CLACKMANNANSHIRE COUNCIL

THIS PAPER RELATES TO ITEM 3

ON THE AGENDA

Report to: Clackmannanshire Council

Date of Meeting: 23 April 2026

Subject: Audited Annual Accounts 2023/24

Report by: Chief Finance Officer

1.0 Purpose

1.1. This report provides the council with the Audited Annual Accounts for the Council for the financial year 2023/24. The report highlights the material changes that have been made to the draft Annual Accounts during the audit period.

2.0 Recommendations

It is recommended that Council:

2.1. approve the 2023/24 Audited Annual Accounts;

2.2. approve the submission of the Annual Accounts to the Controller of Audit; and

2.3. otherwise note the contents of the report.

3.0 Considerations

3.1. The accounts have been prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24. The Financial Statements show the actual figures for 2023/24 and the comparable figures for 2022/23.

3.2. The preparation and the submission of the draft and final Annual Accounts for 2023/24 have been finalised later than usual. This is due to delayed conclusion of the audit of the 2022/23 accounts and increased scrutiny during the Audit by the External Auditors. This delay has impacted on the preparation of the 2024/25 accounts and it is anticipated that it will also affect the preparation of the 2025/26 accounts.

4.0 Material Changes to the Financial Statements

4.1. There were three changes to the accounts within property valuations that increased the balance sheet position by £14.088m. The majority of this related to a change in the valuation approach to using indexation for properties that were not valued as part of the year end valuation sample.

4.2. The General Fund Reserve reduced by £0.123m to £26.950m as a result of a reduction in the Council Tax Debtor for Statutory Penalties £0.162m and the reversal of an accrual for redundancy costs £(0.039)m.

4.3. During the audit process, a number of disclosure adjustments and enhancements were recommended by the external auditors and these have been reflected in the final audited accounts. These additional disclosures help to aid the understanding of the reader of the accounts.

5.0 Conclusion

5.1. The Annual Accounts have been audited by Deloitte and the material adjustments noted above have been reflected in the audited Annual Accounts.

5.2. As a result of the adjustments noted there has been a decrease in General Fund Reserves of £0.123m to £26.950m.

5.3. It is recommended that the Audited Annual Accounts are approved for submission to the Controller of Audit.

6.0 Sustainability Implications

6.1. Not applicable

7.0 Resource Implications

7.1. Financial Details

7.2. 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 ☒

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

7.4. Staffing

7.5. None

8.0 Exempt Reports

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

9.0 Declarations

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

(1) **Our Priorities**

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

(2) **Council Policies**

Complies with relevant Council Policies	☐

10.0 Impact Assessments

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

Yes ☐

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

There are no direct impacts resulting from the content of this report.

11.0 Legality

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

12.0 Appendices

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

Audited Financial Statements 2023/24

13.0 Background Papers

13.1 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 ☐

Council Draft and Audited Financial Statements 2023/24

Author(s)

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Lindsay Sim	Chief Finance Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
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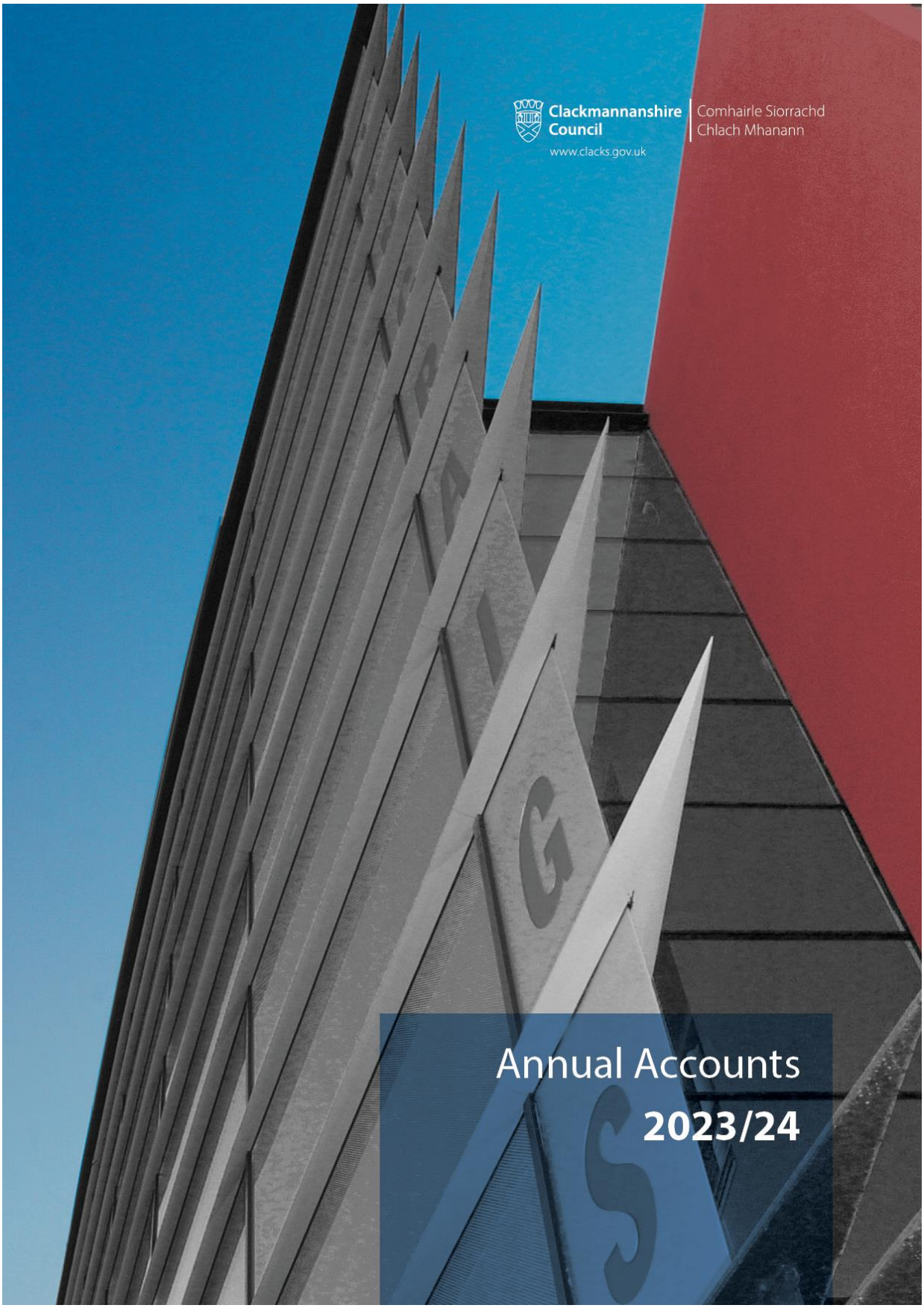

Clackmannanshire Council | Comhairle Siorrachd Chlach Mhanann

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CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24

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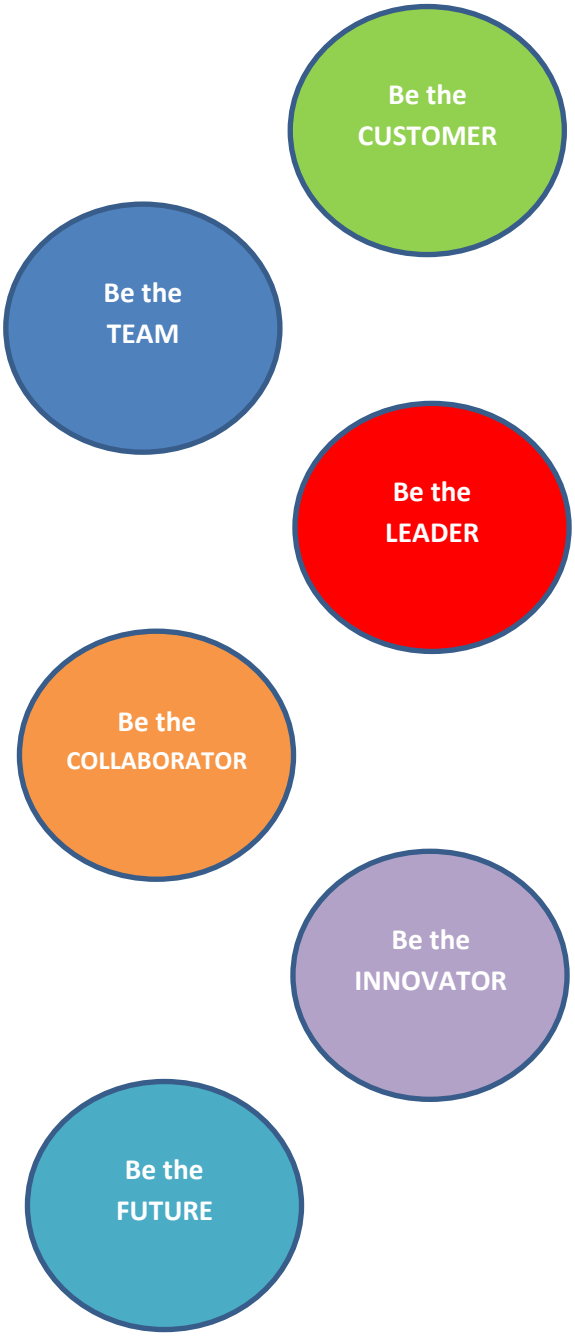


CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

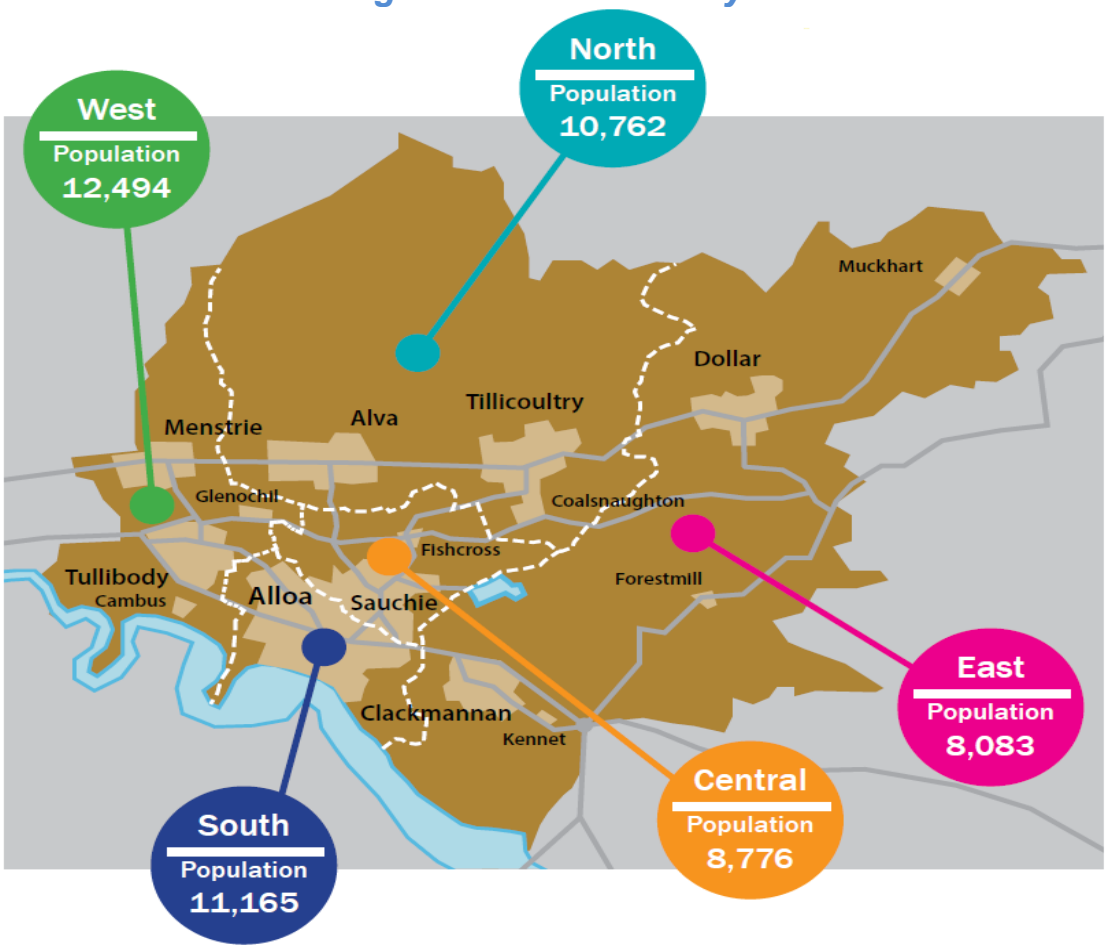
Introduction

This commentary sets the scene and context for the Financial Statements for Clackmannanshire Council, for the year ended 31 March 2024 and provides specific details in relation to the Council's financial position, its priorities and performance and strategies and plans for achieving these objectives. The commentary is compliant with The Local Authority Accounts (Scotland) Regulations 2014. The Management Commentary is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. The Financial Statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 which sets out the format and content contained within them.

2023/24 has been another significant year as the Council continues to transition to a post-pandemic environment, focusing on recovery and adapting to new challenges. While life has largely returned to business as usual, the rising cost of living has become an increasingly pressing issue for many. The Council has remained steadfast in its commitment to supporting the residents and businesses of Clackmannanshire, continually reviewing and reshaping the services and support it provides. Further details on how the Council is addressing the cost of living pressures and facilitating recovery through its services can be found on page 33.

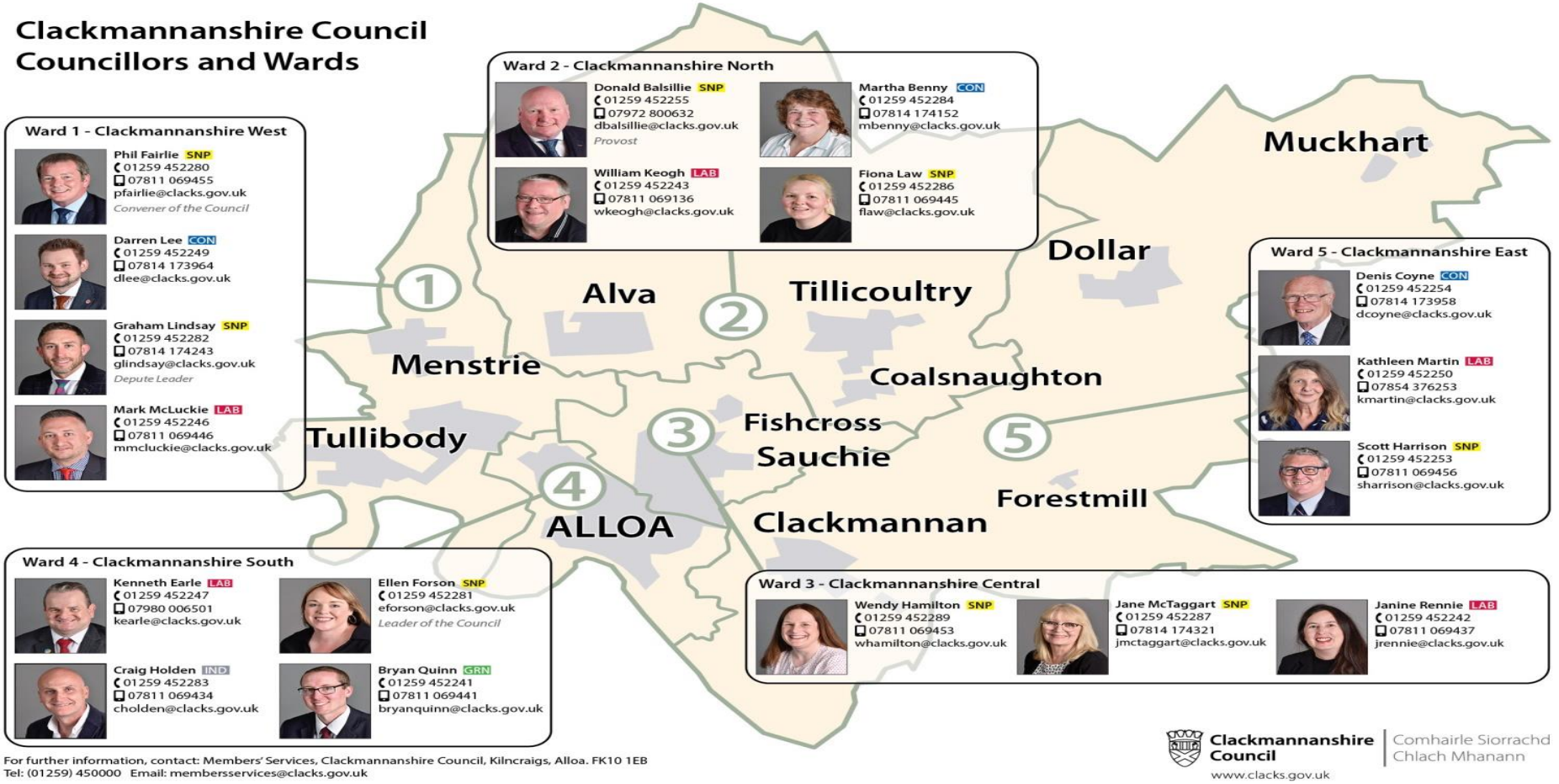
Clackmannanshire is located in Scotland's central belt, sharing administrative borders with Stirling, Perth and Kinross and Fife, and with natural boundaries provided by the Ochils and the River Forth. Clackmannanshire is the lowest populated mainland Council in Scotland, covering 61.5 square miles and serving a population of 51,800 (Scottish Government Census 2022). The Council employs 2,727 (headcount) staff (2022/23 2,700).

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary



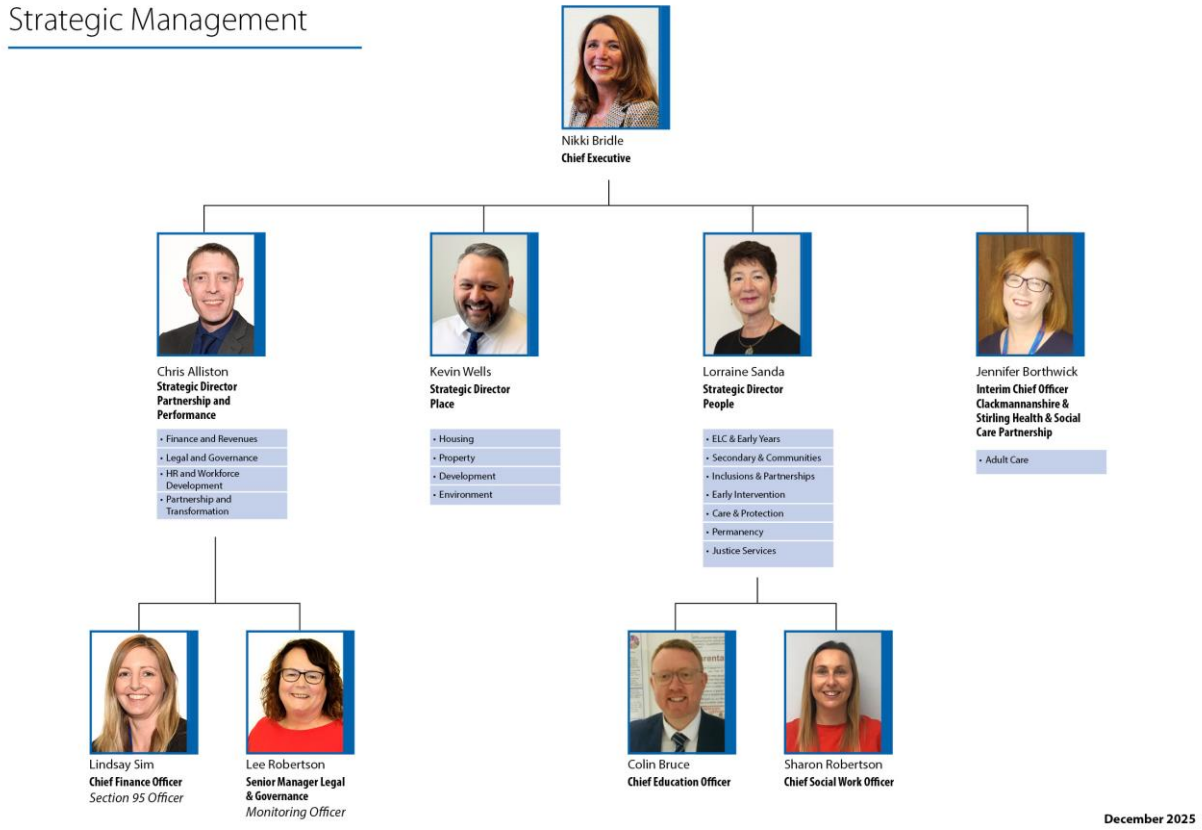
Local Government

Clackmannanshire Council consists of 5 wards, each represented by 3 or 4 elected members. The Council has 18 Councillors whose current political make-up following the local elections in May 2022 and changes to date are: 8 SNP, 5 Labour, 3 Conservative, 1 Green and 1 Independent. The Councillors for each ward are presented in the diagram below. Further information on Senior Councillors can be found in the Remuneration Report commencing page 64.



Management Structure & Service Areas

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



Throughout 2023/24, Clackmannanshire Council's Chief Executive was Nikki Bridle. The Chief Executive is the Head of Paid Service who leads and takes responsibility for the work of the Council and who runs the local authority on a day to day basis. The Chief Executive provides leadership, vision and strategic direction, and effective management of the Council.

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

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

The post holders at Strategic Management level as well as statutory post holders shown above were in place at the date of signing of these accounts. Further information can be found in the Remuneration Report commencing page 64.

Community Planning Partnership working and the Local Outcomes Improvement Plan

Clackmannanshire's first **Local Outcomes Improvement Plan** (LOIP) was agreed by partners in 2017 and set the strategic priorities for Clackmannanshire with the Clackmannanshire Alliance Board providing leadership and direction for delivery of the following approved outcomes:

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

In addition, three locality planning areas were agreed for targeted focus with key action areas identified under each theme. These were:

- Improving outcomes for children and young people living in poverty;
- Improving outcomes for women and girls living in Clackmannanshire; and
- Improving outcomes for people living in Alloa South and East.

Whilst the Local Outcomes Improvement Plan sets long term (10 year) outcomes for community planning partners in Clackmannanshire, specific actions and measures provide the framework for delivery across a broad range of partnerships, strategies and delivery plans designed to align with the overall strategic direction. In line with these plans significant progress was achieved in 2023/24, with highlights summarised as follows:

Whole Systems approaches to reducing Child Poverty and enhancing Community Wellbeing

A significant and innovative programme of work building on the successful Strive project and led through the Family Wellbeing Partnership also gained significant traction throughout 2023/24. The Clackmannanshire Family Wellbeing Partnership forms the centrepiece of a whole systems approach to reduce child poverty and enhance community wellbeing, particularly through four core areas of interconnected and interdependent activities which, over time, has led to a new overall approach to delivering agreed goals. The initial work streams were Community Around The School (CATS), Safeguarding Through Rapid Intervention (STRIVE), the Child Wellbeing Partnership (CWP), and Enhancing Employability. The theory of change reflects a transformative approach for community services, working across system boundaries, in which prevention, integration, and community engagement are central to achieving sustainable community connection as part of shared goals to tackle systemic poverty and inequality in Clackmannanshire. A full evaluation of this work has been carried out and published (Annex B: The Family Wellbeing Partnership Theory of Change - Family Wellbeing Partnership in Clackmannanshire: evaluation).

The Family Wellbeing Partnership was also aligned with the Scottish Governments tackling child poverty pathfinders approach which aimed to enable whole-systems change to tackle

child poverty. The Clackmannanshire Family Wellbeing Partnership was one of three initial pathfinder areas alongside Glasgow and Dundee. Clackmannanshire, activities focused on supporting the community around the child, using schools as anchor points for breakfast clubs, after-school childcare, holiday provision, food services, childcare support and transportation to support holistic child development and family wellbeing.

Aligned with the Family Wellbeing Partnership approach a number of key strategic plans were also refreshed in 2023/24 including the National Improvement Framework, The Promise plan 23/26; the Violence Against Women and Girls strategy and delivery plan 23/26; the Community Justice Outcomes Improvement Plan 23/28 and the Sport and Active Living Framework 24/28. The following progress reports were also published in 2023/24: The Promise plan and Whole Family Wellbeing Fund, Community Learning and Development progress and the Community Empowerment Act Annual Report.

Community Wealth building; Developing a Wellbeing Economy

Building on our work with the Centre for Local Economic Strategies (CLES) to develop and agree Clackmannanshire's first Community Wealth building Plan, and aligned with the Councils post-covid transformational commitments, Clackmannanshire participated in a Scottish Government pilot to develop a wellbeing economy supported by robust understanding of local data (Wellbeing economy toolkit: supporting place based economic strategy and policy development).

Between 2021 and 2023 this work comprised a series of data deep-dives and policy review; whole systems mapping with the University of Sheffield and extensive community and stakeholder engagement and consultation. The outcome of this pilot resulted in a refreshed set of strategic outcomes and priorities for Clackmannanshire to support the delivery of a wellbeing economy in Clackmannanshire driven by robust data led decision making.

A progress report on delivery of the Community Wealth building Plan was also published in Spring 2023 Community Wealth Building in Clackmannanshire highlighting achievements around community benefits and improved local procurement spend; work supporting women into business, creation of a new community anchor partnership and development of a good employment charter for Clackmannanshire.

Since its adoption in 2017, the original Local Outcomes Improvement Plan, as can be seen, provided a strong foundation for collaborative action across Clackmannanshire. Over the seven years to 2024, significant progress has been made against its priorities, supported by innovative approaches such as the Family Wellbeing Partnership and refreshed strategic plans. Building on this momentum and informed by robust engagement and system mapping, the Partnership has now replaced the 2017 LOIP with a refreshed framework for the next decade.

The **Wellbeing Local Outcomes Improvement Plan (LOIP) 2024-34,** agreed in Autumn 2024 (Wellbeing Local Outcomes Improvement Plan 2024-2034), sets out the vision of the Community Planning Partnership, the Clackmannanshire Alliance, for the next 10 years and

builds on the previous LOIP plan approved in 2017. A central theme of this Plan is a joint commitment across partners to delivering a wellbeing economy which seeks to address the inequalities that exists in Clackmannanshire as a result of poverty and socio-economic disadvantage and improve outcomes for local communities.

The LOIP, developed by the Clackmannanshire Alliance, sets out the shared ambitions for change for Clackmannanshire over the period to 2034 under 3 key Strategic Outcomes. The plan, agreed at Council in October 2024, was developed with partners following a robust development and engagement process undertaken throughout 2023/24, which included participating in a pilot with Scottish Government on developing a wellbeing economy with Community Wealth Building core to that work. Whole systems mapping with the University of Sheffield was also part of this innovative approach to robust data led decision making.

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

Our vision:

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

Our Strategic Outcomes

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

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

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

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

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

The Corporate Plan

Following a Council decision in May 2023, the Council's Corporate Plan has been replaced by a streamlined performance management framework with greater emphasis on Be the Future programme priorities, the Target Operating Model, business plans and the LOIP. As a result, an annual statement of priorities is published each year which sets the high level strategic priorities for the year. This remains focussed on the long term vision and outcomes of the Council which is shaped on sustainable growth, health and wellbeing and empowering communities. The Council's values remain a key focus, as does implementation of robust performance and risk management approaches. The agreed corporate priorities for 2023/24 and progress to date is shown below. Looking forward, the corporate priorities for 2024/25 are set out on page 11.

Digital and Data Transformation
The Digital and Data programme is moving at pace with a clear 5-year roadmap to make the council more connected, efficient, and focused on people.
There has been significant investment made to replace critical infrastructure, enhancing the organisation's robustness, as well as the ongoing delivery of the M365 programme.

Asset Strategy
The Asset Management Strategy will help provide a structured approach to managing the physical assets of our Council with the desire to maximise on our financial investment and the social and community benefits. The strategy is being developed along with the Learning Estate Strategy.

Sustainable Transport
Work is being undertaken to focus on understanding the needs of local communities, the challenges they face, and the barriers to accessibility, affordability, and independence. The next phase is to engage the community and wider stakeholders to check draft action plan outlining short medium and longer-term activities to deliver the plan. This work will form the Wellbeing Economy Framework for Transport, Action Plan and Report.

Communication and Engagement Model
External support has been procured to transform the Council's approach to internal and external engagement and participation, as well as developing a transformed capacity and approach re engagement and participation. The output will be a robust communication and engagement strategy and implementation plan.

Tackling Poverty, Value based Leadership/Culture Change and Collaborative Community Models
These three themes are captured within the Family Wellbeing Partnership.
This Partnership continues to lead public sector reform, sharing good practice and leveraging funding. There is a focus on early intervention and prevention, moving staffing and resources closer to communities with the pooling of funding sources and support activities.

Investment Strategy
Work is underway to develop a Regional Investment Strategy that positions Clackmannanshire as a leading destination for investment, along with a clear strategic framework for delivering and monitoring investment outcomes. An Investment Strategy and Funding Officer will be recruited to implement the strategy.

Workforce Strategy
Work has begun to scope out a new Strategic Workforce Plan for the period 2025-28, which will align and be brought forward with the Target Operating Model (TOM). In support of this work, colleagues in HR & Workforce Development continue to develop their approaches to support workforce planning, and a Council wide skills matrix project now underway. The latter, whilst in development, will be crucial in helping both services, and the corporate centre understand the needs of workforce, and will allow for more pro-active workforce planning both at a local and strategic level.

Place Redesign
Work has completed with the Trueman Change review of the Place portfolio. Officers worked with Trueman Change undertaking a comprehensive review of the current structural set up, capacity and skills within the department. Several of the recommendations have influenced the Service Realignment work. The detail in the final report has also contributed to the TOM development work.

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

Transformation Activity/Themes

Digital and Data Transformation

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

Asset Strategy

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

Sustainable Transport

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

Communication and Engagement Model

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

Tackling Poverty

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

Investment Strategy

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

Transformation Activity/Themes

Workforce Strategy

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

Values Based Leadership/ culture change

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

Collaborative Community Models

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

Place Redesign

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

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

Be The Future

Over the last three years there has been considerable investment in creating the conditions which allow us to set out ambitious longer term plans to transform the way in which public services are delivered in Clackmannanshire. These ambitions are integrated with the development of our longer term financial planning approach which took a significant step forward in 2021/22 with the establishment of a 20 year capital budget, organised around the Council's Be the Future Programme priorities. This plan was reviewed as part of the 2024/25 budget process and will be reviewed going forward on an annual basis as part of a rolling 20 year plan.

'Be the Future' – Corporate Values

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

Organisational Redesign

In 2019, Council agreed its approach to Organisational Redesign, establishing a framework and a supporting action plan to focus on how we improve and develop our organisation to support sustainable change. The Organisational Redesign Framework provides a clear basis from which Council monitors and evaluates progress and provides the opportunity for the refinement of planned activity based on learning, progress and feedback.

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

through the period of the pandemic and will guide the organisation through the next stage of its Transformation journey.

The framework and activity set out above is complementary to, and aligned with the Council's Transformation Programme, Be the Future. This programme, the aims of which are set out on page 11, has provided the framework for shaping Council priorities, investment, and delivery since 2019 and focuses on three key themes:

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

These themes are delivered through 10 associated corporate priority areas (Page 11)

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

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

In addition to ensure the Be the Future programme is achieving its outcomes a Benefits Realisation Plan (BRP) is being developed to track progress. The BRP will identify, define, plan, and monitor the benefits for the Be the Future Programme. It will demonstrate how activities link to outcomes and aims to incorporate both quantitative and qualitative indicators. The BRP will provide a framework against which actions and interventions can be evaluated in terms of driving improvement in the delivery of agreed priority outcomes.

Be the Future

Clackmannanshire Council

Aims and Programme Themes

Aims	We will transform our organisation and approaches
to: • empower people and places to improve their wellbeing, skills and prosperity; and • ensure that environmental, social and financial needs of our people and places are met and that future generations thrive.	
Sustainable Inclusive Growth	We will take steps to tackle poverty and inequality. We aim to maximise the opportunities for local people and businesses through our improved economic performance. We will also establish standards, delivery models and strategies which allow Clackmannanshire to play a leading role in meeting the climate challenge and protecting our built and natural environment.
Empowering Families & Communities	We will place people at the heart of service delivery. We aim to prioritise service users, family and community participation and leadership in developing and delivering solutions. We will work in partnership to build individual; family and community skills in support of social and financial independence.
Health & Wellbeing	We aim to improve the environment, quality of life and ease of access to services. Enhanced wellbeing will also provide greater participation opportunities as a consequence of improving economic performance in Clackmannanshire. Delivering increased wellbeing also aims to promote equitable growth.

Financial Planning

Changes in public sector funding have been a key issue facing all Councils for a number of years and this will continue to impact on what Councils do and how they do it. While the financial context is challenging, such challenging times also provide significant opportunities for real improvement. The Council and its partners are working in a more collaborative way by pooling their collective resources to be more efficient.

The Council is continually reviewing its processes and procedures and financial planning continues to adapt to the changing economic climate. Regular medium term financial planning information is reported to Council via Budget Strategy Update reports to ensure that its policy, investment and financial decisions are informed by the wider financial context.

The Council's approved Budget Strategy sets out the planning assumptions and indicative savings figures for a rolling four year period. The Strategy focuses on a framework which aims to:

- reduce expenditure;
- maximise income;
- transform service provision, including more joint working; and
- implement other targeted initiatives to deliver high quality services from a sustainable cost base.

The 2024/25 Budget Report approved by Council in February 2024 presented a financial planning scenario which indicated a potential funding gap of £13.0m for 2025/26 rising to a cumulative gap of £29.7m by 2028/29. This is clearly a challenging position which will require a review of what and how services are delivered by the Council and how it can work in conjunction with its partners. Information on how the Council intends to manage its finances in the medium term (up to 5 years) is set out on the Medium Term Financial Strategy (MTFS) 2025/26– 2029/30 approved by Council in June 2025 and available on the Council's website.

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

During 2023/24, Chief Officers worked closely with the members of each political Administration to develop savings proposals which were included in the 2024/25 budget setting process. The budget preparation process considers both the capital and revenue implications of change proposals for financial planning purposes. The resultant proposals are focused on delivering services that are financially sustainable and manage changing profiles of demand and service user expectations.

The annual budget process is also supported by the Be the Future Board set up to focus on transformation. The Board is made up of members of the Administration and the two opposition groups along with Senior Officers. The Board supports the development and progress of the transformation programme, agreeing priorities, reviewing transformation proposals and monitoring their progress.

The management team believe that the continuation of the approved Be the Future Transformation Programme alongside the Target Operating Model (TOM) to underpin Organisational Redesign will support the Council to remain financially sustainable over the medium to long term. The financial position presented in these Annual Accounts provides a platform from which to address the challenging times ahead and support the necessary transition to new, more efficient models of service delivery for the future and achieve the Be the Future aims.

Health & Social Care

The Council is part of the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP) along with Stirling Council and NHS Forth Valley. 2023/24 has been another extremely challenging year for the Partnership requiring ongoing development and implementation of options for financially sustainable service delivery and financial recovery plans aligning, as far as possible, to the priorities agreed within the Partnerships Strategic Commissioning Plan (SCP) 2023-33.

The challenges included:

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

For 2023/24 these challenges resulted in a deficit of £12.662m for the Partnership which was met through the use of reserves. A significant contributing factor to the overspend was due to only 48% of approved savings being delivered in the year and no significant savings being achieved in relation to the Set Aside budget for Large Hospital Services due to ongoing system pressures. This was partly mitigated through slippage on key business cases and underspends on staffing due to workforce challenges.

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

Further information on the Clackmannanshire and Stirling Health and Social Care Partnership can be found at the following webpage:
https://clacksandstirlinghscp.org/

City Region Deal

The Council continues to deliver ambitious plans in a joint City Region Deal (CRD) with Stirling Council and Stirling University. The CRD is funded by both Westminster and Scottish Governments and aims to deliver total investment of £214m over a ten year period to support the economic development of the Stirling and Clackmannanshire city region. Focus is on key priorities such as socially-inclusive growth; enabling infrastructure (such as roads, social housing and schools); business development opportunities; town centre regeneration; tourism; employability support and renewable energy.

The deal was formally signed in 2020 and in the case of Clackmannanshire initial priorities were informed by a series of Stakeholder Workshops and refined as part of the joint-working with Stirling Council and both Governments to form a coherent regional bid. Following further stakeholder engagement and approval by both Councils, including formal governance arrangements between the Councils, the 'Heads of Terms' was agreed in June 2018 and full deal sign off was achieved in February 2020.

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

During 2023/24 there was also positive progress across several of the CRD themes. Within the Transport, Low-Carbon and Connectivity theme approval was granted by Stirling and Clackmannanshire Councils of the Regional Energy Masterplan: a wide-ranging blueprint for delivering net-zero improvements in energy and heating systems across the region.

Within the Inclusion Workers and Innovation Fund theme, the team of Inclusion Workers continued to support people across Stirling and Clackmannanshire in gaining recognised qualifications. Skills development drop-in sessions in both Stirling and Alloa were held, providing participants with the opportunity to meet new people and share experiences to build their self-esteem and confidence. The Skills and Inclusion Programme continued to support local people to build on their existing understanding and expertise in digital technologies.

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

Performance

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

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

- annual reporting of the Local Government Benchmarking Framework and Statutory Performance Indicators to the Audit & Scrutiny Committee;
- public performance reporting of plans and reports on Council performance on www.clacks.gov.uk;
- annual reviews of Local Outcome Improvement Plan (LOIP), and key partnership plans and strategies, which is scrutinised by both the Alliance and the Audit & Scrutiny Committee;
- progress of the Council's Be the Future Transformation programme, including stated annual priorities, through update reports to Council and Be the Future Programme Board and Strategic Oversight Group;
- annual publishing of Directorate business and workforce plans;
- biannual reporting of Directorate performance and risks to the Audit & Scrutiny Committee;
- reporting on financial and procurement performance including financial outturns to Audit and Scrutiny Committee;
- quarterly reporting of corporate risks to the Audit & Scrutiny Committee including a review of the Statement of Preparedness and Community Risk register;
- annual reporting on the Annual Governance Statement and assessment on progress relating to the Councils local code of governance; and
- annual reporting on complaints handling.

Self-Assessment

As part of our wider performance management framework and our commitments to demonstrating best value and continuous improvement, the Council implemented self-assessment approaches during 2024/25. Our ambition is to create an integrated best value eco-system, consolidating a number of plans and improvement actions into one streamlined improvement process which can be easily managed across all service areas. An early commitment to this eco-system approach has been to integrate our embedded Annual Governance Statement and review of our Local code of Governance approach with a revised and refreshed corporate self-assessment approach. In the Summer of 2024, senior managers participated in a facilitated self-assessment process working alongside the Improvement Service. Three key areas for improvement were identified through this approach and agreed by the Senior Leadership Team. In addition, the Community Planning Partnership in Clackmannanshire is also participating in a facilitated self-assessment process working in partnership with the Improvement Service.

Best Value

The statutory Best Value report, published by the Accounts Commission in September 2024, commended the progress made by Clackmannanshire Council since previous Best Value reports in 2018 and 2019 noting, in particular, priority setting, performance management and scrutiny, budget development, community engagement and empowerment, equalities and climate change. The report also recognised the ongoing challenges the Council faces in the

ability to deliver financial sustainability as well as issues regarding capacity, recruitment and resilience. The Commission welcomed the steps the Council has taken to develop its transformation programme. Four recommendations were identified, and an action plan was developed and approved by Council in November 2024. The four recommendations were:

- the leadership (both political and officer) has been effective in setting clear priorities; it now needs to ensure it has the capacity and capability to deliver them;
- the Council should urgently develop a medium-term financial strategy to set out how it intends to achieve financial sustainability;
- it is critical that the Council develops detailed plans at pace, with robust benefits realisation tools to demonstrate that it is achieving its intended outcomes; and
- the Council should review its capital budget setting and monitoring arrangements to ensure it sets realistic budgets with clear timelines and a clear linkage to Council priorities.

Local Government Benchmarking Framework (LGBF)

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

1 - 5-year trends

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

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

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

2 – Target Achievement

Assessment of target achievement is sometimes more informative, incorporating realistic aspirations, local context and priorities. These may reflect national targets, Scottish or family

group results (Councils with similar deprivation levels or rurality/population density), or incremental improvement towards key outcomes. Targets must be achievable, such as cost reductions taking into account minimum service viability.

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

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

3 - Comparison to Benchmarks

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

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

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

4 – Overall Summary of Performance

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

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

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

The latest report showing the 2022/23 data was presented to the Audit & Scrutiny Committee in April 2024 and can be accessed here:
https://www.clacks.gov.uk/document/meeting/295/1211/7869.pdf

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

Financial Performance 2023/24

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom with the objective of presenting a true and fair view of the financial position of the Council and its income and expenditure for the year ended 31 March 2024. A brief explanation of each statement and its purpose is provided at the beginning of each statement. The main statements appear in the accounts followed by a series of additional statements to give the reader a full analysis of the funding received and how this is spent. The Expenditure and Funding Analysis (Note 6) brings together the net expenditure based on the management reporting structure and compares this against the net expenditure that is reported in the Comprehensive Income and Expenditure Statement in line with the Accounting Framework.

Within the General Fund for 2023/24, against a background of continuing reducing resources, the Council has successfully delivered services within budget reporting an underspend of £2.7m. This contribution to reserves along with the Service Concession benefit of £12.5m less the reserves utilised during the year of £9.1m, results in a net increase in General Fund reserves of £6.1m taking the total to £27.0m (2022/23 £20.9m). Of this total, £23.3m (2022/23 £17.6m) is earmarked for specific purposes, leaving £3.7m of uncommitted reserves. The full impact of the Service Concessions Flexibility is set out in the Treasury Management Strategy 2023/24 and Service Concession Arrangements Report approved by Council on 9th March 2023 and available on the Council's website.

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

Key Financial Ratios

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

Financial Indicator	Notes	2022/23	2023/24
Outturns and Reserves			
Actual Outturn compared to Budgeted Expenditure	1	96.70%	98.35%
Actual contribution to/(from) Unallocated General Fund Balance compared to Budget		0.6%	0.3%
Uncommitted General Fund Reserve proportion of Net Actual Expenditure	2	2.21%	2.30%
Movement in the Uncommitted General Fund Balance	3	(45.6%)	11.29%
Council Tax			
In-year collection rate	4	96.8%	95.8%
Ratio of Council Tax Income to Overall Level of Funding	5	17.02%	17.00%
Debt			
Capital Financing Requirement (CFR) for the current year	6	£146.0m	£161.7m
External Debt Levels for the current year		£133.7m	£131.7m
Ratio of financing costs to net revenue stream		3.03%	3.72%

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

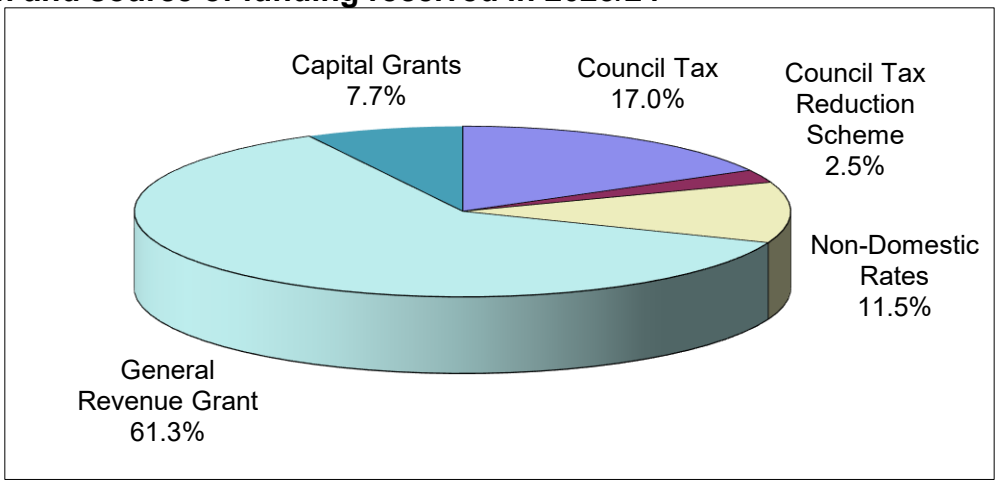
General Fund Results for the year

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

The largest source of funding the Council receives is the General Revenue Grant received from the Scottish Government including Non-Domestic Rates (NDR) which amounted to £112.2m for 2023/24, (2022/23 £106.6m). NDR income is collected by local authorities, and remitted to the Scottish Government, where it is pooled nationally, and re-distributed back to Councils within the General Revenue Grant. (This is described in more detail in the National Non-Domestic Rates Income Account on page 168).

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

Proportion and source of funding received in 2023/24



	2022/23		2023/24	
Sources of Income	**£'000**	**%**	**£'000**	**%**
Council Tax	**24,432**	**17.0**	26,214	17.0
Council Tax Reduction Scheme	**3,686**	**2.6**	3,788	2.5
Non-Domestic Rates (plus BRIS)	**18,065**	**12.6**	17,764	11.5
General Revenue Grant	**88,521**	**61.7**	94,433	61.3
Capital Grants	**8,849**	**6.1**	11,961	7.7
	143,553	**100.0**	154,160	100.0

Revenue and Capital Expenditure

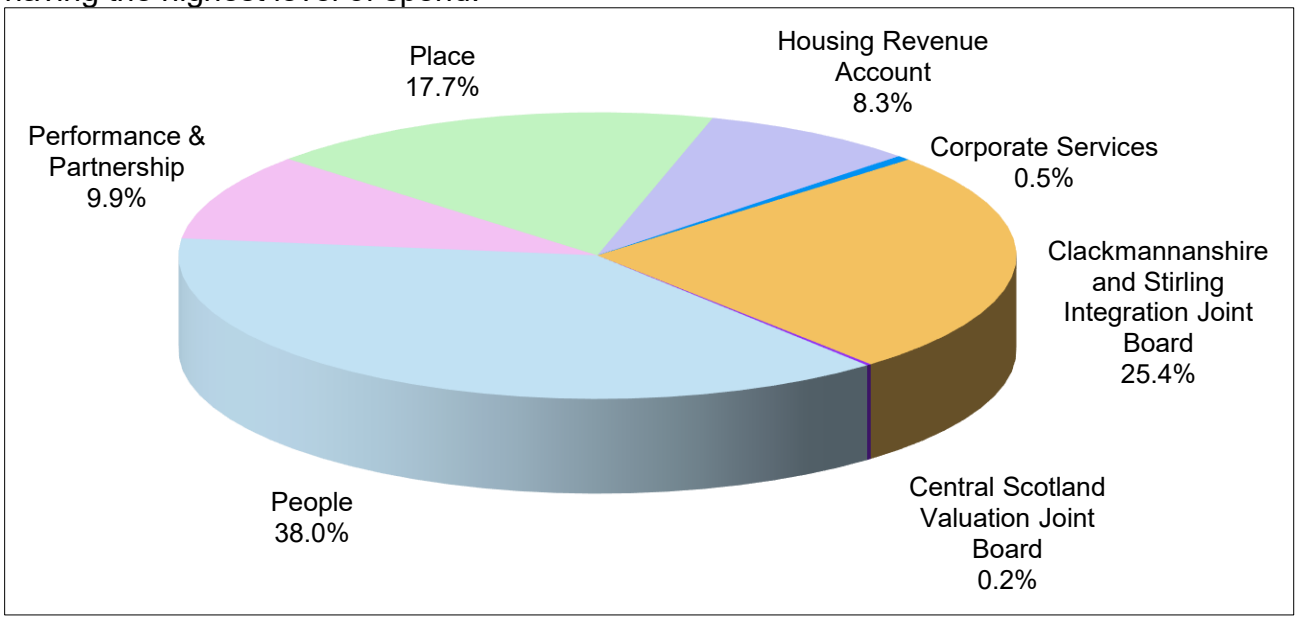
The Council's expenditure is split between the categories of capital and revenue. In broad terms expenditure for capital purposes relate to costs incurred on the acquisition or creation of tangible assets needed to provide services, such as houses, schools, vehicles etc. This is in contrast with revenue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

Revenue Expenditure

Proportion of 2023/24 Revenue Expenditure by Service

In 2023/24 the total operating expenses for service delivery was £258m (2022/23 £259m) as detailed in Comprehensive Income and Expenditure statement on page 83. This level of expenditure indicates the significant size and complexity of the organisation.

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



General Fund Outturn Position

At the end of the year, the Council reported an underspend against budget of £2.665m on its management accounts. This is a favourable increase of £1.930m on the previously forecasted underspend of £0.735m as at December 2023 reported to Council in May 2024. Included within the final underspend is a number of earmarked underspends for areas of ring-fenced spend such as Pupil Equity Funding (PEF), Devolved School Management (DSM) and Housing, that are not recognised until the year end. These underspends are then carried forward to be used in the following year. After removal of earmarked reserves of £3.094m this results in a net overspend of £0.430m compared to budget.

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

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

Council Summary 2023/24

	Annual Budget 2023/24	Actual to March 2024	Variance Budget to Actual
	£'000	£'000	£'000
People	81,885	81,334	(551)
Place	35,482	33,198	(2,284)
Partnership & Performance	11,942	12,513	571
Health & Social Care Partnership	26,209	26,164	(45)
Chief Executive	525	426	(99)
Corporate Services	4,634	5,074	440
Central Scotland Valuation Joint Board	462	462	-
	161,139	159,171	(1,968)
Sources of Funding	(149,755)	(150,452)	(697)
	11,384	8,719	(2,665)

The Council Summary presents the expenditure of general fund services which are funded by government grant and local taxation. The Comprehensive Income and Expenditure Statement on page 83, which also includes the Housing Revenue Account is prepared in accordance with proper accounting practices and, as such, can lead to differences in presentation of certain items of expenditure.

The table below reconciles the Council Summary to the (Surplus) or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis in Note 6 on page 109.

	£'000
Council Summary	**8,719**
Add (Surplus) chargeable to HRA balances	6,111
Cost of Services incl Depreciation, Asset Revaluations & IAS19	6,481
Financing Income and Investment Expenditure	3,360
Gain/Loss on Sale of Non current Assets	(210)
Taxation and Non Specific Grant Income	(8,841)
Adjustments between Funding & Accounting basis	(10,426)
(Surplus) or Deficit on Provision of Services	**5,194**

Council Reserves

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

2023/24 Summary of Council Reserves

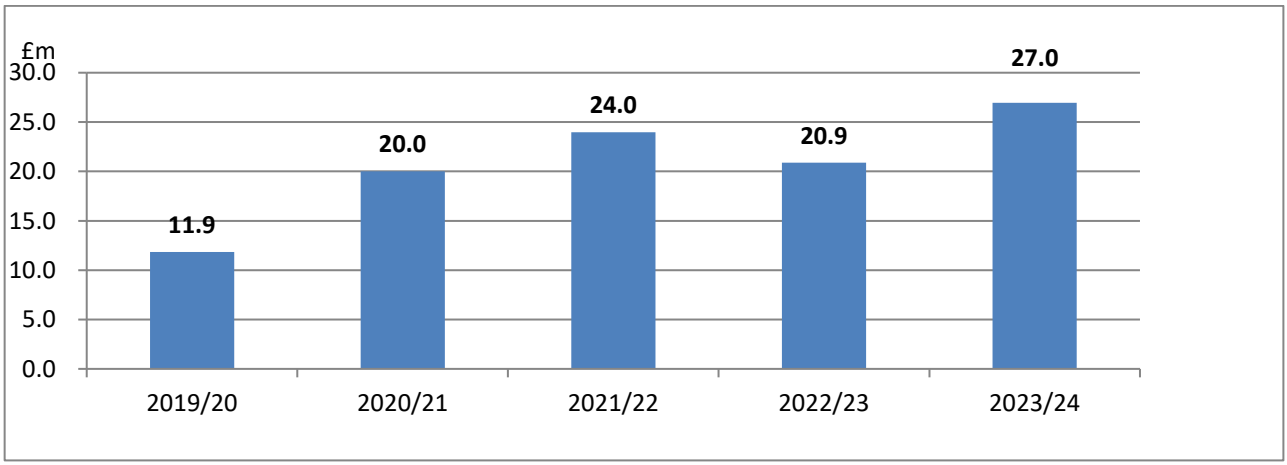
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Insurance Fund £'000	Capital Grants Unapplied Account £'000	Total £'000
As at 1 April 2023	**(20,885)**	**(8,715)**	**(1,177)**	**(1,256)**	**(2,093)**	**(34,126)**
Comprehensive Income & Expenditure	7,674	(2,480)	-	-	-	5,194
Adjustments between funding & accounting basis	(2)	8,592	(286)	-	(351)	7,953
Transfers	(13,737)	1,168	-	(32)	782	(11,819)
As at 31 March 2024	**(26,950)**	**(1,435)**	**(1,463)**	**(1,288)**	**(1,662)**	**(32,798)**

Total usable reserves have decreased to £32.8m (2022/23 £34.1m) at 31 March 2024. A comprehensive analysis of the Council's reserves is provided in the Movements in Reserves Statement on page 84 and supporting notes.

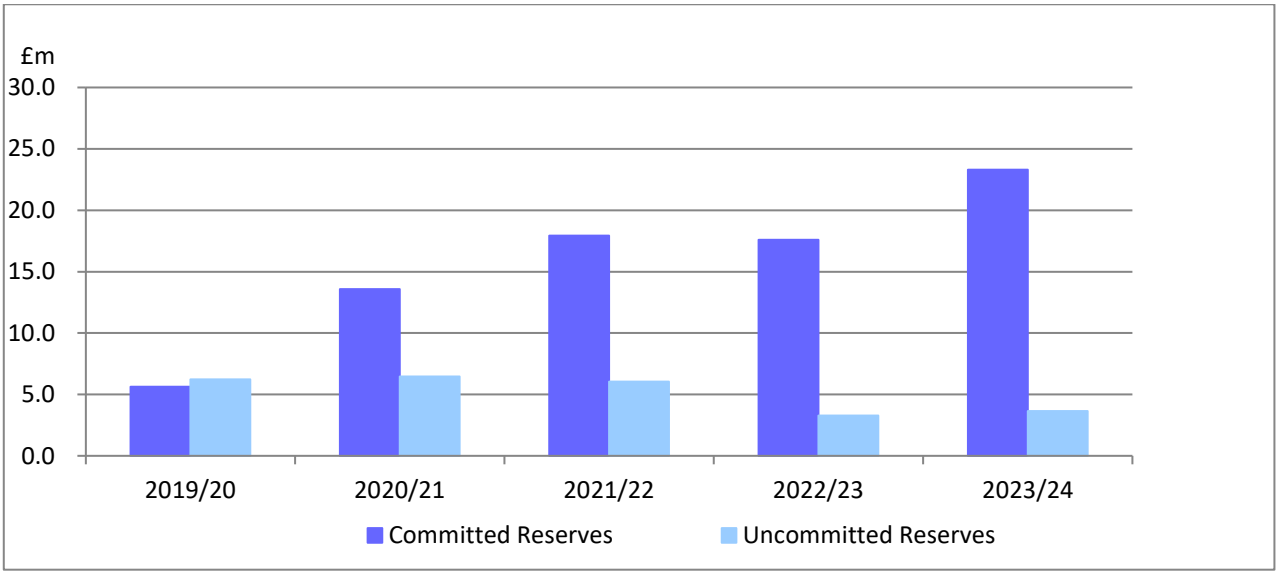
Total Usable Reserves

In 2023/24 the General Fund reserve has increased to £27.0m (2022/23 £20.9m). For the four years from March 2020 to March 2024 total General Fund reserves have increased by £15.2m or 128%. The large increase from 2019/20 is mainly due to additional Covid-19 funding received in 2020/21 and 2021/22 that has been carried forward on a reducing basis to fund Covid-19 support and recovery. Reserves have also increased in 2023/24 due to the accounting for Service Concessions. Further information on the movement in Usable Reserves is shown in Note 8 on page 120.

Total General Fund Reserves 2019/20 to 2023/24



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

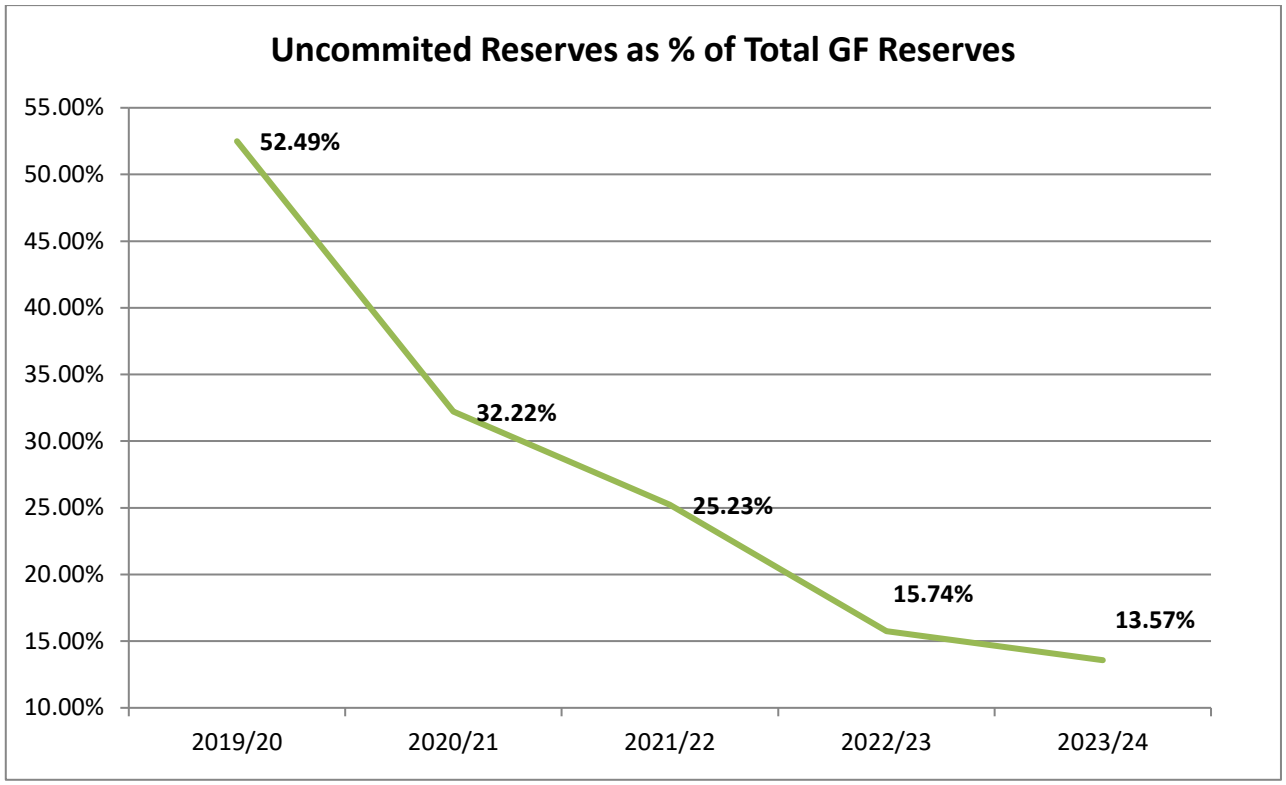


Committed (Earmarked) General Fund Reserves
Of the £27.0m general fund reserves at 31 March 2024, £23.3m (2022/23 £17.6m) is earmarked for specific purposes, either by individual services or to meet corporate liabilities. Further detail is contained in Note 8.

Uncommitted Reserves
The uncommitted element of General Fund Reserves at 31 March 2024, which are generally available to support future expenditure, stood at £3.7m (2022/23 £3.3m). For 2023/24, the Council's Reserves Strategy stipulates that it should retain uncommitted general fund reserves at a minimum level of 2% of net expenditure. The current general fund reserves represent a level of 2.3% (2022/23 2.2%) of the 2023/24 net budgeted expenditure.

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

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



Capital Expenditure

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

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

	2022/23	2023/24
	£'m	£'m
School Development	0.184	0.145
IT Investment	1.936	2.719
Kilncraigs Roof Works	-	0.586
Vacant & Derelict Land Investment Programme	-	0.522
Wheeled Bins	-	0.597
Street Lighting	0.450	0.078
Clackmannanshire Regeneration	0.229	1.037
Roads, footpaths, cycleways etc	2.979	5.006
Fleet Vehicles	0.556	0.580

	2022/23	2023/24
	£'m	£'m
City Deal	0.879	0.126
Village & Small Town Alva	0.621	-
Clackmannan Town Hall	0.915	-
Bowmar Community Hub	0.021	-
Park, Play Area & Open Space Improvements	0.512	0.195
Wellbeing Hub	0.222	1.783
Housing – new build and off the shelf purchases	3.084	5.085
Housing - replacement of kitchen/heating	1.084	1.474
Housing - replacement of roofs/windows	2.687	3.852
Housing – Safe Electrical Installations	-	1.682
Other Projects	3.338	3.457
	19.697	**28.924**

The Prudential Code for Capital Finance in Local Authorities governs the level of capital expenditure taking into account affordability, sustainability, the management of assets and the achievement of strategic objectives. Capital spending in 2023/24 on General Fund Services (including operational Common Good Properties) was £14.168m (2022/23 £9.928m) and on Housing was £14.743m (2022/23 £9.769m).

Expenditure	**£'m**	**Financed by**	**£'m**
Compliance & Operational Resilience	6.597	Government grant & contributions	12.580
Empowering Individuals, Families & Communities	2.131	Capital Finance from Revenue	10.821
Health & Wellbeing	2.620	Borrowing	5.523
Sustainable Growth	2.820		
Housing Business Plan	14.756		
	28.924		**28.924**
Capital programme underspend	19.890		
Capital Budget	**48.814**		

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

Whilst work on capital projects has been progressed, delays are still being incurred due to internal and external factors and as such £10.043m is to be carried forward to 2024/25 which is £2.151m greater than that included within the 2024/25 approved budget. At the end of the year there was an overall underspend of £19.890m on the budgeted programme. £12.803m of this related to the general fund resulting in rephasing of spend on large projects spanning multiple financial years such as: IT investment projects £0.743m, Clackmannan Regeneration

£1.488m and Wellbeing Hub £3.177m. The underspend on the HRA capital programme of £7.101m is mainly due to Westhaugh Travelling Site £5.151m and Lochies Road Clackmannan £1.945m that were delayed due to contractor availability and supply chain issues. Unspent budget of £6.906m will be carried forward to 2024/25.

Capital Receipts, Grants and Contributions

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

Receipts of £2.093m were held in the Capital Grants & Receipts Unapplied Reserve at 31 March 2023. During the year £0.800m was utilised against capital projects in the year and £0.351m of additional grants were received but not applied. The balance of unused grants £1.644m is held in the reserve to be applied against specific projects in line with the conditions of the grants.

Housing Revenue Account

The Housing Revenue Account, which funds the provision of Council housing, achieved a surplus in the year on the management accounts of £4.7m against a budgeted surplus of £3.8m. From this surplus and the HRA Reserve a revenue contribution to capital of £10.8m was made in accordance with the Housing Business Plan to maintain the Scottish Housing Quality Standard and the Enhanced Clackmannanshire Standard.

This has resulted in a decrease of £7.2m to reserves at the year end, as shown in the Movement in Reserves Statement. Working balances available to the Housing Revenue Account have therefore decreased to £1.4m as at 31 March 2024. This balance will continue to be earmarked to support the delivery of the Housing Business Plan in line with the Council's approved strategy.

£14.8m was invested in the housing stock over the year. This builds on previous investment commitments and continues to sustain and consolidate the Council's position in terms of compliance with the Scottish Housing Quality Standard. The government introduced the new Energy Efficiency Standard for Social Housing (EESSH) with compliance required by December 2020. A further milestone has been set for December 2032 which will be formally reviewed in 2025 to assess progress.

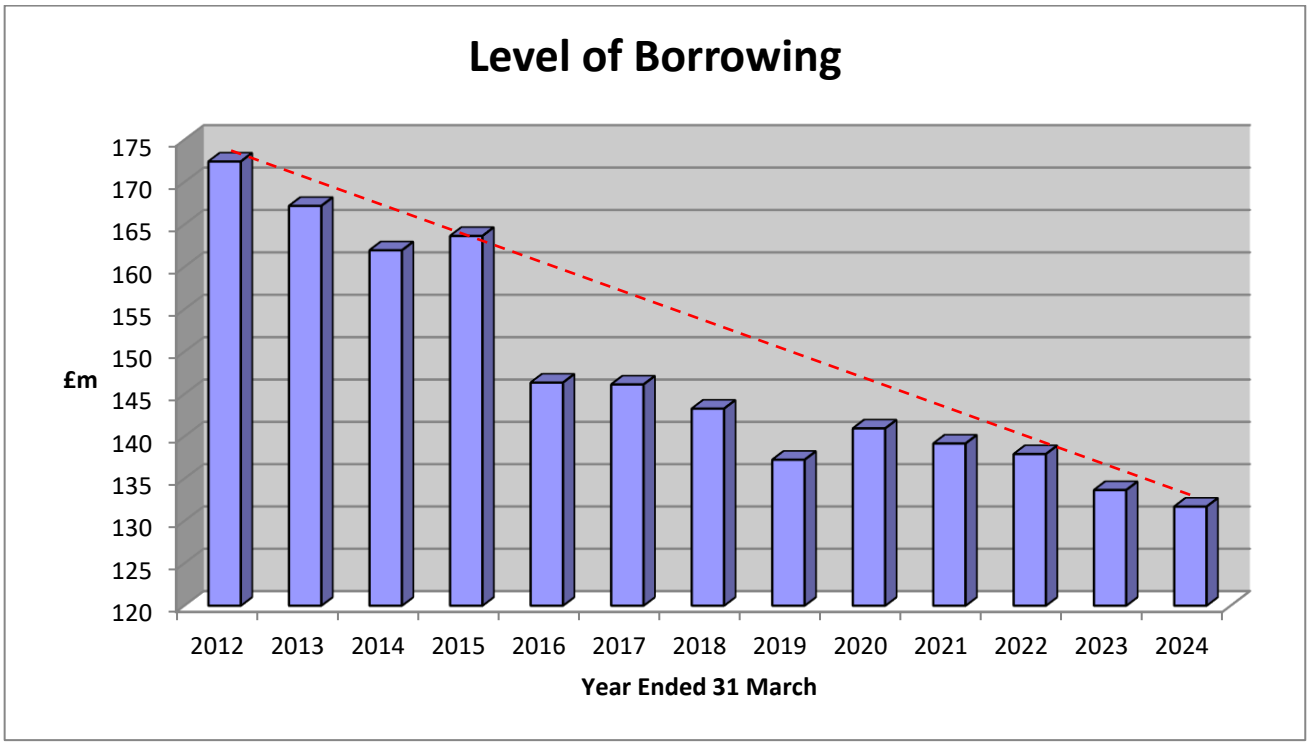
Debt

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

	2022/23 £'m	2023/24 £'m
External Borrowing	98.228	97.718
PFI and other finance leases	35.435	33.995
	133.663	**131.713**

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

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



Overall there has been a reduction in cumulative external debt of 23.6% between 2012 and 2024, showing that over the longer term the Council is not increasing its level of debt to finance its capital programme. Repayments towards PFI liabilities also continue to reduce the Council's overall level of external debt on an annual basis.

In line with the Prudential Code and Treasury Management Strategy any borrowing undertaken is required to be prudent, affordable and sustainable. As at 31 March 2024 the Council was in an under-borrowed position which meant that its level of borrowing was less than its capital expenditure. Further detailed information including performance indicators can be found in the Council's Annual Treasury Management Strategy Statement (TMSS) 2023/24 set by Council on 9th March 2023 and the Annual Treasury Management Report 2023/24 presented to Council on 20th March 2025.

Secondary Schools PFI Scheme

The Council's three secondary schools are recorded within the long-term assets of the Council, along with a liability for the financing provided by the PFI operator. The outstanding finance liability at March 2024 is £33.995m and this sum is included within the Council's overall borrowing position referred to above.

The unitary charge paid to the operator in 2023/24 was £9.983m (2022/23 £9.058m) and will increase annually by inflation over the 30 year term of the contract. The Scottish Government provides additional funding towards the project of £3.553m per annum. The total cost of the contracted project is set out in Note 32 – Private Finance Initiative and Similar Contracts on page 148.

Net Pension Liability /Asset

Pension Fund reporting regulations require an annual valuation of the Pension Fund by fund actuaries which is included in the Councils Balance Sheet. The calculation as at 31 March 2024 disclosed a surplus of £15.1m (2022/23 surplus £29.1m). The calculation is prepared for the purposes of International Accounting Standard 19 (IAS 19) reporting requirements and is not relevant for funding purposes i.e. does not have a direct impact on council tax or housing rent payers. This is simply a snapshot of the position at that time.

The latest long-term triennial funding valuation of the Pension Fund for the purpose of setting the employers' actual contributions was at 31 March 2023. In line with the valuation and actuarial advice, the employers' contribution rates remained the same for 2021/22 and 2022/23 at 22.5% and were increased by 0.5% to 23% for 2023/24. The Triennial valuation as at 31 March 2023 set the employer contribution rates for 2024/25 to 2026/27 at 19.5%.

Provisions

Provisions are made where an event has taken place which creates a legal or constructive obligation that more likely than not requires some form of transfer of economic benefits or service and a reliable estimate can be made about the amount of the obligation. As at 31 March 2024, two provisions are included in the Financial Statements, see Note 20.

Contingent Liabilities and Assets

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts. They arise where the Council has a possible obligation but this will only be confirmed or otherwise by uncertain future events not entirely within the control of the Council. They can also arise where a provision might otherwise have been made but it is not probable that resources will transfer, or if the obligation cannot be measured reliably. In 2023/24, four contingent liabilities are disclosed, see Note 35. The Council has no material contingent assets at the Balance Sheet date.

Group Accounts

The Council's group accounts consist of: Clackmannanshire and Stirling Integration Joint Board, Central Scotland Valuation Joint Board and Common Good. Further detail on the Councils Group Accounts and accompanying notes can be found on pages 172-180.

Covid-19 and Cost of Living

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

Staff wellbeing continues to be a key focus for the Council. Most services have implemented some pattern of hybrid working where appropriate to the role. The Council has adopted for office staff, no less than 40% office attendance. There is a continued emphasis on supporting mental wellbeing and significant resources have been made available to staff through our Keeping Staff Connected pages as well as a number of guides for managers aimed at ensuring ongoing engagement and promoting positive conversations. The Council also continued to offer and deliver a suite of HR training courses for managers and staff throughout 2023/24

Business Environment and Risks

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

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

The Bank of England (BoE) primary monetary policy objective is to maintain inflation at 2%. The BOE's primary tool is setting the Bank Rate. During 2023/24, the bank rate rose from 4.5% in April 2023 to 5.25% in August 2023 where it remained until reducing to 5% in August 2024 and continued to fall steadily to 3.75% in December 2025. The level of interest rates impacts on the cost of new borrowing to finance the Councils capital programme.

A key area of uncertainty for the Council remains the future levels of grant from the Scottish Government it will receive on which it relies for a significant proportion of its funding. It is expected that the next Scottish Budget will be a 3 year settlement which should help to inform medium term financial planning and get a clearer sense of the Scottish Government's spending priorities that will assist the Council in prioritising its own finances.

Given this operating context, the preparation of medium to long term financial plans are subject to a number of key risks and uncertainties which will have an impact on budget assumptions. With historic reductions in funding and potential increased costs of service provision due to continued cost of living and inflationary pressures, managing the effects of these increased costs will be a challenge for the public sector. This also places additional pressure on the Council to transform services and reduce its operating costs further to maintain a balanced budget in future years.

Audit Scotland continues to promote the importance of medium to long term financial planning. In Clackmannanshire, the Council continues to promote medium to longer term financial planning over a number of Budget rounds, the key features of the approach being:

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

setting out investment priorities over the medium to longer term.

Medium to long term planning assists the Council in managing the financial and service delivery risks associated with the impact of real and potential cash term reductions in public sector funding, balanced against increasing demand for services and new responsibilities.

Principal Risks and Uncertainties

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

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

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

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

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

Title	Score	Status	Approach	Change	Notes (Q = Quarter)
Insufficient Financial Resilience	25	🛑	Treat	➖	Static throughout year (controls/savings balanced with inflationary pressures)
Impact of Poverty, Inequality & Changing Demographics	20	🛑	Treat	➖	Static throughout year (controls/actions balanced with cost of living/energy
Supply Chain & Labour Market Disruption	20	🛑	Tolerate	➖	Static throughout year (cause outwith control, mitigations prevented worsening)
Health & Safety Breach	20	🛑	Treat	➖	Static throughout year (strengthened controls but compliance to be improved)
IT System Failure	20	🛑	Treat	⬆️	**Increased from 15** Q2 (raised global threat, mitigations in progress)
Public Health Emergency	20	🛑	Tolerate	➖	Static throughout year (vaccinations, etc. balanced with new viruses/strains)
Major Governance Failure	16	🛑	Treat	➖	**Escalated** by Director Q2 (implications of other risks on legal/gov. compliance)
Information Not Managed Effectively	16	🛑	Treat	➖	Static throughout year (strengthened controls but cyber accreditation required)
Insufficient Pace and Scale of Organisational Transformation	15	⚠️	Treat	⬇️	**Reduced from 20** Q3 (senior/project managers recruited, plan in place)
Failure of Public Utility Supply	15	⚠️	Tolerate	➖	Static throughout year (cause outwith control, vulnerable demographic profile)
Failure to Prevent Extremism and/or Radicalisation	15	⚠️	Treat	➖	Static throughout year (actions balanced with evidence of global civil unrest)
Failure to Prepare for Severe Weather Events	12	⚠️	Tolerate	➖	Static throughout year (climate change means now threats in all 4 seasons)
Inadequate Workforce Planning	12	⚠️	Treat	⬇️⬆️	**Reduced to 9** Q1, **increased** Q3 (plans progress but recruitment/capacity issues)
Increasing Attainment Gap	12	⚠️	Treat	⬇️	**Reduced from 16** Q3 (data shows gap reducing due to literacy interventions)
Failure to Address Serious Organised Crime	12	⚠️	Treat	➖	Static throughout year (actions balanced with evidence of national/global increase)
Industrial Unrest	12	⚠️	Tolerate	⬇️⬆️	**Reduced to 9** Q1, **to 15** Q2, **to 9** Q3, **to 12** Q4 (pay negotiations/threat of strike)

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Management Commentary

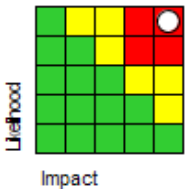
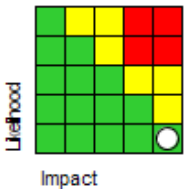
Title	Score	Status	Approach	Change	Notes (Q = Quarter)
Continued Contribution to Climate Change	10		Treat		Static throughout year (actions continue but impacts of increasing severity seen)
Harm to Child(ren)	9		Treat		Reduced from 12 Q1 (redesign, training, recruitment & improved responsiveness)

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

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

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

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

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

Where to find more Information

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

Conclusion and Acknowledgements

The continued prudent financial management and medium-term financial planning have allowed the Council to successfully manage its financial affairs and the financial objectives prescribed. The Council continued to progress major strategic initiatives such as the new Wellbeing Hub, City Region Deal, Organisational Redesign, Learning Estate Development and partnership working with the Health and Social Care Partnership. Alongside these, the Council also continues to support the Community through redesigning delivery of its services.

The Council would like to acknowledge the significant effort in producing the Annual Accounts and the Annual Governance Statement and to record thanks to colleagues for their continued hard work and support throughout 2023/24. The Council acknowledges that the annual accounts for 2023/24 were completed after the statutory deadline due to competing priorities and challenges. The Council is working in conjunction with Deloitte LLP to bring the preparation and audit of the annual accounts back in line with the statutory deadlines. It greatly appreciates the significant efforts of all who were involved, elected members of the Council and colleagues in every Service, all of whose efforts in managing the resources available have contributed to the financial position disclosed by the 2023/24 Annual Accounts.

Ellen Forson	**Lindsay Sim**	**Nikki Bridle**
Leader of the Council	**Chief Finance Officer**	**Chief Executive**
24 April 2026	**24 April 2026**	**24 April 2026**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

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

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

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

- approve the annual accounts for signature.

I confirm that these Annual Accounts were considered by Council at its meeting on 23 April 2026.

Signed on behalf of Clackmannanshire Council

Ellen Forson
Leader of the Council
24 April 2026

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Statement of Responsibilities

The Chief Finance Officer's Responsibilities

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

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

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

The Chief Finance Officer has also:

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

I certify that the draft Financial Statements give a true and fair view of the financial position of the Council and its group at the accounting date and the transactions of the Council and its group for the year ended 31 March 2024.

Lindsay Sim
Chief Finance Officer
24 April 2026

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Annual Governance Statement

Introduction

The purpose of the Annual Governance Statement (AGS) is to provide assurance to the people of Clackmannanshire, Elected Members, staff, partner agencies and other stakeholders that the Council:

- is well run;
- operates in a lawful, open, inclusive and honest manner;
- manages resources effectively; and
- provides a high standard of service to our customers.

The AGS explains the extent to which the Council has complied with its Local Code of Governance during the past year, the progress it has made on improvements identified in the previous year's AGS, and actions it plans to take to ensure that it continues to improve.

Governance is important; good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately, better outcomes for citizens and service users.

Corporate governance is not directly about strategy, policy, service standards, or performance. It is about the systems that make sure these things are done well and in an open, transparent and accountable way, reinforcing a culture of good governance across the organisation. Good governance enables an authority to pursue its aims effectively, while controlling and managing risk.

Local Code of Governance

Our Local Code of Governance is made up of the key Council strategies and policies that together determine how the Council is directed, controlled, led and held to account, including the culture and values that shape the decision-making and behaviour of councillors and employees. Councils are guided in this by the "Delivering Good Governance in Local Government Framework" (CIPFA, 2016). The framework sets out 7 principles, with supporting sub-principles and illustrations of good practice, that together constitute good governance.

Our Local Code is underpinned by a framework of systems and processes, based on legislative and regulatory requirements, guidance and good practice principles that guide our day to day activities.

Details of our local code of governance are available publicly on Clacksweb.

Leadership, Values and Culture

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

In addition to our Local Code of Governance, Local Code approaches we have in this area are:

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

- Council Standing Orders set out the framework within which the Council conducts its business, and includes the timing of Council meetings, the order of business, rules of debate and matters of procedure.

- Our Council Vision, Values and Priorities provides a clear picture of where the Council wants to be in the future, what guides us towards that direction and clarifies what we think needs to be done first and why.

CIPFA Good Governance Core Principles Alignment:

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

Strategy and Performance Management

This covers how we make sure that strategies, policies and supporting processes reflect the Council's responsibilities and ambitions, and that they are communicated and implemented.

Local Code approaches in this area are:

- Our Be the Future Statement of Corporate Priorities 2023/24 are consolidated around the themes of: Sustainable Inclusive Growth; Empowering Families and Communities; and Health and Wellbeing.

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

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

CIPFA Good Governance Principles Alignment:

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

Working in Partnership

This theme covers how we work with partners to achieve mutual benefit, by sharing expertise, resources and knowledge. The Clackmannanshire Alliance, our Community Planning Partnership, brings together the key organisations that can make a difference to people's lives in Clackmannanshire.

Local Code approaches in this area are:

- Local Outcomes Improvement Plan (LOIP) 2017-2027 sets out the vision of The Clackmannanshire Alliance and is underpinned by four strategic outcomes to drive the direction of the partnership's work.
- Community Empowerment enables our local communities to be involved in decision-making about the services we provide and how they can help shape their local services.
- People Community Wellbeing Plan 2024-25 which reflects a One Plan, One Report approach new for 2024/25 that streamlines various different People Plans into one Community Wellbeing Plan.
- Community Wealth Building, which is a people-centred approach to local economic development that redirects wealth back into the local economy, and places control and benefits into the hands of local people.

CIPFA Good Governance Principles Alignment:

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

Communication and Engagement

This theme covers how we enable the Council to make decisions and achieve its corporate vision through sharing information throughout the organisation and with its partners, stakeholders and communities. We engage with people effectively by building good relationships, fostering active participation and seeking feedback.

Local Code approaches in this area are:

- The Corporate Communications & Marketing Strategy aims to ensure that both internal and external communications and marketing approaches are effective and responsive to the needs of all groups, and digital communications develop in line with advancing technology and customer needs.
- The Customer Charter sets out our commitment to delivering a high standard of customer service to local people and businesses.
- Our Customer Contact Policy aims to support everyone engaging with us to do so positively to help us provide them with the best possible level of service.

The Council uses the online survey tool Citizen Space to consult on issues such as service satisfaction, policy proposals and strategies.

CIPFA Good Governance Principles Alignment:

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

Sustainability and Climate Change

This theme is about how the Council takes responsibility for its role in climate change mitigation both as an organisation and within Clackmannanshire. It also defines how the Council recognises the value of its physical assets and the governance in place to operate, develop and dispose of assets in a responsible and sustainable way that maximises both social and economic benefits for communities.

Clackmannanshire Council has unanimously declared a climate emergency and recognised climate change as one of the most serious challenges facing communities here in Clackmannanshire and across the world.

Local Code approaches in this area are:

- The Council's Environmental Policy sets out Council commitments to continuously improve its environmental performance.
- An Interim Climate Change Strategy approved in August 2022, sets out a framework for Council achieving net zero greenhouse gas emissions by 2040 and an updated strategy was published in September 2024. A Climate Emergency Board provides oversight of delivery of the strategy.
- The Council's Learning Estate Strategy and Implementation Plan reflect a clear vision and rationale focusing on the transformation of our schools and early learning establishments.
- The Local Development Plan provides strategic direction and a set of policies and proposals which guide the future development of the Clackmannanshire area. It provides the basis for stakeholders, developers and investors to contribute to shaping the future of the area and it provides the framework against which planning applications will be determined.
- Clackmannanshire Local Housing Strategy outlines the approach taken to meet housing objectives within the Clackmannanshire area.
- Strategic Housing Investment Plan sets out the operational framework for affordable housing development in Clackmannanshire over the next five years, establishing investment priorities.
- The Local Transport Strategy (LTS) sets out how the Council proposes to develop the transport network for the Clackmannanshire area.

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

CIPFA Good Governance Principles Alignment:

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

Financial Management

Financial Regulations set out roles and responsibilities in relation to sound financial management, to ensure the highest standard of probity in dealing with public money and to assist and protect staff in such dealings. Underpinning guidelines and instructions ensure robust and effective financial control.

Local Code approaches in this area are:

- Financial Regulations set out the framework within which the Council conducts financial transactions.
- Contract Standing Orders define the rules and procedures to be adopted when undertaking any procurement activity on behalf of Clackmannanshire Council.
- The Procurement Strategy is aimed at promoting effective procurement of goods and services across the Council.

CIPFA Good Governance Principles Alignment:

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

Information Management

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

Local Code approaches in this area are:

- The Digital Strategy 2019-25, as part of the wider Transformation Programme, sets out how Clackmannanshire Council will adopt the use of digital to support its vision.

CIPFA Good Governance Principles Alignment

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

Workforce Management

Workforce management includes all the processes needed to maintain a healthy, competent and productive workforce that ensures the Council provides good quality public services.

Local Code approaches in this area are:

- The Interim Workforce Strategy 2023-25 provides detail as to how the Council will set a foundation for workforce development and learning which will support the development of the Be the Future Targeting Operating Model (BtF TOM).

CIPFA Good Governance Principles Alignment:

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

Statutory Roles

Councils are required to make a number of statutory appointments. At a strategic level, the statutory roles are:

- Chief Executive Officer
- S95 Officer
- Monitoring Officer
- Chief Education Officer
- Chief Social Work Officer

Further information on the statutory appointments of officers can be found in the Scheme of Delegation.

Audit and Assurance

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

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

   Audit & Finance:

   - Receive, review and consider reports on the Council's finances;
   - Receive, review and consider reports on value for money and best value;
   - Consideration and monitoring of the Council's Annual Governance Statement;

- Consider internal audit reports and results of internal audit investigations;
- Consider external audit and resultant action plans;
- Monitor and review actions taken on internal and external audit recommendations;
- Consider the effectiveness of the Council's risk management procedures and the control environment; and
- Receive and consider reports on countering fraud and corruption.

Scrutiny:

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

2. The role of Council's Internal Audit function is to provide a balanced and evidence-based opinion to elected members on the adequacy of the Council's arrangements for risk management, governance, and control. To do this, the Internal Audit team must be:

   - independent;
   - objective in performing audit work; and
   - adequately resourced, experienced, qualified, and knowledgeable.

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

   The Public Sector Internal Audit Standards 2017 (PSIAS) require the preparation of a risk based Internal Audit Plan setting out the team's annual work programme. The Internal Audit plan for 2023/24 was agreed by the Audit & Scrutiny Committee on 20 April 2023. It proposed eighteen assignment areas, including two covering other bodies (the Clackmannanshire and Stirling Integration Joint Board, and the Central Scotland Valuation Joint Board).

   Internal Audit provides regular progress reports to the Audit and Scrutiny Committee and an annual Assurance report, which gives overall assurance on the Council's arrangements for risk management, governance, and control, based on Internal Audit work undertaken during 2023/24.

   The Annual Assurance Report 2023/24 by Internal Audit was presented to the Audit & Scrutiny Committee on 13 June 2024. On the basis of the work undertaken during the course of the year, Internal Audit provides LIMITED assurance in relation to the Council's arrangements for risk management, governance and control for the year to 31 March 2024.

Opinion of Internal Audit reviews carried out during 2023/24 showed a decreasing number of substantial assurance reports and increasing limited and no assurance opinions. There are also a significant number of recommendations arising from the 2023/24 audit reports in addition to the outstanding internal audit actions from previous years, so it is imperative that remedial action is taken on these recommendations as a matter of priority.

The Council's senior leadership team is committed to addressing internal audit findings as part of the Council's overall governance framework. A new improvement action for delivery in 2024/25 incorporates this.

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

The report to Council of 29th August 2024 sets out the findings arising from the work carried out by the External Auditors on the Audit of the 2022/23 Financial Statements. It includes recommendations around financial sustainability and enhancing governance of the Audit and Scrutiny Committee. These recommendations have been incorporated into the new improvement actions for 2024/25.

External audit also followed-up on recommendations made in previous audits. Four recommendations have been implemented fully and four implemented partially – the four partially implemented recommendations will carry forward as part of the review of 2023/24 and, as such, are also incorporated into the new improvement actions for 2024/25.

Deloitte LLP also conducted a Best Value themed audit 2022/23 on leadership of the development of new local strategic priorities. In a report to Council on 29th August 2024 its key messages were:

- The Council has a clear vision supported by revised priorities, and recently approved a revised and streamlined approach to monitoring performance.
- The Council has engaged with citizens and communities when developing the priorities.
- The Council's priorities have a focus on the need to reduce inequalities and its climate change commitments.
- An ambitious capital plan is in place, aligned to the Council priorities. Business plans, workforce plans and digital transformation are being refreshed and updated. We have recommended that a medium term financial plan is developed and aligned to the Council priorities.
- The leadership (both political and officer) has been effective in setting clear priorities but now needs to demonstrate sustainable plans for delivering them.

Of the two improvement actions raised, one has been completed and the other will form part of the new improvement actions for 2024/25.

4. Many individual services and functions are subject to inspection regimes and external audit. This includes, for example, Education Scotland and the Care Inspectorate. Findings and recommendations are reported to the relevant committee for scrutiny, review and ongoing monitoring of progress against improvement actions.

During 2023/24, the Community Learning and Development (CLD) service was praised after a visit from Education Scotland. His Majesty's inspectors found several key areas of positive progress:

- The leadership of CLD is strong and Council senior leaders value CLD;
- CLD leaders and partners have a clear focus on improving outcomes for learners and links with schools are strong;
- Senior leaders and partners use data and other information very well to identify existing and changing needs;
- CLD providers and their wider partners have a clear and consistent focus on meeting the needs of those facing additional challenges in their lives;
- Learners of all ages are supported well to gain skills for learning, life and work; and
- The report also stated that committed and ambitious volunteers run community groups and organisations that are supported effectively by partners, including the CLD service and Clackmannanshire Third Sector Interface.

Inspectors also noted CLD staff is a key part of the Family Wellbeing Partnership (FWP) and the FWP approach is strengthening partnership collaboration and engagement with communities, as well as attracting additional funding into Clackmannanshire to increase support for children, young people and their families.

The visit also highlighted a well-established culture of learning from, building on and sharing successful work across CLD partners. Communities and learners are consulted regularly about their needs and priorities and their feedback influences CLD provision.

There was praise for the partnership work with Columba 1400 which has engaged a significant number of learners, practitioners and senior leaders in value-based leadership academies.

The Wimpy Park Community Group, who redeveloped a walled garden space under a 25-year lease from the Council, was cited as a strong example of community members delivering a large-scale infrastructure project that is benefiting the wider community.

Significant Governance Issues

Following on from previous external audit findings and recommendations, movement has been made in terms of resourcing and supporting the Finance function. The Council continues to work on ensuring the finance team is adequately resourced to prepare a comprehensive set of unaudited accounts and provide the necessary working papers in a timely manner to support the audit process. Following the finalisation of the restructure in Revenues, a review of the Finance structure has commenced.

With limited assurance provided by Internal Audit in relation to the Council's arrangements for risk management, governance and control there is now a closer focus on Internal Audit actions being reported more regularly. This means tighter internal control and scrutiny that they are being completed.

Emphasis continues on the knowledge and capacity of elected members of what good governance looks like. Work is underway on developing training programmes for elected members based on self-evaluation of training and development needs.

Resources and capacity to deliver Council services that meet our citizens' needs and expectations remains challenging. To help combat this we are proactively managing our work through medium-term forward planning and streamlining work through collaboration and shared expertise, where possible. Our Digital Transformation ambitions emphasise our intent to work smarter. This includes transforming our internal infrastructure to create a modern workplace and a digital council, and improving the employee experience by making it easier to carry out everyday tasks through maximising our digital tools and apps. Any new models of service delivery will be to improve our business capability, make us more flexible and ensure our responsiveness is focused on customer needs.

Much of our governance improvement actions are not simple or quick tasks. Rather, they require significant resources, skills and considered engagement with key stakeholders over lengthy periods of time. The Council is dedicated to addressing our governance issues and to continuously reviewing our governance arrangements that ensures accountability to both internal and external auditing requirements.

Review of Effectiveness of Local Code

We have a responsibility for reviewing, at least annually, the effectiveness of our governance framework, including the system of internal control. The review is informed by a wide range of evidence, including:

- The work of the members of the Extended Strategic Leadership Group, who have responsibility for the development and maintenance of the governance environment;
- The Internal Audit Annual Assurance Report;
- Reports provided by our External Auditor (currently Deloitte LLP);
- Reports from other external review bodies, agencies and inspectorates;
- A two-stage internal Governance review process involving team leaders, service managers and senior leaders. Stage one reviews the local code to make sure that it reflects the approaches that are most significant to the achievement of Council priorities and desired outcomes, and that the approaches are fit for purpose. The second stage of the review is to check that the approaches are implemented in all relevant areas and identify areas for improvement; and
- The completion of signed Certificates of Assurance by Strategic Directors confirming their opinion that the identified areas for improvement and associated action plan will address any current issues or risks.

The annual Governance review identifies areas for improvement. Resulting actions are tracked using the Council's performance management system.

Progress made on areas for improvement contained in the 2022/23 AGS

Code	Description	Carried forward from	Latest Note
AGS 020 003	An updated Risk Management Framework will be finalised.	31-Mar-2023	Complete. Corporate Risk Management Strategy was approved and implemented in 2023. The first annual report on progress relating to the strategy was presented to Audit and Scrutiny Committee in August 2024.
AGS 020 004	Covid Recovery plans will be reviewed to ensure alignment with Be the Future.	31-Mar-2023	Complete. Covid recovery plans were developed and submitted to Council as part of regular Be the Future updates. These have since transitioned back to focussing on transformation activity whilst business plans focus on service delivery. No further work on Covid recovery is planned.
AGS 020 006	Action will be taken to ensure that new Hate Crime legislation is reflected in key Council policies.	31-Mar-2021	Complete. Hate crime is a key action in the Council's Mainstreaming Equalities and Diversity outcomes approved by Council.
AGS 020 011	The review of the Sustainability and Climate Change Strategy will be completed, followed by engagement with key stakeholders. A full Climate Change Strategy will be presented to Council in Autumn 2023.	31-Mar-2023 Autumn 2023	Complete. A Strategic Environmental Assessment was completed in Summer 2025 and published alongside the updated draft Climate Change Strategy for a second round of public consultation. Following this the Climate Change Strategy, incorporating the assessment, was approved by Council in October 2025.
AGS 020 015	A Digital Transformation Delivery Plan and Road Map will be developed, informed by the Audit Scotland report and the outcome of the Digital Maturity Assessment.	31-Mar-2021	Progressing. The updated roadmap (also incorporating the Data Insights programme) for the next 5 years has been approved and is in delivery. Regular reports on this are provided to Be the Future Board. A refreshed Digital strategy (now including AI) has been drafted to include alignment with UK and SG national strategies. This is on track to be completed by June 26.

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Code	Description	Carried forward from	Latest Note
AGS 021 001	The Governance assurance process will be reviewed, to ensure it is effective and proportionate.	31-Mar-2023	Progressing. Annual Governance Assurance process has been reviewed with scope of stakeholders inputting to the activity extended to include Team Leaders as well as Senior Leaders for more robust input. A rolling programme of governance learning and development opportunities for TLF and SLF in 2024-25 based around the Council's eight governance themes has been created and implemented.
AGS 021 002	The review of the Scheme of Delegation will be completed after the conclusion of the Council restructure.	31-Mar-2023	Progressing. The Financial Regulations were reviewed and approved by Council in June 2023. Reconciliations were completed on a timely basis during 2023/24. Capacity issues within Legal Services along with review of the Integration Scheme has delayed work on the Scheme of Delegation. It is hoped that this will be completed towards March 2026.
AGS 021 003	A detailed review of Standing Orders will be undertake, with the aim of consolidating incremental changes that have been made in recent years, improving clarity and ensuring Standing Orders remain fit for purpose. Training will be provided for elected members.	31-Mar-2023	Progressing. Benchmarking activity has been undertaken on other local authorities' standing orders. Capacity issues within Legal Services have inhibited progress, but it is anticipated to complete review of Standing Orders by March 2026.
AGS 021 005	Options for enhancing arrangements for Fraud Risk Management will be investigated as part of the restructure of the Legal & Governance service.	31-Mar-2023	Progressing. Approaches to managing the risk of fraud and serious organised crime have been reviewed and a demand pressure was approved in the Budget for 2025/26 to allow the recruitment of a Fraud Officer which is underway. The Council is also looking to put in place training in combating fraud and corruption for Directors, Senior Managers and other key officers during 2025/26 (AGS 022 014).

Code	Description	Carried forward from	Latest Note
AGS 021 006	The Local Outcome Improvement Plan will be refreshed and a Wellbeing Local Outcome Improvement Plan will be developed. Complete refresh of the wellbeing economy Local Outcome Improvement Plan 2023-2033.	31-Mar-2023 December 2023	Complete. The timescales for both the refresh of the Local Outcomes Improvement Plan and the operating arrangements and Memorandum of Understanding were extended following agreement to extend the consultation and engagement approach on the LOIP. The wellbeing Local Outcomes Improvement Plan for 2024-34 was agreed by the Clackmannanshire Alliance and Clackmannanshire Council in December 2024.
AGS 021 007	Clackmannanshire Alliance operating arrangements and structures, including the Memorandum of Understanding, will be refreshed. Complete update of the Clackmannanshire Alliance Memorandum of Understanding and related operating arrangement.	31-Mar-2023 March 2024	Progressing. The Alliance Board has agreed to revise the operating arrangements and MOU following the approval of the LOIP. A self-assessment and development exercise is planned during 2025/26.
AGS 021 008	The Council's Customer Charter will be refreshed. Finalise and publish the Customer Charter and Unacceptable Behaviour Policy.	31-Mar-2023	Complete. The Council's Customer Charter and Customer Contact Policy (aka Unacceptable Behaviour Policy) was approved by Council in 2023 with communications issued through the Council's intranet (CONNET), staff publication (CONNECTED) and the managers' cascade process. The Council's Consultation Toolkit has been refreshed and published with organisational communications undertaken.

Code	Description	Carried forward from	Latest Note
AGS 021 009	The refresh of the Communications Strategy will be finalised. Finalise the Corporate Communications Strategy following consultation on the draft.	31-Mar-2022 December 2023	Progressing. As part of Be the Future transformation programme agreed by Council, consultants were engaged to lead the development of the Councils communication and engagement strategy. Significant progress has been made in relation to the refresh of the communications and engagement strategy and refresh of the social media policy. Since July 2025 Clark Communications have undertaken a review of existing comms and engagement approaches and through engagement with a range of stakeholders are preparing findings and improvement recommendations through the revised strategy. Engagement has taken place with employees, elected members, external stakeholders and residents through a survey and focus groups. A media and social media audit has also been undertaken to inform recommendations. A draft report is anticipated during the last quarter of 2025/26.
AGS 021 012	Information on Sustainable Asset Management on the Council website will be improved to make it clearer and more accessible.	31-Mar-2023	Complete. There is extensive support and guidance, as well as information available on the Council website, around the Housing Improvement Programme and Community Asset Transfer. During 2024-25 the approach was firmed up and deployed. Communication and accessibility to information is an integral and ongoing action for reviewing all strategic approaches as part of the review of the Communication Strategy work.

Code	Description	Carried forward from	Latest Note
AGS 021 013	Further guidance and training on Financial Governance and financial system processes will be rolled out, including promoting awareness of the management information produced by the finance system to assist decision making.	31-Mar-2023	Complete. Session with Senior Leadership Forum and wider staff was held on governance and contract standing orders. It was delivered by McRoberts in December 2023. A rolling programme on governance, including financial management, for TLF and SLF was implemented in 2024-25.
AGS 021 015	Debt recovery processes will be reviewed to ensure Council is recovering debts due.	31-Mar-2022	Complete. Debt recovery processes were reviewed in Q3 2023 and embedded into operations.
AGS 021 016	Additional support will be secured for Procurement and Community Wealth Building work.	31-Mar-2022	Complete. Due to difficulties in recruiting a skilled Procurement resource, the Procurement Assistant vacancy remains vacant and the funds are being used to pay for additional external legal support to assist with complex procurements from August 2024. For Community Wealth Building, resource was acquired to provide training to Staff and Elected members and also to analyse our work. Performance has increased in this area.
AGS 021 017	The Information and Communication Technology (ICT) Strategy and ICT Asset Management Plans will be finalised.	31-Mar-2022	Progressing. Work continues to progress this action as part of a full programme of ICT policy refresh with oversight provided by the Technical Design Authority and IT and Digital Programme Board. A high-level ICT Strategy is in place and the ICT Asset Management Strategy is being refreshed as part of the wider ICT policy programme.

Code	Description	Carried forward from	Latest Note
AGS 021 018	Remaining outstanding actions in the Workforce Programme will be completed.	31-Mar-2022	Complete. The Council's workforce programme has now concluded, following submission of a Programme close down report to the Strategic Oversight Group (SOG) in September 2022. Any remaining actions within this programme have been captured as part of the Interim Workforce Strategy (2023-25).
AGS 021 019	The feasibility of introducing a structured approach to the publication of policies and strategies will be investigated, to ensure they are accessible and up to date.	31-Mar-2022	Progressing. A matrix of strategies, plans and policies has been developed and is published on the Council's website. As part of business planning these will be mapped across to ensure integrated plans are in place and there is regular reporting and scrutiny of plans.
AGS 022 001	Financial Regulations Review.	31-Mar-2023	Complete. Approved in June 2023.
AGS 022 002	Contract Standing Orders Review.	31-Mar-2023	Progressing. Significant progress has been made with external legal support. This was awaiting the impact of the change in English Procurement legislation which came into force late February 2025. Aiming for approval by March 2026.
AGS 022 003	Procurement Strategy Review.	31-Mar-2023	Progressing. The Procurement Strategy Action Plan was updated within the Procurement Annual Report approved at committee in October 2024. Initial work has taken place to review and update the Procurement Strategy, aiming for approval by March 2025.

Code	Description	Carried forward from	Latest Note
AGS 022 004	Corporate Plan refresh will be undertaken	31-Mar-2023	Complete. A Corporate Statement of Priorities was agreed by Council in October 2023 and implemented, superseding the Corporate Plan approach. The corporate priorities for 2024-25 were confirmed as part of the Budget approved by Council in March 2024. This is now an annual exercise going forward.
AGS 022 005	Information and knowledge management programme of work will be scoped and capacity, resources and roles and responsibilities identified.	31-Mar-2023	Progressing. A programme of work is underway reviewing archiving of documents using Scottish Council on Archives Record Retention Schedules (SCARRS) guidance. A newly qualified Data Protection Officer is now in role as well as a dedicated lawyer to deal with data legislation.
AGS 022 006	The Strategic Workforce Plan 2019–2022 will be replaced with an updated and refreshed Strategic Plan covering 2022–2025. This will be jointly developed in line with review of the LOIP and Corporate Plan. Development of the interim 2 year workforce plan (2023-25). Development of the 3 year Strategic Workforce plan (2025-28).	31-Mar-2023 August 2023 March 2024	Complete. The Interim Strategic Workforce Plan 2023-25 was approved by Council in September 2023. The revised Strategic Workforce Plan 2025-28 will be aligned with the proposed Target Operating Model. A high-level overview will be presented to Council in early 2026, followed by a comprehensive plan and accompanying action plan. These will be informed by the outcomes of Workforce Planning Events held across each Directorate.
AGS 022 007	A communication plan will be developed to roll out across the Council in order to raise awareness of the new Strategic Workforce plan and underpinning workforce programme.	31-Mar-2023	Complete.

Code	Description	Carried forward from	Latest Note
AGS 022 008	Workforce Planning events will be undertaken within each Directorate and the outputs of these will inform the overall Strategic Plan. Portfolio workforce planning events.	31-Mar-2023 August 2023	Completed as far as possible for 2023-25 interim Workforce Plan. The revised Strategic Workforce Plan 2025-28 will be aligned with the proposed Target Operating Model. A high-level overview will be presented to Council in early 2026, followed by a comprehensive plan and accompanying action plan. These will be informed by the outcomes of Workforce Planning Events held across each Directorate.
AGS 022 009	Focused SLF sessions regarding good corporate governance e.g. procurement, financial regulations, Legal, HR processes.	31-Mar-2023 March 2024	Complete. SLF session was undertaken on governance procurement. Annual Senior Leadership Forum (SLF) and Team Leaders Forum (TLF) event programme in place focussed on CIPFA Local Code of Governance themes.
AGS 022 010	Continue to develop approaches to engaging 'hard to reach groups', both through training and development provision, career progression, and ongoing engagement with the Council.	31-Mar-2023 March 2024	Complete. Developments on approaches for hard to reach groups continues as an on going concern. Mandatory training approaches have been developed to support non PC facing staff members. Additional approaches continue to be developed in conjunction with the Clyde Valley Learning and Development Group.
AGS 022 011	Implement and track progress with the outputs of the Trueman Change Capacity and Skills Audit, ensuring that recommendations where applicable are included within the Strategic Workforce Plan 2022-25. These will be incorporated in the Interim Plan.	31-Mar-2023 August 2023	Complete. All actions from the Trueman Change Capacity Audit have been captured within the Interim Workforce Strategy 2023-25. This strategy is monitored via regular reporting to the Audit & Scrutiny Committee as well as oversight with the Interim Workforce Strategy Implementation Group.
AGS 022 012	Financial reconciliations will be completed more regularly, with review and evidencing of reconciliations strengthened.	31-Mar-2023	Complete.
AGS 022 013	A schedule for reviewing access to core systems will be introduced.	31-Mar-2023	Complete.

Code	Description	Carried forward from	Latest Note
AGS 022 014	Training in combating fraud and corruption for Directors, Senior Managers and other key officers will be rolled out.	31-Mar-2023	Progressing. Work ongoing between Strategy and Performance, Organisational Development, Legal and Internal Audit to develop training requirements for a course that would meet the learning needs of both officers and Elected Members. Thereafter to source external training with the anticipation it is rolled out during 2025/26. Noted the external audit recommendation that the council should review and update its antifraud arrangements and policies and ensure these are clearly communicated to staff.
AGS 022 015	A new Whistleblowing Policy will be introduced.	31-Mar-2023	Complete. A new Whistleblowing Policy was approved by Council in October 2023.
AGS 023 026	Complete the review of the social media policy and guidelines.	31-Mar-2024	A draft social media policy has been developed and will be consulted on in line with action AGS 021 009.

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Improvement Plan

The following improvement actions have been agreed for delivery during 2024/25:

Agreed Action	Due By	Lead
Contribute to the review and seek approval of the governance for the Integration Joint Board (NHS FV, Clacks and Stirling) Integration Scheme led by the IJB.	31-Dec-2024	Lee Robertson
Procure and initiate implementation for a new legal case management / document management system.	31-Mar-2025	Lee Robertson
A skills analysis and self-evaluation process should be carried out to assess the skills for each elected member. Personal development plans should then be developed and tailored to individual members needs.	31-Dec-2024	Lee Robertson
Complete all outstanding Internal Audit actions.	31-Dec-2024	Chris Alliston
The Audit and Scrutiny Committee to be enhanced by: a) allocating provisional times for each item on the agenda to help manage the meetings within the set timeline; b) formalising the arrangement for substitute members with specific expertise within the Committee's Terms of Reference; c) receiving regular updates from management on progress with the implementation of internal and external audit recommendations.	31-Mar-2025 31-Aug-2024 31-Mar-2025	Chris Alliston
To review and update our corporate self-assessment approach and findings to ensure it informs our continuous improvement and transformation journeys.	31-Oct-2024	Cherie Jarvie
To roll out a learning and development programme for 2024-25 that is structured around the eight CIPFA local codes of governance themes to increase awareness and understanding of our local code of governance across team leaders and senior managers.	31-Oct-2024	Alastair Hair
Review the Council's Complaints Policy and procedure and implement training accordingly.	31-March-2025	Cherie Jarvie and Lee Robertson
Review Learning Estate Strategy with Education colleagues (Phase 1).	31-Mar-2025	Alison Morrison
Seek Council approval for and implement the new Climate Change Strategy to replace the Interim Climate Change Strategy.	31-Dec-2024	Emma Fyvie
Undertake Housing Needs and Demand Assessment (HNDA).	31-Mar-2025	Murray Sharp
Prepare Alloa Town Centre Master Plan.	31-Mar-2025	Emma Fyvie
Develop a corporate Asset Strategy.	31-Mar-2025	Alison Morrison and Wendy Robertson
Financial monitoring process to be reviewed to reduce complexity.	31-Mar-2025	Lindsay Sim
The Council should set out within its budget papers any other specific risks that impact on the achievement of a balanced financial position and what mitigating action the Council has planned to manage these risks.	31-Mar-2025	Lindsay Sim
The finance monitoring reports should be expanded to give members an update on progress with the use of the	31-Oct-2024	Lindsay Sim

Agreed Action	Due By	Lead
earmarked reserves to ensure that they are being actively monitored and being applied for the purposes intended.		
The budget strategy reports will be reviewed and enhanced to incorporate the recommendations of the Audit Scotland's report in June 2014 Scotland's public finances.	31-Mar-2025	Lindsay Sim
More work is required to build the detail behind each transformation project and fully align this to the financial strategy by: a) Adding greater detail about individual projects; b) Setting clear timelines for each project; c) Assessing the resources and support required to deliver these projects (taking into account the resources that are already identified); and d) Developing a benefits realisation tracker to assess whether the Council has achieved its aims.	31-Dec-2024	Wendy Robertson
The process for identifying surplus assets, impairment and accounting for revaluations should be strengthened to ensure they can be accurately captured in the financial Statements.	31-Mar-2025	Lindsay Sim
To develop a strategic approach to improving information and knowledge management that incorporates data insights and findings of the Data Maturity Assessment.	31-Mar-2025	Wendy Robertson
Refresh the Digital Strategy.	31-Mar-2025	Wendy Robertson
Create and implement strategic approaches that define data security and good governance on data captured, including reviewing the Retention Schedule, in line with M365 integration.	31-Mar-2025	Lee Robertson and Cherie Jarvie
Develop and implement a new automated system around complaints, comments, concerns and compliments that includes online forms, case management and performance reporting.	31-Mar-2025	Wendy Robertson and Lee Robertson
The council should ensure that the finance team is adequately resourced to prepare a comprehensive set of unaudited accounts and provide the necessary working papers in a timely manner to support the audit process.	31-Mar-2025	Lindsay Sim
Review Stress Risk Assessment Process.	31-Mar-2025	Alastair Hair

Statement of Assurance

We are satisfied that Clackmannanshire Council's Governance arrangements remain fit for purpose.

Areas for improvement set out above will be addressed to further improve the effectiveness of our Governance arrangements and will include an update on progress in 2024 AGS.

Nikki Bridle
Chief Executive
24 April 2026

Ellen Forson
Leader of the Council
24 April 2026

CLACKMANNANSHIRE COUNCIL
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Remuneration Report

General

Elements of the remuneration report are subject to audit, throughout the report the relevant sections have been noted as audited where applicable. The other sections of the Remuneration Report have been reviewed for consistency by the external auditors as detailed in the Independent Auditor's Report. The results presented in the tables comprising Clackmannanshire Council's Remuneration Report for 2023/24 reflect the following contextual factors:

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

Remuneration Arrangements

Councillors

The remuneration of Councillors is regulated by the Local Government (Scotland) Act 2004 (Remuneration) and Regulations 2007 (SSI No. 2007/183), amended by SSI 2023/21. The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure.

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

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

- Leader of the Council £33,503 (2022/23 £32,622);
- Civic Head (Provost) £25,128 (2022/23 £24.467) maximum remuneration is 75% of the sum payable to the leader; and
- Senior Councillors £22,613 (2022/23 £22,019).

The Regulations also set out that Clackmannanshire Council (Band A) is eligible to appoint a maximum of 8 Senior Councillors. Total remuneration available for Senior Councillors is based on a calculation detailed in Councillors' Remuneration Guidance. The total annual amount payable by the Council for remuneration to all its Senior Councillors shall not exceed £180,905 (2022/23 £176,150).

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

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

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

Joint Boards

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

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

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

No Councillors undertook the roles of Convenor or Vice-Convenor of the Clackmannanshire and Stirling Integration Joint Board in 2022/23 or 2023/24 therefore no additional payments were made.

Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular IR 11-23 sets the amount of salary for the Chief Executive of Clackmannanshire Council for the period April 2023 to March 2024. Senior employees do not receive any other benefits.

Disclosure of Remuneration for Relevant Persons

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Remuneration Report

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

			Total Remuneration	
Post holder	**Position**	**Dates**	**2022/23 £**	**2023/24 £**
Ellen Forson	Leader of the Council Spokesperson for Partnership, Third Sector and Digital Strategy	from 12/4/18 to 4/5/22 & from 22/5/22 from 2/2/23	30,976	33,507
Tina Murphy	Provost	from 1/6/17 to 4/5/22	2,374	-
Donald Balsillie	Spokesperson for Audit and Finance Chair of Planning Committee Provost	from 1/2/19 to 4/5/22 from 1/6/17 to 4/5/22 from 25/5/22	22,995	25,128
Denis Coyne	Chair of Planning Committee	from 25/5/22	18,771	22,615
Graham Lindsay	Spokesperson for Education	From 28/6/17 to 4/5/22 & from 22/5/22	20,908	22,615
Les Sharp	Spokesperson for Health & Social Services	from 12/4/18 to 4/5/22	2,137	-
Craig Holden	Spokesperson for Environment & Housing Valuation Joint Board - Depute Convenor Spokesperson for Partnership, Third Sector and Digital Strategy	from 25/06/20 to 4/5/22 from 26/6/17 to 4/5/22 from 25/5/22 to 9/12/22	14,051	-
Helen Lewis	Spokesperson for Partnership and Third Sector	To 4/5/22	2,137	-
Dave Clark	Chair of Audit Committee	from 1/07/21 to 4/5/22	2,137	-
Kenny Earle	Chair of Licensing Board Chair of Audit and Scrutiny Committee	from 20/6/17 to 04/5/22 and from 25/5/22 from 25/5/22 to 4/4/23	20,908	-
Phil Fairlie	Convener of Council	from 25/5/22	18,771	22,615
Scott Harrison	Spokesperson for Sport, Leisure and Active Living	from 25/5/22	18,771	22,615
Fiona Law	Spokesperson for Environment and Net Zero	from 25/5/22	18,771	22,615
Jane McTaggart	Spokesperson for Housing and Property	from 25/5/22	20,402	22,615
Janine Rennie	Chair of Audit and Scrutiny Committee	From 4/4/23	-	22,652
Total Remuneration			**214,109**	**216,977**

Notes

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

Remuneration Paid to Councillors

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

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

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

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

The annual return of Councillors' salaries and expenses for 2023/24 is available for any member of the public to view at all Council libraries and public offices during normal working hours and is also available on the Council's website https://www.clacks.gov.uk under 'Remuneration to Elected Members'.

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

Name and Positions held during the year	Total Remuneration 2022/23 £	Total Remuneration 2023/24 £
Nikki Bridle • Chief Executive	116,862	123,932
Stuart Crickmar • Strategic Director - Partnership & Performance	101,506	107,647
Pete Leonard • Strategic Director – Place	101,506	107,647
Fiona Colligan • Strategic Director – Transformation (to 31/03/23)	101,506	-
Lorraine Sanda • Strategic Director - People	101,506	107,647
Catherine Quinn • Chief Education Officer (Interim) from 21/12/20 to 31/08/22 (Annual Salary £86,457)	35,651	-
Colin Bruce • Chief Education Officer	57,638	91,688
Sharon Robertson • Chief Social Work Officer	82,235	87,210
Lindsay Sim • Chief Finance Officer	82,236	87,210
Lee Robertson • Monitoring Officer and Senior Manager Legal	71,147	75,451
Total	**851,793**	**788,432**

Notes to Remuneration of Senior Employees of the Council

1. The senior employees in the table include all those employees who have responsibility for management of the Council to the extent that the person has power to direct or control the major activities of the Council (including activities involving the expenditure of money) during the year to which the Report relates whether solely or collectively with other persons, or who hold a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989.
2. Pay award as follows:

For employees paid the Scottish Local Government Living Wage and national Spinal Column Points (SCP) 19 to 23, an increase in the hourly rate of £1.04. For employees paid at national SCP 24-43 a £1.00 uplift in hourly rate, or a 5% uplift followed by 2.5% uplift (both percentage uplifts effective from 1 April 2023) whichever is worth more. For employees paid at national SCP 44-64 a £1.00 uplift in hourly rate, or a 5% uplift followed by 1.5% uplift (both percentage uplifts effective from 1 April 2023) whichever is worth more. For employees paid at national SCP 65-123 a 5% uplift followed by 1% uplift (both effective from 1 April 2023).

3. The Chief Executive remuneration is in line with national agreement between Scottish Joint Negotiating Committee (SJNC) and Association of Local Authority Chief Executives (ALACE) includes a pay award of 6.05%, the annual salary is £123,932.
4. The table includes salaries paid by Scottish Care Inspectorate for the Chief Social Work Officer Sharon Robertson who was on secondment in 2022-23.
5. Total remuneration for senior employees' remuneration includes salary, fees and allowances. There were no bonuses, taxable expense, compensation for loss of office or benefits other than in cash paid to any of the Senior Employees in 2023/24 or 2022/23.

General Disclosure by Pay Band (Audited)

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

Remuneration Band	**Signed 2022/23** Number of employees	**Restatement change** Number of employees	**Restated 2022/23** Number of employees	**No of Employees 2023/24** Number of employees
£50,000 - £54,999	68	7	75	70
£55,000 - £59,999	24	4	28	54
£60,000 - £64,999	39	(7)	32	25
£65,000 - £69,999	20	5	25	37
£70,000 - £74,999	16	(5)	11	21
£75,000 - £79,999	6	-	6	13
£80,000 - £84,999	2	(1)	1	5
£85,000 - £89,999	-	-	-	2
£90,000 - £94,999	2	-	2	2
£95,000 - £99,999	1	-	1	1
£100,000 - £104,999	4	-	4	1
£105,000 - £109,999	-	-	-	3
£110,000 - £114,999	-	-	-	-
£115,000 - £119,999	1	-	1	-
£120,000 - £124,999	-	-	-	1
	183	**3**	**186**	**235**

* This table has been revised to reflect gross pay whereas previously it had been based on pay subject to National Insurance.

Pension Benefits

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

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

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

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

From 1 April 2015 contribution rates were:

Whole Time Pay 2023/24 (2022/23) For pay between:		**Contribution rate 2023/24 (between %)**	**Contribution rate 2022/23 (between %)**
£0	£26,044 (£23,676)	5.5	5.5
£26,045 (£23,677)	£33,887 (£30,765)	5.6 - 6.0	5.6 - 6.0
£33,888 (£30,766)	£42,550 (£38,635)	6.1 - 6.5	6.1 - 6.5
£42,551 (£38,636)	£60,005 (£54,488)	6.6 - 7.5	6.6 - 7.5
£60,006 (£54,489)	£67,601 (£61,386)	7.6 - 8.0	7.6 - 8.0
£67,602 (£61,387)	£90,516 (£82,194)	8.1 - 9.0	8.1 - 9.0
£90,517 (£82,195)	£136,935 (£124,346)	9.1 – 10.0	9.1 – 10.0
£136,936 (£124,347)	And above	10.1 & over	10.1 & over

*Source: Scottish Public Pensions Agency, Contributions.

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

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

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

The pension entitlements for Senior Councillors who have elected to join the pension scheme for the year ended 31 March 2024 are shown in the table below, together with the contribution made by the Council to each Senior Councillors' pension during the year.

Table 3 (Audited): Senior Councillors Pension Benefits

		Pension Contributions		Accrued Pension Benefits			
		2022/23	2023/24	Difference to 2022/23		As at 31 March 24	
Post Holder	Position	£	£	Pension £'000	Lump Sum £'000	Pension	Lump Sum
Ellen Forson	Leader of the Council	7,199	7,707	1	-	7	-
Tina Murphy	Provost	-	-	-	-	-	-
Donald Balsillie	Spokesperson for Audit and Finance Chair of Planning Committee Provost	5,403	5,779	1	-	8	2
Denis Coyne	Chair of Planning Committee	2,816	-	-	-	-	-
Graham Lindsay	Spokesperson for Education	4,934	5,201	-	-	3	-
Les Sharp	Spokesperson for Health & Social Services to 4/5/22	481	-	-	-	-	-
Helen Lewis	Spokesperson for Partnership & Third Sector to 4/5/22	481	-	-	-	-	-
Martha Benny	Chair of Audit Committee to 23/8/21	4,404	-	-	-	-	-
Dave Clark	Chair of Audit Committee to 4/5/22	481	-	-	-	-	-
Kenny Earle	Chair of Licensing Board Chair of Audit and Scrutiny Committee to 4/4/23	4,934	4,625	1	-	7	-
Phil Fairlie	Convener of Council	4,453	5,201	1	-	1	-
Scott Harrison	Spokesperson for Sport, Leisure and Active Living	4,453	5,201	1	-	1	-
Fiona Law	Spokesperson for Environment and Net Zero	4,453	5,201	1	-	1	-
Jane McTaggart	Spokesperson for Housing and Property	4,880	5,201	-	-	2	-
Janine Rennie	Chair of Audit and Scrutiny Committee	-	5,214	1	-	1	-
Total		**49,372**	**49,330**	**7**	**-**	**31**	**2**

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

Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2024 are shown in the table below, together with the contribution made by the Council to each Senior Employees' pension during the year.

Table 4 (Audited): Senior Employees Pension Benefits

Name and Post Title	Pension Contributions		Accrued Pension Benefits			
	2022/23	2023/24	Increase/(decrease) from 31 March 2023		As at 31 March 2024	
	£	£	£'000	£'000	£'000	£'000
			Pension	Lump Sum	Pension	Lump Sum
Nikki Bridle Chief Executive	26,294	28,504	6	4	62	76
Stuart Crickmar Strategic Director – Partnership & Performance	22,839	24,759	5	4	53	67
Pete Leonard Strategic Director - Place	22,839	24,759	3	-	11	-
Fiona Colligan Strategic Director – Transformation From 1/3/21 to 31/3/23	22,839	-	-	-	-	-
Lorraine Sanda Strategic Director - People	22,839	24,759	4	-	16	-
Catherine Quinn Chief Education Officer (Interim) from 21/12/20 to 31/08/22	7,719	-	-	-	-	-
Colin Bruce Chief Education Officer from 1/8/22	12,969	21,088	2	-	3	-
Sharon Robertson Chief Social Work Officer	13,980	20,058	2	-	39	54
Lindsay Sim Chief Finance Officer	18,503	20,058	3	1	33	28
Lee Robertson Monitoring Officer and Senior Manager Legal	16,008	17,354	2	-	8	-
Total	**186,829**	**181,339**	**27**	**9**	**225**	**225**

Notes

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

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

Termination Benefits (Audited)

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

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

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

		Total Number of exit packages by Cost band		Total Cost of exit packages by Cost band	
Cost Bands		**2022/23**	**2023/24**	**2022/23**	**2023/24**
				£	£
£0	£20,000	1	9	1,713	52,594
£20,001	£40,000	1	2	27,374	45,437
£40,001	£60,000	1	-	48,147	-
£60,001	£80,000	-	2	76,505	140,012
£80,001	£100,000	1	1	-	86,405
Total		**4**	**14**	**153,739**	**324,448**

Paid Time-off provided to Trade Union Representatives

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

Relevant Union Officials

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

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

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

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

Of the total pay bill, £106k (0.10%) related to facility time undertaken during the year.

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

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

Nikki Bridle
Chief Executive
24 April 2026

Ellen Forson
Leader of the Council
24 April 2026

Independent auditor's report to the members of Clackmannanshire Council and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Clackmannanshire Council and its group for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Expenditure and Funding Analysis and notes to Expenditure and Funding Analysis, Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, and Cash Flow Statement, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Account, and the Non-domestic Rate Account, the Common Good Account, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2024 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the council and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. We believe that the audit evidence We have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the council and its group. However, we report on the council's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that We identified and our judgements thereon.

Responsibilities of the Chief Finance Officer and Clackmannanshire Council for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The Clackmannanshire Council is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- Using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the council and its group;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the council and its group;
- inquiring of the Chief Finance Officer concerning the policies and procedures of the council and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014, the Local Government in Scotland Act 2003 and the Public Bodes (Joint Working) Scotland Act 2014.

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the capital expenditure. Where the Council develops properties as part of its capital programme, determining whether or not expenditure should be capitalised can involve judgement as to whether the costs should be capitalised under IFRS. The increasing pressures on the revenue budgets increases the risk of amounts being incorrectly capitalised. In response to this work, we have evaluated significant judgements made by management in regard to capital projects, including the capitalisation of staff costs and other project development costs. In addition, we have tested a sample of capital expenditure to confirm that they have been correctly capitalised.

In accordance with Practice Note 10 (Audit of financial statements of public sector bodies in the United Kingdom), in addition to the presumed risk of fraud in revenue recognition set out in ISA (UK) 240, auditors of public sector bodies should also consider the risk of fraud and error on expenditure. This is on the basis that most public bodies are net spending bodies, therefore the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition. Based on our understanding of the Council and its control environment, we have concluded there is no significant fraud risk in relation to recognition of expenditure. We have, however, highlighted this as an area of focus in our audit plan and performed procedures including the testing of samples of accruals and prepayments and sample testing of year-end creditor balances.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are

indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management, internal audit and internal legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Remuneration Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been

prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Stephen Craig, FCA (for and on behalf of Deloitte LLP)
2 New Street Square
London
EC4A 3BZ
United Kingdom

24 April 2026

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24

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

This statement shows the accounting cost in the year of providing services in accordance with proper accounting practices rather than the amount to be funded from taxation. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government in Scotland Act 2003. Councils raise taxation to cover expenditure in accordance with regulations, this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2022/23 Gross Expenditure £'000	2022/23 Gross Income £'000	2022/23 Net Expenditure /(Income) £'000		Note	2023/24 Gross Expenditure £'000	2023/24 Gross Income £'000	2023/24 Net Expenditure /(Income) £'000
101,365	(7,194)	94,171	People		98,084	(7,459)	90,625
26,901	(23,282)	3,619	Partnership and Performance		25,471	(22,099)	3,372
43,721	(12,923)	30,798	Place		45,618	(14,022)	31,596
19,119	(20,516)	(1,397)	Housing Revenue Account		21,546	(21,282)	264
1,372	(1)	1,371	Corporate Services		1,372	(1)	1,371
65,739	(38,754)	26,985	Clackmannanshire and Stirling Integration Joint Board		65,497	(39,174)	26,323
453	-	453	Central Scotland Valuation Joint Board		462	0	462
258,670	**(102,670)**	**156,000**	**Cost of Services**		**258,050**	**(104,037)**	**154,013**
(201)	-	(201)	(Gain)/Loss on sale of non-current assets		(210)	-	(210)
12,878	(1,489)	11,389	Financing and Investment Income and Expenditure	9	9,755	(4,204)	5,551
-	(143,553)	(143,553)	Taxation and Non-Specific Grant Income	10	-	(154,160)	(154,160)
271,347	**(247,712)**	**23,635**	**(Surplus) or Deficit on Provision of Services**		**267,595**	**(262,401)**	**5,194**
		(16,926)	(Surplus)/Deficit on revaluation of non-current assets	24			(9,548)
		12,061	(Gain)/Loss on non-current asset to the revaluation reserve	24			3,545
		(131,048)	Remeasurement of the net defined benefit liability / (asset)	24			16,266
		(135,913)	**Other Comprehensive (Income) and Expenditure**				**10,263**
		(112,278)	**Total Comprehensive (Income) and Expenditure**				**15,457**

The Council acted as an agent on behalf of the Scottish Government in the administration of grants to business and individuals during the Covid-19 pandemic and the Cost of Living Crisis. There were no such payments in 2023/24. In 2022/23 there were £1.091m of expenditure and income which is not shown within the Comprehensive Income and Expenditure Statement above.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24

Movement in Reserves Statement

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

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

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24

Movement in Reserves Statement
For the year ended 31 March 2024

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

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

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

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

31 March 2023 £'000		Note	31 March 2024 £'000
394,763	Property, Plant & Equipment	11	409,486
805	Heritage Assets	12	805
7,532	Investment Properties	13	7,569
206	Intangible Assets	14	541
1	Long-Term Investments	18	1
1	Long-Term Debtors		1
29,149	Pension Assets	34	15,339
432,457	**Non-Current Assets**		**433,742**
242	Investment Properties held for Sale	13	160
-	Assets held for Sale	15	-
598	Inventories	16	608
14,142	Short-Term Debtors	17	16,859
34,000	Short-Term Investments	18	8,165
5,889	Cash and Cash Equivalents	18	4,295
54,871	**Current Assets**		**30,087**
(35,916)	Short-Term Creditors	19	(30,715)
(376)	Short-Term Provisions	20	(72)
(3,032)	Short-Term Borrowings	21	(2,591)
(39,324)	**Current Liabilities**		**(33,378)**
(65)	Provisions	20	(91)
(97,754)	Long-Term Borrowing	21	(97,243)
(34,619)	Other Long-Term Liabilities	22	(33,008)
(132,438)	**Long-Term Liabilities**		**(130,342)**
315,566	**Net Assets**		**300,109**
(34,126)	Usable Reserves		(32,798)
(281,440)	Unusable Reserves	24	(267,311)
(315,566)	**Total Reserves**		**(300,109)**

The unaudited financial statements were issued on 30 January 2025 and the audited financial statements were authorised for issue on 23 April 2026.

Lindsay Sim
Chief Finance Officer
24 April 2026

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

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

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

2022/23 £'000		Notes	2023/24 £'000
(23,635)	Net (deficit) on the provision of services	CIES	(5,194)
43,447	Adjustments to net deficit on the provision of services for non-cash movements	25b	9,051
(32,610)	Adjustments for items included in the net deficit of the provision of services that are investing & financing activities	25c	(92,258)
(12,798)	**Net cash flows from Operating Activities**		**(88,401)**
13,007	Investing Activities	26	89,222
(3,554)	Financing Activities	27	(2,415)
(3,345)	**Net decrease in cash and cash equivalents**	18	**(1,594)**
9,234	Cash and Cash equivalents at the beginning of the reporting year	18	5,889
5,889	**Cash and Cash equivalents at the end of the reporting year**	18	**4,295**

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

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

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Note 1 - Accounting Policies

a) General Principles

The Annual Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which Section 12 of the Local Government in Scotland Act 2003 require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. In line with the code of practice the accounts have been prepared on a going concern basis of accounting.

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

b) Accruals of Income and Expenditure

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

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

c) Cash and Cash Equivalents

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

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

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

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

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

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

e) Charges to Revenue for Non-Current Assets

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

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

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

f) Employee Benefits Payable During Employment

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

g) Termination and Post Employment Benefits

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

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

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

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

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

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

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

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

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

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

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited/credited to Other Comprehensive Income and Expenditure; and
- contributions paid to the Falkirk Pension Fund – cash paid as employers' contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

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

h) Events after the Reporting Period

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

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

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

i) Financial Instruments

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

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

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

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

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

Financial Assets

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

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

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

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

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

j) Government Grants and Contributions

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

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

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

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

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

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

k) Heritage Assets

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

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

Recognised in Balance Sheet at Valuation

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

Not recognised in Balance Sheet

- War Memorials
- Glassworks & Mosaics
- Listed Building

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

l) Intangible Assets

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

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

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

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

m) Interests in Companies and Other Entities

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

n) Inventories

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

o) Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value. The fair value of investment properties has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and local market knowledge. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as Level 2 on the fair value hierarchy.
Properties are not depreciated but are reviewed annually according to market conditions at the year-end. For the 2023/24 financial statements a review was undertaken of a sample of investment properties. The assets were selected as a typical representative of a group of similar properties and the revaluation gains and losses flowing from these revaluations were extrapolated to the group of properties and accounted for in 2023/24. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

p) Property, Plant and Equipment

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

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

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

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

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

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

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

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

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Depreciation
Depreciation is provided for on all Property, Plant and Equipment assets by the systematic

allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

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

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

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

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

Componentisation

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

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

Disposals

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

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

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

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

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

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

q) Private Finance Initiative (PFI) and Similar Contracts

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

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

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

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

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- finance cost – an interest charge of 7.59% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease); and

- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

r) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

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

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

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

s) Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the

Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

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

t) Revenue Expenditure Funded from Capital under Statute

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

u) VAT

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

Note 2 - Changes to Accounting Standards

Accounting Standards Issued not yet Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

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

- IFRS 16 (Leases) - the impact in future years from the implementation of this standard is as follows:
  - that any leased assets will be shown as a right of use (ROU) assets within non-current assets on the Council's balance sheet;
  - a lease liability will be shown as a long-term liability on the Council's balance sheet;
  - depreciation on the ROU assets will be charged to the CIES;
  - the lease payments are split between the interest expense which is charged to the CIES and the principal which is charged to the MiRS;
  - There is no impact on the General Fund Balance due to statutory mitigation via Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations.

  The Council will adopt this standard in 2024/25 in line with the mandatory adoption deadline therefore there is no impact on the 2023/24 financial statements. It is not possible to quantify the impact of applying this standard in 2024/25 as it is currently impractical to reassess current lease calculations.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period;
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - clarify how lending conditions affect classification; and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and
  - targeted disclosure requirements for affected entities.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide

users of financial statements with information to enable them to:

- assess how supplier finance arrangements affect an entity's liabilities and cash flows; and
- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

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

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

Note 3 - Critical Judgements in Applying Accounting Policies

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

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision;
- The Council is deemed to control the services provided under the PFI agreement for the provision of Secondary School establishments. The accounting policies for PFI schemes have been applied and the assets under the PFI contract are included within Property, Plant and Equipment on the Council's Balance Sheet; and
- The Council has considered relevant guidance and determined the accounting treatment, as either principal or agent, to be applied to Covid-19 related income, expenditure and balances.

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

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

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Fair Value Measurements	When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities. Where Level 1 inputs are not available, the authority employs relevant experts to identify the most appropriate valuation techniques to determine. Information regarding the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in Note 1 - Accounting Policies.	The significant unobservable inputs used in the fair value measurement include management assumptions such as Building Cost Information Service Tender Price Index adjusted for regional factors. Significant change in any of the unobservable inputs would result in a higher or lower fair value measurement.
Property, Plant and Equipment - Valuations	Assets included in the balance sheet at fair value are reviewed on a five yearly cycle by a professionally qualified Royal Institution of Chartered Surveyors (RICS) valuer. An annual review of significant non-HRA assets is also carried out to ensure that, in line with the CIPFA code, the carrying amount does not differ materially from that which would be determined using the current value at the year end.	The net book value of all Council property, plant, and equipment subject to revaluation through the 5-year revaluation cycle is £409.486m. All property assets were subject to an impairment review of revaluation in 2023/24. The impact of a 1% change in valuation of these assets would be £4.095m, either resulting in an increase or decrease in the Council's Revaluation Reserve or an additional impairment charge to the CIES. There would be no impact on the Council's General Fund Balance

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment - Depreciation	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings and Council houses would increase by £1.051m and £0.404m respectively for every year that useful lives had to be reduced.
Arrears – Council Tax	At 31 March 2024 the Council had Council Tax debt outstanding of £12.418m. A review of outstanding balances suggested that an allowance for doubtful debts of £9.515m was appropriate resulting in coverage of 77% for doubtful debts. However, in the current economic climate such an allowance might not be sufficient.	If collection rates were to deteriorate and the provision had to be increased, for every 5% increase in the provision then a further contribution of £0.419m would be required.

Pensions Asset/Liability	Estimates of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the employer liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate would result in an increase of 2% equating to £7.014m.
Housing Rent Arrears	At 31 March 2024 the Council had Housing Rent Arrears of £2.379m. A review of outstanding balances suggested that an impairment for irrecoverable rents of £2.294m was appropriate resulting in a coverage of 96% for doubtful debts.	If collection rates were to deteriorate and the provision had to be increased, for every 2% increase in the provision then a further contribution of £0.048m would be required.

Note 5 – Events after the Reporting Period

The audited Annual Accounts were authorised for issue by the Chief Finance Officer (Section 95 Officer) on 23 April 2026. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the Financial Statements and Notes have been adjusted in all material respects to reflect the impact of this information. Events taking place after this date are not reflected in the Financial Statements or Notes.

Note 6 – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the funding available to the Council for the year, from government grants, council tax and business rates, has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on page 83. The Adjustments between Funding and Accounting basis is shown more fully in Note 7 on page 116.

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

Note 6 - Expenditure & Funding Analysis

2022/23 Net Expenditure chargeable to GF & HRA	2022/23 Adjustments between Funding & Accounting basis	2022/23 Net Expenditure In the CI&ES		2023/24 Net Expenditure chargeable to GF & HRA	2023/24 Adjustments between Funding & Accounting basis	2023/24 Net Expenditure in the CI&ES
£'000	£'000	£'000		£'000	£'000	£'000
76,131	18,040	94,171	People	81,311	9,314	90,625
3,806	(187)	3,619	Partnership & Performance	5,439	(2,067)	3,372
26,030	4,768	30,798	Place	28,867	2,729	31,596
(1,245)	(152)	(1,397)	HRA - Place	5,565	(5,301)	264
1,371	-	1,371	Corporate Services	1,371	-	1,371
25,167	1,818	26,985	Clackmannanshire and Stirling Integration Joint Board	26,164	159	26,323
453	-	453	Central Scotland Valuation Joint Board	462	-	462
131,713	24,287	156,000	**Cost of Services**	149,179	4,834	154,013
(126,910)	(5,455)	(132,365)	**Other Income and Expenditure**	(135,395)	(13,424)	(148,819)
4,803	18,832	23,635	**(Surplus)/Deficit**	13,784	(8,590)	5,194

£'000		2023/24 £'000
33,524	**Opening GF & HRA Balance**	(29,600)
(4,803)	Surplus/ (Deficit) in the year	13,784
879	Transfer from other statutory reserves	(12,569)
29,600	**Closing GF and HRA Balance**	(28,385)

Note 6 - Expenditure & Funding Analysis

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

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

Note 6 - Expenditure & Funding Analysis

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

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

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

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

Note 6 - Expenditure & Funding Analysis

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

2022/23				2023/24		
Net Expenditure chargeable to GF & HRA balances £'000	**Adjustments between Funding & Accounting basis £'000**	**Net Expenditure in the CI&E statement £'000**		**Net Expenditure chargeable to GF & HRA balances £'000**	**Adjustments between Funding & Accounting basis £'000**	**Net Expenditure in the CI&E statement £'000**
103,215	10,532	113,747	Employee costs	110,606	(1,183)	109,423
31,018	-	31,018	Other Operating Costs	33,391	-	33,391
69,128	-	69,128	Third Party & Transfer Payments	72,896	-	72,896
-	22,306	22,306	Depreciation & Revaluation Losses	-	19,441	19,441
8,551	(8,551)	-	Capital Financing Costs	13,424	(13,424)	-
(80,199)	-	(80,199)	Income	(81,138)	-	(81,138)
131,713	**24,287**	**156,000**	**Cost of Services**	**149,179**	**4,834**	**154,013**
(126,910)	**(5,455)**	**(132,365)**	**Other Income and Expenditure**	**(135,395)**	**(13,424)**	**(148,819)**
4,803	**18,832**	**23,635**	**(Surplus)/Deficit**	**13,784**	**(8,590)**	**5,194**

Note 6 - Expenditure & Funding Analysis

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

2023/24

	People £'000	Partnership & Performance £'000	Place £'000	HRA - Place £'000	Corporate Services £'000	Clackmannanshire and Stirling Integration Joint Board £'000	Central Scotland Valuation Joint Board £'000	Net Expenditure chargeable to GF & HRA balances £'000
Employee costs	66,988	8,766	14,776	8,972	1,385	9,719	-	**110,606**
Other Operating Costs	9,774	2,136	14,294	6,480	95	612	-	**33,391**
Third Party & Transfer Payments	12,007	14,620	13,820	3,295	(108)	28,800	462	**72,896**
Capital Financing Costs	-	2,122	-	11,302	-	-	-	**13,424**
Income								
Government Grants and Other Contributions	(5,130)	(21,460)	(3,111)	-	(1)	(12,925)	-	**(42,627)**
Fees, charges and other service income	(1,604)	(384)	(5,795)	(21,265)	-	(42)	-	**(29,090)**
Income from recharges for services	(724)	(361)	(5,117)	(3,219)	-	-	-	**(9,421)**
Cost of Services	**81,311**	**5,439**	**28,867**	**5,565**	**1,371**	**26,164**	**462**	**149,179**

Note 6 - Expenditure & Funding Analysis
2022/23

	People £'000	Partnership & Performance £'000	Place £'000	HRA - Place £'000	Corporate Services £'000	Clackmannanshire and Stirling Integration Joint Board £'000	Central Scotland Valuation Joint Board £'000	Net Expenditure chargeable to GF & HRA balances £'000
Employee costs	62,829	8,374	13,843	7,665	1,301	9,203	-	**103,215**
Other Operating Costs	9,117	2,007	13,707	5,374	179	634	-	**31,018**
Third Party & Transfer Payments	11,379	15,049	11,404	2,034	(108)	28,917	453	**69,128**
Capital Financing Costs	-	1,512	-	7,039	-	-	-	**8,551**
Income								
Government Grants and Other Contributions	(5,133)	(22,363)	(3,244)	-	(1)	(13,613)	-	**(44,354)**
Fees, charges and other service income	(1,428)	(429)	(5,349)	(20,551)	-	26	-	**(27,731)**
Income from recharges for services	(633)	(344)	(4,331)	(2,806)	-	-	-	**(8,114)**
Cost of Services	**76,131**	**3,806**	**26,030**	**(1,245)**	**1,371**	**25,167**	**453**	**131,713**

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

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

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

General Fund Balance

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

Housing Revenue Account Balance

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

Capital Receipts Reserve

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

Capital Grants Unapplied Account

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

Insurance Fund

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

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

2023/24

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

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

2022/23

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

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Note 8 – Transfers to/from Earmarked Reserves

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

	Balance as at 1 April 2022 £'000	Transfers in 2022/23 £'000	Transfers out 2022/23 £'000	Balance as at 31 March 2023 £'000	Transfers in 2023/24 £'000	Transfers out 2023/24 £'000	Balance as at 31 March 2024 £'000
General Fund Balance							
Devolved School Management	**(631)**	(573)	631	**(573)**	(505)	573	**(505)**
Organisational Change Fund	**(198)**	-	-	**(198)**	-	-	**(198)**
Employment Fund	**(853)**	-	14	**(839)**	(39)	324	**(554)**
Pupil Equity Funding (PEF)	**(680)**	(788)	680	**(788)**	(560)	788	**(560)**
Early Learning & Childcare (ELCC)	**(226)**	-	226	**-**	-	-	**-**
Education Covid-19 recovery	**(500)**	-	299	**(201)**	-	201	**-**
Ring-fenced Housing Grants	**(1,008)**	(143)	12	**(1,139)**	(180)	256	**(1,063)**
Transformation Fund	**(1,841)**	-	-	**(1,841)**	-	413	**(1,428)**
Other Miscellaneous Commitments	**(2,094)**	(1,218)	1,179	**(2,133)**	(484)	683	**(1,934)**
Covid-19 General Funding	**(2,580)**	-	1,125	**(1,455)**	-	1,166	**(289)**
Covid-19 Specific Funding	**(1,326)**	-	898	**(428)**	-	177	**(251)**
Amount to support Revenue Budget	**(3,942)**	(4,643)	3,942	**(4,643)**	-	4,643	**-**
Developers Contributions	**(890)**	(38)	92	**(836)**	-	49	**(787)**
Specific Employability Funding	**(840)**	(43)	302	**(581)**	-	58	**(523)**
Contractual Repairs & Maintenance	**(315)**	-	-	**(315)**	-	315	**-**
Ukrainian Refugee Support	**-**	(519)	-	**(519)**	(367)	287	**(599)**
Homeless Accommodation	**-**	(1,109)	-	**(1,109)**	(959)	-	**(2,068)**
Service Concessions Benefit	**-**	-	-	**-**	(12,533)	-	**(12,533)**
Uncommitted Reserve	**(6,048)**	(6,313)	9,074	**(3,287)**	(3,465)	3,094	**(3,658)**
Total General Fund Balance	**(23,972)**	**(15,387)**	**18,474**	**(20,885)**	**(19,092)**	**13,027**	**(26,950)**

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	Balance as at 1 April 2022 £'000	Transfers in 2022/23 £'000	Transfers out 2022/23 £'000	Balance as at 31 March 2023 £'000	Transfers in 2023/24 £'000	Transfers out 2023/24 £'000	Balance as at 31 March 2024 £'000
Housing Revenue Account	**(9,552)**	(6,986)	7,823	**(8,715)**	(4,710)	11,990	**(1,435)**
Capital Receipts Reserve	**(801)**	(573)	197	**(1,177)**	(286)	-	**(1,463)**
Insurance Fund	**(1,250)**	(16)	10	**(1,256)**	(67)	35	**(1,288)**
Capital Grants Unapplied Account	**(3,302)**	(674)	1,883	**(2,093)**	(351)	782	**(1,662)**
Total Usable Reserves	**(38,877)**	**(23,636)**	**28,387**	**(34,126)**	**(24,506)**	**25,834**	**(32,798)**

Note 9 – Financing and Investment Income and Expenditure

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

	Notes	2022/23 £'000	2023/24 £'000
Interest payable and similar charges		9,210	10,882
Net Interest on the Net Defined Benefit Liability		2,538	(1,409)
Interest receivable and similar income		(1,287)	(3,941)
Changes in the carrying value of Market loans		(8)	(9)
Revaluation of Investment Property	7	1,057	155
Rental Income from Investments		(121)	(127)
Total		**11,389**	**5,551**

Note 10 – Taxation and Non-Specific Grant Income

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

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

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

	2022/23 £'000	2023/24 £'000
Credited to Services		
DWP grant for Benefits	12,367	12,443
Criminal Justice	1,396	1,415
Other revenue grants (including Early Learning and Childcare and Scottish Attainment Challenge)	7,195	6,836
Total	**20,958**	**20,694**

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

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

Note 11 – Property, Plant & Equipment (PPE)

Valuations

Assets at valuation are included in the Balance Sheet at their current asset value as at 1 April 2019 as amended by annual revaluation at the year-end (where applicable) and subsequent additions and disposals. The Council appointed J&E Shepherd Chartered Surveyors to conduct its five-yearly valuation of assets during 2019/20 and to carry out a valuation of sample of education and non-operational properties as at 31st March 2024 for the 2023/24 financial statements. The determination of fair value is carried out by Ian Hannon, MRICS, Managing Partner, Shepherd Chartered Surveyors. The basis for valuation is set out in the Statement of Accounting Policies.

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

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Note 11 – Property, Plant & Equipment (PPE)

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

Note 11 – Property, Plant & Equipment (PPE)

Movements in 2022/23	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	PFI Schools included in PPE £'000
Cost or Valuation							
At 1 April 2022	**139,261**	**204,736**	**25,080**	**1,843**	**538**	**371,458**	**99,962**
Additions	9,280	703	2,554	546	-	13,083	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	(11,877)	-	-	(823)	(12,700)	11,467
Revaluation increases/(decreases) recognised in the CIES	-	5,251	-	-	(163)	5,088	-
Assets reclassified (to)/from Assets held for Sale	(49)	-	(306)	-	-	(355)	-
Other Reclassifications	-	(1,411)	-	-	1,406	(5)	-
At 31 March 2023	**148,492**	**197,402**	**27,328**	**2,389**	**958**	**376,569**	**111,429**

Note 11 – Property, Plant & Equipment (PPE)

Movements in 2022/23	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Assets under Construction £'000	Surplus Assets £'000	Total Property, Plant & Equip £'000	PFI Schools included in PPE £'000
Depreciation charge							
At 1 April 2022	**14,444**	**4,648**	**17,276**	**2**	**3**	**36,373**	**-**
Depreciation charge	5,344	10,710	1,935	3	1	17,993	4,012
Depreciation written out on revaluations recognised in the Revaluation Reserve	-	(8,955)	-	-	(547)	(9,502)	(4,012)
De-recognition – Disposals	(6)	-	(289)	-	-	(295)	-
Other movements in depreciation and impairment	-	(547)	-	-	547	-	-
At 31 March 2023	**19,782**	**5,856**	**18,922**	**5**	**4**	**44,569**	**-**
Net Book Value:							
At 31 March 2023	**128,710**	**191,546**	**8,406**	**2,384**	**954**	**332,000**	**111,429**

Infrastructure Assets

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

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

	2022/23 £'000	2023/24 £'000
Infrastructure Assets - net book value as at 1st April	**59,404**	**62,763**
Additions	4,586	6,015
Depreciation charge	(1,227)	(1,321)
Infrastructure Assets - net book value as at 31st March	**62,763**	**67,457**
Other Property, Plant & Equipment Asset (from above table)	**332,000**	**342,029**
Other Property, Plant & Equipment Asset (as per Balance Sheet)	**394,763**	**409,486**

Capital Commitments

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

	£'000
Wellbeing Hub	63,564
HRA Council Housing Safe Electrical Systems	4,678
Westhaugh Travelling Site	3,539
HRA Council Housing Roof and Render Upgrade	3,437
HRA Window Replacement	3,165
HRA Off the Shelf Purchase	1,525
HRA CCTV Security	722
HRA Aids and Adaptations	207
Vehicle Replacement	129
Digital Transformation	119
	81,085

Note 12 Heritage Assets

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

	Art Collection £'000	Public Art, Statues, Glasswork & Mosaics £'000	Industrial Equipment & Other Items £'000	Total Assets £'000
Cost or Valuation				
At 1 April 2023	115	510	180	805
Revaluation	-	-	-	-
31 March 2024	**115**	**510**	**180**	**805**
Cost or Valuation				
At 1 April 2022	115	510	180	805
Revaluation	-	-	-	-
31 March 2023	**115**	**510**	**180**	**805**

Art Collection

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

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

Public Art – Statues

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

Public Art - Glassworks and Mosaics

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

Industrial Equipment and Ephemera

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

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

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

Revaluation of Heritage Assets

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

Assets excluded from Heritage Assets

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

Note 13 – Investment Properties

Fair Value Hierarchy

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

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

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

Highest and Best Use

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

Valuation Process for Investment Properties

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

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

Investment Properties (Non Current Assets)

	2022/23 £'000	2023/24 £'000
Balance 1 April	7,711	7,532
Additions	918	139
Net gains/(losses)from fair value adjustments	(1,094)	(99)
Assets reclassified (to)/from Assets Held for Sale		
Transfers to/from:		
PPE	-	-
Assets held for sale	-	-
Depreciation	(3)	(3)
Balance 31 March	**7,532**	**7,569**

Investment Properties Held for Sale (Current Assets)

	2022/23 £'000	2023/24 £'000
Balance 1 April	204	242
Additions	-	-
Revaluation increases/(decreases) recognised in the CIES	38	(58)
De-recognition – Disposals	-	(24)
Transfers from Investment Properties	-	-
Balance 31 March	**242**	**160**
De-recognition – Disposals		
Total Investment Properties	**7,774**	**7,729**

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

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

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

Note 14 – Intangible Assets

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

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

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £66k charged to revenue in 2023/24 was charged to the IT cost centre and then absorbed as an overhead across all the service headings in the Net Cost of Services within the Comprehensive Income and Expenditure Statement. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

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

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

Note 15 – Assets Held for Sale

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

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

Note 16 – Inventories

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

	Building Works		Roads		Vehicle Maintenance		Other		Total	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
1 April	**213**	**272**	**127**	**145**	**34**	**34**	**161**	**147**	**535**	**598**
Purchased	1,046	1,142	134	66	270	562	1,121	1,470	2,571	3,240
Expenses in the year	(987)	(1,138)	(116)	(103)	(270)	(551)	(1,135)	(1,438)	(2,508)	(3,230)
31 March	**272**	**276**	**145**	**108**	**34**	**45**	**147**	**179**	**598**	**608**

Note 17 – Short-Term Debtors

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

The Debtors balance at the year end is made up as follows:	2022/23 £'000	2023/24 £'000
Central Government Bodies	5,381	7,777
Other Local Authorities	1,126	594
NHS Bodies	1,121	1,412
Other Corporations & Trading funds	11	11
Other entities and individuals	6,503	7,065
Total	**14,142**	**16,859**

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

This note provides detail of the Long-Term Investments, Short-Term Investments and Cash and Cash Equivalents in the Balance Sheet on page 86.

	2022/23 £'000	2023/24 £'000
Long-Term Investments		
CSBP Clackmannanshire Investments Ltd (at cost)	1	1
TOTAL	**1**	**1**

	2022/23 £'000	2023/24 £'000
Short-Term Investments		
Cash deposit with banks	34,000	8,165
	34,000	**8,165**
Cash and Cash Equivalents		
Cash held by the Council	32	27
Bank current accounts	5,857	4,268
Total Cash and Cash Equivalents	**5,889**	**4,295**
TOTAL	**39,889**	**12,460**

The investment in CSBP Clackmannanshire Investments Ltd is anticipated to be repaid during 2025/26.

Note 19 – Short-Term Creditors

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

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

	2022/23 £'000	2023/24 £'000
Central government bodies	3,335	3,772
Other local authorities	3,571	2,908
NHS bodies	771	3,377
Public corporations and trading funds	47	-
Other entities and individuals	28,192	20,658
Total	**35,916**	**30,715**

Note 20 – Provisions

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

Municipal Mutual Insurance

Prior to Local Government reorganisation in 1996, Central Regional Council and Clackmannan District Council entered into a solvent run-off arrangement with their insurer, MMI, with the aim of having sufficient assets to meet outstanding insurance claims. However, the outcome of previous litigation has triggered the Scheme of Arrangement and created a financial liability for Clackmannanshire Council as successor Council. The Council had originally made provision to cover a levy of up to 30% amounting to £227k and payments of £162k had been made against this provision. During the year an additional provision of £9k was made to the short term provision and a further £9k was paid out. The long term provision has been increased by £26k based on estimates of the outstanding liability as at 31 March 2024 resulting in a total provision balance of £91k to meet future claims.

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

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

Note 21 - Borrowings

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

	2022/23 £'000	2023/24 £'000
Source of Loan		
Repayable within 12 months		
Public Works Loan Board	412	412
Market Loans	63	63
Revenue Advances:		
Common Good & Trust Funds	361	376
Central Scotland Valuation Joint Board	1,010	554
Accrued Interest on borrowing	1,186	1,186
	3,032	**2,591**
Repayable after 12 months		
Public Works Loan Board	73,736	73,297
Lender Option, Borrowing Option (LOBO) Loans	5,000	5,000
Market Loans	19,018	18,946
	97,754	**97,243**

Note 22 – Other Long Term Liabilities

	2022/23 £'000	2023/24 £'000
PFI & Finance Liabilities (see note (a) below)	33,995	32,358
Other Long-term Liabilities (see note (b) below)	624	650
	34,619	**33,008**

(a) PFI & Finance Lease

This sum relates to the finance lease creditor associated with the financing of the three new secondary schools under the PFI scheme. Note 32 Private Finance Initiative and Similar Contracts page 148 in the Accounts provides more details in respect of the future payments that are due under the terms of the contract. The movements in the balance sheet values are detailed below:

	PFI Scheme 2022/23 £'000	PFI Scheme 2023/24 £'000
Balance at 1 April	36,672	35,435
Finance Lease Creditor Repaid in year	(1,237)	(1,440)
Balance 31 March	**35,435**	**33,995**
Ageing:		
Liabilities due over more than one year	33,995	32,358
Liabilities due within one year	1,440	1,637
	35,435	**33,995**

(b) Other Long-term Liabilities

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

	2022/23 £'000	2023/24 £'000
Reinstatement Bond	624	650
	624	**650**

Note 23 – Financial Instruments

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

Financial Instrument Balances

Categories of Financial Instruments

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

Financial Assets

	Non-Current				Current				
	Investments		Debtors		Investments		Debtors		Total
	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2024 £'000
Amortised Cost Principal	-	-	1	1	1	1	4,165	2,847	2,849
Cash & Cash Equivalents	-	-	-	-	39,889	12,460	-	-	12,460
Total Financial Assets	**-**	**-**	**1**	**1**	**39,890**	**12,461**	**4,165**	**2,847**	**15,309**

Financial Liabilities

	Non-Current				Current				
	Borrowings		Creditors		Borrowings		Creditors		Total
	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2024 £'000
Amortised Cost Principal	97,754	97,243	-	-	1,846	1,405	8,170	9,783	**108,431**
Accrued Interest	-	-	-	-	1,186	1,186	-	-	**1,186**
PFI and Finance Lease facilities	33,995	32,358	-	-	1,440	1,637	-	-	**33,995**
Total Financial Liabilities	**131,749**	**129,601**	**-**	**-**	**4,472**	**4,228**	**8,170**	**9,783**	**143,612**

Items of income, expense, gains or losses

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

	2022/23 (Restated)		2023/24	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Interest Income				
financial assets measured at amortised cost	723	-	2,277	-
Total interest revenue	**723**	**-**	**2,277**	**-**
Interest expense	**9,100**	**-**	**10,770**	**-**

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

Fair Value of Assets and Liabilities Carried at Amortised Costs

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

Methods and Assumptions in valuation technique

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

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

- The fair value PFI and Finance Lease Liabilities are calculated based on the interest rates applicable to the contracts.

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

	2022/23		2023/24	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
PWLB – Maturity	75,267	86,283	74,855	79,923
PWLB – Annuity	27	34	-	-
LOBOs	5,041	4,747	5,041	4,287
Market Loans	19,080	18,424	19,009	17,027
Total Debt/Financial Liabilities	**99,415**	**109,488**	**98,905**	**101,237**

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

The fair value of Public Works Loan Board (PWLB) loans of £79.923m (2022/23 £86.317m) measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB borrowing interest rates, termed the PWLB certainty rates. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

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

Note 24 – Unusable Reserves

	Note	2022/23 £'000	2023/24 £'000
Revaluation Reserve	a)	(120,264)	(120,870)
Capital Adjustment Account	b)	(137,293)	(136,019)
Financial Instruments Investment Account	c)	1,476	1,264
Pensions Reserve	d)	(29,149)	(15,339)
Accumulating Compensated Absences Adjustment Account	e)	3,790	3,653
Total Unusable Reserves		**(281,440)**	**(267,311)**

a) Revaluation Reserve

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

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

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

	2022/23 £'000	2023/24 £'000
Balance at 1 April	**(121,368)**	**(120,264)**
Upward revaluation of non-current assets	(16,926)	(9,548)
Downward revaluation of non-current assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	12,061	3,545
Surplus/deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	**(4,865)**	**(6,003)**
Difference between fair value depreciation and historical cost depreciation	5,938	5,377
Accumulated (losses) on assets sold or scrapped	31	20
	5,969	**5,397**
Balance at 31 March	**(120,264)**	**(120,870)**

b) Capital Adjustment Account

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

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

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

	2022/23 £'000	2023/24 £'000
Balance at 1 April	**(137,350)**	**(137,293)**
Financial Flexibility - Adjustment to the statutory repayment of debt for service concessions	-	12,533
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	13,288	14,212
Revaluation losses on property, plant and equipment	2,974	(214)
Amortisation of intangible assets	106	66
Amounts of non current assets written off on disposal / sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	61	77
Amounts written out of the Revaluation Reserve on assets sold or scrapped	(31)	(20)
	16,398	**14,121**
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	(169)	-
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(8,174)	(11,611)
Application of grants to capital financing from the Capital Grants Unapplied Account	(562)	(677)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balance	(1,684)	(2,390)
Capital expenditure charged against the General Fund and HRA balances	(6,809)	(10,858)
Movement in the market value of Investment Properties Debited or credited to CIES	1,057	156
	(16,341)	**(25,380)**
Balance at 31 March	**(137,293)**	**(136,019)**

c) Financial Instruments Adjustment Account

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

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

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

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

	2022/23 £'000	2023/24 £'000
Balance at 1 April	1,689	1,476
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(204)	(204)
Amount by which finance costs charges to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(9)	(8)
Balance at 31 March	**1,476**	**1,264**

d) Pensions Reserve

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

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

e) Accumulating Compensated Absences Adjustment Account

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

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

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

Note 25 – Cash Flow Statement – Operating Activities

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

	2022/23 £'000	2023/24 £'000
Interest Received	1,217	3,855
Interest Paid	(9,257)	(10,875)
(Surplus) or deficit on the provision of services (CIES)	23,635	5,194

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

	Notes	2022/23 £'000	2023/24 £'000
Depreciation	11 &13	19,226	19,590
Downward/(upwards) valuations	7	4031	(57)
Amortisation	14	106	66
Increase/(decrease) in Creditors	19	3,105	(5,021)
Decrease/(increase) in Debtors	17	3,568	(2,851)
(Increase) in Inventories	16	(63)	(10)
Pension Liability/(Asset)	35	13,040	(2,456)
Contributions to Provisions	20	381	(278)
Carrying amount of non-current assets sold	7	61	77
Adjustments for effective interest rates		(8)	(9)
Other non-cash items		**43,447**	**9,051**

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

	2022/23 £'000	2023/24 £'000
Capital grants credited to surplus or deficit on the provision of services	(8,848)	(11,962)
Proceeds from the sale of short and long term investments	(23,500)	(80,010)
Proceeds from the sale of property plant and equipment, investment property and intangible assets	(262)	(286)
	(32,610)	**(92,258)**

Note 26 – Cash Flow Statement – Investing Activities

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

Note 27 – Cash Flow Statement – Financing Activities

	2022/23 £'000	2023/24 £'000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,237)	(1,440)
Repayments of short and long-term borrowing	(3,004)	(930)
Other Receipts from Financing Activities	687	(45)
Net cash from financing activities	**(3,554)**	**(2,415)**

Note 28 - Agency Income and Expenditure

The Council has an agency agreement with Scottish Water for the billing and collection of water and sewerage charges on its behalf. The income received from the Water Authority towards the Council's local tax collection costs was £0.202m (2022/23 £0.177m). This charge has been fixed by the Scottish Government for a 3 year period to 31 March 2026. This income is included in the Comprehensive Income and Expenditure Statement.

The Council acted as an agent on behalf of the Scottish Government in the administration of grants to business and individuals during the Covid-19 pandemic and the Cost of Living Crisis. There were no payments in 2023/24. In 2022/23, there was £1.091m of expenditure and income which is not shown within the Comprehensive Income and Expenditure Statement.

Two Business Improvement District (BID) schemes operate in Clackmannanshire: Alloa First and Clacks First. The schemes are funded by a BID levy paid by non-domestic ratepayers. The Council operates as an agent on behalf of the BID bodies and as a consequence income and expenditure of £273k (2022/23 £236k) is not shown in the Comprehensive Income and Expenditure Statement.

Note 29 – External Audit Costs

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

Note 30 – Related Parties

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

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

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

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

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

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

	2022/23 £'000	2023/24 £'000
Commissioning income received from Clackmannanshire and Stirling Integration Joint Board*	(25,167)	(26,208)

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

Note 31 – Capital Expenditure and Capital Financing

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

	2022/23 £'000	2023/24 £'000
Opening Capital Financing Requirement	144,797	145,988
Capital Investment		
Property Plant & Equipment	18,588	28,685
Revenue Expenditure Funded from Capital Under Statute	1,109	239
Sources of finance		
Capital receipts	(169)	-
Government grants and other contributions	(10,088)	(12,564)
Sums set aside from revenue:		
Direct revenue contributions	(6,655)	(10,821)
Repayment of Finance Lease Capital Debt	(1,237)	(1,440)
Loans Fund Principal	(447)	(2,099)
Application of service concession retrospective flexibility	-	12,533
Application of service concession in year flexibility	-	1,149
Other movements affecting the CFR	90	-
Closing Capital Financing Requirement	**145,988**	**161,670**
Increase in CFR (unsupported by government financial assistance)	**1,191**	**15,682**

Note 32 – Private Finance Initiative and Similar Contracts

Secondary Schools PFI Scheme

2023/24 was the 16th year of a 30 year PFI contract with Clackmannanshire Schools Education Partnership Limited for the construction, operation and maintenance of our three secondary schools in Clackmannanshire, namely Alloa, Alva and Lornshill Academies. The contract specifies the

number of days and times that the schools are open. This includes an element of leisure provision in the evenings and weekends.

The contract specifies minimum standards for the provision of the serviced accommodation to be provided by the contractor, with reductions from the fee payable being made if the schools, or rooms, are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant needed to operate the schools.

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

Property, Plant and Equipment

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

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

Payments

The Council makes an agreed payment each year which is increased annually by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2024, excluding any estimate of availability/performance deductions are as follows:

	Payment For Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total £'000
Payable within 1 year	4,812	1,638	3,931	10,381
Payable within 2 to 5 years	23,607	6,173	14,256	44,036
Payable within 6 to 10 years	30,006	11,797	18,495	60,298
Payable within 11 to 15 years	37,808	14,387	13,543	65,738
Total	**96,233**	**33,995**	**50,225**	**180,453**

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

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

The outstanding liability to the contractor for capital expenditure incurred is shown in Note 22.

Service Concession Flexibility

During 2023/24, the Council has adopted the revised accounting arrangements under Local Government Finance Circular 10/2022 – Finance Leases and Service Concession Arrangements. The application of this accounting arrangement has recalculated the annual charges to the General Fund in relation to the principal capital repayment element of PFI contract for our three secondary schools. As a result, the charges to the General Fund have been rescheduled over the fifty year useful economic life of the assets rather than the current contract terms.

The following table sets out the current repayments charged to revenue account, the total cost being £50.4m over 30 years. The revised repayment demonstrates that the total cost remains at £50.4m but, as this is now spread over the asset life of 50 years, the annual cost is reduced in years 1 to 29.

Repayment Profiles for Service Concessions

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

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

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

Note 33 - Pensions Schemes Accounted for as Defined Contribution Scheme

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

The employer contribution rate from 1 April 2023 was 23% of pensionable pay. In total for the year 2023/24 the Council paid £6.641m to Teacher's Pensions in respect of teachers' retirement benefits which equates to 22.73% of pensionable pay. The comparative amount paid in 2022/23 was £6.194m which equates to 22.60% of pensionable pay.

As a proportion of the total contributions into the Teacher's Pension Scheme during the year ended 31 March 2024, the Council's own contribution equated to approximately 0.84% (0.80% in 2022/23).

Note 34 Pension Schemes Accounted for as Defined Contribution Schemes

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

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

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

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

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

CLACKMANNANSHIRE COUNCIL
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Notes to the Financial Statements

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

	Local Government Pension Scheme	
	2022/23	2023/24
Comprehensive Income and Expenditure Statement (CIES)	**£'000**	**£'000**
Cost of Services:		
· Current service cost	21,676	11,256
· Past service costs	150	425
Financing and Investment Income and Expenditure:		
· Interest expense – defined benefit obligation	13,890	18,006
· Interest income on scheme assets	(11,352)	(19,415)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**24,364**	**10,272**
Other Post Employment Benefit Charged to the CIES		
Re-measurement of the net defined benefit liability comprising:		
· Return on pension fund assets (excluding interest income above)	7,674	(14,724)
· Actuarial (gains)/losses arising on changes in demographic assumptions	(10,598)	-
· Actuarial gains arising on changes in financial assumptions	(190,508)	(14,631)
· Effect of Asset Ceiling	-	35,059
· Other experience losses	62,384	10,562
(Gain)/ loss recognised in the CIES	**(131,048)**	**16,266**
Total Post Employment Benefit Charged to the CIES	**(106,684)**	**26,538**
Movement in Reserves Statement (MIRS)		
Reversal of net charge made to the surplus or deficit on the provision of Services	**(24,364)**	**(10,272)**
Employer's Contributions Payable to Falkirk Pension Fund	11,324	12,728
Pensions Assets and Liabilities Recognised in the Balance Sheet	**(13,040)**	**2,456**

Pension Assets and Liabilities Recognised in the Balance Sheet

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

Movement in Reserves Statement (MIRS)	**2022/23**	**2023/24**
	£'000	**£'000**
Present value of the Pension Fund Liabilities	(365,940)	(379,740)
Fair value of pension fund assets	408,780	442,841
(Deficit)/Surplus	42,840	63,101
Present value of unfunded obligations	(13,691)	(12,703)
Effect of Asset Ceiling	-	(35,059)
Net Asset/(Liability) arising from Defined Benefit Obligation	**29,149**	**15,339**

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

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

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

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

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

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

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

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

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

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

Basis for Estimating Assets and Liabilities

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

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

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

Mortality assumptions	2022/23 Years	2023/24 Years
Longevity at 65 for current pensioners (years):		
Men	20.3	20.3
Women	23.3	23.3
Longevity at 65 for future pensioners (years):		
Men	20.8	20.8
Women	24.8	24.8

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

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

Changes in assumptions

	Increase to Employer %	Monetary Amount £'000's
0.1% Decrease in Real Discount Rate	2%	7,014
1 year increase in member life expectancy	4%	15,698
0.1% increase in the Salary Increase Rate	0%	445
0.1% increase in the Pension Increase Rate	2%	6,688

Virgin Media Court Ruling

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

Goodwin

The remedy for the Goodwin ruling in relation to the past underpayment of spouses' benefits is still uncertain. The pension fund actuary has estimated that the impact is expected to be small at 0.1-0.2% for a typical fund. For Clackmannanshire this would equate to £0.392m to £0.784m. When weighing the fact that the remedy is still uncertain and the estimate is of small value, against the level of additional work that would be required, the actuary has not deemed it necessary or appropriate to make an adjustment for 2023/24 and no adjustment has been made to the figures noted above.

Impact on the Authority's Cash Flow

The objectives of the LGPS are to keep employers' contributions at a constant rate where possible. The employers' contribution rates per the triennial valuation on the fund at 31 March 2020 are shown in the table below:

	2021/22	2022/23	2023/24
Employer Contribution rates	22.5%	22.5%	23%

The total contributions expected to be made by Clackmannanshire Council to Falkirk Pension Fund in the year to 31 March 2025 is £9.543m

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

Note 35 – Contingent Liabilities

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

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

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

Social Services Judicial Reviews (Scottish Prison Service)
At this time there are a number of Social Services cases under judicial review relating to the Scottish Prison Service. The Council has a Service Level Agreement with the Scottish Prison Service under

which statutory requirements of the Scottish Prison Service sit with the Council. At this time, no quantification or timing of any potential liability is known for these cases.

Note 36 – Nature and Extent of Risks Arising from Financial Instruments

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

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied. Details of the Investment Strategy can be found on the Council's website. The Treasury Management Strategy Statement for 2023/24 and Prudential Indicators for 2023/24 to 2025/26 were approved by Full Council on 9 March 2023 and are available on the Council's website.

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

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

Debtors
The Council generally allows credit of 14 days for customers, such that £2.725m, (2022/23 £3.973m) is past its due date for payment. The past due amount can be analysed by age as follows:

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

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

2. Liquidity Risk

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

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

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

Loans Outstanding	**2022/23 £'000**	**2023/24 £'000**
Public Works Loans Board	74,148	73,709
LOBO Loan	5,000	5,000
Market Debt	19,080	19,009
Total	**98,228**	**97,718**

Maturity Structure	**2022/23 £'000**	**2023/24 £'000**
Less than 1 year	475	475
Between 1 and 2 years	475	2,308
Between 2 and 5 years	4,820	2,512
Between 5 and 10 years	3,526	3,500
More than 10 years	88,932	88,923
Total	**98,228**	**97,718**

In the more than 10 years category there are £18.5m of market loans which have a fixed rate of interest and £5m of LOBO loans which the lender has the option to alter the rate of interest at predetermined dates. If this occurs the Council has the option to repay the principal and accrued interest.

3. Market Risk

Interest rate risk

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

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

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

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

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

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

Price Risk

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

Foreign Exchange Risk

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

Note 37 – Trust Funds

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

	2022/23 £'000	2023/24 £'000
Value of other Charitable Trusts and Endowments	367	382
Total value of all Trusts and Endowments	**367**	**382**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
HOUSING REVENUE ACCOUNT (HRA)
Income and Expenditure Statement for the year ended 31 March 2024

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

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

2022/23 £'000		2023/24 £'000
	Expenditure	
7,981	Repairs and maintenance	10,868
4,893	Supervision and management	3,912
5,555	Depreciation and impairment of non-current assets	6,044
85	Impairment of debtors	128
605	Other Expenditure	594
19,119	**Total Expenditure**	**21,546**
	Income	
(20,413)	Dwelling Rents	(21,188)
(103)	Non-dwelling rents	(94)
(20,516)	**Total income**	**(21,282)**
(1,397)	**Net Cost of HRA Services**	**264**
(125)	(Gain)/Loss on sale or disposal of HRA fixed assets	-
1,098	Interest payable and similar charges	1,069
(184)	Interest and Investment Income	(522)
282	Pensions Interest Costs and expected return on pension assets	(170)
(3,030)	Capital Grants and Contributions Receivable	(3,121)
(1,959)		**(2,744)**
(3,356)	**Surplus for the year on HRA Services**	**(2,480)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
HOUSING REVENUE ACCOUNT (HRA)
Movement in Housing Revenue Account Statement

2022/23 £'000		2023/24 £'000
(9,552)	**Balance on the HRA at the end of the previous year**	**(8,715)**
(3,356)	Deficit/(Surplus) for the year on the HRA Income and Expenditure Statement	(2,480)
3,025	Adjustments between accounting basis and funding basis under regulations (Note HRA 1)	8,592
(331)	Net Decrease before transfers to/from Reserves	6,112
1,168	Transfer to the General Fund Reserve	1,168
1,168	**Transfers to/from Reserves**	**1,168**
837	**(Increase)/Decrease in year on the HRA**	**7,280**
(8,715)	**Balance on the HRA at the end of the current year**	**(1,435)**

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

2022/23 £'000		2023/24 £'000
125	Gain on sale and disposal of HRA Non Current Assets	-
6,655	Capital expenditure funded by the HRA (CFCR)	10,821
2,945	Capital Grants contributions that have been applied to capital financing	3,121
85	Capital Grants and Contributions unapplied credited to the CIES	-
	Transfer to/from the Capital Adjustment Account:	
(5,555)	- Depreciation and Impairment	(6,044)
384	- Repayment of Debt	481
(1,554)	HRA share of contributions to/from the Pension Reserve	158
(60)	Amount by which officer remuneration charged to the HRA Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	55
3,025		**8,592**

HRA 2. Housing Stock

The Council's housing stock at 31 March 2024 was 5,045 (31 March 2023 5,007) in the following categories:

2022/23 Number		2023/24 Number
29	One apartment	29
1,367	Two apartment	1,370
2,231	Three apartment	2,245
1,232	Four apartment	1,251
144	Five apartment	146
4	Six apartment	4
5,007		**5,045**

HRA 3. Rent Arrears

Rent Arrears decreased during the year by £0.116m to a total of £2.379m (2022/23 £2.495m). As a percentage of gross rental income, the arrears represent 11% (2022/2312.2%) which is the equivalent to £471 (2022/23 £500) per house.

HRA 4. Impairment of Debtors

In 2023/24 an impairment of £2.294m (2022/23 £2.361m) has been provided in the Balance Sheet for irrecoverable rents, a decrease of (£0.067)m on the provision in 2022/23.

HRA 5. Rent Lost Due To Empty Properties

Rent loss due to empty properties during the year was £0.576m (2022/23 £0.539m). This is reported within other expenditure in the Income and Expenditure.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Council Tax Income Account for the year ended 31 March 2024

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

2022/23 £'000		2023/24 £'000
(33,098)	**Gross Council Tax levied and contributions in lieu**	(34,912)
	Deduct	
4,115	Other discounts and reductions	4,323
592	Write-off of uncollectable debts and allowance for impairment	174
56	Adjustments to previous years Council Tax	21
3,903	Council Tax Reduction Scheme	4,180
(24,432)	**Net Council Tax Income transferred to General Fund**	**(26,214)**

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

Dwellings fall within a valuation band which is determined by the Assessor employed by the Central Scotland Valuation Board. In setting its budget the Council determines the Council Tax level each year. Charges for other bands are proportionate to the Band 'D' figure, which for 2023/24 was £1,410.96 (2022/23 £1,343.77). This was a 5.0% increase from the previous year.

Valuation Band	Council Tax Charge
	£
A	960.64
B	1,097.41
C	1,254.19
D	1,410.96
E	1,853.84
F	2,292.81
G	2,763.13
H	3,456.68

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Council Tax Income Account for the year ended 31 March 2024

CTI.2 Calculation of the Council Tax Charge Base 2023/24										
number of dwellings (properties)	**A**	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**Total**
	(Disabled)									
	Relief)									
Total number of dwellings	-	6,305	7,353	2,209	2,830	3,490	2,101	934	55	**25,277**
Less exempt dwellings	-	(345)	(259)	(78)	(52)	(50)	(16)	(13)	(7)	**(820)**
Dwellings subject to disabled reduction	-	(23)	(28)	(20)	(24)	(61)	(17)	(7)	(1)	**(181)**
Dwellings subject to tax at this band due to disabled relief	23	28	20	24	61	17	7	1	-	**181**
Less adjustments for single discounts	(3)	(936)	(858)	(252)	(241)	(211)	(79)	(34)	(1)	**(2,615)**
Less adjustments for double discounts	-	(30)	(31)	(24)	(18)	(16)	(8)	(5)	-	**(132)**
Less adjustments for disregarded adults	-	(1)	(1)	-	-	(1)	-	-	-	**(3)**
Effective number of dwellings after discounts, exemptions and reliefs	**20**	**4,998**	**6,196**	**1,859**	**2,556**	**3,168**	**1,988**	**876**	**46**	**21,707**
Band D equivalent factor (ratio)	5/9	6/9	7/9	8/9	9/9	(473/360)	(585/360)	(705/360)	(882/360)	
Band D equivalent properties Number of Dwellings	11	3,332	4,819	1,652	2,556	4,164	3,231	1,716	112	**21,593**
Less provision for non-collection @ 2.5%										(540)
Council Tax Base 2023/24										**21,053**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Non-Domestic Rates Income Account for the year ended 31 March 2024

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

2022/23 £'000		2023/24 £'000
(21,564)	**Gross rates levied and contributions in lieu**	**(23,937)**
4,338	Reliefs and other deductions	4,870
(446)	Allowance for impairment of debts and appeals	1,730
(17,672)	**Net Non-Domestic Rate Income**	**(17,337)**
525	Adjustment to previous years' national non-domestic rates	278
-	Non-Domestic Rates Income Retained by Authority (BRIS)	(44)
(36)	Discretionary Reliefs charged to the General Fund	(414)
(17,183)	**Total Non-Domestic Rates Income/Income for Contribution to Non-Domestic Rate Pool**	**(17,517)**

2022/23 £'000		2023/24 £'000
17,183	Contribution to National Non-Domestic Rate Pool	17,517
(18,065)	Distribution from National Non-Domestic Rate Pool	(17,764)
(882)	(Gain)/Loss from National Pool	(247)
(18,065)	**Net NNDR Income per the Comprehensive Income and Expenditure Statement (Note 10)**	**(17,764)**

NDR 1. Net Rateable Value Calculation

The amount paid for NNDR is determined by the rateable value placed on the property by the Assessor multiplied by the rate per pound of £0.498 which is determined each year by the Scottish Government.

NDR 2. Rate Poundages Levied

	2022/23	2023/24
National Non-Domestic Rate	49.8p	49.8p
Intermediate Property Supplement – properties valued > £51,000	1.3p	1.3p
Large Property Supplement – properties valued > £95,000	2.6p	2.6p

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Non-Domestic Rates Income Account for the year ended 31 March 2024

NDR 3. Analysis of Rateable Values as at 1 April 2023

Type of Subject	Number of Premises	Rateable Value £'000
Commercial	949	14,917
Industrial	297	20,119
Miscellaneous	466	11,628
Total	**1,712**	**46,664**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Common Good

Summary

Common Good Funds are the assets and income of the former burghs of Scotland and stand separate from other accounts and funds of the Council. The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. The assets incorporated within the Common Good Account comprise the Speirs Centre, Alloa Town Hall and West End Park all within the former burgh of Alloa. There are also currently £9k principal funds held within the Common Good Accounts.

Common Good Comprehensive Income and Expenditure Statement
For the year ended 31 March 2024

2022/23 £'000		2023/24 £'000	2023/24 £'000
	Income		
(322)	Charges for use of premises	(323)	
(322)			**(323)**
	Expenditure		
55	Property Maintenance	15	
103	Utilities	111	
100	Rates	111	
45	Cleaning, land services and refuse collection	65	
19	Insurance	20	
187	Depreciation, Impairment and Revaluations	187	
509			**509**
187	**Cost of Services**		**186**
-	Taxation and Non-Specific Grant Income		-
187	**(Surplus)/Deficit on Provision of Services**		**186**
-	Surplus on revaluation of non-current assets charged to the revaluation reserve		-
187	**Total Comprehensive Income and Expenditure**		**186**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Common Good Balance Sheet
As at 31 March 2024

2022/23 £'000		2023/24 £'000
	Long-Term Assets	
4,978	Property, Plant and Equipment	4,792
	Current Assets	
9	Short-Term Investments	9
4,987	**Net Assets**	**4,801**
(9)	Usable Reserves	(9)
(1,701)	Revaluation Reserve	(1,701)
(3,277)	Funds tied up in Fixed Assets	(3,091)
(4,987)	**Total Reserves**	**(4,801)**

Common Good Movement on Reserves Statement
As at 31 March 2024

	Notes	Usable Reserves £'000	Unusable reserves £'000	Total reserves £'000
2023/24				
Balance at 1 April 2023		**(3,286)**	**(1,701)**	**(4,987)**
Movement in reserves during 2023/24				
Total comprehensive income and expenditure		186	-	186
Increase or (decrease) in 2023/24				
Balance at 31 March 2024		**(3,100)**	**(1,701)**	**(4,801)**

	Notes	Usable Reserves £'000	Unusable reserves £'000	Total reserves £'000
2022/23				
Balance at 1 April 2022		**(3,473)**	**(1,701)**	**(5,174)**
Movement in reserves during 2022/23				
Total comprehensive income and expenditure		187	-	187
Increase or (decrease) in 2022/23				
Balance at 31 March 2023		**(3,286)**	**(1,701)**	**(4,987)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements

The Council has interests in its subsidiary, associates and joint ventures. It participates in these companies by means of Board membership and the provision of funding and management support. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared in addition to single entity financial statements.

The following entities have been consolidated into the Group Financial Statements:

Subsidiary:

- Common Good

Joint Ventures:

- Clackmannanshire and Stirling Integration Joint Board

Associates:

- Central Scotland Valuation Joint Board

Information on how the Council participates in these companies is given in Note 6 to the Group's Financial Statements.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements

Group Comprehensive Income & Expenditure Statement for the year ended 31 March 2024

This statement combines the Comprehensive Income and Expenditure of the Council with the share of its subsidiary, associates and joint ventures income and expenditure to show the group position.

2022/23				2023/24		
Gross Expenditure	Gross Income	Net Expenditure /(Income)		Gross Expenditure	Gross Income	Net Expenditure /(Income)
£'000	£'000	£'000		£'000	£'000	£'000
101,365	(7,194)	94,171	People	98,084	(7,459)	90,625
26,901	(23,282)	3,619	Partnership & Performance	25,471	(22,099)	3,372
43,399	(12,878)	30,521	Place	45,295	(13,957)	31,338
19,119	(20,516)	(1,397)	Housing Revenue Account	21,546	(21,282)	264
1,372	(1)	1,371	Corporate Services	1,372	(1)	1,371
65,739	(38,754)	26,985	Clackmannanshire & Stirling IJB	65,497	(39,174)	26,323
453	-	453	Central Scotland Valuation Joint Board	462	-	462
464	-	464	Common Good	444	-	444
258,812	**(102,625)**	**156,187**	**Group Cost of Services**	**258,171**	**(103,972)**	**154,199**
(201)	-	(201)	Other Operating Expenditure	(210)	-	(210)
12,878	(1,489)	11,389	Financing & Investment Income & Tax Expenditure	9,755	(4,204)	5,551
-	(143,553)	(143,553)	Taxation & Non-Specific Grant Income	-	(154,160)	(154,160)
271,489	**(247,667)**	**23,822**	**Deficit or (surplus) on Provision of Services**	**267,716**	**(262,336)**	**5,380**
		1,473	Share of (surplus) or deficit on provision of services by associates & joint ventures			**3,252**
		25,295	**Group Deficit/(Surplus)**			**8,632**
		(16,926)	Surplus on revaluation of non-current assets including share of subsidiary			(9,548)
		12,061	Impairment (gain)/ loss on non-current asset to the revaluation reserve			3,545
		(131,048)	Actuarial gains on pensions assets/liabilities			16,266
		(1,287)	Share of other comprehensive income of associates & joint ventures			225
		(137,200)	**Other Comprehensive Income**			**10,488**
		(111,905)	**Total Comprehensive Income**			**19,120**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements
Group Movement in Reserves Statement
For the Year Ended 31 March 2024

This statement shows the movement in the year on the different reserves held by the Council alongside the reserves of the subsidiary, associates and joint ventures that the Council has an interest in giving a total reserves position for the Group.

	Usable Reserves			Unusable Reserves			Total Group Reserves
	Council	Council's share of subsidiary, associates & joint ventures	Group Total	Council	Council's share of subsidiary, associates & joint ventures	Group Total	
2023/24	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 April 2023	**(34,126)**	**(9,069)**	**(43,195)**	**(281,440)**	**(2,067)**	**(283,507)**	**(326,702)**
Movement in Reserves during 2023/24							
Total comprehensive income & expenditure	5,194	3,438	8,632	10,263	225	10,488	19,120
Adjustments between accounting basis & funding basis under statutory provisions	7,953	28	7,981	(7,953)	(28)	(7,981)	-
Net (increase)/decrease before transfers	**13,147**	**3,466**	**16,613**	**2,310**	**197**	**2,507**	**19,120**
Transfers to/from Earmarked Reserves	(11,819)	-	(11,819)	11,819	-	11,819	-
(Increase)/decrease in 2023/24	**1,328**	**3,466**	**4,794**	**14,129**	**197**	**14,326**	**19,120**
Balance at 31 March 2024	**(32,798)**	**(5,603)**	**(38,401)**	**(267,311)**	**(1,870)**	**(269,181)**	**(307,582)**

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements
Group Movement in Reserves Statement
For the Year Ended 31 March 2023

	Usable Reserves			Unusable Reserves			Total Group Reserves
	Council	Council's share of subsidiary, associates & joint ventures	Group Total	Council	Council's share of subsidiary, associates & joint ventures	Group Total	
2022/23	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 April 2022	**(38,877)**	**(10,631)**	**(49,508)**	**(164,411)**	**(878)**	**(165,289)**	**(214,797)**
Movement in Reserves during 2022/23							
Total comprehensive income & expenditure	23,635	1,644	25,279	(135,913)	(1,271)	(137,184)	(111,905)
Adjustments between accounting basis & funding basis under statutory provisions	(19,768)	(82)	(19,850)	19,768	82	19,850	-
Net (increase)/decrease before transfers	**3,867**	**1,562**	**5,429**	**(116,145)**	**(1,189)**	**(117,334)**	**(111,905)**
Transfers to/from Earmarked Reserves	884	-	884	(884)	-	(884)	-
(Increase)/decrease in 2022/23	**4,751**	**1,562**	**6,313**	**(117,029)**	**(1,189)**	**(118,218)**	**(111,905)**
Balance at 31 March 2023	**(34,126)**	**(9,069)**	**(43,195)**	**(281,440)**	**(2,067)**	**(283,507)**	**(326,702)**

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

The Group Balance sheet shows the value of the Group combining Clackmannanshire Council's assets and liabilities with its share of the assets and liabilities of those entities in which it has a financial interest.

31 March 2023 £'000		31 March 2024 £'000
399,741	Property, Plant & Equipment	414,277
805	Heritage Assets	805
7,532	Investment Properties	7,569
206	Intangible Assets	541
5,682	Investments in Associates and Joint Ventures	2,465
29,149	Pensions Asset	15,339
467	VJB Assets	208
1	Long-Term Debtors	1
443,583	**Non-Current Assets**	**441,205**
242	Investment Properties held for Sale	160
598	Inventories	608
14,311	Short-Term Debtors	16,858
34,010	Short-Term Investments	8,175
5,889	Cash and Cash Equivalents	4,295
55,050	**Current Assets**	**30,096**
(36,085)	Short-Term Creditors	(30,714)
(376)	Provisions	(72)
(3,032)	Short-Term Borrowings	(2,591)
(39,493)	**Current Liabilities**	**(33,377)**
(65)	Provisions	(91)
(97,754)	Long-Term Borrowing	(97,243)
(34,619)	Other Long-Term Liabilities	(33,008)
(132,438)	**Long-Term Liabilities**	**(130,342)**
326,702	**Net Assets**	**307,582**
(43,195)	Usable Reserves	(38,401)
(283,507)	Unusable Reserves	(269,181)
(326,702)	**Total Reserves**	**(307,582)**

The unaudited financial statements were issued on 30 January 2025 and the audited financial statements were authorised for issue on 23 April 2026.

Lindsay Sim
Chief Finance Officer
24 April 2026

Notes to the Group Financial Statements

Note 1 Group Accounting Policies

In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, Group Accounts have been prepared in addition to single entity financial statements. The Financial Statements for the Group have been prepared in accordance with the Accounting Policies specified for the Council's Financial Statements and are set out in Note 1 of this document.

Note 2 Disclosure of Interest in Other Entities

The Council has adopted the recommendations of the Code, which requires local authorities to consider their interests in all types of entity to incorporate into Group Financial Statements. Group accounts have been prepared using the following basis:

- subsidiaries – consolidated on a line by line basis; and
- associates and joint ventures – using the equity method of accounting.

A full set of Group Financial Statements with the exception of a Cash Flow Statement, has been prepared and presented in the pages above, incorporating material balances from identified associates. The Group Cash Flow Statement is provided alongside the single entity statements as it is not materially different to the cash flow statement for the Council as a single entity.

Note 3 Group Entities

The accounting period end for the entities below is for the year end 31 March. Financial information up to 31 March was obtained and accounted for in the Group accounts. The dates of these accounts are included below.

The Group Accounts consolidate the results of other entities:

- The Common Good Fund has been consolidated in full as a subsidiary (31/03/24);
- Central Scotland Valuation Joint Board has been incorporated as an associate with a 15.7% share of total requisitions (31/03/24); and
- Clackmannanshire & Stirling Integration Joint Board has been incorporated as a joint venture with a 25% shareholding (31/03/24).

The Council also has an interest in CSBP Clackmannanshire Investments Limited as a joint venture. On assessment of the financial information, the total net assets are below materiality level and the financial information is not consolidated into the Group Financial Statements. At a General Meeting of the company on 8 October 2024, a Special Resolution that the company be wound up voluntarily was passed.

The Council had an interest in Coalsnaughton NHT 2012 LLP as an associate until 19 March 2024 when the LLP was dissolved. On assessment of the financial information, the total net assets are below materiality level and the financial information is not consolidated into the Group Financial Statements.

The individual accounts relating to these entities are published separately and are available from Companies House or the Chief Finance Officer and Section 95 Officer, Kilncraigs, Alloa, FK10 1EB.

Notes to the Group Financial Statements (continued)

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

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

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

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

The Council has accounted for its interest in its joint venture using the equity method of accounting. The consideration paid by the Council equalled the fair value of assets and liabilities acquired, and therefore no goodwill arose on acquisition.

Note 4 Non-Material Interest in Other Entities

Until the LLP was dissolved on 19 March 2024, the Council previously recognised Coalsnaughton NHT 2012 LLP as an associate. The Council was one of four members of the LLP (25%). The Council made no contribution to the associate in the 2023/24 or 2022/23 financial years and the financial information from this associate has not been consolidated into the Group Financial Statements as it is considered immaterial to the understanding of the accounts.

The Council recognises CSBP Clackmannanshire Investments Limited as a joint venture. The council has two elected members of the Council who sit on the board of directors. No funds were received in 2023/24 or 2022/23. The Council made no contribution to the joint venture in the 2023/24 or 2022/23 financial years and the financial information from this joint venture has not been consolidated into the Group Financial Statements as it is considered immaterial to the understanding of the accounts.

The Council also has an interest in SEEMIS Group LLP and Scotland Excel. The financial results of the organisations have not been consolidated into the Council's Group Accounts as they are considered immaterial to the understanding of the accounts.

Note 5 Financial Impact of Group Consolidation

The effect of inclusion of the Subsidiary (Common Good), Associate, Joint Ventures and entities on the Group Balance Sheet is to increase both the Reserves and Net Assets by £7.473m (2022/23 £11.136m) representing the Council's net asset in the consolidating entities.

Notes to the Group Financial Statements (continued)

Note 6 Financial Results of Associates and Joint Ventures
The Council has interests in its subsidiary, associates and joint ventures. It participates in these companies by means of Board membership and the provision of funding and management support.

Subsidiary:

- **Common Good – the Common Good is administered and fully controlled by Clackmannanshire Council.**
  Common Good is treated as a subsidiary within the Council's Group accounts with assets, liabilities, reserves, income and expenditure being consolidated line by line.

The income and charges made in the year by the Council for services provided can be seen in the previous section of these accounts.

Joint Ventures:

- **Clackmannanshire and Stirling Integration Joint Board**
  The Clackmannanshire and Stirling Integration Joint Board (IJB) is a statutory body established to integrate health and social care services between Clackmannanshire Council, Stirling Council and NHS Forth Valley. The contribution provided by Clackmannanshire Council to the IJB in 2023/24 was £26.208m (2022/23 £25.167m). The IJB Board comprises twelve voting members with three elected members of Clackmannanshire Council (25% voting share).

Associates:

- **Central Scotland Valuation Joint Board**
  The Central Scotland Valuation Joint Board (VJB) is the statutory body responsible for maintaining the electoral, council tax and non-domestic rate register for Clackmannanshire, Stirling and Falkirk Councils. The contribution made by Clackmannanshire Council to the board for 2023/24 was £0.462m (2022/23 £0.453m). The VJB board comprises fifteen voting members with three elected members of Clackmannanshire Council (20% voting share) the accounts are consolidated based on the payment share of 15.7%.

- **Coalsnaughton NHT 2012 LLP**
  Under the NHT initiative, the Scottish Futures Trust, Hadden Construction and Clackmannanshire Council (25%) entered into a Limited Liability Partnership (LLP) to purchase newly-built homes so they could be made available for rent at 'mid market' rates, for a period of up to 10 years. All housing units were sold to Kingdom Housing Association on 7th March 2021 and the investment was fully repaid to the Council on that date. This associate was dissolved on 19 March 2024 and is not included within the Group Financial Statements for 2023/24 or 2022/23 as it is considered immaterial to the understanding of the accounts.

CLACKMANNANSHIRE COUNCIL
ANNUAL ACCOUNTS 2023/24
Group Financial Statements

The following table represents the Group's share of key financial information included within the Group statements, extracted from the accounts of the above entities for 2023/24

	Central Scotland VJB		Clackmannanshire and Stirling IJB		Common Good	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Gross Income	(459)	(475)	(2,158)	(2,131)	(322)	(323)
Gross Expenditure	515	534	65,388	70,337	509	509
Financing & Investment Income & Expenditure	23	(23)	(61,798)	(64,989)	-	-
(Surplus)/ Deficit on Provision of Services	79	36	1,432	3,217	187	186
Other Comprehensive Income/ Expenditure	(1,287)	225	-	-	-	-
Non-current assets	409	208	-	-	4,978	4,792
Current assets	168	123	5,631	2,465	9	9
Current liabilities	(112)	(82)	-	-	-	-
Long- term liabilities	-	(8)	-	-	-	-
Pension liabilities	(37)	(33)	-	-	-	-