



Clackmannanshire Council

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

Clackmannanshire Council

Thursday 11 October 2012 at 10.00 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 9 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.

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.

03 October 2012

A MEETING of the CLACKMANNANSHIRE COUNCIL will be held within the Council Chamber, Greenfield, Alloa, FK10 2AD, on THURSDAY 11 OCTOBER 2012 at 10.00 am.

**ELAINE MCPHERSON
Chief Executive**

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1. Apologies	--
2. Declaration of Interests Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Officer.	--
3. External Auditor Final Report to Members on the 2012 Audit - report by Director of Finance and Corporate Services (Copy herewith) <i>External Auditors will be in attendance to speak to this report.</i>	01
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Clackmannanshire Council – Councillors and Wards

Councillors

Wards

Provost	Tina Murphy	1	Clackmannanshire West	SNP
Councillor	George Matchett, QPM	1	Clackmannanshire West	LAB
Councillor	Les Sharp	1	Clackmannanshire West	SNP
Councillor	Jim Stalker	1	Clackmannanshire West	LAB
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	Archie Drummond	2	Clackmannanshire North	INDP
Councillor	Walter McAdam, MBE	2	Clackmannanshire North	SNP
Councillor	Bobby McGill	2	Clackmannanshire North	LAB
Councillor	Derek Stewart	3	Clackmannanshire Central	LAB
Councillor	Graham Watt	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	Ellen Forson	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	SNP
Councillor	Alastair Campbell	5	Clackmannanshire East	CONS
Councillor	Irene Hamilton	5	Clackmannanshire East	SNP
Councillor	Kathleen Martin	5	Clackmannanshire East	LAB



MINUTES OF MEETING of the CLACKMANNANSHIRE COUNCIL held within the Council Chamber, Greenfield, Alloa, FK10 2AD, on THURSDAY 16 AUGUST 2012 at 10.00 am.

PRESENT

Provost Tina Murphy (In the Chair)
Councillor Donald Balsillie
Councillor Janet Cadenhead
Councillor Alastair Campbell
Councillor Archie Drummond
Councillor Kenneth Earle
Councillor Ellen Forson
Councillor Irene Hamilton
Councillor Craig Holden
Councillor Kathleen Martin
Councillor George Matchett, QPM
Councillor Walter McAdam, MBE
Councillor Bobby McGill
Councillor Les Sharp
Councillor Jim Stalker
Councillor Derek Stewart
Councillor Graham Watt
Councillor Gary Womersley

IN ATTENDANCE

Elaine McPherson, Chief Executive
Garry Dallas, Director of Services to Communities
Stephen Crawford, Head of Facilities Management
Stuart Crickmar, Head of Strategy and Customer Services
Martin Dunsmore, Accounting and Budgeting Manager
Kenny Hutton, Service Manager Regeneration Services
David Thomson, Solicitor, Legal Services (Clerk to the Council)

1. Presentation - Strategy and Customer Services: Customer Service Excellence Reaccreditation

Before the start of business, the Leader of the Council presented staff from Strategy and Customer Services with an accreditation certificate for the Customer Service Excellence Quality Standard. On behalf of the Council, Councillor Gary Womersley congratulated the service on achieving the standard for the second year in a row.

2. Intimation - Kirkin' of the Council Service

The Provost intimated that a Kirkin' of the Council Service will take place on Sunday 7 October 2012 at 10.30 am at St John's Episcopal Church, Broad Street, Alloa. Elected Members will receive written notification in due course.

CC.21/35 APOLOGIES

None

CC.36 DECLARATIONS OF INTEREST

None

CC.37 MINUTES OF MEETING: THURSDAY 28 JUNE 2012

The minutes of the meeting of the Clackmannanshire Council held on Thursday 28 June 2012 were submitted for approval.

Decision

The minutes of the meeting of the Clackmannanshire Council held on Thursday 28 June 2012 were agreed as a correct record of proceedings and signed by the Provost.

CC.38 COMMITTEE MEETINGS CONVENED SINCE PREVIOUS COUNCIL MEETING

At its meeting on 1 June 2012, the Council agreed that a standing item would appear on each Council agenda indicating which committees had convened since the previous Council meeting and also indicating whether minutes of those committee meetings had been placed on the Members' Portal.

The Council noted that due to the recess period, no committee meetings have taken place since the last Council meeting held on 28 June 2012.

CC.39 LEADER'S BRIEFING

The Council noted a briefing by the Leader of the Council covering the period from May-July 2012 which outlined relevant key issues and activities.

CC.40 TAKING CLACKMANNANSHIRE FORWARD - CORPORATE PRIORITIES

A report which presented draft corporate priorities for the period 2012-2017 to Council was submitted by the Chief Executive. The report set out the Administration's priorities for the period 2012-2017 and set them within the context of the priority outcomes which the Council has agreed with its community planning partners.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Gary Womersley. Seconded by Councillor Craig Holden.

Voting

In terms of Standing Order 14.7, Councillor Gary Womersley asked for a roll call vote. The Council agreed that a vote be taken by calling the roll and at this stage there were 18 members present who were eligible to vote. On the roll being called, the members present voted as follows:

For the Motion (9)

Provost Tina Murphy
Councillor Gary Womersley
Councillor Craig Holden
Councillor Donald Balsillie
Councillor Irene Hamilton
Councillor Ellen Forson
Councillor Les Sharp
Councillor Walter McAdam, MBE
Councillor Archie Drummond

Abstain (Not voting) (9)

Councillor Alastair Campbell
Councillor Kenneth Earle
Councillor Gary Womersley
Councillor Derek Stewart
Councillor Kathleen Martin
Councillor Janet Cadenhead
Councillor Jim Stalker
Councillor Bobby McGill
Councillor George Matchett, QPM

Decision

Accordingly, the Council agreed by 9 votes:

- (a) to adopt 'Taking Clackmannanshire Forward' as its draft Corporate Plan covering the period 2012-2017
- (b) that a consultation exercise is undertaken on the draft document
- (c) to note that feedback on the consultation exercise and a final document will be submitted to Council at its meeting on 11 October 2012.

Action

Chief Executive

CC.41 BUDGET STRATEGY UPDATE

A report which updated Council on progress made in delivering its approved Budget Strategy was submitted by the Director of Finance and Corporate Services. The report focused on the revisions to the assumptions underpinning the indicative funding gap up to 2014/15, an update on 2012/13 outturn and savings delivery, and clarification of budget monitoring arrangements.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Gary Womersley. Seconded by Councillor Craig Holden.

Decision

The Council agreed unanimously to:

- Note the progress made and associated timelines (set out in paragraph 3.2 of the report) for developing a menu of options for business case development and consultation using a standard template (attached as Appendix A to the report).
- Note the appointment of elected member representatives to the Capital Investment Forum and the meeting scheduled for 17 September 2012.
- Endorse the revised assumptions and updated scenario planning resulting in an indicative funding gap of £12.511m up to 2014/15 (set out in paragraph 4.4 of the report) (Table 2)
- Approve the proposed corporate and financial planning approach set out in Appendix B to the report.
- Note the current outturn position set out in paragraph 4.12 of the report.
- Note the progress in delivering 2012/13 planned savings (Appendix C)
- Note the progress in delivering 2012/13 approved political priorities (Appendix D)
- Endorse the proposed budget monitoring arrangements set out in Section 5 of the report.

Action

Director of Finance and Corporate Services

CC.42 CORPORATE SCRUTINY ARRANGEMENTS

A report which further clarified and developed the Council's scrutiny framework as managed through the Resources and Audit Committee and services committees was submitted by the Director of Finance and Corporate Services. The report focused on the establishment of a protocol to facilitate the scrutiny of decision making and signposted a number of new initiatives to strengthen and better support elected members in discharging their scrutiny roles.

In response to elected member queries in advance of the Council meeting regarding protocols for calling in decisions, the Chief Executive clarified the following points:

1. Reference in the report to a minimum of 4 members as a committee quorum figure (Paragraph 4.13), refers to 4 members of the Resources and Audit Committee.
2. Reference to "publication of the minute" (Paragraph 4.13) refers to the draft minute which will be circulated to members of the Resources and Audit Committee and *not* the minute which is ultimately published at the next meeting cycle.

Where the Resources and Audit Committee votes on its findings on a decision which has been called-in (Appendix B), the proposed approach is as follows:

1. Where the Resources and Audit Committee finds that the decision which it has called in is consistent with the Council's decision making principles and/or governance, the decision will be implemented.
2. Where the Resources and Audit Committee finds that the decision which it has called in is inconsistent with the council's decision making principles and/or governance, the decision will not be implemented and a report on the findings and recommendations of the Resources and Audit Committee will go back to Council to address.
3. Where there is no majority view either way in the committee, this will also be reported back to Council to be addressed.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Archie Drummond. Seconded by Councillor Donald Balsillie.

Decision

The Council agreed unanimously to:

- Endorse the underpinning principles set out in paragraph 4.4 of the report.
- Note the plans to hold a risk based planning workshop with Resources and Audit Committee members.
- Approve the proposed authority of the Convenor of the Resources and Audit Committee to request service committee convenors to attend the Resources and Audit Committee as set out in paragraph 4.8 of the report.
- Approve the call-in process set out at Appendix B to the report.
- Approve the call-in criteria proposed in paragraph 4.12 of the report.
- Agree the call-in operating parameters set out in paragraph 4.13 of the report.
- Agree the exemption of urgent decisions as defined by paragraph 4.14 of the report.
- Note the proposed developments to further improve the Council's scrutiny arrangements set out in paragraph 5.2 of the report.

Action

Director of Finance and Corporate Services

CC.43 REPRESENTATION ON CoSLA EXECUTIVE GROUPS

A report which set out a request for elected member representation on CoSLA Executive Groups was submitted by the Head of Strategy and Customer Services. The Council had received a request from CoSLA seeking elected member representation on several Executive Groups; each local authority is allocated one place on each of the Executive Groups.

Motion

That the following nominations are made to the CoSLA Executive Groups on the basis of previously agreed political responsibility.

Executive Group

Community Well-Being and Safety -
Education, Children and Young People -
Health and Well-Being -
Regeneration and Sustainable Development -
Resources and Capacity -
Strategic Human Resources Management -

Nominees

Councillor Les Sharp
Councillor Ellen Forson
Councillor Les Sharp
Councillor Donald Balsillie
Councillor Gary Womersley
Councillor Archie Drummond

Moved by Councillor Gary Womersley. Seconded by Councillor Craig Holden.

Decision

The Council agreed to support the nominations to the CoSLA Executive Groups.

Action

Director of Finance and Corporate Services

Councillor George Matchett, QPM, withdrew from the meeting during questions on the following item of business (11.55 am). Seventeen members remained present.

CONFIDENTIAL INFORMATION

In terms of paragraph 43 of the Public Contracts (Scotland) Regulations 2006 and s50A(2) of the Local Government (Scotland) Act 1973, the press and public were excluded during consideration of the undernoted report on the grounds that it involved the disclosure of confidential information.

CC.44 NATIONAL HOUSING TRUST INITIATIVE

A report which sought Council approval for the tender received under the Scottish Government's National Housing Trust (NHT) Scheme.

Motion

That Council agrees the recommendations set out in the report.

Moved by Councillor Gary Womersley. Seconded by Councillor Les Sharp.

Decision

The Council agreed unanimously to support the recommendations set out in the report.

Action

Director of Services to Communities

ENDS 12.05 pm

CLACKMANNANSHIRE COUNCIL

Date of Meeting: 11th October, 2012

Subject: Leader's Briefing

1.0 Purpose

- 1.1 The purpose of this briefing is to inform all elected members of a range of issues and activities which I have been engaged with in the past quarter. It is also intended to assist in raising awareness amongst members of a number of matters which affect the Council or the area and, as such, inform future workstreams.
- 1.2 Should any member of the Council wish to discuss any of the issues in this report in more detail, I will be happy to meet with them.
- 1.3 The report covers the period August-September, 2012.

2.0 National Issues Affecting Clackmannanshire

- 2.1 I attended the COSLA Leaders' Meetings in August and September Items discussed were:
- Children's Hospice Association Scotland - Funding
 - Children & Young People's Bill
 - National Group on Community Planning
 - National Information & Communications Technology Strategy
 - Local Government ICT Strategy, Broadband
 - 2013/14 Local Government Settlement, Settlement & Distribution Issues
 - Welfare Reform
 - Pensions
 - Council Tax Support Scheme
 - Evidence to the Finance Committee on Demographic Change and Ageing Population
 - Health & Social Care Settlement
 - The Commission on Rural Education
 - Regeneration Funding
 - Community Empowerment & Renewal Bill Consultation
 - Low Carbon & Electric Vehicles National Charging Network
 - Commonwealth Games & Other Opportunities
 - Establishment of Audit Group
 - Benchmarking
- 2.2 Associated papers for the above meetings have been placed on the members' portal for members to access.
- 2.3 On 4 September, the Chief Executive and I met with the Local Government Minister, Derek Mackay. The focus of the discussion was around the changing

context of community planning. After the meeting, I accompanied the Minister to Forth Valley College where he heard a very powerful and informative presentation from the Council-led Young Parents' Project.

- 2.4 On 21 September, together with the Chief Executive, I met the COSLA President, Vice President and Depute Chief Executive. The visit by COSLA colleagues was part of a programme of visits being made to all authorities to discuss significant matters affecting local government and COSLA's role in promoting and supporting local government.

3.0 Supporting Communities

- 3.1 On 30 August, I met with representatives of Alva Community Council, the Joint Community Councils' Forum and the Tenants' & Residents Federation as part of ongoing discussion with community representatives about the challenges which antisocial behaviour presents to communities across Clackmannanshire and the measures that the Council can take with all partners to help mitigate its occurrence and impact on communities.
- 3.2 The county suffered a number of weather incidents in August (flooding and lightning) which resulted in damage to property and disruption to residents and communities. Most notably, residents were evacuated from Menstrie House due to flash flooding. I am pleased to report that all incidents were dealt with professionally and effectively.

4.0 Partnership Working

- 4.1 I chaired the Clackmannanshire Alliance meeting held on 7 September. Items discussed were:
- Community Planning National Review
 - SOA 2012/13
 - Empowerment and Renewal Bill Consultation
 - Integration of Health and Adult Care Consultation
 - Clackmannanshire Works
 - Economic Resilience
 - Police and Fire Reform
 - Draft Clackmannanshire Housing Strategy 2012-17
- 4.2 Alliance members also agreed to sign up to Armed Forces Community Covenant.
- 4.3 Associated papers for the Alliance meeting have been placed on the members' portal for members to access.
- 4.4 In August I met with chief officers from the police and fire services to discuss the implications for, and potential organisation of, local services in the context of national reforms. A detailed report on this has been circulated with the agenda for the Council meeting of 11 October.
- 4.5 Across August and September, I have attended a number of meetings in my capacity as Council representative on the board of NHS Forth Valley. These have included formal board meetings and separate meetings with the Chair of the Board and the Chief Executive of NHS Forth Valley. I also attended a seminar on health

and care integration at Raploch Campus which involved a range of stakeholders across Forth Valley. The aim of this was to inform feedback to the Scottish Government's consultation and to hear from individuals and groups their views on how integrated health and care services should operate.

- 4.6 A shared services Steering Group met in August, 2012, and was attended by myself, the Depute Leader of the Council and the Leader of the Opposition. The Group heard updates on education, social services and relevant support services.

5.0 Supporting Business & Employability

- 5.1 I attended a Clackmannanshire Business Board meeting on 29th August. Items discussed were:-

- Clackmannanshire Alliance/Partnership Team
- Imagine Alloa
- Events -
 - "Showcase Your Business" - feedback
 - 9th October, SDP "Maximising Your Tender Score"
- Priorities for 2012/13
- Office Space/Budgets

6.0 Children & Young People

- 6.1 I have received a response from the Minister for Children & Families further to my letter to her about the independent review of childcare. The Minister has offered direct support from the Care & Permanence Team with the Scottish Government and officers are engaged in taking that forward. Other issues of capacity in childcare are subject to a separate report to Council.

7.0 Staff Visits

- 7.1 Along with the Convenor of the Education, Sport & Leisure Committee, I visited the Speirs Centre to see the library facilities and meet with staff who executed the move from Drysdale Street so effectively. I was impressed with both the new facility and the efforts by staff to make the transition for the public as seamless as possible.
- 7.2 I also had an introductory meeting with trade unions representatives in August, as well as attending the Tripartite meeting in September.

Councillor Gary Womersley
Council Leader
October, 2012

Report to: Clackmannanshire Council

Date: 11 October, 2012

Subject: Committee Recommendations Referred to Council

Report by: Chief Executive

1.0 Purpose

- 1.1 Standing Order 8.4 requires that where a committee passes a report to Council, the full committee report shall not be included again on the council agenda and that officers should prepare a brief report that refers to the relevant committee report and recommendation(s).
- 1.2 The purpose of this report is to advise Council of recommendations which have been made by committees which require approval by Council.

2.0 Recommendation

2.1 It is recommended that Council:

a) from the **Housing, Health & Care Committee of 23 August** in relation to the report entitled **Strategic Housing Investment Plan (SHIP) and Strategic Local Programme (SLP)**:

- *approves the option set out at paragraph 3.10.2 of the report to Committee as the basis of its Strategic Local Programme submission to the Scottish Government and revises its Strategic Housing Investment Plan 2012-15 accordingly.*

b) from the **Housing, Health & Care Committee of 23 August** in relation to the report entitled **Energy Efficiency Initiatives**:

- *agrees to draw forward up to £200k from the 2013/14 energy efficiency funding allocated in the HRA Capital Plan to make best use of the available grant funding in 2012/13. This recommendation has been incorporated as a discrete recommendation to Council in the report by the Director of Finance & Corporate Services on the Budget Strategy which appears on the agenda for today's meeting of Council.*

c) from the **Enterprise & Environment Committee of 6 September** in relation to the report entitled **Clackmannanshire Apprenticeship Initiative**:

- *agrees to support the Clackmannanshire Apprenticeship Initiative by providing £120,000 of funding over 3 financial years towards the overall cost of delivering the initiative.*

d) from the **Enterprise & Environment Committee of 6 September** in relation to the report entitled Finalisation of **Clackmannanshire Biodiversity Action Plan 2012-2107:**

- *notes the amendments made by the Committee and approves the Final Plan.*

3.0 Considerations

3.1 Under the Council's decision-making framework, Council has delegated certain matters to committees and has reserved certain powers. Included in the latter are the approval of main policies and strategies (Scheme of Delegation 3.2), the approval of budgets (Scheme of Delegation 3.19) and the spending money not budgeted for (Scheme of Delegation 3.20).

3.2 At the August/September committee cycle the following issues were referred to Council from committees as being outwith their delegated authority:

Housing, Health & Care Committee

A) Report: Strategic Housing Investment Plan (SHIP) and Strategic Local Programme (SLP):

Recommendation - Council approves the option set out at paragraph 3.10.2 of the report as the basis of its Strategic Local Programme submission to the Scottish Government and revises its Strategic Housing Investment Plan 2012-15 accordingly.

Background - this option involves using £1.521m of Government grant to acquire empty properties in priority central locations provided the units achieve current building standards. This option is estimated to produce some 29 units more than the new-build alternative and given the cost of homelessness of around £13k pa for a single-person household, then these additional units could save the Council an additional £377k pa.

The full report is available on the Members' Portal.

B) Report - Energy Efficiency Initiatives

Recommendation - Council agrees to draw forward up to £200k from the 2013/14 energy efficiency funding allocated in the HRA Capital Plan to make best use of the available grant funding in 2012/13.

Background - The approved energy efficiency funding in the HRA Capital Plan in 2013/14 is £690,000. Drawing forward up to £200,000 from 2013/14 will enable the Council to access grant funding for energy efficiency measures to enable an additional 97 properties to be upgraded.

The full report is available on the Members' Portal.

Enterprise & Environment Committee

A) Report - Clackmannanshire Apprenticeship Initiative

Recommendation - Council agree to support the Clackmannanshire Apprenticeship Initiative by providing £120,000 of funding over 3 financial years towards the overall cost of delivering the initiative.

Background - The Clackmannanshire Apprenticeship Initiative aims to help 40 Clackmannanshire young people, particularly school leavers, into apprenticeships and help local businesses in the private sector create the additional apprenticeship places. Businesses must recruit a young person from Clackmannanshire and the apprenticeship must be additional to the number of apprentices recruited by the company in the past year.

The total funding for this initiative is proposed as follows:

- Employers' contribution towards wage costs - £208,000
- Public sector contribution towards wage costs - £208,000
- Public sector (SDS) contribution towards training costs - £140,000

B) Report - Finalisation of Clackmannanshire Biodiversity Plan 2012-17

Recommendation - Council approves the final Plan as amended by the Committee.

Background - the following key amendments have been made to the Plan which came before Council in January 2012:

- new page introduced covering the Ochils Landscape Partnership additional information on the role of the Partnership in relation to biodiversity
- additional action added to the Wetland section to undertake management recommendations within the Black Devon Wetlands Habitat Management Plan
- information that the Mountain Hare, Black Grouse and Ring Ouzel are thought to be extinct in Clackmannanshire

The full report is available on the Members' Portal.

4.0 Sustainability Implications

NA

5.0 Resource Implications

Financial Details - three of the four recommendations have budgetary implications. These are summarised in the recommendations and set out in full detail in the relevant committee reports which are on the members' portal.

Staffing N/A

6.0 Declarations

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

- (1) **Our Priorities** (Please double click on the check box)
- | | |
|--|-------------------------------------|
| 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 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 type="checkbox"/> |
| The Council is effective, efficient and recognised for excellence | <input type="checkbox"/> |

(2) **Council Policies** (Please detail) N/A

7.0 Equalities Impact

7.1 N/A

8.0 Legality

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

9.0 Appendices

9.1 None

10.0 Background Papers

- a) Housing, Health & Care Committee Agenda of 23 August, 2012
- b) Enterprise & Environment Committee Agenda of 6 September, 2012
- c) Minutes of the above committee meetings.

Author(s)

NAME	DESIGNATION	SIGNATURE
Elaine McPherson	Chief Executive	

Report to Clackmannanshire Council

Date of Meeting: 11 October 2012

Subject: Corporate Priorities 2012 - 2017

Report by: Head of Strategy & Customer Services

1.0 Purpose

- 1.1. The purpose of this report is to present to Council corporate priorities for the period 2012-2017.

2.0 Recommendation

It is recommended that Council:

- 2.1 notes feedback on the consultation exercise;
- 2.2 adopts *Taking Clackmannanshire Forward* as its Corporate Priorities for 2012-17
- 2.3 agrees to review the Corporate Plan at the same time as the revised SOA for Clackmannanshire is approved in March 2013, to ensure full strategic alignment, and thereafter to an annual review each year in line with good practice.

3.0 Considerations

- 3.1. On the 16 August 2012, Council adopted, *Taking Clackmannanshire Forward* as its draft Corporate Plan covering the period 2012 - 2017. Council also agreed that a consultation exercise be undertaken on the draft document, and noted that feedback on the consultation and a final document would be brought back to Council on 11 October 2012.
- 3.2. The consultation, which ran until the 25 September 2012, sought views from a range of stakeholders, including: Alliance partners, elected members of all parties, senior managers, council services, Clackmannanshire residents, community councils and other community groups, and a number of communities of interest. The method of consultation ranged from electronic surveys to face to face dialogue, where appropriate. An Alliance Development workshop held in September also influenced the final document.

- 3.3. The feedback received has been taken into account in preparing the final document for Council approval. The general thrust of priorities remains unchanged, though a number of other revisions have been incorporated, including:
- the structure of the plan has been changed to focus on Better Services, Better Opportunities and Better Communities, in support of the overall objective to deliver *Taking Clackmannanshire Forward*.
 - a clearer articulation of the linkages with community planning and SOA reform as well as the wider public sector reform agenda.
 - some amendments to performance indicators.
- 3.4. Not all suggestions were adopted, mainly due to them representing too great a level of detail for a strategic document such as the Corporate Plan. Examples of things not incorporated include requests to cite Council duties, service activities, and various passages of legislation.
- 3.5. The Scottish Government and COSLA have yet to publish detailed guidance on Community Planning reform and the new form of Single Outcome Agreements. As a consequence, it is proposed that the Plan is revisited towards the end of the financial year to ensure that there remains strategic alignment with Clackmannanshire's revised SOA, due in March 2013. Furthermore, uncertainty of potential further impacts on the public sector from reform and financial pressures suggest that it would be prudent to revisit and review the Council's priorities on an annual basis.
- 3.6. A Corporate Plan is aspirational by nature. In adopting this Plan the Council is agreeing its vision and key priorities and actions for 2012-17. As detailed implementation plans are developed, amendments to council policies or the Scheme of Delegation, will be flagged and submitted to Council for approval as appropriate.

Conclusion

- 3.7. Following approval of the Draft Corporate Plan by Council in August 2012, the consultation exercise has been completed. This report summarises details of the consultation process and the key changes incorporated to the proposed Plan, *Taking Clackmannanshire Forward*.

4.0 Sustainability Implications

- 4.1. Sustainability is an inherent, cross-cutting theme throughout *Taking Clackmannanshire Forward*. The overall intent is to make a positive impact, however, as detailed plans are developed, officers will consider these within the Strategic Environmental Assessment framework.

5.0 Resource Implications

- 5.1. *Financial Details*

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

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

5.4. *Staffing*

6.0 Exempt Reports

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

7.0 Declarations

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

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

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

(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".

Corporate Plan 2012-17: Taking Clackmannanshire Forward

11.0 Background Papers

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

Yes (please list the documents below) No

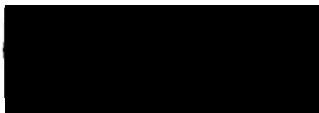

Report to Clackmannanshire Council, 16 August 2012, *Taking Clackmannanshire Forward - Corporate Priorities*

Working Together for Clackmannanshire, Clackmannanshire Community Plan

Author(s)

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Better Services

Better Opportunities

Better Communities

Taking

Clackmannanshire

Forward

corporate priorities, 2012-2017

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FOREWORD

To be completed further to Council approval

VISION

The Council's Vision is *Taking Clackmannanshire Forward*. This will be achieved through focusing on:

- Better services
- Better opportunities
- Better communities

BETTER SERVICES

Excellent services, particularly housing, and a great environment are vital in improving the quality of life for people in Clackmannanshire. The Council particularly wants to increase the amount of good quality affordable housing in Clackmannanshire and is building houses for the first time in 30 years. The Council believes also that it should lead by example in its own actions, and as such believes that there should be the highest standards of probity and transparency in everything it does. As well as seeking to be an employer of choice, the Council recognises that innovation in partnership working will be vitally important, so that:

- We provide leadership in delivering truly integrated and efficient public services responsive to local circumstances and need;
- We ensure the totality of all resources, council and partners, are brought to bear to achieve positive outcomes for Clackmannanshire;
- We are transparent and accountable, ensuring that the public's experience of services in Clackmannanshire is positive;
- We actively seek opportunities to better plan and work jointly with partners with a particular focus on efficiency and preventative spend.

Contribution to SOA Priority Outcomes

These actions will directly contribute to achieving the following SOA outcomes

- Clackmannanshire's public services are improving

Performance Indicators

Improve peoples overall experience of public services in Clackmannanshire
Improve peoples experience of public services in Clackmannanshire (broken down by service area)
Improve residents perception re public agencies joint working
Reduce the council's level of debt
Improve overall staff satisfaction with the council as an employer
Increase the number of council houses

BETTER OPPORTUNITIES

Clackmannanshire offers great potential for individuals, families, businesses and employers. The Council wants to help improve life chances for individuals and families, as well as create a more positive environment for local businesses and employers. We want to invest to create the right environment for everyone in Clackmannanshire to succeed to their maximum potential, so that:

- Clackmannanshire is known for its business opportunities;
- Our transport and business links are further developed;
- Local people have support to take up employment locally and elsewhere;
- All children in Clackmannanshire have the best possible start in life, focusing particularly on ages 0 to 3, with a particular emphasis on the importance of good parenting;
- Our school children are successful learners;
- People and families are supported to live independently;
- Vulnerable adults are supported to maintain their health and overall wellbeing;
- Social circumstances for those in most need are improved.

Contribution to SOA Priority Outcomes

These actions will directly contribute to achieving the following SOA outcomes

- Clackmannanshire has a positive image and attracts people and business
- People in Clackmannanshire are better skilled, trained and ready for learning and employment
- Vulnerable people and families in Clackmannanshire are supported
- Health is improving in Clackmannanshire

Performance Indicators

Increase the number of adults in Clackmannanshire who are happy or fairly happy
Increase the number of adults describing their health as good or fairly good
Reduce the number of primary 1 children who are overweight
Increase Clackmannanshire total tourism revenue
Increase the number of residents actively participating in Sports & Leisure
Increase the number of pupils attaining 5 or more Level 4 Standard Grade Awards
Increase the number of pupils attaining 5 or more Level 3 Standard Grade Awards
Increase the number of school leavers going into employment, education or training
Increase the number of working age people who are economically active
Increase the number of people aged 65+ with intensive care needs receiving services at home
Reduce the time homeless people spend in temporary accommodation
Increase the number of homeless people who maintain their tenancy for at least 12 months
Increase the number of council houses that have achieved the Scottish Housing Quality Standard

BETTER COMMUNITIES

Our towns and villages are the heart of our county and the public face of Clackmannanshire. We want to keep Clackmannanshire at the forefront of green, recycling and sustainability initiatives. The Council wants to work with residents, traders, property owners, local groups and all stakeholders to enhance our towns and villages in a sustainable way so that:

- People feel part of the community in which they live, including better involvement in decisions that affect them and the design of services they receive;
- Communities have the capacity to work collectively to tackle local issues that affect them and achieve community aspirations;
- People feel safe in their homes and in their communities;
- People have a high quality of life, free from the burden of anti-social behaviour.

- Our use of land is sensitive to its social impact, and our open spaces are sensitively managed;
- We effectively tackle the causes and effects of climate change;
- Visitors and residents benefit from the area's attractions;
- We make the best use of our attractive environment and value our natural and built heritage.

Contribution to SOA Priority Outcomes

These actions will directly contribute to achieving the following SOA outcomes:

- Our communities are safer
- Substance misuse and its effects are reduced in Clackmannanshire
- Vulnerable people and families in Clackmannanshire are supported
- Clackmannanshire's environment is protected and enhanced

Performance Indicators

Increase the number of local residents who rate their neighbourhood as a good place to stay
Increase the number of residents who feel they have a very good or good quality of life
Increase the number of residents who are involved with community life
Increase the number of residents who say they are adequately involved in decisions that affect them
Increase the number of residents who feel that Clackmannanshire has a strong sense of community
Maintain and improve high levels of customer satisfaction with CAPs
Reduce the number of local residents surveyed who cite alcohol abuse as a dislike about their neighbourhood
Improve overall street cleanliness
Decrease biodegradable waste sent to landfill
Improve recycling levels
Deliver carbon reduction targets

PRINCIPLES

Not only is it important what the Council does, it is important how it does things. Accordingly, the Council wishes to be clear of the principles by which it will operate in striving to achieve its priorities.

Engagement ,Consultation & Partnership

The Council will:

- engage with communities and stakeholders to effectively develop strategies and policies
- continue to support, encourage and protect the vital work carried out by voluntary, community and social enterprise organisations reflecting their commitment to communities and acknowledging the important role they play in the development of Clackmannanshire
- pursue initiatives that create joint working arrangements to benefit the area while always recognising the need for a strong, independent Clackmannanshire Council
- operating in partnership with all community councils, tenants and residents associations in order to maximise the community benefit of council activities

Excellent Financial Stewardship

The Council will:

- operate within its means
- seek best value in everything it does
- ensure limited resources are targeted on agreed priorities
- work with all partners and stakeholders to secure as much additional external funding for Clackmannanshire as possible

Good Governance

The Council will:

- put in place a framework to ensure the highest standards of governance across each service
- conduct its business using transparent and accountable practices
- promote the values and ethos of good governance throughout the organisation

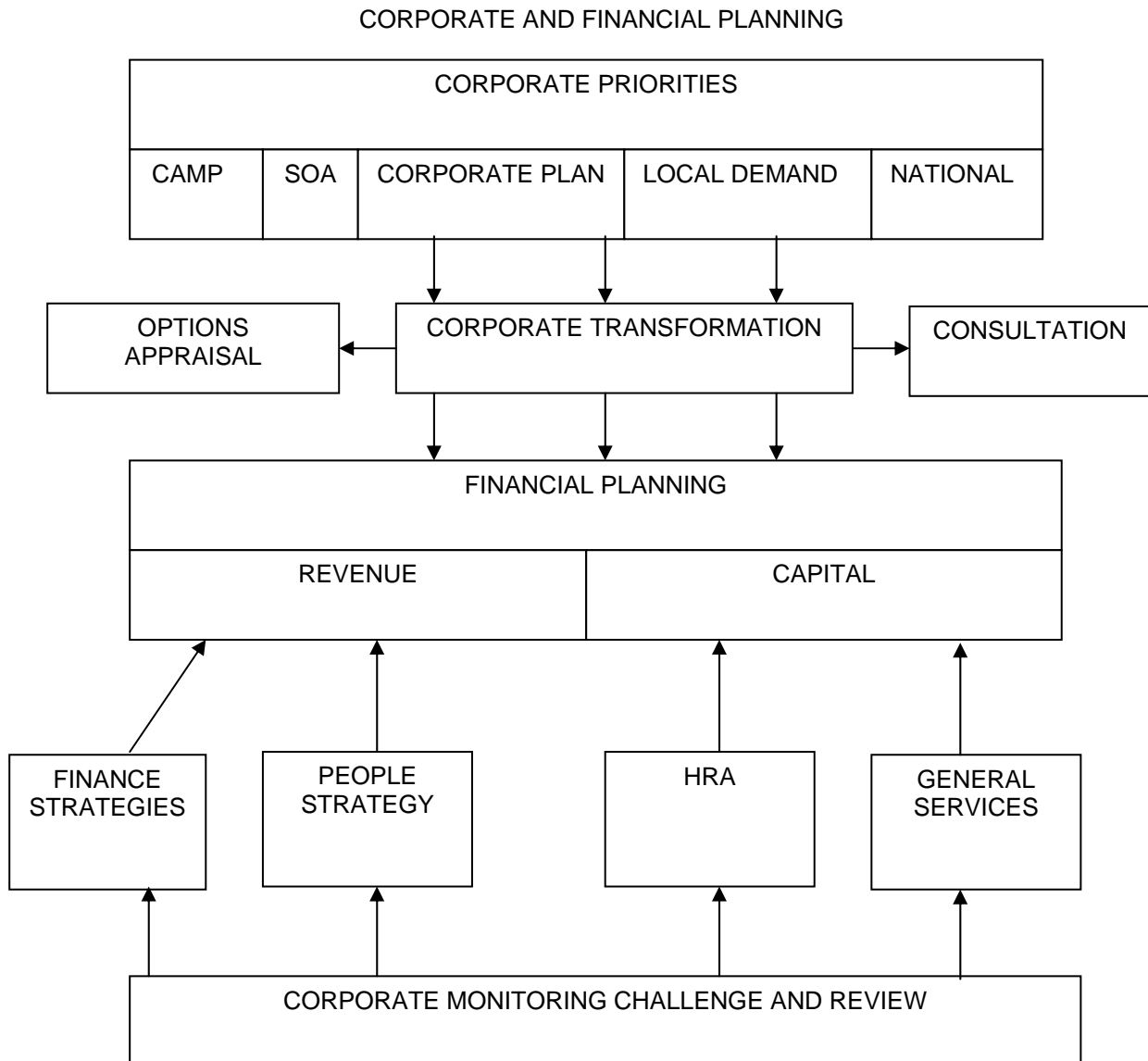
Positive Organisational Culture

The Council will:

- embed a corporate philosophy across all its services
- ensure its structures remain fit-for-purpose and as effective and efficient as possible as contexts change
- focus on excellence in customer services
- engage and support staff

MAKING IT HAPPEN: RESOURCES

The Council will deliver on its priorities using all the resources available to it. The overall approach is illustrated below.



Key features of this approach are as follows::

- financial planning is driven by the priorities set out by the Council. The Council has approved a range of strategies, many of which are service specific, however, the main corporate priorities are consolidated within the Corporate Plan, Single Outcome Agreement, Housing Strategy, and Housing Business and Corporate Asset Management Plans
- there is a robust framework of financial strategies focused on delivering the above priorities. These are set out in the Finance, Budget, and Borrowing and Investment Strategies which are regularly reviewed and updated to ensure that they remain fit for purpose

- a medium to longer term view of demand for services is formulated to ensure resources are matched where there is greatest need. As demand shifts in and between services, this is reflected in the resourcing priorities of the Council
- the Council has in place effective arrangements for workforce planning through its People Strategy. These arrangements aim to ensure effective and sustainable arrangements for supporting and developing staff, even where roles may need to change to reflect changing demands for services
- the sustainability of cost reduction measures is managed through a process of a corporate transformation programme, rather than relying on individual services to identify standalone opportunities. This has the benefit of providing greater opportunities to identify cross cutting, corporate and geographical initiatives, working alone or with partners to deliver the best range of services possible to the people of Clackmannanshire
- constructive, but robust challenge continues to be a key attribute of the proposed corporate approach.

PLANNING & PERFORMANCE MONITORING

The Council will deliver on its priorities using all the resources available to it. An essential component of this approach is ensuring that all services, teams and individual members of staff are focused on the delivery of our priorities. Key features of the approach, illustrated below, include:

- an integrated corporate approach to planning and performance management focused on the delivery of results that will realise our priorities;
- engaging, supporting and motivating staff to deliver our priorities;
- the effective management of risk;
- transparency and accountability through regular performance monitoring and reporting, internally and externally, including transparent and relevant public performance reporting;
- transparency and accountability by reporting our performance against: targets, trends over time, and comparisons with other service providers;
- reporting a balanced set of results, based on our improvement framework, the Clackmannanshire Improvement Model, that demonstrates our performance improvements are sustainable, ethical and meet the expectations of all our stakeholders;



BETTER SERVICES - PRIORITY ACTIONS

1. Pursue initiatives that create integrated public services within Clackmannanshire against a context of always recognising the need for a strong, independent Clackmannanshire Council
2. Work with the Scottish Government on reform to the Police & Fire Services within Scotland to ensure the best possible arrangements for Clackmannanshire
3. Ensure the Administration of Clackmannanshire Council is transparent and the needs of Clackmannanshire residents are better met by reconsidering the committee structure and the role of elected members
4. Pursue a policy of robust Corporate Governance within the Council
5. Seek to promote good financial stewardship within all Council services
6. Implement a new overall Housing Strategy for Clackmannanshire and introduce a new Housing Business Plan to align with the Council's Vision priorities and new legislation
7. Increase stock of available housing and work with all partners to maximise the availability of affordable housing throughout Clackmannanshire
8. Address the challenges of Social Housing and changes in legislation by promoting efficient and integrated services in and out with the Council
9. Deliver more funding to tackle homelessness
10. Reduce the Council's levels of debt and ensure the implementation of the Council's Debt Policy
11. Embed a corporate philosophy to the management of all services
12. Maximise appropriate consultation with communities and stakeholders in the implementation of Council policies and activities
13. Introduce and maintain a minimum living wage for Council staff
14. Provide funding to allow the implementation of enhanced terms and conditions for craft workers within the Council
15. Invest to ensure our IT and fleet infrastructure are fit for purpose
16. Ensure the Council's prosecution policy is upheld
17. Examine the Council's management structures to ensure that these are fit-for-purpose and as effective and efficient as possible
18. Invest in the repair and maintenance of Council properties
19. Encourage better liaison with private sector landlords to maximise best practice and availability of housing stock
20. Consult upon and, working with relevant partners, introduce a Choice Based Lettings system for Council Housing
21. Introduce practical "real-world" solutions to assist and encourage tenants to secure best-fit tenancies

BETTER OPPORTUNITIES - PRIORITY ACTIONS

1. Help and support individuals and families by continuing the Council Tax freeze
2. Continue to embed a policy of Early Intervention and Raising Attainment within Clackmannanshire's Schools
3. Ensuring the best attainable start in life by early implementation of the Getting It Right for Every Child principles and practices.
4. Providing additional funding to improve nursery provision within Clackmannanshire
5. Continue to support the Scottish Government's Promise of a job, training or education place for every 16 to 19 year old within Clackmannanshire
6. Implement policies and initiatives to encourage local employers to take on local 19 to 24 year olds
7. Continue to support a multi agency approach to deliver the best training and development opportunities for Clackmannanshire residents in Clackmannanshire
8. Implement an employability initiative for care leavers, in which Looked After Children leaving school are offered employment/training for one year at Clackmannanshire Council
9. Provide additional funding to improve Child Care Services within Clackmannanshire
10. Maintain, embed and increase payments to Kinship Carers by a minimum of 1% per annum
11. Support Clackmannanshire Credit Union and seek ways in which the Council can work to maximise uptake of membership within Clackmannanshire
12. Support the Scottish Government's Small Business Bonus Scheme
13. Work proactively to attract new businesses and supporting existing businesses through continuing to adopt integrated, 'can do' approaches where appropriate
14. Continue to actively encourage businesses to relocate to Clackmannanshire by maintaining a business-friendly and "can-do" approach to promote Clackmannanshire as a prime business location
15. Continue to support, encourage and protect the vital work carried out by Voluntary, Community and Social Enterprise organisations reflecting their commitment to communities and acknowledging the important role they play in the economic revival of Clackmannanshire
16. Maximise the local benefit of all monies spent by the Council and modifying the Council's Procurement and Contract policies and protocols to assist as many local businesses as possible to obtain Council contracts
17. Work with all partners and stakeholders to secure as much additional external funding for Clackmannanshire, as possible
18. Work with local businesses and employers to continue to promote Clackmannanshire's Tourism potential locally, nationally and internationally
19. Continue to support the Clackmannanshire rail project, maximising the benefits it brings to the county

20. Deliver increased investment for the repair and maintenance of Clackmannanshire's roads
21. Ensure there will be no additional public car-parking charges throughout Clackmannanshire
22. Work with the Scottish Government for the retention of the concessionary bus pass and extending it to Dial-a-bus services
23. Roll out the introduction of breakfast clubs, to support working parents and ensuring children have the best start to the school day in a healthy, conducive environment
24. Fund a programme of parental engagement and support in order to assist with raising attainment levels of secondary school pupils
25. Introduce additional educational attainment staff in each of our three secondary schools, to give extra support, mentoring and coaching to pupils
26. Provide additional funding to repair, maintain and improve our primary school estate, as well as providing a new primary school for St. John's and Claremont catchment areas
27. Deliver a holistic Sports and Leisure Strategy for the whole of Clackmannanshire in conjunction with local clubs and groups

BETTER COMMUNITIES - PRIORITY ACTIONS

1. Retain and develop existing Community Access Points within existing settlements based on the Community Hub model, extending the range of services accessible locally to communities. As a first step, provide a Tillicoultry Community Hub in consultation and partnership with the Community.
2. Continue to work with Local Traders and property owners to revitalise our high streets through innovative and flexible use of shop units and upper premises and support the ongoing town centre redevelopment and improvement of Alloa Town Centre
3. Continue to operate in partnership with all community councils, tenants and residents associations in order to maximise the community benefit of Council activities, noting initiatives to encourage local democracy. For example Youth Councils facilitated by Local Community Councils and involvement in the Scottish Parliament's Community Council Working Group
4. Recycle the proceeds of Council Investment Property Sales to create a Capital Investment Fund to stimulate intervention on vacant, derelict and underused premises within Clackmannanshire in order to benefit local businesses and communities
5. Introduce a Capital Spend to Save Fund to enhance and work in conjunction with the Council's Revenue Spend to Save Fund, in order to maximise potential benefit to Clackmannanshire residents and/or businesses
6. Ensure Clackmannanshire Council halls and facilities are utilised to maximum benefit
7. Support community-led initiatives to, where appropriate, manage and maintain local halls and facilities
8. Continue to take a robust approach to anti-social behaviour and drug-dealing within Clackmannanshire through cross service and Government agency working and where practical adopt and pilot new approaches to tackling drug dependency
9. Adopt a proactive approach to reducing litter, fly tipping and dog fouling by thorough use of existing legislation, increased staff training, patrolling and enforcement
10. Invest to keep Clackmannanshire at the very forefront of recycling, sustainability and zero waste initiatives
11. Maximise opportunities and investment to further develop energy efficiency initiatives within Clackmannanshire as part of a greater move to mitigate fuel poverty in the area
12. Actively encourage developers and landowners to transfer new public spaces to the Council for future adoption and maintenance
13. Seek to re-market and utilise the following surplus Council sites in a way that maximises benefit to the local communities, including:-
 - Former Tullis Site, Tullibody
 - Former Alva Academy Site, Alva; and
 - Former Community Centre, Tillicoultry.
14. Lead by example as a responsible landowner in seeking to ensure that all surplus housing development sites which the Council owns will only be sold on the basis that the Council retains ownership and responsibility for public open space maintenance thereafter
15. Seek support from the Convention of Scottish Local Authorities for a change in primary legislation such that the adoption and maintenance of public open space may be treated consistently with the

national approach to adopting and maintaining the associated public roads, footpaths and street lighting

16. Continue to promote green energy schemes and improve recycling rates, with the objective of saving money as well as helping the environment
17. Promote energy efficiency and a sustainable environment for our citizens through the early adoption of good practice and pilot projects to demonstrate and examine the best fit of these measures for Clackmannanshire
18. Seek to maximise the use of Community Payback Orders to benefit local communities
19. Undertake a review of all public toilet provision in Clackmannanshire
20. Promote and support village/small town centre initiatives, designed to enhance village and small town centres throughout Clackmannanshire
21. Continue to support the Ochil Landscape Partnership to secure long term improvements
22. Repair and reopen the footpath at Mill Glen, Tillicoultry

Report to Council

Date of Meeting: 11 October 2012

Subject: Budget Strategy Update

Report by: Director of Finance and Corporate Services

1.0 Purpose

The purpose of this report is to update Council on progress made in delivering its approved Budget Strategy. A particular focus of this report is on further revisions to the indicative funding gap up to 2014/15, an update on the 2012/13 outturn position, and further information on how the budget strategy will be applied to bridge the indicative funding gap.

2.0 Recommendations

Council is asked to:

- 2.1. note the recent information on the UK fiscal position and economic outlook (section 3),
- 2.2. note the key issues arising from the Scottish Government's Draft budget Announcement on the 21 September 2012.
- 2.3. note the updated indicative funding gap (Table 2) reflecting new and updated information.
- 2.4. note the Council's General Services and HRA revenue and capital outturn positions (Table 3) as reported to the 4th October Resources and Audit Committee.
- 2.5. either:
 - 2.5.1 approve new business cases included at Appendices 3a and 3b in respect of Solar PV panel installation and property purchase, or
 - 2.5.2 make recommendations for reprioritisation of the existing approved programme (Appendix 1).
- 2.6. either:
 - 2.6.1 approve the reprioritisation of Housing capital programme to allocate £490K to expedite energy efficiency measures (paragraph 4.10), or

- 2.6.2** make recommendations for the reprioritisation of the existing Housing Capital programme (Appendix 2).
- 2.7. note the strategic themes that will form the basis of the Council's Transformation Programme (Appendix 4).
- 2.8. endorse the approach to the development of the 2013/14 budget (paragraphs 4.1 to 4.5).
- 2.9. endorse the approach to the development of service budget reduction targets (paragraph 5.6 and 5.7).

3.0. UK Economic Outlook

- 3.1 So far in 2012/13, the UK's fiscal position is less positive than had been anticipated. The UK Public Sector Net Borrowing figures have worsened rather than improved as expected. Whilst there are monthly variations in borrowing figures, the position does not provide a positive basis for the outlook for the rest of the year.
- 3.2 If the trend established in the first third of the year is replicated through to the 2012/13 outturn, this would undermine the UK Government's planned reduction in the level of Public Sector Net Borrowing significantly, making it very difficult for the UK Government to deliver its fiscal plans. As a consequence it may be necessary for further reductions in UK public expenditure levels to be implemented.
- 3.3 This situation in turn will impact in Scotland, though choices on expenditure priorities may differ from those of the UK Government.

Scottish Government's Draft Budget 2013/14

- 3.4 On the 21 September 2012, the Scottish Government announced its 2013/14 Draft Budget proposals for consultation with the Scottish Parliament. The context for the budget is an 11% real terms reduction in the Scottish Budget over four years to 2014/15 and a reduction of a third in the level of Capital Budget resources available.
- 3.5 The proposals include reiteration of a number of commitments, including:
- real terms protection for NHS revenue funding,
 - maintaining 1000 additional police officers,
 - maintaining the council tax freeze,
 - implementation of Curriculum for Excellence and maintaining teacher numbers in line with pupil numbers,
 - implementing a Scottish Living Wage.
- 3.6 The Draft Budget proposals also include a range of additional funding

streams

including:

- £80 million to expedite delivery of the Schools for the Future Programme,
- £40 million in 2012/13 and 2013/14 for affordable housing,
- £18 million of funding into skills training
- £30 million for energy efficiency focused on tackling fuel poverty,
- funding for low carbon transport
- financial support for the successor arrangements for the Social Fund and to mitigate the cut in Council Tax Benefit arising from planned Welfare Reforms
- modest pay increases for public sector employees.

3.7 The Draft Budget remains focused on the four Pillars of reform of preventative spend and approaches; greater local integration of services; strong performance culture to drive improvement; and on investment and support of the workforce.

3.8 The Scottish Government Draft Budget includes a separate chapter on Local Government. At this stage, proposals are focused on the whole of the local government sector and individual council distributions will not be known until the December Local Government Finance Circular is available. In this section, the following key points are made:

- in 2013/14 total local government funding is proposed at £9,914.2 million which is reliant on councils agreement to a sixth year of freezing the council tax and assumptions in respect of the collection of Non domestic rate income
- commitment to the agreed profile of capital spend;
- continuation of Change Funds
- a focus on the establishment of new SOAs
- the removal of Police and Fire funding from the local government spending portfolio.

4.0 Assumptions on General Services Revenue Funding 2012-2015

4.1 The August Budget Strategy report to Council summarised the outcome of a recent review of the assumptions underpinning the indicative funding gap up to 2014/15. The report indicated a revised indicative funding gap over the period of £12.511 million as summarised in Table 1 below.

Table 1: Indicative funding gap 2013-2015

	2013/14 £000	2014/15 £000
Net expenditure	124,784	130,772
Net Funding	117,186	118,261
Cumulative Funding Gap	6,968	12,511
Indicative Annual Gap	6,968	5,543

4.2 The report highlighted the main reasons for this revision as follows:

- changes in net expenditure to process budget decisions made by the Council in February 2012 and as a consequence of new demand pressures such as the implementation of automatic pensions enrolment and planned welfare reform changes for 2013/14 onwards
- revised assumptions in respect of general and salary inflation levels
- a delay in the planned implementation of increases to employers National Insurance Contribution rates which was scheduled for 2014/15.

4.3 The commitment to regular review and revision of the forecast was reiterated reflecting the continuing trend of uncertainty in respect of several external factors and the outcome of ongoing budget challenge and budget monitoring processes.

4.4 Following the Scottish Government's draft budget announcement, further revisions have been made. Table 2 below highlights the revised position since the last council report:

Table 2: Revised indicative funding gap 2013-2015

	2013/14 £000	2014/15 £000
Net expenditure	117,941	123,857
Net Funding	111,447	111,892
Cumulative Funding Gap	6,494	11,965
Indicative Annual Gap	6,494	5471

4.5 The key reasons for the change are as follows:

- removal of police and fire grant and requisitions from net expenditure and net funding
- change in the assumption in respect of the public sector pay award following the Scottish Government's Draft Budget 2013/14 announcement,

- change in assumption with regards the potential take up of auto enrolment to pension scheme.

4.6 A significant consideration in determining how the Council bridges the funding gap, is the regular review of the Council's outturn position. The detailed General Services and HRA revenue and capital outturn position was reported to the Resources and Audit Committee on the 4th October. For ease this is summarised in Table 3 below :

Table 3: Summarised Outturn position 2012/13

Classification	2012/13 Projected outturn £000
General Services Revenue	(818)
General Services Capital	(1.720)
Housing Revenue Account	(287)
Housing Capital	(491)

4.7 The key points arising from the projected outturn position are as follows:

- a modest contribution of approximately £800K to uncommitted general Fund reserves is anticipated based on current information
- there is slippage on the current year's General Services capital programme of £1.720 million.
- there is slippage on the Housing capital programme of £491K.

4.8 On the basis of the reported capital outturn position, there exists the opportunity for the Council to bring forward projects to the value of £1.720 million from the existing General Services capital programme (Appendix 1) and £491k in respect of the Housing Capital programme (Appendix 2). Alternatively, Council may wish to invest in new projects which have come to light since the budget was approved by Council in February 2012.

4.9 Appendix 3a and 3b set out the business cases for two potential new projects (installation of solar PV panels and property purchase) to be considered for approval. The two projects taken together would require investment of £ 1.774 million in 2012/13 and £2.180 million in 2013/14. Whilst this is within the capital programme approved programme limit for 2012/13 due to the current slippage, this level would be exceeded for 2013/14. However, given that there was no borrowing requirement in 2011/12, the new projects could be accommodated over the three year period (2011/12 - 2013/14) in line with the Borrowing and Investment Strategy and the capital financing prudential indicator approved in February 2012.

4.10 Both business cases demonstrate that revenue savings will be achieved over and above any additional costs of associated borrowing if these projects are

approved. In the case of the solar PV panels a net saving of £0.918m is achieved over a 20 year period. Over the next five years, the property purchase will address the increasing costs of bed and breakfast accommodation for homelessness and thus avoid expenditure estimated at £1.202m.

- 4.11 At the Health, Housing and Care Committee on the 23 August 2012, it was recommended that £200k Housing capital investment be brought forward to the current year to maximise the use of available energy efficiency grants (central heating replacements). Given the projected HRA capital underspend, it is proposed that Council approve this investment and allocate the remaining £290K to further increase energy efficiency through expediting advanced central heating upgrades and thermal overcladding work during 2012/13.

5.0 Meeting the Funding Gap 2013/14 onwards

- 5.1 There are two broad streams of activity focused on allowing the Council to bridge the funding gap set out in Table 2 and in future years and these were introduced in the previous report to Council. In summary, the two phases are:

- meeting the 2012/13 savings of £6.494million
- development of a medium to long term programme of activity focussed on helping the Council better manage known and future demand pressures, sustain continuous improvement, better manage quality and choice and /or reduce expenditure (i.e. a transformation programme).

- 5.2 A prerequisite to the delivery of this approach is clearly articulated Council priorities. The Council's corporate priorities are set out in our Corporate Plan. This meeting of the Council is also separately considering the new Corporate Plan, *Taking Clackmannanshire Forward*, following recent consultation activity.

- 5.3 *Taking Clackmannanshire Forward* will be a key driver in formulating the Transformation Programme. The basis of the Programme will also draw on service proposals submitted during the May and September Budget Challenge discussions. The high level themes are summarised in Appendix 4. These themes require further development and scoping to ensure they properly reflect Council priorities and facilitate a longer term approach to the design and financing of investment decisions, choices about service and performance levels and where spending can/ should be reduced in the future.

- 5.4 The necessity for clearly articulated priorities applies equally to setting the 2013/14 budget and bridging the £6.494 million funding gap. There is much work in hand to deliver the required level of savings and the approach is summarised as follows:

- further challenge of budget requirement for 2013/14 through the budget challenge process
- completion of those business cases (per Appendix 4) which will contribute to meeting the 2013/14 gap

- review of council committed reserves to identify potential efficiencies
- the allocation of proportionate savings targets to services
- potential for modest utilisation of reserves.

5.5 In order to allow the Council to propose a balanced budget for 2013/14, it is proposed that services will be allocated a budget reduction target. The targets aim to be proportionate and sustainable, thereby avoiding a 'salami slicing' approach. It is, however, inevitable given the scale of the financial challenge the Council faces, that these targets will be extremely challenging for services.

5.6 In setting the targets, the following factors will be taken into account:

- the relative proportion of service net expenditure when considered as part of the council's total net expenditure,
- service performance levels,
- level of corporate priority,
- the level of savings delivered by the service to date,
- the extent to which budget realignment has been undertaken,
- the historic basis of budget allocations,
- the extent to which service redesign and restructuring is ongoing.

5.7 Following development and notification of the indicative service reduction targets, services will be asked to develop the detailed proposals for delivering their contribution. This will require clear proposals for which budgets are to be reduced and a summary of the service implications, if any, of making these reductions. In the meantime, should further information come to light which impacts on the level of the anticipated funding gap, the targets will be revised accordingly (proportionately), and Council and Resources and Audit Committee notified.

6.0 Conclusions

6.1 The economic outlook for both Scotland and the UK continues to present a pessimistic outlook for public sector finance in the coming years. The Council, however, continues to seek to deliver a sustainable cost base for the Council's future activities by refining and strengthening its Budget Strategy and supporting processes.

6.2 The Council is committed to open and transparent reporting of its progress in meeting these financial challenges. It remains the intention that Council will receive regular update reports on the emerging budget position.

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

10.0 Declarations

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

(1) **Our Priorities** (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 | <input checked="" type="checkbox"/> |

(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? N/A

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".

Appendix 1: General Services Capital Programme (February 2012)
 Appendix 2: Housing Capital Programme (February 2012)
 Appendix 3a: Business Case Solar PV panels
 Appendix 3b: Business case Property purchase
 Appendix 4: Budget Challenge May and September 2012 Business Case themes

14.0 Background Papers

Clackmannanshire Council General Services Revenue and Capital Budget 2012/13

Clackmannanshire Council Housing Revenue Account and Housing Capital Programme 2012/13

Scottish Government Draft Budget proposals 2013/14 (September 2012)



Housing , Health and Care Committee minutes and supporting report energy efficiency (August 2012)

Business Case: off the shelf purchase of temporary accommodation

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Nikki Bridle	Director of Finance and Corporate Services	2030

Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Director Finance & Corporate Services	
Elaine McPherson	Chief Executive	

Capital Programme 2012/15: Proposed

Appendix D

	2012/13 incl c/f	2013/14 incl c/f	2014/15	Comments
Funding Envelope	8700	8400	10000	
Property Asset Management Plan				
3-12 School Development (Primary & Nursery)	750	750	750	Current annual allowance
Additional 3-12 School Development funding	750		1,000	additional funding to address backlog maintenance as indicated in 2010 Property Asset Management Plan
Cochrane Hall, Alva Refurbishment & Upgrading	10			retention
Forthbank Waste Recycling Project & Accommodation Rationalisation	20			retention
Alloa Town Centre Regeneration: Speirs Centre	1800	900	50	start on site June 2012.
St Johns replacement school	400	3,000	900	start on site may / June 2013, complete June 2014, £100 retention in 15/16. Project attracts £4.1m SFT funding. Net Council contribution reflected in budget
Town Hall			140	last phase of heating - 14/15
Telecare	75	75	75	annual allowance for replacement equipment
Tillicoultry Asset Plan: Conversion of family centre to community hub	370	10		part of agreed Tillicoultry Asset Management Plan - approved at Council Dec 2011
Tillicoultry Asset Plan: Redevelop existing CAP/Library to housing	135	10		part of agreed Tillicoultry Asset Management Plan - approved at Council Dec 2011
Purchase of Former Health Centre Site, Marshall, Alloa	150			£150,000 in 2011/12
Alloa Gymnastic Club	37			capital contribution to facility development
strategic investment in school estate - major single upgrade or replacement with external funding			2,000	future funding allocation to strategic property development - speculative match funding for equivalent SFT / HUB asset management funding
Property Asset Management Improvements	100	100	400	addressing of backlog maintenance throughout estate other than those specifically mentioned elsewhere in plan
Village/Town Centre initiative	250			phase 1 Sauchie
CCTV	81			C/F 2011/12
	4,928	4,845	5,315	
Roads Asset Management Plan				
B9140 Realignment of Bends (Collylands to Fishcross/Maggies Wood)			600	Total cost of £1.1m, 15/16 balance of £500,000
Roads asset management: replacement road, footways, street lighting and bridge strengthening	1,400	1,500	1,600	
Flood Prevention	50	50	700	Preliminary work and match funding in 2014/15 for tillicoultry flood prevention scheme. Balance of £1,500,000 in 15/16 (£700,000)

Capital Programme 2012/15: Proposed

Appendix D

	2012/13 incl c/f	2013/14 incl c/f	2014/15	Comments
Funding Envelope	8700	8400	10000	
	1,450	1,550	2,900	
Land Asset Management Plan				
Black Devon Landfill Gas Collection & Treatment Project	260	5		c/f
landscape partnership	113			match funding
Contaminated Land	53	53	53	Required to investigate and address contaminated land portfolio
Cemeteries Strategy	60		200	Woodland Burial site £60,000(12/13), Dollar £200,000 (14/15)
Footpath - Mill glen, Tillcoultry	75			
Parks, Play Areas & Open Spaces	50	50	50	
	611	108	303	
Fleet Asset Management Plan				
Wheeled Bins and public realm bins	30	30	30	
Vehicle Replacement Programme	750	1,400	718	based on 5, 7 and 10 year replacement strategy. 12/13 investment to include a number of eco vehicles inc cars and vans
Zero waste plan vehicles	60	60		net of expected grant
	840	1,490	748	
IT Asset Management Plan				
IT Services	327	235	372	as per hardware / software replacement programme
Additional IT funding for major core systems	250			
	577	235	372	
Capital Contribution to Police Board	150	138	203	
TOTAL PROGRAMME	8,556	8,366	9,841	
Balance below funding envelope	144	34	159	
	8,700	8,400	10,000	

		APPENDIX 2			
Proposed Housing Capital Programme 2012-2017	2011/12 Carryover	2012/13 Requirements	Total Revised Budget 2012/13	2013/14	2014/15
SHQS ELEMENTS					
Primary Building Elements					
Structural Works	0.00	50,000.00	50,000.00	50,000.00	50,000.00
Secondary Building Elements					
Damp Proof Course and Rot Works	0.00	25,000.00	25,000.00	21,000.00	21,000.00
Roof/Rainwater/External Walls	222,265.00	413,000.00	635,265.00	413,000.00	505,000.00
External Doors	0.00	6,000.00	6,000.00	0.00	0.00
Windows	0.00	0.00	0.00	71,000.00	180,000.00
Energy Efficiency					
Full/ Efficient Central Heating	1,402,081.00	437,000.00	1,839,081.00	690,000.00	437,000.00
Modern Facilities & Services					
Kitchen Renewal	311,920.00	154,000.00	465,920.00	154,000.00	153,000.00
Bathroom Renewal	721,050.00	1,466,000.00	2,187,050.00	2,945,000.00	2,796,000.00
Health Safe & Secure					
Safe Electrical Systems	78,550.00	373,450.00	452,000.00	229,200.00	218,547.00
CO Detectors	0.00	0.00	0.00	80,000.00	0.00
External Works: Fencing, Gates Paths	0.00	0.00	0.00	59,436.00	20,220.00
Secure Door Entry Systems	0.00	110,000.00	110,000.00	63,000.00	63,000.00
NON SHQS ELEMENTS					
Conversions & Upgrading	0.00	300,000.00	300,000.00	500,000.00	50,000.00
Disabled Adaption Conversions	0.00	50,000.00	50,000.00	50,000.00	50,000.00
External Lead Pipe Replacement	0.00	50,000.00	50,000.00	0.00	0.00
Demolitions	5,000.00	0.00	5,000.00	0.00	0.00
Feasibility Work	0.00	20,000.00	20,000.00	20,000.00	20,000.00
Council Housing New Build Alva & Tullibody	434,000.00	1,434,643.00	1,868,643.00	47,465.00	0.00
Council Housing New Build Hallpark	0.00	322,000.00	322,000.00	0.00	0.00
Housing Business Management System	0.00	265,000.00	265,000.00	265,000.00	0.00
Total	3,174,866.00	5,476,093.00	8,650,959.00	5,658,101.00	4,563,767.00
Estimated House Sales (per Business Plan)			(814,000.00)	(798,000.00)	(781,000.00)
Estimated CFCR			(3,500,000.00)	(1,871,000.00)	(966,000.00)
Projected Borrowing			4,336,959.00	2,989,101.00	2,816,767.00

**Subject: Spend to Save Initiatives
Installation of Solar Photovoltaic Panels on Public Buildings**

Report by: Head of Facilities Management

1.0 Purpose

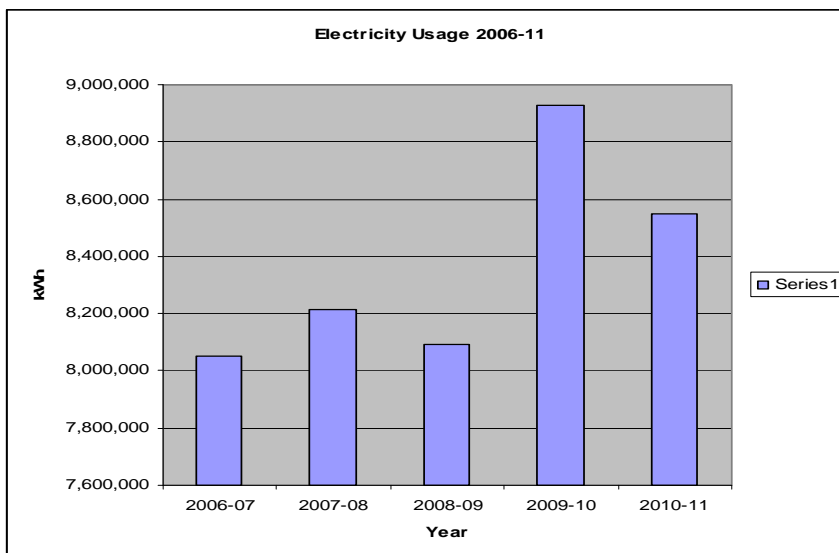
- 1.1. This report seeks approval to invest in the installation of Photo Voltaic (PV) units onto appropriate public buildings owned by the Council. This will both reduce long term carbon emissions and with the assistance of the current Feed-in -Tariffs, on a 'spend to save' basis, generate a positive return on the investment.
- 1.2. This will pay off in 10 years.

2.0 Recommendations

Investment in photo voltaic technology to a total of £873,500 for buildings as included in Appendix 1, by the earliest time possible to take advantage of premium Feed In Tariffs (FIT);

3.0 Background

- 3.1 Electricity use across the Public Buildings portfolio used 8,238.501 kWh's of Electricity in year 2011/12. The previous 5 years consumption was as follows:-



- 3.2 In the last three years the tariff rates have increased by approx 8%. In 2012-13 it is expected that there will be an approx increase of 9% in tariff rates prior to the end of the financial year. Long term tariff projections are unclear but likely to increase greater than inflation.

3.3 In April 2010 the Scottish Government announced that local authorities would be eligible for Feed-in-Tariffs (FIT) associated with the installation of Photo Voltaic (PV) technologies on their public buildings .

3.4 F.I.T. is made up of two types of payments:

Generation tariff - a set rate paid per kWh of electricity generated to the installer/owner of the equipment eligible for FIT. The rate being dependent on the capacity of apparatus installed and date of installation.

Export tariff - the energy supplier will also pay the installer/owner of the FIT equipment 4.5p per kWh of electricity which is exported to the electricity grid (i.e. not used onsite).

3.5 There is a third (net) payment in the saving of using your own electricity.

3.6 The PV system installed must not exceed 5MW of power to be eligible for F.I.T.

3.7 The tariffs are index-linked for inflation and following registration of a system, the tariff levels are currently guaranteed for a 20 year period. For systems registered in future years, the tariff levels will be adjusted to account for expected reductions in system prices.

3.8 As the Council's portfolio is owner occupied, there are no tenancy agreements therefore any income generated from PV installations will be paid in full to the Council. F.I.T. payments for electricity generated and exported are paid quarterly in arrears.

4.0 Feasibility Work Undertaken to Date

4.1 A desktop and on site review has been undertaken by Facilities Management of the roofs that Photo Voltaics could be installed on. The selected building roofs were chosen on the following criteria:

- a south facing aspect to maximise generation potential; and
- roof and building unlikely to need replaced and/or require major repairs in the next 20 years.

4.2 Whilst none of the roofs have been tested for structural loading it is assumed at this stage that they have enough bearing capacity. This would obviously be assessed prior to any commissioning. Grid connections are assumed to be available.

4.3 Solar photovoltaic panels are an established technology commercially available for over 30 years. There are a range of panels on the markets that have different efficiencies and yields and different costs. Part of the "design and build" procurement will be to propose the panel that the tenderer considers the best for the building and location. The current market offers panel performance guarantees and insurance for panels and roof for up to 20 years.

5.0 Maintenance

- 5.1 The panels have no moving parts and require minimal maintenance. For optimal performance they require to be kept clean and periodic cleaning if easily accessible would be preferable. The panels are bolted through the roof structure and the structure sealed to prevent water ingress. There are established methods of securing the panels through their widespread throughout Europe. (A list of FAQ's on PV's is included within Appendix 3).
- 5.2 An allowance for maintenance is made in the financial model and it would be the intention to train staff internally within our Property Contracts Unit in their operation and maintenance.

6.0 Taxation

- 6.1 The income generated is tax free but given the range of taxable and non taxable property and income in Clackmannanshire Council it is proposed to seek specialist tax advice to ensure that there are no potential unknown tax implications of this project prior to commissioning.

7.0 Programme

- 7.1 The F.I.T. returns currently available for installations is 13.5 pence. Systems commissioned after this date (early 2013 and beyond) will likely be reduced significantly in line with the Governments plans to reduce F.I.T. as the price of the technology drops.
- 7.2 Should approval be given an internal project management team (supported by external engineers) will manage the proposed investment. Each roof proposal will be considered individually to ensure that each roof delivers the required investment return (currently the business case is across all identified roofs). The roofs will not be tendered in one package as it is unlikely that one company could install all systems by early 2013.
- 7.3 The PPP secondary school roofs will require negotiation and a significant variation order agreed with the PPP provider.
- 7.4 Listed building consent will require to be sought for those listed buildings under consideration
- 7.5 Award of contracts requires an early agreement to be able to realistically implement this significant opportunity.

8.0 Funding Mechanisms

- 8.1 Based on the funding model in Appendix 2 this spend to save project should effect immediate short term payback of debt costs and be self funding after 10 years.
- 8.2 Each project will be commissioned separately or in packages with individual properties/packages being approved as individual spend to save initiatives after tenders are received.

9.0 Project Benefits

- 9.1 Over the 20 year period of operation:
- The initiative would enable the Council to establish community leadership in respect of the development and delivery of the sustainable community

strategy which is laid out under the Local Government Act (2000). It would show the Council taking a leading role and providing an example to the local community.

- The Council will be in a stronger position if it has its own renewable energy source in anticipation of the increasing threat to energy security. Energy security will become a major concern as the availability of reliable supplies of fossil fuels available for generation become increasingly difficult to obtain resulting in instability of supplies and prices increases).
- Generation of renewable energy will allow the Council to offset against Carbon Reduction Commitments (CRC). With this proposal the Council will save 0.4545 tonnes of carbon dioxide per kW of installed solar PV per annum. In the first year of operation (based on full implementation of the project and the currently known kW) there would be a potential saving of **249.52** tonnes of carbon dioxide. Over a 20 year lifespan (lifespan of PV system), the fully implemented project would generate ¹ **4990.41** tonnes + of carbon savings for the Council.
- Provide educational and training opportunities in the community, including schools and colleges, demonstrating Council led productive renewable energy in the local community.
- The solar PV option would provide the authority with the opportunity to generate income and save money by using the energy it has generated from its solar arrays, thereby helping to ensure that external energy costs are substantially reduced.
- Will be able to stimulate positively the local supply chains which will enable greater opportunities for local employment and provide facilities to enhance long term local skills in this emerging technology.
- Will help to reduce the impact of rising running costs on the public as the income generated can be used to supplement the General fund.

¹ Figures based on Energy Saving Trust calculations

10.0 Risk Assessment

10.1 Primary Risks

A project such as this Key Risk factors were taken into account with this proposal and a summary of the outcomes presented below.

Risk	Status	Mitigation
1. Less than predicted sunshine hours in a financial year following installation of PV panels	Low	Model based on 20 year average in Clackmannanshire
2. Tariff costs rising by less than 5%*	Low	Base case 5% considered reasonable based on public trends
3. Energy use reducing in buildings	Low	Historically there is an annual upward trend in energy demand from new technology.
4. Performance of PV panel drops*	Medium	1% p.a. built in
5. Government retrospective tariff review	Low	None
6. Delays in installation programme	High	Different Tender packages will allow more than one supplier to fit
7. Higher than expected capital costs *	Medium	Costs are considered to be current and project will not progress beyond tender if capital costs make unaffordable
8. Higher than expected maintenance costs *	Low	Low maintenance expected within established technology
9. Inflation increase *	Medium	Costs modelled to increase at RPI + 1%

10.2 Sensitivity Analysis

A sensitivity analysis of key risks has been undertaken but the sensitivity report showed variable reduced returns for individual risks but even with an unlikely combined scenario of 4, 7 and 9 above the project remained financially viable. In summary, the project is considered a good investment and also contributes to the Council's commitment to reducing carbon emissions.

11.0 Sustainability Implications

11.1 This project directly reduces the Council's carbon emissions and contributes to wider emissions reduction by producing 'green' electricity for wider consumption to the grid.

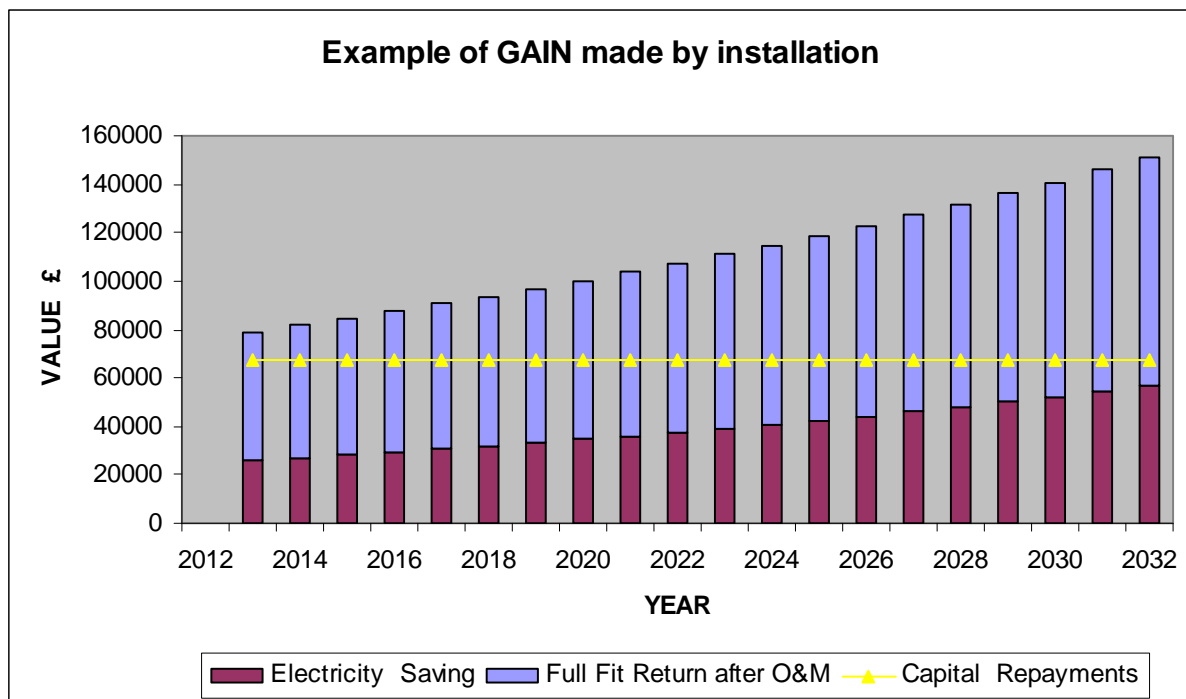
11.2 It is considered that by tendering in packages smaller local businesses may tender for the works creating local employment opportunities.

12.0 Resource Implications

12.1 Financial Details

The capital outlay to complete the work on all the suitable non-housing buildings (see Appendix 1) is estimated at a maximum of ²£823,500. A project management allowance of £50,000 is added to manage the project to complete installations, making a total investment of £873,500.

Under the prudential framework and at current borrowing rates of 4.2% this would cost £65,417 per annum in repayments equating to £1,308,341 over 20 years. The Year 1 projected full Feed in Tariffs returns is £58,576 per annum which would then be inflated annually at RPI, thereby securing an estimated return of £1,601,143 over 20 years (see appendix 2-Financial Details). Thus the net benefit of this capital investment over 20 years would be £292,802. When the energy bill savings of £788,238 are added minus maintenance costs of £163,482 a total net saving of £917,558 is generated.



12.2 Finance

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

12.3 Staffing

12.4 The project will be managed by Facilities Management. Built into the financial model is £50,000 of development costs for structural assessment, procurement and project management that are estimated to be required to bring this project forward.

² Figures compiled from software programme PV Sol Expert 5,

13.0 Declarations

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

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

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

- This initiative compliments and supports the four strategic priorities of the Council's Climate Change and sustainability strategy:
 - climate change;
 - creating sustainable communities;
 - sustainable consumption and production; and
 - protecting our natural resources and enhancing our environment.
- Supports the Council's Carbon Management Strategy and implementation Plan commitment to reduce the Councils carbon emissions by 15% between 2007 and 2012.
- Supports the Council's fuel poverty strategy which is to reduce fuel poverty as far as is reasonably practicable by 2016.

14.0 Equalities Impact

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

Yes No

16.0 Legality

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

17.0 Appendices

17.1 Appendix 1 - Identified suitable public Buildings for PV installation

Appendix 2 - Financial Details - Completion of all works

Appendix 3 - Frequently Asked Questions

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lawrence Hunter	Home Energy Strategy Officer	01259 452681

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Crawford	Head of Facilities Management Services	

Appendix 1

Identified suitable public Buildings for PV installation

The criteria for suitability is that each property must have a roof aspect within the south east and south west spectrum, with a pitch angle between 10 and 35 degrees and good quality roof.

Site	Available Flat Roof m2	Available South Pitch m2
Park Primary School East Castle Street Alloa Clackmannanshire FK10 1BB		518
Alloa Family Centre East Castle Street Alloa Clackmannanshire FK10 1BB		93
Sunnyside Primary School Erskine Street Alloa Clackmannanshire FK10 2AT		105
Town Hall Marshall Alloa Clackmannanshire FK10 1AB		84
Speirs Centre Primrose Street Alloa Clackmannanshire FK10 1JJ		259
Cochrane Hall West Stirling Street Alva Clackmannanshire FK12 5LJ		150
Menstrie Primary School Elmbank Menstrie Clackmannanshire FK11 7AP		80
Banchory Primary School Alloa Road Tullibody Clackmannanshire FK10 2TF	455*	112
Abercromby Primary School School Road Tullibody Clackmannanshire FK10 2PZ	1736*	
St Serfs Primary School St. Serf's Road Tullibody Clackmannanshire FK10 2RD	962*	109.9
Menstrie House Main Street West Menstrie Clackmannanshire FK11 7BT		178.5
Ludgate, Alloa		380
Whins Resource Centre, Alloa		120
Alloa Academy. Alloa	6,546 sqm	
Alva Academy Alva	7,713 sqm	
Lornshill Academy, Alloa	7,585 sqm	

* Subject to detailed investigation

Appendix 2
Completion of all works

Underlying System Assumptions

System (kWp)	549.00	Assumed Crystalline Silicon
Fully installed cost (kW)	£1,500	
Installed Cost (£)	£823,500	Assumed Installed Cost of System
Management Fee (£)	£50,000	

Forecast System Output kWh/ps

Forecast System Output kWh/ps	406,780	
Generation Tariff	£0.13500	Assumes grid connection in period 01/08/12 -
Export Tariff	£0.04500	Assumes grid connection in period 01/08/12 -
Customer's Electricity Price	£0.080	
Electricity Price Inflation	5%	
Customer's Own Use %	80%	
RPI Increase	4.0%	
PV Degradation (% pa)	0.80%	

Annual Ongoing Costs

E/kWp	£10.00
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Forecast Income / Costs/ Savings

Output	Generation Tariff	Export Tariff	Offset Price	Generation Tariff & Export Tariff ("FIT Income")	*Ongoing Costs*	("Available Cash Flow")	Electricity Saving	Investment Return
						4.75%		9.71%
2012						-£873,500.00		-£873,500
2013	406,780	£0.135	£0.045	£0.080	£58,576.32	£5,490.00	£53,086.32	£79,120.24
2014	403,526	£0.140	£0.047	£0.084	£60,432.02	£5,709.50	£54,722.42	£81,839.35
2015	400,298	£0.146	£0.049	£0.088	£62,348.50	£5,937.98	£56,408.52	£84,653.52
2016	397,095	£0.152	£0.051	£0.093	£64,321.64	£6,175.50	£58,146.14	£87,560.13
2017	393,918	£0.158	£0.053	£0.097	£66,359.35	£6,422.52	£59,936.83	£90,580.69
2018	390,767	£0.164	£0.055	£0.102	£68,461.62	£6,679.42	£61,782.19	£93,700.85
2019	387,641	£0.171	£0.057	£0.107	£70,630.48	£6,946.60	£63,683.88	£96,930.34
2020	384,540	£0.178	£0.059	£0.113	£72,868.05	£7,224.47	£65,643.59	£100,273.10
2021	381,463	£0.185	£0.062	£0.118	£75,176.51	£7,513.44	£67,663.07	£103,733.17
2022	378,412	£0.192	£0.064	£0.124	£77,558.10	£7,813.98	£69,744.12	£107,314.74
2023	375,384	£0.200	£0.067	£0.130	£80,015.15	£8,126.54	£71,888.60	£111,022.16
2024	372,381	£0.208	£0.069	£0.137	£82,550.03	£8,451.80	£74,098.22	£114,859.93
2025	369,402	£0.216	£0.072	£0.144	£85,165.21	£8,789.57	£76,375.64	£118,832.73
2026	366,447	£0.225	£0.075	£0.151	£87,863.24	£9,141.25	£78,721.99	£122,945.40
2027	363,516	£0.234	£0.078	£0.158	£90,646.75	£9,506.90	£81,139.85	£127,202.95
2028	360,607	£0.243	£0.081	£0.166	£93,518.44	£9,887.18	£83,631.26	£131,610.59
2029	357,723	£0.253	£0.084	£0.175	£96,481.10	£10,282.67	£86,198.44	£136,173.70
2030	354,861	£0.263	£0.088	£0.183	£99,537.83	£10,693.97	£88,843.85	£140,897.89
2031	352,022	£0.273	£0.091	£0.193	£102,690.98	£11,121.73	£91,569.25	£145,788.94
2032	349,206	£0.284	£0.095	£0.202	£105,944.23	£11,566.60	£94,377.63	£150,852.86

Underlying Financial Assumptions

Prudential Borrowing	£873,500	100%
Annuity Repayment Term (Years)		20
Debt Interest Rate		4.20%

Model 1

Electricity	Cash Flow	Capital Repayments	Savings After Capital Repayments	Cumulative Savings
Saving	after O&M			
£26,033.92	£83,086.32	£65,417.07	£13,703.17	£13,703.17
£27,116.93	£54,722.42	£65,417.07	£16,422.28	£30,125.44
£28,245.00	£56,408.52	£65,417.07	£19,236.44	£49,361.88
£29,419.99	£58,146.14	£65,417.07	£22,149.05	£71,510.94
£30,643.86	£59,936.83	£65,417.07	£25,163.81	£96,674.55
£31,918.64	£61,782.19	£65,417.07	£28,283.76	£124,958.31
£33,246.46	£63,683.88	£65,417.07	£31,513.26	£156,471.56
£34,629.51	£65,643.59	£65,417.07	£34,856.03	£191,327.60
£36,070.10	£67,663.07	£65,417.07	£38,316.09	£229,643.70
£37,570.62	£69,744.12	£65,417.07	£41,897.67	£271,541.36
£39,133.55	£71,888.60	£65,417.07	£45,605.08	£317,146.45
£40,761.51	£74,098.42	£65,417.07	£49,442.88	£366,589.30
£42,457.19	£76,375.54	£65,417.07	£53,415.66	£420,004.96
£44,223.41	£78,721.99	£65,417.07	£57,528.32	£477,533.28
£46,063.10	£81,139.85	£65,417.07	£61,785.87	£539,319.16
£47,979.33	£83,631.26	£65,417.07	£66,193.51	£605,512.67
£49,975.26	£86,198.44	£65,417.07	£70,756.63	£676,269.30
£52,054.24	£88,843.85	£65,417.07	£75,480.82	£751,750.12
£54,219.69	£91,569.25	£65,417.07	£80,371.86	£832,121.98
£56,475.23	£94,377.63	£65,417.07	£85,435.78	£917,557.77

£788,237.53 £1,437,661.70 £1,308,341.46

Total Net Saving = £917,558

Photo Voltaics - Frequently Asked Questions

What is Solar PV?

Solar PV is a renewable energy system which uses photovoltaic modules, usually on the roof of a building, to convert daylight into electricity. Photovoltaic cells are made up of thin layers of semi-conducting material (usually crystalline silicon) which generate an electrical charge when exposed to direct or diffuse daylight.

How do photovoltaics work?

Sunlight hits the photovoltaic cells and is converted to electricity. The inverter converts the electricity from direct to alternating current, so that it may be combined with the electricity being imported from the mains, and used to power appliances in your home. When the solar energy system produces more power than is needed, it is exported into the national electricity grid. At night, power is imported from the national electricity grid in the usual manner.

What is a unit or kWh (kilowatt hour) of electricity?

Units are how you are billed for electricity. To run a 100 watt lightbulb for 10 hours, you require 1,000 watt hours or 1 kilowatt hour (1 unit) of electricity.

What are the key benefits of a PV system?

Once installed and commissioned the Council owns the system, having control of a long-term free source of electricity that is exempt from price increases. You are not only saving money but actively saving the environment at the time. A PV system makes no noise, has no moving parts, requires minimal maintenance, has a long lifespan and generates no CO2 emissions. Basically, it produces clean energy for years to come.

Where can I install PV modules?

The location of your PV array (group of PV modules) is vitally important. The modules should receive the maximum amount of daylight possible, so it is not advisable to install the modules in situations where surrounding buildings or trees may cast shadows. The best location for a PV array in the UK is on a south-facing roof angled at 30 degrees.

How do the panels perform at different angles and orientations?

If the optimum angle is not achievable, over 90% of the maximum annual energy can still be achieved at 10 degree and 50 degree tilts. South-facing vertical facades generate around 70% of

Tilt of	Orientation of				
	SOUTH	SE/SW	E/W	NE/NW	NORTH
HORIZONTAL			90%		
30 DEGREES	100%	96%	85%	73%	68%
45 DEGREES	98%	93%	80%	64%	60%
60 DEGREES	92%	86%	72%	56%	47%
VERTICAL	89%	86%	54%	41%	35%

the maximum.

What are the effects of shade?

Shading is critical. Minor shading can result in significant loss of energy. Since PV modules are linked together in series, the module with the lowest amount of irradiation falling upon it determines the operating voltage of the string in which it is connected.

Does PV work in Scotland?

YES. The PV modules only require daylight to work, and so will generate energy on cloudy and even rainy days. Temperature is also a factor when determining how much electricity a pv system will generate. The efficiency of a PV module decreases by a fraction for every degree the temperature is above 25 degrees Celsius. Therefore, a clear cold day is perfect, because PV modules

operate better at cooler temperatures. The UK has similar irradiance levels to Germany where PV has proved extremely popular given their tariff structure, which is now also available within the UK under the Feed in Tariff.

What maintenance and cleaning do the PV systems need?

A Solar PV systems is silent in operation, has no moving parts and requires minimal maintenance. Most of the time the rain will keep the modules clean. However, a build up of dirt can effect system performance. The degree of soiling will depend on the location but usually dust accumulation and self-cleaning reach a steady state after a few weeks if the array tilt is at least 15 degrees. In extreme cases, dust may cause a power reduction of about 10%. The design of the system should aim to minimise uneven soiling. The modules can be cleaned once a year if desired with either a hose or, if possible, soapy water and a non-abrasive cloth.

What if we produce more energy than I need?

Whenever the panels are producing more electricity than the building is using, it will flow back into the grid for other buildings to use.

As long as you have a meter that measures the amount of electricity exported, you are eligible to receive a credit for this electricity. This will lower your electricity bills and ensure none of your green electricity will be wasted.

Does the system need batteries?

No. The proposed PV systems are connected to the national grid. In the night, when the cells are not generating energy, electricity is bought from the utility company in the normal way. Any excess electricity generated during the day is sold back to the utility company.

What happens if there is a power cut?

If there is a power cut, the system is automatically switched off. This is a safety measure designed to stop electricity leaking on to the national grid and to protect individuals who may be working to restore the power supply.

Which electricity supplier will we use?

Due to the Feed-in Tariff, all electricity retailers will be obliged to offer the same generation and export credits for micro generation systems to their customers so we may choose whichever electricity retailer we, subject to procurement.

Can we sell the electricity we make?

Yes. On top of the generation tariff we will receive 4.5 pence for every unit we generate (increased by RPI)..

How soon will a PV system pay back the cost of installation?

The Government estimates that a system installed during the Feed-in Tariff Scheme will be paid back in eleven years. However, in addition, we will carry on receiving a tariff or cashback for a further fourteen years and will benefit from free electricity for years to come after that.

How long will it take to install a system?

PV systems can be installed and ready to produce electricity in 2-8 weeks from the time the design has been agreed. The actual installation will take approximately one day per kilowatt installed depending upon your building type.

What are the lifetimes of PV products?

Currently products carry a 20 -25 year 'performance' warranty which can be insured.

Who is eligible?

Both private and commercial premises are eligible.

How long will it last?

The Government has committed to pay the tariff for 20 years for photovoltaic installations.

Will the tariff change?

Once the tariff is agreed with the Government it will not decrease. The introductory tariff will stay the same until 1/12/12. It will then drop periodically for future installations. This is to encourage early uptake. The Government announced it will be linked to inflation and tariffs will be inflated annually.

Why is the Government doing this?

The UK is way behind other European countries on commitments to reduce carbon emissions and to secure against future oil supplies. This is one way it can catch up. The UK currently produces 5.5% of electricity from renewables, this is expected to rise to 30% to meet the 15% 2020 target for all energy. Feed-in tariffs have been introduced successfully in many countries around the world, including Spain and Germany. It has encouraged huge growth in PV and created many jobs.

How will it be implemented?

Ofgem will administer the feed-in tariff. Suppliers will be responsible for paying the reward to their customers.

Is VAT payable?

VAT at 5% is payable on domestic installations. New Builds are often VAT exempt. Commercial buildings will pay standard VAT rates.

How the scheme works

If you are eligible to receive the FIT then you will benefit in 3 ways:

1. **Generation tariff** – a set rate paid by the energy supplier for each unit (or kWh) of electricity you generate. This rate will change periodically within the year for new entrants to the scheme, but once you join you will continue on the same tariff for 20 years in the case of solar electricity (PV).
2. **Export tariff** - you will receive a further 4p/kWh from your energy supplier for each unit you export back to the electricity grid, that is when it isn't used on site. The export rate is the same for all technologies.
3. **Energy bill savings** – you will be making savings on your electricity bills, because generating electricity to power your appliances means you don't have to buy as much electricity from your energy supplier. The amount you save will vary depending how much of the electricity you use on site.

Appendix 3b

Business Case: Off the Shelf purchase of temporary accommodation.

Executive Summary

This paper outlines the Business Case for the acquisition of individual targeted properties to increase the supply of temporary accommodation. A copy of the full Business Case has been provided to elected members but not included with council papers given the potentially commercially sensitive information it contains.

At present the Council has around 60 HRA owned dispersed lets tied up as temporary accommodation. The demand for temporary accommodation is rising by 7% pa and continues to show that we have a net shortfall of around 70/90 units to meet current demand. The impact of 2012 legislation and welfare reform will see that shortfall potentially rise further. There is a need to reduce the use of bed and breakfast accommodation which operates as the option of last resort and provides for this operational shortfall at present.

The direct cost to the Council of homelessness is confined since 2006/7 to combined lost subsidy in both B&B and latterly with changes to subsidy caps under Welfare Reform, in private lets. The total lost subsidy in recent years has been;

	2007/8	2008/9	2009/10	2010/11	2011/12
Lost Subsidy	£419 303	£455 223	£557 798	£614,809	£904,000

This proposal suggests that the acquisition of up to 50 new units of temporary accommodation will help mitigate this pressure and return a saving to the Council over the life of the project.

The Business Case proposal requests the funding of legal, acquisition and upgrade capital costs of the purchase of up to 50 additional properties. This will require £3,080m capital over 2 years. Repayment is modelled on a 20 year payback. The cost of providing the 73 bed spaces contained in the acquisition proposal, by traditional B&B route, is just over £800k per annum in lost subsidy. It is anticipated that following this investment B&B costs will reduce and this is shown in the model as 'cost avoidance'.

The model also assumes that there would be additional staff required to manage growth in temporary accommodation and the impacts of welfare reforms. The model assumes this would equate to 3 additional posts.

The net cost to the Council of delivering this proposal will be the interest and principal repayments on £3,080m and ongoing revenue costs less the income from rents and cost avoidance. This results in an anticipated operating surplus

in year 1 of £90,788. Over the life of the project, a cumulative benefit by year 20 of just over £6.1m compared with the "do nothing" option is anticipated.

In addition to the revenue saving benefits summarised above, the investment would also create a new asset which could be sold in the future , thereby generating a capital receipt.

The Benefits for the Council outlined in the Business Case are;

- The net financial benefit to the Council between "doing nothing" and the proposal over 20 years is around £6m.
- The proposal facilitates an operating surplus of around £90,788 in year 1 and a cumulative surplus of £1.202m by year 5.
- Meets one of the challenges of welfare reform re- single room rents for under 35's.
- Provides a more stable base for multi agency assessment or support.
- Mitigates run away cost of B&B.
- Is financially viable and provides longer term asset base.

It is recommended that the project is funded from capital and ongoing costs funded by the Homelessness revenue budget within the General Services revenue Budget..

Business case and consultation proposals

Appendix 4:

Service	Proposal	Commentary
Cross-Cutting	Corporate Funding (external)	The function is in the process of transferring to the Accountancy team as part of service redesign. Potential to maximise additional income to fund priority planned activity across Council services, taking account of the 'fit' and criteria of such external funding streams.
	Corporate advice service delivery models	Options appraisal re the range of advice services provided across the Council and through partners/ discretionary awards to establish the potential for improved consistency, continuity, quality and efficiency in what is delivered.
	Corporate service delivery models	Options appraisal re the respective roles and responsibilities for Home energy across the council
	Utilisation of school estate	Joint review of school estate utilisation to be undertaken to maximise school, community and partner usage of facilities (especially secondary schools). The review will consider options for income generation.
	Strategic planning of school estate	Review demand and supply issues for future primary and secondary school estate to inform investment strategy and service delivery requirements
	Settlement plan reviews:	Review of council assets, trusts and grants to establish options in each of the remaining 7 settlements. This will consider a range of options and will be carried out in conjunction with the relevant service delivery providers and stakeholders.
	Income and Charging	A review of charges and charging levels to establish a corporate Income and Charging Strategy. This will incorporate review of external charges and charging levels across a sample of councils.
	Corporate Transport capacity	Cross cutting review of demand and supply for range of transport services/ modes of transport including review of the appropriateness of current fleet/transport assets and contracts.
Roads and Transportation	Review of supported and subsidised transportation	Options appraisal to establish more financially sustainable service delivery models in respect of supported and subsidised transportation in the County. This includes evaluation of demand response transportation models and the use of volunteer/ third sector supported schemes
	Street Lighting	Business case development (likely to be Spend to Save) in respect of the review of the cost effectiveness and service based benefits of LED Street Lighting and dimmable street lighting.

Service	Proposal	Commentary
	Clackworks	Identifying the options for financially sustainable delivery of planned employability outcomes.
Development Service	Clacks Business and BIDS	Review of discretionary awards.
Regulatory	Fees	Review of fees licensing to be undertaken to establish potential for additional income generation.
Strategy & Performance	Community partnerships	Options appraisal to review models of community capacity building and identification of appropriate geographical and service delivery which lend themselves to partnership delivery models
	Discretionary grant funding	Review of ALEO arrangements to ensure fit with corporate priorities and to ensure appropriate SLA/ governance is in place for monitoring the impact of disbursements.
	Extend current business models	Review potential to further extend current Business Support model to improve efficiency and effectiveness.
	Channel shift	Review options for more integrated customer service delivery through adopting channel shift i.e. move to more web based transactions.
Housing	Early intervention	Options appraisal to look at Prevention and tenancy sustainment work to prevent/minimise homeless presentations
	Voluntary sector grants and revising all SLA's	Review of voluntary sector grants to establish alignment with corporate priorities and to ensure that all have new SLA in place.
	Homelessness assessment	Business case on looking at homelessness assessment, presentations, best practice with a view to maximising the management of demand.
Education	Curriculum planning/timetabling	Review of current practice and options for maximising choice and delivering the best value option in curriculum / staff planning across the service.
	Early Years	Review of current and future service requirements .
	Private Sector Nursery provision	Review of nursery provision.
	Learning communities	Part of Cross Cutting review based Education stream focus on locality involving partners and incorporating the role of sport and youth agenda alongside education provision.
	Maximising VFM in	Review of the potential for efficiency savings by looking at procurement practices across

Service	Proposal	Commentary
	procurement	the schools. This would include a review of existing preferred supplier list arrangements and consideration of scope for framework type agreements.
Social Care	Adult Care Strategy Review	Linking to shifting the balance of care, review of options re models of care for the future, incorporating a review of current residential care capacity.
	Foster carers	Options to be developed to look at refreshing the foster carers scheme/ model.
	Residential Care for Children	Options to be developed to look at ensuring the sustainability of arrangements for meeting the demand of residential care for children including early intervention strategies.
	Shared Services	Review of potential options for improved quality and efficiency of services.
	Commissioning	Review of commissioning and procurement model to ensure fit for purpose and delivers appropriate quality and value for money.
Support Services	Corporate Procurement	Business Case development on opportunities to maximise VFM through maximising effective corporate procurement.
	T & Cs	Options appraisal involving TUs to review development of council flexible benefits scheme and the development of employee benefit statements
	Voluntary Severance	Promotion of further round of Voluntary severance to include teaching staff.
Facilities Management	PPP contract negotiation	Ongoing negotiation on level of contracted service, charges and performance monitoring issues in secondary schools
	Fair rent policy	Review of external tenant rents on all council properties
	Extend catering income generation	Service expansion with spend to save element
	Leisure Strategy	Review of fees, charges and subsidies and develop options to maximise utilisation and income. The review will incorporate consideration of models such as Leisure Pass/memberships.
	Playgrounds asset review	Options appraisal of current provision and the contribution made by planning gain.
	Fleet	Development of Fleet Asset Management Plan and associated delivery strategy models.

Report to Clackmannanshire Council

Date of Meeting: 11th October 2012

Subject: Contract Standing Orders

Report by: Governance Manager

1.0 Purpose

- 1.1. This report sets out proposed amendments to the Council's Contract Standing Orders (CSOs) and notes the adoption of a Corporate Procurement Process to:
- Ensure compliance with European and National legislation governing public sector procurement.
 - Ensure a regulatory framework that reflects current procurement practice and changes in local government policy.
 - Maximising the local benefit of all monies spent by the Council through the adoption of the "Procurement Journey" to assist as many local businesses as possible to obtain Council contracts

2.0 Recommendations

It is recommended that Council:

- 2.1. approves the revision of Contract Standing Orders that are attached to this report (**Appendix 1**) and agree to their adoption for all procurement from 1st January 2013.
- 2.2. approves the changes to the Approval to Accept & Award Contracts detailed in Contract Standing Orders section 38, page 27. (**Appendix 1**)
- 2.3. notes the Corporate Procurement Processes "The Procurement Journey" which aims to embed a stronger compliance and Governance culture across the Council from 1st January 2013.
- 2.4. approves the Sustainable Procurement Policy and delivery plan attached to this report as **Appendix 2** and **Appendix 3**.
- 2.5. notes that, whilst changes to Contract Standing Orders require the approval of Council, changes to the Corporate Procurement Processes may be

implemented by the Chief Executive in consultation with the Governance Manager and the Procurement Manager.

3.0 Considerations

- 3.1. The purpose of Contract Standing Orders is to set rules for the procurement of goods, works and services for the Council. The rules ensure that the Council is fair, accountable and legal in its dealings with contractors and suppliers. Contract Standing Orders are intended to ensure that the Council obtains value for money and that it is taking good care of public funds. They serve to protect not only the interests of the Council but also the interests of staff who are regularly involved in the procurement process.
- 3.2. Good corporate governance requires that Contract Standing Orders are kept under review and that they are understood and are made accessible by those officers of the Council who are regularly involved in the procurement process.
- 3.3. Legislative changes which came into force on 1st May 2012 result in a need to change existing policies to ensure compliance. Taking into account recent changes in procurement activity, this presents an opportunity to review Contract Standing Orders. The proposed changes will:

- Ensure that Contract Standing Orders remain current and effective.
- Provide governance around the procurement activity to reduce risk and embed a stronger compliance culture.
- Ensure compliance with the legal framework for public procurement which includes:
 - EC Treaty obligations
 - EC Procurement Directives and implementing Scottish Regulations
 - European Court of Justice and national case law
 - Local Government in Scotland Act 2003
 - Climate Change (Scotland) Act 2009
 - Procurement Reform Bill - due to be implemented mid-2013

The revision also draws upon key officers' experience of Contract Standing Orders; how they are used, the extent to which they are properly understood and where officers referring to them have encountered problems

- 3.4. From the consultation process and experience, a number of changes have been provided addressing the findings, these can be summarised as follows:

The Values of delegation have been substantially increased and broadened out to provide:

- Council approval for contracts above £3,000,000.
- Greater accountability at Director level.

- Greater accountability for all budget holders below Director level.

Further detail is provided in the revised Contract Standing Orders section 38, page 27. **Appendix 1**

- Simplifying the approval to accept and award of contracts and providing clarity on financial delegation for purchase orders and contracts. This now details the separate levels of authority that are set for the authorisation of invoices.

Further detail is provided in the revised Contract Standing Orders section 38, page 27. (**Appendix 1**)

- Contract Standing Orders now detail the processes to be adopted according to the value of the contract to ensure that adequate procedures are in place for contracts of different values, while defining responsibilities for risk management, the requirement to advertise adequately, practices in contractor selection and achievement of value for money.

Further detail is provided in the revised Contract Standing Orders section 25, page 20. (**Appendix 1**)

- A separate consistent set of Corporate Procurement Processes designed to assist officers by providing guidance and facilitating best practice and consistency across the Council.

Further detail is provided in the background paper The Procurement Journey. Copies of the document have been provided in each group room and to the Conservative and Independent elected members prior to this meeting. This document is also available electronically on the members' portal.

- Clear definition of exceptions and their reporting from the application of Contract Standing Orders.
- A definition of who has authority to undertake procurement activity, and to ensure all such employees undertake appropriate training in compliant and best practice procurement. Additional and specialist training will be required in more specialist procurement roles
- Clarity surrounding Part "B" Services including Legal Services and elements of Social Care which are not subject to all of the requirements of the EU Consolidated Public Procurement Directive. This will minimise the risk of challenge on the basis that the procurement process could be considered unreasonable or anti-competitive.
- Detail of the Bribery Act 2010 which came into force as of July 2011.
- Clarity of the Transfer of Undertaking (Protection of Employment) Regulations 2006.
- Clarity of State Aid.

Further detail regarding State Aid is provided in the revised Contract Standing Orders. Section 23, page 19. **Appendix 1**

- 3.5. Revisions had been made to ensure that Joint working provisions can be managed effectively.
- 3.6. There is a need to embed Contract Standing Order arrangements to ensure a stronger compliance culture across the Council. Formal training and awareness sessions will be planned to assist officers and Elected Members to

provide guidance and consistency across the Council in order to facilitate adoption for all procurement from 1st January 2013.

4.0 Sustainability Implications

- 4.1. Sustainable procurement is defined as using the Council's purchasing power to contribute to sustainable development objectives. This involves "bending the spend" and specifying goods and services that have minimal environmental impacts, and that can offer environmental and social benefits.
- 4.2. Sustainable procurement means that social, economic and environmental considerations are part of the procurement process. This needs to be considered in the total cost of ownership, to ensure future proofing and in the promotion of innovation. When evaluating tenders, considerations on sustainability must be relevant and proportional to the procurement.
- 4.3. Maximising the local benefit of all monies spent by the Council through the adoption of the "Procurement Journey" to assist as many local businesses as possible to bid successfully for Council contracts
- 4.4. The Procurement Reform Bill is currently out for consultation. It is aiming to establish a national legislative framework for sustainable public procurement. The framework will support Scotland's economic growth by delivering social and environmental benefits, supporting innovation and promoting public procurement processes and systems which are transparent, streamlined, standardised, proportionate, fair and business-friendly.

It is important that public services are outcome based and person centred, and these principles apply to procurement as much as any other aspect of public service. Indeed, procurement is an area where process directly affects outcome.

- 4.5. The Procurement Reform Bill will establish a national legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering economic, social and environmental benefits, supporting innovation and promoting processes and systems which are transparent, streamlined, standardised, proportionate, fair and business-friendly. These will be incorporated into the Procurement Journey.
- 4.6. To ensure that Sustainable Procurement is effective, a Sustainable Procurement Policy and delivery plan has been developed and are attached to this report as **Appendix 2** and **Appendix 3**. The delivery plan makes a number of recommendations for action relating to sustainable procurement, including:
 - The adoption of a sustainable procurement policy.
 - Agreement to progress work to improve the sustainability of the procurement of timber and timber-derived products, including publicly signing up to WWF's Silver Timber Pledge.
 - The inclusion of community benefit clauses where appropriate in tenders.

- Noting that a small group incorporating representatives from Economic Development, Procurement and Legal Services are established within the Council to develop the legal and operational framework to implement a community benefit approach to procurement.
- Noting the Procurement Manager, as the Council's Sustainable Procurement Champion.

4.7. Implementing the Sustainable Procurement Policy and delivery plan will help the Council meet its legal duties relating to sustainable procurement, and will ensure the Council is well placed to respond to the forthcoming Procurement Reform Bill.

4.8. Engagement will continue with local businesses to ensure they are aware of tender, contract and supply opportunities within the Council.

4.9. Support to enable local businesses to understand the procurement process and respond to opportunities will also be continued.

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** (Please double click on the check box)

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

(2) Council Policies (Please detail)

- **Contract Standing Orders**
- **Corporate Procurement Process "The Procurement Journey"**
- **Financial Regulations**
- **Council's Sustainability and Climate Change Strategy**
- **Clackmannanshire Employability Strategy**
- **Clackmannanshire Economic Development Strategy.**

8.0 Equalities Impact

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

Yes No

9.0 Legality

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

10.0 Appendices

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

Appendix 1 - Contract Standing Orders

Appendix 2 - Sustainable Procurement Policy

Appendix 3 - Sustainable Procurement delivery plan

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

The Procurement Journey (copy on portal)

Author(s)

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Derek Barr	Procurement Manager	01259 452017

Approved by

NAME	DESIGNATION	SIGNATURE
Julie Burnett	Senior Support Services Manager	
Nikki Bridle	Director Finance & Corporate Services	



Clackmannanshire Council

www.clacksweb.org.uk

CLACKMANNANSHIRE COUNCIL CONTRACT STANDING ORDERS

These Contract Standing Orders define the rules and procedures to be adopted when undertaking any procurement activity on behalf of Clackmannanshire Council and are effective from **1st January 2013**.

All procurement processes commencing from that date will observe the rules contained within these Contract Standing Orders.

Notwithstanding the dates, these Contract Standing Orders shall remain in full effect until such time as they are varied, replaced or superseded by a decision of the Council.

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1. Introduction

- 1.1 Procurement decisions are among the most important decisions Officers will make because the money involved is public money and the Council is obliged to ensure that we deliver high quality goods, works and services. It is the Council's duty to secure best value in its arrangements, and therefore efficient use of resources is an imperative. The Council's reputation is equally important and should be safeguarded from any suggestion of dishonesty or corruption.
- 1.2 The Contract Standing Orders provide a commercial, legal and operational framework to procurement activity on behalf of the Council.
- For these reasons, it is a disciplinary offence to fail to comply with Contract Standing Orders and with Council's Financial Regulations where public money is being spent, including when contracts are being let. Employees have a duty to report breaches of Contract Standing Orders and with Council's Financial Regulations to an appropriate Head of Service and to the Governance Manager.
- 1.3 The purpose of Contract Standing Orders is to set clear rules for the procurement of goods, works and services for the Council. The rules should ensure that the Council is fair and accountable in its dealings with contractors and suppliers. Contract Standing Orders are also intended to ensure that the Council obtains value for money and that it is taking good care of public funds.
- 1.4 Those who are responsible for procuring, managing or delivering major construction projects should follow the policy and procedural framework set out in the Scottish Construction Procurement Manual.
- 1.5 Contract Standing Orders protect the interests of the Council and they also protect the interests of Council Officers who are involved in procurement. It is the responsibility of each Head of Service to ensure that every officer who is involved in procurement has a good understanding of Contract Standing Orders and has access to the Corporate Procurement Process "The Procurement Journey".
- 1.6 The Procurement Journey provides guidance and wide ranging advice as to the purpose and practical application of Contract Standing Orders. Both documents will be kept under review by the Procurement Manager.
- The Procurement Journey has been developed to support all levels of procurement activity and to help manage the expectations of stakeholders, customers and suppliers alike. It facilitates best practice and consistency across the Council. The processes, templates and guides provide support to all individuals involved in procurement and provide one source of documentation, which can be updated on a continual basis with any changes in legislation, policy and promotion of best practice
- The Procurement Journey is available on the Clackmannanshire Council website and Intranet. Additional further advice is available from the Procurement Manager.
- 1.7 Where a third party such as a consultant procures works, goods or services on the Council's behalf Heads of Service must take steps to ensure that the third party acts in accordance with Contract Standing Orders.
- 1.8 Any dispute or difference as to the interpretation of Contract Standing Orders or the Procurement Journey shall be decided by the Governance Manager.
- 1.9 Members must conform to the Code of Conduct for Councillors.
- 1.10 Officers must comply with the requirements of Section 68 of the Local Government (Scotland) Act 1973 (Disclosure by Officers of Interests in Contracts).
- 1.11 Officers, members or agents of the Council, acting on the Council's behalf in relation to any

contractual matter shall conduct themselves in such a manner that the independence and integrity of the Council's procedures are, at all times, maintained and are seen to be maintained.

1.12 Public procurement can be defined as the acquisition, whether under formal contract or otherwise, of goods, services and works from third parties by Clackmannanshire Council. The scope of Clackmannanshire Council procurement ranges from the purchase of diverse, routine supplies or services, to formal tendering and placing contracts for large infrastructure projects.

1.13 If Clackmannanshire Council employ private sector agents to undertake procurement on their behalf they must be required to apply the provisions of Contract Standing Orders when engaging in any procurement activity and are required to:

- Comply with The Public Contracts (Scotland) Regulations 2012;
- Comply with the provisions of clause 1.10 of CSO's as if they were an officer of the Council
- Ensure clear allocation of responsibilities; and
- To obtain where appropriate the agent's indemnity against any costs incurred as a result of its failure to comply with the legal framework on its behalf.

1.14 Procurement" for the purposes of Contract Standing Orders is not intended to cover funding agreements or forms of co-operation between Clackmannanshire Council and other bodies which are non-contractual. However, it should be noted that relationships between Clackmannanshire Council may constitute contracts for the provision of goods, services or works in certain circumstances. Even where funding agreements or other forms of co-operation are not contractual and do not constitute procurement, normal commercial disciplines should be applied wherever possible.

1.15 The scheme of financial delegation forms an integral part of Clackmannanshire Council's control environment. No officer of the Council should undertake or authorise a transaction for which they do not have authority. It is the responsibility of managers to ensure that they have the appropriate level of authority to carry out their duties based on a set of principles. Adherence to these principles will ensure that financial delegations are effective and adequately controlled.

The principles are set out below:

- All delegations to Council officers come from the Chief Executive.
- All financial delegations must be compatible with the scheme of delegation to Directors and can only be top down.
- Only those Officers who have been delegated a budget or have formal delegated authority to commit expenditure can delegate further.
- Officers do not have authority to commit or spend funds outside the scheme of delegation
- No officer is permitted to authorise their own purchase order and authorise any subsequent invoice
- Although the officer delegating remains accountable, delegation of authority implies that responsibility for managing associated risks has also been delegated.

1.16 Invoice authorisation is covered in financial regulations section: 15. Payment for Goods and Services and have separate levels of authority which may be greater than Purchase order and contract levels of authority. Authorised signatories can only sign invoices, for which documented approval on an authorised signatory form can only be given by Head of Service or Director.

1.17 Segregation of duties is an important control procedure. Therefore, the following should be observed:

- The order or contract should be signed by someone competent who understands the requirement and has been given the delegated authority to place orders.
- The goods should be received and checked for correctness.
- The checking and certification of invoices should be by a different competent authorised member of staff.
- The payment of invoices should be by another competent member of accounts staff.
- This separation will ensure that individuals are fully protected against misunderstandings.

DRAFT

2. Definitions

In these Contract Standing Orders the following words and expressions will have the following meanings assigned to them:

Authorised Officer	The officer designated by the Chief Executive to deal with and be responsible for the procurement process and the contract in question
Agent	Any external individual or organisation acting on behalf of the Council.
Aggregation	Combining buying power within the Council or with others in order to gain best pricing and service agreements from suppliers (usually will require a commitment of volume).
Contract	An agreement between the Council and any contractor made by formal agreement or by issue of an official order, for goods, materials, works or services
Council	Clackmannanshire Council.
CSO's	These Contract Standing Orders
Day	A calendar day unless otherwise specified.
EU	The European Union.
Freedom of Information	In relation to public procurement, the Freedom of Information (Scotland) Act 2002 provides a general right of access to information about all public contracts and procurement activity held by Clackmannanshire Council, subject to certain conditions and exceptions
Head of Service	A Head of Service within Clackmannanshire Council and includes the Chief Executive and any Officer of the Council with delegated authority to undertake specific tasks relating to procurement and contracts. Any such delegated authority must be documented by the relevant Council Service and be acknowledged by the relevant Officer in accordance with the Scheme of Delegation.
In-house Provision	This is considered to be provision by an existing service or services within the Council of the Procurement Officers requirements where the Council would use its own resources prior to committing to external expenditure.
Joint Buying Arrangement (JBA)	Procurement protocol with Falkirk and Stirling Councils
Most Economically Advantageous Tender (MEAT)	The best value for money proposal based on the optimum combination of price and quality (whole life cost or total acquisition cost), not simply price alone
OJEU	The Official Journal of the European Union, which publishes all public sector tenders breaching the EU thresholds across the European Union.
OJEU Tender	A formal sealed bid procurement process that must comply fully with the requirements of the Scottish Regulations because the total aggregated value exceeds the value thresholds detailed within the Scottish Regulations.
PQQ	The Pre-Qualification Questionnaire used to assess applications for inclusion in the shortlist of applicants who will be invited to submit a final proposal in every Dual Stage or Restricted Procedure Procurement.
Procurement	The function responsible for acquiring by purchase, lease or other legal means, the goods, works and services used by the Council to discharge its functions in an effective, efficient and economic manner. The procurement process spans the whole life cycle of the procured goods, works or services – from the initial concept and definition of business needs, through to the end of the useful life of and asset or the end of a service contract.
Procurement Journey	The Corporate Procurement Process
Public Contracts Scotland	http://www.publiccontractsscotland.gov.uk/ This portal enables the Council to advertise all contracting opportunities, irrespective of value. Adverts which must be published on the Official Journal of the European Union (OJEU) website will also be submitted through the portal to the Publications Office of the European commission

RFQ	A Request for Quotation, where potential suppliers, providers or contractors submit legally binding proposals for Supplies, Services or Works without the need to complete a formal, sealed bid tender exercise.
Scheme of Delegation	Any Officer of the Council with delegated authority to undertake specific tasks relating to procurement and contracts. Any such delegated authority must be documented by the relevant Council Service and be acknowledged by the relevant Officer in accordance with Financial Regulations
Scottish Procurement & Commercial - (previously procurement Scotland) Category "A" Procurements	Develop and advise on a range of procurement activity and commercial decision-making, including implementing procurement policy, promoting best practice in project delivery, and setting up contracts and framework agreements for itself and the wider public sector in Scotland.
Scotland Excel Category "B" Procurements	The Centre of Procurement Expertise for the local government sector who develop and manage collaborative contracts for products and services where a strategic requirement is identified across our sector. They facilitate the development and sharing of best procurement practice and take an active role in ensuring that the needs of our sector are understood within the wider landscape of procurement reform
Scottish Regulations	The Public Contracts (Scotland) Regulations 2012 and/or (as the context requires) the Local Government in Scotland Act 2003.
Services	Services as defined in the Scottish Regulations
The Single Point of Enquiry (SPoE)	Set up to provide suppliers to public sector or publicly funded bodies with an impartial point of contact where they can ask for advice or raise concerns about public procurement practices in Scotland.
Supplier Development Programme	http://www.sdpscotland.co.uk/home.aspx which provides a range of specialist business support activities including the provision of advice, information and training support with the aim of assisting businesses to become more capable of accessing and competing for public sector contracts.
Supplies	Supplies as defined in the Scottish Regulations
Threshold	The total aggregated value limits as defined within: <ul style="list-style-type: none"> • The Scottish Regulations in the first instance; • Clackmannanshire Council Contract Standing Orders, where the Scottish Regulations do not apply as a result of OJEU thresholds not being exceeded or no cross border interest being in existence.
Works	Works as defined in the Scottish Regulations
1973 Act	The Local Government (Scotland) Act 1973.

GENERAL INFORMATION

3. Contracting Authority

The Council is the Contracting Authority for the purposes of the Scottish Regulations and in respect of all Procurement activity. This means that all contracts are let on behalf of the Council as a whole and that no Service, Team, Unit or other part of the Council has the legal capacity to enter independently into any contract.

The Council remains the Contracting Authority when entering into collaborative contracts where the Council procures goods, services or works jointly with other public sector organisations but may not complete the procurement process.

In all tender documentation, reference should be made to the Council as the legal entity and not a particular Service, Team or Unit.

4. Date of Commencement

These Contract Standing Orders define the rules and procedures to be adopted when undertaking any procurement activity on behalf of the Council and are effective **from 1st January 2013**. All procurement processes commencing from that date will observe the rules contained within these Contract Standing Orders.

Notwithstanding the dates, these CSO's shall remain in full effect until such time as they are varied, replaced or superseded by a decision of the Council.

5. Extent and Application of Contract Standing Orders

These Contract Standing Orders are standing orders made by the Council under Section 81(2) of the Local Government (Scotland) Act 1973 for the purposes of making contracts for the supply of goods or materials or for the execution of works.

These Contract Standing Orders will apply to all contracts for the procurement of all Goods, Services and Works by the Council, including non-contract, ad hoc, one-off requirements, and they will be applied by any employee or agent of Clackmannanshire Council undertaking any procurement activity on behalf of the Council.

The Contract Standing Orders apply to all public procurement expenditure by the Council irrespective of the funding source and includes expenditure that has been devolved in any way.

The only exemptions to these Contract Standing Orders are those detailed in Section 6 - Exemptions from the Application of Contract Standing Orders.

6. Exemptions from the Application of Contract Standing Orders

CSO's apply to all contracts entered into by procurement officers. In some circumstances however, exceptions may be granted and the general approach to this is outlined below. All requests must be made in writing, following the procedure detailed in Appendix 1. identifying the grounds for the request. Approvals must also be recorded in writing and given prior to any action not in accordance with CSO's being taken.

Such exemptions are not necessarily exempt from the application of the specific requirements of the Scottish Regulations, where they apply or any other rule of law.

Lack of sufficient planning and / or internal process delays will not constitute special, exceptional or emergency circumstances.

The following are exempt from the application of Contract Standing Orders.

1. Any contract of direct employment
2. The acquisition, disposal, lease or rental of land, existing buildings, other immovable property, any planning gain pursuant to a legal agreement under section 75 of the Town & Country Planning (Scotland) Act 1997 or any other interest in land. These courses of action must be formally documented through the Council's Governance Service. This does not extend to include contracts where there is an obligation on the acquirer to deliver Works or Services as part of the agreement (for example Development Agreements)
3. Any contract for the provision of financial services, subject always to the exception reporting procedure set out in CSO's.
4. An immediate need is created by a sudden, unforeseen, real and demonstrable emergency that requires immediate action to protect the interests of the Council.
5. The Council may reserve the right to participate in public contract award procedures to sheltered workshops or provide for such contracts to be performed in the context of sheltered employment programmes where more than 50% of the employees concerned are handicapped persons who, by reason of the nature or the seriousness of their disabilities, cannot carry on occupations under normal conditions.
6. The purchase of a named product required to be compatible with an existing installation as approved by the Head of Service.
7. There is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience
8. The arrangement of works, goods or services to be delivered through an In-House Service Provider
9. Purchase of works, goods or services from a supplier under an acknowledged public sector agreement such as Scottish Procurement, Scotland Excel or a collaborative procurement agreement arranged through another public sector body. Where more than one arrangement is identified a mini competition should be used to determine to arrangement offering best value for money for the Council.
10. The instruction of advice from or services provided by Counsel or instructions to solicitors to act on the Council's behalf other than in connection with services that is of a transactional nature and can readily be made the subject of competition. Counsel or solicitors can only be engaged with the prior approval of the Governance Manager.
11. The purchase of a work of art or museum specimen as approved by the Chief Executive
12. The purchase of special education or social care contracts but only where approved by the Head of Social Services or Head of Education and only where the purchase is required in order that the Council may meet its statutory obligations and always subject to Section 11 - Part B Services.

7. Reporting on Exemptions from the Application of Contract Standing Orders

Advice on any proposed exemption from Contract Standing Orders should be sought from the Procurement Manager and / or the Governance Manager.

The appropriate Head of Service must record their reasons in writing in the form of an exception report for a decision, which must be submitted to the Governance Manager. The Governance Manager will maintain a central register of exceptions.

The Governance Manager will consult the Accounting and Budgeting Manager and Procurement Manager before taking any action that binds the Council. Any such exception shall be reported retrospectively in full to the next Resources and Audit Committee, including the reasons that fully justify the exception. A summary of CSO exemptions will also be provided as part of the Annual Procurement Healthcheck report to Resources and Audit Committee.

The appropriate Head of Service will normally be the Head of Service that holds the budget for the requirement. Where there is a technical or competency issue, the appropriate Head of Service will be the one with responsibility for the professional aspects of the requirement.

In such an event, the requirement to comply with the Scottish Regulations remains. A voluntary award notice without competition will be published in Public Contracts Scotland for any exception granted, and where the exemption granted is above threshold, the procedures leading to the award under the Scottish Regulations must be followed.

8. Best Value

The Council has a statutory duty to secure best value, which includes a contribution to the achievement of sustainable development. Effective procurement is one of the tools available to deliver best value.

Best value in procurement is the optimum combination of price and quality identified through the Most Economically Advantageous Tender (MEAT). In this context

(i) Price means the whole life cost or total acquisition cost of any requirement, not simply the price paid on acquisition. The price may include the purchase price and the costs of the purchase to pay process, operation, maintenance and disposal; and

(ii) Quality means the measurable qualities of a proposal, and need not refer to a subjective view of high or low quality, but simply the quality that is right for the Council.

Every procurement requirement will be awarded based on the Most Economically Advantageous Tender. No procurement requirement will be awarded solely based on price or quality alone unless authorised by the Procurement Manager.

Advice on the application of whole life cost and / or total acquisition cost can be found in the Procurement Journey available on the Council website and Intranet. Additional further advice is available from the Procurement Manager

For the purposes of these Contract Standing Orders, the value of a contract must be calculated over the life of the contract. It is not permissible to disaggregate a contract in order to circumvent the requirements of Contract Standing Orders that relate to competitive tendering

9. Authority to Undertake Procurement Activity

All employees whose role involves any procurement activity will require to complete a Procurement Competency Questionnaire, available from the Procurement Manager. The Questionnaire identifies appropriate training requirements. All such employees will undertake appropriate training in, as minimum standard, compliant and best practice procurement. Additional and specialist training will be required in more specialist procurement roles.

Once the appropriate training has been completed, employees undertaking procurement activity as part of their job role will be:

- Certified as a “procurement officer”
- Approved to complete specific procurement activities
- Included on the Procurement Officer Authority List and will have the following levels of access in Public Contracts Scotland.

Auth User - read only access to authority areas of the site

Editor - create notices for publication but not publish.

Publisher - publish site notices

Post-box Opener - open online electronic submissions

- Required to sign a certificate indicating that they have read and understood Contract Standing Orders and accepted the requirement to comply with the Contract Standing Orders at all times

Employees who have not undertaken training, are not certified procurement officers and are not included on the Procurement Officer Authority List will not be permitted to undertake procurement activity.

10. Collaborative Procurement

Collaborative procurement arrangements are encouraged where these can demonstrate best value to the Council. Collaboration can take place through established consortia or through collaboration on one-off requirements.

Where the Council takes the lead procurement role in such informal arrangements, these Contract Standing Orders will apply to each procurement process carried out under the collaborative arrangement.

Where another public sector organisation takes the lead procurement role, its Contract Standing Orders, or equivalent, will apply. All procurement activity carried out in collaboration is required to meet the demands of the Scottish Regulations.

10.1 Formal Collaborative Arrangements

Where the Council enters into formal joint buying or consortia purchasing arrangements, the related agreement and procurement strategy must protect the Council to a level proportionate to the risk involved, whilst at the same time providing the basis for a partnering approach and delivery of best value.

As a minimum, the agreement should clearly state:

- the nature and extent of the arrangement
- legal responsibilities
- arrangements for governance, accountability and dispute resolution
- the exit strategy
- the auditing arrangements
- the process for the induction of new partners.

10.2 Informal Collaborative Arrangements

Where the Council enters into informal and ad-hoc joint buying or consortia purchasing arrangements where no strategic agreement exists, the Council must be protected to a level proportionate to the risk involved, whilst at the same time providing for flexibility and delivery of best value. As a minimum this will typically be compliance to all procurement legislation and regulation such as the Scottish Regulations and the ability to demonstrate delivery of best value.

10.3 Council Requirements

Where the Council is not the lead authority in the procurement process, the lead authority / agency is required to comply with all relevant procurement legislation and with its own internal rules in undertake the procurement exercise. The appropriate Officer within the Council who is dealing with the contract is required to satisfy themselves, as far as it is feasible to do so, that this requirement is met.

In addition, where the Council is not leading the procurement process, Officers are required to ensure that a unique reference number should be sought from the Governance Service. This reference must be noted on all documentation and the Governance Service shall maintain a list of Tenders for administrative and audit purposes.

Approval to accept a proposal or tender through a collaborative arrangement must follow the process set out in CSO section - Approval to Accept & Award of Contracts. No contract can be awarded for the Council before approval to accept has been sought and obtained, as outlined in CSO section - Approval to Accept & Award of Contracts.

Tender award letters will be issued from the Governance Service and signed by an appropriate authoriser.

11. Part B Services

The Scottish Regulations specify the procedures to be followed in relation to the award of public contracts, above certain thresholds by contracting authorities. For the purposes of the Regulations, contracts for the provision of Services are divided into two categories: Part A services to which the full requirements of the Scottish Regulations apply and Part B services, to which only part of the Scottish Regulations apply

Part B services include health and social services; education and vocational health services; recreational, cultural and sporting services and personnel placement and supply services. Whilst the full requirements of the Scottish Regulations, including the requirement for advertising in the Official Journal of the European Union (OJEU) do not apply to Part B services, there is an obligation to publish a Contract Award Notice and ensure adequate publicity.

It is the responsibility of the procurement officer to decide whether Treaty principles require advertising and competition. This decision must be based on the individual circumstances of the case but will take into account;

- The subject matter of the contract;
- The estimated value of the contract ;
- The specifics of the sector concerned (e.g. the size and structure of the market, commercial practices etc.); and
- The geographic location of the place of performance.

Examples of situation where advertising may not be required include the following:

- Low contract value, resulting in disproportionate costs to the Council and providers;
- Where a service is of such a specialised nature that no market of suitable providers exists;
- Where, if the contract had been subject to the full procedural rules on advertising, an exemption specified in the Regulations would have applied (e.g. extreme urgency or where for technical reasons the contract can only be performed by a particular provider);
- Where the contract is to be awarded under an existing framework agreement, which has

already been the subject of publicity and competition.

The procurement officer must record their reasons for determining that a proposed contract is exempt from the requirement to advertise and must be able to evidence those reasons.

The provision of specialist social care services is the area of Council procurement most likely to utilise the provisions detailed in Standing Order 11.hereof. In the event that the Head of Social Services is satisfied, after discussion with the Procurement Manager, that neither advertising nor competition is required in relation to the provision of a specialist social care service, they may negotiate a contract without the requirement to ensure adequate publicity or the prior publication of a contract notice.

The requirements for obtaining exemption from the application of these Standing Orders, specified in Standing Orders 6. shall require to be followed by the Head of Social Services in relation to the procurement of specialist social care services.

To minimise the risk of challenge on the basis that the procurement process could be considered unreasonable or anti-competitive, the procurement of Social Care Services, including Part B services, should be treated where possible as normal Services and a tender procedure undertaken. This ensures that competition, openness, fairness, transparency and accountability can be clearly demonstrated.

For the avoidance of doubt, all instructions for the provision of Legal Services out with the Governance Service must be referred to and approved by the Governance Manager prior to the commencement of a procurement process or appointment of advisors.

12. Council Policy Objectives

The Council can use its buying power to help it achieve its policy objectives. The Council's policy objectives will be considered in every procurement process and, where appropriate, incorporated into the contract strategy, evaluation model and terms and conditions of contract.

The Council has a clear vision to make Clackmannanshire a better place to live and work by having better services, better opportunities and better communities. We want to provide a range of services, activities and facilities which make a difference to people's health and well being, to sustaining economic growth and to the strength and vibrancy of communities.

To achieve these outcomes, we need to work with local people and groups, as well as our many partners in the public, business and voluntary sectors. We also need to focus resources on our priorities given the challenging financial environment and our commitment to providing best value for money for the people of Clackmannanshire.

Clackmannanshire offers great potential for individuals, families, businesses and employers. The Council wants to help improve life chances for individuals and families, as well as create a more positive environment for local businesses and employers. We want to invest to create the right environment for everyone in Clackmannanshire to succeed to their maximum potential by:
Proactively supporting new businesses and existing businesses by reducing, where appropriate, bureaucracy and red tape, while maximising the local benefit of all monies spent by the Council through the updated Council Procurement Contract policies and protocols to assist as many local businesses as possible to obtain Council contracts.

The use of community benefit clauses in procurement and the creation of job opportunities through procurement will be incorporated in our tenders as the default position unless there are explicit reasons why this is not appropriate.. This will provide a more systematic picture of the social and community benefits that can be delivered through procurement both directly and through the supply chain

Where possible the use of a reserved framework under paragraph 7of the Scottish Regulations for the Council will enable Officers to reserve contracts with supported businesses more readily without having to resort to full tendering exercises.

13. Sustainable Procurement

Sustainable Procurement contributes to the achievement of environmental, economic and social outcomes (as defined in Clackmannanshire's Sustainability and Climate Change Strategy) through procurement processes.

All procurement shall be carried out in accordance with the sustainable procurement policy where relevant and proportionate.

Sustainable procurement outcomes should be incorporated in a way which does not result in the inappropriate exclusion of potential suppliers, or in anti-competitive behaviour on the part of the Council.

Sustainable outcomes cannot be used as the sole criteria for award of contract and must be relevant and proportionate. It is recommended that not more than 10% of the total available score is allocated to this section. Further guidance and template questions can be found in the Procurement Journey.

Where appropriate Government Buying Standards (formerly known as Buy Sustainable Quick Wins) should be used as they are designed to make it easier for buyers to buy sustainably. They include:

- Official specifications that all buyers must follow when procuring a range of products;
- Information about sustainable procurement and how to apply it when buying;

14. Freedom of Information (Scotland) Act 2002

The Freedom of Information (Scotland) Act 2002 was introduced by the Scottish Parliament to ensure that people have the right to access information held by Scottish public authorities. The 2002 Act states that any person can receive information that they request from a public authority, subject to certain exemptions such as protection of personal data and commercial interests, or national security.

If a request for information is refused or ignored, people have the right to ask the Council to review their decision. If they are still unhappy with the response they have the right to appeal to the Commissioner, who will investigate their case. The Commissioner has powers to force the Council to release any information that is not exempt under the Act.

There is a presumption that contractual information should be made available for disclosure if requested. However, Officers should be aware of the potentially anti-competitive implications of disclosing detailed contractual information in the period around a procurement process taking place and in particular the provisions of the Scottish Regulations prohibit disclosure of information during a live procurement process.

Guidance and advice is available from Governance Service.

15. Appointment of Agents to Act on Behalf of the Council

It is a condition of appointment that any consultant, architect, surveyor, engineer or any other external agent appointed to act on behalf of the Council and / or who is responsible for completion of a procurement process and / or the supervision of a contract on the Council's behalf will:

- Comply in full with the requirements of the Scottish Regulations, the Council's Contract Standing Orders, all relevant legislation and all Council policies.
- Provide evidence that they are trained in and competent in public procurement.
- Ensure that any modification to the procedure for opening tenders is approved in advance

by the Governance Manger

- Produce to the appropriate Head of Service or nominated Council Officer on request all relevant records and documentation related to the contracted service and / or contract being supervised on behalf of the Council.

On completion of the contract service and / or contract, provide to the appropriate Head of Service all relevant records and documentation related to the contracted service and / or contract supervised on behalf of the Council.

Every appointment of a consultant, architect, surveyor, engineer or any other external agent to act in any capacity on behalf of the Council is required to have a contract condition that ensures that copyright in respect of anything created or completed by that external agent in relation to the appointment will be the property of the Council, or that the consultant grants an unconditional royalty free licence to use the documents.

Where issues arise in respect of copyright, Officers are required to seek guidance and advice from Legal Services.

16. Breach of Contract Standing Orders

16.1 Reporting and Disciplinary Action

Any non-compliance to or breach of Contract Standing Orders will be reported immediately on discovery to the Governance Manager.

Failure to report any known non-compliance or breach may result in disciplinary action being taken against the employee who failed to report the non-compliance or breach.

The Governance Manager will undertake an investigation where deemed necessary. The investigation findings will be reported to the Accounting & Budgeting Manager, Procurement Manager, the relevant Head of Service, the Chief Executive and the Resources and Audit Committee as appropriate.

In the event that there is a requirement for disciplinary action to be taken, where a serious or repeated breach of Contract Standing Orders is identified. This will be referred to the appropriate Line manager

16.2 Contractual Implications

Any non-compliance or breach of Contract Standing Orders can seriously impact upon the legal standing of the contract and can increase the ability of unsuccessful bidders / tenderers to seek redress through the courts.

Furthermore, officers are reminded that a third party is protected under section 81(4) of the 1973 Act where a contract is entered into regardless of whether the officer had authority, or where the procurement process has not been followed. It is therefore imperative that officers should not accept any quotes, offers or tenders except in accordance with Contract Standing Orders.

17. Review of Contract Standing Orders

Contract Standing Orders will be reviewed and updated as required by changes to procurement legislation and regulation or on an annual basis where there has been no change to procurement legislation and regulations. Until such time as CSO's have been amended or reviewed by Council in accordance with this requirement, these CSO's will apply to all procurement processes undertaken.

Contract Standing Orders may be varied or revoked by the Council at any time following a resolution passed upon notice duly given in terms of those Standing Orders (not Contract Standing Orders) that regulate the meetings and proceedings of the Council.

Whilst changes to Contract Standing Orders will require the approval of Council, changes to the Corporate Procurement Processes may be implemented by the Chief Executive in consultation with the Governance Manager and the Procurement Manager without further reference to Council.

LEGAL FRAMEWORK

18. Compliance to European Union Procurement Legislation, Scottish Procurement Legislation and Contract Standing Orders

The Scottish Regulations are a direct transposition of the European Procurement Directive, therefore there should be no inconsistencies between these CSO's and EU legislation. Throughout these Contract Standing Orders, reference is therefore made to the Scottish Regulations.

The Procurement Directive takes precedence over the Scottish Regulations, and the Scottish Regulations take precedence over the Contract Standing Orders and any local procurement arrangements put in place. In the event that the procurement officer is unsure of the regulations that apply, they should contact the Governance Service in the first instance.

The Scottish Regulations identify specific monetary thresholds at which the full processes and procedures detailed within the Scottish Regulations apply. These thresholds are revised every two years, and procurement processes that involve an anticipated spend above this level are commonly referred to as "above threshold" contracts and by law must follow the OJEU Tender Process.

Every OJEU Tender procurement process commenced and subsequent contract entered into or order placed by or on behalf of the Council will comply fully with the requirements of the Scottish Regulations and these Contract Standing Orders. Therefore every procurement process undertaken on behalf of Clackmannanshire Council will comply with the requirements of the EU procurement legislation where such requirements apply.

Where the monetary threshold for contracts is less than the specified limit (commonly referred to as "below threshold"), procurement officers must consider whether there is likely to be any interest in the proposed contract within the European Union, having regard to the nature and type of the contract (this is referred to as "cross border interest"). Where the procurement officer has identified that there is cross border interest within the contract, they must follow the OJEU Tender Process.

Where the contract is advertised in accordance with the below threshold procedure, the Council has made the decision that there is no cross border interest, however the procurement officer should follow the principles of the Scottish Regulations as a matter of best practice and to ensure that the Council achieves its obligation to achieve Best Value. It is important that Procurement Officers familiarise themselves with the appropriate terminologies.

These Contract Standing Orders comply in full with the requirements of the EU Directive, EU Law, EU Public Procurement Law, United Kingdom legislation and the Scottish Regulations.

19. EU Directives

Any failure to comply in full with the requirements of the Scottish Regulations can result in the Council becoming subject to Court action and / or enforcement action by the European Union or any economic operator who has participated in the process. Failure to comply can adversely affect access to EU funds available to the Council and can result in the repayment of funds previously allocated.

The EU Remedies Directive (enacted through the Scottish Regulations) allow for penalties to be imposed in the event of the Council being found to have failed to comply with the Scottish Regulations. These penalties include:

- Prohibition from entering into a contract
- Shortening of contract terms
- Fines when a complaint is upheld
- Contract termination

In addition, whenever legal proceedings relating to a contract award decision are commenced by an aggrieved tenderer, tender processes are required to be suspended. All contracts will require to contain a clause allowing for termination without penalty in the event of a challenge under the Scottish Regulations.

20. Case Law

There is a growing body of case law relating to public procurement, as public policy and regulation has eased access to legal remedies for unsuccessful applicants for public contracts. Some of this case law has had a significant impact on procurement procedure.

Contract documentation is held by the Procurement Manager and is available on "The Procurement Journey". This is updated to meet new legal requirements arising from case law. Therefore any Officer undertaking procurement activity is required to use only the current version of the model documents, as available in "The Procurement Journey".

Where the contract subject matter is a contract for Works, Officers should use the most up to date standard form building contracts issued by Scottish Building Contracts Committee, with any Schedule of Amendments as appropriate for the type of contract. Officers should consult with Legal Services if they are unsure of the relevant contract terms.

21. Bribery Act

As of 1 July 2011, the Bribery Act 2010 came into full force and effect, consolidating and updating the previous provisions under the Public Bodies Corrupt Practices Act 1889, the Prevention of Corruption Act 1906 and the Prevention of Corruption Act 1916.

Under the Bribery Act 2010 (the "2010 Act"), there are a number of offences which are created and these are summarised below:

(a) Bribing another Person

There are two cases set out under the 2010 Act, which are described as Case 1 and Case 2.

A Case 1 offence arises where a person offers, promises or gives a financial or other advantage to another person with the intention to induce that person to improperly perform a relevant function or activity or to reward a person for such improper performance of such a function.

A Case 2 offence arises where a person promises or gives a financial advantage to another person and that person knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.

For the purposes of the 2010 Act, a relevant function includes the exercise of any function of a public nature that are required to be performed in good faith or performed impartially. For the avoidance of doubt, this includes any activities carried out by any officers under the Council's Contract Standing Orders.

(b) Being Bribed

There are four cases set out under the 2010 Act, which are described as Cases 3,4,5 and 6.

A Case 3 offence arises where an officer requests, agrees to receive or accepts a financial or other advantage intending that a relevant function or activity should be

performed improperly (whether by that officer or another officer).

A Case 4 offence arises where an officer requests, agrees to receive or accepts a financial or other advantage and by doing so this constitutes the improper performance of that officer of a relevant function or activity.

A Case 5 offence arises where an officer requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance (whether by themselves or another person) of a relevant function or activity.

A Case 6 offence arises where, in anticipation of or in consequence of an officer requesting, agreeing to receive or accepting a financial or other advantage, a relevant function or activity is performed improperly by the officer or by another officer at that persons request or with their acquiescence.

Each of these offences occur where the advantage arises directly or through a third party, or where the benefit is for the officer or another person. In Cases 4,5 and 6, it does not matter whether the officer knows or believes that the activity in question is improper.

Should any Officer become aware of any potential contraventions of the Bribery Act 2010, they should report their concerns to their Head of Service and the Governance Manager. Further guidance on the 2010 Act is available from the Council's Governance Service.

All officers should note that under the Scottish Regulations, should any potential supplier have been convicted of offences under the 2010 Act (or the previous legislation), or similar offences of dishonesty or fraud, then it is a legal requirement that they must be de-selected from the procurement process. Should this matter arise in the course of a procurement process, the procurement officer should seek guidance from the Council's Governance Service in the first instance.

22. TUPE Regulations, Transfer of Undertaking (Protection of Employment) Regulations 2006

The TUPE Regulations apply to contracts in respect of the provision of services where there are an organised grouping of employees whose principal purpose is carrying out that particular service on behalf of the Council (whether directly or through a contractor) and either:

- (i) the service ceases to be provided by the current contractor and are instead carried out by a subsequent contractor;
- (ii) the service ceases to be provided by the current contractor and are instead taken on by the Council; or
- (iii) the service ceases to be provided directly by the Council and is put out to tender through a procurement process

In a practical context, where there is an incumbent service provider, should the service provision change, the assigned employees of that service provider would transfer to the incoming provider as a consequence of the TUPE Regulations. As a result, during the procurement process, some bidders may qualify their tenders in respect of any liabilities that may arise under the TUPE Regulations, which may cause the procurement officer difficulties in evaluating tenders. The TUPE Regulations also apply in circumstances where an external service is proposed to cease and be delivered through In-house Provision. Officers should also consider the application of TUPE where service contracts are put out to tender for the first time.

Should a procurement officer identify that the TUPE Regulations may apply in the course of a procurement exercise or through proposals for In-house Provision, the officer should seek guidance from the Council's Governance Service in the first instance. Procurement Officers should refer to the Procurement Journey for further detailed guidance.

23. State Aid

State aid arises where public funds are used in such a way where the effect of such provision would result in a distortion in competition within the internal market. The provision of state aid without approval from the European Commission is unlawful and the consequences of non compliance are severe.

The issues surrounding state aid are numerous and complex, however in general terms, contravention of state aid principles will not arise should the Council undertake a procurement process. Where no procurement process is undertaken and a contract awarded, the risk to the Council is substantial, both in terms of the Scottish Regulations and in relation to state aid. Such considerations are only likely to apply to complex procurements where services are delivered through arms length management companies and such provision has previously been provided by the Council or other public body.

All officers should be aware of the potential implications of infringing state aid principles, therefore if a contract opportunity is proposed where these matters may arise, the officer(s) involved should seek detailed guidance from the Council's Governance Service in the first instance.

PLANNING A PROCUREMENT PROCESS

Detailed advice is available within the Procurement Journey.

24. Contract Value and Aggregation

The calculation of the estimated value of a procurement within the meaning of Contract Standing Orders shall be based on the total amount payable, net of VAT, including any form of option and any renewals of the contract.

The choice of the method used to calculate the estimated value of a procurement may not be made with the intention of excluding it from the scope of this CSO. Thus, no works project or entirety of supplies and/or services may be subdivided with the effect of preventing its coming within the scope of this CSO, unless justified by objective reasons.

This estimate must be valid at the moment at which the call for competition is sent, or, in cases where such notice is not foreseen, at the moment at which the Council commences the contract award procedure, in particular by defining the essential characteristics of the intended procurement.

With regard to framework agreements, the value to be taken into consideration shall be the maximum estimated value net of VAT of all the contracts envisaged for the total term of the framework agreement.

Officers are required to consider and include the value of similar requirements in other parts of the Council when calculating a contract value. There are no exceptions to the application of the aggregation rule and this obligation is imposed on the Council under the Scottish Regulations.

25. Thresholds

See the table below for the processes to be adopted according to the value of the contract: Detailed advice is available within the Procurement Journey.

Value <i>(calculated over a four year period where appropriate)</i>	Procurement Process
Less than £10,000	No need to undertake a formal procurement process. Best Value evidence required (eg 3 competitive quotes).
Between £10,000 and the £50,000	Quick Quote process required in Public contracts Scotland. Follow the Procurement Journey Route 1
Between £50,000 and the OJEU Threshold	Tender process is required. Advertised in Public Contracts Scotland Follow the Procurement Journey Route 2
Above the OJEU threshold or Interest within the EU ("cross border interest")	OJEU tender process is required. Advertised in OJEU & Public Contracts Scotland Follow the Procurement Journey Route 3

26. Contract Strategy

Officers are required to select a contract strategy which is most likely to deliver the desired outcome. Market research is required, which should not be limited to sales literature from potential suppliers.

The contract strategy should consider a range of commercial and technical considerations, including:

- The value of the contract relative to the input from Council Officers and suppliers
- Roles and responsibilities for the administration and evaluation of the RFQ / Tender
- The variety, positioning and number of potential suppliers
- Market maturity, stage of development and technical innovation
- The level of supplier investment required by the contract
- The minimum requirements of the prospective supplier
- The commercial attractiveness of the contract and any collaborative opportunities
- The scope for the achievement of additional policy outcomes within the contract
- The suitability of the available procurement procedures
- The most appropriate Price / Quality ratio to deliver best value for the requirement
- Past experience of sourcing and contractual difficulties with similar goods, services or works
- The measurement of effective contract performance
- Contract management resource requirements, roles and responsibilities

Where direct competition is deemed appropriate and the in-house provider is competing, the in-house provider will be given the opportunity to compete on equal terms with external providers.

The following will be considered essential elements of competition irrespective of whether direct or indirect:

- staff and their representatives will be consulted
- performance standards and monitoring strategies will be developed
- cost information will be properly identified and collected
- innovation will be encouraged
- social values and the Council's policy objectives will be protected
- probity, accountability and competitive neutrality will be ensured
- the responsibilities and accountabilities of all parties must be explicit

Services already subject to direct competition will be continually reviewed against the requirements of this policy, to ensure that the manner in which the service is provided remains the most appropriate to deliver Best Value.

These considerations should be reflected in the finalised Quote / Tender documentation.

27. Procurement Procedure Selection

The Scottish Regulations specify the procurement procedures that can be undertaken for OJEU value tenders. The Restricted Procedure and the Open Procedure are the most commonly used procedures, and the Restricted Procedure is recommended for the majority of requirements.

When undertaking any Open Procedure, it may be advisable to seek to limit the number of proposals submitted by identifying minimum criteria applicable to the contract.

27.1 Using an Open (OJEU Tenders) or Single Stage Procedure (Below threshold)

When an Open or Single Stage procedure is used, all organisations and businesses expressing an interest in the contract opportunity are entitled to receive the Tender documents. They are entitled to submit a proposal / tender, and to have their submission fully evaluated.

An Open or Single Stage procedure should be used when no pre-qualification is required and no PQQ is issued for completion.

The risks of securing a supplier through this method should be fully evaluated in advance of the commencement of the procurement exercise. Risk mitigation measures should be reflected in the Tender Questionnaire, in any minimum criteria adopted, and in the evaluation criteria.

27.2 Using a Restricted (EU Tenders) or Dual Stage Procedure (Below threshold)

When a Restricted or Dual Stage Procedure is used, all organisations and businesses expressing an interest in the contract opportunity are entitled to receive a Pre-Qualification Questionnaire (PQQ). They are entitled to submit their PQQ and to have it fully assessed.

The PQQ is used to identify a bidder's suitability to perform the contract, and the assessment identifies the most appropriate bidders for the purposes of establishing a list of applicants who will be issued with RFQ / Tender documents.

The following may be used as selection criteria at PQQ stage, but cannot be used for assessment at any other stage in the Tender:

- Bidder's experience
- Staffing / manpower levels
- Equipment
- Ability to perform the contract by the anticipated deadline

Officers should take care to ensure that the criteria used to assess PQQs and to evaluate subsequent proposals are different: the same criteria are not permitted to be considered and applied twice within one procurement process.

Applicants who have been unsuccessful at PQQ stage are required to be notified of their rejection at that time. Applicants are also entitled to feedback on the assessment of their PQQ in the same way as unsuccessful tenderers are entitled to receive written feedback and a debrief, should it be requested.

A Restricted or Dual Stage Procedure can only be used where there is a need for pre-qualification and a PQQ is issued and completed. PQQs are assessed to arrive at a shortlist of applicants who will be invited to submit proposals. It is imperative that any process for limiting the number of candidates inviting to tender is set out in the PQQ and if a Restricted Procedure, within the Contract Notice. A Restricted or Dual Stage Procedure is to be used in conjunction with a PQQ, and is not used where there is no requirement to pre-qualify, and no PQQ is issued or used.

27.3 Alternative Procedures

Other procedures are available within the Scottish Regulations. These are significantly more complex and can only be applied in specific circumstances. Guidance must be sought from the Procurement Manager on the use of these procedures due to the very strict rules relating to their use.

28. Timescales

All Tender processes subject to the Scottish Regulations are required to respect the statutory timescales which must be followed on all occasions. These are minimum timescales and should be used as a starting point for planning an appropriate timetable and having regard to the complexity of the requirement.

The timescale for advertising an opportunity below the threshold to the deadline for the receipt of completed proposals should reflect the complexity of the requirement, but should be sufficient for the supplier to make a considered response and must be undertaken in a manner which ensures integrity of the process with appropriate timescales.

Pre-planning is critical for all purchasing. In considering how much time is required, you should allow for preparation time, the amount of time and resources required to draft the relevant technical and legal documents.

You also need to take account of internal procedural requirements such as approvals and despatch processes as well as appropriate timescales to allow contractors to fully prepare their responses.

Different timescales will apply according to the nature and complexity of the purchase being made. For a complex requirement that falls below threshold should be subject to a minimum 21 day period between advertisement and return.

29. Framework Agreements

Framework Agreements are most suited to contracts where:

- The Council can benefit from on-going competition throughout the contract term
- The quantity to be purchased is variable and / or unknown over the contract period
- There is a significant and competitive market to provide the required good, services or works

Framework Agreements may be awarded to a sole supplier or to 3 or more suppliers. Where multiple suppliers are awarded a contract, the process of selecting one supplier at the point of

purchase should be clearly stated in the Tender documentation.

Framework Agreements are generally limited to a maximum contract period of four years. Further guidance is available from the Procurement Journey.

UNDERTAKING A PROCUREMENT PROCESS

30. Contract Monitoring and Reporting – Proposed Procurement Requirement

All Contracts regardless of value must be supported with a Clackmannanshire Council Purchase Order Number

All Contracts with a value in excess of £1,000 must be set out in writing.

Contracts or orders with a value below £1,000 may be agreed verbally but then must be supported with a Clackmannanshire Council Purchase Order Number to enable Heads of Service to demonstrate what has been agreed between the parties in the event of legal proceedings following on from a dispute or in the event of their being required to demonstrate the terms on which the contract was agreed for the purposes of audit. In this case the Purchase Order must contain the wording "Confirmation Order"

All proposed procurement requirements with a value of over £10,000 will require to be authorised before any procurement exercise can commence by using the Tender (ITT) Authorisation, Reporting And Monitoring Report (Stage 1) and approved by the relevant delegated authoriser.

31. Advertising

All contract opportunities valued at over £10,000 are required to be advertised through Public Contracts Scotland as detailed in the Procurement Journey.

Contract opportunities below £10,000 in value should be considered for advertising where this will support the Council's policy objectives and the exercise can demonstrate best value as detailed in the Procurement Journey.

32. Issuing Documentation

Prior to issuing a tender document a unique reference number should be sought from the Governance Service (2/6/****). This reference must be noted on all documentation and advertisements. The Governance Service shall maintain a list of Tenders for administrative and audit purposes.

All tender documentation should be sent out Using Public Contracts Scotland Portal. Where the files or drawings are too large to be submitted through the portal they must be sent within 5 days of any request for such being received by the appropriate Officer.

33. Return and Opening of Tenders and Quotes

The Public Contracts Scotland tender Post-box should be used as an online submission facility to allow the officer to receive responses from suppliers electronically in a secure environment.

Responses are submitted through the portal and held in the secure Post-box until the deadline for responses has expired. Two members of Governance and a nominated Officer(s) then unlock the Post-box to access the submissions.

The Post-box can be used for receipt of completed tender documents in an open or single stage procedure or completed PQQs in a restricted or dual stage procedure. It can also be used for the second stage in a restricted dual stage procedure.

A full audit trail is kept of all access to the Post-box and a complete record of all supplier submissions are stored.

Where exceptional circumstances require a hard copy submission then completed proposals must be returned to the Governance Service as detailed below by the closing time and date in a securely sealed plain envelope or package that does not indicate in any way the identity of the bidder.

Tender Documentation for: (TITLE) (Legal Reference 2/6/)

**GOVERNANCE MANAGER
CLACKMANNANSHIRE COUNCIL
GREENFIELD
ALLOA
FK10 2AD**

**To arrive NO later than
12:00 noon on (date)**

Where the identity of the bidder is indicated in any way, the envelope or package must be rejected and returned to the bidder.

Immediately on receipt and acceptance, the tender proposals must be endorsed with the date and time of receipt, both of which must be recorded on the List of Tenders provided to Governance Services.

Designated Officers designated by the Governance Manager must safely and securely retain the tenders proposals received until the appointed date and time for opening.

Proposals can be opened only by such Officers authorised by the Governance Manager.

At least two authorised officers, from Governance, must be present before the opening procedure can commence.

No officer who is involved in the tender process in any way can be involved in the opening of proposals.

No officer who has a direct or indirect pecuniary interest in the contract may attend the opening of proposals.

Immediately after a proposal has been opened it will be checked against the list of bidders to ensure the proposal originates from an applicant.

The document, or such pages of it as are considered relevant, will be suitably marked or perforated.

Proposals found to be unsigned, incomplete or submitted by an organisation not detailed on the list of bidders must be returned without further consideration.

Proposals that are completed correctly and are acceptable will be made available for collection by the officer responsible for the proposal.

34. Late submission of Tenders and Quotes Proposals

Any proposal received after the date and time for receipt of proposals may be considered only if no other proposal has been opened or received and if approved by the Governance Manager where:

- There are good and sufficient reasons for the late receipt of the proposal; and
- The late receipt and acceptance does not place any bidder at an advantage over any other bidder.

No one other than the Governance Manager can approve acceptance of proposals received after the stipulated date and time.

Any proposal received after the opening procedure has commenced or rejected under any of the provisions above will be immediately returned to the bidder by the Governance Manager. Proposals may be opened to ascertain the name and contact details of the bidder, but no further details can be recorded or disclosed.

35. Confidentiality of Tenders and Quotes Proposals

During the period between the opening of proposals and / or tenders and the award of contract, all details of the proposals submitted must remain secret and be treated as confidential. It is the responsibility of those involved in the process to ensure complete confidentiality during this period.

Where the contract value requires Council Approval, the evaluation panel may disclose the outcome of the exercise to the Service Director and Head of Service that the contractual requirement relates. All reports must be put to Council as exempt reports under the section 50A(2) of the 1973 Act.

The requirement for confidentiality during this period applies to any external agent acting on behalf of the Council. Failure to meet the confidentiality requirements will be reported to the Governance Manager and / or the Scrutiny Committee and may result in disciplinary action.

36. Evaluation of Tenders and Quotes Proposals

Evaluation of proposals must be based on quality and whole life cost or total acquisition cost, not price alone.

Evaluation of proposals must be completed using the Price / Quality weighting and individual evaluation criteria and scorings agreed during the planning stage completed prior to the commencement of the process and detailed in contract advertisements and documentation.

All criteria, sub-criteria and scoring must be detailed individually so that all bidders / applicants know what scores are attached to each criteria area. Under no circumstances should Procurement Officers use sub criteria which has not been published to evaluate proposals.

Weighting and criteria must not be changed once agreed and published and must be applied consistently across all proposals

Records are to be kept of positive and negative reasons for scores, and a record made of the characteristics of each bid, as agreed by the evaluation panel, together with a summary of the relative advantages of the proposal to be accepted. The evaluation sheets must be signed and dated by all of the evaluation panel.

This information will be sent to rejected bidders / tenderers once a contract has been awarded (or prior to the implementation of the standstill period where "above threshold").

The model used to evaluate proposals must be a Prior Overall Weighting (POW) model to ensure transparency and accountability in the event of a challenge or complaint. You should use the source documentation in the Procurement Journey to ensure you are always using the most recent guidance and templates on an ongoing basis

Where Pre-Qualification is required, the evaluation criteria used to pre-qualify applicants must not be used again in the final evaluation of proposals.. Questions within a PQQ should relate to previous experience of candidates in delivering similar goods/services and the criteria used to award contracts should relate to project delivery requirements only. Procurement officers should consult the Procurement Journey or the Procurement Manager if in any doubt.

For the evaluation of construction and civil engineering proposals, in addition to the above, the appropriate discipline principles, guidance and industry good practice in force at the time of the requirement must be used for the examination and evaluation of proposals.

37. Procurement Reports

Tender and Procurement Reports will be submitted to the Council, Chief Executive or Head of Service as appropriate.

Where deemed appropriate and / or requested, a report can be referred and / or submitted to an alternative committee or to the full Council.

38. Approval to Accept & Award Contracts

The contract value is the total value of the contract, excluding VAT, over the entire lifetime of the contract. Requirements can not be "split" into contracts of lower value, or contracts reduced in duration, to avoid the need to advertise/conduct a full tender exercise.

It is not permissible to disaggregate a contract in order to circumvent the requirements of Contract Standing Orders that relate to competitive tendering

Approval to accept a proposal or tender can only be given as follows:

Position	Contracts	Invoices
Council Approval	Above £3,000,000	Not Applicable
Chief Executive	Up to £2,999,999	Up to £9,000,000
Director of Finance and Corporate Services	Up to £2,999,999	Up to £9,000,000
Director of Services To Communities	Up to £2,999,999	Up to £9,000,000
Monitoring Officer (Governance Manager)	Up to £2,999,999	Up to £349,999
Accounting and Budgeting Manager	Up to £2,999,999	Up to £349,999
Revenues and Payments Manager	Up to £149,999	Up to £9,000,000
Heads of Service	Up to £349,999	Up to £700,000
Service Managers	Up to £149,999	Up to £349,999
Service Managers have authority to delegate within their teams but not over their specified level	Up to £49,999	Up to £149,999

The Tender (ITT) Authorisation, Reporting And Monitoring Report (Stage 3) must be completed and approved by the relevant delegated officers. Once this is completed it must be sent to the delegated officer as noted above as per their level of delegated authority.

No contract can be awarded before approval to accept has been sought and obtained, as outlined above.

All Tender award letters will be issued from Governance and signed by an appropriate authoriser as noted above.

Contracts that require Council approval will be signed by the Chief Executive or Director of Finance & Corporate Services after approval has been granted by Council.

Abnormally low tenders or errors

If tenders appear to be abnormally low, the Council may choose to reject those tenders. The Council will not exclude an abnormally low tender “automatically” without first asking for an explanation of the tender and allowing for a verification procedure.

On being provided with details of errors of arithmetic discovered in a tender, a tenderer will be allowed, with the approval of the Governance Manager, after the date fixed for receipt of tenders, and before acceptance of tenders only:

- to confirm without amendments or withdraw the offer before any tender for that contract is accepted; or
- to amend the tender to correct genuine arithmetic error(s) provided that in this case, apart from these genuine arithmetic errors, no other adjustment, revision or qualification is permitted.

All Invitations to tender must state which method will be used for dealing with errors in tenders.

39. Mandatory Standstill Period

A Mandatory Standstill Period must be applied to all contract award procedures for all tenders with a total aggregated contract value that requires advertising in OJEU. There will be a minimum period of 15 days between the date that unsuccessful bidders receive notification that their bid has not been accepted and the date that the contract is to commence. The Procurement Manager and/or the Governance Manager may extend this period on cause shown.

All letters will be issued by Governance Service

For every contract the lead Officer shall draw up a written report which shall include at least the following:

- the name and address of the contracting authority, the subject-matter and value of the contract, framework agreement;
- the names of the successful candidates or tenderers and the reasons for their selection;
- the names of the candidates or tenderers rejected and the reasons for their rejection;
- the reasons for the rejection of tenders found to be abnormally low;
- the name of the successful tenderer and the reasons why his tender was selected and, if known, the share of the contract or framework agreement which the successful tenderer intends to subcontract to third parties;
- if necessary, the reasons why the contracting authority has decided not to award a contract or framework agreement..

A full debrief will be offered to any bidder / tenderer and if requested will be provided within the prescribed timescales. **Under no circumstances should Contracts commence within the standstill period.**

40. Contract Monitoring and Reporting - Contract Award

Once the approval to accept has been received and the contract has been awarded, a signed letter issued by Governance, complete with a signed purchase order completed, the contract will awarded in Public Contracts Scotland Portal.

41. Tender File

On completion of the Tender process, all related documentation will be filed in a master file and retained for a period appropriate to the contract.

42. The Use of Standard Documents

Standard documents for the procurement of goods and services are maintained and updated by the Procurement Manager. Officers are required to use the source documentation in the Procurement Journey to ensure you are always using the most recent guidance and templates on an ongoing basis for each procurement process undertaken

Not all of the Contract Terms and Conditions contained within the standard documents may be appropriate to the contract requirement and some may therefore be deleted. This is subject to Clauses 44, 45 & 46 below and subject to consultation with Legal Services and the Procurement Manager.

The Contract Terms and Conditions contained within the standard documents may be insufficient to the contract requirement and may be added to or developed further, subject to consultation with Legal Services and the Procurement Manager.

Guidance and advice on the appropriateness of the Contract Terms and Conditions should be sought from Legal Services and / or the Procurement Manager prior to any amendment being made.

43. Pre-Qualification Questionnaires (PQQs)

Where a Dual stage or Restricted process is being applied, the Standard PQQ, should be used as the template for the PQQ to be issued. Officers are required to use the source documentation in the Procurement Journey to ensure you are always using the most recent guidance and templates on an ongoing basis for each procurement process undertaken. Failure to follow the standard process will result in the procurement process being terminated and recommenced using the correct documentation.

44. Standard Quote Documentation – Goods and Services

All Quotes require to include:

- Clackmannanshire Council Contract Terms and Conditions
- Specification Schedules
- Pricing Schedules
- Commercially Confidential Information Schedules
- Quotation Completion Details

45. Standard Tender Documentation – Goods and Services

All Tenders require to include:

- Instructions to Tenderers
- Clackmannanshire Council Contract Terms and Conditions
- Form of Tender
- Certificate of Non-Collusion
- Method Statements
- Delivery Schedules
- Specification Schedules
- Specification Compliance Schedules
- Pricing Schedules
- Commercially Confidential Information Schedules
- Returned Documentation Checklist

Where an Open or single stage procedure is being conducted, a Tender Questionnaire is also to be included in the Tender Pack. Officers are required to use the source documentation in the Procurement Journey to ensure you are always using the most recent guidance and templates on an ongoing basis for each procurement process undertaken

46. Mandatory Clauses

The following clauses from the standard Contract Terms and Conditions may not be deleted from the documents, and are to be included in all contracts for goods and services and all works contracts:

- No assignment of the contract without the prior written consent of the Council.
- No sub-contracting of the contract without the written consent of the Council.
- Cancellation in the event that gratuities, inducements or any other type of consideration in relation to the contract are offered to an employee or member or agent of the Council.
- Compliance with all relevant legislation, including:
 - The Equality Act 2010
 - Any Act, rule, etc, etc amending or replacing the above Acts
 - Any other statute, statutory instrument, etc, etc to prevent unlawful discrimination
- Compliance to Health & Safety regulations
- Termination
- Indemnity and Insurance
- Confidentiality and the Freedom of Information (Scotland) Act 2002
- Data Protection
- TUPE
- Disputes procedure
- Authorised Users
- Governing Law
- Set Aside Provisions
- Employee Vetting, typically Enhanced Disclosure, PVG where appropriate and permitted by law. Alternatively, the Procurement Officer must be satisfied that the candidates have a sufficient risk appraisal system to ensure their compliance with PVG legislation.

Where any contract provides for the appointment of a nominated sub-contractor, the responsible Council Officer or agent must ensure that the contract also includes for the following:

- The main contractor is subject to the same payment terms as the Council, thereby assisting in the elimination or minimisation of sub-contractor SME cash flow problems.
- The main contractor is responsible for ensuring that the nominated sub-contractor is subject to and meets the same requirements as the main contractor, including:
- The mandatory clauses identified in these Contract Standing Orders

- Supporting the local economy and promotion of local employment.
- Vetting to Enhanced Disclosure level where required and permitted by law.

47. Tender Documentation - Works Contracts

Guidance and advice on works documentation must be sought from FM Services before any procurement process commences.

Only Legal Officers of the Council acting in accordance with the Scheme of Delegation may negotiate and agree the terms and conditions for leases and/or the sale/purchase of land or heritable property.

48. Supplier Contract Terms and Conditions

Officers are not permitted to enter into contracts on the Supplier's Contract Terms and Conditions and should take care that they do not inadvertently enter into a contract on the Supplier's Contract Terms and Conditions.

In the rare event that a Supplier refuses to accept the Council's Contract Terms and Conditions, or proposes amendments to the Council's Terms and Conditions or any standard form building contract, any such amendments or the Supplier's Contract Terms and Conditions are to be referred to Legal Services for review and possible approval.

49. Contracts Register

A Council Contracts Register will be maintained that provides a central point for contract information.

All contracts awarded on behalf of the Council that have a total aggregated value in excess of £10,000 will be recorded in the Council Contracts Register, using information contained in Public Contracts Scotland..

Services and the member of staff responsible for completion of the tender will be responsible for ensuring recording and submission to the procurement manager the final actual contract cost compared to the original estimated contract cost, detailing the reasons and justification for any overspend or underspend.

50. Contract Monitoring and Management

Contracts awarded by or on behalf of the Council must be monitored and managed throughout the contract term to ensure delivery of the contracted goods, services or works in accordance with the contract requirement and standard.

Contract monitoring and management arrangements agreed during the procurement process will be determined by the complexity and risk associated with the contract, conditions in the relevant market and must consider both financial and quality aspects further details are available in the Procurement Journey

51. Contract Extensions

51.1 Users

Contracts awarded on behalf of the Council can be used by ALL Council Services. The "Authorised Users" clause allows use of the contract to be extended beyond the Council,

subject to the written consent and approval of the Council. The “Authorised Users” clause can only be exercised if it has been included in the original tender documents.

51.2 Period

Contract periods can only be extended where the option to do so has been incorporated into the advertisement and contract documentation returned by bidders / tenderers.

51.3 Value

Contracts cannot be extended beyond the value incorporated as detailed in the advertisement and contract documentation returned by bidders / tenderers. Once the advertised value has been reached, the requirement is subject to further competition and requires to be tendered.

51.4 Additional Work – Goods Contracts

Where there is potential for additional work to be carried out subsequent to the completion of a contract, then that additional work is to be incorporated into the original contract. If additional work is not included in the original contract, the scope of that contract cannot be extended.

51.5 Additional Work – Services and Works Contracts

Additional works or services up to a maximum of 50% of the original estimated value may be purchased, but only where the original contract notice stated that additional works or services may be awarded. The additional 50% can relate to the contract scope, the contract value or the contract term.

52. Contract Variations / Modification

During the course of a contract, factors may arise that may result in a significant overspend or underspend on the contract. A modification of the provisions of a contract during its term constitutes a new award within the meaning of this CSO, thereby requiring a new award procedure if it renders the contract substantially different in character from the one initially concluded.

A modification of a contract during its term shall be regarded as being substantial, in particular, if:

- it introduces conditions which, had they been part of the initial award procedure,
 - would have allowed for the admission of tenderers other than those initially admitted or
 - would have allowed for the acceptance of a tender other than the one initially accepted or
- it changes the economic balance of the contract in favour of the contractor or
- it extends the scope of the contract considerably to encompass supplies, services or works not initially covered.

In these circumstances, Officers are required to report the variation in accordance with 53 below, and may also be required to commence a new procurement as stated above.

53. Reporting and Authorisation

The factors and projected financial impact must be reported to the Head of Service, who must then report same to the:

- Governance Manager, Accounting & Budgeting Manager and Procurement Manager
- Internal Audit

- Scrutiny Committee
- Where during the course of a contract additional contract costs in excess of £50,000, other than variations authorised within the contract, are identified, details of the additional costs must be reported to the Governance Manager, Accounting & Budgeting Manager and Procurement Manager and:
- Where the additional costs exceed 10% of the original contract value, to the Chair of Resources and Audit Committee.

Subject to the provisions of the contract, every extra or variation will be evidenced and authorised in writing by the Council Officer responsible for the contract or the agent acting on behalf of the Council.

Every extra or variation must be reported to the Head of Service if the cumulative effect of the extras or variations result in an increase or decrease to the original contract price of 7% or £25,000, whichever is the greater.

On completion of the contract, a final summary of the extras or variations must be recorded and submitted to internal audit..

54. Bids for external contracts authorisation

Where a Service within the Council wishes to submit a bid to provide Supplies, Services or Works to a third party and the proposal:

- Has a total aggregated value in excess of £50,000 and / or
- will utilise in excess of 10% of the total staff resources within that Service

Before any bid can be submitted to a third party

- Approval to proceed must be sought from the Head of Governance
- Any conditions attached by the third party to the submission of bids are required to be referred to and approved by Legal Services.

All such proposals submitted to Third Parties are required to follow any and all relevant industry good practice and adhere to guidance issued by the appropriate Head of Service.

Appendix 1: Exception Procedure Process

CSO's apply to all contracts entered into by procurement officers. In some circumstances however, exceptions may be granted and the approach to this is outlined below. All requests must be made in writing, identifying the grounds for the request. Approvals must also be recorded in writing and given prior to the action being taken.

Stage	Requirement	Caveat	Timescale
1.	<p>Submission of Exception Request from originating officer to the Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager</p> <p>Submission is lodged with The Legal Team and copied to the Governance Manager the Accounting & Budgeting Manager and the Procurement Manager from there.</p> <p>Date of receipt by The Legal Team is confirmed initial date of receipt and meeting set up.</p> <p>Exception Request logged and acknowledged on initial date of receipt</p>	<ul style="list-style-type: none"> To be in report format. Must Contain sufficient information to enable the Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager to complete Exception Response (see Appendix 2). Requires Head of Service/Director Sign Off. Allow sufficient time for Stage 2. Failure to supply sufficient information at this stage may lead to delays at Stage 2. Consideration should be given to pre-submission discussions with Legal, Finance and Procurement. 	
2	<p>Consideration of Exception Request by Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager</p>	<ul style="list-style-type: none"> Where further information is requested the Head of Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager may delay their decision until the information has been provided. 	<p>10 working days from initial date of receipt or 10 working days from date of receipt of any additional information requested.</p>
3	<p><i>Where applicable</i> request for further information from Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager</p> <p>Requests for further information will be routed back to originating officer from The Legal Team</p> <p>Receipt of further information will be logged and acknowledged on date of receipt.</p>	<ul style="list-style-type: none"> Additional information should be provided as soon as possible to avoid delays in implementing proposals. 	
4	<p>Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager routed through The Legal Team</p> <p>The decision logged and acknowledged on date of receipt.</p>	<p>Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager will make final comparison of Legal Decision and Finance Decision. Failure to agree will result in Exception Request being refused.</p> <ul style="list-style-type: none"> Where appropriate the Governance Manager in consultation with the Accounting & Budgeting Manager and the Procurement Manager will compile list of conditions to be attached to Exception Request approval to reflect position of Legal and Finance. 	
5	<p>Exception Request Decision Governance Manager routed to originating officer through The Legal Team.</p> <p>Decision logged by The Legal Team.</p> <p>Decision copied to the Originator</p>	<ul style="list-style-type: none"> Decision should be regarded as conclusive. Where an Exception Request is refused, Head of Service seeking Council approval must incorporate copy of Exception Request Decision Notice with Council Report. 	<p>Within 1 working day of Governance Manager submitting their decision to The Legal Team</p>

Appendix 2: Exception Request Decision Notice

	Question	Y/N Qualified	Comment
1.	Does the Exception Request require a suspension/invocation of Contract Standing Orders?		
2.	Does the Exception Request contain a paragraph detailing the reasons for the request to suspend /invoke Contract Standing Orders?		
3.	Do the reasons in the Exception Request justify the proposed action?		
4.	Has a competitive exercise been carried out and if so how many organisations are going to be or have been invited to tender?		
5.	Is there an in-house provider capable of undertaking the work?		
6.	If there is an in-house provider have they been offered to opportunity to take up the work? If so what was their response?		
7.	Does the Exception Request advise of the consequences of not approving the request, provide details of alternatives and a note of cost implications?		
8.	Is/are Contract Standing Orders properly quoted in the Exception Request?		
9.	Is/are the proposed contractor/s included in an approved list of contractors i.e. A Trade Creditor in the Financial System		
10.	Is there an acknowledged public sector agreement such as Scottish Procurement, Scotland Excel or a collaborative procurement agreement arranged through another public sector body for the contract proposed?		
11.	Is there evidence that a financial and technical appraisal of the proposed contractor has been carried out?		
12.	Is there an approved budget for the proposal and if so where is this recorded?		
13.	Where tenders have been received is the project within budget?		
14.	Is the contract within the relevant EU tendering threshold? Goods & Services £173,934 & Works £4,348,350		
15.	Has the originator demonstrated that the proposals represent value for money?		
16.	Have all necessary consents for the project been obtained?		

Decision

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Conditions

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Governance Manager

Date

Sustainable procurement policy

Clackmannanshire Council is committed to making Clackmannanshire a county which benefits from an improving quality of life, based on sustainable economic growth, a high quality environment which is protected and enhanced for future generations, and the reduction of significant social and economic inequalities.

Our procurement activities have an important role to play in achieving this. We will use our purchasing power to contribute to our sustainability priorities in the following ways:

Mitigating and adapting to climate change

- We will specify goods and services which have low energy and water consumption, and low waste, across their lifetime.
- We will consider the likely impacts of climate change when specifying construction projects

Creating sustainable communities

- We will specify community benefits wherever possible, to create opportunities for employment and training.
- We will work with small and medium sized enterprises, including social enterprises, to improve their ability to compete for public contracts.

Living within environmental limits

- We will avoid unnecessary purchases, and we will re-use products and materials.
- We will require suppliers of products and services to reduce the waste associated with the product or service.
- Where practical, we will specify products that can be re-used, and/or that are made from recycled materials.
- We will encourage producer responsibility for their products.

Protecting our natural resources and enhancing our environment

- We will reduce the environmental impact of the products and services we buy by using Government Buying Standards wherever they are available.
- We will ensure that any products derived from wildlife are from sustainable sources and comply with EU and international rules and legislation.
- We will specify benefits for biodiversity in our construction contracts.

Maximising the local benefit of procurement

- We will engage with local businesses to increase awareness of opportunities to provide the council with services or supplies.
- We will provide support to local businesses to ensure they are able to respond to opportunities to provide the council with services or supplies.

Sustainable procurement delivery plan

APPENDIX 3

CRITERIA	DEFINITION	ACTION	RESPONSIBILITY	COMPLETION DATE
PEOPLE				
L1 (a) Is there a "Sustainable Procurement Champion" identified within your organisation?	"Champion" means somebody with the role and authority to lead sustainable procurement. Can be a part time role and does not have to be a line responsibility.	Designate the Procurement Manager as the Sustainable Procurement Champion	DB	May 2012
		Set out role and responsibilities within job description or job role then create news item to introduce sustainability champion via relevant media.	DB/RB	May 2012
		Make reference to champion within organisation chart. Include objective/goal within champion's list of personal objectives.	DB	May 2012
L1 (b) Have key procurement staff received basic training in sustainable procurement principles?	Key procurement staff could be heads, senior managers and/or members of a dedicated central procurement team key to delivering sustainability. Training should cover an awareness of sustainability.	Arrange for key staff to attend basic training in sustainable procurement - maintain records of key staff attendance on course and trainer details.	DB	October 2012
		Ensure feedback is received from delegates on course delivery and that actions arising from feedback are recorded and progressed.	DB	October 2012
L1 (c) Is sustainable procurement included as part of a key employee induction programme?	Induction checklist for key employees should be documented. Induction should include reference to the sustainable procurement champion and the organisation's sustainability policy.	Create key employee induction guidelines that make reference to sustainability as a topic for induction.	DB/RB/HR	April 2013
		Create a process flow showing how induction is undertaken.	DB/RB/HR	April 2013
POLICY				
L1 (a) Have overarching sustainability objectives been agreed?	An organisation may outline at a high level its key sustainability objectives as part of the development of an overall procurement policy or plan.	Derive key sustainable procurement objectives for the organisation.	COMPLETE - subject to Council approval	
		Use sustainable procurement objectives to develop an organisational policy statement for sustainability.	COMPLETE - subject to Council approval	

CRITERIA	DEFINITION	ACTION	RESPONSIBILITY	COMPLETION DATE
L1 (b) Is there a simple sustainable procurement policy in place endorsed by the CEO?	The sustainable procurement policy should be formally signed off by a member of the organisation's senior governing body (e.g. elected members committee or equivalent).	Create a sustainable procurement policy endorsed by the appropriate governing authority for the organisation.	COMPLETE - subject to Council approval	
		Incorporate within overall organisational policy a section on sustainable procurement signed off by a senior executive within organisation.	COMPLETE - subject to Council approval	
L1 (c) Have policy and objectives been communicated to staff and key suppliers?	The organisation's sustainable procurement policy and key objectives should be communicated to staff and suppliers via staff events, supplier forums or organisational web channels.	Include a regular sustainability agenda item on staff forums/briefings and team briefings by managers that informs on policy updates.	RB	October 2012
		Publicise sustainable goals via supplier events ("Meet the Buyer") and consider designated area on internet/extranet/intranet to promote goals.	DB	October 2012
PROCESS				
L1 (a) Has an expenditure analysis been undertaken and have key sustainability impact commodities been identified?	Procurement should, in consultation with environmental specialists, consider those commodities that will have a high impact on sustainability and use an expenditure analysis to identify the top 5 commodities by spend.	Obtain expenditure information on commodities via internal accounts payable system and identify the top 5 commodities that are likely to have a high impact on sustainability (economic/environmental/social).	COMPLETE	
L1 (b) Do key contracts start to include general sustainability criteria?	Supplier pre-qualification and invitations to tender should include general criteria on sustainability as a standard procedure. Key contracts would be for those high impact commodities identified at L1 (a).	Consider what sustainability criteria and weightings can be incorporated into supplier pre-qualification questionnaires or ITT documents.	RB/DB/JA	October 2012
		Incorporate sustainability criteria and weightings within PQQ/tender documentation.	DB	October 2012

CRITERIA	DEFINITION	ACTION	RESPONSIBILITY	COMPLETION DATE
L1 (d) Do buyers adopt Quick Wins?	Procurement professionals should consider adopting Government Buying Standards (ex-Quick Wins) or similar standard sustainable specifications.	Communicate to procurement staff where information on the Government Buying Standards (previously Quick Wins) can be accessed.	DB	May 2013
		Ensure that requests to purchase commodities consider Government Buying Standard (previously Quick Wins) specifications.	DB	October 2012
L2 (c) Is sustainability considered at an early stage in the procurement process of most contracts?	Procurement should be involved in the planning stages of the procurement process to ensure that sustainability has been considered prior to the issue of Invitations to Tender.	Engage with key stakeholders or client departments to be part of pre-tender planning for a procurement exercise and incorporate a "Planning Stage" into standard procurement processes.	DB/RB/JA	Phased, with initial work on construction to be completed by October 2012
L2 (d) Is whole life cost analysis adopted?	Whole life costing incorporates the systematic consideration of all relevant costs associated with the ownership of an asset from acquisition to disposal.	Incorporate whole life cost analysis as the default method for evaluating tenders.	DB	October 2013
		Develop a standard tender evaluation tool for tender assessments (e.g. "Forum for the Future" whole life costing model).	DB	October 2013
SUPPLIERS				
L1 (a) Has a key supplier spend analysis been undertaken and high sustainability impact suppliers identified?	Procurement should consider those suppliers who are likely to have a high impact on sustainability and use an expenditure analysis to identify the top 5 suppliers by spend.	Obtain expenditure information on suppliers via internal accounts payable system and identify those top 5 to 10 suppliers (by spend) that are likely to have a high impact on sustainability (economic/environmental/social).	COMPLETE	
L1 (b) Have key suppliers been targeted for engagement and views on procurement policy sought?	As an important stakeholder, key suppliers should be consulted on future procurement policy with regard to sustainability. Key suppliers will be identified from L1 (a).	Identify key suppliers to communicate with on the organisation's proposed sustainable procurement policy.	DB	May 2012
		Create communications plan to engage key supplier views on proposed sustainable procurement policy.	DB	May 2012

CRITERIA	DEFINITION	ACTION	RESPONSIBILITY	COMPLETION DATE
RESULTS				
L1 (a) Have the key sustainability benefits to be gained from procurement activity been identified?	In order to measure the success or otherwise of buying a commodity sustainably, the general benefits of sustainable procurement have to be identified.	Undertake a general high level assessment of the benefits of buying sustainability against economic, social and environmental factors.	COMPLETE	
SUSTAINABLE TIMBER PROCUREMENT				
N/A	N/A	Publicly sign up to WWF's Silver Timber Pledge	RB	May 2012
		Progress work to improve the sustainability of the Council's procurement of timber and timber-derived products	DB/RB	May 2013