Equalities Impact

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

9.0 Legality

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

10.0 Appendices

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

Key Issues Memorandum - Grant Thornton

Audited Statement of Accounts 2010/12

11.0 Background Papers

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

Draft Statement of Accounts 2009/10 – report by Finance Manager to Special Council meeting, 23rd June 2010.

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Martin Dunsmore	Accounting & Budgeting Manager	2041

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Director of Finance and Corporate Services	Nikki Bridle (signed)

Clackmannanshire Council
Report on the 2010-11 Accounts Audit
31 March 2011
Draft for discussion

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To Clackmannanshire Council

The purpose of this memorandum is to highlight the key issues affecting the results of the Council and the preparation of the Council's financial statements for the year ending 31 March 2011. It is also used to report to management to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) 260.

We take responsibility for this memorandum, which has been prepared on the basis of the limitations set out in 'The small print' (Appendix B).

This is the final year of our appointment as external auditors to the Council. We would like to take this opportunity to record our appreciation for the kind assistance provided by the members, finance team and other staff during the period of our appointment.

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1 Executive summary

1.1 Introduction

This report has been prepared for the benefit of discussion between Grant Thornton UK LLP and Clackmannanshire Council (the Council). The purpose of this report is to highlight the key issues arising from the audit of the Council's financial statements for the year ending 31 March 2011.

This report meets the mandatory requirements of International Standard on Auditing 260 (ISA 260) to report the outcome of the audit to 'those charged with governance', designated as the Scrutiny Committee and the Council. The requirements of ISA 260, and how we have discharged them, are set out in more detail at Appendix A.

The Council is responsible for the preparation of financial statements which record its financial position as at 31 March 2011, and its income and expenditure for the year then ended. We are responsible for undertaking an audit and reporting whether, in our opinion, the Council's financial statements present a true and fair view of the financial position.

1.2 Financial Results

The Council reported a surplus on the Statement of Comprehensive Income and Expenditure for 2010-11 of £46.6million (2010 restated: deficit £62.3 million). The net increase on the general fund was £1.16 million.

The total net worth of the Council at 31 March 2011 was £96.8 million (2010 restated: £50.2 million). The significant increase in the net worth position is due to a decrease in the Council's pension liability by £43.4 million due, in part, to the Consumer Price Index (CPI) replacing the Retail Price Index (RPI) as the measure of pension inflation. For the year

ending 31 March 2011, the Council had a total general fund reserve balance of £9.129 million, of which £5.505 million was earmarked for specific purposes. Un-earmarked reserves of £3.624 million are equal to 2.95% of the Council's budgeted net expenditure for 2011-12, which is in line with the Council's reserves policy in the range of 2% to 4%.

1.3 Financial Statements

We expect to give an unqualified opinion on the Council's 2010-11 financial statements and conclude that the financial statements are prepared in accordance with Part VII of the Local Government (Scotland) Act 1973 and the Code.

The main change to the financial statements this year has been the transition to IFRS. This has resulted in the restatement of the 2010 and 2009 financial statements. Despite the time pressures and complexity of transactions required, we noted that the draft accounts prepared by the Council's Finance Team were of a good quality, and as a result relatively few adjustments were required during the audit.

1.4 Audit Adjustments

Our audit identified a number of adjustments that have been processed by management. The adjustments relate to:

- corrections to accounting entries relating to the sale of fixed assets
- a requirement to recognise the police capital grant as income, with an equivalent amount of expenditure
- two adjustments relating to accruals for Fairer Scotland Funding.

There are two identified unadjusted misstatements. The Council has disclosed the rationale for non-adjustment in the action plan within Section 5.

1.5 Design effectiveness of internal controls

We have applied our risk methodology to the audit, which allows us to document, evaluate and assess your internal controls over the financial reporting process in line with the requirements of auditing standards.

Our audit identified one control observation. During the audit we experienced significant delays in obtaining reconciliations to the financial ledger for the payroll and council tax sub-systems.

Our detailed findings are contained at Section 5 of this report.

2 Financial results

2.1 Statement of Comprehensive Income and Expenditure
The Council reported total net comprehensive income for 2010-11 of £46.6 million (restated 2010 deficit: £62.3 million). The net cost of services fell from £143.2 million in 2010 to £89.1 million in 2011, primarily as a result of impairment losses in 2010 of £27 million and a reduction in non-distributed costs relating to pensions of £23.8 million..

Table 1: Financial results for 2010-11

	2011 £'000	2010 £'000
Net Cost of Services	89,133	143,260
Other operating income and expenditure	(812)	(360)
Financing and investment income and expenditure	11,276	13,101
Taxation and non-specific grant income	(121,674)	(121,224)
Surplus on the provision of services	(22,077)	34,777
Other comprehensive income and expenditure	(24,552)	27,485
Total Comprehensive Income and Expenditure	(46,629)	62,262

Source: Clackmannanshire Council

Other significant movements in the Comprehensive Income and Expenditure Account relate to pension movements resulting from two changes to the actuarial assumptions used to calculate the Council's liabilities in the Falkirk Council Pension Fund.

The first change has arisen as a result of the change in the index used to measure pension inflation from the Retail Price Index (RPI) to the Consumer Price Index (CPI). Although both indices measure the average change in the cost of a basket of retail goods and services, CPI is calculated using the geometric average whereas RPI is calculated using the arithmetic average. As such CPI is generally lower than RPI and by switching to CPI

for measuring pension inflation, the value of pension liabilities is reduced. The impact of the change is that a past service gain of £21.246 million is recognised in the 2010-11 accounts (2010 deficit: £2.678 million) and this has been credited to Non-Distributed Costs within Net Cost of Services.

The assumption for salary increases has also changed in 2010-11 to take into account the Government's public sector pay freeze for all but those earning less than £21,000 per annum. This change to the salary increase assumption has led to a reduction in the value of active members' liabilities in the year

2.2 Balance Sheet

The total net worth of the Council at 31 March 2011 was £96.9 million (2010 restated: £50.2 million). The reason for this movement, again, relates to the changes in actuarial valuations. The pension liability within the Balance Sheet was reduced from £105 million to £61.6 million.

2.3 General Fund

For the year ending 31 March 2011, the Council had a total general fund reserve balance of £9.129 million, of which £5.505 million was earmarked for specific purposes, leaving £3.624 million available for new expenditure or to meet the costs of contingencies and unforeseen events.

The unearmarked proportion of the general fund at 31 March 2011 is 2.95% of the Council's budgeted net expenditure for 2011-12, which is in accordance with the Council's Financial Strategy.

3 Financial statements

3.1 Matters identified at the planning stage

In the conduct of our audit, we have not had to alter or change our audit plan, which we communicated in our Audit Approach Memorandum.

IFRS

Local authorities are required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). From 2010/11 this Code is based on International Financial Reporting Standards (IFRS) rather than a UK GAAP based Statement of Recommended Practice (SORP). The Code requires a restated balance sheet at 1 April 2009, restated 2009/10 accounts and full published IFRS accounts for 2010/11. During the year, we performed an arrangements review to provide feedback on the Council's approach to restatement with detailed work on the restated figures taking place during the 2010/11 final accounts audit.

The Council has had assistance from PwC/CIPFA IFRS transition support. This provided the Finance Team with an initial impact assessment highlighting the key areas for the Council to work on in preparation for IFRS. These areas were the format and layout of the accounts, accounting for leases, PPP schemes and other fixed asset accounting, employee benefits and group accounts.

The Council responded by forming an IFRS working group with sub-groups for each significant area of the restatement. Representation was drawn from across the Council to ensure that data requirements were identified and gathered as appropriate. The working groups held regular, minuted meetings with action plans. This approach provided a strong basis to produce IFRS accounts. Although initial timescales were not met, the accounts were produced in time and we identified relatively minor adjustments, mainly relating to reclassifications and transposition errors.

3.2 Matters identified during the course of the audit

Remuneration Report

During the year, Scottish Ministers approved an amendment to the Local Authority Accounts (Scotland) Regulations 1985 to publish a remuneration report as part of their annual accounts. The report is similar to that produced for listed companies and public sector bodies that report under the Government Financial Reporting Manual.

The amendments to the Regulations require the Council to disclose:

- remuneration policies for senior members and senior officers
- remuneration paid to senior members and senior officers for 2009-10 and 2010-11
- pension benefits including pension contributions paid by the Council and the value of accrued pension benefits at the balance sheet date
- information of the number of employees earning in excess of £50,000 per year.

In future years, the Council will also be required to disclose summary information in relation to exit packages, including compulsory and voluntary redundancy costs, ex-gratia payments and other departure costs.

Our review of the Council's Remuneration Report found that the Report was compiled in accordance with the Regulations and was presented in line with guidance issued by the Scottish Government. We also noted that the Council has presented the Remuneration Report before the core financial statements in the Statement of Accounts. We believe that this represents open and honest reporting, reflecting the spirit of the Regulations.

Valuation of Assets Held for Sale

The Council identified a number of assets held for sale under the IFRS classifications on 1 April 2009. These assets were transferred to this

category at the revalued amount at this time. No revaluation has been undertaken since this time. We noted during testing that the Council is currently negotiating the sale of a number of these assets at values lower than the carrying amount. These assets include the former Alloa Academy site and the Library.

During the preparation of the accounts, the Accountancy Team sought the professional opinion of internal valuers on whether there were any indicators of impairment that would require a revaluation of the asset base. At that time, the internal valuer concluded that the main effects of the recession had been reflected in the impairment recognised at 31 March 2010, and the value of the assets had not, therefore, changed materially.

In light of this, we agreed with the Director of Finance & Corporate Services conclusion that the unusual circumstances of the sales of these assets do not present a general indication of impairment to the carrying value of assets held for sale. We therefore regard these observations as post balance sheet events. We do, however, recommend that the Council review the value of all assets held for sale prior to the conclusion of the 2011/12 accounts.

Group accounts

The Council's group accounts consolidate the following bodies:

- Central Scotland Police Joint Board
- Central Scotland Fire and Rescue Joint Board
- Central Scotland Valuation Joint Board

- Forth Valley GIS Limited
- CSBP Clackmannanshire Investments Limited
- CSBP Clackmannanshire Developments Limited.

Consolidation is based on the Council's contributions to the joint board's budgets.

The net worth of the Group is a surplus of £18.6 million compared to the Council's individual net worth of £96.9 million. The difference reflects the Council's share of deficits in the pension schemes of the Central Scotland Police Joint Board and the Central Scotland Fire and Rescue Joint Board, both of which are unfunded schemes. The schemes are effectively underwritten by the Scottish Government from funding provided to local authorities.

4 Audit adjustments

4.1 Misstatements

Misstatements with a total impact of £57,000 on the Statement of Comprehensive Income and Expenditure were identified by the Council Team during the course of the audit and subsequently adjusted, increasing the reported surplus and the general fund for the year.

£0.57 million. The Council identified a further error which resulted in an additional increase of £10k.

The auditor is required to communicate all uncorrected misstatements, other than those considered to be clearly trivial, to the entity's management and to request that management corrects them. There are two identified unadjusted misstatements as set out in section 4.3

The following misstatements noted in table 4.2 were identified during the audit and have been adjusted for.

The net impact of the adjusted misstatements are to increase the surplus on the provision of services by £57k and increase the general fund balance by

4.2 Adjusted misstatements

	Statement of Comprehensive Income and Expenditure		Balance sheet	
	Dr £000	Cr £000	Dr £000	Cr £000
Bad Debt Write Off These adjustments were made following Council approval to write off bad debts in August 2011.			1615 546 182	(1615) (546) (182)
Fairer Scotland Funding We identified two adjustments relating to accruals for Fairer Scotland Funding.	37	93	93	37
Capital Receipts We identified a number of adjustments relating to accounting entries for the proceeds from fixed asset sales.			762 1,830 361	(762) (1,830) (361)

	Statement of Comprehensive Income and Expenditure		Balance sheet	
	Dr £000	Cr £000	Dr £000	Cr £000
Police Capital Grant We identified a requirement to recognise the police capital grant as income, with an equivalent amount of expenditure in the Statement of Comprehensive Income and Expenditure.	196	(196)		
Group Movement in Reserves We identified two adjustments in relation to Group Accounts. The first related to a correction to opening balances and movement to agree to Joint Ventures and Common Good accounts. We also noted a transposition error in the consolidation workings. As this is a transposition error there is no double entry.			410	(410)

4.3 Unadjusted misstatements

There are two identified unadjusted misstatements.

	Statement of Comprehensive Income and Expenditure		Balance sheet	
	Dr £000	Cr £000	Dr £000	Cr £000
Provision for bad and doubtful debts We recommended that the Council provide for 50% of debts over 1 year old.	165			(165)
Long Term Investments We recommended that the Council impair an investment in the CSBP Development Company to reflect the likely loss upon exit in January 2013.			70	(70)

5 Design effectiveness of internal controls

5.1 Accounting system and internal control



We have applied our risk methodology to your audit. This approach allows us to document, evaluate and assess your internal controls over the financial reporting process in line with the requirements of auditing standards.

We have previously documented our findings at the interim stage with regard to key internal controls, and those findings are not duplicated here.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. See 'The small print' for further details of our approach.

Key to assessment of internal control deficiencies	
●	Material weakness - risk of material misstatement
●	Significant deficiency - risk of significant misstatement
●	Deficiency - risk of inconsequential misstatement

Assessment	Issue and risk	Recommendation
1 ●	Reconciliations During the audit we experienced significant delays in obtaining a reconciliations to the financial ledger for the payroll and council tax sub-systems. Reconciliations do not appear to be performed on a regular basis. There is a risk of material misstatements in the accounts if reconciliations are not performed correctly in a timely manner.	The Council should review the processes for completing reconciliations to ensure that they are performed accurately on a monthly basis. Management response: This is already under review and the Revenue and Payments Manager is addressing this through the service reconfiguration with the creation of a centralised reconciliations team. While it is recognised that some reconciliations had not been completed timeously, there are reconciliations in Council Tax and Payroll completed on a monthly basis which manage the risk of material misstatement.

Assessment	Issue and risk	Recommendation
2 	Bad debt provision The Council has conducted a significant review into the recoverability of debt and we note that collection levels have increased in year. However, we believe that it is prudent to provide for 50% of debt which is over one year old.	The Finance Team should review the methodology for providing for sundry debtors to ensure that the level of provision is appropriate for the likelihood of recoverability of aged debts. Management response: Provisions are reviewed annually. A comprehensive review of debtors, including sundry debtors, was undertaken during the year and reported to Council in August 2011. This report indicates a significant improvement in the collection rate for sundry debtors following proactive investment in improving practice. Following this review the residual level of debt, on the basis of information held, is deemed to be recoverable.
3 	Impairment of long term investment The Council has a 50% investment in CSBP Developments Limited. The level of investment was increased during the year as a result of the company's bankers withdrawing the overdraft facility. The current Business Plan suggests that the Council will make a loss of £70-90k in January 2013, at which point the investment will be wound up. We have proposed an adjustment for this amount in Section 4.3.	The Council should conduct an impairment review to ensure that likely losses are not understated. Management response: An impairment review will be conducted in line with annual practice. It is also worth noting that the potential loss on this investment is considerably outweighed by the anticipated proceeds of c£262k at present from the related investment in CSBP Investments Limited.

A The small print

Purpose of memorandum

This Report has been prepared for the benefit of discussions between Grant Thornton and Clackmannanshire Council.

The purpose of this memorandum is to highlight the key issues affecting the results of the Group and the preparation of the Council's financial statements for the year ending 31 March 2011.

This document is also used to report to management to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) 260.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of the Council.

Responsibilities of the Council and auditors

The Council is responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the council confirm that our understanding of all the matters in this memorandum is appropriate, having regard to their knowledge of the particular circumstances.

Clarification of roles and responsibilities with respect to internal controls

The Council's management team is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the Scrutiny Committee and Council that it has done so.

The Scrutiny Committee is required to review the Council's internal financial controls. In addition, the Scrutiny Committee is required to review all other internal controls and approve the statements included in the annual report in relation to internal control and the management of risk.

The Scrutiny Committee should receive reports from management as to the effectiveness of the systems they have established as well as the conclusions of any testing conducted by internal audit or ourselves.

The Scrutiny Committee is required to review the Council's internal financial controls. In addition, the Scrutiny Committee is required to review all other internal controls and approve the statements included in the annual report in relation to internal control and the management of risk.

The Scrutiny Committee should receive reports from management as to the effectiveness of the systems they have established as well as the conclusions of any testing conducted by internal audit or ourselves.

We have applied our audit approach to document, evaluate and assess your internal controls over the financial reporting process in line with the requirements of auditing standards.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you.

In consequence, our work cannot be relied upon to disclose

defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

We would be pleased to discuss any further work in this regard with the Scrutiny Committee.
Error Reference source not found..

Independence and robustness

Ethical standards require us to give you full and fair disclosure of matters relating to our independence.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

In accordance with best practice, we analyse our fees below:

	£
Grant Thornton	164,500
Audit Scotland fixed charge	54,100
Total audit	218,600

Our Fee includes VAT and all travel and subsistence

ISAUK 260 requires communication of:

- relationships that have a bearing on the independence of the audit firm and the integrity and objectivity of the engagement team
- nature and scope of the audit work
- the form of reports expected

CLACKMANNANSHIRE COUNCIL

STATEMENT OF ACCOUNTS 2010/11

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CLACKMANNANSHIRE COUNCIL

EXPLANATORY FOREWORD 2010/11

BY THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

Introduction

I am pleased to present the Council's Statement of Accounts for the year ended 31 March 2011. This foreword gives an overview of the Council's financial position and detailed analysis in the pages that follow.

The Statement of Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11, based on International Financial Reporting Standards. The purpose of the Statement of Accounts is to demonstrate the Council's stewardship of the public funds with which it is entrusted.

The Financial Statements

For the first time, the financial statements are prepared on the basis of International Financial Reporting Standards (IFRS). The move to an IFRS-based code results in a number of significant changes in accounting policies and material changes to all the Statements. The key accounting changes include:

Grants and contributions for capital purposes are now recognised as income immediately rather than being deferred and released to revenue to match depreciation. In 2010/11 a sum of £2.959m has now been accounted for in this way as a credit within the Comprehensive Income and Expenditure Account as grant income, and then transferred to Unusable Reserves within the Movement in Reserves Statement.

All employee benefits are accounted for as they are earned by employees and this requires accruals for items such as holiday entitlements untaken at the end of the financial year. At March 2011 a sum of £3.721m has been accrued for employee benefits. If the Scottish Government had not introduced statutory mitigation through regulation to allow such accruals to be reversed to an unusable reserve, then this amount would have been a charge to usable reserves.

Property leases are classified and accounted for as separate leases of land and buildings with a need to assess whether other arrangements contain the substance of a lease.

Former operating leases of vehicles and equipment are now reclassified as finance leases and incorporated within the Council's long-term assets

The Code introduces a new classification of non-current assets held for sale and specific criteria apply to this classification.

There is now an emphasis on component accounting and on derecognising parts of an asset that are replaced, such as bathrooms and kitchens.

Additional requirements regarding segmental reporting are introduced. The Comprehensive Income and Expenditure Statement is categorised under the best value accounting code service headings but a segmental note to the accounts shows the income and expenditure based on the operational service structure within the Council.

The accounting statements that follow and their purpose consist of:

Remuneration Report

The *Remuneration Report* provides details of the remuneration of the Council's senior employees and senior councillors.

Core Financial Statements

The *Movement in Reserves 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 used to fund expenditure or reduce taxation) and unusable reserves.

The *Comprehensive Income and Expenditure Statement* shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The statement therefore includes items such as depreciation and pension adjustments which are financed from unusable reserves.

The *Balance Sheet* is a consolidation of the Council's financial position. It shows the balances and reserves available, long-term indebtedness and the long-term and current assets and liabilities of the Council. Transitional arrangements for the first time adoption of IFRS requires the restatement of balances and transactions back to April 2009. Note 2 to the Core Financial Statements provides further explanation of these changes.

The *Cash Flow Statement* shows the inflows and outflows of cash as a result of all the Council's transactions, both capital and revenue, in all its funds.

Supplementary Financial Statements

The *Housing Revenue Account* shows in more detail the income and expenditure of the HRA services included within the core Comprehensive Income and Expenditure Statement.

The *Council Tax Income Account* shows the gross and net income from council tax, together with details of the number of properties on which council tax is levied, and the charge per property.

The *Non-Domestic Rate Income Account* shows the gross and net income from non-domestic rates and details the amount payable to the national non-domestic pool and the resulting net income for the financial year to the Council that is shown in the Comprehensive Income and Expenditure Statement.

The *Common Good Statement* records the financial position in respect of the funds administered by the Council in relation to assets held on the common good account of former burghs within Clackmannanshire.

Group Accounts

The *Group Accounts Statements* combine the income and expenditure and balance sheet figures for the Council as a whole with those of separate companies and bodies in which the Council has a significant influence.

Financial Performance

The *Movement in Reserves Statement* on page 19 demonstrates the increase or decrease in fund balances as a result of the activities of the Council during the financial year. It will be noted that total usable reserves have decreased from £13.673m to £13.495m during the year. The sums at the end of the year consist of:

General Fund Balance	£9.129m
Housing Revenue Account	£3.575m
Insurance Fund	£0.791m
	<u>£13.495m</u>

General Fund

The General Fund has increased from £7.966m at the start of the year to £9.129m at March 2011. This movement includes a sum of £1.470m transferred from the capital receipts reserve into the General Fund to support future additional running costs of the schools, which is in line with our funding strategy for the Secondary Schools project. The uncommitted element which represents the service income and expenditure approved and monitored throughout the year recorded a surplus of £0.650m compared to an approved balanced budget for the year. This sum is slightly less than the last forecast for the year of an £0.800m surplus.

The committed element of reserves of £5.505m is earmarked for use either by individual services such as Education or Housing, or to meet corporate liabilities such as Single Status. A breakdown of the committed element of reserves is as follows :

	Total £000
Secondary Schools PPP	2,613
Service Improvement Contracts	1,005
Implementation of Single Status	943
Modernising Government	164
Zero Waste Fund	134
Adult Care carry forward scheme	370
Public Sector Housing/Homeless	50
Homeless Assessment Centre	120
Pre Fives	106
	5,505

This uncommitted element of General Reserve which is generally available to support future expenditure stands at £3.624m or 2.9% of budgeted net expenditure. This level of uncommitted reserve is in line with the Council's Finance Strategy policy of seeking to retain uncommitted non-HRA revenue reserves in the range of 2% and 4% of budgeted net expenditure (i.e. between £2.450m and £4.900m).

Housing Revenue Account

The Housing Revenue Account which funds the provision of council housing incurred a surplus on its balance for the year of £1.685m as compared to a budgeted surplus of £0.743m, and the last outturn forecast for the year of £1.018m. A saving on employees costs of £505k was achieved through vacancy management and restructuring. The contribution towards bad debts was £209k less than estimated and a saving on capital financing costs of £175k was achieved in the year.

In accordance with the Housing Business plan to achieve the Scottish Housing Quality Standard and enhanced Clackmannanshire Standard, sums are required to be contributed from reserves to support the required capital investment programme. In 2010/11, a revenue contribution to capital of £2.373m has been made.

As a result of the surplus achieved in the year together with the contribution to capital investment, working balances available to the Housing Revenue Account have decreased to £3.575m. This balance will continue to be earmarked to support the delivery of the Housing Business Plan in line with our approved strategy.

Insurance Fund

The Insurance Fund provides an element of self-insurance and protects the Council against unforeseen losses. A net surplus was generated by the Fund during the year of £81k, bringing the Fund balance to £791k at March 2011.

Capital Expenditure

The Council is able to regulate its own capital spending limits within a prudential framework recommended by the Chartered Institute of Public Finance and Accountancy and endorsed by the Scottish Government. Our performance confirms our overall capital spending of £8.486m was managed within the 'Prudential Framework' limits approved by Council.

The capital investment in 2010/11 consisted of £3.469m spent on council dwellings together with £1.657m on other land and buildings, £1.954m on infrastructure and £0.822m on vehicles. In addition, £0.466m was spent on Investment properties and £0.118m on Intangible assets (eg computer software).

Funding of capital expenditure incurred in the year included £1.096m from the sale of assets, £2.960m from government grants and £2.373m from revenue budgets. The remaining balance of £2.057m is funded from borrowing.

The capital expenditure incurred during the year was £2.424m less than anticipated due to slippage and re-prioritisations in a number of the major projects. The Council intends to review and re-appraise the capital programme to re-align future capital investment in accordance with its key corporate priorities set out within the approved asset management strategies.

Borrowing

The Council's external debt as at March 2011 which supports our investment and development of long-term assets totals £176.660m, consisting of:

Short Term borrowing (repayable within 12 months)	£1.758m
PFI and other finance leases (repayable within 12 months)	£1.204m
Long-term borrowing (repayable after 12 months)	£124.987m
PFI and other finance leases (repayable after 12 months)	£48.711m

This is a reduction of £2.519m on the previous year external debt position of £179.179m. With no new external debt incurred during the year, the reduction in debt is due to repayments made. This position is consistent with the Council's Borrowing and Investment strategy of minimising new borrowing and reducing overall levels of debt over the medium term.

Net Pension Liability

The Balance Sheet records a Pensions deficit of £61.617m which has been recorded specifically for the purpose of meeting IAS 19 accounting requirements. The cost of providing pensions for employees is still funded in accordance with relevant statutory requirements and the actuarial valuations every three years will continue to set appropriate employers contribution rates which, together with revenues generated from investments will be used to meet pension commitments.

The pension deficit is an improvement of £43.419m on the position recorded in March 2010 and the reasons for this improvement are twofold:

- the deficit has reduced due to positive asset returns and falling long-term inflation expectations;
- the deficit has fallen further due to the pension increase change from Retail Price Index (RPI) to Consumer Price Index(CPI) as a result of the UK Government Emergency Budget announcement in June 2010.

Significant Trading Operations

The performance of the Council's two trading operations are disclosed in Note 18 to the Core Financial Statements. The statutory financial requirement for significant trading operations is to at least break even over a rolling three year period. As reflected in the note, both Property Contracts and Environmental and Engineering recorded surpluses of £454k and £178k respectively during 2010/11. With both operations also recording surpluses in each of the previous two years the statutory requirement was achieved.

Secondary Schools PPP

Following the introduction of revised Financial Reporting arrangements introduced in 2009/10 for PPP projects, the Council's three new secondary schools are recorded within the long-term assets of the Council, along with a liability for the financing provided by the PPP operator. The outstanding finance liability at March 2011 is £49.276m and this sum is included within the Council's overall borrowing position referred to above.

The unitary charge paid to the operator in 2010/11 was £6.801m and will increase annually by inflation over the 30 year term of the contract. The Scottish Government provides additional funding towards the project of £3.430m per annum.

During 2010/11 a review of the Council's PPP funding model was undertaken on the basis that in view of the current operating environment and in particular UK wide economic and financial pressures, some of the original assumptions contained within the financing model were out of date. In particular, the relationship between planned council tax increases and the financing model was no longer relevant with the ongoing commitment to freeze council tax and changes in the level of RPI are in excess of those envisaged at the inception of the model. The revised model is now based on a straight repayment basis, supported by capital receipts set aside. In 2010/11 the Movements in Reserves Statement records a transfer of £1.470m from the capital receipts reserve to the General Fund for this purpose, thus increasing the earmarked element of reserve for PPP to £2.613m. This ensures that the PPP costs are fully covered for the next two years without any additional budgetary increase required.

Provisions

Equal Pay

The Council has set aside a sum of £2.778m as a provision to cover its potential exposure to equal pay claims from groups of staff. This is an increase from the level of £2.528m provided at March 2010. During 2010/11 a number of existing claims were settled amounting to £0.856m. The increase in the provision was made following a review of potential new claims and taking account of additional HMRC liabilities.

Voluntary Redundancy

During 2010/11 and in line with the approved budget strategy the Council has sought to reduce spending in advance of the new financial year. This has included an opportunity for staff to apply for voluntary redundancy on grounds of efficiency where appropriate. At March 2011 there were a number of voluntary redundancy approved but not yet implemented. The accounts include a provision of £0.826m for the committed costs associated with these severances.

Economic Climate

The current recession is having a significant impact on the UK economy with the UK experiencing deterioration in public sector finances worse than the majority of other countries. Public sector borrowing has increased dramatically

from £36billion in 2007/08 to £175billion in 2010/11. Over the short, medium and long-term, the UK Government plans to significantly reduce public spending and increase taxes as measures to reduce the national debt.

The Scottish public sector is therefore facing the biggest squeeze on budgets since devolution. For 2011/12 the Scottish Government only announced a one year settlement, reducing Local Authority funding by 2.6% in cash terms. This makes longer term financial planning challenging, and increases the uncertainty for the Council on future levels of Government funding and ability to sustain current levels of service provision and quality.

The Council has over the course of 2010/11 managed effectively the financial risks associated with the immediate impact of the reduction in public sector funding. Action has been taken to:

- reduce spending in advance of the new financial year which has contributed to the majority of departments spending less than budgeted as a consequence of proactive vacancy management, slippage against planned commitments and generating income in excess of targeted levels
- reduce its base budget for 2011/12 by £2.334m to reflect the recurrent savings identified through a budget challenge process
- recognise that the current economic climate is not the optimum time to realise significant sales from surplus assets and replace reliance on future capital receipts to support investment with alternative funding mechanisms

Acknowledgements

I would like to thank elected members and colleagues for their assistance and support throughout the year in maintaining a sound financial management framework. I would also like to thank those staff whose efforts have contributed to the completion of these accounts.



Nikki Bridle
Director of Finance and Corporate Services
30 June 2011

CLACKMANNANSHIRE COUNCIL STATEMENT OF RESPONSIBILITIES

The Council's responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance and Corporate Services.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts

The Director of Finance and Corporate Services' responsibilities

The Director of Finance and Corporate Services is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ('the Code').

In preparing this Statement of Accounts, the Director of Finance and Corporate Services has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code.

The Director of Finance and Corporate Services has also:

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

The Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2011.

CLACKMANNANSHIRE COUNCIL STATEMENT OF INTERNAL CONTROL

Scope of Responsibility

Clackmannanshire Council ensures that its business is conducted in accordance with the law and proper standards so that public money is safe guarded, properly accounted for and used effectively.

This is evidenced by a sound system of internal control, including arrangements for the management of risk, which is reviewed annually in accordance with the CIPFA Code of Practice for Local Authority Accounting.

The Purpose of the System of Internal Control

The Council's system of internal control is founded on processes designed to identify and prioritise the risks which may impact on the organisation's capacity to achieve its aims and objectives. While risk cannot be completely eliminated, the system of internal control enables the Council to manage the risks facing it effectively by evaluating the likelihood of those risks being realised and their potential impact. The system of internal control has been in place at Clackmannanshire Council for the year ended 31 March 2011 and up to the date of approval of the annual Statement of Accounts.

Internal Control Environment

The key elements of the Council's internal control environment include the following:-

1) the Clackmannanshire Single Outcome Agreement (SOA) provides the strategic framework for the Council's (and its partners') activities. The Council's Corporate Plan (to end 2011) then sets out how the Council contributes to the achievement of these shared outcomes; this approach is cascaded down through service Business Plans and operational Team Plans. These key documents are supported by core business strategies including Finance Strategy, People Strategy, Customer Service Strategy and Information and Communication Technologies Strategy. In 2010-11 work has been ongoing to review and refresh these strategies so they remain relevant and up to date.

2) the Council has a performance management and monitoring framework which provides ongoing scrutiny of progress in achieving its priorities and outcomes. Performance measures are incorporated at both strategic and operational levels and monitored at a range of levels, including team, service, corporate management, Scrutiny Committee and full Council. The ongoing rollout of the Covalent system will further refine the performance framework arrangements. Additional performance indicators relating to customer and staff were introduced during the year, giving a greater coverage of performance against the key Customer Service and People strategies.

3) The Council's governance framework is defined within the key governance documents including Standing Orders, Financial Regulations, Scheme of Delegation and Contract Standing Orders. In addition, the Council's approach to developing its corporate Governance Framework has been reported to Scrutiny Committee and the framework will be presented to the Council for approval in the 2011/12 financial year. In 2010-11, in recognition of the importance of corporate governance, the Council introduced the new management position of Governance Manager, the role of which is to direct the organisation's approach to governance and to manage those services which play an important role in corporate governance. More generally, the Council has put in place from 1 April 2010 a new senior management structure which has enhanced corporate working and scrutiny. Also in 2010-11, the Council reviewed the role and remit of its Scrutiny Committee and will consider proposed improvements to the Committee's operation in the first quarter of 2011-12.

4) the Council defined its Risk Management Strategy in 2009 and continues to work to embed risk management arrangements across the Council. This is a key action within the Governance Improvement Plan. Key business risks are reflected in the Corporate Risk Register and risk identification and evaluation is an integral part of the annual business planning process. The Corporate Risk register is reported six monthly to Scrutiny Committee and will form a key plank of scrutiny policy in 2011-12 and future years.

5) in 2010-11 the Council continued to embed corporately the Clackmannanshire Improvement Model as a framework for organisational excellence. In this approach services self-assess a number of elements, including leadership, staff management and resource management. These self-assessments have lead to focused improvement plans which have enabled services to ensure achievement of Best Value and embed a culture of innovation and continuous improvement. All services completed a self-assessment in the 18 months to April 2010. Resultant action plans have generally focused on four main organisational development priority themes: Business Planning, People Management, Customer Service, and Performance Management.

Review of Effectiveness

As Chief Executive, I have responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by different assurance sources including :

- each member of the Corporate Management Team
- internal audit
- external review agencies and inspectorates
- external audit.

Work completed during the year by internal audit has helped form the basis of this statement. This work has included a comprehensive self-assessment against CIPFA's Six Principles in Delivering Good Governance in Local Government and a review of the effectiveness of the Council's internal control environment.

Each Head of Service who has responsibility within the Scheme of Delegation for the development and maintenance of the system of internal control has provided assurance that the internal controls within their service are effective and have been reviewed. These chief officers also report on a monthly basis to the corporate management team on progress within their services; these reports include, as appropriate, reference to risks, performance and governance issues.

I have been advised on the implications of the result of the review of the effectiveness of the internal controls undertaken on my behalf for the Director of Finance and a Governance Improvement plan is in place to address weaknesses and ensure improvement of the systems are in place. The key areas for improvement identified during the annual review include the consistent embedding of risk management arrangements within all services, including review of partnership risk, review of Anti-Fraud, Anti-Corruption and Whistle Blowing policies and introduction of Member/Officer protocols.



Angela Leitch
Chief Executive
30 June 2011



Councillor Owens
Leader of the Council
30 June 2011

CLACKMANNANSHIRE COUNCIL

Remuneration Report

General

All Information disclosed in the tables in this Remuneration Report will be audited by Grant Thornton UK LLP. The other sections of the Remuneration Report will be reviewed by Grant Thornton UK LLP. The results presented in the six tables comprising the Clackmannanshire Council's remuneration report for 2010/11 reflect the following contextual factors:

- The leader of the Council changed during 2010/11. From 27 September 2010 until the present time Sam Ovens has undertaken this role. This is reflected in Table 1 and the remuneration for the current and former leader represents a part year/pro rata salary payment.
- During 2010/11, the Council's management restructuring and corporate service redesign process has continued and this is reflected in Table 3. This Table shows two new Chief Officer appointments to a streamlined service management structure and as a consequence remuneration for the year is pro rata.
- Table 3 also shows the departure of five former Chief Officers. Some of these departed prior to 2010/11 and some during the year. The report reflects the pro rata salary and severance payments as appropriate.
- With the transition to the new management structure, not all senior officers had elected to transfer their accrued pension benefits during 2010/11. This position is reflected in Table 6.

Remuneration Arrangements

Councillors

The remuneration of councillors is regulated by the Local Government (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183). 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.

The salary that is paid to the Leader of the Council is set out in the Regulations. For 2010/11 the salary of the Leader of Clackmannanshire Council is £27,058. The regulations permit the council to remunerate one Civic Head. The regulations set out the maximum salary that may be paid to that Civic Head. Council policy is that the maximum remuneration is 75% of the sum payable to the Leader which for 2010/11 amounts to £20,294.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor is 75 per cent of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all its Senior Councillors shall not exceed £146,112. The Council is able to exercise flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. The Council policy is to recognise 8 senior councillors with positions of significant responsibility. These are the Depute Leader, 5 Portfolio Holders, and the Conveners of Scrutiny and Regulatory Committees

In 2010/11 Clackmannanshire Council had 8 Senior Councillors and the remuneration paid to these councillors totalled £153,201. This includes £6,089 paid to G Matchett, Convener of Police Board and £1,000 to E. Carrick for APSE. This amount is recoverable from the Board, the net cost to Clackmannanshire Council in relation to Senior Councillors is £146,112 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 councillor 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 21st June 2007, and details are available on the Council's web site 'clacks web' under 'Remuneration to Elected members' .

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 Convener or a Vice-Convenor of a Joint Board such as a Police Joint Board. The Regulations require the remuneration to be paid by the Council of which the convener or vice-convenor (as the case may be) is a member. The Council is also required to pay any pension contributions arising from the convener or vice-convenor being a member of the Local Government Pension Service.

The Council is reimbursed by the Joint Board for any additional remuneration paid to the member from being a Convener or Vice-Convenor of a Joint Board.

Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular CO/144 sets the amount of salary for the Chief Executive of Clackmannanshire Council for the period 2008 to 2011. An appointment Committee was set up to appoint Directors and Heads of Service under restructure, the Committee was formed by Councillors from all parties. Under the Scheme of Delegation the Chief Executive set the salary for Directors and Heads of Service from the National Scales in agreement with the appointments Committee. In reaching its decisions, the Council has regard to the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.

Other benefits are not applicable to any senior employees.

Disclosure of Remuneration for Relevant Persons

The following tables provide details of the remuneration paid to the Council's Senior Councillors and Senior Employees. Regulations require disclosure of remuneration paid to relevant persons of the Council's subsidiary bodies. There are no subsidiary bodies controlled by the Council.

Remuneration of Senior Councillors and Convenors and Vice-Convenors of Joint Boards

Table 1

Position	Current Post Holder £	Taxable Expenses £	Benefit other than in cash £	Total Remuneration 2010-11 £	Total Remuneration 2009-10 £
Leader of the Council (1 April to 26 September 2010)	Janet Cadenhead	0	No	12,973	27,058
Leader of the Council (from 27 September 2010)	Sam Ovens	0	No	14,085	0
Leader of the Council		0		27,058	27,058
Civic Head	Derek Stewart	0	No	20,294	20,294
Portfolio Holder - Regeneration (1 April to 26 September 2010)	Sam Ovens	0	No	8,757	18,264
Portfolio Holder - Regeneration (from 27 September 2010)	Janet Cadenhead	0	No	9,507	
Portfolio Holder - Scrutiny & Convener of Scrutiny	Donald Balsillie	0	No	18,264	18,264
Convener of Regulatory Committee	Alastair Campbell	0	No	18,264	18,264
Convener of Licensing Board	Walter McAdam	0	No	18,264	18,264
Portfolio Holder - Sustainability	Eddie Carrick	0	No	19,264	18,264
Portfolio Holder - Partnership	Kenneth Earle	0	No	18,264	18,264
Depute Leader	Robert McGill	0	No	18,264	18,264
Portfolio Holder - Inclusion & Convener of Joint Police Board	George Matchett	0	No	24,353	24,353
Senior Councillors		0		153,201	152,201
Valuation Board - Vice Convener	Henry McLaren	0	No	19,279	19,279
		0		219,832	218,832

Note:

1. Payments to senior councillors include additional payments for board payments of £7,089.

Remuneration paid to Councillors

The Council paid the following salaries, allowances and expenses to all councillors during the year. Clackmannanshire Council have 18 councillors in total. This is formed by:

1 Leader of Council, 1 Civic Head, 8 Senior Councillors (1 of whom has Joint Board responsibility as Convener of Police Board), 7 councillors and 1 joint board Vice Convener

Table 2

Type of Remuneration	2010/11 £	2009-2010 £
Salaries	362,591	351,000
Allowances	50,028	48,000
Expenses	11,836	9,000
Total	424,455	408,000

The figures include Employers Superannuation and National Insurance Contributions and cover an accounting period of 375 days.

The annual return of Councillors' salaries and expenses for 2010/11 is available for any member of the public to view at all Council libraries and public offices during normal working hours and is also available on the Council's web site 'clacks web' under 'Remuneration to Elected members'.

Remuneration of Senior Employees of the Council

Table 3

Name and Post Title	Salary, fees and allowances	Bonuses	Taxable Expenses	Compensation for loss of Employment	Benefits other than in cash	Total Remuneration 2010-11	Total Remuneration 2009-10
	£	£	£	£	£	£	£
Angela Leitch, Chief Executive	97,095	0	0	0	0	97,095	97,095
Angela Leitch, Returning Officer	3,350	0	0	0	0	3,350	2,850
Nikki Bridle, Director of Finance and Corporate Services (from 1 July 2010)	63,091	0	0	0	0	63,091	0
Gary Dallas, Director of Services to Communities	84,045	0	0	0	0	84,045	81,996
Elaine McPherson, Head of Strategy & Customer Services	68,583	0	0	0	0	68,583	63,555
Deirdre Cillers, Head of Social Policy	68,583	0	0	0	0	68,583	66,909
Stephen Crawford, Head of Facilities Management (from 9 August 2010)	44,156	0	0	0	0	44,156	0
John Gillespie, Head of Community & Regulatory Services	68,583	0	0	0	0	68,583	66,909
Lesley Robertson, Acting Head of Education (from 17 May 2010)	59,940	0	0	0	0	59,940	0
Stephen Bell, Head of Development Services (until 28 March 2010)	0	0	0	0	0	0	104,648
John Stewart, Head of Property Services (until 30 June 2010)	16,242	0	0	41,854	0	58,095	63,555
Brian Hutchison, Head of HR (until 31 March 2010)	0	0	0	49,403	0	49,403	66,909
Peter Broadfoot, Head of Legal (until 6 April 2010)	1,043	0	0	91,264	0	92,307	61,902
Barry Dickson, Head of Business Improvement and Technology (until 31 March 2010)	0	0	0	0	0	0	63,555
James Goodall, Head of Education	8,080	0	0	0	0	8,080	66,909
Total	582,791	0	0	182,521	0	765,312	806,792

Note:

1. Director of Finance & Corporate Services was in post from 1/7/10 and the FTE of the post was £84,045.
2. Lesley Robertson replaced James Goodall as Head of Education on a temporary basis the FTE of the post was £68,583.
3. Head of Facilities Management was in post from 9/8/10 and the FTE of the post was £68,583.
4. S Bell Head of Development Services salary 2009/10 was £63,006 and compensation of £41,615.
5. B Dickson Head of IT post deleted 31/3/10 under management restructure.
6. The senior employees included 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
7. The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. This was applied to S. Bell, J. Stewart, B. Hutchison and P. Broadfoot.
8. The Chief Executive received additional payments as the Returning Officer for the General Election in 2010/11 and European Election in 2009/10
9. Remuneration details of 2 former employees have not been disclosed in terms of The Local Authority Accounts (Scotland) Regulations 1985.
10. The Chief Executive's salary for 2010/11 from the National Scales should have been £99,522 but she declined the increase for 2010/11 and remained at £97,005.

General Disclosure by Pay Band

A number of employees left the Council prior to 31 March 2011 under the early retirement/voluntary severance scheme. Some of these employees were entitled to lump sums and redundancy payments which have been included in the calculation for the pay banding. The figures in the shaded column show the comparative figures if the additional payments were excluded.

Table 4

		Number of Employees	
Remuneration band		2010/11	2009/10
£50,000 - £54,999	17	16	17
£55,000 - £59,999	11	10	4
£60,000 - £64,999	4	3	9
£65,000 - £69,999	7	6	4
£70,000 - £74,999	0	0	3
£75,000 - £79,999	2	1	0
£80,000 - £84,999	0	0	1
£85,000 - £89,999	1	1	1
£90,000 - £94,999	1	0	0
£95,000 - £99,999	0	0	1
£100,000 - £104,999	1	1	0
Total	44	38	40

Pension Benefits

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS)

Councillors' pension benefits are based on career average pay. The councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

For local government employees this is a final salary scheme. 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.

The scheme's normal retirement age for both councillors and employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non manual employees.

The tiers and members contribution rates for 2010/11 remain at the 2009/10 rates, (due to negative increases in the cost of living index for 2010/11) and are set as follows:

Whole time pay	Contribution rate 2010/11	Contribution rate 2009/10
On earnings up to and including £18,000	5.5%	5.5%
On earning above £18,000 and up to £22,000	7.25%	7.25%
On earning above £22,000 and up to £30,000	8.5%	8.5%
On earning above £30,000 and up to £40,000	9.5%	9.5%
On earning above £40,000	12%	12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

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. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service)

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

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 local government service, and not just their current appointment.

Senior Councillors

Table 5

The pension entitlements for Senior Councillors who have elected to join the pension scheme for the year to 31 March 2011 are shown in the table below, together with the contribution made by the Council to each Senior Councillors' pension during the year.

	In-Year pension Contributions			Accrued pension Benefits	
Name and Post Title	For year to 31 March 2011	For year to 31 March 2010		As at 31 March 2011	Difference from 31 March 2010
	£	£		£000	£000
Donald Balsillie, Convener of Scrutiny Committee	3,240	3,283		Pension 1 Lump Sum 1	0 0
Alastair Campbell, Convener of Planning Committee	3,240	3,283		Pension 2 Lump Sum 2	1 0
Janet Cadenhead, Senior Councillor, Portfolio Holder - Regeneration (from 23 September 2010) (Leader of the Council 1 April to 22 September 2010)	3,958	4,863		Pension 2 Lump Sum 2	0 0
Eddie Carrick, Portfolio Holder - Sustainability	3,251	3,283		Pension 1 Lump Sum 1	0 0
Kenneth Earle, Portfolio Holder - Partnership	3,240	2,270		Pension 1	1
Robert McGill, Depute Leader of the Council	3,240	3,283		Pension 2 Lump Sum 3	1 0
George Matchett - Portfolio Holder - Inclusion Police Joint Board	4,320	4,377		Pension 1 Lump Sum 2	0 0
Total	24,489	24,642		21	3

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

Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2011 are shown in the table below, together with the contribution made by the Council to each Senior Employees' pension during the year.

Table 6

Name and Post Title	In-year pension Contributions			Accrued pension benefits	
	For year to 31 March 2011	For year to 31 March 2010		As at 31 March 2011	Difference from 31 March 2010
	£	£		£000	£000
Angela Leitch, Chief Executive	17,224	17,451		Pension 3 Lump Sum 1	1 1
Angela Leitch, Returning Officer	620	513			
Nikki Bridle, Director of Finance & Corporate Services (from 1 July 10)	11,800	0		Pension 1	1
Gary Dallas, Director of Services to Communities	14,943	14,738		Pension 29 Lump Sum 80	2 2
Elaine McPherson, Head of Strategy & Customer Services	11,582	11,423		Pension 20 Lump Sum 53	2 1
Deirdre Cilliers, Head of Social Policy	12,194	12,040		Pension 16 Lump Sum 43	1 1
Stephen Crawford, Head of Facilities Management (from 9 August 10)	8,273	0		Pension 11 Lump Sum 27	11 27
John Gillespie, Head of Community & Regulatory Services	12,194	12,011		Pension 25 Lump Sum 67	2 2
Lesley Robertson, Acting Head of Education (from 17 May 2010)	8,875	0			
Stephen Bell, Head of Development Services (left 28.3.10) (362 days)	0	10,859			
John Stewart, Head of Property Services (left 30.6.11) (91 days)	2,421	11,423			
Brian Hutchison, Head of HR (left 31.3.10)	0	12,026			
Peter Broadfoot, Head of Legal & Admin (left 6.4.10) (6 days)	439	11,126			
Barry Dickson, Head of IT (left 31.3.10)	0	11,423			
Jim Goodall, Head of Education (left 13.5.10) (43 days)	896	12,040			
Total	101,461	137,073		376	54

Note:

1. All Senior Employees shown in the tables above are with the exception of Lesley Robertson are members of the Local Government Pension Scheme (LGPS). Lesley Robertson is a member of the Scottish Teachers Superannuation Scheme (STSS) The 2010/11 figures for the Scottish Teachers Superannuation scheme are not currently available and therefore cannot be disclosed.

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 appointment.

3. Where staff are not in employment with Clackmannanshire Council at 31 March 2011 or are no longer a relevant senior employee at this date, there is no increase in accrued pension benefit attributable.

CLACKMANNANSHIRE COUNCIL MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the council, analysed into 'usable reserves' (ie 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 authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance 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 or from Earmarked Reserves undertaken by the Council.

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Insurance Fund £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2009	5,531	6,052	3,215	744	15,542	96,956	112,498
	=====	=====	=====	===	=====	=====	=====
<u>Movement in reserves during 2009/10</u>							
Surplus or (deficit) on provision of Services	(21,616)	(13,161)	-	-	(34,777)	-	(34,777)
Other Comprehensive Expenditure and Income	-	-	-	-	-	(27,485)	(27,485)
Total Comprehensive Expenditure and Income	(21,616)	(13,161)	-	-	(34,777)	(27,485)	(62,262)
Adjustments between accounting basis & funding basis under regulations (Note 6)	20,953	11,371	584	-	32,908	(32,908)	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(663)	(1,790)	584	-	(1,869)	(60,393)	(62,262)
Transfers to/from Earmarked Reserves (Note 7)	3,098	-	(3,064)	(34)	0	-	0
Increase/Decrease in 2009/10	2,435	(1,790)	(2,480)	(34)	(1,869)	(60,393)	(62,262)
Balance at 31 March 2010 carried forward	7,966	4,262	735	710	13,673	36,563	50,236
<u>Movement in Reserves during 2010/11</u>							
Surplus or (deficit) on provision of Services	23,637	(1,560)	-	-	22,077	-	22,077
Other Comprehensive Expenditure and Income	-	-	-	-	-	24,552	24,552
Total Comprehensive Expenditure and Income	23,637	(1,560)	0	-	22,077	24,552	46,629
Adjustments between accounting basis & funding basis under regulations (Note 6)	(23,863)	873	735	-	(22,255)	22,255	-
Net Increase/Decrease before Transfers to Earmarked Reserves	(226)	(687)	735	-	(178)	46,807	46,629
Transfers to/from Earmarked Reserves (Note 7)	1,389	-	(1,470)	81	-	-	-
Increase/Decrease in Year	1,163	(687)	(735)	81	(178)	46,807	46,629
Balance at 31 March 2011 carried forward	9,129	3,575	0	791	13,495	83,370	96,865

CLACKMANNANSHIRE COUNCIL

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Council's 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 of Reserves Statement.

2009/2010			2010/2011		
Gross Expend £000	Gross Income £000	Net Expend £000	Gross Expend £000	Gross Income £000	Net Expend £000
2,118	106	2,012	1,508	95	1,413
14,917	2,072	12,845	8,070	1,426	6,644
59,802	2,350	57,452	53,165	2,044	51,121
6,380	1,649	4,731	3,887	227	3,660
46,666	33,151	13,515	37,162	34,304	2,858
3,807	567	3,240	4,720	2,169	2,551
37,177	8,994	28,183	36,495	9,361	27,134
8,074	77	7,997	6,703	1,348	5,355
4,380	0	4,380	4,132	196	3,936
3,204	0	3,204	2,741	0	2,741
2,520	0	2,520	3,101	798	2,303
3,181	0	3,181	(20,583)	0	(20,583)
192,226	48,966	143,260	141,101	51,968	89,133
			Cost of Services		
	(360)				(812)
	13,101				11,276
	(121,224)				(121,674)
	34,777		(Surplus) or Deficit on Provision of Services (Note 18)		(22,077)
	(27,413)		Surplus or deficit on revaluation of fixed assets		0
	<u>54,898</u>		Actuarial gains/losses on pension assets/liabilities (Note 13)		<u>(24,552)</u>
	<u>27,485</u>		Other Comprehensive Income and Expenditure		<u>(24,552)</u>
	<u>62,262</u>		Total Comprehensive Income and Expenditure		<u>(46,629)</u>

CLACKMANNANSHIRE COUNCIL

BALANCE SHEET

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 authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able 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 in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

1 April 2009	31 March 2010		31 March 2011
£000	£000		Note £000
292,187	317,247	Property, Plant & Equipment	34 306,473
7,602	6,239	Investment Property	29 5,759
568	524	Intangible Assets	30 455
968	968	Long-term Investments	32 1,426
12	13	Long-term Debtors	39 12
301,337	324,991	Long-term Assets	314,125
9,221	8,916	Assets Held for Sale	37 15,514
479	440	Inventories	38 471
12,985	12,022	Short Term Debtors	40 10,637
17,752	0	Short Term Investments	0
32,953	9,291	Cash and Cash Equivalents	17 17,460
73,390	30,669	Current Assets	44,082
(40,012)	(2,607)	Short Term Borrowing	44 (1,758)
(19,219)	(18,513)	Short Term Creditors	41 (19,948)
(26)	(570)	Provisions	42 (826)
(59,257)	(21,690)	Current Liabilities	(22,532)
(1,238)	(2,528)	Provisions	42 (2,778)
(115,324)	(125,513)	Long-term Borrowing	44 (124,987)
(86,410)	(155,693)	Other Long-term Liabilities	46 (111,045)
(202,972)	(283,734)	Long-term Liabilities	(238,810)
112,498	50,236	Net Assets	96,865
15,542	13,673	Usable reserves	12 13,495
96,956	36,563	Unusable Reserves	13 83,370
112,498	50,236	Total Reserves	96,865

The unaudited accounts were issued on 30 June 2011



Nikki Bridle
Director of Finance and Corporate Services

CLACKMANNANSHIRE COUNCIL CASH FLOW STATEMENT

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 to 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.

2009/10		2010/11
£000		£000
(34,777)	Net (surplus) or deficit on the provision of services	22,010
65,738	Adjust net surplus or deficit on the provision of services for non cash movements	(2,372)
(23,810)	Adjust for items in the net surplus or deficit on the provision of services that are investing and financing activities	(4,790)
7,151	Net cash flows from Operating Activities	14,848
3,326	Investing activities (Note 15)	(4,074)
(27,487)	Financing Activities (Note 16)	(2,605)
(23,662)	Net increase or decrease in cash and cash equivalents	8,169
32,953	Cash and Cash equivalents at the beginning of the reporting period	9,291
9,291	Cash and cash equivalents at the end of the reporting period (Note 17)	17,460

CLACKMANNANSHIRE COUNCIL

NOTES TO THE ACCOUNTS

1. Accounting Policies

a) General Principles

The Statement of Accounts summarises the Council's transactions for the 2010/11 financial year and its position at the year-end of 31 March 2011. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 and the Best Value Accounting Code of Practice 2010/11, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

b) Changes in Accounting Policy

These Statement of Accounts are the first to be prepared by the Council on an IFRS basis. Adoption of the IFRS based Code has resulted in the restatement of various balances and transactions, with the result that some of the figures presented in the Statement of Accounts are different to the comparative figures in the Audited Statement of Accounts for 2009/10. An explanation of the material differences between the two figures is provided in Note 2. Relevant figures for the 2009/10 financial year and for the Balance sheet at 1 April 2009 are disclosed as appropriate for the purpose of comparison.

c) 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 the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- 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 the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- 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 there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Where the Council is acting as an agent for another party (eg, in the collection of NNDR), income and expenditure are recognised only to the extent that commission is receivable by the Council for the agency services rendered or the Council incurs expenses directly on its own behalf in rendering the services.

d) 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 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.

e) Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or when 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.

Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change.

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

f) Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed 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
- 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 amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by loans fund principal repayments in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

g) Employee Benefits**Benefits Payable During Employment**

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Account when the Council is demonstrably committed to either terminating the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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 termination benefits related to pensions enhancements 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
- 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 be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and 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 based on the gross redemption yield on the iBoxx Sterling Corporate Index, AA over 15 years.
- The assets of the Falkirk pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as 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/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
 - expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
 - gains/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/credited to the Surplus/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 the Pensions Reserve
 - contributions paid to the Falkirk pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions 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, this means that 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. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. 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 reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is 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 Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is 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) Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

j) 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 initially measured at fair value and 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, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. 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.

k) **Financial Assets**

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables 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 then 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.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

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

Available-for-Sale Assets

Available-for-sale 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 and carried at fair value. Where the asset has fixed or determinable payments, 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 amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus/Deficit on Revaluation of Available-for-Sale Financial Assets line in the Comprehensive Income and Expenditure Statement. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain/loss for the asset accumulated in the Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains/losses previously recognised in the Available for Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

l) 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 attaching 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 acquired using 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/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.

m) 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 (eg 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 is not 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. 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, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

n) 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 and require it to prepare group accounts. 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 losses.

o) Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the lower of cost and net realisable values.

p) 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 or is held for sale.

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

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the 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, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

q) Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other ventures, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The Council accounts for its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

r) Leases

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

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

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

The Council as Lessee

Finance Leases

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

Lease payments are apportioned between:

a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and

a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

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

Operating Leases

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

The Council as Lessor

Finance Leases

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

Lease rentals receivable are apportioned between:

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

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

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.

Operating Leases

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

s) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Best Value Accounting Code of Practice 2010/11* (BVACOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation. (However, an allocation of Democratic Costs is made to the Housing Revenue Account to reflect the proportion attributable to Council housing issues)
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on surplus assets in Property, Plant and Equipment.

These two cost categories are defined in BVACOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

t) 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

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase 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.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- 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 is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment 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)
- 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)
- 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.

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 previously recognised losses. Depreciation is not charged on Assets Held for Sale.

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 in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside 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.

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 certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- infrastructure – straight-line allocation over 60 years.

Where a material item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, and where these components have different useful lives to the main asset, the components are depreciated separately. 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 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.

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

u) 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 4.36% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- 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.

v) 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 that probably requires settlement by a transfer of economic benefits or service potential, 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 (eg 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 accounts.

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.

w) 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/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 and retirement benefits and that do not represent usable resources for the Council – these reserves are explained in the relevant notes below.

Insurance Fund

The Insurance fund covers the main classes of insurance: property, public liability, employers liability and motor. Funds are earmarked for insurance purposes and are not available for general Council use. The purpose of the Insurance Fund is to provide an element of self-insurance and protect the Council against unforeseen losses. The total cost of insurance i.e. premium plus excess, is charged to the Fund and offset by contributions from services which are reflected in Comprehensive Income and Expenditure Statement.

x) Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions 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.

y) VAT

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

2. Transitional Arrangements for First Time Adoption of International Financial Reporting Standards

The Annual accounts for 2010/11 are the first to be prepared on an IFRS basis. Adoption of the IFRS Code has resulted in the restatement of various balances and transactions, with the result that some amounts presented are different from the equivalent figures presented in the Audited Annual Accounts for 2009/10. An explanation of the differences between the amounts presented in the Annual Accounts for 2009/10 and the equivalent amounts presented in the 2010/11 Annual Accounts is provided in the following table and notes.

Reconciliation of net worth reported under previous UK GAAP to net worth under IFRS(1 April 2009) and the end of the latest period presented in the most recent financial statements under UK GAAP (31 March 2010)	Note	1 April 2009 £'000	31 March 2010 £'000
Net assets/ (liabilities) under UK GAAP		105,765	38,916
Adjustments made :			
IAS 20 - Accounting for Government Grants	a	10,345	15,635
IAS 17 - Leases	b	60	13
IAS 19 - Employee Benefits	c	(3,672)	(4,328)
Net assets/ (liabilities) under IFRS		112,498	50,236

This table provides a reconciliation between the gains and losses shown in the 2009/10 Annual Accounts on a UK GAAP basis and the revised 2009/10 income and expenditure shown on an IFRS basis.

	2009/10 £'000
Total recognised (gains)/ losses for 2009/10 based on UK GAAP	66,849
IAS 20 - Accounting for Government Grants	(5,290)
IAS 17 - Leases	47
IAS 19 - Employee Benefits	656
Total Comprehensive Income & Expenditure for 2009/10 based on IFRS	62,262

Notes:**a. Government Grants**

Under the Code, grants and contributions for capital schemes are recognised as income when they become receivable. Previously grants were held in a grants deferred account and recognised as income over the life of the assets which they were used to fund.

As a consequence of adopting the accounting policy required by the Code, the financial statements have been amended as follows:

The balance on the Government Grants Deferred Account at 31 March 2009 has been transferred to the Capital Adjustment Account in the opening 1 April 2009 Balance Sheet. This has resulted in the balance shown on the Capital Adjustment Account in the IFRS accounts being £10.345m and £15.635m higher than shown under the 1st April 2009 and 31 March 2010 previous GAAP based accounts respectively.

Amortisations of government grants deferred were previously recognised as income in 2009/10 (£0.768m). These have been removed from the Comprehensive Income & Expenditure Statement (on a service by service basis) in the comparative figures.

b. Leases

The council has classified a number of leases as operating leases under UK GAAP. These have been subsequently re-categorised as finance leases under the IFRS standard. This required the Council to recognise the asset on the balance sheet and subsequent finance lease creditor at the inception of the leases, and determine the value of the asset and liability at 31 March 2009. During 2009/10 the short term creditor was paid, and a transfer was made from long-term creditors to short term creditors to reflect the principal element payable in 2010/11. The cost to the Comprehensive Income and Expenditure Account reflects the finance lease charges being higher than those recognised under the operating lease.

c. Employee Benefits

This refers to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the Council. The most significant benefit covered by this heading is holiday pay. Employees build up entitlement to paid holidays as they work. Under the Code the cost of providing holidays and similar benefits is required to be recognised when employees render services that increase their entitlement to future compensated absences. As a result, the Council is required to accrue for any annual leave earned but not taken at 31 March each year. Under the previous accounting arrangements no such accrual was required.

Accruing for employee benefits has resulted in decreases of net assets in the Balance Sheet as at 1 April 2009 and as at 31 March 2010 of £3.672m and £4.328m respectively. The impact on the Comprehensive Income and Expenditure Statement is an increase of expenditure of £656k in 2009/10, reflecting the movement in the accrual.

The government has issued regulations that mean that local authorities are only required to fund holiday pay and similar benefits when they are used, rather than when the employees earn the benefits. Amounts are transferred to the Employee Statutory Mitigation Account - Employee Benefits until the benefits are used.

3. Accounting Standards

The Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 (the Code) has introduced a change of accounting policy in relation to the treatment of heritage assets held by the Council, which will have to be fully adopted by the Council in the 2011/12 Statement of Accounts.

The Council is required by the 2010/11 Code to disclose information relating to the impact on the financial statements as a result of new standards which have been issued but not yet adopted by the Council, in this case heritage assets. Full adoption is required in the 2011/12 Accounts, however the Council is required to provide an estimated impact on the financial statements of the new standard in the 2010/11 Accounts. The new standard will require that heritage assets are disclosed as a new class of assets on the face of the Council's 2011/12 Balance Sheet.

Heritage assets are those that are held by the Council principally for their contribution to knowledge or culture. Assets which are used for heritage purposes, such as museums, are recognised as operational rather than heritage assets in the Balance Sheet. The Council is currently unable to determine what the impact of this change will be on its 2011/12 Balance Sheet until further work is carried out during 2011/12 on this issue. However, initial indications are that this will not have a material impact on the Council's Balance Sheet.

4. 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 Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government with the current spending review only covering one year, 2011/12. 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, beyond what has been provided in the 2011/12 budget.
- A claim has been made against the Council in relation to the award of a procurement contract. With the support of the Council's legal advisors, it has been assessed that the Council has a strong legal argument to defend the claim, and therefore no provision for possible damages has been made.

5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts 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 2011 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	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 £268k and £246k respectively for every year that useful lives had to be reduced.
Provisions	The Council has made a provision of £2,778m for the settlement of claims for back pay arising from the Equal Pay initiative, based on the number of claims received and an average settlement amount. It is not certain that all valid claims have yet been received by the Council or that precedents set by other authorities in the settlement of claims will be applicable.	An increase over the forthcoming year of 10% in either the total number of claims or the estimated average settlement would each have the effect of adding £278k to the provision needed.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of 10% equating to £21.629m. However, the assumptions interact in complex ways. During 2010/11, the Council's actuaries advised that the net pensions liability had decreased by £21.741m due to the pension increase change from RPI to CPI introduced in the June 2010 Emergency Budget..
Arrears	At 31 March 2011, the Council had a balance of sundry debtors for £2.256m. A review of outstanding balances suggested that an allowance for doubtful debts of £626k (debts over 3 years old for non-housing services and over one year for housing repairs) was appropriate. However, in the current economic climate such an allowance might not be sufficient.	If collection rates were to deteriorate and debts over one year old in respect of non-housing services become more doubtful this would require an additional £178k to be set aside as an allowance.

6. 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.

2010/11	Usable Reserves				
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Insurance Fund £000	Movement in Unusable Reserves £000
Adjustments involving the Capital Adjustment Account:					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(6,617)	(5,109)			11,726
Amortisation of intangible assets	(187)				187
Capital grants and contributions that have been applied to capital financing	2,959				(2,959)
Revenue expenditure funded from capital under statute	1,245				(1,245)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(567)	(730)			1,297
Sale Proceeds of non-current assets	735	1,096	(1,831)		0
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Statutory provision for the financing of capital investment	5,917	1,562			(7,479)
Capital expenditure charged against the General Fund and HRA balances		2,373			(2,373)
Adjustments involving the Capital Receipts Reserve:					
Use of the Capital Receipts Reserve to finance capital expenditure			1,096		(1,096)
Adjustments involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	839				(839)
Adjustments involving the Pensions Reserve:					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see Note 25)	12,538	(443)			(12,095)
Employer's pensions contributions and direct payments to pensioners payable in the year	6,511	261			(6,772)
Adjustment involving the Accumulating Compensated Absences Adjustment Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	490	117			(607)
Total Adjustments	23,863	(873)	(735)		(22,255)

2009/10 comparative figures	Usable Reserves				
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Insurance Fund £000	Movement in Unusable Reserves £000
Adjustments involving the Capital Adjustment Account:					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(26,103)	(15,076)			41,179
Amortisation of intangible assets	(192)				192
Capital grants and contributions that have been applied to capital financing	6,058				(6,058)
Revenue expenditure funded from capital under statute	(1,245)				1,245
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1	(152)			151
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Statutory provision for the financing of capital investment	4,548	1,510			(6,058)
Capital expenditure charged against the General Fund and HRA balances		2,561			(2,561)
Adjustments involving the Capital Receipts Reserve:					
Use of the Capital Receipts Reserve to finance new capital expenditure			(584)		584
Adjustments involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	280				(280)
Adjustments involving the Pensions Reserve:					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see Note 25)	(9,794)	(418)			10,212
Employer's pensions contributions and direct payments to pensioners payable in the year	6,013	341			(6,354)
Adjustment involving the Accumulating Compensated Absences Adjustment Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(519)	(137)			656
Total Adjustments	(20,953)	(11,371)	(584)		(32,908)

7. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund and HRA expenditure in 2010/11.

2010/11	Balance at 1 April 2010 £000	Transfers Out 2010/2011 £000	Transfers In 2010/2011 £000	Balance at 31 March 2011 £000	Purpose of the Earmarked Reserve
General Fund:					
Capital Receipts Reserve	735	(1,470)	735		0 Proceed of assets sales available to meet future capital investment or repayment of debt
Insurance Fund	710	0	81	791	Resources to provide an element of self-insurance
Total	1,445	(1,470)	816	791	

2009/10 comparative figures	Balance at 1 April 2010 £000	Transfers Out 2010/2011 £000	Transfers In 2010/2011 £000	Balance at 31 March 2011 £000
General Fund:				
Capital Receipts Reserve	3,215	(3,064)	584	735
Insurance Fund	744	(34)	0	710
Total	3,959	(3,098)	584	1,445

8. Other Operating Expenditure

2009/10 £000		2010/11 £000
(511)	Gains/losses on trading operations (Note 19)	(278)
151	Gains/losses on the disposal of non current assets	(534)
(360)	Total	(812)

9. Financing and Investment Income and Expenditure

2009/10 £000		2010/11 £000
9,452	Interest payable and similar charges	9,500
3,825	Pensions interest cost and expected return on pensions assets	2,490
(176)	Interest receivable and similar income	(188)
0	Changes in the carrying value of LOBO * loans	(526)
13,101	Total	11,276

* Lender Options Borrower Options

10. Taxation and Non Specific Grant Incomes

2009/10 £000		2010/11 £000
(21,391)	Council tax income	(21,518)
(21,165)	Non domestic rates	(20,228)
(72,610)	Non-ring fenced government grants	(77,580)
(6,058)	Capital grants and contributions	(2,348)
(121,224)	Total	(121,674)

11. Material Items of Income and Expense

Provisions

In 2009/10 the provision for equal pay liabilities was increased by £1.245m to cover potential exposure in respect of a new wave of claims. The Scottish Government granted the Council a consent to borrow this sum in either 2009/10 or 2010/11 and this consent was recognised by an adjusting transaction between the Movement in Reserves Statement and the Capital Adjustment Account, thereby neutralising the effect of the increase in the provision on the general fund balance in 2009/10.

As at the end of March 2011 settlement of these claims had still not progressed. An application to the Scottish Government to carry forward the consent to borrow into 2011/12 was declined. Accordingly the above previous year adjusting transaction has been reversed, resulting in an additional cost of £1.245m in the Comprehensive Income and Expenditure Statement in 2010/11.

12. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Notes 6 and 7.

31 March 2010 £000		31 March 2011 £000
7,966	General Fund	9,129
4,262	Housing Revenue Account	3,575
735	Capital Receipts Reserve	0
710	Insurance Fund	791
13,673	Total Usable Reserves	13,495

13. Unusable Reserves

31 March 2010 £000		31 March 2011 £000
27,413	Revaluation Reserve	26,850
122,995	Capital Adjustment Account	125,500
(4,481)	Financial Instruments Adjustment Account	(3,642)
(105,036)	Pensions Reserve	(61,617)
(4,328)	Accumulating Compensated Absences Adjustment Account	(3,721)
36,563	Total Unusable Reserves	83,370

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. 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.

2009/10 £000		2010/11 £000
0	Balance at 1 April	27,413
27,413	Upward revaluation of assets	0
0	Accumulated gains on assets sold or scrapped written off to the Capital Adjustment Account	(563)
27,413	Balance at 31 March	26,850

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 charged 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 gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains 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 6 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2009/10 £000		2010/11 £000	2010/11 £000
151,669	Balance at 1 April		122,995
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>		
(41,179)	• Charges for depreciation and impairment of non current assets	(11,726)	
(192)	• Amortisation of intangible assets	(187)	
(1,245)	• Revenue expenditure funded from capital under statute	1,245	
(151)	• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,297)	
0	• Amounts written out of the Revaluation Reserve on assets sold or scrapped	563	
(42,767)			(11,402)
	<u>Capital financing applied in the year:</u>		
(584)	• Use of the Capital Receipts Reserve to finance new capital expenditure	1,096	
6,058	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	2,959	
6,058	• Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	7,479	
2,561	• Capital expenditure charged against the General Fund and HRA balances	2,373	
14,093			13,907
122,995	Balance at 31 March		125,500

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 in 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 a result, the balance on the Account at 31 March 2011 will be charged to the General Fund over the next 43 years.

2009/10 £000		2010/11 £000
(4,761)	Balance at 1 April	(4,481)
0	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	
313	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	313
(33)	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	526
(4,481)	Balance at 31 March	(3,642)

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 costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2009/10 £000		2010/11 £000
(46,280)	Balance at 1 April	(105,036)
(54,898)	Actuarial gains or losses on pensions assets and liabilities	24,552
(10,212)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	12,095
6,354	Employer's pensions contributions and direct payments to pensioners payable in the year	6,772
(105,036)	Balance at 31 March	(61,617)

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.

2009/10 £000		2010/11 £000
3,762	Balance at 1 April	4,328
(3,762)	Settlement or cancellation of accrual made at the end of the preceding year	(4,328)
4,328	Amounts accrued at the end of the current year	3,721
	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(607)
4,328	Balance at 31 March	3,721

14. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2009/10 £000		2010/11 £000
176	Interest received	188
(13,277)	Interest paid	(11,463)

15. Cash Flow Statement – Investing Activities

2009/10 £000		2010/11 £000
(12,221)	Purchase of property, plant and equipment, investment property and intangible assets	(8,583)
262	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,831
17,752	Proceeds from short-term and long-term investments	0
6,058	Other receipts from investing activities	2,678
11,851	Net cash flows from investing activities	(4,074)

16. Cash Flow Statement – Financing Activities

2009/10 £000		2010/11 £000
11,581	Cash receipts of short- and long-term borrowing	0
0	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(565)
(39,068)	Repayments of short- and long-term borrowing	(2,040)
0	Other payments for financing activities	0
(27,487)	Net cash flows from financing activities	(2,605)

17. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2010 £000		31 March 2011 £000
7	Cash held by the Council	7
9,220	Bank current accounts	17,406
64	Short-term deposits with building societies	47
9,291	Total cash and cash equivalents	17,460

A Group Cash flow Statement reflects the cash flow movement of the Council and subsidiaries - cash balances.

At the Balance Sheet date Clackmannanshire Council no longer has a subsidiary. Therefore it is not considered necessary to complete a Group Cash flow Statement to provide a fair presentation of the Council's financial position.

18. Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Account is that specified by the Best Value Accounting Code of Practice. However, decisions about resource allocation are taken by the Council on the basis of budget reports analysed across service portfolios. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, impairment losses and amortisations are charged to services in the Comprehensive Income and Expenditure Account)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year
- expenditure on some support services is budgeted for centrally and not charged to services

The income and expenditure of the Council's principal services recorded in the budget reports for the year is as follows:

Portfolio Income and Expenditure

	Support Services £000's	Strategy & Customer Services £000's	Facilities Management £000's	Social Policy £000's	Education £000's	Community & Regulatory £000's	Housing Revenue Account £000's	Total £000's
Fees, Charges & Other Service Income	(578)	(1,058)	(4,384)	(7,984)	(1,660)	(3,811)	(14,148)	(33,623)
Government Grants	(392)	0	0	(1,502)	(524)	(18,296)	0	(20,714)
Total Income	(970)	(1,058)	(4,384)	(9,486)	(2,184)	(22,107)	(14,148)	(54,337)
Employee Expenses	5,236	6,380	7,707	10,190	33,546	4,793	2,206	70,058
Other Operating Expenses	1,317	2,958	17,709	23,387	3,962	25,247	5,646	80,226
Total Operating Expenses	6,553	9,338	25,416	33,577	37,508	30,040	7,852	150,284
Net Cost of Services	5,583	8,280	21,032	24,091	35,324	7,933	(6,296)	95,947

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement

Cost of Services in Service Analysis	95,947
(1) Add amounts not reported in service management accounts	(6,747)
Net Cost of Services in Comprehensive Income and Expenditure Statement	89,200

Reconciliation to Subjective Analysis

	Service Analysis £000s	Not Reported in Service Management A/cs £000s	Net Cost of Services £000s	Corporate Amounts £000s	Total £000s
Fees, charges & other service income	(33,623)	(8,040)	(41,663)	(812)	(42,475)
Interest and Investment income	0	0	0	(188)	(188)
Income from Council Tax & NDR	0	0	0	(41,746)	(41,746)
Government grants and contributions	(20,714)	0	(20,714)	(79,928)	(100,642)
Total Income	(54,337)	(8,040)	(62,377)	(122,674)	(185,051)
Employee expenses	70,058	(18,121)	51,937	0	51,937
Other Service expenses	80,226	8,753	88,979	0	88,979
Depreciation, amortisation and impairment	0	11,195	11,195	0	11,195
Interest payments	0	0	0	11,464	11,464
Gain or loss on disposal of Fixed Assets	0	(534)	(534)	0	(534)
Total Operating expenses	150,284	1,293	151,577	11,464	163,041
Surplus or deficit on the provision of services	95,947	(6,747)	89,200	(111,210)	(22,010)

(1) Includes depreciation, IAS 19 pension adjustment, equal pay provision, STO's and joint boards

Comparative Amounts Reported for Resource Allocation Decisions 2009/10

The previous year analysis is not directly comparable as it reflects the management structure in place at that time prior to the implementation of service and management reconfiguration introduced by the Council in January 2010.

Portfolio Income and Expenditure

	Chief Executive Services £000	Corporate & Dev Services £000	Services to People £000	Social Services £000	Education & Comm Services £000	General Fund Housing £000	Development & Environ Services £000	Housing Revenue Account £000	Total £000
Fees, charges & other service income	(568)	(698)	(10)	(11,776)	(3,024)	(2,509)	(11,245)	(13,378)	(43,208)
Government Grant	(17)	(649)	0	(1,290)	(1,028)	(17,104)	(81)	0	(20,169)
Total Income	(585)	(1,347)	(10)	(13,066)	(4,052)	(19,613)	(11,326)	(13,378)	(63,377)
Employee expenses	2,487	5,540	244	9,526	37,702	1,530	10,266	2,325	69,620
Other Operating expenses	915	2,006	3,701	24,808	14,531	21,018	12,825	9,057	88,861
Support Service recharges	0	0	0	0	0	0	0	0	0
Total Operating Expenses	3,402	7,546	3,945	34,334	52,233	22,548	23,091	11,382	158,481
Net Cost of Services	2,817	6,199	3,935	21,268	48,181	2,935	11,765	(1,996)	95,104

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement

Cost of Services in Service Analysis	95,104
Add Audit Adjustments	4,744
(1) Add Amounts not reported in service management accounts	42,028
IFRS Restatement	1,384
Net Cost of Services in Comprehensive Income and Expenditure Statement	143,260

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of portfolio income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

	Service Analysis £000	Not Reported in Service Man A/cs £000	Net Cost of Services £000	Corporate Amounts £000	Total £000
Fees Charges & other service income	(43,208)	(8,636)	(51,844)	0	(51,844)
Surplus or deficit on associates and Joint Ventures	0	0	0	(511)	(511)
Interest and Investment Income	0	0	0	(176)	(176)
Income from Council Tax & NDR Rates	0	0	0	(42,556)	(42,556)
Government Grants and Contributions	(20,169)	(202)	(20,371)	(78,668)	(99,039)
Total Income	(63,377)	(8,838)	(72,215)	(121,911)	(194,126)
Employee expenses	69,620	6,650	76,270	0	76,270
Other Service Expenses	88,861	12,622	101,483	0	101,483
Depreciation, amortisation and impairment	0	40,132	40,132	0	40,132
Interest Payments	0	0	0	13,277	13,277
Payments to Housing Capital Receipts Pool	0	(2,577)	(2,577)	0	(2,577)
Gain or loss on disposal of Fixed Assets	0	167	167	151	318
Total Operating Expenses	158,481	56,994	215,475	13,428	228,903
Surplus or deficit on the provision of Services	95,104	48,156	143,260	(108,483)	34,777

(1) Includes depreciation, impairment, FRS 17 pension adjustment, equal pay provision, STO's and joint boards

19. Trading Operations

The Council has identified the following 2 significant trading operations that require to be disclosed in accordance with the Local Government Scotland Act 2003.

		2008/09		2009/10		2010/11	
		£000	£000	£000	£000	£000	£000
Property contracts carried out work primarily for Housing Services. The work ranges from day to day repairs to Council houses to major capital Schemes such as window replacements - the trading objective is to achieve the budgeted surplus (£278,000)	Turnover	5,674		6,011		5,702	
	Expenditure	(5,111)		(5,361)		(5,248)	
	Surplus		563		650		454
Environmental & Engineering contracts carries out maintenance work on existing roads infrastructure together with construction of new projects including car parks and lighting schemes - the Surplus trading objective is to achieve the budgeted surplus of (£84,000)	Turnover	2,527		2,625		2,491	
	Expenditure	(2,344)		(2,428)		(2,313)	
	Surplus		183		197		178
Total Surplus			746		847		632
Reversal of items debited or credited to the Other Operating expenditure in the Comprehensive Income and Expenditure Statement							
Surplus credited against HRA Balances			(235)		(190)		(153)
Surplus credited against General fund balance - Roads & Transport Serv			(183)		(146)		(201)
Gains/Losses on Trading Operations per Note (8)			328		511		278

It is a requirement of the 2003 Act that significant Trading Operations must break even over a three year rolling basis. This statutory requirement to break even was met by both of the Trading Operations.

Trading Operations are incorporated into the Comprehensive Income and Expenditure Statement.

20. 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 £0.138m (2009/10 - £0.139m). This income is included in the Compressive Income and Expenditure Statement.

21. Pooled Budgets

A Local Partnership agreement exists between Clackmannanshire Council and NHS Forth Valley (Health Board, Primary Care Trust and Acute Trust) and covers all community care client groups. The shared vision is for better outcomes to be secured for people who require services and their carers and for improved partnership working between our agencies. Budgets from Clackmannanshire Council and NHS Forth Valley have been aligned to support this as follows:

	Budget 2009/10 £000	Budget 2010/11 £000	Expenditure 2009/10 £000	Expenditure 2010/11 £000
Integrated Mental Health Management	174	167	118	129
Skills Training	287	355	311	321
Integrated MH reserves	0	0	29	1
Mental Health Day Unit	525	562	509	580
	986	1,084	967	1,031
Clackmannanshire Council	47%	48%	47%	44%
NHS Forth Valley	53%	52%	53%	56%

22. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors

	2009/10 £000	2010/11 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	227	219

23. Termination Benefits

40 Staff have received lump sum severance or have had access to their pension schemes including strain payments. The total cost of this during 2010/11 financial year is £535k. There is also a provision in the accounts of £826k relating to 48 employees whose voluntary severance was approved during the 2010/11 financial year but are not due to leave until the 2011/12 financial year.

24. Pensions Schemes Accounted for as Defined Contribution Schemes

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 this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The total contribution made for the year ended 31 March 2011 was £4.050m (2009/10 £4.092m), of which employer's contributions totalled £2.829m (2009/10 £2.858m) and employee's contributions totalled £1.221m (2009/10 £1.234m). The agreed contribution rates for future years are 14.9% from 2011/12 (2010/11: 14.9%) for employers and 6.4% (2010/11: 6.4%) for employees.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in Note 25.

25. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in two post employment schemes:

- The Local Government Pension Scheme, administered locally by Falkirk Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Transactions Relating to Post Employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge they are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme £000	
	2010/11	2009/10
Comprehensive Income and Expenditure Statement		
<i>Cost of Services:</i>		
• current service cost	(6,148)	(3,541)
• past service costs	21,246	(2,678)
<i>Financing and Investment Income and Expenditure</i>		
• interest cost	(12,738)	(10,435)
• expected return on scheme assets	10,248	6,610
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	12,608	(10,044)
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
• actuarial gains and losses	(513)	(168)
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	12,095	(10,212)
<i>Movement in Reserves Statement</i>		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(12,095)	10,212
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	(6,772)	(6,354)

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to 31 March 2011 is a loss of £35,057k.

Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded liabilities: Local Government Pension Scheme £000	
	2010/11	2009/10
Opening balance at 1 April	246,589	150,529
Current service cost	6,148	3,541
Interest cost	12,738	10,435
Contributions by scheme participants	1,757	1,825
Settlements and curtailments	513	168
Actuarial gains and losses	(22,468)	84,202
Benefits paid	(6,924)	(6,789)
Past service costs	(21,246)	2,678
Closing balance at 31 March	217,107	246,589

Reconciliation of fair value of the scheme (plan) assets:

	Local Government Pension Scheme £000	
	2010/11	2009/10
Opening Balance at 1 April	141,553	104,249
Expected Rate of Return	10,248	6,610
Actuarial (gains) and losses	2,084	29,304
Employer contributions	6,772	6,354
Contributions by scheme participants	1,757	1,825
Benefits paid	(6,924)	(6,789)
Closing Balance at 31 March	155,490	141,553

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experience in the respective markets.

The actual return on the scheme assets in the year was £12,351k. (2009/10 £35,934k)

Scheme History

	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000
Present value of liabilities:					
Local Government Pension Scheme	(165,700)	(146,696)	(138,199)	(229,772)	(202,626)
Discretionary Benefits	(13,731)	(12,245)	(12,330)	(16,817)	(14,481)
Fair value of assets in the Local Government Pension Scheme	137,447	136,280	104,249	141,553	155,490
Surplus/(deficit) in the scheme:					
Local Government Pension Scheme	(41,984)	(22,631)	(46,280)	(105,036)	(61,617)
Discretionary Benefits	0	0	0	0	
Total	(41,984)	(22,661)	(46,280)	(105,036)	(61,617)

The liabilities show the underlying commitments that the Council has in the long run to pay post employment (retirement) benefits. The total credit of £43m has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a balance of £62m. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy:

- the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e., before payments fall due), as assessed by the scheme actuary
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contribution expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2012 is £5.606m.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31 March 2008.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2010/11	2009/10
Long-term expected rate of return on assets in the scheme:		
Equity investments	7.5%	7.8%
Bonds	4.9%	5.0%
Cash	4.6%	4.8%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.6 years	21.6 years
Women	25.0 years	25.0 years
Longevity at 65 for future pensioners:		
Men	23.1 years	23.1 years
Women	26.6 years	26.6 years
Rate of inflation	2.8%	3.8%
Rate of increase in salaries	5.1%	5.3%
Rate of increase in pensions	3.8%	3.8%
Rate for discounting scheme liabilities	5.5%	5.5%
Take-up of option to convert annual pension into retirement lump sum	50%	50%

The Discretionary Benefits arrangements have no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

	31 March 2011	31 March 2010
	%	%
Equity investments	76	77
Bonds	13	13
Property	8	7
Cash	3	3
	100	100

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve in 2009/10 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2010:

	2006/07	2007/08	2008/09	2009/10	2010/11
	%	%	%	%	%
Differences between the expected and actual return on assets	(0.8)	(10.0)	(36.22)	20.72	1.35
Experience gains and losses on liabilities	0.1	0.7	2.6	(0.27)	0.72

26. Events After the Balance Sheet Date

The Unaudited Statement of Accounts was authorised for issue by the Director of Finance and Corporate Services on 30 June 2011. Events taking place after this date are not reflected in the financial statements or Notes. Where events taking place before this date provided information about conditions existing at 31 March 2011, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

27. 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
- Subsidiary and Associated Companies
- Joint Ventures and Joint Venture Partners
- Elected Members and Chief Officers

The following related party transactions in 2010/11 are disclosed elsewhere within the Statement of Accounts: -

- a) Receipts from Central Government (Revenue Support Grant, NNDR Contribution from Pool, Government Grants etc) are shown in Note 45 (Grant Income)
- b) Payments to the Falkirk Council Superannuation Fund and Scottish Government (Teachers' Pensions) are shown in Notes 24 and 25 (Pension Schemes).
- c) Requisitions paid to Joint Boards are shown on the Comprehensive Income and Expenditure Account.
- d) Payments to Elected Members and Chief Officers are shown in the Remuneration Report.

Other significant related party transactions not included elsewhere within the Statement of Accounts are: -

a) The South East of Scotland Regional Transport Partnership (SESTRAN)

The Council's contribution to this partnership was £10,135 (2009/10 £40,000).

b) Forth Valley Geographical Information Services (FVGIS)

This is a limited company of which Clackmannanshire Council, Stirling Council and Falkirk Council are equal shareholders. The three funding Council's pay an annualised amount for core GIS services. The contribution paid by the Council in 2010/11 was £162,595 (2009/10 £149,000).

c) SEEMIS Limited Liability Partnership

The Council's contribution to this partnership was £37,324 (2009/10 £36,773). The Council is one of 26 Council's across Scotland with membership. The Council's contribution is 1.29%.

28. Leases

The Council has acquired a number of vehicles and some of its street lighting Infrastructure under finance leases.

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts.

	31 March 2011 £000	31 March 2010 £000
Other Land and Buildings	0	82
Vehicles, Plant, Furniture and Equipment	561	612
	561	694

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

	31 March 2011 £000	31 March 2010 £000
Finance lease liabilities (net present value of minimum lease payments):		
• current	45	42
• non current	594	639
Finance costs payable in future years	292	343
Minimum lease payments	931	1,024

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

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2011 £000	31 March 2010 £000	31 March 2011 £000	31 March 2010 £000
Not later than one Year	48	51	45	42
Later than one year not later than Five years	155	170	217	202
Later than Five years	89	122	377	437
	292	343	639	681

29. Investment Properties

The following 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:

	2009/10 £000	2010/11 £000
Rental Income from investment	240	240
Direct operating expenses arising from investment property	N/A	N/A
Net gain/(loss)	240	240

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

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

	2009/10 £000	2010/11 £000
Balance at 1 April	19,162	6,239
Additions:		
- Construction	0	1
Disposals	(0)	(270)
Net gains/losses from fair value adjustments	(1,363)	0
Transfers:		
- (to)/ from Property, Plant and Equipment	(11,560)	0
- (to)/ from Assets Held for Sale		(211)
Balance at 31 March	6,239	5,759

30. 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 amortisations are 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 on Intangible Asset balances during the year is as follows:

	2009/10 £000	2010/11 £000
Balance at start of year:		
• Gross carrying amounts	1,056	1,204
• Accumulated amortisation	(488)	(680)
Net carrying amount at start of year	568	524
Additions:		
Purchases	148	118
Amortisation for the period	(192)	(187)
Net carrying amount at end of year	524	455
Comprising:		
• Gross carrying amounts	1,204	1,322
• Accumulated amortisation	(680)	(867)
	524	455

31. Impairment Losses

The Council carried out an assessment of its assets for indications of any impairments during 2010/11. The scope of the assessment was to identify any unexpectedly significant decline in an asset's carrying amount or evidence of obsolescence or physical damage of an asset. The assessment did not identify any indications of material impairments during the year.

32. Long-term Investments

The Council has a range of investments that are fully described below. These are summarised as follows: -

	2009/10 £000	2010/11 £000
CSBP Clackmannanshire Investments Ltd (at cost)	0	0
CSBP Clackmannanshire Developments Ltd (at cost)	968	1,426
	968	1,426

33. Interests in Companies

The Council holds shares in various trading companies, either as controlling or minority shareholder.

The Council is also represented on the Boards of various companies that are limited by guarantee and have no share capital. It participates in these companies by means of Board membership and the provision of funding and management support.

Joint Ventures:

CSBP Clackmannanshire Investments Limited

This joint venture was formed in November 2003. The principal activity of the company is property development. The Council holds a 50% share in the joint venture company along with SPC Group Limited.

For the year ended 31 March 2011 the company had net profits/(losses) and net assets of £15,000(2009/10(£80,000)) and £524,000 (2009/10 £509,000) respectively. The Council's share of these figures have been incorporated in the Group Accounts.

CSBP Clackmannanshire Developments Limited

This joint venture was formed in November 2003. The principal activity of the company is the development and refurbishment of commercial and industrial property. The Council holds a 50% share in the joint venture company along with Scarborough Development Group.

For the year ended 31 March 2011 the company had net profits/(losses) and net liabilities of £51,000 (2009/10 (£100,000)) and £149,000 (2009/10 £200,000) respectively. The Council's share of these figures have been incorporated in the Group Accounts.

During the year 2010/11 the Company's Bank overdraft facility of £870,000 expired and was not renewed. The two Joint Venture partners each increased their loan capital by £435,000 to replace this facility.

Associated Companies:

Clackmannanshire Heritage Trust

This is a registered company limited by guarantee with charitable status. The purpose of the company is to enhance the historic buildings of Clackmannanshire, improve its landscaping and encourage sustainable use of its environment. The Council has five out of the thirteen trustees represented on its Board but it is not controlled by the Council.

Forth Valley GIS Limited

The principal activity of the company is the provision of corporate Geographical information Services, in particular, to Clackmannanshire, Falkirk and Stirling Council's. At 31 March 2011 the Council held 24 shares of £1 each in the company, representing a 33.3% shareholding. At 31 March 2011 the company had net liabilities of £497,000 (2009/10 net liabilities £750,000). In year ended 31 March 2011 the company achieved an operating loss of £117,000 (2009/10 operating loss £30,000). The Contractor has been retendered with an effective date of 30th June 2011.

Joint Boards:

Central Scotland Joint Police Board

This Board is the statutory corporate body established in 1975 to provide a vast range of policing services on behalf of the three local authorities comprising Falkirk, Stirling and Clackmannanshire Council's.

During 2010/11 the Council contributed £3.936m(2009/10 £4.380m) or 15.8% of the Board's estimated running costs. The Board's net liabilities at 31 March 2011 were £393.792m (2009/10 £457.721m) and the Council's share has been incorporated in the Group Accounts.

Central Scotland Joint Fire and Rescue Board

This Board is the statutory body established in 1975 to provide fire and emergency cover on behalf of the three local authorities comprising Falkirk, Stirling and Clackmannanshire Council's.

During 2010/11 the Council contributed £2.741m(2009/10 £3.204m) or 17.8% of the Board's estimated running costs. The Board's net liabilities at 31 March 2011 were £106.926m(2009/10 £123.190m) and the Council's share has been incorporated in the Group Accounts.

Central Scotland Valuation Joint Board

This Board is an independent body formed in 1996 to compile the Valuation Roll, Valuation List and Electoral Register on behalf of the three local authorities comprising Falkirk, Stirling and Clackmannanshire Council's.

During 2010/11 the Council contributed £428k(2009/10 £418k) or 15.4% of the Boards estimated running costs. The Board's net liabilities at 31 March 2011 were £3.366m(2009/10 £6.143m) and the Council's share has been incorporated in the Group Accounts

Group Accounts

The following entities have a significant impact on the Council's operations and have been consolidated into the Group Accounts:

- CSBP Clackmannanshire Investments Limited
- CSBP Clackmannanshire Developments Limited
- Forth Valley GIS Limited
- Central Scotland Joint Police Board
- Central Scotland Joint Fire and Rescue Board
- Central Scotland Valuation Joint Board

34. Property, Plant and Equipment

Movements on Balances

Movements in 2010/11

	Council Dwellings	Other Land and Buildings	Vehicles, Plant & Equip	Infrastructure Assets	Assets under Construction	Total Property, Plant & Equip	PFI Assets Included in Property, Plant & Equip ¹
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2010	135,461	153,802	14,416	32,727	4	336,410	61,325
Additions	3,469	1,646	822	1,954	11	7,902	0
Derecognition – Disposals	(1,850)	0	(219)	0	0	(2,069)	0
Assets reclassified (to)/from Held for Sale	0	(7,124)	0	0	0	(7,124)	0
At 31 March 2011	137,080	148,324	15,019	34,681	15	335,119	61,325
Accumulated Depreciation and Impairment							
At 1 April 2010	4,755	4,285	7,185	2,942	0	19,167	761
Depreciation charge	5,037	4,257	1,853	579	0	11,726	1,148
Derecognition – Disposals	(1,156)	0	(189)	0	0	(1,345)	0
Eliminated on reclassification to Assets Held for Sale	0	(902)		0	0	(902)	0
At 31 March 2011	8,636	7,640	8,849	3,521	0	28,646	1,909
Net Book Value							
At 31 March 2011	128,444	140,684	6,170	31,160	15	306,473	59,416
At 31 March 2010	130,706	149,521	7,231	29,785	4	317,247	60,564

Comparative Movements in 2009/10

	Council Dwellings	Other Land and Buildings	Vehicles, Plant & Equip	Infrastructure Assets	Assets under Construction	Total Property, Plant & Equip	PFI Assets Included in Property, Plant & Equip ²
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2009	168,886	156,934	12,229	28,161	24	366,234	41,513
Additions	4,657	26,011	2,167	4,551	0	37,386	21,705
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(37,096)	(31,753)	0	0	0	(68,849)	(1,893)
Derecognition – Disposals	(986)	0	0	0	0	(986)	0
Assets reclassified (to)/from Held for Sale	-	2,610	20	15	(20)	2,625	0
At 31 March 2010	135,461	153,802	14,416	32,727	4	336,414	61,325
Accumulated Depreciation and Impairment							
At 1 April 2009	27,659	41,082	5,491	2,445	0	76,677	0
Depreciation charge	4,800	3,780	1,694	497	0	10,771	761
Depreciation written out to the Revaluation Reserve	(27,659)	(41,082)	0	0	0	(68,741)	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	505	0	0	0	505	0
Derecognition – Disposals	(45)	0	0	0	0	(45)	0
At 31 March 2010	4,755	4,285	7,185	2,942	0	19,167	761
Net Book Value							
At 31 March 2010	130,706	149,521	7,231	29,785	4	317,247	60,564
At 31 March 2009	141,227	118,466	6,739	25,731	24	292,187	41,513

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation

Council Dwellings	14-40 years
Other Land and Buildings	14-40 years
Vehicles Plant furniture and Equipment	4 -15 years
Infrastructure Assets	60 years

Capital Commitments

The Council has approved £18.2m in 2011/12 under its capital programme, of which £2m has been contracted.

The contracts are as follows: -

	£000
Council Housing:	
- Kitchens & Bathrooms	51
- Central Heating	848
- Structural Works	173
- Rewire	545
- Other Housing	93
Public Conveniences	140
Primary & Nursery School Developments	150

Valuations

Assets are included in the Balance Sheet at their current asset value as at 1 April 2009 as amended by subsequent additions and disposals. Council Dwellings were valued by the Valuation Office Agency (an executive agency of HM Revenue and Customs) as at 1 April 2009 at £131.790m. Other lands and heritages were also valued by Valuation Office Agency as at 1 April 2009 at £105.440m. The valuations were carried out by P.M. Gay, MRICS, from the District Valuer Service and George Adamson, FRICS, of Clackmannanshire Council. The basis for valuation is set out in the statement of accounting policies.

The Council intends to undertake a review of the fair value of Assets Held for Sale to ensure they continue to reflect current market values.

35. Capital Expenditure and Capital Financing

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

	2009/10 £000	2010/11 £000
Capital investment		
Property Plant & Equipment	37,386	7,902
Investment Properties	366	466
Intangible Assets	148	118
Revenue Expenditure Funded from Capital under Statute	1,245	0
Sources of finance		
Capital receipts	1,016	1,096
Government grants and other contributions	6,057	2,960
Sums set aside from revenue:		
• Direct revenue contributions	2,561	2,373
Closing Capital Financing Requirement	29,511	2,057
Explanation of movements in year		
Increase in underlying need to borrowing	29,511	2,057
Increase/(decrease) in Capital Financing Requirement	29,511	2,057

36. Private Finance Initiatives and Similar Contracts

Secondary Schools PFI Scheme

2010/11 was the third year of a 30 year PFI contract for the construction, and maintenance of our three secondary schools in Clackmannanshire, namely Alloa, Alva and Lornhill Academies. The contract specifies the number of days and times that the schools are open, this includes an element of leisure provision in the evenings and weekends. The contract specifies minimum standards for the provision of the serviced accommodation to be provided by the contractor, with reductions from the fee payable being made if the schools, or rooms, are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant needed to operate the schools. At the end of the contract the schools will be transferred to the Council for nil consideration.

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 34.

Payments

The Council makes an agreed payment each year which is increased each year by inflation and 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 2011, excluding any estimate of availability/performance deductions are as follows:-

The annual payments payable under the Secondary Schools PPP contract are estimated at £6.957m in 2011/12 and this will increase annually by inflation over the contract period. The Scottish Government provides funding towards the project of £3.4m per annum. The net costs of the Secondary Schools PPP agreement borne by the Comprehensive Income and Expenditure Account in 2010/11 was £6.801m (2009/10 £6.021m). The contract expires in 2039/40.

The future payments to which the Council is committed based on the current funding model are analysed below:

	Repayment of Liability £000	Interest £000	Service Charges £000	Total £000
within one year	1,165	3,557	2,235	6,957
within two to five years	4,774	13,986	10,722	29,482
within six to ten years	5,492	16,626	17,845	39,963
within eleven to fifteen years	7,178	15,937	20,726	43,841
within sixteen to twenty years	8,409	13,987	25,833	48,229
within twenty-one to twenty-five years	13,864	13,101	26,229	53,194
within twenty-six to thirty years	8,394	4,247	20,988	33,629

37. Assets Held for Sale

	2009/10 £000	2010/11 £000
Balance at 1 April	305	8,916
Assets newly classified as held for sale:		
• Property, Plant and Equipment	8,935	6,433
Revaluation gains	120	0
Assets declassified as held for sale:		
• Property, Plant and Equipment	(810)	0
Assets sold	0	(300)
Expenditure Incurred	366	465
Balance at 31 March	8,916	15,514

38. Inventories

	Building Works	Catering	Vehicle Mtce	Other	Total
	2010/11 £000	2010/11 £000	2010/11 £000	2010/11 £000	2010/11 £000
Balance outstanding at start of year	190	46	40	164	440
Purchases	459	732	572	388	2,151
Recognised as an expense in the year	(434)	(726)	(550)	(410)	(2,120)
Balance outstanding at year-end	215	52	62	142	471

	2009/10 £000	2009/10 £000	2009/10 £000	2009/10 £000	2009/10 £000
Balance outstanding at start of year	201	35	44	199	479
Purchases	466	725	570	465	2,226
Recognised as an expense in the year	(477)	(714)	(574)	(500)	(2,265)
Balance outstanding at year-end	190	46	40	164	440

39 Long-term Debtors

	2009/10 £000	2010/11 £000
Loans to Employees	13	12
Business Development Loans	53	53
Other Loans - Alloa Bowling Club	0	0
	<hr/> 66	<hr/> 65
Less Provision for bad debts (Business Development)	(53)	(53)
	<hr/> 13	<hr/> 12

40. Short Term Debtors

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

	1 April 2009 £000	31 March 2010 £000	31 March 2011 £000
Central government bodies	4,046	3,517	1,857
Other local authorities	10	5	0
NHS bodies	228	250	353
Public corporations and trading funds	0	0	42
Other entities and individuals	8,703	8,250	8,385
Total	<hr/> 12,987	<hr/> 12,022	<hr/> 10,637

41. Short Term Creditors

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

	1 April 2009 £000	31 March 2010 £000	31 March 2011 £000
Central government bodies	(1,711)	2,052	3,395
Other local authorities	(507)	445	718
NHS bodies	(62)	125	191
Other entities and individuals	13,140	15,891	15,644
Total	<hr/> 15,421	<hr/> 18,513	<hr/> 19,948

42. Provisions

	Early Retirement £000	Equal Pay £000	Total £000
Balance at 1 April 2010	570	2,528	3,098
Additional provisions made in 2010/11	826	1,106	1,932
Amounts used in 2010/11	570	856	1,426
Balance at 31 March 2011	826	2,778	3,604

Outstanding Legal Cases

Early Retirement

In accordance with Financial Reporting Standard 12, where individual posts have been identified and agreed for voluntary redundancy, but not actually paid before 31st March, a provision is made. The costs incurred in 2010/11 reflect the implementation of service and management reconfiguration approved by the Council in January 2010.

Equal Pay

The Council has settled a number of equal pay claims during the year totalling £856k. Nevertheless, it is anticipated that the Council's exposure to further claims including HMRC liabilities is £2.778m, and provision has been made in the accounts at this level.

43. Contingent Liabilities

Equal Pay

The Council has received claims of historic pay inequality from specific groups of staff, particularly in catering, cleaning and homecare, and most recently, supervisory assistants and classroom assistants. Note 42 includes details of the provision in respect of those groups of employees identified so far. It remains a possibility that the Council may become liable for further claims in the future, but at this time there is uncertainty both surrounding the likely timescale involved and the potential level of settlement.

Construction Claim

The operator of our new secondary schools, Clackmannanshire Schools Educational Partnership has recently submitted a claim against the Council in respect of the construction contract for these PPP schools. The Council believes this claim is speculative, and are considering a counterclaim on the advice of our legal advisors. As any liability remains uncertain, no provision has been made in the Accounts for this claim.

Kitchen Contract

A claim has been made against the Council in relation to the award of a contract to install kitchens in Council properties. The value of any potential settlement is uncertain, but the Council believes it has a strong legal argument to defend the claim, and so no provision for possible damages has been made in the Accounts

44. Borrowings

	Average Rate payable (%)	Total Outstanding at 31 March	
		2010 £000	2011 £000
Source of Loan			
Repayable within 12 months			
Public Works Loan Board		1	0
Temporary Loans		0	0
Revenue Advances: -			
- Common Good & Trust Funds		513	516
- Central Scotland Valuation Joint Board		269	330
- Forth Valley Criminal Justice Authority		<u>1,824</u>	<u>912</u>
		<u>2,607</u>	<u>1,758</u>
 Repayable after 12 months			
Public Works Loan Board	6.18%	99,702	99,702
Market Loans	4.4 %	<u>24,014</u>	<u>23,487</u>
		123,716	123,189
Accrued interest on borrowing		<u>1,797</u>	<u>1,798</u>
		<u>125,513</u>	<u>124,987</u>
 Analysis of Long-term Loans by Maturity			
Between 1 - 2 year		3	4,000
Between 2 - 5 years		18,002	20,000
Between 5 - 10 years		17,206	11,612
More than 10 years		<u>90,302</u>	<u>89,375</u>
		<u>125,513</u>	<u>124,987</u>

45. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2010/11:

	2010/11 £000	2009/10 £000
Credited to Taxation and Non Specific Grant Income		
Council Tax/Community Charge	21,518	21,391
General Government Grant	86,731	72,610
Non-Domestic Rate Redistribution	11,077	21,165
Capital Grants & Contributions	2,349	6,058
Total	121,675	121,224
Credited to Services		
DSS grant for Benefits	16,887	16,190
Criminal Justice	1,404	1,109
Other grants	2,345	6,625
Total	20,636	23,924

46. Other Long-term Liabilities

	2009/10 £000	2010/11 £000
PFI & Finance Liabilities (see Note below)	49,875	48,711
Pension Liabilities	105,036	61,617
Other Long-term Liabilities (see note below)	782	717
	155,693	111,045

(a) PFI & Finance Lease

This sum relates to the finance lease creditor associated with the financing of the three new secondary schools under the PFI scheme, and Street Lighting. The movements in the balance sheet values are detailed below:

	PFI Scheme	Street Lighting	PFI Scheme	Street Lighting
	2009/10 £000	2009/10 £000	2010/11 £000	2010/11 £000
Balance at 1 April	39,267	764	50,378	681
Addition during year	11,111	0	0	0
Finance Lease creditor repayment in year	0	(83)	(1,102)	(42)
	50,378	681	49,276	639
Liabilities due over more than one year	49,276	599	48,112	599
Liabilities due within one year	1,102	82	1,164	40

(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 redevelopment, together with share of inherited loan from the European Investment Bank

	2009/10 £000	2010/11 £000
Developer Contributions	625	607
European Investment Bank	158	110
	783	717

47. 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

Categories of Financial Instruments

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

Table 1: Financial Instrument Balances

	Long-term		Current	
	31 March 2010 £000	31 March 2011 £000	31 March 2010 £000	31 March 2011 £000
Borrowings				
Financial liabilities at amortised cost	123,312	* 123,259	1,836	1,838
PFI & Finance leases liabilities	49,875	48,711	0	0
Total Financial Liabilities	173,187	171,970	1,836	1,838
Investments				
Loans & receivables	0	0	9,291	17,460
Total Financial Assets	0	0	9,291	17,460

* LOBOs of £9.5m have been included in Long Term Borrowing but have a call date in the next 12 months.

Table 2: Income, Expense, Gains and Losses on Financial Instruments

	2009/10			2010/11		
	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans and receivables £000	Total £000	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans and receivables £000	Total £000
Interest expense	(6,207)		(6,207)	(6,251)		(6,251)
Total expense in Surplus or Deficit on the Provision of Services	(6,207)		(6,207)	(6,251)		(6,251)
Interest Income		491	491		264	264
Gains on derecognition	8		8			
Total Income in Surplus or Deficit on the Provision of Services	8	491	499		264	264
Net gain/(loss) for the year	(6,199)	491	(5,708)	(6,251)	264	(5,987)

Fair Value of Assets and Liabilities Carried at Amortised Cost

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

Methods and Assumptions in valuation technique

The fair value of an instrument is determined by calculating the Net Present Value of future cash flows, which provides an estimate of the value of payments in the future in today's terms.

The discount rate used in the NPV calculation is the rate applicable in the market on the date of valuation for an instrument with the same structure, terms and remaining duration. For debt, this will be the new borrowing rate since premature repayment rates include a margin which represents the lender's profit as a result of rescheduling the loan; this is not included in the fair value calculation since any motivation other than securing a fair price should be ignored.

The rates quoted in this valuation were obtained by our treasury management consultants from the market on 31st March, using bid prices where applicable.

The calculations are made with the following assumptions:

- For PWLB debt, the discount rate used is the rate for new borrowing as per rate sheet number 063/10.
- For other market debt and investments the discount rate used is the rates available for an instrument with the same terms from a comparable lender.
- Interpolation techniques have been used between available rates where the exact maturity period was not available.
- 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.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Table 3: Fair Values of Assets and Liabilities

The fair values are calculated as follows:-

	31 March 2010		31 March 2011	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
PWLB - Maturity	101,140	116,224	101,139	108,787
PWLB - Annuity	42	42	41	58
LOBOs	23,807	23,807	23,807	26,995
Other loans	159	159	110	126
Financial Liabilities	125,148	149,232	125,097	135,966

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 below current market rates reduces the amount that the council would have to pay if the lender requested or agreed to early repayment of the loans.

	31 March 2010		31 March 2011	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Cash	9,227	9,227	17,413	17,413
Deposit with banks and Building Societies	64	64	47	47
Financial Assets	9,291	9,291	17,460	17,460

48. 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

The following analysis summarises the Council's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Council expects full repayment on the due date of deposits placed with its counterparties.

	Amounts at 31 March 2011	Historical experience of default	Historical experience adjusted for market conditions as at 31 March 2011	Estimated maximum exposure to default and uncollectability as at 31 March 2011	Estimated maximum exposure to default and uncollectability as at 31 March 2010
	£000	%	%	£000	£000
Deposits with banks and other financial institutions	47	2.58%	2.58%	1	1
Customers	2,256	0	0	0	0
Total	2,303			1	0

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Early in October 2008, the Icelandic banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. Clackmannanshire Council did not have any exposure to these banks, but the Council's maximum exposure to credit risk has been adjusted in light of the authorities who have experienced a bank default with these institutions.

Debtors

The Council allows credit of 30 days for customers, such that £2.1m of the £2.26m balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2010	31 March 2011
	£000	£000
Less than three months	751	890
Three to six months	243	120
Six months to one year	201	127
More than one year	922	923
Total	2,117	2,060

During the year a sum of £58k was charged to the Comprehensive Income and Expenditure Account in respect of an increase in the provision against current debts.

2. Liquidity Risk

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

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

Loans outstanding	On 31 March 2010	On 31 March 2011
	£000s	£000s
Public Works Loans Board	101,182	101,180
Market debt	24,331	23,807
Other Borrowing	159	110
Local bonds	0	0
Deferred purchase	0	0
Total	125,672	125,097
Less than 1 year	1	0
Between 1 and 2 years	161	4,110
Between 2 and 5 years	18,002	20,000
Between 5 and 10 years	17,206	11,612
More than 10 years	90,302	89,375
Total	125,672	125,097

In the more than 10 years category there are £9.5m of LOBOs which have a call date in the next 12 months.

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 authority 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 Account.
- Increases in interest rates will affect interest paid on variable rate borrowings, potentially increasing interest expense charged to the Comprehensive Income and Expenditure Account.
- The fair value of fixed rate financial assets will fall if interest rates rise. This will not impact on the Balance Sheet for the majority of assets held at amortised cost, but will impact on the disclosure note for fair value. It would have a negative effect on the Balance Sheet for those assets held at fair value in the Balance Sheet, which would also be reflected in the Comprehensive Income and Expenditure Statement.
- 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 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 ameliorated 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.

According to this assessment strategy, at 31 March 2011, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	95
Increase in interest receivable on variable rate investments	(121)
Impact on Comprehensive Income and Expenditure Account	(26)
Decrease in fair value of fixed rate borrowing liabilities (no impact on Surplus or Deficit on the Provision of Services or Other Comprehensive Income & Expenditure)	(15,784)

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

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 thus has no exposure to loss arising from movements in exchange rates.

49. Charitable Trusts

The Council acts as sole Trustee for 8 Charitable Trusts and Endowments

	2010/11 £000	2009/10 £000
Clackmannan District Charitable Trust	29	30
Alloa Day Home Trust	172	171
Clackmannanshire Educational Trust	31	31
William M Duncanson Legacy	9	9
J Thomas Patons Endowment Fund	12	12
Robert Jeffrey's Legacy	2	2
Mrs Elizabeth McNair's Legacy	2	2
War Memorial Trust Fund	13	13
	<u>270</u>	<u>270</u>

CLACKMANNANSHIRE COUNCIL HRA INCOME AND EXPENDITURE STATEMENT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Council's charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised is shown in the *Movement on the HRA statement*.

2009/10 £000		2010/11 £000	2010/11 £000
	Expenditure		
5,050	Repairs and maintenance	4,922	
3,697	Supervision and management	3,509	
14,971	Depreciation and impairment of non current--assets	5,109	
51	Movement in the allowance for bad debts	16	
242	Other expenditure	301	
24,011	Total Expenditure		13,857
	Income		
(13,292)	Dwelling rents	(13,962)	
(61)	Non-dwelling rents	(64)	
0	Other Income	(0)	
(13,353)	Total Income		(14,026)
10,658	Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		(169)
382	HRA Services' share of Corporate and Democratic Core		359
11,040	Net Cost of HRA Services		190
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
152	(Gain)/loss on sale of HRA fixed assets		(366)
1,786	Interest payable and similar charges		1,631
(34)	Interest and investment income		(23)
217	Pensions interest cost and expected return on pension assets		128
13,161	Deficit for the year on HRA Services		1,560

CLACKMANNANSHIRE COUNCIL

Movement on the HRA Statement

2009/10		2010/11
<u>£000</u>		<u>£000</u>
(6,052)	Balance on the HRA at the end of the previous year	(4,262)
13,161	Deficit for the year on the HRA Income and Expenditure Statement	1,560
(11,371)	Adjustments between accounting basis and funding basis under statute (Note HRA 1)	(873)
<hr/>		<hr/>
<u>1,790</u>	Decrease in year on the HRA	<u>687</u>
 <u>(4,262)</u>	 Balance on the HRA at the end of the current year	 <u>(3,575)</u>

Housing Revenue Account Disclosures

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

2009/10 £'000		2010/11 £'000
(152)	Gain or loss on sale of HRA non-current assets	366
2,561	Capital expenditure funded by the HRA	2,373
	Transfer to/from the Capital Adjustment Account:	
(15,076)	Depreciation and Impairment	(5,109)
1,510	Repayment of Debt	1,562
(77)	HRA share of contributions to or from the Pensions Reserve	(182)
(137)	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.	117
<hr/> (11,371) <hr/>	Total	<hr/> (873) <hr/>

HRA 2. Housing Stock

The Council's housing stock at 31 March 2011 was 4,980, (5006 at 31 March 2010) in the following categories:

2009/10 Number		2010/11 Number
40	One apartment	40
1,303	Two apartment	1,300
2,261	Three apartment	2,249
1,257	Four apartment	1,249
143	Five apartment	140
2	Six apartment	2
<hr/> 5,006 <hr/>	Total	<hr/> 4,980 <hr/>

HRA 3. Rent Arrears

Rent Arrears increased during the year by £138,437 to a total of £883,892. As a percentage of gross rental income the arrears represent 6.3% (2009/10 5.6%) which is equivalent to £177 (2009/10 - £149) per house.

HRA 4. Impairment of Debtors

In 2010/11 an impairment of £649,353 has been provided in the Balance Sheet for irrecoverable rents, an increase of £89,937 on the provision in 2009/10.

CLACKMANNANSHIRE COUNCIL

Council Tax Income Account

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.

2009/10 £000		2010/11 £000	2010/11 £000
(24,906)	Total Charges Levied		(25,063)
	Deduct:-		
752	Exemptions		707
2,326	Discounts		2,401
3,551	Council Tax Rebates	3,685	
(3,602)	Less: Government Grant	(3,718)	(33)
29	Relief (Persons with a Disability)		31
460	Provision for bad and doubtful debts		439
(21,390)	Income from Council Tax		(21,518)
	Add:-		
(1)	Community Charge Arrears Recovered		0
(21,391)	Net Local Council Tax Income per the Comprehensive Income and Expenditure Account		(21,518)

CLACKMANNANSHIRE COUNCIL NOTES TO THE COUNCIL TAX INCOME ACCOUNT

CTI 1. Calculation of the Council Tax Charge Base 2010/11

	Valuation Band									
	A (Disabled relief)	A	B	C	D	E	F	G	H	Total
Total number of dwellings	0	6,327	7,237	1,980	2,435	3,150	1,792	810	47	23,778
Less exempt dwellings	0	(220)	(202)	(64)	(35)	(40)	(22)	(11)	(5)	(599)
Disabled reduction	21	16	(15)	6	21	(32)	(8)	(8)	(1)	0
Less adjustment for single discounts	(3)	(900)	(766)	(201)	(178)	(162)	(62)	(27)	(0)	(2,299)
Less adjustment for double discounts	0	(42)	(53)	(20)	(22)	(21)	(16)	(7)	(1)	(182)
Effective number of dwellings	18	5,181	6,201	1,701	2,221	2,895	1,684	757	40	20,698
Band D equivalent factor (ratio)	(5/9)	(6/9)	(7/9)	(8/9)	(9/9)	(11/9)	(13/9)	(15/9)	(18/9)	
Band D equivalent Number of dwellings	10	3,454	4,823	1,512	2,221	3,538	2,432	1,262	80	19,332
Less provision for non-collection 2.5%										483

COUNCIL TAX BASE 2010/11 (equivalent to a Council Tax of £1,148)	18,849
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The product of the council tax base and the equivalent council tax charge give a budget for current year council tax income of £21.638m.

CTI 2. Council Tax Properties and Council Tax Charges

Valuation Band	Property Valuation Range	Effective Number of Dwellings	Total Council Tax Charge
			£
A (Disabled Relief)		18	637.78
A	£0 - £27,000	5,181	765.33
B	£27,001 - £35,000	6,201	892.89
C	£35,001 - £45,000	1,701	1,020.44
D	£45,001 - £58,000	2,221	1,148.00
E	£58,001 - £80,000	2,895	1,403.11
F	£80,001 - £106,000	1,684	1,658.22
G	£106,001 - £212,000	757	1,913.33
H	Over £212,000	40	2,296.00
		<u>20,698</u>	

CLACKMANNANSHIRE COUNCIL

National Non Domestic Rates Income Account

National Non Domestic Rates (NNDR) income is collected by local authorities, but all income is then remitted to the Scottish Government, where it is pooled nationally, and re-distributed back to local authorities along with the Revenue Support Grant.

The table below details the actual levels of NNDR collected by Clackmannanshire Council, and the overall increase between the rates collected and the amount that the Council is entitled to receive under the National Pooling arrangement.

2009/10		2010/11	2010/11
£000		£000	£000
(15,077)	Gross Rates Levy		(15,442)
(83)	Large property Supplement		(182)
<u>(15,160)</u>	Rates Levied and Contributions in lieu		<u>(15,624)</u>
	Deduct: Reliefs, Remissions, etc.		
<u>321</u>	Rating (Disabled Persons) Relief		<u>355</u>
	Other Reliefs:-		
880	- Small Business Relief	968	
507	- Mandatory Relief	585	
85	- Discretionary Relief	101	
82	- Sports Club Relief	78	
1	- Rural Relief	0	
<u>0</u>	- Renewable Energy	<u>7</u>	
<u>1,555</u>			<u>1,739</u>
<u>750</u>	Voids and Empty Periods		<u>569</u>
<u>1,504</u>	Provision Against Doubtful Debts and Appeals		<u>189</u>
<u>(11,030)</u>	Total for current year		<u>(12,772)</u>
<u>57</u>	Previous Years Charge Decrease (Increase)		<u>234</u>
<u>110</u>	Adjustments for Reliefs, Remissions etc		<u>146</u>
<u>4</u>	Payment of Interest		<u>0</u>
<u>171</u>	Total for previous years		<u>377</u>
<u>(10,859)</u>	Net Non-Domestic Rate Income		<u>(12,395)</u>
<u>(21)</u>	add back :- 25% Discretionary Reliefs not offset for Pool Contribution		<u>(25)</u>
<u>(10,880)</u>	Income for Contribution to Non-Domestic Rate Pool		<u>(12,420)</u>
10,880	Contribution to National Non-Domestic Rate Pool	12,420	
<u>(21,165)</u>	Distribution from National Non-Domestic Rate Pool	<u>(20,228)</u>	
<u>(10,285)</u>	Gain from National Pool		<u>(7,808)</u>
<u>(21,165)</u>	Net NNDR Income per the Comprehensive Income and Expenditure Account		<u>(20,228)</u>

CLACKMANNANSHIRE COUNCIL

Notes to the National Non Domestic Rates Income Account

NDR 1. Prior Period Adjustment

When the final return to Scottish Government was made on the provisional notified amounts due in respect of rates collected during 2009/10, a sum of £1.316m was included on the advice of the local Assessor as a provision against loss of income following appeals against revaluations.

This provision for appeals was omitted from the 2009/10 Statement of Accounts that were issued in September 2010. A prior period adjustment has been made to the Non-Domestic Rates Income Account in 2010/11, with the previous published figure for 2009/10 for provision against doubtful debts and appeals of £0.188m replaced by a figure of £1.504m. This adjustment does not have any impact on the NNDR Income due from the Scottish Government included within the Comprehensive Income and Expenditure Statement. Instead, the reported gain from the National Pool is increased by £1.316m for that year, being shown as £10.285m instead of the previous published figure of £8.969m.

NDR 2. 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 £ which is determined each year by the Scottish Government.

NDR 3. Rate Poundages Levied

	2009/10 p	2010/11 p
National Non-Domestic Rate	48.1	40.7
small business relief supplement – properties valued > £29,000	0.4	0.7

NDR 4. Clackmannanshire Rateable Values

	as at 1 April 2009 £000	as at 1 April 2010 £000
Commercial	12,075	14,939
Industrial	12,606	13,796
Miscellaneous	6,817	9,308
Total	<u>31,498</u>	<u>38,043</u>

NDR 5. Number of Premises

	as at 1 April 2009	as at 1 April 2010
Commercial	841	906
Industrial	306	304
Miscellaneous	384	337
Total	<u>1,531</u>	<u>1,547</u>

CLACKMANNANSHIRE COUNCIL

COMMON GOOD

Common Good

Common Good Funds are the assets and income of the former burghs of Scotland and stands 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 £8k principal funds held within the Common Good Accounts.

INCOME AND EXPENDITURE ACCOUNT

2009/10 £000		2010/11 £000
<u>245</u>	Income	
	Charges for use of premises	<u>239</u>
	Expenditure	
35	Property Maintenance	35
71	Utilities	53
19	Rates	41
12	Cleaning, land services and refuse collection	0
5	Insurance	7
103	Depreciation	<u>103</u>
<u>245</u>		<u>239</u>
<u>0</u>	Surplus/deficit for year	<u>0</u>

BALANCE SHEET

2009/10 £000		2010/11 £000
3,391	Long-term Assets	
	Land and buildings	3,517
	Current Assets	
8	Investments	8
<u>3,399</u>	Total Assets Less Liabilities	<u>3,525</u>
1,205	Revaluation reserve	1,205
2,186	Capital Adjustment Account	2,312
8	Revenue reserve	8
<u>3,399</u>		<u>3,525</u>

CLACKMANNANSHIRE COUNCIL

GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council's Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) unusable reserves and group reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance 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 or from Earmarked Reserves undertaken by the Council. The total group reserves indicate the reserves attributable to the group once it's share of it's associates and joint ventures are included.

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Ins Fund	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council's share of associates	Total Reserves Attributable to Council	Joint Ventures Common Good	Total Group Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2009	5,531	6,052	3,215	744	15,542	96,956	112,498	(59,551)	52,947	2,342	55,289
<u>Movement in reserves during 2009/10</u>											
Surplus or (deficit) on provision of services (including associates, joint ventures and tax expenses)	(21,616)	(13,161)			(34,777)	0	(34,777)	(4,278)	(39,055)	1,212	(37,843)
Other Comprehensive Expenditure and Income	0	0			0	(27,485)	(27,485)	(33,480)	(60,965)		(60,965)
Total Comprehensive Expenditure and Income	(21,616)	(13,161)			(34,777)	(27,485)	(62,262)	(37,758)	(100,020)	1,212	(98,808)
Net Increase/Decrease before Transfers	(21,616)	(13,161)			(34,777)	(27,485)	(62,262)	(37,758)	(100,020)	1,212	(98,808)
Adjustments between accounting basis and funding basis under regulations	20,953	11,371	584		32,908	(32,908)					0
Net Increase/Decrease before transfers to/from Earmarked Reserves	(663)	(1,790)	584		(1,869)	(60,393)	(62,262)	(37,758)	(100,020)	1,212	(98,808)
Transfers to/from Earmarked Reserves	3,098		(3,064)	(34)							0
Increase/Decrease in Year	2,435	(1,790)	(2,480)	(34)	(1,869)	(60,393)	(62,262)	(37,758)	(100,020)	1,212	(98,808)
Balance at 31st March 2010	7,966	4,262	735	710	13,673	36,563	50,236	(97,309)	(47,073)	3,554	(43,519)
Surplus or (deficit) on provision of services (including associates, joint ventures and tax expenses)	23,637	(1,560)			22,077	0	22,077	6,220	28,297	151	28,448
Other Comprehensive Expenditure and Income	0	0			0	24,552	24,552	9,150	33,702		33,702
Total Comprehensive Expenditure and Income	23,637	(1,560)			22,077	24,552	46,629	15,370	61,999	151	62,150
Adjustments between Group Accounts and Authority Accounts											
Net Increase/Decrease before Transfers	23,637	(1,560)			22,077	24,552	46,269	15,370	61,999	151	62,150
Adjustments between accounting basis and funding basis under regulations	(23,863)	873	735		(22,255)	22,255					0
Net Increase/Decrease before transfers to/from Earmarked Reserves	(236)	(687)	735		(178)	46,807	46,629	15,370	61,999	151	62,150
Transfers to/from Earmarked Reserves	1,389		(1,470)	81	0						0
Increase/Decrease in Year	1,163	(687)	(735)	81	(178)	46,807	46,629	15,370	61,999	151	62,150
Balance at 31st March 2011	9,129	3,575	0	791	13,495	83,370	96,865	(81,939)	14,926	3,705	18,631

CLACKMANNANSHIRE COUNCIL

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Council's 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 of Reserves Statement. The Group statement includes the Council's share of it's associates and joint ventures accounted for on an equity basis and any tax expenses associated with them.

2009/2010			2010/2011		
Gross Expend £000	Gross Income £000	Net Expend £000	Gross Expend £000	Gross Income £000	Net Expend £000
2,118	106	2,012	1,508	95	1,413
15,716	2,867	12,849	8,070	1,426	6,644
59,794	2,350	57,444	53,165	2,044	51,121
6,380	1,649	4,731	3,887	227	3,660
46,666	33,151	13,515	37,162	34,304	2,858
3,807	567	3,240	4,720	2,169	2,551
37,176	8,994	28,182	36,495	9,361	27,134
8,074	73	8,001	6,703	1,348	5,355
4,380	0	4,380	4,132	196	3,936
3,204	0	3,204	2,741	0	2,741
2,520	0	2,520	3,101	798	2,303
3,181	0	3,181	(20,583)	0	(20,583)
20,097	15,636	4,461	17,791	23,922	(6,131)
213,113	65,393	147,720	158,892	75,890	83,002
		(360)			(812)
		13,102			11,276
		(121,224)			(121,674)
		8			3
		39,246			(28,205)
		(27,413)			0
		54,898			(24,552)
		33,790			(9,275)
		61,275			(33,827)
		100,521			(62,032)

CLACKMANNANSHIRE COUNCIL GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. It also includes the share of the reserves of it's associates and joint ventures attributable to the Council. These are included as a separate category of reserve. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in three categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on the their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able 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 in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'. The third category of reserves is group reserves and this equals the Council's share of assets and liabilities included in the Balance Sheet.

1 April 2009	31 March 2010		31 March 2011 £000
£000	£000		
294,276	320,647	Property, Plant & Equipment	309,990
7,602	6,239	Investment Property	5,759
568	524	Intangible Assets	455
1,230	1,222	Long-term investments and investments in associates and joint ventures	1,688
12	13	Long-term Debtors	12
303,688	328,645	Long-term Assets	317,904
479	440	Inventories	471
12,985	12,022	Short Term Debtors	10,637
9,221	8,916	Assets held for sale	15,514
17,752	0	Short Term Investments	0
32,953	9,291	Cash and Cash Equivalents	17,460
73,390	30,669	Current Assets	44,082
(40,012)	(2,607)	Short Term Borrowing	(1,758)
(19,219)	(18,513)	Short Term Creditors	(19,948)
(26)	(570)	Provisions	(826)
(59,257)	(21,690)	Current Liabilities	(22,532)
(1,238)	(2,528)	Provisions	(2,778)
(115,324)	(125,513)	Long-term Borrowing	(124,987)
(59,560)	(97,408)	Liabilities in associates and joint ventures	(82,013)
(86,410)	(155,694)	Other Long-term Liabilities	(111,045)
(262,532)	(381,143)	Long-term Liabilities	(320,823)
55,289	(43,519)	Net Assets	18,631
15,542	13,673	Usable reserves	13,495
96,956	36,563	Unusable Reserves	83,370
(57,209)	(93,755)	Group Reserves	(78,234)
55,289	(43,519)	Total Reserves	18,631

Nikki Bridle

Nikki Bridle
Director of Finance and Corporate Services
30 June 2011

CLACKMANNANSHIRE COUNCIL

NOTES TO THE GROUP ACCOUNTS

GRP 1 Group Accounting Policies

The group accounting policies are those specified for the single entity financial statements. The accounting policies of all group members are materially the same as those of the single entity.

Where group members are not required to prepare their financial statements on an IFRS basis consolidation adjustments, where material, have been made.

GRP 2 Disclosure of Interest in Other Entities

The Council has adopted the recommendations of Chapter 9 of the Code, which requires local authorities to consider their interests in all types of entity to incorporate into Group Accounts.

A full set of group account, in addition to the Council's accounts, has been prepared which incorporates material balances from identified associates.

The Financial Statements in the Group Accounts are prepared in accordance with the Accounting Policies set out on pages 23-35.

GRP 3 Financial Impact of Consolidation

The effect of inclusion of the Associate and Joint Venture entities on the Group Balance Sheet is to reduce both the Reserves and Net Assets by £78.231m. The main reason for this reduction is due to the inclusion of the pension fund deficits attributable to the Police and Firefighters pension schemes.

GRP 4 Group Entities

The Group Accounts consolidate the results of the Council with six other entities. Full details of these interests have already been detailed within Note 33 of the Notes to the Core Financial Statements of the single entity Accounts. For the purpose of consolidation and incorporation within the Group Accounts recognition has been made of the Council's its minority interests in the four associate organisations and two joint venture companies.

The Balance Sheet of the Common Good Fund (page 85) has also been consolidated in full.

The Companies which have been consolidated and percentage of total shareholdings are:

Apex Leisure (Management) Limited – 100%, for part year 2009/10 only.

The Associates which have been incorporated and shares of total requisitions are:

Central Scotland Police Joint Board – 15.8%

Central Scotland Fire and Rescue Joint Board – 17.8%

Central Scotland Valuation Joint Board – 15.4%

Forth Valley GIS Ltd -- 33.3%

The Joint Ventures which have been incorporated and percentage of total shareholdings are:

CSBP Clackmannanshire Investments Limited – 50%

CSBP Clackmannanshire Developments Limited – 50%

The accounting period end for these entities is the 31 March 2011, with the only exception being in respect of Apex Leisure (Management) Limited which reported to 30 September 2009. The company ceased operations as at 30 September 2009, when the management of the Alloa Leisure Bowl was taken over by an independent private company.

The individual accounts relating to these entities are published separately, and are available from the Director of Finance and Corporate Services, Greenfield, Alloa, FK10 2AD.

The Council inherited its interest in Apex Leisure (Management) Limited following the reorganisation of local government in 1996. It is considered that the acquisition was based on the acquisition method. However, as no consideration was given for this interest there is no goodwill involved in this instance.

APPENDIX 2

With regard to the three Joint Boards, the Council's interest reflects the requisition share paid by the Council. As no consideration was paid for such interests, there is no requirement to account for goodwill. With regard to Forth Valley GIS Ltd as no consideration was paid for the interest, there is no requirement to account for goodwill.

The Council holds no shares in the bodies governed by these Boards.

The Joint Boards have a wide range of functions to discharge, and members of each Board are elected councillors and are appointed by the Council in proportions specified in the legislation.

Under accounting standards guidance, the Council can be seen to have significant influence over these statutory bodies, through nominated Council Member involvement in the bodies' governing Boards. The Boards are included within the Group Accounts even when our interest in these bodies is less than the 20% that is normally presumed to represent significant influence.

The Council has accounted for its interest in both Joint Ventures using the gross equity method of accounting. In each instance, the consideration paid by the Council equalled the fair value of assets and liabilities acquired, and therefore no goodwill arose on acquisition.

GRP 5 Non-Material Interest in Other Entities

The Council also has an interest in SEEMIS Limited Liability Partnership. This is a partnership of 26 Council's in respect of a school pupil information database. The Council's share in this partnership is 1.29% and is based on a share of our actual subscription paid of £36,773. The financial results of the organisation have not been consolidated into the Council's Group Accounts as the amounts are not material.

GRP 6 Associates

The following disclosures are required under Financial Reporting Standards because the Council share of the net liabilities of the Joint Boards exceeds 15%. The aggregate share of these entities are noted below.

	Total 2009/10 £000	Police £000	Fire £000	Valuation £000	FVGIS £000	Total 2010/11 £000
Turnover	14,159	11,207	3,371	251	441	15,270
Fixed Assets	9,487	5,535	3,864	4	28	9,431
Current Assets	1,350	663	539	77	130	1,409
Liabilities due within one Year	(981)	(698)	(151)	(36)	(158)	(1,043)
Liabilities due after one year or more	(104,137)	(67,721)	(26,180)	(564)	(166)	(94,631)

GRP 7 Joint Ventures

The following disclosures are required under Financial Reporting Standards because the Council share of the two Joint Venture companies exceeds 25%. The share of each of these entities are noted below.

CSBP Clackmannanshire Investment Company

	2009/10 £000	2010/11 £000
Turnover	230	23
Profit/(loss) before tax	(37)	11
Taxation	(3)	3
Fixed Assets	0	0
Current Assets	332	308
Liabilities due within one year	(77)	(46)
Liabilities due after one year or more	0	0

CSBP Clackmannanshire Development Company

	2009/10	2010/11
	£000	£000
Turnover	18	82
Profit/(loss) before tax	(46)	26
Taxation	(4)	0
Fixed Assets	0	0
Current Assets	1,343	1,384
Liabilities due within one year	(1,443)	0
Liabilities due after one year or more	0	0

Reconciliation of the Deficit on the Council's' Single Entity Income and Expenditure Account to the Group Income and Expenditure Deficit.

	2009/10	2010/11
Deficit/(Surplus) on the year on the Council Income & Expenditure Account	62,262	(46,629)
Distributions from subsidiary included in the Council Income & Expenditure Accounts for the year	0	0
Deficit/(Surplus) on the Group Income & Expenditure Accounts attributable to the Council	62,262	(46,629)
Deficit for the year attributable to group entails:	38,169	(15,370)
Associates	90	
Joint Ventures		(33)
Deficit for the year on the Group Income and Expenditure Account	100,521	(62,032)

GRP 8 Pension Assets and Liabilities

The underlying assets and liabilities for retirement benefits as at 31 March 2011 attributable to the Council and its share of associates are as follows

	Clackmannanshire Council £000s	Police Joint Board £000s	Fire Joint Board £000s	Valuation Joint Board £000s	Forth Valley GIS Ltd £000s
Estimated liabilities in Local Government Pension Scheme	(202,626)	(4,814)	(1,531)	(2,192)	(781)
Estimated liabilities in Police Pension Scheme		(63,184)			
Estimated liabilities in Firefighters Pension Scheme			(21,538)		
Estimated liabilities arising from unfunded discretionary benefits	(14,481)	(33)			
Estimated assets in Local Government Pension Scheme	155,490	3,863	1,184	1,628	459
Net asset/(liability)	(61,617)	(64,168)	(21,885)	(564)	(322)

Report to Council

Date of Meeting: 29 September 2011

Subject: Budget Strategy Update

Report by: Director of Finance and Corporate Services

1.0 Purpose

- 1.1. The purpose of this report is to update Council on its approved Budget Strategy which was agreed in August 2010. The report updates aspects of the strategy in respect of 2012/13 onwards. The report also seeks approval to put in place arrangements for the further development of the strategy, pending the outcome of the Comprehensive Spending Review in the Autumn.

2.0 Recommendations

It is recommended that the Council:

- 2.1. notes the ongoing uncertainty and unpredictability of forecasting in the current operating environment and the potential impact of this on Scottish and hence Local Government's budgets
- 2.2. notes the Council's potential funding gap based on updated scenario planning
- 2.3. endorses the proposal to present refreshed figures on the Council's funding gap following the imminent Spending review announcement
- 2.4. endorses the proposed October Challenge event approach to test the robustness of savings delivery in respect of 2011/12 budget
- 2.5. notes the intention to prepare a progress report for Council on the implementation of the Scottish Government's specified commitments
- 2.6. approves the continuation of the Spend to Save Fund to fund non recurring costs of business change initiatives
- 2.7. approves the preparation of an appropriate carry forward scheme as part of the 2012/13 Budget setting process
- 2.8. approves the establishment of a cross party member and officer Capital Investment Forum (CIF)

- 2.9. approves the workplan for the CIF as the identification of the broad investment priorities and classifications to inform the development of a corporate asset management plan and to revisit the existing Capital Programme applying the agreed parameters/priorities.
- 2.10. approves the proposed consultation approach for 2012/13 budget setting.

3.0 Background

- 3.1. The recession continues to have a significant impact on the UK economy. The most recent Bank of England report highlights the challenges facing those responsible for setting UK interest rates. The Consumer Price Index rate in July 2011 was 4.4%, more than double the target rate of 2%.
- 3.2. This position is exacerbated by the fact that there remains a significant degree of uncertainty and rapid unexpected change across the economy which makes forecasting problematic- the Monetary Policy Committee (MPC) attached a probability of less than 5% to an outturn as high or higher than the 4.4% actually experienced. Consequently planning spending activity in such an uncertain and unpredictable context represents an additional challenge for all spending authorities.
- 3.3. The relevance of the changed inflation projections over the last 12 months is significant in respect of the value of the Scottish Government's budget. In August 2011, the Centre for Public Policy for the regions estimates that the real terms budget cut is likely to be between £250 million and £800 million more than anticipated depending which CPI projections are used and which budget baseline year is used (2010/11 when the budget was set, or 2011/12).
- 3.4. Alongside this work, COSLA in consultation with local government has reviewed the financial model which it developed as part of the 2011/12 settlement and Spending Review discussions. The model was developed to estimate the potential extent of the funding gap facing local government by 2016/17 if:
- local government services continue to be delivered as at present
 - future costs of current service delivery are met
 - funding was constrained by the current economic climate.
- 3.5. The 2011/12 model indicated a funding gap in cash terms of around £3.8 billion by 2016/17. The refreshed model estimates the revenue funding gap to be £3.7 billion by 2016/17, most of which is largely driven by increasing demand. The main assumptions are that there will be a:
- projected flat cash based local government settlement
 - pay freeze until 2013, thereafter an inflationary pay freeze
 - £50 million reduction in Council Tax Benefit arising from Welfare reforms
 - £70 million additional annual funding to meet the ongoing Council Tax Freeze commitment.

Any variation from these assumptions will clearly impact on the funding gap estimated in the current exercise and continue to present a major challenge for the public sector in sustaining current levels of service provision and quality.

4.0. **Assumptions on General Services Revenue Funding 2012-2015**

- 4.1. In January 2011, the Cabinet Secretary for Finance and Sustainable Growth provided illustrative budget figures for 2012/13 to 2014/15. The figures for Local Government are set out at Table 1 below. The Table reflects a flat cash settlement in respect of revenue funding and reducing levels of capital grant over the Spending Review period to 2015.

Table 1: Local Government Illustrative Settlement 2011 to 2015

Budget	2011/12	2012/13	2013/14	2014/15
Local Government Resource (£m)	8,354.7	8,354.7	8,354.7	8,354.7
Local Government capital (£m)	691.8	683	617	640
Total	9,046.5	9,037.7	8,971.7	8994.7

- 4.2 In addition the Cabinet Secretary made a number of key statements and/or observations in his January 2011 correspondence which included:
- the requirement for fundamental public sector reform (Christie Commission, health and social care, police and fire and rescue services and higher education arrangements)
 - the likelihood of revisiting Table 1 figures to reflect the recommendations arising from above reviews
 - a commitment to ring fencing Health budgets (though the timescale or duration of this was not explicit)
 - Local Government receiving a flat cash settlement for the Spending Review period at the same level as allocated for 2011/12
 - transfer of £150 million from resource (revenue) into capital to support infrastructure investment in 2011/12 (and to possibly repeat this transfer in future years)
 - the importance of the Non Profit Distributing (NPD) programme to sustain the Scottish Capital programme.
- 4.3 In February 2011, the Council approved the 2011/12 Budget based on the approved Budget Strategy which aims to:
- *reduce expenditure*
 - *maximise income*
 - *redesign service provision, and*
 - *implement other targeted initiatives to deliver high quality services from a sustainable cost base.*

The 2011/12 Budget met the objectives and framework set out within the Council's approved Financial and Budget Strategies respectively. The budget proposed expenditure of £118.494m against income of £118.494m providing a balanced position. The proposed expenditure reflected savings of £8.068 million.

- 4.4 At the same time as the budget was presented to Council, assumptions in respect of the estimated funding gap were also provided. There has been little new formal information on which to base revisions of these estimates since February. However, estimates based on our most up to date information are shown in Tables 2 below. This is based on the settlement of flat cash being delivered adjusted for the potential local impact of some of the assumptions set out below the table.

Table 2: Indicative funding gap 2012-2015

	2012/13 £000	2013/14 £000	2014/15 £000
Net expenditure	120,605	123,424	128,112
Funding:			
Government Grant	93,833	93,683	93,433
Council Tax	21,600	21,727	21,854
Cumulative Funding Gap	5,172	8,014	12,825
Indicative Annual Gap	5,172	2,842	4,811

NB: These figures do not take account of the February 2010 proposed savings in respect of 2012 onwards as these were not formally approved at the time.

These scenarios present a potential funding gap of approximately £5.2 million in 2012/13. The main assumptions are as follows:

- the Scottish Government will seek a commitment to a continuation of the council tax freeze
- Scottish Government will continue to provide additional funding to secure its existing commitments to maintaining teacher numbers and for probationer teachers
- councils will be required to contribute to Change Fund(s) arrangements with a strong focus on early intervention/ preventative spend
- the Scottish Government will seek to maintain police numbers
- Health budgets are likely to continue to be ring fenced
- The Scottish Government will seek to maintain Local Government's capital resources at 28% of the Scottish Block grant, though this may be not be delivered annually but over the duration of the Spending Review period.

The Scottish Government's Spending Review announcement is imminent and these positions will be updated following any new information received. In

particular greater clarity should be available with regards other potential impacts on the settlement, for instance in respect of pensions reform.

- 4.5 One of the most critical areas of uncertainty has been the likely incidence of the reduction in funding over the Spending Review period, especially given that only one year's settlement figures had been provided for 2011/12. The Centre for Public Policy for the regions (CPPR) suggested that the reduction in funding was likely to be weighted towards the earlier years of the Spending Review period which was consistent with the UK Government's priority of reducing the UK budget deficit at the earliest opportunity. In practice, this appears to have been the case in England but not in Scotland.
- 4.6 This position will be considerably assisted by the emerging suggestion that the Scottish Government is likely to provide individual councils with 3 year settlement figures when it makes its announcement in December. This should assist councils in better planning and managing savings requirement over the remainder of the spending review period and had not been anticipated until very recently.
- 4.7 In addition to the identification of the indicative funding gap, it is important to consider progress in implementing the approved savings target within the current year's (2011/12) budget. The most recent financial monitoring information indicates that the Council is on track to deliver the planned level of savings. However, in order to ensure that this assessment is robust, a corporate challenge process is planned for October to ensure that all scheduled savings will be delivered. This will also provide the opportunity to update elected members in advance of Budget setting in February 2012 and identify whether any remedial action is required.
- 4.8 As part of the proposed October challenge event, work will also be undertaken to prepare an update for Council on progress made in meeting the Scottish Government's specified commitments as agreed by Council on 16 December 2010.

Incentivisation

- 4.9 Managers are working in extremely challenging circumstances to deliver savings targets. Progress so far indicates that there has been a high degree of corporate ownership of this process and it is important that manager's efforts are recognised and rewarded by reinvestment in enhancing and improving service quality and performance wherever possible.
- 4.10 In September 2010, Council approved the creation of a Spend to Save Fund. This fund was established to cover non-recurring costs associated with significant business change projects. A range of underpinning principles and qualifying eligibility criteria are also in place. The Fund totals £1million and is resourced from reserves - it is proposed that this level should be sustained for 2012/13 subject to the requirement to maintain reserves in line with the council's approved Finance Strategy.
- 4.11 To facilitate the smoothing of potential over and underspending year on year, CIPFA recommends the adoption of a formal budget carry forward scheme. Some councils have implemented, or are considering, such arrangements to

provide greater flexibility in managing savings requirements over the next few years. The Council committed to review the development of such a scheme as part of its 2012/2013 Budget setting process and this work will be commenced during Autumn 2011 following the Spending review announcement.

5.0 Capital Budget 2012/13 onwards

- 5.1 Table 1 above sets out the scenario of reducing capital grant for the duration of the Spending Review Period. In November 2010, following the announcement of the UK Spending Review outcome, the Budget Update report to Council highlighted that CPPR was indicating the potential for a real term reduction of up to 38% in capital funding to 2015.
- 5.2 In Scotland, the 2011/12 settlement incorporated a 17.9% reduction in capital funding. This was implemented through a reduction in supported borrowing which aimed to reduce the impact of reductions in cash grant and maintain existing levels of capital investment. The Government also proposed it will maintain loan charge support at existing levels, though clearly over time, this initiative results in a real terms reduction in the level of support and over time existing loan charges will become a higher proportion of General Fund expenditure as revenue resources reduce.
- 5.3 As is the case for revenue resources, the profile and incidence of income streams is critical to allowing councils to plan effectively. At paragraph 4.4 above, the emerging suggestion that capital resources may be reprofiled over the Spending Review period is significant. Depending on the level of existing capital programme commitments, this could result in additional borrowing requirements for some councils. Clearly this would also indicate the potential for additional revenue funding consequences for affected councils. It is not clear yet, should such a situation arise whether additional revenue support would be available. It is intended that Council will be updated following the Spending Review announcement.
- 5.4 Overall, it is clear that there is likely to be a further reduction in the level of capital funding available to the Council. This places a clear onus on the Council to maintain a robust Investment Strategy and to ensure that borrowing is maintained within prudential levels. Furthermore, it will be important for all councils to be clear about how they wish to invest resources in priority initiatives and how they will identify these priorities.
- 5.5 In determining council priorities, elected members will want to take account of how well capital investment is balanced between maintenance of existing assets and resources and investment in new and sustainable assets and infrastructure for the future. This picture becomes more complex when other local factors such as the level of historic investment, levels of deprivation, new government initiatives, and geographical factors are taken into account.
- 5.6 The Council has made a good start in this respect, having agreed its Investment Strategy in December 2010 which adopted CIPFA's Prudential Code. In addition, the Capital Budget 2011/12 set out two clear drivers: affordability as determined by the Investment Strategy and the ongoing commitment to reduce the Council's levels of borrowing (and which has been achieved in 2010/11); and priorities as indicated by the council's asset management strategies.

- 5.7 In order to provide a sustainable approach to capital investment in the future, it is proposed to build on the existing approach by:
- establishing a cross party member and officer Capital Investment Forum
 - agreeing broad classifications/ priorities for capital investment for the council in the medium to long term, incorporated within a Corporate Asset Management Plan
 - reviewing and reclassifying the existing Capital programme in line with the approved priorities and principles
- 5.8 Once Council approval is obtained for the proposed approach, clear terms of reference for and the constitution of the CIF will be prepared. Work will then commence through the Autumn to review the existing Capital Programme in anticipation of setting the 2012/13 budget in February 2012.

6.0 Consultation

- 6.1 To ensure that the council's approach to addressing potential funding reductions and identifying budget savings is as effective as possible and considers all feasible means of balancing the budget, it is essential that appropriate arrangements are in place to engage stakeholders. This provides the opportunity to gain an understanding of the council's financial position and to contribute ideas on how the council should approach the challenges faced.
- 6.2 In Autumn 2010, an extensive stakeholder consultation exercise was undertaken which significantly informed the Council's budget setting process for 2011/12. In the February 2011 Budget report to Council, some initial savings proposals were also submitted to elected members in respect of the 2012/13 budget. These proposals were also derived from the consultation exercise that was undertaken in Autumn 2010.
- 6.3 To facilitate the 2012/13 budget setting process, it is proposed that this information will be reviewed in consultation with elected members to identify further savings opportunities. In addition to this, a streamlined Budget challenge process will be established to engage council managers in prioritising areas of greatest importance and identifying where further efficiencies can be made.
- 6.4 In addition, consultation arrangements will be put in place to engage key external stakeholders, communities and the public. This work aims to build on, but not duplicate, the work undertaken in 2010.
- 6.5 Alongside this work, it is also proposed to develop an appropriate media strategy to communicate with and engage relevant internal and external stakeholders. Work is already in hand to develop this approach.

7.0 Conclusions

- 7.1 The level of ongoing uncertainty and financial pressure on public sector budgets continues to represent a level of unprecedented universal challenge. Clackmannanshire Council has a track record of proactively addressing such challenging financial situations and has a sound basis on which to build for the next Spending Review period. This updated Budget Strategy aims to assist

both elected members and officers in bridging the significant budget gap which could occur.

- 7.2 The proposed strategy aims to deliver stability and continuity in terms of the approach approved by Council in August 2010. It also aims to remain sufficiently flexible in the face of high levels of uncertainty in terms of both potential levels of reductions in funding and the impact of significant reviews of elements of the public sector such as police, fire, the NHS and social services.
- 7.3 The difficulties experienced in accurately forecasting in the current operating environment are also clear. As a consequence of this, there remains a strong underpinning commitment in this updated Strategy to provide regular updates for Council in respect of the emerging picture. In addition, assumptions and projections will be reviewed on a regular basis to ensure they remain as relevant and up to date as possible.
- 7.4 This updated Strategy has also aimed to refocus attention on particular areas of enhanced priority as a consequence of developing thinking. In particular, to further build on the work to review and potentially reprioritise future capital investment.

8.0 Sustainability Implications

8.1 N/A

9.0 Resource Implications

9.1 *Financial Details*

9.2 There are no financial implications directly from this report.

9.3 *Staffing*

9.4 There are no staffing implications directly from this report.

10.0 Exempt Reports

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

11.0 Declarations

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

(1) **Our Priorities 2008 - 2011** (Please tick ☒)

The area has a positive image and attracts people and businesses	<input type="checkbox"/>
Our communities are more cohesive and inclusive	<input type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>

Vulnerable people and families are supported	<input type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	X

(2) Council Policies (Please detail)

12.0 Equalities Impact

- 12.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? N/A

13.0 Legality

- 13.1 In adopting the recommendations contained in this report, the Council is acting within its legal powers. YES

14.0 Appendices

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

None.

15.0 Background Papers

- 15.1 Have you used other documents to compile your report?

16.0 Background Papers

- 16.1 Clackmannanshire Council Financial Strategy: December 2009
- 16.2 CIPFA Long term financial planning- good practice checklist
- 16.3 Clackmannanshire Council Indicative General Services Revenue Budget 2011/12: Feb 2011
- 16.4 Clackmannanshire Council Capital Budget 2011/12: Feb 2011
- 16.5 Clackmannanshire Council Budget Strategy: Aug 2010
- 16.6 Clackmannanshire Council Spend to Save Fund: Sept 2010
- 16.7 Clackmannanshire Council Budget Update: Nov 2010
- 16.8 Illustrative Budgets to 2015: Cabinet Secretary for Finance and Sustainable Growth, Jan 2011
- 16.9 CPPR Briefing: Aug 2011
- 16.10 COSLA updated financial model: Aug 2011

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Nikki Bridle	Director Finance & Corporate	01259 452030
Martin Dunsmore	Accountancy Manager	01259 452041

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Director Finance & Corporate	Nikki Bridle (signed)

Report to: Clackmannanshire Council

Date: 29 September, 2011

Subject: Appointment of Head of Strategy and Customer Services

Report by: Director of Finance and Corporate Services

1.0 Background & Purpose

- 1.1 The Head of Strategy and Customer Services has been promoted to the post of Chief Executive effective from the end of September 2011. The purpose of this report is to seek Council approval for the process to appoint a new Head of Strategy and Customer Services.

2.0 Recommendation

- 2.1 It is recommended that Council agrees to:
- a) proceed to recruit to the post of Head of Strategy and Customer Services through open external competition;
 - b) establish an Appointment Committee with delegated authority for the recruitment and appointment to the post of Head of Strategy and Customer Services;
 - c) nominate members to that Appointment Committee on the basis set out in section 3 of this report;
 - d) delegate authority to the Appointment Committee mentioned in b) above to delegate appropriate duties and responsibilities to officers of the council, if required, in order to ensure continued discharge of the Council's functions to cover the period until a new Head of Strategy and Customer Services takes up post.

3.0 Appointment Committee & Process

- 3.1 Chief Officer appointments are made by an Appointment Committee reflecting the political balance of the Council. In compliance with these requirements, the proposed composition of the Appointment Committee is :
- Council Leader, Committee Chair
 - 2 further Administration (Labour group) members
 - 2 opposition group (SNP) members
 - 1 non-SNP opposition member

- 3.2 The Committee would be advised and supported by appropriately qualified officers/assessors and standing arrangements for training and briefing of members in recruitment and selection will be implemented if required.

4.0 Sustainability Implications

- 4.1 N/A

5.0 Resource Implications

5.1 Financial Details

- 5.2 There will be costs associated with the recruitment process; these, however, will be accommodated within existing budgets

5.3 Staffing

- 5.4 There are no implications for the establishment.

6.0 Exempt Reports

- 6.1 Is this report exempt? No

7.0 Declarations

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

(1) Our Priorities 2008 - 2011 (Please tick ☒)

- | | |
|--|--------------------------|
| The area has a positive image and attracts people and businesses | <input type="checkbox"/> |
| Our communities are more cohesive and inclusive | <input type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer | <input type="checkbox"/> |
| Vulnerable people and families are supported | <input type="checkbox"/> |
| Substance misuse and its effects are reduced | <input type="checkbox"/> |
| Health is improving and health inequalities are reducing | <input type="checkbox"/> |
| The environment is protected and enhanced for all | <input type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | X |

(2) Council Policies (Please detail)

8.0 Equalities Impact

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

9.0 Legality

- 9.1 In adopting the recommendations contained in this report, the Council is acting within its legal powers. YES

10.0 Appendices

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

None

11.0 Background Papers

11.1 None

Author(s)

NAME	DESIGNATION	EXTENSION
Nikki Bridle	Director of Finance and Corporate Services	2013

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Director Finance & Corporate Services	Nikki Bridle (signed)

Report to Clackmannanshire Council

Date: 29th September, 2011

Subject: Proposed New Scheme for the Establishment of Community Councils

Report by: Chief Executive

1.0 Purpose

- 1.1 The purpose of this report is for Council to consider the outcome of the second consultation exercise on the content of a proposed new Scheme for the Establishment of Community Councils.

2.0 Recommendations

- 2.1 It is recommended that Council approves the proposed new Scheme for the Establishment of Community Councils (attached as Appendix 1 to this report) to go forward to the next stage of statutory consultation.

3.0 Background

- 3.1 Clackmannanshire Council has a statutory duty to draw up a Scheme for the Establishment of Community Councils to ensure that community councils have a framework within which to exist and operate.
- 3.2 At its meeting in June, 2011, the Council agreed to take a draft Scheme forward to the second phase of statutory consultation in accordance with Section 22 of the Local Government Scotland Act 1994.
- 3.3 Over the course of the two eight-week consultation periods since March 2011, the public have been invited to make suggestions on the boundaries and composition of community councils, as well as on the wider contents of a revised Scheme
- 3.4 In the eight week consultation period which has just ended, comments were invited via written feedback and there were four open meetings and six drop-in sessions. The comments which were received are summarised in Appendix 2 to this report.
- 3.5 There was general agreement with the document and the following may be worthy of particularly highlighting to elected members:

- Frequency of elections - currently elections are held every two years, with half the membership standing down at each election. The proposal in the draft Scheme is that elections should instead be held every four years. A sense coming through from the public consultation was that elections for community councils could be off-putting and could bring in an association with party politics which was generally not welcomed. That being the case, it would suggest that reducing the frequency of elections to once every four years, as opposed to having them every two years, would meet with greater public favour. Also, as mentioned in earlier reports to Council on the matter, having elections once every four years is more efficient and cost-effective. Accordingly, despite existing community councils' preference to continue with elections by half every two years, the attached final draft Scheme retains the proposal to hold elections every four years. (Paragraph 7.1 of draft Scheme appended.)
- Mini elections - this proposal came from existing community councils as an option to fill casual vacancies in addition to the existing co-option mechanism. The thinking behind this was that the mini election option would enhance the openness and transparency with which community councillors are chosen in between regular elections. Feedback from the public, however, has not been particularly positive, with a lack of confidence being expressed about the mini election process. Instead it was suggested that a more publicly advertised co-option process would be preferable. Given this feedback, and taking into account the antipathy expressed more generally about elections, the mini-election proposal has been removed from the draft Scheme appended.

5.0 Next Steps In The Process

- 5.1 There is an extensive statutory consultation process to prepare a new Scheme for the Establishment of Community Councils (see table below). Five of the nine steps in this process have been completed and the sixth will be complete following the Council meeting on the 29th of September, 2011.
- 5.2 Once the next consultation period of four weeks on the proposed new Scheme is concluded, a report will be prepared for Council in December which will advise members of any final representations on the new Scheme and any suggested final amendments.

Step	Action	Timescale	Progress
1	As part of a report on the current scheme, Council to consider a recommendation to revoke the existing scheme and make a new scheme for the establishment of community councils.	March 10	Complete
2	Council gives public notice of intention to revoke existing Scheme and a statutory 8-week public consultation inviting the public to make suggestions as to the areas and composition of the community councils.	March 16	Complete
3	8 week consultation period	March 16 - May 4	Complete
4	Council considers a report on the outcome of the consultation exercise on the composition of the community councils and additionally, the contents of a	June 30	Complete

	proposed new Scheme.		
5	Upon approval of the report, a second Public Notice is published giving notice of an 8-week consultation period for any representations to be made on the provisions of the proposed new Scheme.	July 6 - 31 August	Complete
6	Council considers a report on the contents of a proposed new Scheme and its adoption.	September 29	
7	Upon approval of the report, a third Public Notice is published giving notice of a 4-week consultation period for any final representations to be made on the draft Scheme.	October 5 - Nov 2	
8	A Council meeting considers final representations and agrees the new establishment process for community councils under its new arrangements.	15 December	
9	A fourth Public Notice is published intimating the publication of the Scheme in its adopted form and an invitation to electors in areas where there may be no community council to apply for the establishment of a community council in that area.	December 21	

7.0 Sustainability Implications

7.1 N/A

8.0 Resource Implications

8.1 *Financial Details*

8.2 There are no financial implications directly from this report.

8.3 *Staffing*

8.4 There are no staffing implications directly from this report.

9.0 Exempt Reports

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

10.0 Declarations

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

(1) **Our Priorities 2008 - 2011** (Please tick ☒)

- The area has a positive image and attracts people and businesses ☐
- Our communities are more cohesive and inclusive ☐
- People are better skilled, trained and ready for learning and employment ☐
- Our communities are safer ☐
- Vulnerable people and families are supported ☐
- Substance misuse and its effects are reduced ☐
- Health is improving and health inequalities are reducing ☐
- The environment is protected and enhanced for all ☐

The Council is effective, efficient and recognised for excellence

X

(2) Council Policies (Please detail)

11.0 Equalities Impact

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

12.0 Legality

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

13.0 Appendices

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

1 - Draft Scheme for the Establishment of Community Councils

2 - Summary of Comments Received on Draft Scheme

14.0 Background Papers

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

Clackmannanshire Scheme for the Establishment of Community Councils

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lesley Baillie	Community Planning Policy Officer	452012

Approved by

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	Elaine McPherson (signed)

SCHEME FOR THE ESTABLISHMENT OF COMMUNITY COUNCILS

CLACKMANNANSHIRE COUNCIL

1. Introduction

Community Councils were first established in Scotland following the Local Government (Scotland) Act 1973. Thereafter, the Local Government (Scotland) Act, 1994, which produced the current system of unitary local authorities, made provision for the continuation of Community Councils. Under the legislation, every local community in Scotland is entitled to petition their local authority to establish a Community Council in their area.

The Scheme for Community Councils is designed to enable the establishment of Community Councils across Clackmannanshire to provide a common minimum basic framework governing their creation and operation.

2. Statutory Purposes

The statutory purposes of Community Councils established under this Scheme are set out in Section 51 (2) of the Local Government (Scotland) Act 1973, as follows: -

"In addition to any other purpose which a Community Council may pursue, the general purpose of a Community Council shall be to ascertain, co-ordinate and express to the local authorities for its area, and to public authorities, the views of the community which it represents, in relation to matters for which those authorities are responsible, and to take such action in the interests of that community as appears to it to be expedient and practicable"

3. Role of Community Councils

Community councils have a duty under statute to represent the views of their local community. Clackmannanshire Council recognises Community Councils as appropriate bodies to consult on matters of community interest.

Community Councils have a statutory right to be consulted on planning applications which affect their area.

Community Councils are competent objectors for licensing applications.

Community Councils also play an important role in:

- Promoting the well-being of the communities they represent.
- Fostering community spirit;
- Informing the communities they represent of matters of public concern, and

- Safeguarding and improving the amenities of the Community Council area, its buildings and its natural environment

4. Boundaries and Membership

The boundaries for Community Council areas, and names of the Community Council areas are as outlined below and shown in the Annex to this Scheme.

There shall be minimum and maximum membership numbers of elected Community Councillors in a Community Council. These are detailed in the Constitution.

Community Council	Membership	Population
Alloa	16 members	13297
Alva	14 members	4915
Clackmannan	14 members	4289
Dollar	14 members	3041
Fishcross & Sauchie	14 members	6546
Menstrie	14 members	2794
Muckhart	12 members	502
Tillicoultry Coalsnaughton, Devonside	14 members	5989
Tullibody, Cambus, Glenochil	14 members	9167

5. Eligibility

To qualify for nomination and election to a Community Council, a candidate must:

- Be aged 16 or over and included in the roll of 16-18 year olds held by the Returning Officer.
- Reside in the Community Council Area for which membership is sought and, if aged 18 or over, be included on the current electoral register for the Community Council Area.
- Not be subject to any legal incapacity (as defined in Section 31 of the Local Government (Scotland) Act 1973, as amended from time to time.
- Not be a Clackmannanshire Council elected member, an MP, an MEP or an MSP.
- Not have been refused permission or had permission withdrawn if an employee of Clackmannanshire Council.

6. Establishment

After the adoption of this Scheme, Clackmannanshire Council will invite electors to apply in writing to the Chief Executive for the establishment of a Community Council in their area.

An election will be held in areas where at least 20 electors, who in their own right would be eligible to stand for election to a Community Council, notify the Chief Executive in writing within 21 days that they wish to see a Community Council established for their area.

If nominations are received for less than 50% of the possible number of elected members, no Community Council will be formed.

Clackmannanshire Council will give a statement of reasons why a Community Council may not be formed in any area.

In areas where no Community Council is established, 20 electors may petition the Chief Executive at any time to hold an election to establish a Community Council. This will be subject to there being no more than two elections in a twelve month period in any one Community Council Area.

7. Methods of Election

Clackmannanshire Council is committed to exploring innovative election methods to encourage greater involvement in Community Council elections and to enhance the democratic process.

Clackmannanshire Council will, therefore, explore, in consultation with Community Councils, the possible use of alternative election methods for regular elections.

i) Regular Elections

Regular elections are held every four years and are arranged by Clackmannanshire Council.

For regular elections, the following method will be used:

Nominations

Clackmannanshire Council will advertise a Notice of Election by public notices in the area covered by the Community Council. This notice will invite residents of the area to put forward nominations for membership of the Community Council.

Nominations will be in the form decided by the Returning Officer and will be subscribed by one proposer and one seconder, both of whom must be eligible for election in their own right. Nominations require to be submitted with the candidate's consent. Self-nomination is not permitted.

Nominations for election to a Community Council must be received by the Returning Officer by the time specified.

Election Process

Where nominations are received for between 50% and 100% of the places to be filled by election, those individuals will be declared elected unopposed and the Returning Officer will produce and display a notice to that effect in the local area.

Where at any election the number of nominations received exceeds the number of Community Council places available, a ballot will be held.

Ballot

When a ballot is held, Community councils shall be elected on a simple majority basis. The ballot will be secret and will follow the process set by the Returning Officer.

Second Call for nominations

Should the number of candidates elected, be below HALF of the total maximum permitted membership as specified for the Community Council area, no Community Council will be

established at that time. However, Clackmannanshire Council may, within 6 months of the closing date for the registration of the first call for nominations, issue a second call for nominations for a Community Council area failing to meet the minimum membership requirement.

Places not filled at Regular Elections

At least half of the total number of members must initially be elected in regular elections. Places not filled at regular elections cannot be filled by co-option but may be at the next regular elections.

ii) Interim Elections

If the number of elected Community Councillors on a Community Council falls below half the maximum permitted membership, the Community Council must notify the Returning Officer who will make arrangement for an Interim election to be held. The method for an Interim Election is that of a Regular Election. A Community Councillor elected at an Interim Election will hold office until the next Regular Elections.

8. Filling of casual places/vacancies between elections

Casual vacancies on a Community Council may arise in the following circumstances:

- When an elected Community Councillor submits her/his resignation;
- When an elected Community Council member ceases to be resident within that Community Council area;
- When an elected Community Council member has her/his membership disqualified under the terms of Paragraph 5 of the Constitution.
- On the death or legal incapacity of an elected member of the Community Council
- When places remain unfilled after a regular election

Should a vacancy or vacancies arise on a Community Council between elections, the Community Council shall undertake appropriate arrangements to fill the vacancy/vacancies, in consultation with Clackmannanshire Council. Filling a vacancy can be undertaken by co-option, as set out in Paragraph 9 of the Scheme.

9. Co-option to Community Councils

Co-opted members must meet the eligibility criteria set out in this Scheme. A co-opted member must be elected onto the Community Council by a two-thirds majority of the elected (general and interim) Community Councillors present and voting. Such co-opted members shall have full voting rights, with the exception of voting on co-option of members, and will serve until the next round of elections (whether general or interim). Notice of any proposed co-option procedure is required to be intimated to all of that Community Council's members at least 14 days prior to the meeting when the matter will be decided.

The number of co-opted members may not exceed ONE THIRD of the current elected (general and interim) Community Council membership. Should the ratio of co-opted to elected Community Councillors become greater than one third, an interim election process is triggered.

A Community Council must not co-opt further members if, as a result, the number of co-opted members would exceed the maximum number permitted under the Scheme.

10. Regular Election Periods

The first elections after the adoption of this Scheme will take place in September 2012. Subsequent elections will take place every four years at a time to be determined by Clackmannanshire Council. All serving Community Councillors will stand down and will be eligible for re-election.

11. Returning Officer

The Returning Officer for Community Council elections will be the Chief Executive of Clackmannanshire Council. The Returning Officer may appoint such number of deputies as may be considered necessary for the proper discharge of the relevant functions.

12. Term of Office

The term of every member elected at a regular election shall extend to 4 years.

For all Community Councillors, the term of office will end at midnight of the day prior to the scheduled polling day at the next regular election.

13. Disqualification

Members of Community Councils will become ineligible to hold office where they have:

- moved out of the area covered by the Community Council (unless they have less than six months of their office outstanding)
- failed to attend 3 consecutive meetings for reasons unacceptable to members of the Community Council.
- been elected as an MP, MEP, MSP or elected member of Clackmannanshire Council or of any other local authority

Where this occurs the Community Council may apply in writing to the Returning Officer for that place to be declared vacant.

A Community Council may co-opt an individual into that vacancy. All members co-opted in this way must meet the qualification criteria for nomination at a regular election. Members co-opted in this way will hold office until the next regular election.

14. Dissolution

Notwithstanding the terms for dissolution of a Community Council contained in the constitution, Clackmannanshire Council may in its sole discretion seek to have a Community Council dissolved where:

- It does not meet for a period of six months;
- A request for dissolution, which has previously been passed at a public meeting of the Community Council in accordance with its constitution, is received from a Community Council;

- Following any regular election, less than 50% of the total complement of places are filled by direct election.
- It has demonstrated a major single breach or a series of breaches to its adopted constitution or to the requirements set out in this Scheme and where said breach(es) have not been remedied after being brought to the community council's attention.

15. First Meetings of Community Councils

The Returning Officer, or officer nominated by the Returning Officer, will call the first meeting of the Community Council after its establishment. This meeting will take place within 4 weeks of the election. The election of the Chairperson must be the first item of business at this meeting. Until the Chairperson is elected, the Returning Officer or a deputy appointed in his/her place will chair the meeting.

16. Meetings of Community Councils

Community Councils will determine the frequency with which they meet subject to a minimum of one annual general meeting and 4 ordinary meetings per year. Community Council meetings will be held in public, with the place, date, time, agenda and minutes of the previous meeting advertised in the local area at least 7 days before the meeting.

All Community Councils will hold an annual general meeting by September of each year at which it will account for its activities in the previous year, present its audited accounts and elect its office bearers.

An outline for the business that Community Councils should adhere to when holding ordinary, special and annual general meetings is contained within the Model Standing Orders.

17. Constitution

Each Community Council is required to adopt a Constitution based upon the terms of the Council's model constitution for Community Councils. The Community Council's Constitution is required to be approved by Clackmannanshire Council.

18. Resourcing

Clackmannanshire Council will provide assistance to Community Councils to support their administrative needs. This assistance will be provided on the basis set out in the Protocol. Any financial assistance will be made available to Community Councils following approval of the annual accounts by the Director of Finance and Corporate Services.

Each Community Council will open a bank or building society account for the receipt of grant funding and payment. Each Community Council will be responsible for maintaining proper accounts which will be independently examined annually by a person or persons approved by the Director of Finance and Corporate Services. Annual accounts will be presented as an item of business at the Annual General Meeting and will be made available for publication. Further details on resourcing arrangements are included in the Protocol which accompanies this Scheme.

19. Community Council Liaison Officer

Clackmannanshire Council will appoint a Liaison Officer who will have prime responsibility for monitoring the working relationship between Community Councils and the Council and ensuring that consultation mechanisms are operational.

Further details on the exchange of information between Community Councils and Clackmannanshire Council is contained in the Protocol which accompanies this Scheme.

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APPENDIX 2 - COMMENTS RECEIVED ON CONTENTS OF SCHEME & OFFICER RESPONSE

	Public Feedback (summary)	Council response	Action
Boundaries/ size	No objections to proposed boundaries, and significant support for proposed mergers. Feedback indicates interest in allowing people who can't currently, but who want to, represent their area and for each community council area to be big enough to accommodate community diversity as long as mergers ensure fair spread of representation.	<i>The opinion on advantages of proposed boundary changes is noted. The need for fair representation would be impressed upon and the responsibility of the eventual community council.</i>	Proceed with proposed boundaries in the new Scheme
	Acceptance that the Alloa area is too big but that it is difficult to know where to draw boundary. Can there be one area but with two community councils to give people options of which they attend?	<i>Agreed. The first stage of consultation suggested there is no clear way to divide the Alloa area. Under the Act which created them, a community council must have a defined boundary, so this solution is not possible.</i>	
	Consensus that the name of the community council should reflect the community, not necessarily the town. There was a suggestion to name the merged Alloa community council 'Alloa Burgh Community Council'.	<i>Agreed. Feedback shows support for a name which reflects the identifiable areas within the boundary. The proposed name does refer to the town but the old Alloa Burgh covers a smaller area than the proposed Alloa Community Council area. So this name may not truly reflect the community it represents either.</i>	Proceed with community council names in the new Scheme
	Suggestion that all councils should be the same size eg 15, regardless of population as this is easier to control.	<i>It is important that the community council is of a size which is able accurately to represent the population. This is more important than uniformity, which is not an administrative need .</i>	Proceed with sizes in the proposed Scheme.
Eligibility	No objections to eligibility proposal and strong support for eligibility which ensures that community councils do	<i>Feedback showing that the eligibility categories are</i>	Amend wording of fifth eligibility

	<p>not have a party political identity.</p> <p>Suggestion that Council staff should be presumed eligible unless prevented by reason or their post.</p> <p>Public priority is that the people who represent them have a solid basis for doing so.</p>	<p><i>clear and popular is noted.</i></p> <p><i>Accepted. Current wording incorrectly implies that Council staff are automatically ineligible to become community councillors in their own communities.</i></p>	<p>criterion & proceed with proposed eligibility criteria in new Scheme</p>
Mini elections	<p>The balance of feedback was against this proposal.</p> <p>Co-option is seen as acceptable and often necessary practice for recruiting members outwith an election. Furthermore, there were doubts about the democratic status of someone elected via a mini election and the quality of a mini election procedure.</p> <p>It is important only that councils let the public know about changes in membership.</p>	<p><i>Feedback from the public has indicated that the mini election proposal may not have the confidence of the public which it specifically set out to gain.</i></p>	<p>Remove proposal on mini elections from content of Scheme.</p> <p>Address the need for enhanced publicity on co-options through the Protocol which accompanies the Scheme.</p>
Election format	<p>There was feedback both in support of this proposal and against it.</p> <p>The Regular Election format (i.e. once every four years) is seen as easier to understand and easier to publicise than the existing method (every two years half of members stand down). Whilst continuity makes business easier for serving community councillors, from the public's point-of-view the ability of a community councillor to maintain continuity of membership is not always desirable.</p> <p>The existing format is seen as an aid to continuity of business and of office-bearers and to the exchange of experience between serving and new members.</p> <p>Suggestions for a 3 year term of office and for a 5 year</p>	<p><i>Community council elections are the means by which the public elect, re-elect and de-select the people who represent them. We do not connect the efficiency and effectiveness of a community council with election format.</i></p> <p><i>Records show that the public tend to re-elect community councillors who stand for re-election. There is nothing inherent in the new format which would prevent the public from re-electing their preferred choice. The existing format for elections does not in itself guarantee transfer of experience between new and longer-serving members. Therefore the argument that business might be suspended unless serving community councillors can guarantee their</i></p>	<p>Proceed with proposed election format in new Scheme.</p> <p>Incorporate measures to acknowledge of continuity of community council business into</p> <p>a) Community Councillor Induction Programme for new community councillors and</p>

	<p>term of office.</p> <p>Feedback shows that public concerns are by and large not for election format but that people are not willing to come forward.</p>	<i>position is not accepted.</i>	b) Guidelines on Community Engagement for Service Managers.
ROLE	There was a body of opinion that Council Services & Elected Members do not always respect the role of community councils, and frustration that the role of the community council does not extend to having power over the Council.	<i>The concern about the nature of the working relationship between the Clackmannanshire Council and community councils is noted. The roles, remits and powers of community councils and local authorities are set out in statute.</i>	Address communication and consultation mechanism through the Joint Community Council Forum and the Protocol.
ESTABLISHMENT:	<p>Opinion that the minimum number for establishment may be set too high in light of the number of people who have time to become a community councillor.</p> <p>Concern also that there is a balance between facilitating local democracy and being economical with public funds by reducing from two to one the number of attempts at establishment the people in any one area may have in a twelve month period.</p>	<i>The Scheme aims to make it possible for community councils to exist but the minimum number is set in recognition of the fact that the minimum number of community councillors who must be present before a community council can take decisions on behalf of the whole community is potentially half that number again. It is important that the public can be confident that they are being represented by a body with not too narrow a perspective of community needs and interests. So the suggestion to reduce the minimum number required for establishment is not accepted.</i>	Retain existing proposals
FILLING CASUAL VACANCIES	There was a comment that the proposed Scheme gives too much power to the Local Authority on matters the community council has the ability to manage.	<i>The objection refers to using the mini election process to fill a casual vacancy. As the proposal for this option is being withdrawn, there is no role for Clackmannanshire Council in the process.</i>	Adjust paragraph 8 to reflect the removal of the mini election option.
RETURNING OFFICER:	There was a comment objecting to the role of the Local Authority in community council elections and on the grounds that this impacts on the independent status of community councils.	<i>Noted. It is felt that the involvement of the Council's Elections Team reinforces the independence and consistency of community council elections rather than undermine the autonomy of community councils. It is</i>	Proceed with proposed content of Paragraph 11

		<p><i>good use of human and financial resources to have all community council elections administered by the same body.</i></p> <p><i>Community councils may after initial establishment choose to administer their own elections so if the public indicates a preference for this, Clackmannanshire Council will consider it at the next review.</i></p>	
FIRST MEETINGS	Suggestion that any member of the Local Authority should be able to act as Chairperson when electing office bearers	<i>Accepted. The person who chairs the first meeting until office-bearers are elected does not have to be the Returning Officer.</i>	Amend Paragraph 15
DISSOLUTION & CONSTITUTION:	There was an objection to content which appears to suggest undue control over community councils by the Local Authority with regard to dissolution and amendments to their constitution.	<p><i>As a body set up by statute, community councils must conform to the role laid out in the Act which created them. It is the Local Authority's job to oversee this in the interests of the community. Clackmannanshire's community councils have adopted a constitution which ensures this happens. Altering the community council's stated role or governance in the constitution would mean it may no longer meet the definition of a community council and therefore would disqualify itself from articulating the voice of the people who elected it.</i></p> <p><i>The community council constitution will protect the community council from dis-establishment by Clackmannanshire Council without notice.</i></p>	Proceed with proposed content of Paragraph 14
MEETINGS:	<p>Partial objection to the requirement to make community council business public. Announcing the time and place of meetings in the local press is sufficient.</p> <p>Suggestion that continuity of office-bearers beyond one year of office be allowed.</p>	<p><i>Using the local press to advertise meetings and office-bearers holding office for more than one year are both allowed under the current Scheme.</i></p> <p><i>The comment on not making community council business public is not accepted: all community council business is carried out on behalf of the public so all</i></p>	Proceed with proposed content on Meetings

		<i>community council business is public</i>	
RESOURCING:	There was a suggestion that because auditing accounts costs money if there is a member of the local community who can do it for free, this should be allowed.	<i>This suggestion is allowed under the proposed Scheme.</i>	Proceed with proposed content on Resourcing

Report to Clackmannanshire Council

Date: 29th September, 2011

Subject: Changes to Standing Orders (Petitions and Amendments)

Report by: Chief Executive

1.0 Purpose

- 1.1 The purpose of this report is for Council to consider proposed changes to Standing Orders in relation to the treatment of petitions and amendments

2.0 Recommendations

- 2.1 It is recommended that Council agrees:

- a) to establish a Petitions Committee
- b) the role of the Petitions Committee as set out in paragraph 4.2 of this report
- c) to amend Standing Orders to reflect the establishment of the new Committee
- d) to amend the Scheme of Delegation to reflect the establishment of the new Committee
- e) the petitions guidance as set out in Appendix 1 of this report
- f) to nominate six members to sit on the Committee, three from the Administration, two from the SNP opposition group and one from the non-SNP opposition
- g) either to:
 - (i) confirm the status quo per Council's current Standing Orders in respect of the procedure for dealing with multiple amendments, OR
 - (ii) agree to adopt one of the two options set out in Paragraph 4.5 b) i) or ii) below.

3.0 Background

- 3.1 At its meeting on 30 June 2011, Council:

- i) approved a number of amendments to Standing Orders;

ii) noted that further information on how other local authorities deal with petitions and multiple amendments would be sourced and brought to the Council for consideration.

- 3.2 A review of how other authorities deal with these two matters has highlighted the existence of alternative approaches to the treatment of petitions and amendments and these were discussed at a briefing for elected members on 6 September, 2011. Further to that briefing, comments were also provided by individual elected members.

4.0 Proposed Changes to Standing Orders & Scheme of Delegation

Petitions

- 4.1 At the briefing for members on 6 September, there was consensus that a separate committee should be established to hear petitions. It was considered that this would allow greater discussion of petitions and a more suitable forum for interacting with petitioners.
- 4.2 The broad remit of the Committee was discussed at the briefing, as were proposed criteria for accepting and hearing petitions. A proposed remit is set out below which, if approved by Council, will be inserted into the Scheme of Delegation at section 5.0 (Committee Roles):

Petitions Committee

Hearing representations on petitions which have been accepted by the Petitions Committee as valid in accordance with the following criteria :

(a) the petition must relate to either

(i) a matter on which the Council or a Council Committee has made a decision (excluding decisions which have been made within 6 months of the date on which the petition is lodged with the Council) or intends to or may make a decision and which raises a matter of concern to, and which significantly affects the interests or welfare of, residents of Clackmannanshire or a voluntary organisation operating in Clackmannanshire or a business with a place of business within Clackmannanshire or;

(ii) a matter of concern to, and which significantly affects the interests and welfare of, residents of Clackmannanshire or a voluntary organisation operating in Clackmannanshire or a business with a place of business within Clackmannanshire in respect of which the petitioner proposes an action on the part of the Council which is within the statutory competence of the Council or in respect of which the Council has a statutory duty;

(b) all petitioners must be resident within Clackmannanshire or have a place of business or operation within Clackmannanshire and the petition must bear a minimum number of signatures and accompanying addresses within Clackmannanshire or in the case of a business petitioner bear signatures on behalf of at least 5 supporting businesses which have places of business

within Clackmannanshire in accordance with the criteria set out in the petitions guidance;

(c) must bear a title and clearly specify the matter referred to and the action the petitioners wish the Council to take;

(d) subject to compliance with (b) and (c), and provided it is a matter of concern to and which significantly affects the interests and welfare of residents of Clackmannanshire or a voluntary organisation operating in Clackmannanshire or a business with a place of business in Clackmannanshire, the Petitions Committee may hear representations relating to the conduct or functions of any other body or organisation as it thinks fit and may remit a petition to that other body or organisation for further investigation and make recommendations; alternatively, the Petitions Committee may decline to hear the petitioner and advise them to contact such other body or organisation directly;

(e) must not relate to a matter where there is:

i) a legal remedy before a court or a tribunal;

ii) recourse to the Council's complaints procedure or the Scottish Public Services Ombudsman;

iii) litigation involving the Council in prospect; or

iv) where the Petitions Committee has considered a petition on the same or similar subject matter within the previous 12 months.

The Petitions Committee shall report on every petition in respect of which it has heard representations to Council with its recommendations on how the petition should be disposed of, which may include a recommendation that no action be taken.

4.3 In addition, if Council agrees to establish the Petitions Committee, this will be reflected in Standing Orders at sections 3.4 and 3.5. It is proposed that there be six members on the Committee and that the quorum should be three.

4.4 More detailed guidance for petitions is included at the Appendix to this report.

Amendments

4.5 Four alternative methods of treating amendments were discussed at the member briefing on 6 September. Two were rejected while there was an even split of views on the merits of the other two methods, which were:

a) the status quo within the Council

b) a variation of this Council's current practice whereby amendments are considered one at a time but in reverse order rather than the order in which they are notified. There are two versions of this:

i) where amendments are put against each other, with the successful amendment then being put against the motion

ii) where each amendment is put against the motion (or motion as amended).

4.6 There were deemed to be pros and cons of each of these approaches, with no agreed single preference being expressed at the members' briefing. Accordingly, the Council is invited to take a view on the matter in terms of one of the following options:

a) retain the status quo

b) vary the status quo by dealing with amendments in reverse order and putting amendments against the motion in turn

c) vary the status quo by putting amendments against each other in reverse order, with the successful amendment then being put against the motion.

4.7 If Council decides to take an amended approach to handling amendments, consequent changes to Standing Orders will be made to reflect that decision.

5.0 Sustainability Implications

5.1 N/A

6.0 Resource Implications

6.1 *Financial Details*

6.2 There are no financial implications directly from this report.

6.3 *Staffing*

6.4 There are no staffing implications directly from this report.

7.0 Exempt Reports

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

8.0 Declarations

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

(1) **Our Priorities 2008 - 2011** (Please tick ☒)

The area has a positive image and attracts people and businesses ☐

Our communities are more cohesive and inclusive ☐

People are better skilled, trained and ready for learning and employment ☐

Our communities are safer ☐

Vulnerable people and families are supported ☐

Substance misuse and its effects are reduced ☐

Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	X

(2) Council Policies (Please detail)

9.0 Equalities Impact

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

10.0 Legality

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

11.0 Appendices

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

Appendix 1 Petitions Guidance

12.0 Background Papers

12.1 Have you used other documents to compile your report?

Clackmannanshire Council Standing Orders, 30 June, 2011

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Elaine McPherson	Chief Executive	01259 452001

Approved by

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	Elaine McPherson (signed)

Petitions Guidance

APPENDIX 1

The Council's Petitions Committee will be convened as required to consider admissible petitions. Membership of the Committee broadly reflects the balance of the various political groupings of the Council. Committee meetings are held in public.

Things To Consider Before Submitting A Petition

There are various ways you can put your views to the Council before taking the step of submitting a petition.

For instance, you can:

- Contact the relevant Council service to discuss your concern or request
- Make a comment or complaint via the Council's comments and complaints procedure
- Contact one of your local ward Councillors to bring the matter to their attention.

Drawing Up Your Petition

If you have used these routes and feel that you still want to submit a petition please follow this guidance:

- petitions must include details of the person (or organisation if applicable) raising the petition. Details should include the name, address and contact details (email or phone number). A template is available on Clacksweb or from the Committee Administrator in Greenfield, Alloa. Telephone number 01259 452106. email enquiries @clacks.gov.uk. Please also note:-
 - the person raising the petition must live in the Clackmannanshire Council area.
 - if the petition is raised by an organisation or group, that organisation or group must have a registered address in Clackmannanshire

- individual signatories to a petition should live in the Clackmannanshire Council area; for issues relating to Clackmannanshire as a whole, petitions will generally require at least 1000 individual signatories before they will be considered by the Committee; for issues relating to individual geographic areas or which do not impact county-wide, a smaller number of signatories will be required. This will vary depending on the issue concerned and the Chair of the Committee, in consultation with the Committee Clerk, will determine whether or not a submitted petition has sufficient support for it to go forward for consideration by the Committee
- if the petition is raised by a business, the business should have a registered address in Clackmannanshire and there should be at least 5 other registered Clackmannanshire businesses supporting the petition.
- the petition should be titled and include a short, clear and concise statement (no more than 250 words) which covers the main subject of the petition and details of action which the petitioner wishes the Council to take. Please note:-
 - only petitions regarding some interest or issue within Clackmannanshire will be considered by the Petitions Committee
 - planning objections will be considered through separate guidelines governed by legislation.
 - The top of every page of signatories should have the statement which people are supporting.
 - petitions must not contain language which is offensive, for example swear words, inflammatory, sarcastic or provocative language or other terms that could reasonably be considered as offensive by the reader.
 - petitioners must ensure that information is submitted in good faith and does not include:-
 - false or defamatory statements
 - information which is protected by an interdict or court order
 - material which is commercially sensitive, confidential or which may cause personal distress or loss

- reference in the petition statement to the names of individuals.
- petitions should not be submitted (and will not be accepted by the Council) where they:
 - challenge a decision if there is recourse to a legal remedy (such as the right of appeal to the Sheriff, recourse to the Lands Tribunal)
 - relate to decisions which could result in court action
 - refer to an issue where there is recourse to the complaints procedure or to the Ombudsman available
 - relate to any situation where litigation may be involved
 - request the direct reversal of a decision/action approved by Council in the last six months.
 - are related to a subject that is the same or similar to a petition considered within the last 12 months.

Submitting Your Petition

Once you have drawn up your petition and checked it meets the criteria set out in this guidance, you should:

- mark your petition for the attention of the Committee Administrator, Business Support Services and send the hard copy to Clackmannanshire Council Greenfield, Alloa, FK10 2AD. Alternatively, you may submit a scanned copy of the full petition (including signatures) by email to enquiries@clacks.gov.uk.

Please note that council officers cannot participate in any photo call relating to the submission/receipt of a petition.

Once Your Petition Is Received

Your petition will be acknowledged within three working days of receipt. Relevant elected members, the Chief Executive and Service Directors will be notified that your petition has been received so you do not need to send in multiple copies.

Petitions which do not follow the guidelines will be considered inadmissible and you will be informed in writing of the reasons.

Once your petition has been verified as being correctly completed and meeting the criteria set out in this guidance, it will be considered at the next available meeting of the Council's Petitions Committee. The Committee Administrator will invite petitioners to attend the meeting to speak in support of their petitions. If petitions have been submitted on similar issues they may be considered at the same meeting.

The Petitions Committee has no decision making powers. The Committee will listen to the views of the petitioners and ask questions to help decide on the most appropriate course of action, which could include:

- (a) agreeing that the issue raised does not merit further action.
- (b) instructing a Service Director to complete an investigation and submit a report to a future Council meeting.
- (c) submitting recommendations for consideration at the next Council meeting.

Within 7 working days of the Committee meeting, the Clerk to the Committee will write to the Principal Petitioner advising of the Committee's decision. The decision will also be published on Clacksweb

Further information - for further information on this procedure, please contact the Team Leader, Business Support, Greenfield, Alloa FK10 2AD or email enquiries@clacks.gov.uk.

Report to Council

Date: 29 September 2011

Subject: Home to School Transport Policy (Cambus Amendment)

Report by: Head of Education

1.0 Purpose

- 1.1. This report describes an unsustainable anomaly in the Council's Home to School Transport Policy. It recommends that Council should amend its Home to School Transport Policy to remove the anomaly.

2.0 Recommendations

- 2.1. It is recommended that Council approves the amendment to the Council's Home to School Transport Policy proposed in this paper at Paragraph 3.9.

3.0 Considerations

- 3.1. A report was presented to Council in June 2010 seeking to amend the Home to School Transport Policy in order to remove the anomaly. Approval was not granted in 2010. The anomaly referred to arises from a decision made when the current policy was approved in December 2004.
- 3.2. In December 2004, the Council, through its then Learning and Leisure Committee, approved a Home to School Transport Policy. The Policy was approved with an amendment that maintained the provision of free home to school transport to Lornshill Academy for pupils who are resident in Cambus.
- 3.3. The provision of free home to school transport to Lornshill Academy for pupils resident in Cambus is inconsistent with the rest of the Home to School Transport Policy. All other pupils who attend schools in Clackmannanshire are only entitled to free home to school transport if they live more than a certain distance from school, or if there is no suitable walking route to school. Current arrangements in Cambus apply to 11 pupils.
- 3.4. For secondary pupils to qualify for free transport to their catchment area school, they must either live more than 2 miles from the school or they must be unable to access a suitable walking route to school.
- 3.5. There are no residential properties in Cambus that are more than 2 miles away from Lornshill Academy. In May 2008 traffic lights and a Toucan

(pedestrian and bicycle) crossing were installed at the Cambus junction with the A907. Roads & Transportation have carried out a full assessment of the walking route between Cambus and Tullibody using the Council's guidance document 'Suitable Walking Routes to School Assessment Criteria' and have found that the route satisfies all criteria. The route is currently a 'safer route to school' for Abercromby Primary School.

- 3.6. At its meeting of 3 June 2010, Council approved the removal of transport for secondary pupils who live in Glenochil because their homes are within walking distance to Lornshill Academy. At the same meeting, approval to withdraw transport for pupils in Cambus was not granted. Concerns about pupil safety when crossing the A907 were raised and Officers were requested to investigate the erection of additional flashing signage to warn motorists approaching the Cambus junction.
- 3.7. It had been suggested that additional signing be provided on the A907 on the approaches to the Cambus junction. Advice from Roads & Transportation is that the existing signing is fully compliant and that no additional signing should be provided. The reason is that additional, unnecessary signing can cause driver distraction and confusion which could have an adverse impact on safety.
- 3.8. Free school transport from Cambus to Lornshill is not justifiable on grounds of distance or suitability. There is no justification based on local or other guidance for its specific inclusion in the Council's Home to School Transport Policy.
- 3.9. Therefore, it is proposed that the amendment included in the Home to School Transport Policy approved in December 2004 should be removed from the policy and that the provision of free home to school transport for pupils resident in Cambus, and who attend Lornshill Academy, should cease when the schools resume on 24 October 2011, following their October holiday. If approved, It is proposed that the amended Policy should read:

Lornshill Academy: any pupil resident in the catchment areas of Clackmannan PS, Craigbank PS, Fishcross PS or Deerpark PS, or who is resident in the catchment areas of Abercromby PS, Banchory PS or St. Serfs PS and his/her residence is over two miles from the school, or nearest designated transport pick-up point, by the shortest suitable walking route will be entitled to free home to school transport.

4.0 Sustainability Implications

- 4.1. There are no direct and significant implications for sustainability although the overall carbon footprint of the Council may be reduced slightly by the withdrawal of this provision

5.0 Resource Implications

- 5.1. Financial Details

The proposed amendment to the Council's Home to School Transport Policy would result in a full year saving of approximately £5,700.

Staffing

5.2. The report has no staffing implications

6.0 Exempt Reports

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

7.0 Declarations

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

(1) **Our Priorities 2008 - 2011** (Please tick ☒)

The area has a positive image and attracts people and businesses	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input type="checkbox"/>

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

8.0 Equalities Impact

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

Yes ☐ No ☒

9.0 Legality

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

10.0 Appendices

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

None

11.0 Background Papers

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

Yes ☒ (please list the documents below) No ☐

Home to School Transport Policy; Clackmannanshire Council 2004

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Belinda Greer	Head of Education	01786 442669

Approved by

NAME	DESIGNATION	SIGNATURE
Belinda Greer	Head of Education	Belinda Greer (signed)
Elaine McPherson	Chief Executive	Elaine McPherson (signed)

Report to Council

Date of Meeting: 29th September 2011

Subject: Winter Service of Roads & Footways

Report by: Head of Community & Regulatory Services

1.0 Purpose

- 1.1. This purpose of this report is to provide Council with a review of the winter service provided in 2010/11 and the amendments proposed to the existing policy and procedures, including changes proposed or enacted as a result of the review of winter 2010/11.
- 1.2. The report also seeks Council approval for the amended Winter Service Policy & Procedures document for 2011/12.

2.0 Recommendations

- 2.1. Council is recommended to approve the Winter Service Policy & Procedures for 2011/12.
- 2.2. Council is also recommended to authorise the Service Manager, Roads & Transportation to make arrangements outwith the policy and levels of service should exceptional circumstances such as heavy snow or a medical emergency demand it.

3.0 Considerations

- 3.1. The Winter Service is provided to ensure that transport links essential to economic and social activity can continue to be used safely. It is impossible to ensure that all roads and footways are kept free of ice and snow at all times. Nevertheless, in order to deal effectively with winter conditions, operations must be planned in a systematic manner and it is therefore essential that a policy with clearly defined priorities is established.
- 3.2. The objective of this policy is to ensure that the Council complies with its statutory duty as set out in Section 34 of the Roads (Scotland) Act 1984 which states "A roads authority shall take such steps as they consider reasonable to prevent snow and ice endangering the safe passage of pedestrians and vehicles over public roads".

- 3.3. The existing policy has been reviewed and updated in light of the events of last winter. A copy of the revised policy is attached as Appendix A. The primary changes are to emphasise the priority treatment of footways along primary road gritting routes which best serve pedestrian traffic and / or the most premises and to reiterate that the main footways leading to the main access gates of schools will be treated as a priority too. New plans showing the footway gritting routes will be ready for the start of the winter season. This policy allows the Council to meet its statutory obligations by providing the most effective winter service it can within the constraints of its finite resources. Scottish Government has announced that they plan to provide more encouragement and support for individuals and communities to take their own actions to prepare for, and deal with winter. Similarly in Clackmannanshire we propose to consult with appropriate community groups on their interest in supporting the Council in dealing with the impact of severe weather.
- 3.4. Almost 60% of the Council's 285 km road network is designated as having a high priority for winter service. This is a higher proportion of priority routes than the majority of other Councils. These priority routes receive precautionary treatment before ice forms with the aim of keeping them ice free although this can never be guaranteed. The Council also provides a high level of service on important footways in busy urban areas and on routes to schools.
- 3.5. Lower priority roads and footways are treated when conditions dictate and resources allow. However some very low priority roads and footways will not normally be treated unless hard packed snow and ice threatens to prevent access for essential services.
- 3.6. In periods of prolonged severe weather available resources are targeted towards keeping the strategic road and footway network open. As a result it can be a considerable time before low priority routes are treated.

4.0 Review of Winter 2010/11 Performance

- 4.1. At the end of each winter season a review of operations is carried out taking account of conditions encountered, as well as comments and complaints received. Changing weather patterns, resources and personnel constraints mean that the winter service is a constantly evolving service. These reviews seek to reduce costs, improve service levels and comply with EU working time directives while taking account of the work/life balance of the personnel involved.
- 4.2. The winter of 2010/11 was the most severe for over 30 years with sub zero temperatures persisting for more than 6 weeks. Once again during the winter, as a result of the weather and the continuing treatment of the road and footway network throughout Britain and the consequential high demand for de-icing salt, supplies were in danger of being exhausted nationally.
- 4.3. Our historical average annual salt usage in Clackmannanshire is less than 1,500 tonnes. Despite having an initial stock of 3,500 tonnes of salt at the start of the 2009/10 winter, stock levels became critically low at times. Having experienced these difficulties in 2009/10 we had pre-empted any similar salt shortage by ensuring that almost 4,000 tonnes of salt was purchased and

stored in our salt barn prior to the start of last winter. In the event, weather was so severe and prolonged that we purchased a further 1,000 tonnes of salt during the winter. It is proposed to increase our salt stock to 4,500 tonnes for the winter of 2011/12.

- 4.4. The effectiveness of salt in melting ice reduces the further temperatures fall below zero until below around -6 degC it has little effect. We experienced prolonged periods of sub zero temperatures meaning that the snow and ice refused to melt. Eventually as salt levels became dangerously low nationally we purchased around 1,000 tonnes of grit, which was mixed with the salt to make it go further and improve traction in snow conditions. The continuing snowfall and sub-zero temperatures meant that, in line with our policy, resources were concentrated on priority routes which were treated and re-treated before any action was possible on our lower priority roads and footways. Consequently there was a significant build up of snow and ice on some lower priority routes which could not be shifted as temperatures were so low that salt was ineffective.
- 4.5. The effectiveness of the footway gritters was called into question due to observations that footways which had been treated still had snow on them and this subsequently became hard packed and almost impossible to move. While the extremely low temperatures were the major factor, options are being investigated to prevent a repeat. Alternative footway gritters with greater capacity and more efficient spreading have been trialled. These gritters require to be refilled less often, so extending the length of route each gritter can cover and reduce treatment times. Three of these gritters have been ordered with delivery scheduled for October.
- 4.6. Experienced staff considered that these persistent problems could have been reduced if we had been able to treat our lower priority footways earlier. It was considered that an agreed process should be put in place to allow a deviation from policy if this was considered to be necessary in light of prevailing conditions.
- 4.7. The condition of footways could be much improved following snowfall if members of the public were to remove the snow from the footways outside their property. We will include guidance in our public information to residents to encourage them to do this including helping neighbours unable to do it for themselves.
- 4.8. All roads and footways in Clackmannanshire are prioritised for treatment according to their relative importance. Experience of recent severe winters has shown that the level of service is generally satisfactory although the winters of 2009/10 and 2010/11 stretched available resources to the absolute limit. The level of service generally complies with the recommendations laid down in "Well Maintained Highways" the UK Code of Practice for Highway Maintenance Management.
- 4.9. Throughout the extreme weather conditions the priority route network was kept largely free of snow and ice. The only exception being sections of the B9140 which had to be closed for short periods to allow drifting snow to be cleared.

- 4.10. The criteria for the provision of salt bins worked well and should remain the same as in previous years. We now have over 300 bins in place which is the limit we can effectively service. On average we replace around 10% of bins each year. It has been standard practice to empty and return all bins to the depot at the end of winter mainly to prevent vandalism. As a cost saving measure it is now proposed to only take in bins which are in locations considered likely to be more prone to vandalism.
- 4.11. It is proposed to publish details of the winter service policy & procedures in View as well as on Clacksweb so that members of the public are more likely to be aware of them and are able to take account of treatment priorities in planning their travel arrangements. The public will also be encouraged to do more to help themselves and their less able neighbours.
- 4.12. Arrangements for treatment of non-adopted areas such as school car parks and footways within residential establishments will also be formalised to ensure the optimum level of service is provided within the limits of available resources.

5.0 Sustainability Implications

- 5.1. Excessive use of rock salt for winter treatment can cause environmental damage. Clackmannanshire Council has always used rock salt in a controlled manner with no significant damage to the environment.
- 5.2. The Winter Service Policy provides a framework to assist people in Clackmannanshire to go about their daily business during winter, while encouraging them to help themselves and others.

6.0 Resource Implications

6.1. Financial Details

The proposed policy and procedures and service provision for a normal winter can be accommodated within the allocated budget. Yes ☒

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

6.3. Staffing

There are no additional staffing requirements.

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 2008 - 2011 (Please double click on the check box ☒)

The area has a positive image and attracts people and businesses	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input checked="" type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input checked="" type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

(2) Council Policies (Please detail)

Winter Service Policy & Procedures 2011/12.

9.0 Equalities Impact

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

Yes ☐ No ☒

10.0 Legality

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

11.0 Appendices

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

Appendix A Winter Service Policy & Procedures 2011/12.

12.0 Background Papers

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

Yes ☐ (please list the documents below) No ☒

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
John Gillespie	Head of Community & Regulatory Services	John Gillespie (signed)
Garry Dallas	Director of Services to Communities	Garry Dallas (signed)



Appendix 1

SERVICES TO COMMUNITIES

ROADS AND TRANSPORTATION



WINTER SERVICE FOR ROADS & FOOTWAYS

POLICY AND PROCEDURES DOCUMENT

2011/2012

WINTER SERVICE - PROCEDURES DOCUMENT

INDEX

ROADS AND TRANSPORTATION SERVICES

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Procedures

1.0 INTRODUCTION

- 1.1 Winter Service is important in terms of both the Local and National economy and road safety. It is carried out to ensure, as far as possible, the safe movement of all road users, both vehicular and pedestrian, while minimising the effects on the environment. It is economically significant because of the delays that bad weather can cause.
- 1.2 The Council has a statutory duty under the Roads Scotland Act 1984 to take such steps as it considers reasonable to prevent snow and ice endangering the safe passage of vehicular and pedestrian traffic over public roads including footways.

This does not mean that all roads and footways have to be treated as soon as ice formations or snow accumulations exist. To do so would be impossible and outwith the limit of the resources available and the Courts have recognised that it would not be reasonably practical to do so.

Nevertheless, in order to deal efficiently and effectively with Winter Service, operations need to be planned in a systematic manner and it is therefore essential that a policy with clearly defined priorities is established.

- 1.3 The Council's Services to Communities is responsible for providing Winter Service on adopted roads and footways throughout Clackmannanshire.

Winter Service essentially comprises the following types of treatment:

- * Precautionary salt treatment to prevent ice forming
- * Treatment of ice already formed
- * Removal of snow
- * Treatment of hard packed snow and ice

These treatments are carried out in accordance with the UK Roads Board's Code of Practice, "Well-maintained Highways - Code of Practice for Highway Maintenance Management".

- 1.4 It is accepted that there are three distinct periods for Winter Service:

- * High - December, January, February - during which severe conditions are normally expected.
- * Medium - November, March - during which severe conditions may occur.
- * Low - October, April - when severe conditions are not expected but occasionally occur.

The principal period covered will extend from 1500 hours on Friday 28th October, 2011 to 0800 hours on the morning of Tuesday 10th April, 2012 but cover will also be available at short notice should weather conditions dictate outwith this period.

The principal period for footways will extend from Saturday 12th November, 2011 to Friday 2nd March, 2012.

2.0 PRIORITIES & TREATMENTS

2.1 CARRIAGEWAYS

The Winter Service of roads will be based on treating the various priorities of road as defined below:

- (a) Priority C1: Roads comprising the strategic road network including all major bus service routes, main urban traffic routes, principal routes to most schools and routes to emergency service establishments.

Treatment: These routes will receive the following treatment when assessed as necessary:

- * Precautionary salt treatment between 0530 hours and midnight.
- * The treatment of ice formations between 0530 hours and midnight.
- * The clearance of snow accumulations 24 hours per day.

NB The time allotted for the treatment of ice conditions on Priority C1 routes is 2½ hours and the commencement time of 0530 hours is designed to ensure treatment is complete by 0800 hours. Treatment of snow conditions will take longer particularly if ploughing is required.

- (b) Priority C2: These are the major secondary routes which include urban spine roads into housing and industrial areas and certain rural roads and identified routes including major cul-de-sacs in housing and industrial areas and certain roads opening up less populated rural areas.

Treatment: These routes will not receive precautionary salting and any treatment of ice and snow will only be carried out when a specific instruction to do so is given by management who should be satisfied that the following criteria are met:

- i) The general weather outlook established from forecasts, other meteorological information, ice sensor trends etc. is that the prevailing ice or snow conditions are likely to continue beyond midday.
- ii) That their treatment would not be detrimental to the level of service required on Priority C1 routes.

- (c) Priority C3: The remainder of the road network but divided into:

- * C3A: Sections of road with identified difficulties.
- C3B: Others.

Treatment: These routes will only be treated in very exceptional weather conditions and will require authorisation of the Roads and Transportation Manager, or his nominated representative, who will specify C3A, C3B or both.

2.2 FOOTWAYS

The Winter Service of footways will be based on treating the various categories of footway as defined below:

- a) Priority F1 (relates to both snow and ice treatment)

The footways to be treated are:

- i) Those immediately outside shops in urban, community or village shopping centres where a minimum of three essential premises such as food shops, Post Offices etc. exist.
- ii) A connecting footway from the above shopping areas to relatively nearby and identified public buildings.
- iii) Adopted footways in sheltered housing or residential complexes for the elderly.
- iv) One footway along main pedestrian routes which best serves pedestrian traffic and/or serves the most premises.
- v) Those providing a link to old people's homes or sheltered housing complexes from the nearest treated footway.
- vi) Standing areas at bus stops
- vii) Main footways leading to main access gates to schools.

Treatment: These will be salted each morning that snow or ice formations exists unless information indicates that a thaw will take place before 0800 hours. Clearance will, as far as possible, be by mechanical means. Snow at other times of the working day will be cleared before 0830 hours the following morning.

b) Priority F2: Relates to ice or snow conditions and comprises the remaining footway network which has identified difficulties

(c) Priority F3: The remainder of the footway network.

Treatment: - These will only be treated in very exceptional weather conditions.

Treatment will require authorisation from the Roads and Transportation Manager or his nominated representative who will specify F2, F3 or both.

Note: Link footpaths will not be treated where alternative, albeit longer treated footway routes are available. Footways will only be treated six days a week (Monday to Saturday), except in the run up to Christmas where identified town centre footways will be treated as required.

2.3 **SALT BINS**

Salt bins will be provided at locations of identified difficulty e.g. steep gradients, sharp bends, awkward cul-de-sacs. Salt heaps may be placed in rural areas but reasonable steps will be taken to replace these with bins to minimise the adverse effects of salt. Bins will be refilled during or following spells of adverse weather as soon as resources permit.

3.0 **MANAGEMENT PROCEDURES**

3.1 **INTRODUCTION:**

Effective Winter Service depends on accurate up to date weather information. To ensure that the necessary information is available at all times of the day and night it has been agreed to operate a 24 hour (out of hours) winter weather monitoring service jointly with Stirling and Falkirk Councils manned by Duty Officers on a rota system. The services to be provided under this agreement include:-

- a) Monitoring of weather sensor data from Icelert outstations.
- b) Monitoring of weather radar.
- c) Access to meteorological consultancy.
- d) Maintenance of Icelert system.

3.2 **ASSESSMENT OF ACTION REQUIRED**

Weather forecast information specific to Clackmannanshire will be acquired on a daily basis for the winter period. This information will include a detailed 24 hour forecast and a 2 to 5 day outlook. In addition amendments and updates will be provided as necessary and there will be access to a 24 hour meteorological consultancy service.

The content of the weather forecasts supplemented by Meteorological / Icelert based information will be assessed by senior management during weekdays and a decision made on what the course of action should be for the following evening/morning.

Outwith normal working hours the Duty Officer will gather and assess sensor data, weather forecasts and other relevant information and prepare a recommended course of action which he will communicate to the Duty Manager who will determine the course of action to be followed.

The preferred course of action will be passed to Roads Contracts management for action as necessary. The preferred action will be based on the degree of certainty of the weather predictions and may include:

- a) evening pre-salt at a specific time
- b) evening pre-salt "on hold" with subsequent action dependent on an evaluation of ice sensor data
- c) "stand to" at 0530 hours for carriageways or at 0630 hours for footways
- d) Supervisor route check
- e) no planned action
- f) a combination of the above

3.3 **Monitoring and Supervision**

During normal working hours (Monday-Friday 0900-1700) monitoring will be carried out locally by Clackmannanshire staff.

Out of hours (Friday 1700 hours to Monday 0900 hours and weekdays 1700 hours to 0900 hours) a Duty Officer will be rostered from a joint pool of staff to monitor the weather conditions in all three Council areas (Clackmannanshire, Falkirk and Stirling) and initiate any action required.

During the skeleton cover periods and Christmas/New Year holidays Duty Officers may operate on a stand by at home basis using portable computers, moving to the office when action dictates.

3.4 **Duties and Responsibilities**

(a) Duty Manager

The Duty Manager on duty shall be responsible for assessing all relevant information and deciding, in consultation with the Duty Officer, what action, if any, is required in response to the forecast conditions.

(b) Duty Officer

- i) Will assume responsibility for monitoring ice detection equipment and weather trends, consulting with the forecast supplier as necessary.
- ii) Will have responsibility for liaison with Central Scotland Police and adjoining authorities.
- iii) Will ensure that he is fully aware of the weather forecasts for the area and the planned action levels. He will initiate any action required and agree any operational requirements including salt spread rates with the Stand-by Duty Supervisor.
- iv) Having initiated action through the Duty Supervisors and ensured that the degree of mobilisation is commensurate with prevailing conditions the Duty Officer will have no direct operational responsibilities i.e. the Duty Supervisor will direct and control operations in the field. The Duty Officer will liaise with Supervisors to ensure he is aware of the level of activity ongoing/required.
- v) In the event of a "stand to" being arranged the Duty Officer will ensure that up to date road status information is available prior to 0530 hours for discussion with Duty Supervisors on operational requirements.
- vi) The Duty Officer will receive weather information during weekend and holiday periods and after agreed consultation communicate the course of action to be adopted.
- vii) The Duty Officer will maintain a detailed log of all reports received by radio or telephone and of any action or non-action taken.
- viii) Each weekday the Duty Officer will prepare a brief report on overnight or weekend activities which should be available to the Duty Manager before 0900 hours.
- ix) Duty Officer will ensure that the Duty Supervisor has provided details of all action/inactions to allow this information to be included in the duty log.

b) Duty Supervisor

Duty Supervisors are drawn from Roads staff and one Supervisor will be on standby in Clackmannanshire at all times outwith normal hours.

- i) All Duty Supervisors must be fully aware of the road and footway priority routes and before each period of duty will be expected to have made themselves aware of the weather forecast, the proposed treatment/action and the operational status, serviceability and location of all gritting equipment together with details of standby manual operatives and other standby staff.
- ii) If an operational requirement is advised by the Duty Officer the Supervisor will assume full operational control of the subsequent action. In a marginal situation the Supervisor may be required to inspect, assess and report and must at all times, maintain contact with the Duty Officer to keep them informed of the current situation.
- iii) In a pre-grit or call out situation the Duty Supervisor will mobilise resources needed to deal with the immediate problem and be responsible for the control of the operation.

- iv) In a stand-to situation the Duty Supervisor will contact the Duty Officer before 0530 hours to discuss weather and road conditions including current information from ice sensors and any weather forecast updates. The Supervisor will issue instructions to gritter drivers and/or footway teams as to whether or not a route check will be needed and in the event of no action being needed may detail other duties.
- v) The Supervisor will instruct the salt spread rate required for the prevailing conditions and will monitor compliance through the use of the "Estimated Rate of Spread of Rock Salt Chart."
- vi) The Duty Supervisor will maintain a 24 hour Shift Report for submission to Roads Contracts management before 0900 hours, recording the following:
 - * Duty Supervisor on/off times
 - * Weather, road and footway conditions
 - * Routes treated
 - * Gritter details, call out/route completed/off-duty times
 - * Salt quantity used and spread rate achieved on each route
 - * Details of interruptions to gritting operations(e.g. breakdowns) and action taken to overcome them.
- vii) Duty Supervisors must ensure that the Duty Officer is made fully aware before 0900 hours of any treatments carried out to allow the report on overnight activities to be compiled accurately and the duty log updated.

4.0 OPERATIONAL PROCEDURES

4.1 Prior to 28th October, 2011

- a) All Winter Service labour requirements to be assessed i.e. allocation of drivers, loaders, second men/depot ploughmen and preparation of Standby Duty Rosters.
(Responsibility: Roads Contracts Manager/Supervisory Staff).
- b) All HGV drivers and loading shovel operators to receive training on the safe and efficient use of plant and equipment. Familiarisation to include all machine types with demountable or interchangeable bodies as well as instruction on spread rates and patterns. Training of all personnel in the fitting of snowploughs will also be carried out.
(Responsibility: Roads Contracts Manager/Plant Supervisors).
- b) All drivers to check and become familiar with their new route cards (all priorities) as soon as they are issued and all personnel to be given instruction on operational procedures.
(Responsibility: Roads Contracts Manager/Supervisory Staff).
- d) All gritters to be calibrated to achieve salt spread rates of 10gm/m²; 20gm/m²; 30gm/m²; and 40gm/m².
(Responsibility: Roads Contracts Manager/Plant Supervisors).
- e) Gritter(s) to be loaded and available as instructed by the Roads Contracts Manager/Supervisory Staff.
- f) Action may be requested on receipt of a "ROAD DANGER WARNING".

4.2 Period 28th October, 2011 –10th April, 2012

- a) All rostered drivers, loaders, standby squad and ploughmen will maintain a standby presence as directed.

Gritters will **not** be automatically double-manned in snow conditions. Where conditions become extremely severe or in those instances when remote rural hilly areas or housing scheme roads with parked vehicles are being ploughed (i.e. routes normally occurring in the priority C3 categories), then Management/Supervisory staff will have discretion to double-man where necessary.

In order, however, that drivers may have assistance to change, adjust, reverse or repair plough equipment during ploughing operations it may be decided to nominate, from within the above roster, individuals who will be depot-based plough attendants. Normally one such attendant will operate where more than four ploughs are in operation.

In the event of a particularly adverse weather outlook, it will be necessary to detail additional personnel to standby duty.

- b) At all times outwith normal working hours (except as otherwise may be directed during periods of extremely low temperatures) the standby gritter fleet, augmented when necessary by demountable equipment, will remain loaded and immediately available to Standby Crews either at or near the driver's home address or at an acceptable and readily accessible local operating base or depot.
- c) Drivers must report any vehicle/equipment defects to the Works Supervisor and in the event of a breakdown during a call-out or patrol, the matter must be reported immediately to the Duty Supervisor who will either arrange a repair or the uplift of a spare gritter. It must be clearly understood that the completion of treatment on the Priority Route is the important issue at this stage.

- d) A Loading Shovel will be available overnight at Forthbank depot. Machine defect reporting as per (c) above.
- e) Personnel will be re-designated as appropriate and assigned to duty rosters. Standby payments will be made in accordance with these duty rosters. **(All personnel are reminded that the interpretation of standby is that they must be immediately available to commence gritting, etc., after call-out.)**

The consumption of alcohol during working hours will not be tolerated and personnel on standby will, at all times, be fit to undertake their duties in a responsible manner and within legal requirements.

- f) On receipt of the daily Meteorological Reports supplemented by site specific ice prediction forecasts, a course of action will be recommended for the treatment of Priority C1 Carriageway Routes and Priority F1 Footpath Routes over the 24 hour period to follow. This may take the form of one or more of the following
 - i) evening pre-salt at a specific time
 - ii) evening pre-salt "on hold" with subsequent action dependent on an evaluation of ice sensor data
 - iii) stand to at 0530 hours for carriageways or at 0630 hours for footways
 - iv) Supervisor route check
 - v) no planned action
 - vi) a combination of the above

In all situations, drivers must report to the Duty Supervisor, their on and off duty times. This information is essential for record purposes and will, during emergencies, prevent unnecessary disturbance to the driver's family.

In the 0530 hrs stand-to situation for carriageways or 0630 hrs stand-to for footpaths, the Duty Supervisor will issue instructions, based on his local knowledge and updated Icelert and Meteorological information, as to whether or not a carriageway gritting patrol/route check or footpath treatment is required. In the event of there being no such requirement, alternative duties may be detailed.

- (g) If no stand-to is required on a normal working day all personnel should report to their local depot at normal starting time or as instructed.
- (h) (i) Commencement of work/duty times for the various grades of personnel for the stand-to situation are to be:-

Duty Supervisor to be mobile at 0500 hrs
 Gritter Drivers to commence service at 0500 hrs then report in prior to 0530 hrs.
 Loader operator as defined by Duty Supervisor to be in depot 30 mins after call.
 Mini-tractor drivers to report in/commence service at 0615 hrs.
 Footpath labourers to be available to commence footpath treatment at 0630 hrs.
 Drivers for footpaths to report in/commence service at 0615 hours.

- (h) (ii) Call out situation times will of course be unpredictable but the service level to be aimed for is a 30 min response time from call out to full mobilisation. This is not hard and fast but is a target.

4.3 Period Subsequent to 10th April, 2012

- a) For the period after Tuesday, 10th April, 2012 drivers and shovel operators may be required to maintain a skeleton standby presence as directed. In the event of a particularly adverse weather forecast being received, it may be necessary to detail

additional personnel to standby duty. In all circumstances, standby payments and remuneration at the appropriate wage rate will be made via the time sheet. Response to emergencies together with the extent and order of treatment undertaken will remain consistent with the requirements of Paragraph 2.1 of the Policy Statement. (Responsibility; Roads Contracts Manager/Supervisory Staff).

- b) Bulk gritters will remain loaded and available as instructed by the Roads Contracts Manager.

4.4 **General Procedures and Arrangements**

a) **Meteorological Reports**

During normal working hours, area based weather information will be received by the Icelert master station. Fax may be used as a back-up. These general forecasts together with site-specific ice-sensor based ice prediction forecasts will be assessed and passed to the Roads Contracts Manager at Kelliebank with a primary, specified course of action for carriageways and footways. Outwith normal working hours, weather reports are passed directly to the Springkerse-based Duty Officer and from there to the Duty Supervisor directly as necessary. Weather Radar data is available as an additional aid.

b) **Action Assessments and Treatment Levels**

Road conditions can vary considerably across the area with factors such as local topography, humidity, wind speed and direction, the amount of salt remaining on carriageways and the amount of traffic all influencing the possibility of adverse conditions occurring. Some of the conditions which require a response are as follows:

- i) Temperatures falling to zero with varying cloud cover conditions, humidity and salt concentration on the roads.
- ii) Frost or light snow forecast on dry roads.
- iii) Frost forecast after rain.
- iv) Freezing conditions coinciding with rain.
- v) Ice already formed on road surfaces.
- vi) Erratic temperature movements due to changing cloud cover.
- vii) Heavy snow falls.

Any of the above conditions can occur for varying periods, day or night, throughout the winter period and may affect all or part of the road and footway network.

Essentially however, Winter Service comprises the following forms of treatment:

- Precautionary salt treatment (carriageways only).
- Treatment of ice on carriageways and footways.
- Treatment of snow on carriageways and footways.
- Treatment of hard packed snow and ice on carriageways and footways

These forms of treatment and guidance on the use of rock salt for the winter treatment of roads, including its value as an aid to ploughing operations, are set out in Appendix A. These recommended procedures should be studied and applied, as excessive salt spreading is clearly undesirable on financial and environmental grounds.

c) **Staff Supervision**

Standby Supervisory Staff (i.e. The Duty Supervisors) will be present to direct, control, monitor and record operations in the area during all pre-grit, call-out and stand-to situations.

d) **Call-Out Procedures**

In the event of a pre-grit being necessary or an emergency arising outwith normal working hours, the Duty Supervisor will call out Drivers and Plant Operators as required. Call-outs will normally be for the treatment of Priority C1 Routes and will, as previously detailed, be confined to the period 0530 hrs to midnight on roads where ice formation requires treatment. This does not of course apply to snow conditions where treatment will continue if necessary between midnight and 0530 hrs. On completion of the priority route or when the emergency is over, gritters will be reloaded and drivers report off duty and back to standby.

e) **Arrangements During Continuous Gritting and Ploughing Operations**

As in (d) above the Stand-by Drivers/Plant Operators will respond to emergency call-outs and proceed to deal with the emergency as instructed. Where prolonged overnight operations result in the Stand-by Drivers and Plant Operators being stood-down for rest, any subsequent requirement for continuous gritting/call-out/pregrit during the 1500/1600 hrs to 2200 hrs evening period may be detailed to the relief Drivers/Plant Operators.

During continuous operation, especially in particularly adverse conditions, the working hours of the relief drivers/plant operators should be closely monitored. It may be necessary for local Supervisory staff to instruct the Stand-by drivers/operators to return to duty prior to 2200 hrs.

All personnel will therefore operate through prolonged emergencies as instructed and stand-by duty will be recognised by appropriate payments. A general exemption from the Driving Regulations is allowed to deal with Emergencies and exceptional circumstances. All time in excess of the normal daily driving limits must however be spent in dealing with Emergencies.

f) **Weekend Arrangements**

i) **Carriageways**

In order to receive instructions on proposed action during the weekend standby period (i.e. Saturday evening to Monday morning), drivers must telephone or radio the Clackmannanshire Emergency Control Centre between 1800 hrs and 1900 hrs on Saturday and Sunday. The recommended course of action will have been determined and passed to the Clackmannanshire Emergency Control Centre prior to that time.

Emergency Control Centre - Telephone Number - ALLOA 450000
Emergency Control Centre - Radio Call Sign -
ALPHA BASE

ii) **Footways**

An assessment of available Weather Forecast information will be carried out at the end of each week in order to determine the proposed footway action for Saturday, Sunday and Monday mornings

g) **Public Holidays**

There will be specific periods during the Xmas and New Year Public Holidays when priority route treatment will be carried out on the basis of call-outs, there being no pre-arranged stand-to or patrols. Salt changes may, however be required. Further details will be circulated in early December 2011.

Payment for work on a Public Holiday. In accordance with Clackmannanshire Council - Single Status 2010, Appendix D, paragraph 7.2.1, fixed public holidays are set out in Paragraph 5 (currently, 2 days at Christmas, New Year and Easter and May Bank Holiday, totalling 7 days).

Where employees are required to work on any of these public holidays, all hours worked will be paid at double time (i.e. normal pay plus an enhancement of plain time) whether they are within standard hours or not. In addition, employees will be entitled to equivalent time off in lieu to a maximum of one day's full time hours. Alternatively, following meaningful consultation and taking account of the exigencies of the service, a manager can pay triple time (i.e. normal pay plus an enhancement of double time) as full recompense with no day off in lieu.

5.0 RESOURCES

5.1 Vehicles, Plant and Equipment

- a) A review of the Winter Service vehicle, plant and equipment requirements is carried out annually with overall numbers and types of equipment being determined in relation to the planned operational requirements. (Responsibility: Roads Contracts Management)
- b) Appendix 'C' details the equipment available.
- c) Appendix 'D' lists companies in the private sector, e.g. Contractors, Plant Hire Companies and Farmers who have confirmed the availability of equipment for Winter Service use. An indication of equipment type and units available is included.

- d) Each item of Winter Service vehicle, plant and equipment item will, in addition to the prescribed plant/vehicle maintenance programme carried out by the Clackmannanshire Fleet Services, be thoroughly checked over by Roads personnel to ensure that it is in proper working order and that all ancillary equipment items, e.g. snowploughs, demountable gritter bodies, etc. are compatible with their prime mover and can be fitted without difficulty.

With waxing of diesel fuels a significant problem, it is crucial to the effective performance of all equipment that water residue is removed from fuel filters, sediment bowls, etc. and that all Derv and Gas Oil used during the winter period is to winter grade specification with additives being used in exceptional conditions to further reduce the waxing point (-17°C). See also Paragraph 5.2. - Fuel Supplies.

(Responsibility: Fleet Manager, Plant/Works Supervisors, Stores Controller, Operatives.)

- e) Supervisory personnel will be issued with an "ESTIMATED RATE OF SPREAD" Chart [See Appendix A and 6.3.3(c)] for the routes under their control.

The purpose of this chart is to allow the Supervisor to feed back to the driver an estimate of the rates of spread he has achieved when he (the driver) gives his estimate of the tonnage of salt used to grit continuously the whole of his C1 route. This will help to make everyone involved familiar with spread rates in grammes per square metre, confirm the correct control settings and economise in the use of rock salt. This information must also be recorded in the Duty Supervisor's report. (See 6.3.3.e).

(Responsibility: Duty Supervisors, Technical Support Officer, Drivers).

- f) Radio telephone equipment will, normally, be fitted to all Winter Service vehicles. (Responsibility: Operational Staff.)
- g) A daily update on the state of serviceability of all equipment is essential and any shortfall made good with demountable equipment if weather outlook is poor. (Responsibility: Operational Staff).
- h) The proper maintenance of all Winter Emergency Equipment is essential. All gritters (either IBS or DMG) will be activated for at least 30 minutes once per week. All equipment must be cleaned thoroughly after every period of use to prevent the build up of salt in or on any part of the machinery. (Responsibility: Works Supervisors/Duty Supervisors).
- i) In Clackmannanshire the following maintenance and repairs regime will operate:
- 1) Gritter vehicles and plant will be covered by a 24 hour stand-by service by Kelliebank workshops. Contact is through Clackmannanshire Emergency Control Centre at Limetree, Alloa who will be aware at all times of the location of Workshop rota staff. (Telephone 01259 450000). Electrical repairs will also be routed through this Workshop's rota.
 - 2) Ploughs for all forms of vehicle will be covered by Clackmannanshire Council's blacksmith service based at Fleet Workshops, Kelliebank (01259-226901). Forthbank Roads Depot Stores will maintain supplies of routine repairs items for ploughs.

During normal working hours if Clackmannanshire Council's service is not available for workload reasons then a local blacksmith service can be utilised. This will be Fraser J Dawson (01259-750479 or 07740-376826 (John Dawson)).

5.2 **Materials**

Salt

- a) Salt stocks will be replenished if necessary during the summer months. Usage will be closely monitored throughout the Winter Period with any deficiencies made good by additional supply. (Responsibility: Roads and Street Lighting Team Leader).
- b) A stock of low-moisture rock salt is held at Forthbank Roads Depot.
- c) All salt used on carriageways, footways, grit bins etc. (except for rechargeables which should be booked out through Stores) must be recorded on the Daily Work Ticket together with the carriageway or footpath route it was used on.

It is equally important to indicate that no salt was used by entering a zero tonnage as a positive confirmation that an entry has not been forgotten. (See also 5.1.e)

Fuel Supplies

- a) Fuel is available at Kelliebank on a 24 hour basis. Where necessary, appropriate arrangements shall be made for the supply of fuel outwith normal working hours. (Responsibility: Support Staff).
- b) For the provision of fuel outwith normal working hours, where fuel from Kelliebank is not available, Fleet Management have agreed with the following garage to provide a service.
Devonvale Garage, Hallpark, Whins Road, Sauchie (Tel 01259 723612 - outwith hours)
- c) Supplies of Derv and Gas Oil will be to an appropriate winter grade specification (Class A2 BS 2869) or will have been suitably modified by the addition of an appropriate percentage of anti-waxing chemical. During periods of very low ambient temperatures further additives may be used with winter grade fuel to further reduce the waxing point (-17°C). Nevertheless, operators are required to ensure during refuelling stops, particularly at private garages, that all fuel drawn is suitable. (Responsibility : Stores Controller, Plant Supervisors, Operators.)

5.3 **Labour**

All labour required for Winter Service will be provided by Clackmannanshire Council's Roads Contracts Services supported and augmented by personnel from the other Contract Services of the Council as required. During particularly severe conditions private contractors may also be utilised.

5.4 **Communications**

- a) **British Telecom Telephone System:** Appendix 'D' is a comprehensive register of telephone numbers.
Clackmannanshire Council Offices and Depots during Normal Working Hours
Contracts Personnel Outwith Working Hours
Client Personnel Outwith Working Hours
External/ Adjoining Authorities
Central Scotland Police
Forecast Provider
Available Plant from Private Contractors, Farmers etc.
Street Lighting Standby Rota
Fleet Services, Kelliebank

b) **Radio Telephones**

The radio telephone system is absolutely essential for the efficient and effective management of the Winter Service Service. In addition, it is a valuable information source and is often required during the winter period to transmit information of an urgent and emergency nature.

All manual operatives and staff personnel are required to ensure that their use of the radio telephone system is restricted to the minimum level necessary and that they ensure radio discipline is maintained at all times.

Appendix 'B' contains a list of Roads Section staff personnel and their current radio call signs.

6.0 SUPERVISORY PROCEDURES

6.1 Introduction

All Staff involved in the management and supervision of the Winter Service are expected to be fully aware of the Council's Winter Service Policy and will, in order to ensure compliance with this Policy, be familiar not only with the contents of this section, but with all operational procedures and guidance information provided.

Effective Winter Service operations depend upon accurate and timely weather information. In addition to the weather forecast information received daily from the forecast provider (Section 6.4 refers), Icelert sensors located in Clackmannanshire and neighbouring authorities will again be operational, 24hrs./day to enhance forecast information.

Continuous monitoring of the system is undertaken by Officers operating on the following basis;

Weekdays - Daytime (0900 to 1700 hrs)

Clackmannanshire's Roads and Transportation Team will monitor the Icelert system.

Weekends/Public Holidays - Daytime (0900 to 2100 hrs) and Weekdays/Weekends/Public Holidays - Overnight (1700 to 0900 hrs)

Duty Officers operating on a rota basis will monitor the ICELERT system at Springkerse (Tel: Stirling 447847).

The following paragraphs set out the procedures which have been established to;

- a) manage the Winter Service within the framework of the financial and policy constraints.
- b) handle the ice detection facilities and all other relevant Winter Service information.

6.2 Standby Supervision

In order to ensure a consistency of action across the area and a controlled response to operational requirements the well established two-tier system of Standby Supervision will again operate for the forthcoming Winter Period.

Commencing 28th October, 2011, until 10th April, 2012 and on such occasions outwith these dates as may be determined by weather conditions, responsibility for the management and control of the Winter Service outwith normal working hours will rest with the following Standby Staff:

- a) **Duty Manager** - appointed from nominated Clackmannanshire Council Roads & Transportation staff and rostered such that there will be one manager "on call" at all times outwith normal hours.
- b) **Duty Officer** - appointed from nominated staff from all three Councils and rostered such that there will be one officer on duty at all times outwith normal hours.
- c) **Standby Duty Supervisor** - Comprising members of Clackmannanshire Council Roads and Transportation staff, rostered by the Roads Contracts Manager such that there will be one supervisor on standby at all times outwith normal hours.

Duties and Responsibilities

- 6.3.1 In addition to the two supervisory levels set out in 6.2 above, the Roads and Transportation Manager and the Roads & Street Lighting Team Leader will have specific responsibility for the predetermining of action levels on Carriageway Priority Routes C1 and Footway Priority Routes F1A/F1B and for the authorisation of treatment on Priority C2 and C3 Routes and F2As / F2Bs in accordance with the policy constraints. The following paragraphs outline the involvement of these officers.

Priority Routes C1 (Carriageways) and F1 (Footways)

- a) Normal Working Hours: The Roads and Transportation Manager and/or the Roads & Street Lighting Team Leader will evaluate weather forecast and road condition information and thereafter determine the course of action appropriate to the following overnight period. The Duty Officer thereafter will initiate any necessary action through the Duty Supervisors.
- b) Outwith Normal Working Hours: Duty Officers will receive forecast information and in consultation, if necessary, with the aforementioned Duty Manager will determine whatever action is necessary and thereafter initiate.

Priority Routes C2

Forecast predictions may permit a course of action to be predetermined the previous day. Failing this being possible it is recommended, irrespective of the hour or day, that any treatment action required in the area should be determined following Duty Officer consultation with the Duty Manager. The Duty Officer, prior to consultation, will be expected to have an updated weather forecast for the following period and to have established accurate information on prevailing road conditions in the area.

Priority Routes C3/F2/F3

In exceptional weather conditions the Roads and Transportation Manager (or his nominated representative) may authorise the treatment of these routes.

N.B . A direct telephone link is in place between Central Scotland Police Control Room and the Duty Officer. All calls from the Police received on this phone will be responded to immediately regardless of whether or not there is conflicting Icelert information.

It must also be recognised that circumstances may on occasion prevail which require discretion to be exercised with regard to policy constraints, e.g. Police requests for assistance at major accident locations, or where it is established emergency vehicles are in difficulty. Such requests should not be ignored and policy constraints may be disregarded in such circumstances.

6.3.2 **Duty Officer** (All councils -Tel: Stirling 01786 447847)

- a) He/she will be in overall contact and control. All matters relating to Winter Service, Flooding, Potholes etc. (but excluding lighting) will be passed initially to the Duty Officer.
- b) He will assume responsibility for the monitoring of the ice detection equipment.
- c) He will ensure that he is fully acquainted with the weather forecasts for the areas under his control and the intended action levels. He will thereafter initiate any action required and discuss operational requirements, including salt spread rate, with the Standby Duty Supervisors in these Areas. See also Paragraph 6.3.1. above.

- d) Having initiated action through his Standby Supervisors and ensured that the degree of mobilisation is appropriate to the prevailing conditions, the Duty Officer will have no direct operational responsibilities, i.e. the Duty Supervisors will direct and control gritting operations 'in the field'. The Duty Officer must at all times maintain liaison with the Duty Supervisors and be aware of the level of activity ongoing/required within the areas.

He will at all times maintain records of all reports received by telephone and radio and of the action taken. This will be in the form of a Duty Log, a complete version of which will be available for each Council by 0900 hours each morning.

- e) The Duty Officer will in the event of a Dawn 'Stand to' having been arranged, be prepared, prior to 0530 hrs, to convey road status information from the various out-stations to the Duty Supervisors and to discuss operational requirements. Records will be maintained as per (d) above.
- f) The Duty Officer will each week-day prior to 0900 hrs prepare a brief report on overnight or weekend activities a copy of which will be made available to each Council.
- g) The Duty Officer will receive weather information during weekend and holiday periods and communicate the course of action to be adopted. For further information see Section 6.3.1 above and Meteorological Office Weather reports, Section 6.4.

6.3.3 **Duty Supervisors**

- a) All Duty Supervisors must be fully acquainted with the network of carriageway and footway Priority Routes in the area and prior to each period of duty he will be expected to have made himself aware of the weather forecast, the proposed treatment/action and the operational status, serviceability and location of all gritting equipment in the area together with a current roster of standby staff.
- b) In the event of an operational requirement being advised by the Duty Officer, the Standby Supervisor will assume full operational control of the subsequent action in his area. In a marginal situation he may be required to inspect, assess and report. He is required at all times to maintain contact (as mutually agreed) with the Duty Officer to inform and update on current positions.
- c) In a pre-grit or call out situation, the Duty Supervisor will mobilise the resources of plant and labour required to deal with the immediate problem and be responsible for the direction and control of the operation.

He will instruct on all occasions the salt spread rate required to deal with the prevailing conditions and will monitor compliance with this instruction through use of the Estimated Rate of Spread of Rock Salt Chart. (See Appendix 'A' and Section 6).

- d) In the Dawn 'Stand-To' situation, the Duty Supervisor will contact the Duty Officer at Springkerse (Tel. Stirling 447847) prior to 0530 hrs in order to discuss weather and road conditions in his area, including current information from the ICELERT out-stations and weather forecast updates. The Duty Supervisor will issue instructions to his gritters and/or footpath teams as to whether or not a route check/patrol will be required and in the event of no action being considered necessary, he may detail other duties.
Salt spread rates will again be instructed and monitored if action is necessary.
- e) The Duty Supervisor will at all times maintain a 24hr Shift Report for his area recording the following;

Duty Supervisor on/off duty times.
Weather, road and footway conditions

Routes covered

Gritter details, call-out/route completed/off-duty times.

Salt quantity used and spread rate achieved on each route.

(See Appendix A for sample of Estimated Rate of Spread of Salt Chart).

Details of interruptions to gritting operations (e.g. breakdowns etc.) and action taken to overcome them.

Attention to this last point will enable officers, if later called upon, to confidently confirm treated locations in the event of Enquiries, Court Cases or Insurance Claims. *It is recognised however that the Duty Supervisor may not always be available (e.g. following an overnight operation). In these situations, local Supervisory Staff are responsible for maintaining the Shift Report throughout the daytime period.*

A copy of the Shift Report (including any 'nil' reports) should be forwarded daily, or as agreed, to the Roads Contracts Manager's Office where they will be checked, collated and filed for reference.

- f) It should be noted that there is a requirement for the Duty Officer to submit a brief activity report for each day of the week prior to 0900 hrs (See 6.3.2 (f) above). The Duty Supervisors are therefore required to ensure that the Duty Officer is made fully aware daily of the treatment levels found to be necessary in each Divisional Area.
- g) The Duty Supervisor in each area will be responsible for dealing with all other emergency matters passed to him by the Duty Officer e.g. Flooding, Potholes etc. It is recognised however, that there may be occasions when the support and assistance of local Roads Contracts Supervisory Staff is required to mobilise resources.

6.3.4 **Deteriorating Conditions**

Where there is strong evidence that widespread snow accumulations are likely outwith normal working hours, the Roads Managers will ensure at all times that additional support equipment and manpower are placed on standby in order that adequate resources are available to cope with the treatment of the entire Priority C1 route network if instructed.

It is also important when considering the duties and responsibilities of the Duty Officer and Duty Supervisors to designate additional members of staff who will be available if necessary when there is strong evidence that snow conditions will prevail. In these circumstances, the Roads Managers will liaise and appoint where appropriate a staff member who will, if called upon by the Duty Officer or Supervisor, assist in the supervision of a snow emergency when the degree of co-ordination and the extent of mobilisation (i.e. additional manpower, snowplough equipment and vehicles) requires the support of his local knowledge. The Duty Officer or Supervisor will also have discretion in deteriorating conditions or in the event of unforeseen circumstances affecting the required level of service, (e.g. high incidence of mechanical breakdowns) to call out Operational staff to assist at a local level.

Meteorological Reports

The Council will receive weather forecast information specific to the Authority's operational area. This daily service will include a 24 hour detailed forecast and a 2 to 5 day outlook plus amendments and updates as necessary. The service will be available for the full winter period.

The communication system for the receipt of weather information and the resultant actions can be summarised as follows:

- 1) During the normal working week, the 'midday' forecast will be received at Kilncraigs, Alloa.
- 2) The content of the weather forecasts, supplemented by Meteorological / Icelert based information, will be assessed by senior Roads and Transportation management who will determine, based on the degree of certainty or otherwise of the predictions, what the course of action should be for the following overnight period.

This action might be:

- a) evening pre-salt at a specific time (carriageways only).
 - b) evening pre-salt 'on hold' with subsequent action dependent on an evaluation of Icelert data (carriageways only).
 - c) stand-to at 0530 hrs for carriageways or at 0630 hrs for footpaths.
 - d) a combination of the above
 - e) no planned action
- 3) The recommended course of action will be passed to Roads Contracts Management for action if necessary. The Duty Officer will ensure that he is fully acquainted with the weather forecasts and the intended action levels.
 - 4) Outwith normal working hours, the Duty Officer will access weather forecast information (including sensor based predictions) and will recommend to the Duty Manager a suitable course of action. If, for any reason, the Duty Manager is unavailable, the Duty Officer is authorised to carry out such action as he deems necessary.
 - 5) The Duty Officer will advise the Clackmannanshire Emergency Control Room on a daily basis of the proposed course of carriageway action in each area. This is particularly important at weekend periods when the information must be communicated prior to 1800 hrs in order that it is available for passing to Standby Drivers etc. as they 'phone in for instructions on Saturday and Sunday evenings. (See Operational Procedures 4.5.f).

Additional Communication Requirements

- 1) Central Scotland Police will be informed daily of the anticipated weather/road surface conditions for the ensuing 24 hour period and of the treatment action being recommended. This information will be passed to the Control Room at Force Headquarters, Randolphfield.

Report to: Clackmannanshire Council

Date of Meeting: 29 September 2011

**Subject: Forth Valley Property Asset Management Strategy -
Partnership Agreement**

Report by: Head of Facilities Management

1.0 Introduction

- 1.1 This report seeks formal agreement to the principles of working together with other public sector bodies in the development and implementation of a joint asset management strategy across the Forth Valley.

2.0 Recommendations

- 2.1 Council is recommended to approve:
- a) the partnership principles of joint property and asset management as detailed in Section 3 of this report between Forth Valley public sector bodies.

3.0 Background

- 3.1 Since 2009 Clackmannanshire Council has been involved in a Forth Valley Public Sector Property Group and 2010 a Forth Valley Property and Asset Management Group.
- 3.2 The 'Making the Most of Property and Assets' Report of June 2010 identified opportunities across the Forth Valley. This report endorsed the Property Asset Management Plan 2010-2015 approved by Council on 23 September 2010.
- 3.3 The following partnership principles are proposed to set the basis for ongoing partnership working:
- Develop overarching protocols for the acquisition, management and disposal of property looking always to maximise opportunities for joint working and to benefit the public sector as a whole in terms of service provision and costs;
 - Initiate and maintain a database of property/land, including cost information, that this available to all;
 - Develop, implement and review a joint Property and Asset Management Strategy;

- Consider all partner public sector service requirements when making property decisions - investment and disinvestment;
- Look to assist with the joint working and integrated service agenda by co-location wherever possible;
- Work together where joint opportunities for developments involving asset acquisition/disposal are involved to ensure best value and consistency with the Scottish Public Finance Manual;
- Work together where inconsistencies between organisations' governance arrangements or regulations create barriers to development in order to overcome these whilst still achieving best value and compliance;
- Agree that in cases of leased accommodation, the landlord will do no more than recover the cost of leasing/owning the asset from their partner(s);
- Develop and implement generic lease/occupation agreements, introducing consistency and avoiding the need for continued professional advisors' fees;
- Draft and implement project specific development agreements outlining roles, responsibilities and governance arrangements.

3.4 There are no direct financial or legal implications of this report.

4.0 Sustainability Implications

4.1 This report endorses the Council's Property Asset Management Plan report approved by Council on 23 September 2010. The rationalisation/reduction and better use of property within Clackmannanshire will have a direct effect of reducing the Council's and public sector's carbon footprint.

5.0 Resource Implications

5.1 Financial Details

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

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

5.4 Staffing

This report has no additional staffing implications.

6.0 Exempt Reports

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

7.0 Declarations

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

(1) **Our Priorities 2008 - 2011** (Please double click on the check box ☒)

The area has a positive image and attracts people and businesses	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input checked="" type="checkbox"/>
Our communities are safer	<input checked="" type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input checked="" type="checkbox"/>
Health is improving and health inequalities are reducing	<input checked="" type="checkbox"/>
The environment is protected and enhanced for all	<input checked="" type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

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

N/A

8.0 Equalities Impact

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

Yes ☒ No ☐

9.0 Legality

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

10.0 Appendices

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

None.

11.0 Background Papers

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

Yes ☒ (please list the documents below) No ☐

Making the Most of Property and Assets - Achieving 'Best in Class' productivity from property and assets in publicly supported organisations in Forth Valley.

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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Garry Dallas	Director, Service to Communities	Garry Dallas (signed)

Report to Council

Date of Meeting: 29 September 2011

Subject: Proposals for Care and Repair Service

Report by: Head of Community & Regulatory Services

1.0 Purpose

- 1.1. The purpose of this report is to update Council on the review and reconfiguration of the Care and Repair service in Clackmannanshire and provide details of the proposed tendering arrangements.

2.0 Recommendations

- 2.1. That Council:
- (1) agrees the proposals for the reconfiguration of the Care and Repair service contained in the report; and
 - (2) notes that officers will proceed to advertise the contract opportunity in accordance with this Report, Contract Standing Orders and other legal requirements incumbent on the Council.

3.0 Background

- 3.1. A full review of the Clackmannanshire Care and Repair Service, managed by Ochil View Housing Association and funded by the Council, was carried out in 2009 by an independent consultant. This was previously reported to Council on 28 January 2010 as part of the Private Housing Assistance Scheme report. Council agreed at that meeting to tender the future Care and Repair Service and instructed officers to prepare appropriate tender documentation.
- 3.2. Officers had progressed the tender process for a contract to be in place for 1 April 2011. Council agreed, however, at its special meeting on 10 February 2011 to maintain the current contractual arrangements with Ochil View Housing Association for the delivery of the Care and Repair service for a further 12 months, to enable a full review of the service to be undertaken by Clackmannanshire Council. As a result, Care and Repair have continued to operate on the basis of the level of funding they received in 2010/11 i.e. £180,000, funded from the Private Sector Housing Grant budget.

- 3.3. At that meeting, officers were instructed to submit a report to Council for the 2012/13 budget setting process, outlining proposals for the reconfiguration of the service with revised tendering arrangements. This report is being submitted now so that tender procedures can be followed and prices obtained to allow the newly procured service to operate from 1 April 2012.

3.4. Proposals for New Service

It is essential that any service meets the needs of the local community, at a cost that provides value for money. The Review carried out in 2009 highlighted that there is a substantial variation in costs for Care and Repair services across the country. Considering the Scottish average rate of £6.06 per head of older/disabled population for Care and Repair projects would suggest an annual cost of just over £81,000 for Clackmannanshire. With this in mind, proposals were put forward as part of the budget discussions last year to cap the funding available for the project to £100,000 per annum. This will be made available from the annual Private Sector Housing Grant budget.

- 3.5. At such a level, however, there could be concerns over the viability of a stand alone service if it continues to operate on the current model. It is likely that the charging policy will need to be amended to include a contribution for labour costs, which will allow the project to generate income to offset costs. Service users already pay for the cost of materials used but to date there has been no charge for labour. A number of Care and Repair projects across the country already make a charge to contribute to labour costs. As this is generally a low income client group, the principle remains that any charges to contribute to labour costs would be kept as low as possible and will be identified as part of the tendering process. This will require providers to demonstrate an element of means testing.
- 3.6. A draft contract specification to deliver a service which will meet the needs of the local community, at a cost which provides value for money, has been prepared and consultation carried out on the key elements of the proposed service. This has included both members of the public and people who have recently used the Care and Repair Service, and a workshop session with a range of professional officers working with this client group.
- 3.7. We received a healthy response from service users, with 317 surveys returned. The results confirmed the popularity of the Service and the importance this client group place on receiving assistance with repair/maintenance and adaptation works. There was support for all of the proposed key elements of the Service and particularly the Small Repairs Service. The overwhelming majority (92%) indicated they would be willing to pay for Care and Repair services.
- 3.8. Provision has been made within the Private Sector Housing Grant budget for an anticipated £100,000 per annum for the Project for 3 financial years between 2012/13 and 2014/15. It is proposed that the contract be let for a period of 3 years with an option, based on satisfactory performance, to extend for a further year.

3.9. Key Elements of the Service

The Service will prioritise clients who are over 60, or have a disability or long term illness, allowing them to remain living independently within the community. It will be 'person centred' and tailored to the needs of the client. There are 4 key elements of the proposed Service:-

Element 1 Information and Advice

Provide free advice and referrals to appropriate agencies in relation to issues of property repair and maintenance, home safety and security, money and benefits advice and home energy. This could be through telephone advice, home visits, signpost, referrals or information leaflets.

Element 2 Assist with Property Repair and Maintenance Work

Provide help with property maintenance for homeowners and private tenants to help them to remain living in their own homes and help clients in getting work done.

Help with finding a reliable contractor is identified by service users as an important area for assistance and was a role previously carried out by Care and Repair. To provide an improved service, it should be noted that officers from Housing and Trading Standards have been working jointly with Stirling Council to set up a Trading Standards led 'Trusted Trader' scheme, which is planned to be available to all residents by 1 April 2012. This service is no longer part of the Care and Repair specification.

Element 3 Small Repairs Service

Provide a Small Repairs Service for essential repairs that assist older and/or disabled homeowners stay in their own homes for as long as possible. A full list of necessary repairs to be offered will be agreed with an Advisory Committee and the Council. The Service will agree a charging policy for any works undertaken by the Small Repairs Services with the Council.

The Small Repairs Service should be available to Council/ Housing Association and private tenants to carry out minor repair items which are not the landlord's responsibility.

Element 4 Disabled Adaptations

Provide assistance to clients who, having gone through a Social Services assessment, require an essential adaptation to their home. The Care and Repair Service should provide a Minor Adaptations service to the Council if called upon to do so.

For major adaptations, such as level access showers, this will involve assisting clients to get work done by liaising with Council officers, architects and contractors. In some cases it may require identifying funding to enable works to progress.

4.0 Sustainability Implications

- 4.1. The Care and Repair Service has a positive impact on the local environment, assisting vulnerable people to maintain their homes to a good standard. As well as improving a building aesthetically, this will help to improve the energy efficiency of private sector housing and reduce fuel poverty.

5.0 Resource Implications

5.1. Financial Details

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒
- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒
- 5.4. *Staffing* There are no staffing implications for the Council.

6.0 Exempt Reports

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

7.0 Declarations

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

- (1) **Our Priorities 2008 - 2011** (Please double click on the check box ☒)

- | | |
|--|-------------------------------------|
| The area has a positive image and attracts people and businesses | <input checked="" type="checkbox"/> |
| Our communities are more cohesive and inclusive | <input checked="" type="checkbox"/> |
| People are better skilled, trained and ready for learning and employment | <input type="checkbox"/> |
| Our communities are safer | <input checked="" type="checkbox"/> |
| Vulnerable people and families are supported | <input checked="" type="checkbox"/> |
| Substance misuse and its effects are reduced | <input type="checkbox"/> |
| Health is improving and health inequalities are reducing | <input checked="" type="checkbox"/> |
| The environment is protected and enhanced for all | <input checked="" type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | <input checked="" type="checkbox"/> |

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

The Care and Repair Service is an important element of the Council's Private Housing Assistance Scheme (Housing (Scotland) Act 2006), approved on 28 January 2010.

8.0 Equalities Impact

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

9.0 Legality

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

10.0 Appendices

- 10.1 None

11.0 Background Papers

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

Review of Clackmannanshire Care and Repair, ODS Consulting, 2009

Author(s)

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Approved by

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