



**Clackmannanshire  
Council**

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Comhairle Siorrachd  
Chlach Mhanann

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

# **Special Meeting of Clackmannanshire Council**

**Thursday 27 February 2025 at 9.30 am**

**Venue: Council Chamber, Kilncraigs,  
Greenside Street, Alloa, FK10 1EB**



## **Clackmannanshire Council**

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

The Council is responsible for approving a staffing structure for the proper discharge of its functions, approving new policies or changes in policy, community planning and corporate governance including standards of conduct.

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

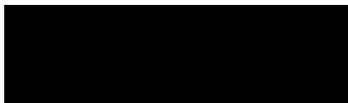
Members of the public are welcome to attend our Council and Committee meetings to see how decisions are made.

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**19 February 2025**

**A SPECIAL MEETING of the CLACKMANNANSHIRE COUNCIL will be held in the COUNCIL CHAMBER, KILNCRAIGS, ALLOA, on THURSDAY 27 FEBRUARY 2025 at 9.30 AM**



**NIKKI BRIDLE  
Chief Executive**

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

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1. Apologies	--
2. Declaration of Interests Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Services Officer.	--
3. Budget Context and Outlook – report by the S95 Officer (Copy herewith)	05
4. Treasury Management Strategy Statement 2025/26 – report by the Chief Finance Officer (Copy herewith)	27
5. General Services Revenue and Capital Budget 2025/26 – submitted by the Administration (Copy herewith)	59

**MEETING MANAGEMENT**

The Convener has advised that subject to the efficient management of the meeting, meeting breaks will be as follows:

- There will be a 10-minute break after 2 hours sitting, as set out in Standing Orders.
- There will be a 45-minute break for lunch at 12.45 until 13.30.
- There will be a 10-minute break at around 15.30.

## Clackmannanshire Council – Councillors and Wards

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### Councillors

### Wards

Councillor	Phil Fairlie	1	Clackmannanshire West	SNP
Councillor	Darren Lee	1	Clackmannanshire West	CONSERVATIVE
Councillor	Graham Lindsay	1	Clackmannanshire West	SNP
Councillor	Mark McLuckie	1	Clackmannanshire West	LABOUR
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	Martha Benny	2	Clackmannanshire North	CONSERVATIVE
Councillor	William Keogh	2	Clackmannanshire North	LABOUR
Councillor	Fiona Law	2	Clackmannanshire North	SNP
Councillor	Wendy Hamilton	3	Clackmannanshire Central	SNP
Councillor	Janine Rennie	3	Clackmannanshire Central	LABOUR
Councillor	Jane McTaggart	3	Clackmannanshire Central	SNP
Councillor	Kenneth Earle	4	Clackmannanshire South	LABOUR
Councillor	Ellen Forson	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	IND
Councillor	Bryan Quinn	4	Clackmannanshire South	SCOTTISH GREEN
Councillor	Scott Harrison	5	Clackmannanshire East	SNP
Councillor	Kathleen Martin	5	Clackmannanshire East	LABOUR
Councillor	Denis Coyne	5	Clackmannanshire East	CONSERVATIVE

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**Report to Clackmannanshire Council**

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**Date of Meeting: 27 February 2025**

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**Subject: Budget Context and Outlook**

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**Report by: Section 95 Officer**

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**Purpose**

- 1.1. This paper has been prepared by the Section 95 Officer in consultation with the Chief Executive and Monitoring Officer. It aims to provide information on the Budget context and outlook for the Council as it prepares to agree its General Services Revenue and Capital Budgets for 2025/26.
- 1.2. The paper has been prepared in support of the Council's proposed General Service Revenue and Capital Budget 2025/26 and aims to allow elected members to consider broad issues of financial resilience and sustainability ahead of taking its decisions.

**2.0 Recommendations**

It is recommended that Council notes the:

- 2.1. Background and context to the Council's socio-economic and systemic funding challenges, exacerbated by a largely population-based mechanism for distributing the Scottish Government Grant Income received (section 3)
- 2.2. Council's track record of delivering budget savings; collaboration, leveraging external resource and innovative transformation (section 4)
- 2.3. Financial outlook ahead of setting the Council's Budget and the need to maximise the value of permanent reductions in expenditure and increases in income wherever possible to deliver medium to longer term financial sustainability (paragraph 4.14 and section 4)
- 2.4. Financial outlook, residual risks and uncertainties should the 2025/26 General Services Revenue and Capital Budgets, proposed later in this Council agenda, be approved (paragraph 4.17 and section 4).

It is recommended that Council agrees to:

- 2.5. Prioritise, support and invest in the key activities being taken forward to mitigate the pressures (section 5) and to deliver service and financial sustainability
- 2.6. Consolidate and implement its Medium Term Financial Strategy (MTFS) and a Financial resilience Framework which will be regularly monitored and reported to Council through the regular Budget Strategy Update reports (paragraphs 5.30-5.33)
- 2.7. Identify any further potential options it would like developed to mitigate current and future service and financial sustainability challenges in addition to the current activities summarised in section 5 of this report (paragraph 5.1).

### **3.0 Background and Context**

- 3.1 Clackmannanshire is Scotland's smallest mainland authority when based on population (51,800). The County is an area of outstanding natural beauty whilst simultaneously experiencing a variety of significant, well-rehearsed and unique challenges.
- 3.2 Clackmannanshire experiences significant levels of demand, and complexity of need, for its services which trend beyond even the area's Upper Quartile deprivation levels. This means that on many demand-led indicators, such as domestic violence, levels of trauma, additional support needs and child protection referrals, the area's performance ranks amongst the highest in Scotland. This situation is exacerbated by funding levels which do not meet the costs of providing such vital services. For instance, we receive £13k grant re Violence Against Women and Girls (VAWG) but spend £174k on commissioned services plus further funding for the core team/services, additional costs which have required reprioritisation of funds from other areas. Another example is the Social Welfare Fund to which the Council has had to add additional funding in previous years and £114k during 2023/24. A one off top up was received for 2024/25 however, there is no additional funding for 2025/26.
- 3.3 Clackmannanshire also experiences significant economic challenges, for instance high levels of worklessness, low job density (approximately two people for every job) and fewer and lower paid opportunities for employment, which is exacerbated by poor mobility/connectivity issues, and all of which contribute to significant poverty and inequality in the County.
- 3.4 Clackmannanshire has staffing of 2695 FTE (including externally funded posts). Both political and managerial remuneration levels are in the lowest bandings in Scotland, making recruitment and retention a significant challenge given we are in direct competition for scarce resources with larger public sector bodies in the Forth Valley/Central Belt. Many staff have left the Council for better remunerated roles with significantly narrower spans of control and

greater supporting resources than Clackmannanshire can offer. Remaining staff have to manage the same legislative and policy requirements as other council areas but without the resources and support. Services have been redesigned to improve efficiency and reduce duplication, but this means that specialist roles have been diluted. Despite all of this, Clackmannanshire has been driving a significant transformation agenda, leading on innovation both locally and nationally.

- 3.5 This principle also extends to administrative systems where the Council has a proportionately higher level of demand relative to both scale and deprivation, for instance Freedom of Information requests and SPSO complaints. Capacity benchmarking shows the Council to be the lowest in Scotland for almost the full range of support services (legal, HR, Communications), following significant budget reductions over a number of years. This same principle also applies across frontline service delivery such as in Planning and staffing levels in Education and Social work are the lowest in Scotland. As a consequence, there is a dual pressure of increased demand and reduced/low resources to respond, potentially adversely impacting service quality and customer experience.
- 3.6 The Council has delivered an average of 82% of planned savings and protected frontline service delivery for our most vulnerable citizens. The Council is experiencing unprecedented financial pressures which are more acute for a small Council:
- The funding distribution mechanism, which is largely population-driven, in many respects results in a settlement for the Council which could be compared with that of the island councils without any of the potential levers.
  - As a small Council, within an area of significant deprivation and need, there are not significant opportunities to generate additional income, for instance 1% of council tax generates circa £255K; the Council does not have revenue streams such as oil revenue, and proposed local levies such as the visitor or parking levies would not generate significant income.
  - Additionally there is no material acknowledgement of the issues of scale and context in the current distribution mechanism in terms of the delivery of services to our residents: there is no equivalent to the islands allowance; needs-based indicators within the distribution do not reflect the variable contextual challenges; Clackmannanshire receives no benefit from the floor mechanism and the distribution does not take into account any minimum level of resourcing to deliver public services to a prescribed performance standard.
- 3.7 This snapshot of the Council's context is vital in understanding the financial challenges facing the Council area. The remainder of this paper sets out the service and financial sustainability challenge the Council area is facing

alongside some of the priority work that is being taken forward to mitigate these challenges.

#### **4.0 Financial Context and Outlook**

4.1 The Council's current (2024/25) net revenue budget is £161m and the Gross Capital Budget is £20m (SG Capital grant £4.2m). The HRA Budget is £20.4m.

4.2 Since 2010, the Council has agreed £70.5m of savings. When considered in the context of the current operating budget of £161m, this is a significant reduction and means inevitably that there are few, if any, non-statutory efficiencies and policy areas which Council has not already considered or agreed.

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

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

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

4.5 Currently there are a range of partnership arrangements in place, including:

- Health and Social Care Partnership- NHS Forth Valley and Stirling Council
- Forth Valley Public Protection
- School Transport- led by Stirling Council
- Out of Hours Social Work Duty - led by Stirling Council
- Animal Welfare - led by Stirling Council
- Bridges and Lighting Inspections / Repairs - led by Falkirk Council
- Waste Transfer / Disposal - led by Stirling Council
- Contaminated Land - Falkirk Council
- Trading Standards - Stirling Council
- Archaeology Specialist advice for planning applications - Stirling Council
- Internal Audit – Falkirk Council
- Under the Scottish Secure Tenants (Right to Repair) Regulations 2002, Stirling Council is our named secondary housing repairs contractor, and we are the named secondary repairs contractor for their tenants
- Dog Shelter (Banddeath) - led by Stirling Council

4.6 In recent years, as the options for non-statutory efficiencies and policy proposals has been diminishing, the Council has consciously deployed one off cash savings and reserves to balance its budget to minimise the need to permanently/adversely impact on the delivery of statutory services. In setting the current year's Budget (2024/25), the Council utilised £6.1m of one-off service concession. The use of one-off reserves to deliver financial balance is clearly not a sustainable strategy for the Council.

4.7 Delivering sustainability is not only delivered by reducing expenditure but also by maximising/ increasing income. The Council has been developing its Investment Strategy and has successfully levered financial and non-financial resources in respect of a range of priority projects and Transformation activities including from Sports Scotland, the Vardy Foundation, the Hunter Foundation and Scottish Government. This additional resource has been critical in ensuring that priority work has been appropriately supported and resourced. This is an activity which will continue to receive priority as part of the Council's Medium Term Financial Strategy and Investment Strategy (see section 5). There has also been mapping of all the community assets that exist across the area with the aim of trying to efficiently align more resource to improving outcomes for local communities.

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

out of authority education placements, both against a background of increasing complexity and demand.

- 4.9 There is an acute awareness of the need to secure service and financial sustainability which is linked directly to the agreement of the Council's Be the Future Transformation Programme in 2018. The Council's Be the Future programme has significant cross-party support and has been a unifying ambition for officers and members. It has at its heart several enablers to create the conditions for change - this includes obvious enablers such as digital and data transformation as well as those to support culture change such as our Values Based Leadership work with SG, Hunter Foundation and Columba 1400 as part of our work on the Family Wellbeing Partnership.
- 4.10 There are already demonstrable examples of progress as a consequence of our transformation work - bucking the national trend re the poverty-related attainment gap; independent evaluation of STRIVE suggests savings across partners of £66m as a consequence of preventing people from requiring statutory intervention; increased automation and digital access to Council services.
- 4.11 Based on the 2023/24 Draft Financial statements, the Council has Uncommitted reserves of £3.8m (£0.4m above the minimum 2% of net expenditure level) and Committed reserves of £27.1m (including reserves with restricted use).
- 4.12 In the current financial year, there remain a significant range of in-year pressures including pay and significant projected overspends in HSCP (£12.5m), necessitating recovery plans including recruitment to critical posts only and spending restraint during the year. These in-year pressures are expected to remain significant factors as we move into 2025/26.
- 4.13 Looking to 2025/26, there is a significantly challenging position over next 4 years with a further forecast £30m savings to find (Table 1).

**Table 1 - Indicative Funding Gap 2025/26 to 2028/29 (pre budget setting)**

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net Expenditure	167,709	173,157	178,258	183,786
Net Funding	(154,697)	(154,317)	(153,994)	(154,124)
Cumulative indicative Funding Gap	13,012	18,840	24,264	29,662

Annual indicative Funding Gap	13,012	5,828	5,424	5,398
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- 4.14 Separately on this Council agenda, a balanced budget for 2025/26 is also proposed. It is critical in considering the budget that the underlying deficit between expenditure and income is addressed by agreeing permanent reductions in expenditure, increasing income, minimising cash savings and minimising reliance on the use of reserves.
- 4.15 It is also important that the Council provides investment in those priority activities which aim to deliver service and financial sustainability and avoid the potential for short-termism in decision-making. The activities summarised in section 5 of this report reflect some of these necessary investment requirements. Given the scale of the current and future challenges this paper articulates, work will continue to identify further potential mitigations/ options which may in turn require investment.
- 4.16 The Council has a track record of taking difficult decisions when necessary and this continues to be required when considering the Budget for 2025/26 and for subsequent years.
- 4.17 Subject to the agreement of the proposed General Services Revenue and Capital Budget for 2025/26, the following key impacts and risks are also highlighted:
- Pay award for 2025/26 – the pay award for 2025/26 has not yet been agreed and discussions are ongoing with Trade Unions and COLSA and Council Leaders. The budget assumption for future years includes an assumed 3% increase based on the Scottish Governments Public Sector Pay award of 9% over 3 years. Anything above the assumed 3% would need to be funded from additional funds and would add to the budget gap in future years if permanent funding is not received.
  - HSCP projected overspend for 2024/25 – as noted above, the HSCP are projecting a £12.4m overspend for 2024/25 and there is an expectation that this overspend would be met by Partners. Any additional contribution whether in the form of a one-off payment or loan would need to be met from reserves. Given the broader challenges outlined in this report, affordability is a material consideration.
  - HSCP budget for 2025/26 – based on the current projected overspend there are pressures that will continue into 2025/26 that require significant savings and /or reduction in services to mitigate. Limited additional funds have been included within the 2025/26 local government settlement however, these are for specific inflationary

increases. There is a risk that the IJB may not be able to set a balanced budget for 2025/26.

- Increase in Employers National Insurance (NI) – it is estimated that this increase will add £1.9m to the Councils paybill. The Scottish Government have indicated that they will provide funding to meet 60% of this cost however, this leaves a pressure of c£800k for the council to fund on a permanent basis. There is also a risk that this cost pressure will be passed on by providers of commissioned services and also suppliers and contractors of goods and services. The quantum of this amount is currently unknown but would also need to be met from Council funds.
- Increase in demand for services – demand for frontline services including Child Care and specialist areas within Education and Learning have also been increasing. While some additional funds have been provided within the 2025/26 settlement, Clackmannanshire’s high level of deprivation and need mentioned above means there is a risk that this demand will continue to exceed the funding provided.
- Reserves Balances - with the use of reserves to support the budget in previous years, and the anticipated cost pressures mentioned above it is essential that Council continues to prudently manage and direct reserve balances to ensure that these support activity, including transformation, to maintain financial sustainability and protect services.
- Future year budget gap – the indicative gap for 2026/27 after setting the proposed budget for 2025/26 indicates a funding shortfall of £7.4m rising to £19.1m by 2029/30. There are a number of assumptions within these indicative figures including assumption on pay inflation 3%, assumptions on interest rates for borrowing, a Council tax increase of 10% and flat cash grant funding. Any variation in these assumptions can have a significant impact on the budget gap. Further information will be set out in the MTFs and Resilience Framework noted in section 5.

4.18 These risks and uncertainties will be reviewed on an ongoing basis and any significant changes reported to Council through the regular budget strategy updates throughout the year.

## **5.0 Service and Financial Sustainability measures**

5.1 This section of the report summarises the key activities currently being taken forward to mitigate the pressures and service and financial sustainability challenges narrated in sections 3 and 4 of this report. Given the scale of the challenges, risks and uncertainties presented, other potential mitigations/options will need to be developed. Council is requested to identify any further options it wishes explored/developed at this stage. Each aspect of

the current activities reflects a significant body of work, however, in summary, these are:

- Prioritising the political and managerial awareness raising and lobby with regards the systemic challenges facing the Council with Scottish Government, COSLA and key stakeholders such as Deloitte, the Council's External Auditors, Audit Scotland and the Accounts Commission
- Be the Future Target Operating Model and Regional Collaborative working options appraisal
- Be the Future Transformation Programme, including development of the Voice-led Transformation Space
- Income maximisation, including development of the Council's Investment Strategy and Maximisation of Grant Income
- The Council's Medium Term Financial Strategy and establishment of the Financial Resilience Framework
- Continued focus on sound financial governance and maximising management efficiency in operational delivery.

### **Lobby and awareness raising activity**

- 5.2 The Council has for many years sought to engage both politically and managerially to raise awareness of, and lobby for, improvements in respect of the challenges faced by the Council. Over the last 12-18 months, this focus has been significantly sharpened. Appendices A and B provide some examples of recent correspondence. As a consequence, the Council has been in significantly more detailed pre-Budget engagement with Scottish Government than in previous years, and we are advised that this has been a helpful contribution in securing an enhanced settlement for Local Government in the recent Scottish Budget.
- 5.3 Having highlighted the improved settlement position for the sector in 2025/26, it should be noted that in reaching this position, the underlying challenges of demand, complexity of demand, lack of financial flexibilities available to small councils and funding distribution, referred to as material in the Clackmannanshire context, remain unchanged.
- 5.4 There has also been open dialogue and engagement with Deloitte, the Council's External Auditor, The Controller of Audit (Audit Scotland), the Accounts Commission and with CoSLA (politically and managerially). A key issue being raised is that should a Council in Scotland find itself in financial difficulty, there is currently no 'early warning/ flagging' system or agreed framework for seeking support. These engagements have also sought to provide information and assurance to our stakeholders about the robust actions being taken forward whilst simultaneously highlighting what can/cannot be influenced at the level of an individual council.
- 5.5 It is extremely important that this external stakeholder dialogue continues with a particular emphasis on promoting better understanding of the lack of 'levers' available to small councils who do not receive the benefit of economies of scale in a distribution framework which remains largely population driven.

- 5.6 All stakeholders have committed to sustaining the open dialogue in place.

### **Be the Future Target Operating Model**

- 5.7 The Council's agreed Be the Future Target Operating Model promotes: People First; Mixed Economy of Service Delivery Models. It explicitly places collaboration and the potential for alternative models of service delivery for the future at its heart. The BtF TOM was agreed by Council in October 2022.
- 5.8 At service level, work continues to review service level TOMs such as for Business support, communications and engagement and support services with further work due to report during the 2025/26 financial year.
- 5.9 As we gain traction with our wider transformation programme, especially our work on the Family Wellbeing Partnership, Asset Management, Digital and Data transformation and Investment Strategy approaches, it is clear that our traditional operating structures can sometimes limit flexibility, agility and responsiveness. On some occasions this has even become a barrier where different portfolio priorities are not consistent. This experience is bringing into focus the need to consider a more holistic review of how we design services to meet people's needs, which may in time impact operational structures. This work is being developed in parallel with the BtF Transformation Programme activities.
- 5.10 In line with the Council's BtF TOM and building on the considerable track record of effective collaboration, our planned work is also prioritising work which considers options for transformation which can be achieved by working more with partners.
- 5.11 To take this forward, the Council is now in discussion with Falkirk and Stirling Councils, to consider the potential for a joint project which will help each Council to identify opportunities for future transformation. At this stage we are discussing a scope for discovery phase work.
- 5.12 The aim would be to provide each of the partner councils with a suite of options and opportunities for the way forward. These must be focused on delivering future efficiencies and savings to support the Council's financial strategy, as well as considering service sustainability. The work must also link to the Council's Target Operating Model and inform the next phase of the Council's transformation programme.
- 5.13 Given the transformational aims of this work, once agreed, the discovery stage of this work would be funded from the Council's Transformation Fund and has already been consulted on with the Be the Future Board and Group Leaders.
- 5.14 It is also worth highlighting that Solace and the Improvement Service are also currently undertaking work to support change across the whole of local government in Scotland. The Council is involved in this work, with the Chief Executive being the Project Sponsor for the Digital

To Be State workstream. This work also has significant potential to deliver benefits locally. The emerging Forth Valley work would also seek to complement this.

- 5.15 Members will be updated on any viable options which flow from this or any other work the Council is undertaking to develop the next phase of its transformation programme. It is anticipated that any such work is likely to be significant and may not, if options are identified, provide efficiencies and savings until at least 2026/27 or beyond.

### **Be the Future Transformation Programme**

- 5.16 The Council's Be the Future Transformation Programme has provided the framework for shaping Council priorities, investment, and delivery since 2018. It focuses on three key themes:

- Sustainable Inclusive Growth
- Empowering Families and Communities
- Health and Wellbeing

- 5.17 At the heart of the approach is reaching sustainable and positive outcomes for more people, for less cost where possible whilst ensuring that we are tackling poverty and inequality at its source, improving access and outcomes. Our work is delivering significant impact and interest for the sector more widely in respect of our work to support a wellbeing economy and demonstrating a more streamlined approach to outcomes-based funding and reporting through the Family Wellbeing Partnership.

- 5.18 This represents a long-term investment and acknowledges that prevention and early intervention approaches take time to fully deliver benefits, though as set out in paragraph 4.10, we are already seeing benefits from this investment in these transformed approaches.

- 5.19 The Council has streamlined its prioritisation to focus on the 'Top 3' transformation activities in respect of Digital and Data Transformation, Workforce Planning and Asset Management. Alongside this specific work is being taken forward to design, develop and deliver services in partnership with our communities. The detailed work is reflected in the broader Programme and is regularly reported to the Be the Future Board and Council.

- 5.20 A specific and leading investment in this area in 2025/26 is the development of Clackmannanshire's Transformation Space. The initiative proposes a four-part collaboration of community, public, private and third sectors with a shared focus on preventative solutions and doing more with a reducing resource.

- 5.21 The Transformation Space has 5 strategic aims:
- Reduce silos and deliver whole person responses
  - Deliver voice-led transformation

- Demonstrate agile and impactful flow of funds
- Build Community Wealth and deliver a Wellbeing Economy
- Deliver a single reporting Framework with relevance to the Community.

More details on this proposal will be provided to the Be the Future Board and Council, following budget setting for the 2025/26 financial year.

### **Income Maximisation**

5.22 As previously stated, the maximisation of grant/ income is as important as minimising expenditure whilst delivering improved outcomes. Two key areas are being prioritised in this regard in the immediate future:

- Development of the Investment Strategy and associated officer capacity
- A focus on maximising SG Grant income to ensure full benefit is obtained from the needs-based indicator driven elements of the Distribution as well as the population driven elements

5.23 Clackmannanshire's Investment Strategy was approved in March 2023. There have been some delays in establishing the appropriate resources to further develop this work. However, there has been recent progress with recruitment arrangements now progressing.

5.24 Irrespective of the resource challenge, progress has been made to review and update the Investment Strategy in the intervening period. This was a significant review activity and provides the opportunity to develop the Investment Strategy approach in way which is more consistent with the Council's broader transformation ambitions.

5.25 The Investment Strategy draft Strategic Outcomes are as follows:

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

5.26 This work will be further developed during 2025/26 and reported to the Be the Future Board and Council.

5.27 It is important that Council is assured that SG grant income is maximised as far as possible. To facilitate this, the Chief Executive has requested that the Section 95 Officer undertakes a review of the

Council's arrangements for completing and submitting its Local Finance Returns (LFRs) to ensure we are accurately maximising access to the funding available.

- 5.28 LFRs are a series of detailed returns that collect final, audited expenditure figures for all local authorities including councils, on an annual basis. The figures collected in the LFRs are published as part of the Scottish Local Government Finance Statistics publication. Once published, the data is used for a wide range of purposes, including in assessment of Grant Aided Expenditure (GAE). It is, therefore, important that returns submitted accurately reflect demand and spend on services.
- 5.29 Once we have completed our internal review, it is intended to engage with practitioner leads within Scottish Government to review any findings/ impacts.

### **Medium Term Financial Strategy**

- 5.30 Following the Best Value report received in September 2024, the Council's Improvement Plan prioritised the consolidation of its Medium Term Financial Strategy into a single document. Work to take this activity forward has been scheduled following the Council's 2025/26 Budget setting process. Some preparatory work has already been undertaken and several examples of potential formats for the Strategy have been reviewed. Once finalised, the draft document will be submitted to Council as soon as practicable for approval.
- 5.31 The key theme of this paper to Council is to further increase awareness of financial resilience and sustainability. Generally, Local Authorities have relied on in-year contingencies and their Reserves' Policies as a measure of financial resilience. Increasingly as a consequence of the Covid-19 pandemic and the increasing number of local authorities in England who have, in recent years, found themselves in financial difficulties, the spotlight has fallen on the financial sustainability of the local government sector in Scotland.
- 5.32 There has also been greater emphasis from external auditors on the assurance and demonstration of the concept of 'going concern' for local authorities and the Council has experienced this scrutiny first hand from Deloitte, the Controller of Audit and the Accounts Commission very recently.
- 5.33 It is therefore, proposed that alongside the development of the Medium Term Financial Strategy, a Financial Resilience Framework will be developed. Put simply, the Framework aims to complement the MTFS by ensuring a longer-term view is taken of the Council's financial resilience i.e the ability to withstand events that impact the Council's income and assets, including unforeseen events. It is anticipated that this will be an iterative development process. This development will provide greater awareness and transparency over what financial resilience is, how it is defined and measured and link clearly to the subsequent actions and decisions required.

## Financial governance and operational efficiency

- 5.34 Underpinning all of the collective political and managerial investment in finding innovative solutions to deliver service and financial sustainability, it is important, that a sharp focus is sustained on day-to-day management to ensure it remains operationally efficient and cost effective.
- 5.35 To facilitate this, a series of leadership sessions have been held to ensure that managers are aware of current policies, requirements and expectation in respect of financial management, control and governance.
- 5.36 The Section 95 Officer and Senior Leadership Group monitor the Council's financial outturns closely to identify whether additional actions are required during the financial year to ensure financial balance is maintained once the Budget has been agreed. This has resulted in specific actions being implemented such as spending restraint and short-term vacancy management. Significant additional scrutiny is undertaken by elected members through the Audit and Scrutiny Committee and Council.

### 6.0 Sustainability Implications

- 6.1 There are no direct sustainability implications arising from this report

### 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 has been consulted and have agreed the financial implications as set out in the report. Yes
- 7.4 Staffing - 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 (Please double click on the check box )
- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
- Our families; children and young people will have the best possible start in life
- Women and girls will be confident and aspirational, and achieve their full potential
- Our communities will be resilient and empowered so that they can thrive and flourish

- (2) Council Policies
- Complies with relevant Council Policies Yes

### 10.0 Equalities Impact

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

### 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".

- Appendix A- Letter to UK Government re Employers NICs changes
- Appendix B- Letter to Deputy First Minister and Cabinet Secretary for Finance (Nov 2023)

### 13.0 Background Papers

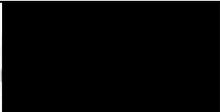
- 13.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered) Yes  (please list the documents below) No

## Clackmannanshire and Stirling Integration Scheme

**Author(s)**

<b>NAME</b>	<b>DESIGNATION</b>	<b>TEL NO / EXTENSION</b>
Lindsay Sim	Section 95 Officer	452002

**Approved by**

<b>NAME</b>	<b>DESIGNATION</b>	<b>SIGNATURE</b>
Nikki Bridle	Chief Executive	

**Councillor Ellen Forson**  
**Leader of Clackmannanshire Council**

Ward 4 Clackmannanshire South (Multi Member Ward)

Kilncraigs, Greenside Street, Alloa, FK10 1EB

Telephone: [REDACTED]

Email [REDACTED]

Contact: Business Support Administrator

Rt Hon Rachel Reeves MP

House of Commons

London

SW1A 0AA

[REDACTED]

Telephone: [REDACTED]

Email: @clacks.gov.uk

Our ref: EF/JD

Date: 17/02/2025

Dear Chancellor Rachel Reeves,

**Financial Impact of Changes to National Insurance Contributions on Clackmannanshire Council**

I am writing on behalf of Clackmannanshire Council to raise urgent concerns regarding the financial implications of the recent changes to National Insurance contributions. As a local authority responsible for delivering essential public services, we will experience significant pressures as a result of these changes.

The recent amendments to National Insurance contributions, including the reduction in employee rates and changes to employer obligations, have placed a considerable financial strain on our council budget.

While we acknowledge the intended benefits of easing tax burdens on individuals and businesses, the impact on Scottish local government finances cannot be overlooked. Scotland’s higher public sector workforce, compared to England, creates a substantial funding shortfall for covering the National Insurance increase announced by the UK Government, and additional pressures will be passported to Local Authorities from our commissioned services/third sector partners as no provision has been made in respect to this.

We have a number of signification concerns that we would wish to highlight :-

**Increased Financial Burden on Council Budgets**

Clackmannanshire Council is already operating within tight fiscal constraints. The rising cost of employer National Insurance contributions, combined with increasing inflationary

pressures, is further exacerbating our financial position. This threatens our ability to sustain essential services, including social care, education, and public health.

### **Impact on Workforce and Service Delivery**

Local authorities are among the largest employers in their regions. The increased costs associated with these changes may necessitate difficult decisions regarding staffing levels, recruitment, and service provision. At a time when demand for local services is higher than ever, this creates an unsustainable model that could negatively affect our residents.

### **Lack of Corresponding Financial Support from Central Government**

Without additional funding that covers the full direct cost of the NI increase, we face severe financial shortfalls, which could lead to cuts in vital services that communities rely upon.

In light of these concerns, Clackmannanshire Council urges the UK Government to:

- Provide additional financial support to the Scottish Government to fully compensate the public sector for the increased employer National Insurance contributions.
- Provide additional financial support to reflect the ongoing pressures through increased provider costs caused by these changes.
- Engage directly with local councils to assess the full impact and collaboratively develop solutions that ensure funding provided to Scottish Government is sufficient to safeguard essential services.

As a Council we remain committed to delivering high-quality public services, but without urgent intervention, the financial sustainability of our local authority will be severely compromised.

We appreciate your attention to this critical issue and look forward to your support in addressing the challenges outlined in this letter.

Yours sincerely,

Councillor Ellen Forson  
Leader of Clackmannanshire Council



## APPENDIX B

Councillor Ellen Forson Leader of the Council  
Ward 4 Clackmannanshire South (Multi Member Ward)  
Kilncraigs, Greenside Street, Alloa, FK10 1EB  
Telephone: [REDACTED]  
Email: [REDACTED]

Shona Robison  
Deputy First Minister and Cabinet Secretary  
for Finance  
Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

Contact: Councillor E Forson  
Direct Tel: 01259 45  
Email: [@clacks.gov.uk](mailto:@clacks.gov.uk)  
Our Ref:  
Your Ref:  
Date: 6 November 2023

Dear Shona

### Request for meeting: Clackmannanshire Council

Ahead of this year's budget setting process, I would appreciate the opportunity to meet with you to discuss a range of service and financial planning matters impacting Clackmannanshire Council, some of which I believe may also be impacting other small administrative systems across Scottish councils.

Over the last six years, as the Leader of Clackmannanshire Council, I have worked with my group, council officers and partners to prioritise the transformation of our approaches, with a focus on service and financial sustainability, while ensuring alignment with our shared goals and priorities. We have invested in building local and national relationships to establish positive conditions in which collaboration and transformation can flourish. I believe that we are making good progress on a significant number of initiatives, many of which are being recognised nationally and we are very proud of what we are achieving, including:

- The re-design of local services, with greater emphasis on early intervention and prevention through the Family Wellbeing Partnership and the Promise. The STRIVE approach, takes a multi-agency approach to meeting the needs of our most vulnerable members of our communities, working collaboratively and with purpose with Police, Health and the Third Sector.
- Our approach to delivering funded childcare cuts across silo working and provides a holistic approach for families to help them into employment, training, while supporting wellbeing and creating local jobs.
- Building robust foundations to meet our commitment to deliver The Promise by 2030, including working collaboratively with new partners such as the Vardy Foundation and the Hunter Foundation to leverage the resources required to deliver on this commitment.
- Developing a positive, collaborative culture by embedding values-based leadership in partnership with Columba 1400 and working with elected members, senior leaders, front line teams, young people and third sector partners to create a community of changemakers.
- Leading the way in collaboration with partners on developing a Wellbeing Economy and embedding Community Wealth-building which is recognised nationally
- Promoting partnership working locally and regionally with a range of shared service arrangements such as trading standards; internal audit; street lighting and bridge inspection; waste services as well as the Forth Valley and West Lothian Regional Improvement Collaborative in education.
- Strong innovation via our City Region Deal with the University of Stirling and Stirling Council to create strong economic foundations and improved economic performance focussed on new economic niche of environment and sustainable ageing, in line with the priorities set out in NSET.
- Implementing our Digital Strategy to improve our customer experience, maximise our operational efficiency and cost effectiveness.
- The adoption of a progressive Investment Strategy that is leveraging additional investment of both financial and human resources to support our continuing transformation ambitions.

This progress is being delivered against a backdrop of significant contextual challenges which I believe makes our progress, all the more impressive.

Clackmannanshire Council is Scotland's smallest mainland authority with an aging population of 51,800 who are living longer. Levels of inequality across Clackmannanshire are high: Based on the SIMD results from 2020, Clackmannanshire has 28% of its population (14,500 people) living in the most deprived quintile, the 8<sup>th</sup> highest in Scotland. Scotland by comparison has 20% of its population living in the most deprived quintile.

Poverty and inequality affects a significant proportion of residents in Clackmannanshire. Despite the collective efforts of both the Scottish Government and the Council, Clackmannanshire has the 3<sup>rd</sup> highest levels of children under 16 living in relative low income at 25.9%, after Glasgow and North Ayrshire – up from 18.9% in 2020.

Underneath these headlines, lies a further level of demand and complexity of need in respect of the services the Council provides that trends well above the level of deprivation, and which has been significantly exacerbated by the Covid-19 pandemic. Further specific examples include:

- The needs of our children in Early Learning and Childcare and schools have increased significantly post-covid, with areas of deprivation being significantly affected. As many as 40-50% of our children are now receiving additional support in education, including Mental Health supports and for social and emotional development. This comes with significant financial implications – for example, placements for specific needs such as provision for specialist autism needs or profound hearing impairment just cannot be met within a small authority and external costs are significantly higher. Another example is the demand for Additional Support Needs Transport which has increased significantly, and we are currently forecasting a significant overspend on this budget for 2023/24.
- 43% of our care experienced young people are looked after at home, higher than the Scotland average of 34% which we know delivers better outcomes. However, the services required to support these children are significant and often have a high financial cost.
- Due to our small size and demographic picture, we struggle to recruit foster carers which means that 25% of the Council's foster care provision is delivered through external placements - against a national average of 10%. Again, as a result, the costs we incur are significantly higher.
- Levels of domestic abuse in Clackmannanshire are 4<sup>th</sup> highest per head of population in Scotland. In addition, we have the second highest levels of teenage pregnancies and significant inequalities for women in terms of the gender pay gap and gender-based violence. However, as is the case in many areas, the funding we receive for Violence Against Women is based on population not on need.
- Our population has significant health inequalities with lower-than-average life expectancy; higher than average suicide rates and rates for anxiety, depression, psychosis and health behaviours such as alcohol, drugs and smoking dependencies which all result in an increased demand for services.
- Our area has comparatively low levels of economic activity (69.5%) and a high percentage of workless households (27.5%) and low job density (0.54) when compared with other areas in Scotland and which also impacts on demands for public services.

Yet against this backdrop we continue to make progress in a transformed political environment with significant cross-party support for our ambitions and priorities, and the progress we are making towards tackling these significant issues for our residents with a relentless focus on tackling poverty and inequality.

We have made this progress whilst sustaining financial balance - over the last 10 years Council has agreed almost £49m of savings in the context of a current General Services Revenue Budget of £152m. We have delivered an average of 82% of planned savings and protected frontline service delivery for our most vulnerable citizens. However, this year, perhaps, unsurprisingly, the Council is experiencing unprecedented financial pressures which I believe are more acute for a small Council:

- The distribution mechanism in some respects (for instance as illustrated by the remuneration bands of councillors and officers and financial distribution based on population figures) results in a settlement for the Council which could be compared with that of the island councils. Clackmannanshire Council, however, sits in a strategically important location in the Central belt of Scotland with commensurate expectations of our contribution to the delivery of regional and national policy and connectivity.

- As a small Council, within an area of significant deprivation and need, we do not benefit from significant opportunities to generate additional income , for instance 1% of council tax generates circa £255K; we do not have revenue streams such as oil revenue, and proposed local levies such as the visitor or parking levies would not generate significant income.
- Additionally there is no acknowledgement of the issues of scale and context in the current distribution mechanism in terms of the delivery of services to our residents: there is no equivalent to the islands allowance; needs- based indicators within the distribution do not reflect the variable contextual challenges as I believe were intended; Clackmannanshire receives no benefit from the floor mechanism and the distribution does not take into account any minimum level of resourcing to deliver public services to a prescribed performance standard.

There are many more illustrations I could share, however, I will conclude that I believe in Clackmannanshire we have transformed our profile, level of ambition and culture; this has served us well and delivered almost £50m of savings over the last decade or so, ensuring that we have protected public services for our communities, and are now leading the way in developing many approaches which better support some of our most vulnerable residents.

However, in the current context, with significant cost pressures and increasing demand for services, I do not believe that there is a level playing field for small councils within the current local government settlement, and I am concerned we are now starting to see variabilities in local performance standards that adversely impacts our most vulnerable.

On this basis, I hope that you will meet with me in order that we can further explore some of these issues. As part of such discussions, I would be happy to share details of some of the potential decisions we are facing in the forthcoming budget round to illustrate the cumulative impact of the contextual and financial pressures I have described.

I look forward to hearing from you.

Yours sincerely

Councillor Ellen Forson  
Leader of the Council

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Report to Clackmannanshire Council

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Date of Meeting: 27<sup>th</sup> February 2025

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Subject: Treasury Management Strategy Statement 2025/26

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Report by: Chief Finance Officer

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## 1.0 Purpose

- 1.1 The purpose of this report is to present the Council's Treasury Management Strategy Statement for 2025/26 and Prudential Indicators for 2025/26 to 2027/28.
- 1.2 CIPFA defines treasury management as:

*“The management of the local authority’s borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”*

## 2.0 Recommendations

- 2.1 It is recommended that Council:
- 2.1.1 notes the information contained in this report,
- 2.1.2 approves the Treasury Management Strategy Statement for 2025/26 and Prudential Indicators for the years 2025/26 to 2027/28, attached as Appendix A, in compliance with the Prudential Code requirements.
- 2.1.3 notes the continuation of the Borrowing Strategy to support continued capital investment (paragraph 5.6)
- 2.1.4 notes the investment portfolio position as at 31<sup>st</sup> January 2025 (Appendix B).

## 3.0 Background

- 3.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available to meet spending commitments as they fall due either for day-to-day revenue operations or for larger capital projects. Treasury activities will balance the interest costs of debt and the investment income arising from cash deposits. Surplus monies are invested in low risk

counterparties commensurate with the Council's low risk appetite, initially providing adequate liquidity before considering investment return.

- 3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously undertaken may be restructured to meet Council risk or cost objectives.
- 3.3 The Prudential Indicators included in Appendix A have been determined based on the budget proposals contained in the Capital Programmes for both the General Fund and the Housing Revenue Account included within the General Services Revenue and Capital Budget 2025/26 on the agenda for approval at this meeting and the Housing Revenue Account (HRA) Budget 2025/26 previously approved by Council at its meeting on the 30<sup>th</sup> January 2025.

## 4.0 Reporting Requirements

### Treasury Management Reporting

- 4.1 The Council or appropriate committee is required to receive and approve as required, a minimum of three main categories of reports each year, which incorporate a variety of policies, estimates and actuals.

**1 - Prudential and treasury indicators and treasury strategy** (contained within this report) - The first and most important report is forward looking and covers:

- the capital plans (including prudential indicators);
- a policy for the statutory repayment of debt (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

**2 - An annual treasury report** – This is a reflective review and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates set out within the strategy.

**3 - Quarterly reports** – In addition to the two reports detailed above, the requirement to provide quarterly reports from April 2023 was introduced. These quarterly reports are presented to Council or Committee as appropriate throughout the year.

## 5.0 General Services Capital Programme

- 5.1 In its budget for 2021/22, Council approved a new 20 year capital investment rolling programme covering the years 2021/22 to 2040/41. This programme set

out planned significant capital investment areas across the Council's Be The Future priorities and allows investment to support wellbeing and economic performance and recovery. This programme is reviewed annually on a rolling basis and has been updated to cover the 20 year period up to 2044/45. Detail of the capital programme is provided within the General Fund Revenue and Capital Budget 2025/26 also on this agenda.

5.2 The table below shows the planned gross expenditure across the 20 year programme, shown in detail for the first five years and summarised for each of the next five years, and the income expected for each of those years. The Gross Programme Limit represents the level of expenditure that can be incurred before external borrowing increases. This includes the income and repayments to external debt in the year, referred to as the funding envelope.

5.3 Table 1 indicates that over the period to 2044/45, there is a total of £256.577m available for capital investment without increasing borrowing. The Council's proposed programme for the period 2025/26 to 2044/45 totals £247.845m, £8.732m below the Gross Programme Limit. This means that the Council's overall level of borrowing is expected to decrease by this amount by the end of the 20 year programme.

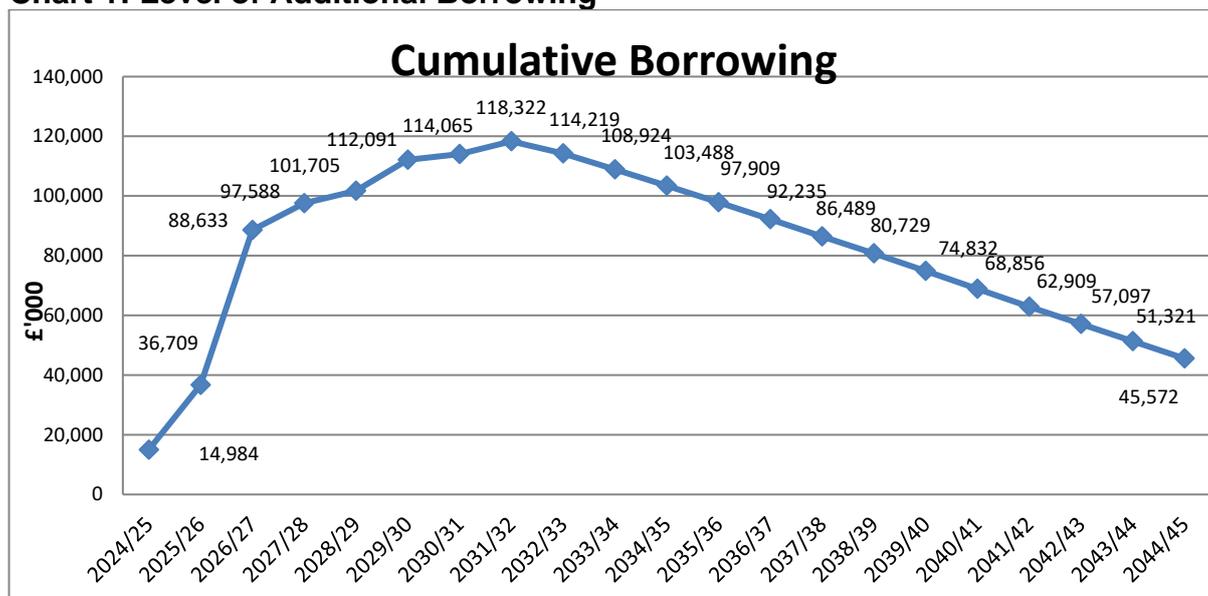
**Table 1: General Services Capital Funding 2025/26 to 2044/45**

	2025/26	2026/27	2027/28	2028/29	2029/30	2030-35	2035-40	2040-45	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Gross Programme Limit</b>									
Income	(5,718)	(6,781)	(8,416)	(11,776)	(5,566)	(23,830)	(22,830)	(22,830)	(107,747)
Loans Fund Principal Repayments	(1,823)	(1,553)	(2,068)	(2,661)	(3,235)	(30,564)	(33,501)	(34,105)	(109,510)
External Borrowing Principal Repayments	(7,308)	(412)	(2,100)	(10,000)	(500)	(3,000)	(12,000)	(4,000)	(39,320)
<b>Total Gross Programme Limit</b>	<b>(14,849)</b>	<b>(8,746)</b>	<b>(12,584)</b>	<b>(24,437)</b>	<b>(9,301)</b>	<b>(57,394)</b>	<b>(68,331)</b>	<b>(60,935)</b>	<b>(256,577)</b>
Proposed Planned Expenditure	29,266	60,258	19,439	18,554	19,187	45,791	27,675	27,675	247,845
Amount of Planned Expenditure (below)/above Gross Programme Limit	14,417	51,512	6,855	(5,883)	9,886	(11,603)	(40,656)	(33,260)	(8,732)

5.3 The profile of investment over the 20 year programme front loads expenditure within the first 7 years of the programme, thereafter reducing expenditure below the available funding envelope to start to reduce the level of external borrowing back towards the current level as shown in chart 2 below. This is in line with the Council's prioritisation of an investment-led recovery strategy, as supported by

the Council's Capital Budget. Throughout the programme, opportunities for additional funding sources will be sought to reduce any external borrowing requirement and expedite the reduction in the overall level of external borrowing.

**Chart 1: Level of Additional Borrowing**



5.4 In order to support the planned investment outlined above, the previous borrowing strategy to minimise external debt was revised as part of the 2021/22 TMSS. Prior to this the previous strategy, approved in 2012, has delivered significant reductions in external debt of £20.4m to 31<sup>st</sup> March 2025, bringing the ratio of cost of borrowing to 3.89% projected as at March 2025 which is below the latest reported Scottish average of 5.75% (2023/24). The cost of borrowing is based on the loan charge payments on external borrowing compared to the Council's general revenue funding and is therefore an assessment of affordability. This low cost of borrowing allows capital investment to be made whilst still being affordable.

5.5 Table 2 below shows the ratio of the cost of borrowing over the life of the capital programme, detailed for the first five years then shown at the end of each of the further five-year periods to 2044/45. Increasing rates to 2034/35 reflect the cumulative additional investment over the first ten years since the programme was approved in 2021/22, primarily in the Council's Wellbeing Hub and Lochies School, Learning Estate and Digital Developments. Investment slows in future years which also reduces the ratio of the cost of borrowing.

**Table 2: Ratio of cost of borrowing**

	2024/25	2025/26	2026/27	2027/28	2028/29	2034/35	2039/40	2044/45
	£000	£000	£000	£000	£000	£000	£000	£000
Loan Charges/ Cost of Borrowing	6,087	7,232	8,286	9,862	11,417	16,355	15,552	14,688
General Revenue Funding	156,310	166,214	169,101	172,276	175,769	191,289	206,192	225,213
Ratio of Cost of Borrowing	3.89%	4.35%	4.90%	5.72%	6.50%	8.55%	7.54%	6.52%

5.6 The cost of borrowing will be reviewed annually as part of the General Fund Revenue and Capital budget and the Treasury Management Strategy to ensure costs of borrowing remain affordable over the longer term.

5.7 Additional Prudential Indicators are shown in Appendix A and reflect the revised capital programme over the three years to 2027/28. These indicators will be updated annually reflecting any changes in the expenditure or funding levels within the proposed programme ensuring that the proposed programme continues to be prudent, affordable, and sustainable.

## 6.0 Capital Strategy

6.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy, which will provide the following:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed, and
- the implications for future financial sustainability.

6.2 The aim of the Capital Strategy is to ensure that Council fully understands the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

6.3 This report sets out the high level Capital Strategy which includes detail on projected capital expenditure, investments and liabilities and treasury management. This shows how stewardship, value for money, prudence, sustainability and affordability is being secured.

6.4 The work carried out to develop the initial 20 year Capital Programme in 2021/22 established the foundations for the Council's Capital Strategy which is developed annually as part of a rolling 20 year programme. This strategy is also outlined in the General Revenue and Capital Budget report also on this agenda. The capital strategy is also supplemented by the investment strategy approved by Council in March 2023 which provides further detail on the elements outlined above including a capital implementation plan for significant projects. A refresh of this strategy is underway to further develop the strategy in line with the Council's broader transformation ambitions.

## 7.0 Treasury Management Strategy for 2025/26

7.1 The strategy for 2025/26 covers two main areas:

### **Capital**

- the capital plans and the prudential indicators, and
- the loans fund repayment policy.

### **Treasury Management**

- the current treasury position;
- treasury indicators which limit treasury risk and the activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- statutory repayment of loans fund;
- the investment policy;
- the investment strategy;
- creditworthiness policy;
- country limits and
- policy on use of external service providers

7.2 These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code and CIPFA Treasury Management Code (2021 editions), the Local Government Investment Regulations (Scotland) 2010 and the Local Authority (Capital and Financing and Accounting) (Scotland) Regulations 2016.

7.3 This TMSS for 2025/26 incorporates the update to the Treasury Management and Prudential Code published by CIPFA in December 2021.

### **Training and Advice Services**

7.4 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Training is provided for members in the form of briefings on specific changes and reports. Regular briefings are held prior to presentation of the annual Treasury Management Strategy Statement with a briefing being held in advance of this meeting. MUFG Corporate Markets (formerly Link Group), our treasury management advisors, also provide training sessions for members as required and a training session is also expected to be held during 2025/26.

7.5 A new Scottish Treasury Management Toolkit, developed by the Scottish Treasury Management Forum in partnership with CIPFA provides a series of on-line learning modules developed to assist officers and members to have a minimum level of knowledge and understanding of treasury practices.

7.6 The training needs of treasury management officers are periodically reviewed and training arranged as appropriate. Treasury management officers attend regular meetings with the Council's treasury management advisors, benchmarking meetings with representatives from other Scottish local

authorities and specific training events arranged by the Council's treasury management advisors. A formal record of the training received by officers central to the Treasury function and members is required to be maintained.

7.7 The Council uses MUFG Corporate Markets as its external treasury management advisors, however it recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon the services of our external service providers.

7.8 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment, and the methods by which their value is assessed, are properly agreed and documented and subjected to regular review. Following a procurement exercise during 2019, Link Group (now MUFG Corporate Markets) were retained as the Council's external treasury management advisors until 31<sup>st</sup> July 2025. A procurement process will be undertaken during 2025/26 to ensure continued external Treasury support.

## 8.0 Conclusion

8.1 The Treasury Management Strategy for 2025/26 builds on and consolidates the Council's existing Investment Strategy and Prudential Borrowing framework.

8.2 The strategy supports the delivery of the Council's capital investment plans and reflects the updated 20 year capital investment programme proposed within the General Fund Revenue and Capital Budget for 2025/26.

## 9.0 Sustainability Implications

9.1 None.

## 10.0 Resource Implications

10.1 *Financial Details*

10.2 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

10.3 Finance has been consulted and has agreed the financial implications as set out in the report.

Yes

10.4 *Staffing*

10.5 None

## 11.0 Exempt Reports

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

## 12.0 Declarations

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

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

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

### (2) Council Policies (Please detail)

Treasury Management Policy Statement and Practices

## 13.0 Equalities Impact

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

## 14.0 Legality

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

## 15.0 Appendices

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

Appendix A – 2025/26 Treasury Management Strategy Statement & Annual Investment Strategy (including prudential indicators)

Appendix B – Investment Portfolio as at 31 January 2025

## 16.0 Background Papers

- 16.1 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

Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes 2021

The Prudential Code for Capital Finance in Local Authorities 2021

The Local Government Investment Regulations (Scotland) 2010

Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016

Financial Strategy June 2012

Interest rate forecasts

Economic background

Treasury management practice 1 - credit and counterparty risk management

Treasury management scheme of delegation

The treasury management role of the section 95 officer

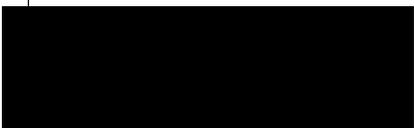
MUFG Corporate Markets - Clackmannanshire Council Loans Fund Review

Housing Revenue Account Budget 2025/26 and Capital Programme 2025/26

**Author(s)**

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## **2025/26 TREASURY MANAGEMENT STRATEGY STATEMENT & ANNUAL INVESTMENT STRATEGY (including Prudential Indicators)**

The suggested strategy for 2025/26 in respect of the following aspects of the treasury management function is based upon the Council's views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, MUFG Corporate Markets.

The strategy for 2025/26 covers the following areas:

- capital expenditure;
- the loans fund repayment policy;
- the current portfolio position;
- treasury indicators which limit treasury risk and the activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- statutory repayment of loans fund;
- the investment policy;
- creditworthiness policy;
- country limits; and
- the investment strategy.

### **1.0 The Capital Prudential Indicators**

#### **1.1 Capital Expenditure**

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

The Prudential Code requires the Council to make reasonable estimates of the total capital expenditure that it plans to incur during the forthcoming financial year and the following two financial years. The Code also requires this information to be split between General Fund (GF) Services and Housing Revenue Account (HRA).

To provide a longer-term view, the estimates of gross capital expenditure to be incurred for the next three years together with the projection for the current year and actual for 2023/24 are as follows:

**Table 1: Gross Capital Expenditure**

	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate
General Fund Services	14,167	15,577	29,266	60,258	19,439
Housing Revenue Account	14,756	18,704	14,118	15,666	16,366
<b>Total</b>	<b>28,923</b>	<b>34,281</b>	<b>43,384</b>	<b>75,924</b>	<b>35,805</b>

The above figures are shown gross of any income and are consistent with the capital programme proposals for General Services contained within the Revenue and Capital Budget report 2025/26 on the agenda for approval at this meeting and the HRA Capital Programme 2025/26 approved at Council on 30<sup>th</sup> January 2025.

The General Services Capital Programme approved at Council on 24<sup>th</sup> March 2021 set out planned significant capital investment areas across the Council's Be The Future priorities over 20 years from 2021/22 to 2040/41. The programme provides investment to support wellbeing and economic performance and recovery across the four priority themes and is reviewed annually to ensure it reflects current priorities.

The 20 year capital programme is reviewed annually and as part of the 2025/26 budget process, the GF Capital Programme was reviewed and revised to reflect a rolling programme of 20 years up to 2044/45. Along with capacity to deliver the programme, the availability of funding continued to be a key consideration in the review of the programme to ensure that any additional borrowing was affordable. As such, the revenue charges associated with the level of expenditure across the years are reflected in the proposed revenue budget.

The capital plans for both the General Fund and the HRA take full account of the requirements of the Prudential Code, ensuring that planned expenditure is prudent and affordable. The planned spending figure of £41.164m for 2025/26 will be kept under review through the capital monitoring process and regularly reported to the appropriate Committee during the year.

## 1.2 Borrowing Need (Capital Financing Requirement)

The calculation of the Capital Financing Requirement (CFR) is intended to reflect the Council's underlying need to borrow for a capital purpose and it is used as a key measure in treasury management decisions for this reason. Capital expenditure that is not financed upfront by the use of capital receipts, capital grants or directly from revenue will increase the CFR of the Council.

The CFR does not increase indefinitely as it is reduced by annual repayments of debt. These repayments are calculated to be broadly commensurate with the period and pattern of benefits of the capital expenditure i.e. reflect the useful life of the asset financed from borrowing.

The CFR also includes the long term liabilities the Council has in respect of the PFI contract for three secondary schools. Whilst this increases the CFR, the Council is not required to borrow for these schemes.

Estimates of the end of year CFR position for the Council are shown in the table below. The table shows the current and future years together with the actual position for the previous year

**Table 2: Capital Financing Requirement as at:**

	31/03/24	31/03/25	31/03/26	31/03/27	31/03/28
	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate
General Fund Services	139,596	151,018	172,410	223,978	232,551
Housing Revenue Account	22,058	33,235	39,198	47,864	57,045
<b>Total</b>	<b>161,654</b>	<b>184,253</b>	<b>211,608</b>	<b>271,842</b>	<b>289,596</b>

The combined GF and HRA CFR is estimated to increase over the period to £289.596m by the end of March 2028.

The overall CFR at March 2028 is an increase of £105.343m on the projected level at March 2025. This increase reflects the proposed additional capital investment as set out in the GF and HRA Capital Plans. In the short term, borrowing can be met internally through cash balances, however, the increased level of capital investment in future years will require additional external borrowing to be undertaken in the medium to long term. Before any external borrowing is undertaken, alternative sources of funding such as grant funding, capital receipts and internal borrowing will be considered to reduce the requirement for external borrowing over the longer term. The increase in CFR across both the GF and the HRA also reflects the implementation of the revised accounting policies of the Loans Fund which were agreed in March 2020.

The estimated CFR is likely to be affected by the adoption of IFRS16 – Leases. IFRS16 was originally due for implementation on 1 April 2020 but has been deferred until 1 April 2024. It is anticipated that the adoption of IFRS 16 will increase the CFR and also impact on the authorised limit and operational boundary for external debt. The CFR figures in this report do not include any estimates for the impact of IFRS16 and the impact will be reported through Treasury Management updates once known.

### 1.3 Liability Benchmark

The Liability Benchmark is a prudential indicator introduced in the 2021 Code. As a minimum, the Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years for both the GF and HRA. The chart below estimates the Liability Benchmark to 2044/45 in line with the GF Capital Programme.

The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

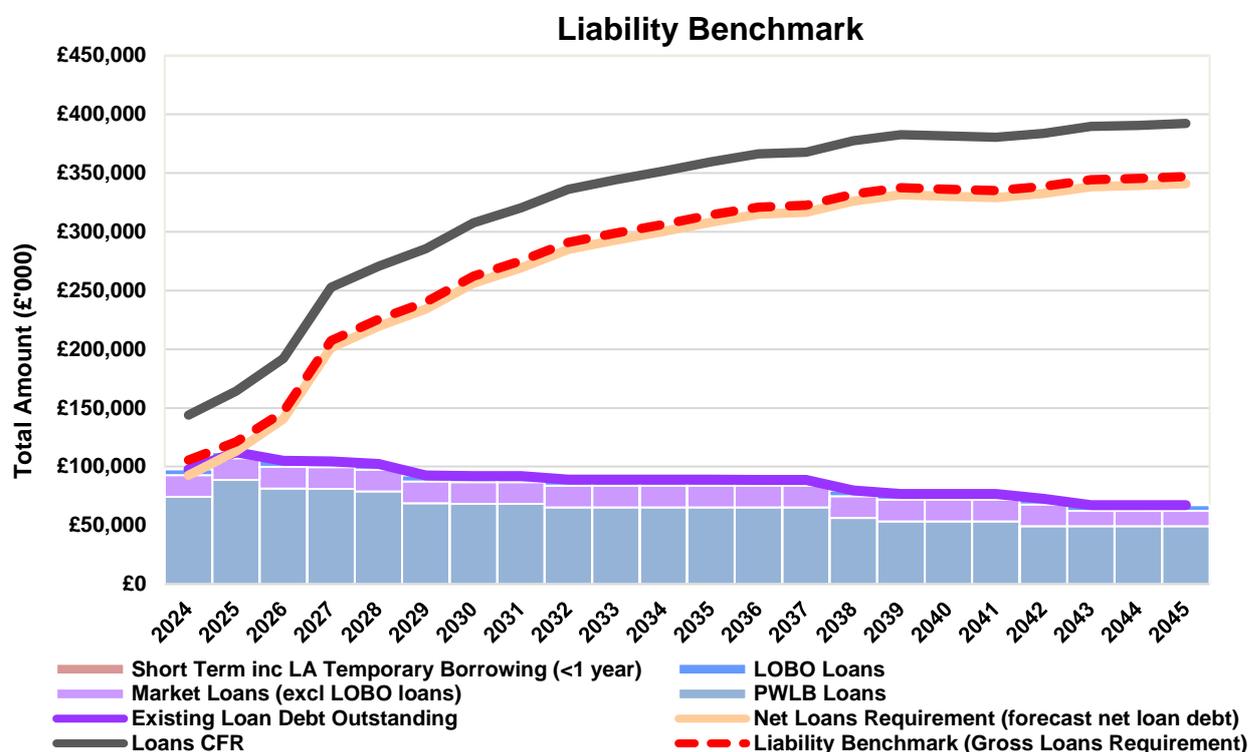
There are four components to the Liability Benchmark are:

- a) **Existing loan debt outstanding:** the Council's existing loans that are outstanding at the end of each financial year.
- b) **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing, and planned Loans Fund advances and Loans Fund principal repayments.
- c) **Net loans requirement:** this shows the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future

and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.

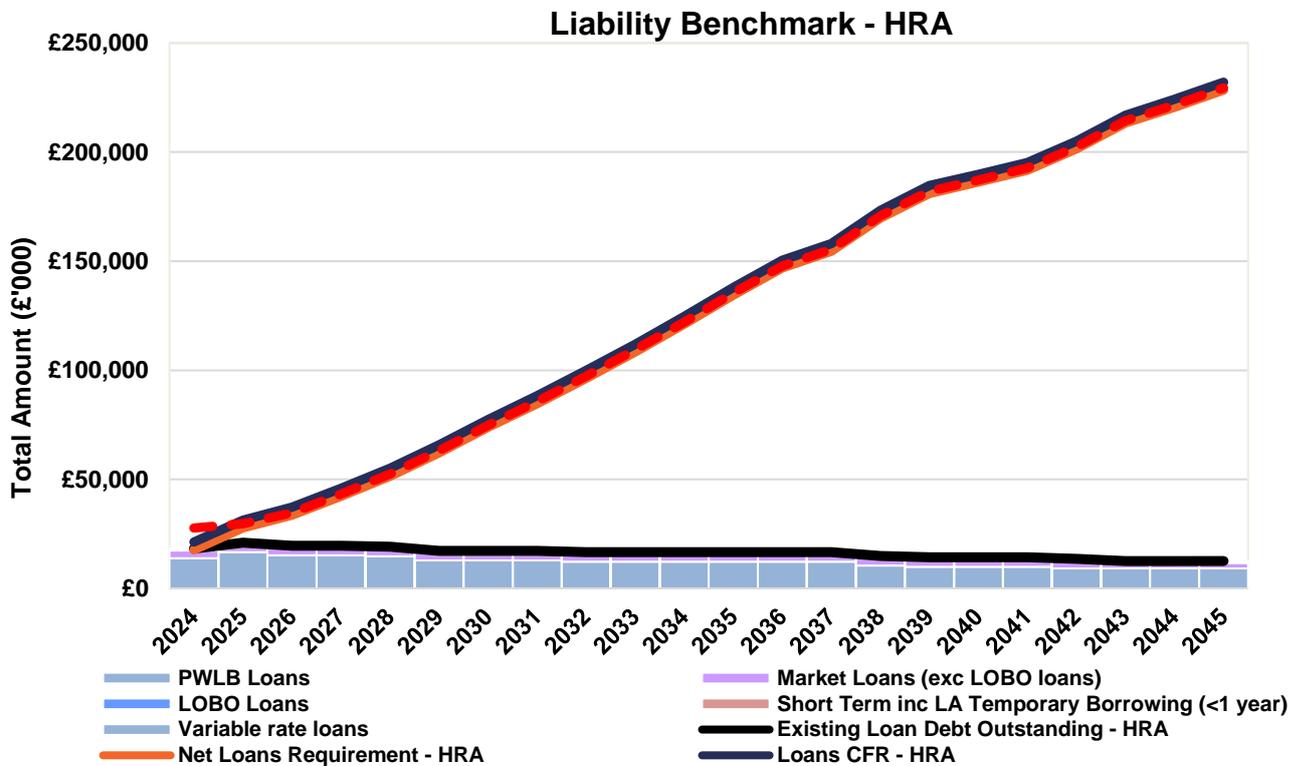
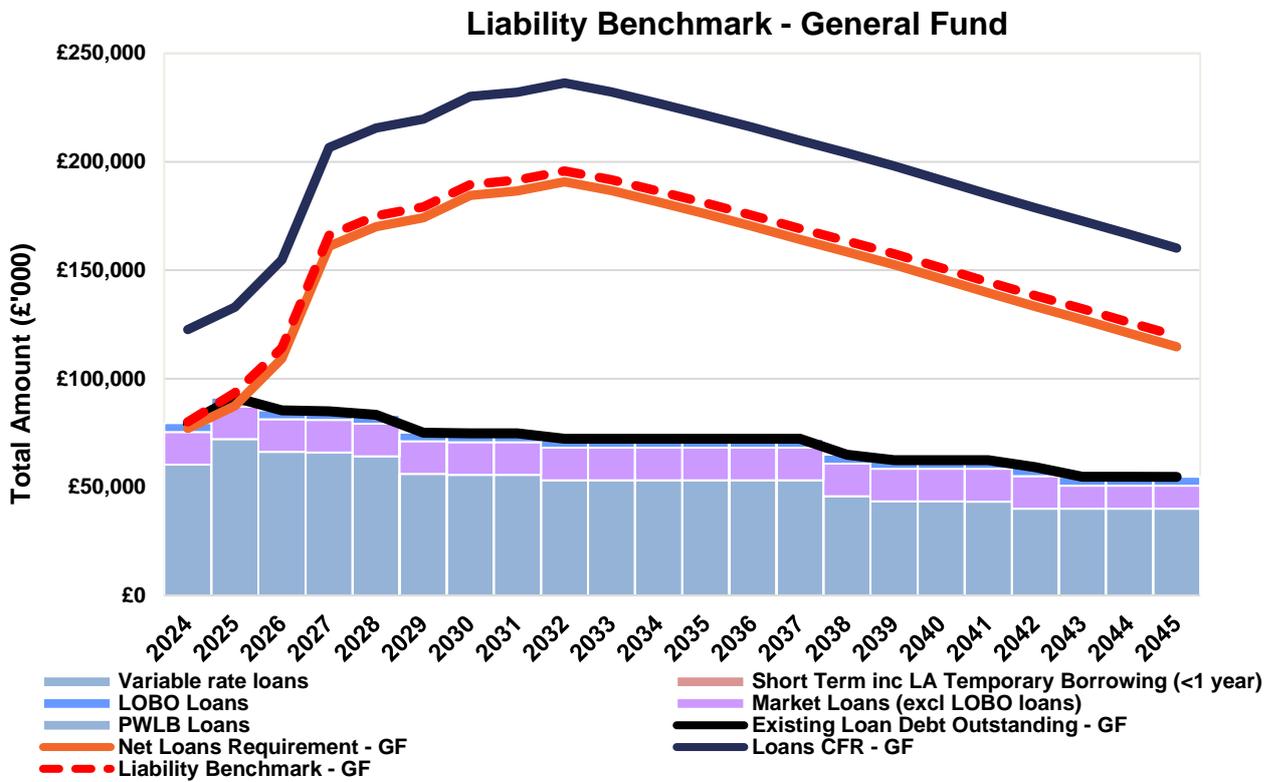
- d) **Liability Benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

**Chart 1 Liability Benchmark**



The Liability Benchmark shows that over the short, medium and long-term the Council will need to borrow in order to ensure it holds sufficient funds to finance its capital and revenue spending plans.

The above graph shows the overall position for the Council including both the GF and the HRA. The two graphs below show the GF and the HRA separately. In line with the borrowing strategy for the GF, the borrowing requirement increases then falls towards the end of the programme. The borrowing requirement for the HRA increases year on year and the revenue cost of borrowing will need to be contained within affordable revenue budgets.



## 1.4 Statutory Repayment of Loans Fund Advances

### 1.4.1 Policy on Statutory Repayment of Loans Fund Advances

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options to account for loans fund advances are permitted within the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, so long as a prudent provision is made each year. A review of the Council's Loans Fund advances by the Council's treasury management advisors, MUFG Corporate Markets, was undertaken during 2019/20 and as part of the Treasury Management Strategy Statement 2020/21, Council approved the following policy, applicable from 1 April 2019, on the repayment of loan fund advances by the GF and HRA as follows:

- a) For loans fund advances made before 1 April 2019, the policy will be to use the Asset Life Method annuity method with all loans being repaid over 35 years at annuity rate of 5%;
- b) For loan advances made after 1 April 2019 the policy will be to use the Asset Life Method annuity method with all loans being repaid over 35 years at annuity rate of 5%, and
- c) For the assets under construction, the repayment of the first loan fund repayment to be deferred until the financial year following the one in which the asset is first available for use or operational.

The adoption of this policy for advances made before 1 April 2019 smoothed the loans fund repayments and reprofiled the revenue requirement to 2029/30. This 10 year timeframe was linked to the investment proposals within the Be the Future Programme which apply to both GF and HRA.

The approach was taken on a prudent basis following discussions with the Council's treasury management advisors and in line with a review by Audit Scotland and Scottish Government.

The policy has been reviewed and no changes to the assumptions used in the policy are proposed for 2025/26.

#### **1.4.2 Loans fund principal repayment holiday**

As part of the 2022/23 Local Authority draft settlement, a one off financial flexibility was offered to Councils relating to the principal repayments of loans fund advances which allowed authorities to take a holiday on their loans fund repayments for 2022/23 and repay this amount over future years. The Council opted to exercise this flexibility for 2022/23 which resulted in a reduction in gross expenditure of £0.966m in that financial year and resulting additional annual repayments of £0.097m from 2023/24 to 2032/33.

### **1.5 Affordability**

Prudential Indicators are required to assess the affordability of capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

#### **1.5.1 Ratio of financing costs to net revenue stream**

The Prudential Code requires the Council to make estimates of the ratio of capital financing costs to its net revenue stream.

The indicator is intended to measure the percentage of the Council's total income that it is estimated will be committed towards meeting the costs of borrowing used to fund capital expenditure. For the GF, this is the ratio of financing costs of borrowing against

net expenditure financed by government grant and local taxpayers. For the HRA the indicator is the ratio of financing costs to gross rental income.

Estimates of the ratio of financing costs to net revenue stream for the current and future years are:

**Table 3: Ratio of financing costs to net revenue stream**

	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate
General Fund	3.72%	3.89%	4.35%	4.90%	5.72%
Housing Revenue Account	7.09%	7.12%	8.95%	11.14%	16.96%

The above figures show that for the GF, the proportion of the budget allocated to loan charges are estimated to steadily increase. The ratios ranging between 3.72% and 5.72% are below the latest reported Scottish Average of 5.75% (2023/24). This initial lower rate is mainly due to the reduced principal repayments, following the previous change in accounting policy for the loans fund as outlined in paragraph 1.3 above. This also reflects the reduced borrowing required to fund the capital programme over previous years in line with the strategy to minimise new borrowing. This is a positive outcome over this period reflecting ongoing capital investment against a backdrop of reducing levels of government grant funding that have been partly offset with increases in council tax income. The rate increase in future years reflects the investment requirements of significant projects within the capital programme.

The level of grant funding the Council will receive is extremely uncertain and as such no increases have been assumed in future years, however, income overall is expected to increase reflecting annual increases in Council Tax. The modest increase in the ratio is a combination of a flat cash assumption in grant funding offset by increased principal and interest payments on the new external borrowing that is anticipated to be undertaken to fund the capital programme. The ratios indicate that capital financing costs are being controlled through the effective implementation of the Council's borrowing and investment strategy however these will need to be closely monitored in future years to ensure borrowing costs remain affordable.

Capital investment and funding in the HRA is detailed in the Housing Revenue Account Budget 2025/26 and Capital Programme 2025/26 approved at Council on 30<sup>th</sup> January 2025. In line with the GF, the HRA ratio of capital financing costs to rental income shows an increase from 2024/25 to 2027/28 which reflects substantial capital investment and the related principal and interest payments on the forecasted new external borrowing to fund it.

## 2.0 Borrowing

The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity and investments through the Capital Programme. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury indicators, the current and projected debt positions and the annual investment strategy.

## 2.1 Current Portfolio Position

Within the Prudential Indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but also ensures that borrowing is not undertaken for revenue purposes or speculative purposes.

The Council's treasury portfolio projected position at 31 March 2025 with forward projection are summarised in the table below. The table shows:

- the cumulative level of external debt held by the Council which represents the total amount of borrowing that has been undertaken to fund the capital programme;
- the expected change in debt, which is any repayments of maturing debt less new debt undertaken in the year to fund the in-year capital programme;
- Other Long Term Liabilities which is the total of any Finance Lease or PFI arrangements;
- the expected change in Other Long Term Liabilities which refers to the repayments in the year made against this debt;
- the Capital Financing Requirement which is the cumulative amount of borrowing that the Council required to borrow to fund capital expenditure; and
- the under or over borrowing position which is the difference between the required need to borrow and the actual borrowing undertaken.

The Code requires local authorities to maintain an under-borrowed position in the long term, this means that the total amount borrowed does not exceed the need to borrow. An under-borrowed position can occur where cash balances have been used to fund capital expenditure whereas, an over-borrowed position can occur where borrowing has been taken in advance of need. This is permissible in the short term to take account of timing of cash flows but the Council must return to an under-borrowed position in future years.

**Table 4: External Debt**

External Debt	2023/24 Actual £000	2024/25 Projection £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Cumulative Debt at 1 April	98,228	97,718	119,729	147,600	210,076
Expected change in Debt	(510)	22,011	27,871	62,476	19,766
Other long-term liabilities (OLTL) at 1 April	35,435	33,995	32,357	30,667	29,018

Expected change in OLTL	(1,440)	(1,638)	(1,690)	(1,649)	(1,427)
<b>Actual gross debt at 31 March</b>	131,713	152,087	178,268	239,094	257,434
Capital Financing Requirement	161,654	184,254	211,609	271,842	289,597
<b>Under/(over) borrowing</b>	29,941	32,167	33,341	32,748	32,163

For all years shown in the above table the Council's CFR is forecast to remain above the Gross Debt maintaining a consistent under-borrowed position going forward, therefore meeting the requirement of the indicator to be in an under-borrowed position over the medium term.

It is anticipated that new external borrowing will need to be undertaken to fund the projects within the capital programme. As a result, external debt is forecast to increase to £257.4m by March 2028 in order to ensure sufficient cash is available to meet the capital investment within those years.

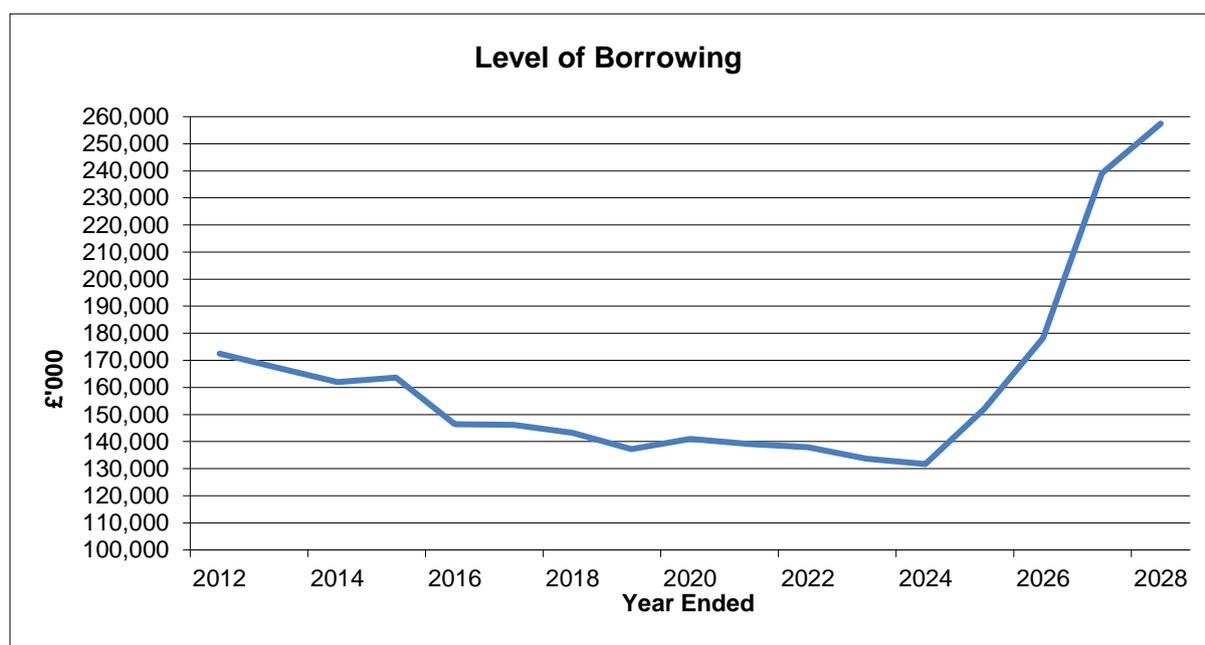
The expected change in debt also reflects PWLB loan repayments of £9.8m scheduled in the next three years to March 2028 which offset new external borrowing to fund capital investment. The new borrowing and the repayment profiles of debt maturity mean there are variations in annual change in debt year on year.

The steady reduction in other long term liabilities reflects the annual repayments towards PFI debt.

The difference between the gross debt and the CFR shows the amount of internal borrowing/utilisation of cash balances to fund capital expenditure that has been undertaken in previous years.

Significant reductions of £40.7m to March 2024 have been achieved since the previous policy to minimise external debt was approved in June 2012. This strategy to minimise long term debt has worked well in reducing long term debt, however, the policy was changed in 2021/22 to reflect the significant investment in key projects over the next few years and the expectation that borrowing may need to increase in the medium term. It is anticipated that once these key projects are complete, borrowing will reduce in line with the strategy. The chart below shows the reduction of external debt made to date and estimates the increase over the next few years.

**Chart 2: Level of Borrowing**



The increase in borrowing from 2023/24 reflects the Council's planned investment led strategy as set out in the proposed 20 year capital plan with expenditure front loaded over the next 7 years. In the following 10 years expenditure is planned to reduce which will reduce the level of borrowing. This is set out in chart 1 in the main body of this report.

## 2.2 Treasury Indicators: Limits on Borrowing Activity

### 2.2.1 Authorised Limit for External Debt

The authorised limit for external debt is required to separately identify external borrowing (gross of investments) and other long term liabilities such as finance lease obligations. This is a key prudential indicator and is the maximum figure that the Council could borrow at any given point during each financial year.

**Table 5: Authorised limit for external debt**

	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
Borrowing	129,000	183,000	247,000	269,000
Other long term liabilities including PFI	38,000	37,000	36,000	33,000
<b>Total</b>	<b>167,000</b>	<b>220,000</b>	<b>283,000</b>	<b>302,000</b>

The authorised limit set out above is consistent with approved capital investment plans and Treasury Management policy and practice but allows sufficient headroom for unanticipated cash movements. The limit increases in 2025/26 in line with increased expenditure on specific capital projects and the related forecasted external borrowing. The limit is reviewed on an annual basis in line with revisions to the approved capital programme.

If the authorised limit is liable to be breached at any time, the Chief Finance Officer (Section 95 Officer) will report to Council with a proposed recommended course of action which could include raising the authorised limit or to take measures to ensure the limit is not breached.

## 2.2.2 Operational Boundary for External Debt

The operational boundary is the limit beyond which the external debt is not normally expected to exceed. This is a key management tool for in-year monitoring and is lower than the Authorised Limit as it is based on an estimate of the most likely level of external borrowing at any point in the year. In comparison, the authorised limit is the maximum allowable level of borrowing.

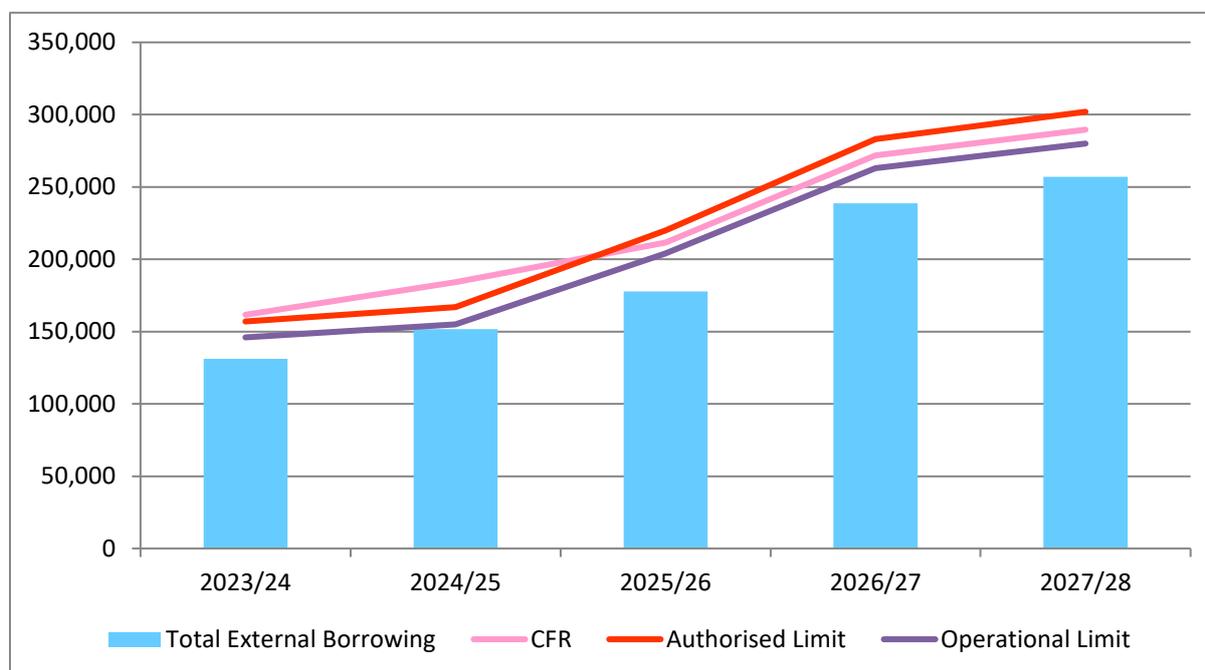
**Table 6: Operational Boundary for external debt**

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	120,000	170,000	230,000	250,000
Other long term liabilities	35,000	34,000	33,000	30,000
<b>Total</b>	<b>155,000</b>	<b>204,000</b>	<b>263,000</b>	<b>280,000</b>

This indicator is consistent with the Council's plans for capital expenditure and financing with Treasury Management policy and practice. It is sufficient to facilitate appropriate borrowing during the financial year and will be reviewed on an on-going basis.

The following chart shows the forecasted level of external borrowing, CFR, authorised limit and operational boundary to March 2026.

**Chart 3: Borrowing and Capital Financing Requirement**



The chart above shows that the total external borrowing does not exceed the CFR which shows that the Council is expected to be in an under borrowed position and the external borrowing is not expected to breach the operation limit or the authorised limit.

### 3.0 Prospects for Interest Rates

The Council has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives MUFG Corporate Markets' central view.

**Table 7: Forecast Interest Rates**

Quarter Ended	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
March 2025	4.50	5.00	5.30	5.50
June 2025	4.25	4.90	5.20	5.40
Sept 2025	4.25	4.80	5.10	5.30
Dec 2025	4.00	4.70	5.00	5.20
March 2026	3.75	4.60	4.90	5.10
June 2026	3.75	4.50	4.80	5.00
Sept 2026	3.75	4.40	4.70	4.90
Dec 2026	3.50	4.40	4.70	4.80
March 2027	3.50	4.30	4.60	4.70
June 2027	3.50	4.20	4.50	4.70
Sept 2027	3.50	4.20	4.50	4.60
Dec 2027	3.50	4.10	4.40	4.60

Quarter Ended	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
March 2028	3.50	4.00	4.40	4.50

At its latest meeting on 6<sup>th</sup> February 2025, the MPC reduced the Bank Rate by 0.25% to 4.50%. The forecast for Bank Rate is to remain at 4.50% by end March 2025 but steadily reduce over the next few years as the MPC continues to take action to combat on-going inflationary and economic uncertainty.

CPI Inflation has fluctuated over the past year and stood at 2.5% in December 2024. The CPIH measure, which includes housing costs, was 3.5%. Geopolitical events continue to impact the UK and world economies. The war in Ukraine shows no sign of ending, and while a ceasefire in Gaza seems to be holding, it remains to be seen how long this will last. The second Trump administration in the US has hit the ground running, and the rest of the world is racing to catch up.

The forecasts and MPC decisions will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average investment earnings beyond the three-year period will be heavily dependent on those economic and political developments mentioned above.

The current economic outlook and structure of market interest rates and government debt yields have key treasury management implications:

- There is expected to be reduction of gilt yields and PWLB rates over the next three years). However, they can be subject to exceptional levels of volatility due to economic recovery from major events such as: geopolitical developments, sovereign debt crisis, emerging market developments and sharp changes in investor actions;
- Investment returns are expected to reduce during 2025/26 as the Bank Rate reduces, and
- Borrowing interest rates have fallen steadily during 2024/25 and are expected to fall over the next three years.

#### 4.0 Borrowing Strategy

Over the medium term the Council is forecasted to maintain an under-borrowed position. This means that the capital borrowing need, the CFR, has been partly funded through cash balances as opposed to external loans. This strategy has been prudent as cash balances have been high and investment returns have previously been low. This strategy has had a positive impact over the last few years reducing overall borrowing and keeping interest charges low.

Against this background and the risks within the economic forecast, the Chief Finance Officer, supported by the Treasury team, will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates* (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates* than that currently forecast, perhaps arising from an acceleration

in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

Going forward, this strategy will be reviewed to avoid incurring higher borrowing costs in the future when borrowing is required to finance new capital expenditure and/or to refinance maturing debt. Treasury activity including the undertaking of external borrowing will continue to be reported through the regular reporting cycle of Treasury Management reports to Council or the appropriate Committee.

#### **4.1 Policy on borrowing in advance of need**

The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sum borrowed. Any decision to borrow in advance will be within the approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through in-year or annual reports.

#### **4.2 Debt Rescheduling**

Rescheduling of current borrowing in the Council's debt portfolio will be considered in year. If short term borrowing rates are cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings taking new debt over the short-term rather than long-term. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy, or
- to enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to Council at the earliest meeting following its action.

#### **4.3 Types of Borrowing**

Currently the PWLB Certainty Rate is set at gilts +80 basis points for borrowing and has historically been low compared to other options. However, consideration may still need to be given to sourcing funding at cheaper rates. Options available include:

- Local authorities (primarily shorter dated maturities);
- Financial institutions (primarily insurance companies, pension funds and banks), and
- Municipal Bond Agency.

At the time of undertaking any borrowing, a full appraisal will be carried out to identify the most cost effective type of borrowing in line with the Council's risk appetite.

#### 4.4 Borrowing Requirement

The Council's borrowing requirement shown in the table below is based on the in-year borrowing estimated to be needed to fund the net expenditure in the proposed Revenue and Capital Budget report 2025/26 on the agenda for approval at this meeting and the Housing Revenue Account Budget 2025/26 and Capital Programme 2025/26 approved at Council on 30<sup>th</sup> January 2025.

The actual timing of any borrowing will be influenced by prevailing interest rates and expectations for future movement on rates.

Under the previous strategy to minimise external debt, repayments towards maturing debt should be higher than any new borrowing being undertaken to fund the capital programme over the longer term. However, as the Council is undertaking a period of capital investment, external debt is expected to rise over the first half of the programme but reduce over the second half as borrowing levels reduce. Fluctuations can also arise in individual years depending on the maturing loans within that year. The table below shows variations in the external borrowing requirement for years to 2027/28.

**Table 8: Total Borrowing Requirement / Movement on CFR**

	2024/25 Projection £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Net New External Borrowing Requirement	24,995	30,188	62,897	21,875
Repayment of Maturing Debt	(2,396)	(2,833)	(2,663)	(4,121)
<b>Total Borrowing Requirement / Movement on CFR</b>	<b>22,599</b>	<b>27,355</b>	<b>60,234</b>	<b>17,754</b>

#### 4.5 Interest Rate Exposure and Maturity Structure of Borrowing

There are three debt related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs/ improve performance. The indicators are:

- Upper limits on fixed interest rate exposure - this identifies a maximum limit, expressed as a % of the total debt and investment, of fixed interest rates borrowing and investments;
- Upper limits on variable interest rate exposure - this is similar to the previous indicator and covers a maximum limit on variable interest rates, and
- Maturity structure of borrowing - these gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

**Table 9: Treasury Management Limits**

	2025/26	2026/27	2027/28
<b>Interest rate exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on</b>			
• Debt	100%	100%	100%
• Investments	75%	75%	75%
<b>Limits on variable interest rates based on</b>			
• Debt	25%	25%	25%
• Investments	100%	100%	100%
<b>Maturity structure of fixed interest rate borrowing 2025/26</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	25%	
12 months to 2 years	0%	25%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	75%	
10 years and above	0%	100%	
<b>Maturity structure of variable interest rate borrowing 2025/26</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	25%	
12 months to 2 years	0%	25%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	75%	
10 years and above	0%	100%	

## 5.0 Investment Strategy

### 5.1 Investment Policy

The aim of the investment strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.

The Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -

#### **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

#### **Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either

related to the financial viability of the project in question or otherwise incidental to the primary purpose”. The Council holds an investment of £500 (at cost) in CSBP Clackmannanshire Investments Ltd. It is anticipated that this will be repaid in 2024/25.

### **Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority’s financial capacity – i.e., that ‘plausible losses’ could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return. The Council holds investment and commercial properties for the purpose of generating rental income. All properties are located within Clackmannanshire.

The Council does not intend to invest for service delivery or commercial return purposes during 2025/26.

Treasury management investment opportunities arise naturally through treasury management activity and in particular the management of cash flows which can result in variations in the amount of cash required during the year. As at 31<sup>st</sup> January 2025, the Council held immediately available cash balances of £17.2m as detailed in Appendix B.

During 2025/26 the Council will continue to invest surplus cash balances of which the return contributes to reducing the net expenditure of the Council. As part of the Council’s commitment to Wellbeing Economy and Community Wealth Building, opportunities to invest ethically will be considered which fit within the remit of our strategy.

The Council’s investment policy has regard to the Local Government Investment (Scotland) Regulations 2010 (and accompanying Finance Circular 5/2010) and the CIPFA Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes 2021 (“the CIPFA TM Code”). The Council’s investment priorities will be security first, liquidity second and then return.

In accordance with guidance from the Scottish Government and CIPFA, and in order to minimise the risk to investments, the Council has adopted a prudent approach and defines its risk appetite by the following means:

- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration of risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings;
- The Council’s officers will use ratings and other information provided by MUFG Corporate Markets to ensure creditworthiness as detailed below;
- The Council’s officers will also use other information sources which include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties;
- Investments will be place with counterparties from countries with a specified minimum sovereign rating;
- Limits will be set for the amount of principal sums invested for longer than 365 days, and
- All investments will be denominated in sterling.

## 5.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by MUFG Corporate Markets. This service employs a sophisticated modelling approach utilising a wide array of information sources including credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's.

This approach produces a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Dark pink 5 years for Ultra short dated bond funds with a credit score of 1.25
- Light pink 5 years for Ultra short dated bond funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Council will consider the ratings (Fitch or equivalents) in conjunction with other topical market information to support their use.

All credit ratings of counterparties currently used will be monitored quarterly. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG Corporate Markets creditworthiness service.

In the case where an investment is outwith the scope of the ratings agencies the Council will analyse the financial information available for that organisation such as annual accounts to assess the financial viability of the investment and to ensure a minimal level of financial risk. Joint Venture arrangements, contractual agreements and financial guarantees from the Scottish Government are investment areas previously entered into by the Council where this has applied. The Council currently has no investments of this type.

## 5.3 Environmental, Social and Governance (ESG) Policy

Environmental, Social and Governance (ESG) considerations are increasingly a factor in global investors' decision making and the TM code requires the Council to set out its policy relating to ESG considerations in investment decision. The Council will not knowingly invest directly in organisations whose activities are inconsistent with the Council's vision set out on the Corporate Plan and its commitment to Wellbeing Economy and Community Wealth Building. It should be noted that the Council's investment priorities continue to be security first, liquidity second and then return. The framework for evaluating ESG investment opportunities is still being developed by financial organisations and the Council will monitor developments in this area.

## 5.4 Country Limits

The Council has determined that it will only use approved counterparties registered to take deposits in the United Kingdom or approved counterparties registered in other countries who have a similar sovereign credit rating as the UK (currently AA).

## 5.5 Investment Returns

**In-house funds** - Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the variations in cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

**Investment returns expectations** –Bank Rate forecasts for financial year ends (March) are:

- 2024/25 4.50%
- 2025/26 3.75%
- 2026/27 3.75%
- 2027/28 3.50%

Taking account of the current investment returns, the suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year for the next three years are as follows:

- 2024/25 2.25%
- 2025/26 2.25%
- 2026/27 2.25%
- 2027/28 2.00%

**Investment treasury indicator and limit** for the total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

<b>Maximum principal sums invested &gt; 365 days</b>			
<b>£m</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Principal sums invested > 365 days	£12m	£12m	£12m

For its cash flow generated balances, the Council will seek to utilise its bank instant access accounts, notice accounts and ultra short dated bonds funds in order to benefit from compounding interest (non-distributing). The Council also invests in two money market funds and one ultra short dated bond fund which are distributing which means interest is paid at the end of each month rather than compounded.

### **The Markets in Financial Instruments Directive (MIFID II)**

These regulations govern the relationship financial institutions conducting lending and borrowing transactions will have with local authorities. The effective date of the new regulations was 3 January 2018 and all local authorities are now classified as retail counterparties which determines the types of investments that they can undertake. Local authorities have the ability to apply for Professional status which extends the range of investments that are available but must meet certain qualifying criteria. To

date there has been no requirement to apply for Professional Status but this will be considered as part of the on going treasury management reviews.

### **On-lending to Registered Social Landlords (RSL's)**

Under powers granted by the Scottish Government, Scottish Local Authorities can on-lend to Registered Social Landlords in order to assist in the development of affordable housing. Any plans to utilise these powers will be reported for appropriate Council approval.

### **End of Year Investment Report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

Investment Portfolio as at 31 January 2025

Short Term Investments – Counterparty	Principal (£000)	Interest Rate	Type
Aberdeen Standard Money Market Fund	4,550	4.75% Net Average Monthly Yield for January	Instant access
Aberdeen Standard Ultra Short Dated Bond Fund	2,500	4.93% Net Average Monthly Yield for January	Instant access
Blackrock Money Market Fund	4,750	4.65% Net Average Monthly Yield for January	Instant access
Blackrock Ultra Short Dated Bond Fund	3,655	5.01% Net Average Monthly Yield for January	Instant access
CSBP Clackmannanshire Investments Ltd	1		
<b>Total Short Term Investments</b>	<b>15,456</b>		

Cash and Cash Equivalents – Counterparty	Principal (£000)	Interest Rate
Royal Bank of Scotland plc	1,675	2.75% as at 31st Jan 2025
Bank of Scotland plc	80	0.01% as at 31st Jan 2025
Other Accounts	28	-
<b>Total Cash and Cash Equivalents</b>	<b>1,783</b>	

<b>TOTAL INVESTMENTS</b>	<b>17,239</b>
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**Report to: Clackmannanshire Council**

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**Date of Meeting: 27 February 2025**

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**Subject: General Services Revenue and Capital Budget 2025/26**

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**Report by: Administration**

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## **1.0 Purpose**

- 1.1. The purpose of this report is to present the General Services Budget for 2025/26. This report builds on the regular update reports and briefings presented to Council and the Audit and Scrutiny Committee throughout the year, including those covering the Be the Future Transformation Programme and implementation of the Target Operating Model (TOM).
- 1.2. This paper should be considered in conjunction with item 3 which appears separately on this agenda: Budget Context and Outlook.

## **2.0 Recommendations**

### **It is recommended that Council agrees:**

- 2.1. The General Services Revenue and Capital Budget for 2025/26 as set out in Appendix A, including:
- 2.1.1 The proposals for demand pressures including the uplift of 3% for Clothing Grants (Appendix B) (paragraphs 6.2 and 6.3);
- 2.1.2 Policy and Redesign savings set out in Appendix D and note the Management Efficiency savings set out in Appendix C (paragraph 6.5);
- 2.1.3 The 2025/26 Income and Charging Strategy (Appendix E);
- 2.1.4 The utilisation of £1.400m Capital receipts to offset loans fund principal repayments (paragraph 6.10);
- 2.1.5 The utilisation of £0.346m from uncommitted reserves to support the 2025/26 revenue budget (paragraph 6.10);
- 2.1.6 A net resource transfer of £30.047m for the Clackmannanshire and Stirling Health and Social Care Partnership for 2025/26 (paragraph 7.3);
- 2.1.7 The revised General Services Capital Programme incorporating project resource in Appendix A and section 8;

- 2.1.8 A 13% increase in the level of Council Tax for 2025/26 resulting in a Band D Council tax of £1,594.38 (paragraph 5.5);
- 2.1.9 An allocation of £2.000m to the Transformation Fund funded from the Service Concession Reserve (paragraph 6.15);
- 2.1.10 An allocation of £1.000m to the Employment Fund funded from the Service Concession Reserve (paragraph 6.15);
- 2.1.11 Establish a new Service Pressures Reserve to meet service pressures including HSCP and NI, utilising £2.958m from the Service Concession Reserve (paragraph 6.16);
- 2.1.12 The revised policy for Non Domestic Rate (NDR) - Empty Property Reliefs from 1 April 2025 (paragraph 3.4), and
- 2.1.13 The Be the Future Target Operating Model: Corporate Priorities 2025/26 as set out in Appendix A.

**It is recommended that Council notes:**

- 2.1.14 The challenging context within which this Budget is presented (Appendix A and item 3 which appears separately on this Council Agenda);
- 2.1.15 The forecasted overspend of £0.054m by 31 March 2025, following the continuation of spending constraints (paragraph 3.1);
- 2.1.16 The summary of recent budget engagement activity detailed in section 4;
- 2.1.17 That the minimum reserve policy of 2% remains unchanged with the balance of £3.420m in uncommitted General Services Revenue reserves, after setting the budget, equating to 2% (paragraphs 6.8-6.9);
- 2.1.18 The five year cumulative indicative gap of £19.132m up to 2029/30 and a funding gap of £7.340m in 2026/27 following setting this budget (Exhibit 4), and
- 2.1.19 The engagement with UK and Scottish Governments on the 2025/26 budget (paragraphs 5.2 and 5.6 and Appendix H).

### **3.0 Current Financial Position**

- 3.1 The Council is continuing to face significant financial pressures during 2024/25 predominately associated with high levels of inflation seen in the early part of the year and increasing demand. The latest outturn report presented to the Audit & Scrutiny Committee in December indicated that there was an overspend of £0.054m projected by 31 March 2025.
- 3.2 Considering the financial pressures on Council Services, the Chief Financial Officer continued the measures previously in place to reduce expenditure. These measures included limiting spend to only essential committed spend being undertaken and recruitment to critical posts only.
- 3.3 The next financial outturn is being prepared and will be reported to the Audit & Scrutiny Committee at its meeting in April 2025. Any overspend would need to

be met from uncommitted reserves at the year end and would have to be taken into account before any uncommitted reserves above the minimum level could be used to support the 2025/26 budget.

### **Non Domestic Rates (NDR) – Empty Property Relief**

- 3.4 From 1 April 2023, existing reliefs that applied to empty non domestic properties set by the Scottish Government ceased to exist and the Council was required to put in place its own policy. Council approved the relief policy for empty non domestic properties at its meeting in March 2023 and reaffirmed this as part of the 2024/25 budget setting in February 2024. It was agreed that the policy would be reviewed during the 2024/25 financial year and any changes would come into effect from 1 April 2025.
- 3.5 Following a review of the policy, the revised policy is set out in Appendix G and G1 to this report. The policy aims to reduce the time properties are empty, encouraging owners to bring them into use more quickly by reducing the time that relief is granted. This policy will be reviewed on an annual basis.

## **4.0 Budget engagement process**

- 4.1 The budget engagement process for 2025/26 was formed of 2 phases. The first phase ran from 25 November 2024 and closed on 6 January 2025. The consultation sought views on the Council's priorities for the next four years and asked residents to provide feedback on the services most valuable to them. A total of 184 responses were received from residents for phase one.
- 4.2 Phase two ran from the 21 January to 12 February and sought resident's views on a range of officer policy savings proposals.
- 4.3 A total of 267 responses were received on Citizen Space, and direct representation was also made by a number of stakeholders. This engagement sought to understand potential impacts arising from proposals and any mitigation or amendments which should be considered in the context of an accompanying draft Equality and Fairer Scotland Impact Assessment.
- 4.4 All responses were classified by themes, alongside potential impacts and mitigations, to shape the development of the final Equality and Fairer Scotland Impact Assessment.

The broad themes were as follows:

- Council Tax, Fees, Charges and Income;
  - Voluntary and Third Sector funding;
  - Sports, Leisure and Libraries;
  - Children and Families, and
  - Environmental Services.
- 4.5 Responses from the budget engagement, as well as evidence gathered for Equality and Fairer Scotland Impact Assessments have influenced the proposals in this budget paper, including highlighting areas for potential further

dialogue where proposals have not been included in this Budget setting process.

- 4.6 As part of this process all Councillors have been provided with a budget engagement pack in advance of this meeting providing fuller information.

### **Staff & Trade Union Consultation**

- 4.7 Engagement with Trade Union representatives on management efficiencies and policy savings has continued along similar lines to that adopted previously, and is well embedded. As in previous years, trade union representatives received the same information on areas for proposed savings as elected members and briefing sessions have also been held for Trade Union representatives, most recently, ahead of this Budget setting meeting.
- 4.8 Prior to this meeting of Council, as usual, a pre budget staff cascade was prepared and cascaded by the Chief Executive and Chief Finance Officer. Throughout the budget process, staff have also been encouraged to contact senior managers to discuss proposals if they require further information. Again this year, a post budget cascade will also be prepared, led by the Chief Executive, Chief Finance Officer and Strategic Directors.

## **5.0 Budget 2025/26**

- 5.1 The Local Government Finance Circular 10/2024 setting out the Draft Local Government Settlement for 2025/26 was issued on the 12 December 2024. Based on this draft settlement, the funding assumed for the Councils 2025/26 General Services Revenue Budget is as follows:

### **Exhibit 1: General Services Funding 2025/26**

	<b>£m</b>
General Revenue Grant	113.040
Ring fenced Revenue Grants	1.663
Non-Domestic Rates Income	19.834
<b>Total Grant Funding</b>	<b>134.537</b>
Estimated share of unallocated and additional expected funds	4.472
<b>Revised Total Grant Funding</b>	<b>139.009</b>
Council Tax Income	28.868
<b>Total Revenue Funding</b>	<b>167.877</b>

Source: Finance Circular 10/2024

- 5.1 Prior to the announcement of the Scottish Budget and Local Government draft settlement there was an extensive budget engagement process between Scottish Government and Local Authorities and through COSLA. The Council Leader, Chief Executive and Officers also undertook significant pre budget engagement directly with the Scottish Government on the context, demand and

financial challenges faced by the council. These discussions also highlighted the significant transformation activity, partnership working and leverage of external resources to mitigate some of these challenges. This is set out in more detail in item 3 of this agenda.

- 5.2 This engagement highlighted the significant financial pressures faced by Local Government and the need to increase grant funding. As a result, £289m was included within the settlement for Local Authorities to prioritise on core services. This equated to c£4.500m additional funding which is included within the £113m general revenue grant shown above.
- 5.3 Also included within the revised total grant funding are estimated shares of unallocated and additional expected funds totalling £4.472m. This includes:
- Redeterminations for Teachers Induction Scheme;
  - Discretionary Housing Payments (DHP);
  - Criminal Justice Grant, and
  - Retained Teacher Funding.
- 5.4 Taking these unallocated and additional estimates into account the total estimated grant funding is £139.009m which is an increase from 2024/25 in the Council's funding before Council Tax of £10.673m.
- 5.5 Despite the additional revenue grant funding, increased cost pressures and rising demand for services along with a freeze in Council Tax for 2024/25, means the level of grant funding does not cover planned expenditure. It has therefore been necessary to increase the level of Council Tax by 13% for 2025/26. For Clackmannanshire Council residents, this results in a Band D Council Tax of £1,594.38 for 2025/26 which is an increase of £183.42 on 2024/25. Full details of the Council Tax Band Charges are set out within Appendix A.
- 5.6 Following the announcement by the UK Government of the increase to National Insurance, the Scottish Government has set aside £144m to compensate Councils which equates to c£60% of the estimated direct pressure on Council pay bills as a result of this increase. This funding is yet to be allocated and as such has not been included within the funding set out above. The Council Leader on behalf of the Council, has written to the Chancellor Rachel Reeves highlighting the impact of the national insurance increase on Council finances. A copy of this letter is included at Appendix H.
- 5.7 The funding above does not include any additional funding paid outwith the settlement. For 2025/26 Councils have been notified of additional funding in relation to Extended Producer Responsibility for Packaging. Funding is indicative and has therefore not been included at this time until funding has been confirmed and further information is known on additional cost pressures.
- 5.8 The total Government Grant Funding set out above is subject to approval of the Local Government Finance Order. This approval is expected in March 2025 and any material variations will be presented to Council or Audit and Scrutiny Committee as appropriate during the year.

## Rollover Revenue Budget

- 5.9 Each year, the base budget is reviewed to ensure that any adjustment that is required to meet expected costs and demands is properly considered. Budget Strategy reports submitted to Council during the year provide updates on the budget gap and changes in assumptions to reflect current information. Due to uncertainty around financial pressures, the assumptions on the gap have remained relatively stable during the year.
- 5.10 Following the announcement of the draft local government settlement for 2025/26 in December, the gap has reduced by £6.939m to reflect the Councils share of the £289m additional funding (£4.439m), and to reflect the assumption of the 2.5% reduction in grant made prior to the Scottish budget announcement (£2.500m).
- 5.11 The assumption for the pay award has increased from 2% to 3% based on the public sector pay policy announced in December by the Scottish Government of 9% over 3 years. The actual pay award will be determined through the normal process of negotiation with Trade Unions and COSLA and Council Leaders.
- 5.12 The gap has also reduced following a review of Demand pressures which amounted to £0.058m less than the £2.500m assumed.
- 5.13 The table below sets out the changes in the assumptions:

### Exhibit 2: Movement in Indicative Gap during the year

	2025/26 £000
<b>Indicative Gap</b>	<b>13,012</b>
Increase in pay award assumption from 2% to 3%	822
Reduction in Demand Pressures below £2.5m	(58)
Change in assumption form 2.5% reduction in General Revenue Grant to Flat Cash	(2,500)
Additional Core Grant Funding	(4,439)
<b>Revised Gap</b>	<b>6,837</b>
Increase in Council Tax (13%)	(1,277)
<b>Revised gap excluding any increase in Council Tax</b>	<b>5,560</b>

- 5.14 The main assumptions included within the gap shown above in Exhibit 2 and the gap for future years set out in Exhibit 4 below are:
- a proposed increase in Council Tax of 13% in setting this budget. An increase of 10% has been built into the gap for future years.

- Pay inflation equivalent to 3% for 2025/26 and 3% inflation assumed each year thereafter. Any increase above this level would need to be met from additional funding;
- Demand pressures covering contract inflation of £2.442m in 2025/26 as shown in Appendix B. Demand pressures have been estimated at £2.500m for 2026/27 and future years. Based on the current level of contract inflation, the amount set aside for demand pressures is only expected to offset contract inflation and any general inflation should be offset through additional savings;
- There has been an increase in General Fund grant in financial year 2025/26 to support additional and existing priorities including support for the recurring cost of the 2024/25 pay award. However, funding for core services is not sufficient to meet rising costs. The assumption for future years is that funding will remain static and no increase or decrease has been built into the budget gap, and
- As an accredited employer we will implement the Real Living Wage of £12.60 from 1 April 2025. The current Scottish Government Local Authority Living Wage rate is £12.56 (1 April 2024). Any increases to the Scottish Government rate arising from agreed pay negotiations will be implemented accordingly from 1 April 2025.

## **6.0 General Services Revenue Budget**

- 6.1 The 2025/26 General Services Revenue Budget is summarised within Appendix A. The budget proposes expenditure of £170.980m against income of £170.980m, providing a balanced position.
- 6.2 Each year demand pressures are advised by Services which reflect any increasing demand for mandatory services, new duties and responsibilities, the demographic change affecting the area and specific provisions for inflation. Due to the challenging financial position and high level of inflation, bids for Contractual inflation have been prioritised with additional bids considered that reflect new demand or increases to costs that cannot be absorbed within budget. After a stringent review of bids put forward, the 2025/26 proposed pressures total £2.442m and these are set out in Appendix B for approval as part of this Budget.
- 6.3 Of the proposed pressures of £2.442m listed in Appendix B, £0.378m are for non contractual pressures. These include a 3% inflationary uplift to the allowance for Clothing Grants £0.009m, the part reversal of an unachieved saving for Voluntary Severance £0.300m and a resource for fraud £0.068m.
- 6.4 The 2025/26 budget proposes savings of £3.814m. These comprise:
- £3.171m Management Efficiencies (Appendix C), and
  - £0.643m Policy and Redesign savings requiring Council approval (Appendix D).

- 6.5 Exhibit 3 below shows the movement in budgets across each of the portfolio areas. The movement is made up of combined savings, demand pressures and additional growth which includes pay inflation and additional funding for specific priorities:

**Exhibit 3: General Services Revenue Budget 2025/26: Movement in Service areas and Proposed Budget for 2025/26.**

Service	Approved Budget 2024/25 £000	Total Savings 2025/26 £000	Savings As % of 2024/25 Budget	Demand Pressures £000	Growth & Additional Funding £000	Proposed Budget 2025/26 £000
People	81,922	(1,325)	1.62%	1,235	4,619	86,451
Place	34,855	(1,655)	4.75%	397	615	34,212
Partnership & Performance	12,048	(784)	6.51%	703	643	12,610
Other Services	32,668	(50)	0.15%	107	4,982	37,707
<b>TOTAL</b>	<b>161,493</b>	<b>(3,814)</b>	<b>2.36%</b>	<b>2,442</b>	<b>10,859</b>	<b>170,980</b>

- 6.6 The revised Income and Charging Policy and respective list of fees and charges for 2025/26 are set out in Appendix E. It is proposed that where the Council has the discretion to set charges, that these are increased by 3% for the financial year 2025/26 in line with CPI as at January 2025. Some charges have increased at a different rate, usually this is where these are set nationally or by an external organisation and these exceptions are also noted in the Income and Charging Policy.

## Balances and Reserves

### General Reserves

- 6.7 The Council's current Finance Strategy is to retain uncommitted non HRA reserves at a minimum of 2% of net expenditure. The Council reviews this level of reserves on an annual basis and can vary this minimum level in times of economic volatility and rising inflation. Due to the continued significant rise in wage inflation including the NI increase, demand for services and increases in costs of goods and services, it is recommended that the minimum level of reserves is maintained at 2%.
- 6.8 Net expenditure for 2025/26 is £170.980m, therefore 2% minimum reserves equates to £3.420m. As noted in section 3, the current forecast for 2024/25 is an overspend of £0.054m, which when deducted from current uncommitted reserves of £3.820m, results in £0.346m being available above the minimum level to support the proposed 2025/26 budget.

- 6.9 After taking account of the planned savings of £3.814m detailed in Appendices C and D, there is a residual budget gap of £1.746m. It is therefore, recommended that the Council approves the following to close the gap:
- utilises £1.400m Capital Receipts to offset the loans fund principal repayments, and
  - applies £0.346m from the one off uncommitted reserves above minimum.
- 6.10 On 12 December 2024, Local Government Finance Circular 10/2024 was issued setting out the draft local government settlement for 2025/26 (Appendix F). The final settlement is due to be laid before Parliament and confirmed in March 2025. This budget has sought to make adequate provision for meeting the assumptions set out in the Finance Circular.
- 6.11 Subject to the approval of this budget, the net expenditure, funding and resulting indicative funding gap for 2026/27 and beyond is set out in Exhibit 12 below. Council will note that the gap has increased by £3.430m for 2026/27 due to one off cash savings, and utilisation of revenue reserves which have been committed to support the 2025/26 Budget:

**Exhibit 4: General Services Budget 2025/26-2029/30 Indicative funding gap**

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

- 6.12 The table above shows that the indicative funding gap after the setting of the 2025/26 budget as proposed in this paper is £7.340m for 2026/27 and a cumulative gap of £19.132m by 2029/30. This is based on current assumptions at this time and will be updated through the Budget Strategy updates to Council throughout the year.

**Earmarked Reserves and Financial Flexibilities**

- 6.13 As in previous years, as part of budget preparation, all of the Councils earmarked and unearmarked reserves have been reviewed to ensure that Council balances are optimised. Given the financial context, risks and uncertainties highlighted elsewhere on this agenda it is important that the

Council makes prudent and prioritised use of its reserves. Council has previously agreed to prioritise the use of Service Concession Reserve to support transformation activity and financial and service sustainability.

- 6.14 As part of the 2023/24 Treasury Management Strategy statement, Council approved a change to the accounting treatment for Service concessions. This was a flexibility granted by the Scottish Government in 2022/23 (Circular 10/2022) that created a past year financial benefit of £12.537m and an ongoing annual benefit of around £1-2m per year for the next 16 years. The past year benefit has been earmarked primarily to support Transformation with a current balance of £5.958m after £6.579m was utilised as part of the 2024/25 budget setting. The annual in year benefit has been included within the budget gap to offset loans fund costs within the revenue budget on an ongoing basis.
- 6.15 In setting the 2025/26 budget, it is proposed that £3.000m of the past year benefit earmarked reserve is used to support the Councils corporate priorities of transformation and service redesign as set out in Appendix A. As such £2.000m is proposed to be added to the Transformation Fund and £1.000m is proposed to be added to the Employment Fund. The Transformation fund continues to be delegated to the Chief Executive and reported to the Be the Future Board.
- 6.16 To support in year pressures and pressures anticipated in 2025/26, it is also proposed that the £2.958m balance of the Service Concession Reserve is allocated. In particular this aims to support the Health & Social Care Partnership in light of the current forecasted overspend and future estimated pressures including; the unfunded element of the direct cost of the National Insurance increase announced by the UK Government effective from 1 April 2025, the indirect costs of this increase in national insurance passed on from providers of commissioned services; cost uncertainties from current negotiations on Members and Officer pay. Council is also asked to note that the earmarking of this reserve is based on affordability and may not meet the costs of the additional pressures mentioned above and there may be a requirement to ration the allocation of this reserve once pressures are known.

## **7.0 Health and Social Care Integration**

- 7.1 The draft local government settlement for 2025/26 set out a net additional £140m to support social care and integration. This included: £125m to recognise the continued commitment to provide Real Living Wage to adult social care workers in the third and private sectors of £12.60 per hour, an additional £10m to support the uprating of Free Personal and Nursing Care rates and £5m to support the commitment to provide additional voluntary sector short breaks funding for unpaid carers.
- 7.2 The letter from the Cabinet Secretary for Finance and Local Government, dated 4 December 2024 that set out the draft local government settlement stated that the additional funding to Integration Authorities should be additional and not substitutonal to each Council's 2024/25 recurring budgets for delegated adult social care services.
- 7.3 In light of this requirement the proposed resource transfer to the Clackmannanshire and Stirling Integrated Joint Board (IJB) is £30.047m. This

reflects an increase of £1.194m on the final budgeted contribution for 2024/25 which is made up of £0.036m share of the additional £10m for the uplift in Personal and Nursing Care rates and £1.158m share of the £125m for the Real Living Wage. The £5m referenced in paragraph 6.1 above will be distributed direct to third party organisations and not form part of the budgeted contribution.

- 7.4 The budgeted contribution of £30.047m is proposed on the basis that the Council seeks to continue its track record of supporting the Partnership to set a budget that is sustainable whilst being mindful of affordability in the wider context of the Council's financial challenges.
- 7.5 It should also be noted that in addition to the budgeted revenue contribution, continued provision has also been made in this Budget for the finalisation of the MECS Analogue to Digital project and work is ongoing to identify a new Social Work Information System funded through the Councils Transformation Fund.
- 7.6 The challenging financial position facing the IJB both in the current year and projected for 2025/26 has previously been summarised in the Council's Budget Briefings to all Members prior to this Budget setting process. The IJB's Chief Finance Officer is working with officers across the Partnership to develop the budget proposals to be presented to the IJB Board at its meeting in March 2025.
- 7.7 In setting the IJB Budget, it is anticipated that the Chief Officer for HSCP and the Chief Finance Officer will set out their proposed approach for managing service delivery within the IJB's available financial resource envelope.

## **8.0 General Services Capital Programme 2025/26**

- 8.1 The indicative Capital Programme for 2025/26 is set out in Appendix A, providing detail of the major projects within the planned £248m Capital Investment Programme over the period 2025/26 to 2044/45.
- 8.2 The planned programme, as in previous years, contains estimated costs for those key proposals which require the development and refinement of business cases as the projects move through the various stages of development, for instance the delivery of the Wellbeing Hub in Alloa and Lochies School, Learning Estate developments and digital enhancements. These estimates are based on current data, industry benchmarks and a range of assumptions. Within the cost estimates for 2025/26 and beyond, assumptions have been updated to reflect additional costs related to inflation for materials and time, as a result of labour market pressures where known.
- 8.3 As these projects move through the various stages, appropriate governance will, as usual, be sought through Council to ensure that projects remain financially viable reflecting current affordability. Routine monitoring of the Capital Plan through the Audit and Scrutiny Committee also provides further opportunities for elected members to scrutinise the delivery of planned activity.
- 8.4 Additionally, in setting out the plans within the capital programme, consideration is given to fulfilling the COSLA commitment where at least 1% of the Local Authority Revenue and Capital budgets would be subject to Participatory Budgeting which for Clackmannanshire would equate to approximately £2.002m.

## **General Services Capital Grant 2025/26**

- 8.5 The General Capital Grant allocated to Clackmannanshire Council in 2024/25 is £4.335m. This is augmented by additional grant income streams totalling an estimated £1.383m, resulting in total grant income of £5.718m being available in 2025/26. The £1.383m includes specific capital grant funding for City Region Deal projects (£1.115m), Play Parks (£0.231m) and (£0.037m) from the Bus Fund.
- 8.6 The Scottish Government has also committed additional capital funding for Climate Change £40m. This funding has yet to be allocated and therefore, not included in the grant figures noted above. Further details of this funding will be provided through regular monitoring reports once known.

## **Capital Strategy**

- 8.7 In previous years, the General Services Indicative Capital Programme has been developed in consideration of the financial strategy of minimising new borrowing. In 2021/22 the Council approved a departure from this strategy with a revised strategy focusing on supporting capital investment over the 20 year programme.
- 8.8 Since the previous strategy was introduced in 2012, and the change in strategy in 2021/22, there has been a reduction of £20.4m in the Council's level of debt as at end of March 2025. As such, the Council's borrowing as a proportion of income is now relatively low compared to other Scottish Councils. The ratio of the cost of borrowing relative to our income stream as at 31 March 2025 is estimated to be 3.89% compared to the Scottish Average of 5.75% (2023/24). This places the Council in a strong position from which to invest and stimulate local economic recovery on which the capital plan is based.
- 8.9 A summary of the borrowing position is set out in Exhibit 5 below. The Treasury Management Report, also on the agenda for this meeting sets out the effect of this strategy in more detail.

**Exhibit 5: General Services Capital Funding 2025/26-2044/45**

	2025/26	2026/27	2027/28	2028/29	2029/30	2030-35	2035-40	2040-45	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Gross Programme Limit	(14,849)	(8,746)	(12,584)	(24,437)	(9,301)	(57,394)	(68,331)	(60,935)	(256,577)
Proposed Planned Expenditure	29,266	60,258	19,439	18,554	19,187	45,791	27,675	27,675	247,845
Amount of Planned Expenditure (below)/above Gross Programme Limit	14,417	51,512	6,855	(5,883)	9,886	(11,603)	(40,656)	(33,260)	(8,732)

8.10 The table above shows that if the current level of debt was to be maintained, the new borrowing requirement should be restricted to under £257m for the duration of the 20 year programme. Any new borrowing above this level in any year will directly impact the revenue costs budgeted for the annual repayment of debt.

8.11 The gross expenditure over the 20 year proposed programme is £248m which results in a net reduction in borrowing of £8.732m below the programme level of £257m by the end of the 20 year programme. The resulting estimated additional borrowing costs are reflected within the indicative budget gap set out at exhibit 4.

8.12 As shown in the table above, the indicative spend on the capital programme increases in the initial years, taking investment above the gross programme limit. This is due to significant investments in the Learning Estate and Wellbeing Hub and lower debt repayments in these years due to the recent change in the loans fund strategy. Towards the end of the 20 year programme, Investment starts to reduce below the programme limit.

8.13 It is important that medium to longer term levels of borrowing are closely planned and monitored. In particular, given the significant investment summarised in the capital programme, it is critical that considerable emphasis is placed on the identification of alternative funding streams including Capital Receipts, specific grant funding and internal borrowing are being considered to reduce any external borrowing requirement to continue to minimise the Council's overall level of debt. The Council is also exploring a different capital funding model to expand our assets to support the Promise. As a consequence, the Funding Officer as well as Strategic Directors will continue to place a priority on identifying and maximising the benefit of such opportunities to identify alternate funding sources. Clackmannanshire's Investment Strategy was approved by Council in March 2023 and work is currently progressing to refresh and develop the investment strategy approach in a way which is more consistent with the Council's broader transformation ambitions.

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

**Exhibit 6: Ratio of financing costs to net revenue stream**

	2024/25	2025/26	2026/27	2027/28	2028/29	2034/35	2039/40	2044/45
	£000	£000	£000	£000	£000	£000	£000	£000
Loan Charges/ Cost of Borrowing	6,087	7,232	8,286	9,862	11,417	16,355	15,552	14,688
General Revenue Funding	156,310	166,214	169,101	172,276	175,769	191,289	206,192	225,213
Ratio of Cost of Borrowing	3.89%	4.35%	4.90%	5.72%	6.50%	8.55%	7.54%	6.52%

8.15 The table shows that over the initial years, revenue costs associated with borrowing including the interest costs and loans fund advances are rising as a percentage of the revenue income from grant and council tax. The ratio increases from 3.89% in 2024/25 steadily over the life of the capital plan as borrowing costs increase and grant funding remains fairly stable. However, costs start to reduce towards the end of the programme after peaking in 2032/33 at 8.7%. Further detail on the cost of borrowing is contained within the Treasury Management Report also on the agenda for this meeting.

**9.0 Sustainability Implications**

9.1 The Council’s budget and its approval will allow services to deliver against sustainable outcomes.

**10.0 Resource Implications**

*10.1 Financial Details*

10.2 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

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

*10.4 Staffing*

**11.0 Exempt Reports**

11.1 Is this report exempt? No

## 12.0 Declarations

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

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

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all X  
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 X  
Our communities will be resilient and empowered so that they can thrive and flourish X

### (2) **Council Policies**

Complies with relevant Council Policies

## 13.0 Equalities Impact

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

Yes  No

## 14.0 Legality

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

## 15.0 Appendices

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

Appendix A	Budget Leaflet including the General Services Revenue Budget 2025/26 and the General Services Capital Programme 2025/26 to 2044/45
Appendix B	Demand Pressures
Appendix C	Management Efficiency Savings
Appendix D	Policy and Redesign Savings
Appendix E	Income and Charging Strategy and Register of Charges
Appendix E1	Register of charges 2025/26

- Appendix F Local Government Draft Settlement 10/2024
- Appendix G Non Domestic Rates – Empty Property Relief
- Appendix G1 Non Domestic Rates – Empty Property Relief Policy
- Appendix H Letter from Council Leader to UK Government on NI Increase

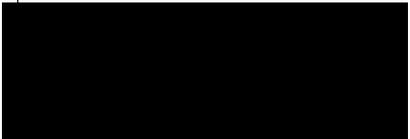
**16.0 Background Papers**

16.1 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)

**Author(s)**

<b>NAME</b>	<b>DESIGNATION</b>	
Lindsay Sim	Chief Finance Officer (S95)	2078

**Approved By:**

<b>NAME</b>	<b>DESIGNATION</b>	<b>Signature</b>
Lindsay Sim	Chief Finance Officer (S95)	

# Administration Group

Proposed General  
Services Revenue  
& Capital Budget  
**2025/26**



**Clackmannanshire  
Council**

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

Comhairle Siorrachd  
Chlach Mhanann

# Council Administration

## Roles and responsibilities



**Cllr Ellen Forson**  
Council Leader  
Spokesperson for  
Partnership & Performance



**Cllr Graham Lindsay**  
Depute Council Leader  
Spokesperson for  
People



**Cllr Phil Fairlie**  
Convener



**Cllr Donald Balsillie**  
Provost  
Depute Convener



**Cllr Jane McTaggart**  
Depute Provost  
Depute Spokesperson  
for Place



**Cllr Wendy Hamilton**  
Depute Spokesperson  
for Partnership &  
Performance



**Cllr Fiona Law**  
Depute Spokesperson  
for People



**Cllr Scott Harrison**  
Spokesperson for  
Place

## Foreword



**Cllr Ellen Forson**  
Council Leader

Clackmannanshire Council has a revenue budget of £171 million to invest in essential services like education, health and social care, waste management, road and pavement maintenance, and the upkeep of parks and open spaces. This year we are facing one of our most challenging budget setting processes yet. Demand for statutory services – particularly in social care and education – is soaring, leaving fewer resources for non-statutory services. This creates a complex budgetary landscape where difficult choices are unavoidable. Councillors must navigate these pressures to balance the budget and ensure financial sustainability.

Our financial challenges are intensified by factors beyond our control. While council tax generates 17% of our total budget, most of our funding is shaped by spending decisions made by the UK and Scottish Governments. Even with an improved settlement from the Scottish Government, it's not enough to cover the rising costs of the services Clackmannanshire Council provides.

Inflation, wage increases, and escalating energy costs are driving expenses higher. This year alone, our energy costs have surged by £75,000, and our PPP contracts have climbed from £10.38 million to £10.69 million. Additionally, a 3% pay increase has been assumed for staff which will cost £2.47 million, and the UK Government's increase in employers' national insurance contributions will add another £779,000 beyond the funding received.

To put this in perspective, these rising costs total £5.69 million. Every 1% increase in council tax generates £255,000, meaning covering these additional costs alone would require a 22.3% council tax increase.

The financial outlook for councils and the broader public sector remains challenging. To adapt, we must rethink how we deliver services and reduce overhead costs. We are prioritising critical areas like education, social work, health and social care, and poverty alleviation, with over £100 million allocated to these essential services. However, this leaves less funding for other areas.

The decisions we take are not made lightly, and we recognise their impact on local people and communities. We've carefully considered feedback from the budget consultation process, striving to balance affordability and sustainability while maintaining the essential services our communities depends on.

Despite these challenges, we are determined to invest in Clackmannanshire's future. Our updated capital programme commits £248 million over the next 20 years to support local development, including the completion of the new Wellbeing Hub and Lochies School. We are also investing in roads, active travel routes, advancing our net-zero ambitions, and boosting the local economy.

We are committed to modernising Council operations through innovation and collaboration with public and third-sector partners. By working together, we aim to maximise investment opportunities for Clackmannanshire, even in these testing financial times.

The decisions we face are undeniably tough, but they are necessary to secure a sustainable future for our communities.

## Proposed General Revenue Budget 2025/26

Directorate	Current Budget 2024/25 £'000's	Proposed Budget 2025/26 £'000's	Indicative Budget 2026/27 £'000's	Indicative Budget 2027/28 £'000's	Indicative Budget 2028/29 £'000's	Indicative Budget 2029/30 £'000's
<b>People</b>						
Strategic Director	(154)	49	51	53	55	57
Care & protection	18,254	19,016	19,278	19,563	19,857	20,160
Education & Learning	62,171	65,815	68,047	70,346	72,714	75,153
Support & Wellbeing	1,651	1,571	1,804	1,885	1,968	2,054
	<b>81,922</b>	<b>86,451</b>	<b>89,180</b>	<b>91,847</b>	<b>94,594</b>	<b>97,424</b>
<b>Place</b>						
Strategic Director	(226)	138	295	302	309	317
Development	1,877	1,784	2,024	2,107	2,193	2,281
Environment	9,755	9,487	9,975	10,227	10,487	10,755
Property	23,232	22,676	22,879	23,027	23,179	23,336
Housing	217	128	156	185	215	246
	<b>34,855</b>	<b>34,212</b>	<b>35,328</b>	<b>35,847</b>	<b>36,382</b>	<b>36,934</b>
<b>Partnership &amp; Performance</b>						
Strategic Director	(226)	87	100	105	110	115
Finance & Revenues	4,620	4,752	5,226	5,323	5,423	5,526
HR & Workforce Development	1,785	1,676	2,015	2,068	2,122	2,178
Legal & Governance	1,668	1,985	2,049	2,114	2,181	2,250
Partnership & Transformation	4,201	4,110	4,226	4,323	4,423	4,526
	<b>12,048</b>	<b>12,610</b>	<b>13,616</b>	<b>13,933</b>	<b>14,259</b>	<b>14,595</b>
<b>Other Services</b>						
Corporate Services	(962)	(301)	2,199	4,699	7,199	9,699
Chief Executive and Transformation	567	333	345	357	370	383
Central Support recharge	(1,315)	(1,315)	(1,315)	(1,315)	(1,315)	(1,315)
Misc Services - Non Distributed Costs	1,100	1,100	1,100	1,100	1,100	1,100
Central Scotland Valuation Joint Board	490	504	504	504	504	504
Health & Social Care Partnership	26,660	30,047	30,047	30,047	30,047	30,047
Interest on Revenue Balances	(205)	(205)	(205)	(205)	(205)	(205)
Loans Fund Contribution	6,233	7,444	8,498	10,074	11,629	12,498
Contribution to Bad Debt Provision	100	100	100	100	100	100
	<b>32,668</b>	<b>37,707</b>	<b>41,273</b>	<b>45,361</b>	<b>49,429</b>	<b>52,811</b>
<b>Total expenditure</b>	<b>161,493</b>	<b>170,980</b>	<b>179,396</b>	<b>186,987</b>	<b>194,663</b>	<b>201,763</b>
<b>Sources of Funding</b>						
General Revenue Funding	(103,484)	(113,040)	(113,040)	(113,040)	(113,040)	(113,040)
Non Domestic Rates	(2,777)	(19,834)	(19,834)	(19,834)	(19,834)	(19,834)
Ringfenced Grant	(2,478)	(1,663)	(1,663)	(1,663)	(1,663)	(1,663)
General revenue funding still to be allocated	(19,597)	(4,472)	(4,472)	(4,472)	(4,472)	(4,472)
Council Tax	(25,547)	(28,868)	(31,755)	(34,931)	(38,424)	(42,266)
Contribution from other reserves	(1,531)	(2,757)	(1,292)	(1,044)	(997)	(1,356)
Contribution from uncommitted reserves	(6,079)	(346)	0	0	0	0
<b>Total funding</b>	<b>(161,493)</b>	<b>(170,980)</b>	<b>(172,056)</b>	<b>(174,984)</b>	<b>(178,430)</b>	<b>(182,631)</b>
<b>Projected (Surplus)/Shortfall</b>	<b>0</b>	<b>(0)</b>	<b>7,340</b>	<b>12,003</b>	<b>16,233</b>	<b>19,132</b>

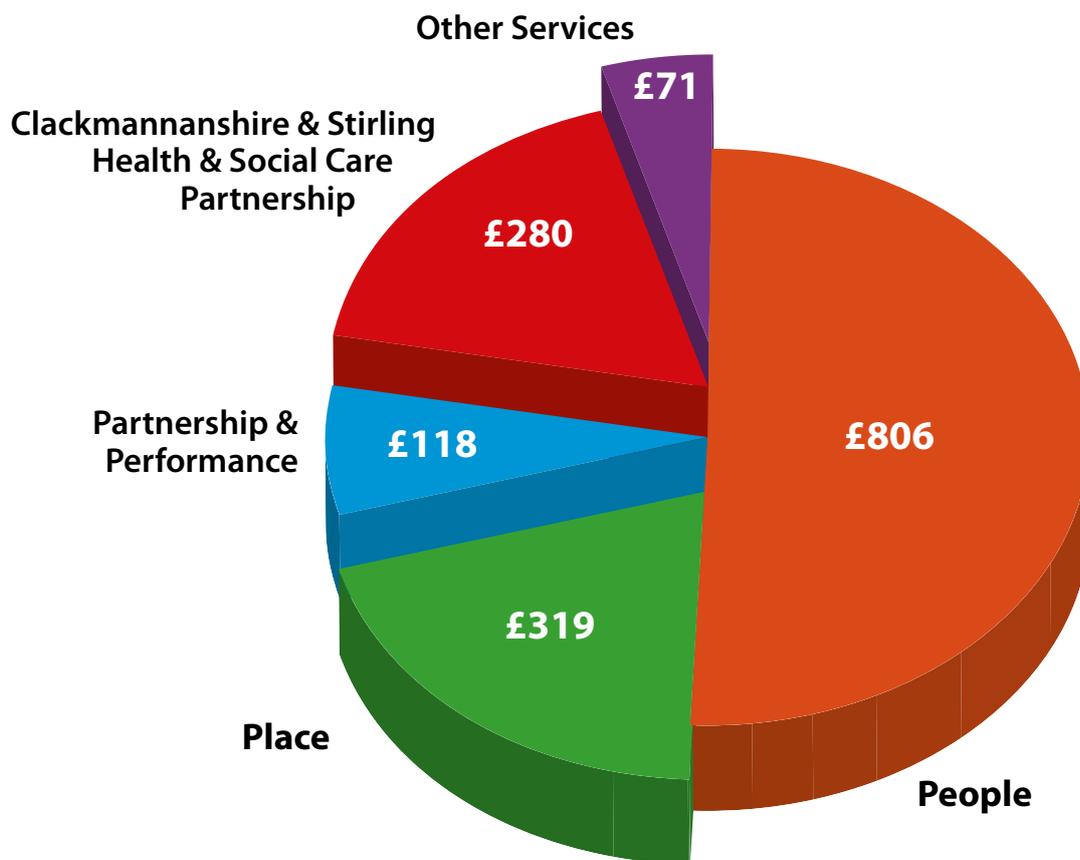
## Capital Programme 2025/26 to 2044/45

Project	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total 2025-30 £'000	Total 2030-35 £'000	Total 2035-40 £'000	Total 2040-45 £'000	Total 2025-45 £'000
Wellbeing Hub and Lochies	16,000	48,839	4,716	0	0	69,555	0	-	-	69,555
Social Care System MVP	80	-	0	0	0	80	0	-	-	80
Work Smarter	335	-	0	0	0	335	0	-	-	335
Innovation Hub Delivery	850	-	0	-	-	850	0	-	-	850
City Deal (RPMO)	100	100	100	100	100	500	200	-	-	700
City Region Deal	1,470	1,197	2,314	3,410	-	8,391	-	-	-	8,391
Renewable Energy Projects	100	50	50	50	50	300	250	250	250	1,050
Alloa Town Centre Upgrade	-	-	0	40	360	400	-	-	-	400
Alloa Town Centre Upgrade extension	-	-	0	80	320	400	-	-	-	400
Flood Protection	86	86	86	86	86	430	430	430	430	1,720
Village and Small Town - Menstrie	-	-	0	24	96	120	-	-	-	120
Village and Small Town - Tillicoultry	-	110	440	-	-	550	-	-	-	550
Clackmannan Community Access Point	93	-	0	-	-	93	0	-	-	93
Learning Estate - Development Driven (minimum requirements)	100	500	4,500	8,000	11,000	24,100	15,500	-	-	39,600
"Learning Estate Indicative Future Investment Requirements (Options appraisals, condition and suitability)"	2,500	2,500	650	0	0	5,650	-	-	-	5,650
Learning Estate DDA	17	17	17	17	17	85	85	85	85	340
Social services adaptations	75	75	75	75	75	375	375	375	375	1,500
Analogue to Digital	145	-	0	-	-	145	-	-	-	145
National play park and open space improvements	231	-	0	-	-	231	-	-	-	231
Park, Play Area & Open Space Improvements	25	25	25	25	25	125	125	125	125	500
Cycle Routes	55	-	0	-	-	55	-	-	-	55
Gartmorn Dam Country Park	30	-	-	-	-	30	-	-	-	30
Digital Transformation - Future Ways of Working (Homeworking)	160	160	120	120	120	680	600	600	600	2,480
Digital Learning Strategy	250	250	250	250	250	1,250	1,250	1,250	1,250	5,000
IT Infrastructure (Council)	90	90	90	90	90	450	450	450	450	1,800
ICT Replacement (Secondary Schools)	125	125	125	125	125	625	625	625	625	2,500
ICT Upgrade (Primary Schools)	90	90	90	90	90	450	450	450	450	1,800
Fitness Suite Equipment	6	6	6	6	6	30	30	30	30	120
Cleaning Equipment Upgrade (Schools and Council)	10	-	-	-	-	10	-	-	-	10
Street Lighting Replacement	160	360	360	360	360	1,600	1,801	1,805	1,805	7,011
Carriageways - Road Improvements	1,800	2,600	2,600	2,600	2,600	12,200	12,220	11,050	11,050	46,520
Cemetery Walls	350	225	-	-	-	575	-	-	-	575
Local Care Provision (Woodside) H&S Compliance	36	-	-	-	0	36	-	-	-	36
Alva Cemetery Extension	430	-	-	-	0	430	-	-	-	430
Vehicle Replacement	400	800	1,000	1,500	1,550	5,250	5,550	5,000	5,000	20,800
Asbestos Removal (Schools)	10	10	10	10	10	50	50	50	50	200
Bridge Improvements	75	75	75	75	75	375	375	375	375	1,500
Kilncraigs Stone Preservation	120	-	0	-	-	120	-	-	-	120
Car Park Works	-	-	0	114	475	589	-	-	-	589
Wheeled Bins	30	30	30	30	30	150	150	150	150	600
Clackmannanshire War Memorials & Monuments	-	30	0	0	0	30	-	-	-	30
Town Centre Regeneration Fund	195	-	0	-	-	195	-	-	-	195
Community Bus Fund	37	-	0	-	-	37	-	-	-	37
Case Management System for Legal Services	8	0	0	-	-	8	-	0	0	8
Digital and IT PMRO Resourcing	129	129	129	129	129	645	-	0	0	645
IT Network Switching	300	400	300	0	0	1,000	-	0	0	1,000
<b>Resourcing</b>										
Capital Program Legal Resource	4	-	0	0	0	4	-	-	-	4
ICT Resourcing	124	124	124	124	124	620	620	620	620	2,480
ICT Resourcing - Digital Learning	51	51	51	51	51	255	255	255	255	1,020
City Region Deal Resourcing	263	55	55	55	55	483	275	275	275	1,308
Wellbeing Hub & Lochies	451	179	133	0	0	763	-	-	-	763
Property	42	56	56	56	56	266	280	280	280	1,106
Working Smarter (IOT, RPA)	345	345	345	345	345	1,725	1,725	1,725	1,725	6,900
Capital Programme Support	324	284	284	284	284	1,460	1,420	1,420	1,420	5,720
Future Ways of Working	75	-	0	0	0	75	-	-	-	75
<b>Gross Total Approved Programme (Revised) (£'000)</b>	<b>28,782</b>	<b>59,973</b>	<b>19,206</b>	<b>18,321</b>	<b>18,954</b>	<b>145,236</b>	<b>45,091</b>	<b>27,675</b>	<b>27,675</b>	<b>245,677</b>

## Capital Programme 2025/26 to 2044/45 continued

Project	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total 2025-30 £'000	Total 2030-35 £'000	Total 2035-40 £'000	Total 2040-45 £'000	Total 2025-45 £'000
<b>New Capital Bids</b>										
LED Street Lighting Conversion Project	51	52	0	0	0	103	-	0	0	103
Street Lighting Column Safety Replacement Programme	233	233	233	233	233	1,165	700	0	0	1,865
Alloa Family Centre Investment Programme	100	0	0	0	0	100	-	0	0	100
Town Hall Investment Programme	100	0	0	0	0	100	-	0	0	100
<b>Gross Total New Bids (£'000)</b>	<b>484</b>	<b>285</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>1,468</b>	<b>700</b>	<b>0</b>	<b>0</b>	<b>2,168</b>
INCOME - General Capital Grant	-4,335	-4,566	-4,566	-4,566	-4,566	-22,599	-22,830	-22,830	-22,830	-91,089
INCOME - National Playparks and open space improvements (indicative figures)	-231	0	0	0	0	-231	0	0	0	-231
INCOME - City Region Deal Grant (100% spend)	-1,115	-1,115	-2,750	-3,410	0	-8,390	0	0	0	-8,390
INCOME - Developer contributions - Learning Estate Development Driven - route map v4	0	-1,100	-1,100	-3,800	-1,000	-7,000	-1,000	0	0	-8,000
INCOME - Bus Fund	-37					-37	0	0	0	-37
<b>Gross Total Income Anticipated (£'000)</b>	<b>(5,718)</b>	<b>(6,781)</b>	<b>(8,416)</b>	<b>(11,776)</b>	<b>(5,566)</b>	<b>-38,257</b>	<b>(23,830)</b>	<b>(22,830)</b>	<b>(22,830)</b>	<b>(107,747)</b>
<b>GROSS TOTAL CAPITAL PROGRAMME (£'000)</b>	<b>29,266</b>	<b>60,258</b>	<b>19,439</b>	<b>18,554</b>	<b>19,187</b>	<b>146,704</b>	<b>45,791</b>	<b>27,675</b>	<b>27,675</b>	<b>247,845</b>
<b>NET TOTAL CAPITAL PROGRAMME (£'000)</b>	<b>23,548</b>	<b>53,477</b>	<b>11,023</b>	<b>6,778</b>	<b>13,621</b>	<b>108,447</b>	<b>21,961</b>	<b>4,845</b>	<b>4,845</b>	<b>140,098</b>

### How your council tax is spent



Based on a Band D property Council tax of **£1,594.38** for 2025/26.  
The total figure does not include water and sewerage charges.

### Council Tax Charges 2025/26

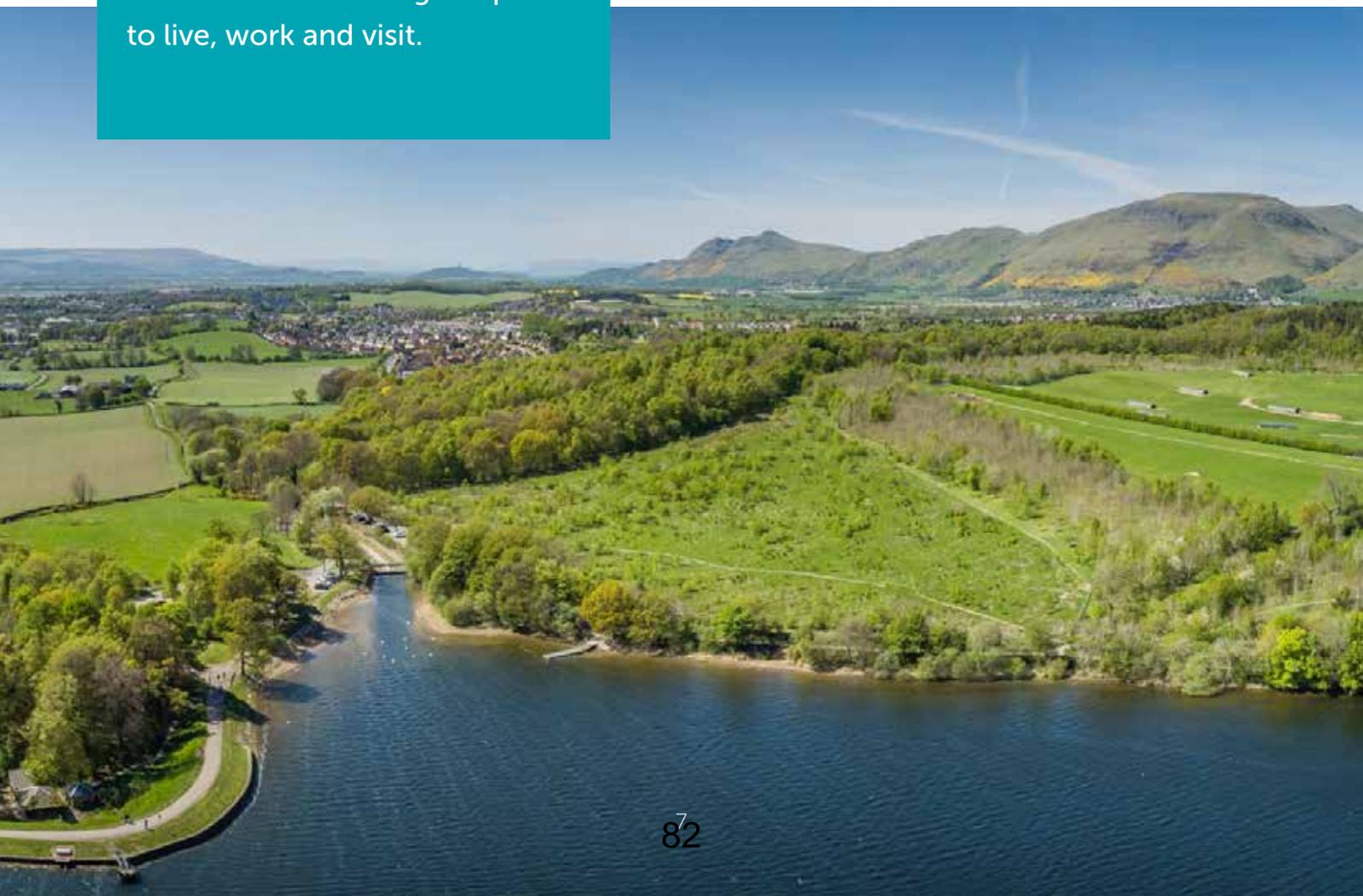
Valuation Band	Council Tax £
<b>BAND A - Disabled</b>	£885.77
<b>BAND A - up to £27,000</b>	£1,062.92
<b>BAND B - £27,001 to £35,000</b>	£1,240.08
<b>BAND C - £35,001 to £45,000</b>	£1,417.23
<b>BAND D - £45,001 to £58,000</b>	<b>£1,594.38</b>
<b>BAND E - £58,001 to £80,000</b>	£2,094.84
<b>BAND F - £80,001 to £106,000</b>	£2,590.88
<b>BAND G - £106,001 to £212,000</b>	£3,122.34
<b>BAND H - over £212,000</b>	£3,906.24

# Clackmannanshire: Investing in our People and Places

Against the backdrop of the difficult decisions we must take to balance our budget for 2025/26, we have kept a relentless focus on ensuring that our investment remains aligned with the priorities we set following engagement with you, our communities, partners and stakeholders.

In the following section you will see the significant investment proposed in this 2025/26 budget, in those services which are most valued by you, our residents and communities, as well as investment in keeping Clackmannanshire a great place to live, work and visit.

To allow us to continue to allocate Council resources to the services you wish us to prioritise, we have also set out in this booklet, a series of short to medium term priority actions that will ensure that the foundations, investment and activity is securing progress in those areas we said we would transform in our Be the Future vision.



# Wellbeing Hub & Lochies School

£77.5million

With an overall capital investment of £77.5million, the new state-of-the-art Wellbeing Hub and Lochies School will provide an inclusive destination where the whole community feels welcome and can take pride in.



The project took a major step forward recently with planning approval granted and enabling works on the site confirmed to start in the coming months. The flagship facility will provide swimming pools, and a range of indoor and outdoor spaces for sport, leisure, consultations, meetings, conferencing, learning, and socialising. Improved Health & Wellbeing is a key ambition for project with a focus on mental health initiatives, on-site social prescribing, injury, recovery and dependency rehabilitation programmes and improved general fitness and quality of life for all ages. The wellbeing hub will cater for social fitness opportunities and targeted programmes in partnership with charities, GP practices, HSCP, NHS forth valley and private groups. The new Lochies School will provide state of the art facilities for learners with severe and complex needs.

Green credentials and sustainability are at the heart of the design and construction of the new facility which will be built to Passivhaus standards.

Clackmannanshire will be one of the first areas of Scotland to have a leisure and learning campus on this scale designed to meet this world-leading energy efficiency standard. As part of continued investment in the Learning Estate, the new Lochies School will meet the needs of children with severe and complex needs.

The project, targeted for completion in the summer of 2027, is supported by circa £10million of investment from the Scottish Government Learning Estate Investment Programme and over £500,000 from sportscotland. This collective investment from the Council and key partners will future proof the provision of modern, accessible, and sustainable leisure, learning and wellbeing facilities for the people of Clackmannanshire and attract more visitors to the county.

## Whole Family Support

**We have made a Promise to our community that our Clackmannanshire's children and young people will grow up safe, loved and respected.**



Our plans are ambitious and comprehensive and require a whole systems approach to change. No one service, partner, or policy will deliver the change that is required, but by collaborating and aligning funding sources, pooling all our efforts and resources, we can make that difference.

Our investment in whole family support exemplifies this approach. Working in partnership with community groups and people with lived experience has informed how we develop our services. A Family Support Collaborative has been developed, bringing local authority services including Social Work, Housing, Education and Employability alongside local third sector services. The Council has invested £1.1 million in whole family support services and over £180,000 was directly awarded through the Family Support Collaborative after evaluation by partners and lived experience groups.

We continue to invest in our one stop shop approaches such as the multiagency team: STRIVE (Safeguarding Through Rapid Intervention) which supports families in crisis. £84,000 has been dedicated to providing Community Connectors, whose role is to enable people to develop sustainable support networks within their local communities.

We are redesigning our youth justice service, have developed our multi-disciplinary co-located justice hub and enhanced support for families affected by domestic abuse with investment of £120,000.

We are working closely with the Vardy Foundation to develop sustainable local care provision and support for care experienced children and young people. We continue to enhance our support to care giving families, as well as investing in intensive supports to families with the highest levels of need to help children remain at home or within their local community. This activity alongside continued development and investment in those who support children and their families helps deliver trauma informed system change, geared towards prevention and collaboration. This will lead to long term savings for the Council, but more importantly better outcomes for our children and young people.

## Children's Services

**To respond to the needs of our children and young people, we have invested £300,000 in approaches to support mental health and wellbeing. The Family Wellbeing Partnership has invested £19,000 in access to a digital mental health service for adults. We are investing £6 million in support for children and young people with additional support needs.**



In early years, all 3 to 4-year-olds, eligible 2-year-olds, and some babies now have an offer of 1140 hours of funded early learning and childcare, with an investment of £9.7 million this year.

We continue to invest £250,000 each year in one-to-one digital devices for all our children from P3 upwards to support their learning in the classroom and at home.

We have continued to invest in targeted support for care-experienced young people to provide bespoke support for a targeted group of learners. We have ensured our care experienced young people and learners who are in need are supported through the MCR Pathways mentoring programmes within each secondary and into post school destinations.

Additionally, we have invested in developing the Clackmannanshire Active Learning Academy to help young people succeed through active learning experiences. This effort focuses on understanding and addressing the unique challenges young people face, ensuring they have the resources, and the support needed to thrive.

Enhanced support is now located within each locality including Community Learning and Development, Social Work and Education staff. We are investing £374,584 in community and family supports through the work of our Community Learning and Development Team.

In addition, we are continuing to invest in our children's services practitioners through high-quality professional learning experiences, focusing on Values-Based Leadership (Columba 1400), trauma informed approaches and Keeping The Promise Award approaches. We are also investing in raising attainment through investment in a National Writing Programme.

We have continued to embed our Early Intervention responses through the progression and development of our Early Help Team, providing accessible and responsive whole family service at the point of need. One of the key innovations of the Early Help model is the strengthened partnership working with universal and third sector services and embedded within the local community.

To support trauma informed approaches to safeguarding there has been investment of resources to support the development and implementation of the SCIM (Scottish Child Interview Model) and Bairns' Hoose. This is whole systems approach to delivering child protection, justice, health support and services to children who have experienced harm.

## Tackling Poverty

**We are taking forward ambitious transformation plans which will create the conditions for a wellbeing economy, with tackling inequality at its heart.**



We recognise that some of our communities are facing immediate and significant hardships and are increasing our efforts to make a real difference to those families affected.

We have invested £60,000 in the role of Child Poverty Coordinator, working alongside the Family Wellbeing Partnership and the employability teams, to maximise the support and financial advice for families and individuals.

Through the Family Wellbeing Partnership, the Child Wellbeing Partnership continue to invest in building a system of part and fully funded primary school aged childcare for eligible families and expansion of services for Pre-5 children and support of baby and toddler groups. These supports are helping parents back into the workplace, to study or to improve their wellbeing through flexible and accessible wraparound childcare. To date the Child Wellbeing Partnership has invested over £3m in childcare provision since 2022 and continues to expand. The Thrive to Keep Well Programme continues to support individuals to better outcomes.

The Home Energy and Environmental Advice Team have provided £85,259 of financial support through the Scottish Government's Home Heating Advice Fund.

£97,000 has been invested in facilitating the implementation of the Planet Youth work. Planet Youth Officers supported this agenda in schools and communities. The planet Youth Coalition continues to support early preventative community work.

Working with community and third sector partners, food poverty and food insecurity is being addressed through breakfast and after school clubs and food provision services. Recognising the strong link with lack of transport and poverty, £30,000 has been allocated to develop sustainable transport approaches which will support communities to access employment, health, and wellbeing opportunities and to progress to develop a sustainable transport strategy and action plan that recognises the importance of affordable and accessible travel.

We are investing £200,000 in vocational training and support for school leavers to support our young people transition to the world of work.

# Living and ageing well in Clackmannanshire

The Council invests a significant proportion of its budget on delivering adult social care through the Clackmannanshire and Stirling Health and Social Care Partnership (£30.05m).



Working with partners such as NHS Forth Valley, the Clackmannanshire Third Sector Interface and a range of local care providers, adult health and social care is provided to over 1240 adults every week in Clackmannanshire receiving care at home and living within care home settings.

In March 2023, the Clackmannanshire and Stirling Health and Social Care Partnership approved its ambitious 10 year Strategic Commissioning Plan following a range of consultations with partners and service users. This Plan will be reviewed during 2025 - 2026 as part of the three year review cycle agreed by the Integration Joint Board. This review will take account of current financial challenges, current policy and legislation and within the context of the HSCP Delivery Plan 2025 - 2026 and ensures community health and care services are delivered against nation Health and Wellbeing Outcomes as well as many of the Council's local priorities and transformation activities.

## Key priorities are:

1. Right Care, Right Time is transforming the processes and operational delivery of services focusing on partnership with third sector and communities as well as delivering care and support within a Self Directed Support context in line with the SDS Act 2013.
2. Integrated locality working and social prescribing
  - a) Integrated working across communities with community health, social care, primary care and third & independent sector to focus on inequalities, and prevention & population health

This delivery context ensures

- a) assessment processes focused on an individual's rights to choice and control and to improve supported person and their carer's experience
  - b) Reduce the overall costs of care, where possible, by providing the right care at the right time with regular reviews and signposting for outcomes.
  - c) Support workforce confidence, learning and development needs as well as their wellbeing through the development of clear, efficient and easy to use processes.
3. Carers Support
    - a) a developing Short Breaks service will ensure carers understand their rights and have access to choices around respite and access to a range of short break
    - b) a range of carers supports including on-line, telephone and in person supports including information, specialist money advice and access to peer support
    - c) working closely with third sector partners to ensure seamless support across the whole system.

## Improving Customer Experience and Access

This budget allocates over £9.5m to IT Infrastructure, digital and data transformation, enabling the Council to become a leading digital authority. Our commitment to improving customer experience, streamlining processes, and boosting operational efficiency remains steadfast.



In 2024/2025, we achieved significant milestones with the launch of various digital services, including the school enrolments system, Education Grants applications, ELC admissions, environmental health forms, roads portable lights applications, reception appointment bookings, and recycling bookings. Building on this momentum, 2025/2026 will see further advancements with the introduction of a new comments and complaints system, customer relationship management application, Councillor and MP/MSP enquiry system, waste module, roads forms, and energy fund applications.

Our Internet of Things (IoT) SMART Clacks Strategy is also evolving. This strategy aims to enhance public services, improve citizen experiences, enable predictive capabilities, and drive economic growth, all while ensuring robust data privacy and security. The deployment of sensors to monitor damp and mould in residential properties is underway, providing early detection and timely intervention, leading to health improvements, better living conditions, and proactive maintenance.

Data is a cornerstone of our strategy. By enhancing data management and utilisation, we can improve service delivery, make better data-driven decisions, and strengthen citizen engagement. The introduction of a data governance framework, enhanced reporting tools, and data skills will boost the Council's efficiency and deliver more targeted and effective services to communities.

Our Digital Champions continue to foster a digital and data-literate workforce, driving the use of digital tools and innovation. They will support colleagues in transitioning to the Microsoft 365 platform and address training needs following the 2024/2025 digital and data skills survey.

We are also advancing our Robotic Process Automation (RPA) initiatives to automate routine, high-volume tasks. This will unlock efficiencies, free up resources for priority areas, reduce processing time, and improve accuracy.

## Place-based regeneration

The Council will embark on a multi-million-pound investment programme as part of the City Region Deal to support Culture, Heritage and Tourism, with over £6.5m identified for the project. The project will see up to £1m invested in Greenfield House in preparation for the development of a Cultural, Heritage and Tourism Hub linked to the Alloa Innovation Campus.

We know that place-based regeneration contributes positively to an area's identity, its attractiveness and vibrancy, that is why we will be investing over £690,000 from the UK Shared Prosperity Fund focusing in on Communities and Place, Business Support and People and Skills.

More than 25% of these monies will support capital initiatives through a blend of grants to community groups and business support to ensure healthy and thriving towns and villages. The remaining monies will be utilised for the enablement of employability activity, including holistic, person-centred support for over 300 people. This work will maximise opportunities to get local people into local jobs and deliver targeted business support initiatives in consultation with our business community.

Through our Place Based Investment Fund (PBIF) programme for 2025/26 it is our plan to support local community organisation invest within local assets. It is anticipated that this will see more than £300,000 investment in local community led assets and facilities.



## Active Travel

We have secured and delivered £1.8m investment in Active Travel over this last year and plan to invest over £2m more over the next two years.



During 2024/25 we saw the completion of the Fishcross to Stirling University route which linked Alva and Menstrie. This was part of Phase One of the City Region Deal and also saw Transport Scotland invest, through the Council, £1.8m, which allowed the integration of a site-specific biodiversity corridor in which some 5,500 trees have been planted, providing habitat connection, increased tree canopy cover and carbon sequestration. Making use of a disused railway line and this corridor now provides a safe, offroad active travel route between these two communities. It has been designed to be fully accessible for all walkers and wheelers, with the addition of street lighting to ensure that users feel safe all year round.

We now wish to build upon this great work and plan over the next two years to utilise more than £2m of City Region Deal investment to progress Phase two of our Active Travel ambitions linking Fishcross with Alva.



## Investing in net zero

**Our budget will invest £200,000 to make improvement works to Alloa Family Centre and Alloa Town Hall. Investing in the sustainability of our assets.**

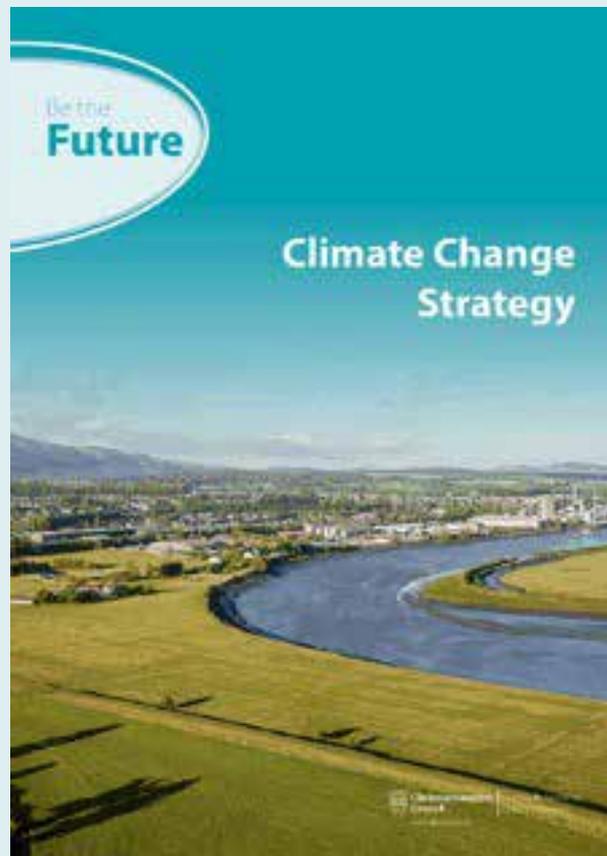
We are continuing to work with our nature partners to help us tackle Climate Change, habitat loss and habitat fragmentation. Presently we are investigating opportunities to develop a range of diverse nature solutions that can be delivered alongside our existing active travel network. We are pro-actively

raising nature awareness by providing learning in the community, improving core paths and protecting and enhancing our natural environment.

The Council's Climate Emergency Board has developed a Climate Emergency Action Plan (CEAP) including actions that focus on ensuring that cost-saving and resource efficiency initiatives are exploited while also rendering the Council investment-ready to secure additional funding to deliver against climate targets and create high-value green jobs.

We have formed a Strategic Energy Management Group to provide governance and ensure delivery of the Clackmannanshire element of the Regional Energy Masterplan and our Local Heat and Energy Efficiency Strategy. The work of the group will help us in the development of local heat and energy networks as well as contributing toward making domestic and non-domestic properties more energy efficient.

Our proposal proposes a further £100k of investment over the next two years to replace existing street lighting to LED. This move will create an annual saving to the Council in reduced energy costs and contribute towards our Net Zero ambitions.



# Assets

We are currently undertaking a strategic review of the property portfolio and work is ongoing to formulate an Asset Management Plan. This work is scheduled for completion in the Autumn of 2025 and will guide future decisions on property assets, ensuring we have a robust property portfolio that supports delivery of Council services and plans.



This work will seek to refresh the Council's Community Asset Transfer Policy which will seek to support community led ownership of local assets for and by our communities. This will build upon our strong track record in supporting asset transfer and the direction set by the Family Wellbeing Partnership to empower our families and communities.

We are working on a refreshed Learning Estate Strategy which will set out our vision and future direction of our Learning Estate. We are committing £45.59m from our Capital Programme to support improvements across our Learning Estate. These developments will aim to provide learning environments which will facilitate excellent learning and teaching, and support the wellbeing of all our learners.



Through our budget we plan to invest £250,000 in children's play facilities and spaces, ensuring that families have safe and fun spaces to play, making Clackmannanshire a great place to grow up.

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

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

## Transformation Activity/Themes

### Digital and Data Transformation \*

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

### Workforce Strategy \*

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

### Asset Strategy \*

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

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

## Transformation Activity/Themes

### Communication and Engagement Model

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

### Investment Strategy

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

### Family Wellbeing Partnership

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

### Place Redesign

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

Tackling poverty and inequality, and safeguarding frontline services

Protecting Third Sector organisations

Transforming services for the future

Revenue budget  
£171m

20 year Capital Investment  
£248m

Health and Social Care Partnership investment of  
£30.05m

Council Tax Band D  
£1,594.38

Learning estate investment of  
£45.59m

General Reserve of 2% (£3.42m) of Council expenditure

Transformation Investment Fund £3m

20 year investment in roads and street lighting  
£55.5m

Commitment to Scottish Living Wage



Directorate	Department	Pressure	2025/26 Estimated Amount £	Year 2 - 2026/27 Estimated Amount £
Partnership & Performance	Director	Unachieved Voluntary Severance Saving	300,000	
Partnership & Performance	Finance & Revenues	Inflationary increase on requisition to Valuation Joint Board 3%	12,887	
Partnership & Performance	Finance & Revenues	Inflationary increase on Audit Scotland Statutory Annual Fee	14,882	
Partnership & Performance	Finance & Revenues	Homeless - Housing Benefit/B&B Subsidy Shortfall	200,000	
Partnership & Performance	Finance & Revenues	Increase in Loans Fund charges - interest costs	94,000	
Partnership & Performance	HR & Workforce dev	Apprenticeship Levy - annual inflationary increase	35,848	
Partnership & Performance	HR & Workforce dev	Occupational Health - increase in demand for referrals	18,000	
Partnership & Performance	Legal & Governance	Copyright Licence Fee	3,000	
Partnership & Performance	Legal & Governance	Fraud Resource	68,843	
Partnership & Performance	Legal & Governance	Inflationary increase in charge for Linets - Legal Research Tool	1,881	
Partnership & Performance	Legal & Governance	Increase in Internal Audit charges	20,000	
Partnership & Performance	Partnership & Transformation	IT Contract inflation	40,000	
People	Education & Learning	Accessibility Strategy uplift	25,000	
People	Education & Learning	Inflationary increase in contracts with other Local Authorities	12,463	13,594
People	Education & Learning	FM Recharges - Pay Inflation (Catering, Cleaning & Janitorial) and Nursery Meals	189,229	211,970
People	Education & Learning	Increase in payments to partner Nursery Providers.	344,000	
People	Education & Learning	School Transport - Contractual inflation	48,200	49,887
People	Education & Learning	Clothing Grants inflationary increase	9,020	
People	Care & Protection	Fostering & Kinship Fees & Allowances - 6.7% increase in National Living Wage	271,685	
People	Care & Protection	External Residential Placements- 6.7% increase in National Living Wage	201,359	
People	Care & Protection	Children Commissioned Services- Voluntary Organisations- 6.7% increase in National Living Wage	59,459	
People	Care & Protection	Supported Accommodation- 6.7% increase in National Living Wage	40,703	
People	Care & Protection	PA Rates & SDS Payments- 6.7% increase in National Living Wage	7,705	
People	Care & Protection	Disability Team Early Intervention (Home Care)- 6.7% increase in National Living Wage	26,130	
Place	Property	Inflationary uplift in PPP Schools Contract	309,299	
Place	Property	Utilities Inflationary Increase	75,000	-
Place	Property	Inflationary increase in the cost of food for school meals	45,000	
Place	Property	Increase in the cost of Property Insurance	30,000	
Place	Environment	Electricity Cost increase - Street Lighting (planned part reversal of previous year pressure)	-66,000	
Place	Environment	Increase in cost of MOT Fees for Council vehicles	4,000	
<b>TOTAL</b>			<b>2,441,595</b>	<b>275,451</b>

## Budget setting 2025/26

## Management Efficiencies

Saving Reference	Directorate	Department	Description	2025/26	2026/27	2027/28	2028/29	2029/30	Total	Cash /Permanent
P&PMGT2509	Partnership & Performance	Directorate	Saving associated with the Strategic Director Role	£ 9,000					£ 9,000	Cash
P&PMGT2512	Partnership & Performance	Directorate	Removal of all remaining hospitality budgets across the Directorate	£ 3,166					£ 3,166	Permanent
P&PMGT2513	Partnership & Performance	Directorate	Reduction of individual stationery budgets and centralisation into 1 managed through P&P administrator	£ 3,500					£ 3,500	Permanent
P&PMGT2508	Partnership & Performance	Directorate	Managed reduction of overtime budget	£ 4,170					£ 4,170	Permanent
P&PMGT2535	Partnership & Performance	Finance and Revenues	Delay in filling Procurement Assistant Vacant post	£ 21,450					£ 21,450	Cash
P&PMGT2519	Partnership & Performance	Finance and Revenues	Income rebate from contracts	£ 3,000					£ 3,000	Permanent
P&PMGT2521	Partnership & Performance	Finance and Revenues	Non Domestic Rates efficiency saving	£ 334,000					£ 334,000	Cash
P&PMGT2522	Partnership & Performance	Finance and Revenues	Reduction in professional fees budget for asset valuations by exception	£ 12,000					£ 12,000	Permanent
P&PMGT2540	Partnership & Performance	Finance and Revenues	Postpone recruitment to 2 Trainee posts within Revenues until September 2025	£ 28,798					£ 28,798	Cash
P&PMGT2510	Partnership & Performance	HR & Workforce Development	Partial saving associated with not filling the Senior manager HR&WFD Vacancy	£ 55,000					£ 55,000	Cash
P&PMGT2503	Partnership & Performance	HR & Workforce Development	New corporate training funding model	£ 86,000					£ 86,000	Cash
P&PMGT2511	Partnership & Performance	HR & Workforce Development	Increase Holiday Buy Back thresholds, promote unpaid leave options such as parental leave	£ 67,000					£ 67,000	Cash
P&PMGT2536	Partnership & Performance	Partnership & Transformation	Reduce Multi Functional Device (printers and scanners) fleet by 1/3 and use Royal Mail print driver	£ 30,000					£ 30,000	Permanent
P&PMGT2529	Partnership & Performance	Partnership & Transformation	Reduction in IT computer hardware budget	£ 10,000					£ 10,000	Permanent
P&PMGT2530	Partnership & Performance	Partnership & Transformation	Vacancy Management in Customer Services	£ 15,000					£ 15,000	Cash
P&PMGT2525	Partnership & Performance	Partnership & Transformation	Income from sale of obsolete IT equipment	£ 5,500					£ 5,500	Cash
PEOMGT2506	People	ASN Non Dev	Removal of 3 temporary ASN Outreach Workers	£ 124,770					£ 124,770	Permanent
PEOMGT2520, 21, 22, 23	People	Care & Protection	Service redesign through Spend to Save	£ 414,000	£ 15,000				£ 429,000	Permanent
PEOMGT2507	People	Chief Officers	Increased automation of grant payments	£ 6,284					£ 6,284	Permanent
PEOMGT2501	People	Customer Services	Library Service Option 1: Budget re-alignment and Operational Savings	£ 44,640					£ 44,640	Permanent
PEOMGT2502	People	Primary Devolved	Review of Devolved school management	£ 400,000					£ 400,000	Permanent
PEOMGT2505	People	Secondary Non Dev	Ending the contract with Work Placement Services Contract, Gateway Shared Services.	£ 14,268					£ 14,268	Permanent
PEOMGT2504	People	Sport & Leisure	Review Of Leisure Budget	£ 250,000					£ 250,000	Cash
PEOMGT2524	People	Sport & Leisure	Removal of Sports Apprentice position & Sports Council grant funding	£ 32,850					£ 32,850	Permanent
PLMGT2503	Place	DEVELOPMENT	Vacancies Reconciliation, Offset staff costs against external income	£ 170,000					£ 170,000	Cash
PLMGT2506	Place	DEVELOPMENT	Redesign: Vocational Training	£ 21,500	£ 21,500				£ 43,000	Permanent
PLMGT2501	Place	DIRECTORATE	Further alignment of General Fund costs attributed to HRA	£ 41,515					£ 41,515	Permanent
PLMGT2504	Place	DIRECTORATE	Offset of corporate expenditure supporting Place Delivery from Balances	£ 200,000					£ 200,000	Cash
PLMGT2509	Place	ENVIRONMENT	Reduction in Fleet operational budget - offset by income	£ 75,000					£ 75,000	Cash
PLMGT2519	Place	ENVIRONMENT	Public Behaviour Change Campaign - Food Waste behaviour	£ 30,000					£ 30,000	Cash
PLMGT2516	Place	ENVIRONMENT	Increase Income via Waste for Paper sales	£ 80,000					£ 80,000	Cash
PLMGT2514	Place	ENVIRONMENT	Reprofiling mechanical gritting hire	£ 15,000					£ 15,000	Permanent
PLMGT2522	Place	PROPERTY	Asset Management - Operational Revenue Savings from Sale of Properties	£ 198,733					£ 198,733	Permanent
PLMGT2523	Place	PROPERTY	Asset Management - PPP Contract Insurance Return	£ 170,000					£ 170,000	Permanent
PLMGT2524	Place	PROPERTY	Asset Management - Kilncraigs new space model	£ 20,000					£ 20,000	Permanent
PLMGT2526	Place	PROPERTY	Asset Management - Council behaviour change - utilities	£ 25,000					£ 25,000	Cash
PLMGT2528	Place	PROPERTY	Catering - Remove vacant post	£ 43,009					£ 43,009	Permanent
PLMGT2533	Place	PROPERTY	Facilities - Remove vacant posts	£ 54,202					£ 54,202	Permanent
PLMGT2525	Place	PROPERTY	Asset Management - Reduction in non-essential minor works	£ 52,500					£ 52,500	Cash
			<b>TOTAL</b>	<b>£ 3,170,855</b>	<b>£ 36,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£ 3,207,355</b>	

Policy & Redesign

Saving Reference	Directorate	Department	Description	2025/26	2026/27	2027/28	2028/29	2029/30	Total	Cash /Permanent
P&PPOL2512	Partnership & Performance	Corporate	Business Support Review	£ 50,000					£ 50,000	Permanent
P&PPOL2502	Partnership & Performance	Finance and Revenues	Removal of Non Domestic Rates discretionary relief for CASC	£ -	£ 4,000				£ 4,000	Permanent
P&PPOL2507	Partnership & Performance	HR & Workforce Development	No payment to leavers for backpay for pay award	£ 80,000					£ 80,000	Cash
P&PPOL2513	Partnership & Performance	HR & Workforce Development	Reduction of Corporate Training budget	£ 6,170					£ 6,170	Permanent
P&PPOL2503	Partnership & Performance	Partnership & Transformation	Reduce budgets by 50% which support voluntary organisations with training and development. This includes support to Community Councils for training, equipment, venue costs and rental costs.	£ 10,000					£ 10,000	Permanent
PEOPOL2515	People	ASN, Primary, Secondary Early Years Devolved	Reduction in school resources in line with fall in pupil numbers	£ 38,118					£ 38,118	Permanent
PEOPOL2501	People	Customer Services	Ceasation Of Library & CAP from Alva & Tullibody		£ 96,345				£ 96,345	Permanent
PLPOL2507	Place	DEVELOPMENT	Development Services: New Income	£ 10,000					£ 10,000	Cash
PLPOL2510	Place	ENVIRONMENT	Increase income into Land Services	£ 40,000					£ 40,000	Cash
PLPOL2520	Place	ENVIRONMENT	Increase Brown Bin charges by £2	£ 20,000					£ 20,000	Permanent
PLPOL2534	Place	ENVIRONMENT	Redesign of Land Services	£ 90,000					£ 90,000	Permanent
PLPOL2517	Place	ENVIRONMENT	Reduction in the winter service budget	£ 50,000					£ 50,000	Cash
PLPOL2531	Place	PROPERTY	Cleaning - Remove Internal Window Cleaning Budget	£ 10,000					£ 10,000	Permanent
PLPOL2502	Place	DIRECTORATE	Place Directorate Redesign	£ 150,000	£ 50,000				£ 200,000	Permanent
PLPOL2518	Place	ENVIRONMENT	Redesign Roads TOM	£ 31,795	£ 31,795				£ 63,590	Permanent
PLPOL2521	Place	HOUSING	Service Redesign: Housing	£ 39,251					£ 39,251	Permanent
PLPOL2530	Place	PROPERTY	Cleaning - Reduce operations	£ 18,310	£ 18,310				£ 36,620	Permanent
			<b>TOTAL</b>	<b>£ 643,644</b>	<b>£ 200,450</b>	-	-	-	<b>£ 844,094</b>	



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### **Income and Charging Strategy**

**This policy sets out Clackmannanshire's policy regarding fees and charges for services for the 2025/26 financial year.**

#### Introduction

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

The Council provides other discretionary services, some of which are provided at a cost to the customer.

#### Principles

1. The Council must provide services which are defined as a statutory duty.
2. The Council may also choose to provide discretionary services, depending on the identified needs of the population of Clackmannanshire.
3. The Council will agree the charges for each discretionary service provided as part of the budget process each year and these are published annually in the Council's Register of Charges.
4. The Council will benchmark the charges it makes against other Scottish Councils to ensure fees and charges are reasonable and affordable. Where a benchmark doesn't exist, a commercial rate may be used to set the rate.
5. Services aim to recover the full cost of providing discretionary services to ensure that all costs are covered by the charges made.
6. The Council consults with the public each year through a Budget Engagement process covering the provision of Services incorporating any changes to fees and charges.
7. The Council can choose to provide services through a third party supplier or provider. Any such arrangement will be procured through the agreed

procurement arrangements and in compliance with Councils Contract Standing Orders.

8. The ability of those in receipt of services, to pay proposed rates is taken into account when proposals for increased charges are being considered. Consideration is also given to the competitive environment in which particular services operate.
9. The cost of invoicing and recovering income due is taken into account when considering fees and charges for services. Low volume activity will cost the Council more to process than the income generated. This figure will reduce as more transactions are carried out electronically.
10. The Council encourages customers to pay for services, in advance and electronically or through on-line facilities.
11. Fees are set in advance, for the coming year, however a small number may be subject to mid-year revisions.

### **Summary**

The Council seeks to ensure best value for all residents of Clackmannanshire.

Statutory services will be provided free of charge to residents of Clackmannanshire, except where statute or legislation requires a charge to be made.

Discretionary services will be provided on a full cost recovery basis subject to financial assessment where appropriate and considered alongside benchmark charges from other providers.

Fees and charges are reviewed on an annual basis as part of the budget setting process but may be subject to changes in-year.

The Register of Charges will be available on the Council's website following approval of the Budget and this will set out the charges for fees and services provided from 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2026.

## **Income and Charging 2025/26**

### **Rationale for changes in 2025/26**

The annual review of the Council's Income and Charging Policy has taken place as part of the budget challenge process. All aspects of the Council's income and expenditure were taken into account including comparison with other councils and third party providers, discussion with Services and consideration of service proposals to introduce a service charge or increase charges in some areas.

### **Charges for 2025/26**

An inflationary increase of 3.0% has been applied across all discretionary Fees and Charges this is in line with the rate of inflation at January 2025. Where Fees and Charges are set by statute or are outwith the control of the Council an alternative increase may apply. These are detailed within this report as exceptions and may be subject to change as external providers set their pricing strategy for the year.

In general, charges have been rounded to the nearest five pence.

### **Exceptions**

#### **Adult Care**

Day Care charges previously charged in five hour blocks in 2024/25 are now charged at an hourly rate. An increase of 6.7% has been applied.

Care at home charges have been increased by 3.9%.

MECS charges have been increased by 5.2%.

New charges have been introduced for 2025/26 for Key Box purchase and installation of £120 and Telecare charges per week of £1.85.

#### **Burial Grounds**

New charge introduced for Purchase of Lair – Woodland Burial Alva (no Lair certificate issued) of £994.60.

#### **Environmental Health**

The shelter for stray dogs is run by Stirling Council. The charge has been increased by a proposed 3% in line with our applied charges. This may be subject to change following the approval of charges by Stirling Council at its budget meeting.

### **Electrical Vehicle charges**

There has been no increase applied in 2025/26.

### **Trading Standards**

This service is provided by Stirling Council. The charge has been increased by a proposed 3% in line with our applied charges. This may be subject to change following the approval of charges by Stirling Council at its budget meeting.

### **Civic Licencing**

As part of the 2023 budget, the Council approved a policy allowing Council officers to waive the fee for a Public Entertainment Licence, upon application by a constituted community group, for a community gala benefiting Clackmannanshire residents. This waiver is limited to one instance per year per Community Council area, provided the event meets the criteria for a community gala. This community empowerment initiative was introduced on a trial basis from 1 April 2023 to 31 March 2025, and its application was discussed with the Joint Community Council Forum as it rolled out in Spring 2023. The initiative has been a positive exercise which has helped achieve its aims for community empowerment leaving a positive impact on the community. There have been no detrimental impacts on Council processes or workload. It is proposed that this is continued for 2025/26 and the initiative reviewed annually subject to it continuing to align with the licensing process and to it continuing to deliver community benefit.

### **Licencing**

There have been no increases to charges for Taxi/ Private Operator Licences, Taxi/Private Hire Driver Licences, Replacement of Taxi ID Badge, Duplicate Licences and Certified True Copies.

There has been a new charge introduced in 2025/26 for Taxi/Private Operator Licence (3 years) of £540.00.

### **Sports and Leisure Lets**

The following new charges are being implement in 2025/26:

<b>Location/Programme</b>		<b>Description</b>	<b>2025/26 Charge</b>
Firpark Ski Centre	Bi-ski sessions	Adaptive tuition - 1 client - Adult	<b>£17.00</b>
Firpark Ski Centre	Bi-ski sessions	Adaptive tuition - 1 client - Child	<b>£14.75</b>
Active Communities Programme	Indoor Sports Programmes	Line Dancing	<b>£6.05</b>
Active Communities Programme	Indoor Sports Programmes	Pickleball	<b>£3.10</b>
Sports Development	Block Lessons	Pre School Football	<b>£39.10</b>
Community Sports Facilities	Indoor Sports Facilities	Hydropool Hire ( Alloa Academy ) - Standard	<b>£39.15</b>

### **Early Years and Out of School Care**

These charges have been increased by 6.4% rounded to the nearest 10p in line with private and third sector providers to meet increases in pay and national insurance.

### **Education**

There has been no increase applied to the cost of a school meal or breakfast.

### **Housing**

The rent charging structure was reviewed as part of the 2025/26 HRA budget setting. These charges reflect the new charging structure approved by Council in January 2025. There was also a 10% increase in rents applied.

The rent charge for temporary accommodation and support remains at the same level as 2024/25.

There is no charge for the Travelling Persons site as this is currently closed.

Licences for Landlord Registration have increased by 6.7%, Charge for each property by 5.9% and Late application charge by 7.4% these increases should have been applied in 2024/25 but weren't available at the time. Further guidance is awaited on the 2025/26 charge from Scottish Government and may be subject to change.

Lock ups and Garages charges as follows;

<b>Charge Description</b>	<b>Uplift</b>	<b>2025/26 Charge</b>
Lock Up Garage Rent (Council Tenant Charge)	13.8%	<b>£10.00</b>
Lock Up Garage Rent (Non Council Tenant Charge)	13.7%	<b>£12.00</b>
Garage Pitch Site - annual charge	10.1%	<b>£110.00</b>
Garage Pitch Site with VAT - annual charge	10.1%	<b>£132.00</b>

### **Council Tax**

Council tax has increased by 13%.

### **Design fees**

A new charge has been introduced for Design fees where we will be offering a design service to external organisations. Price will be on application.

### **Waste**

A new charge has been introduced for waste at Public Events (Fairs, Concerts, Galas etc). This will be based on full cost recovery.

Garden waste permits will increase by 4.17% to £50 per year.

All charges will continue to be reviewed as part of the annual review of fees and charges aligned to the budget setting process



# Register of Charges



**1st April 2025 to 31st March 2026**



**Clackmannanshire  
Council**

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Comhairle Siorrachd  
Chlach Mhanann

## Summary

Clackmannanshire Council's Register of Charges details a list of all Services that the Council provides. The majority of these services incur a statutory fee or charge, but services that are provided free of charge are also listed.

The fees and charges apply from 1st April 2025 to 31st March 2026. The Council reserves the right to apply changes to the charges at any time. Statutory charges are subject to revision if the legislation governing the charge changes.

Where a charge is inclusive of VAT, this is calculated at 20%.

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3	Burial Grounds
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6	Development Management
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6	Democracy
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7	Environmental Health (Pest Control, Animal Welfare, HMOs)
8	Housing (Rent)
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9	Leisure Lets
10	Sports Development
12	Library
12	Licensing (Civic)
12	Licensing (Taxi / Private Hire Vehicles)
13	Licensing (Alcohol)
14	Early Years and Out of School Care
14	Education
15	Registrars
15	Electric Vehicle Charging Points
16	Roads
16	Waste
17	Trading Standards

## Adult Care

Day Care	
Day Care per hour	£15.96
Care at Home (Formerly Domestic Care)	£15.96
Mobile Emergency Care Service per week	£4.83
Keybox purchase and installation	£120.00
Telecare charge per week	£1.85
Equipment	No Charge
Minor Adaptations	No Charge

Personal Care	
Nursing Care	Assessed
Residential Care	Assessed
Local Authority (over 65s)	Assessed
Local Authority (under 65s)	Assessed
Respite Care	Assessed



## Burial Grounds

Duplicate Certificate of Right of Burial	£94.50
Exhumation Fee	Total cost recovery
Interment - Child (Up to 18 years)	No Charge
Interment - Stillborn Baby	No Charge
Interment of Cremation Remains	£293.45
Interment - Adult	£1,055.05
Monuments and Memorials - concrete foundation required*	£438.55
Monuments and Memorials - locate and excavate for foundations*	£249.50
Purchase of Right of Burial Cremation Lair	£591.30
Purchase of Right of Burial Coffin Lair (including Lair Certificate)	£1,089.15

Search Fee - search for Burial Ground Records (per occasion)	See Registrars section
Transfer Certificate of Right of Burial	£94.50
Maintenance Cost on Purchase of Right of Burial Coffin Lair*	£325.30
Maintenance Cost on Purchase of Right of Burial Cremation Lair*	£178.05
Purchase of Lair - Woodland Burial Alva (no Lair certificate issued)	£994.65

There is no charge for children and young people under 18.

# Building Standards

## Building Warrant and associated fees.

### PENALTIES AND DISCOUNTS

Please read the relevant section below to see if your application attracts a penalty for work commenced or if a discount is applicable where a design certificate is submitted or certificate of construction will be submitted.

### Where Works have not yet commenced

Cost of Project (£)	Fee
0,000 - 5,000	£210.00
5,001 - 5,500	£231.00
5,501 - 6,000	£252.00
6,001 - 6,500	£273.00
6,501 - 7,000	£294.00
7,001 - 7,500	£315.00
7,501 - 8,000	£336.00
8,001 - 8,500	£357.00
8,501 - 9,000	£378.00
9,001 - 9,500	£399.00
9,501 - 10,000	£420.00
10,001 - 11,000	£443.00
11,001 - 12,000	£466.00
12,001 - 13,000	£489.00
13,001 - 14,000	£512.00
14,001 - 15,000	£535.00
15,001 - 16,000	£558.00
16,001 - 17,000	£581.00
17,001 - 18,000	£604.00
18,001 - 19,000	£627.00
19,001 - 20,000	£650.00

Cost of Project (£)	Fee
20,001 - 30,000	£728.00
30,001 - 40,000	£806.00
40,001 - 50,000	£884.00
50,001 - 60,000	£962.00
60,001 - 70,000	£1,040.00
70,001 - 80,000	£1,118.00
80,001 - 90,000	£1,196.00
90,001 - 100,000	£1,274.00
100,001 - 120,000	£1,402.00
120,001 - 140,000	£1,530.00
140,001 - 160,000	£1,658.00
160,001 - 180,000	£1,786.00
180,001 - 200,000	£1,914.00
200,001 - 220,000	£2,042.00
220,001 - 240,000	£2,170.00
240,001 - 260,000	£2,298.00
260,001 - 280,000	£2,426.00
280,001 - 300,000	£2,554.00
300,001 - 320,000	£2,682.00
320,001 - 340,000	£2,810.00
340,001 - 360,000	£2,938.00

Cost of Project (£)	Fee
360,001 - 380,000	£3,066.00
380,001 - 400,000	£3,194.00
400,001 - 420,000	£3,322.00
420,001 - 440,000	£3,450.00
440,001 - 460,000	£3,578.00
460,001 - 480,000	£3,706.00
480,001 - 500,000	£3,834.00
500,001 - 550,000	£4,055.00
550,001 - 600,000	£4,276.00
600,001 - 650,000	£4,497.00
650,001 - 700,000	£4,718.00
700,001 - 750,000	£4,939.00
750,001 - 800,000	£5,160.00
800,001 - 850,000	£5,381.00
850,001 - 900,000	£5,602.00
900,001 - 950,000	£5,823.00
950,001 - 1,000,000	£6,044.00

Add £315 for each subsequent £100,000 (or part thereof)



## Building Standards (continued)

### Building Warrant Amendment Fees

Additional work with no increased costs/costs less than £5,000	£150 *
Additional work with costs greater than £5,000	As per fee table above
Amendment for Demolition or Conversion only	£150
Application for Conversion Warrant only	£210
Application for Demolition Warrant only	£210
Application for an Extension to Warrant	£150

No fee shall be payable where the application relates to altering or extending a dwelling so that it is made suitable as a dwelling for a disabled person.

### Discounts

The Building (Scotland) Act 2003 permits the optional procedure for design or construction work to be certified by qualified, experienced and reputable building professionals and tradesmen as complying with the Building Regulations

Certification. This may only be undertaken by an approved certifier of design or an approved certifier of construction who is registered in an appropriate approved certification scheme and, where relevant, holds the appropriate designation(s) in such a scheme.

Discounts of the fee payable are only valid if the Verifier is informed, in writing, of the intention to use an Approved Certifier of Design and/or Approved Certifier of Construction at the time of application for Building Warrant or when submitting a Late Completion Certificate Where No Building Warrant Obtained.

Where one or more certificates are presented with an application or submission the payable fee is discounted as follows:

### Building Standards - Non-Statutory Charges

Confirmation of Completion (minimum charge)	£294.55
Property Inspection (minimum charge)	£589.10
Further Site Visits	£135.20

N.B. The Council reserves the right to increase the above fees subject to the increased complexity of the project involved.

### Completion Certificate Submission Where No Building Warrant Granted

Construction of Building/Provision of Services . . . (i.e. BW)	300% of fee from table above
Conversion only	£500
Demolition only	£500

### Where Work Has Started

Building Warrant	200% of fee from table above
Demolition Warrant	£300

### CERTIFIERS OF DESIGN

Each certificate covering a defined trade or installation	as per fee table
Each certificate covering the construction of the entire building	as per fee table
Maximum discount	NA

### CERTIFIERS OF CONSTRUCTION

Each certificate covering a defined trade or installation	as per fee table
Each certificate covering the construction of the entire building	as per fee table
Maximum discount	NA

### Building Standards Copy Document Fee Table

Copy of a document - less than 5 years of age	£54.95
Copy of a document - more than 5 years of age	£68.15
Set of documents - less than 5 years of age	£74.75
Set of documents - more than 5 years of age	£90.15
View plans	£44.00

## Development Management

Planning	
Application to Display Advertisement	£346.00
Copies of Decision Notices	£23.10
Copies of Approved Plans	£23.10
Certificate of Lawfulness for a Proposed Use or Development * (Min)	£173.00
Certificate of Lawfulness for a Proposed Use or Development * (Max)	£172,856.00
Certificate of Lawfulness for an Existing Use or Development * (Min)	£346.00
Certificate of Lawfulness for an Existing Use or Development * (Max)	£172,856.00
Application for Demolition Consent	£100.00
Application for Planning Permission * (Max)	£172,856.00
Application for Planning Permission * (Min)	£346.00
Application for a High Hedge	£400.00
Planning Permission in Principle (Max)	£86,428.00
Planning Permission in Principle (Min)	£691.00
Notification of Agricultural or Forestry Building	£100.00
Advertising of Application	£130.85

## Development Planning

Local Plan	
Adopted Local Development Plan and Maps	£37.85
Supplementary Guidance:	
SG1 Developer Contributions	£4.10
SG2 Onshore Wind Energy	£4.10
SG3 Placemaking	£4.10
SG4 Water	£4.10
SG5 Affordable Housing	£4.10
SG6 Green Infrastructure	£4.10
SG7 Energy Efficiency and Low Carbon Development	£4.10
SG8 Woodlands and Forestry	£4.10
SG10 Domestic Developments	£4.10
Future Supplementary Guidance	£4.10
Local Development Plan Action Programme	£13.10

\* Indicative charges for 'other buildings'.

## Democracy

### Administration

Freedom of Information Charges (FOI)	Variable full cost recovery
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## Council Tax

Valuation Band	Council Tax	Water Charge	Waste Charge	Total
A - Disabled	£885.77	£154.40	£179.15	£1,219.32
A - up to £27,000	£1,062.92	£185.28	£214.98	£1,463.18
B - £27,001 to £35,000	£1,240.08	£216.16	£250.81	£1,707.05
C - £35,001 to £45,000	£1,417.23	£247.04	£286.64	£1,950.91
<b>D - £45,001 to £58,000</b>	<b>£1,594.38</b>	<b>£277.92</b>	<b>£322.47</b>	<b>£2,194.77</b>
E - £58,001 to £80,000	£2,094.84	£339.68	£394.13	£2,828.65
F - £80,001 to £106,000	£2,590.88	£401.44	£465.79	£3,458.11
G - £106,001 to £212,000	£3,122.34	£463.20	£537.45	£4,122.99
H - over £212,000	£3,906.24	£555.84	£644.94	£5,107.02

Clackmannanshire Council does not set the charges for water and waste.

These charges are set by Scottish Water and have increased by 9.9% for 2025-26.

# Environmental Health

## Animal Welfare

Stray Dog Charges (collection on day 1)	£56.75
Stray Dog Charges (collection on day 2)	£81.15
Stray Dog Charges (collection on day 3)	£104.40
Stray Dog Charges (collection on day 4)	£129.00
Stray Dog Charges (collection on day 5)	£152.10
Stray Dog Charges (collection on day 6)	£176.55
Stray Dog Charges (collection on day 7)	£201.30
Purchase of dog	£192.20
Callout Fee for collecting animals on behalf of another service/agency	£104.25

## Pest Control

Council Tenants - All pests	Free*
Charities and Housing Associations - Rats & Mice	£67.60
Charities and Housing Associations - All other pests	£96.95
Housing Associations - Fleas	£171.05
Housing Associations - Bed Bugs	£171.05
Charities and Housing Associations - Void houses	£122.45
Housing Associations - Ants and Wasps (First visit)	£89.35
Visits for advice	£96.95

\* Included as part of rent payment

## Food Export Certificates

Standard Certificate for a single product (one week turnaround)	£20.90
Standard Certificate listing multiple products (one week turnaround)	£42.85
Premium Service - certificate produced and dispatched within 24 hours	£59.35

## Water

Regulation 2 Supplies	Full cost
<b>Type B Private Water Supply</b>	
Sample Taking	£70.00
Analysis	£48.00
Risk Assessment Preparatory Work	£70.00
Risk Assessment	£50.00
Review of Risk Assessment	£50.00
Lead in Water Sampling (Free through Scottish Water)	£70.00
Swimming Pool Water Sampling	£50.00

Sums stated above are maximum costs



## Housing & Land

Contaminated land report	£200.05
Licence for House in Multiple Occupation - Application valid for 3 years (less than 10 occupants) Licence Granted or Refused	£673.75
Licence for House in Multiple Occupation - Application valid for 3 years (10 or more occupants) Licence Granted or Refused	£831.95
Requests for professional statements of fact	£89.05
Abandoned vehicles (now Government Controlled)	Full cost
Registration as a private landlord	£80.00
Property Fee (per property)	£18.00
Registration - Late Application Fee	£160.00

## Housing (rent)

0 Bed Flat shared entrance	£66.66
0 Bed House or Bungalow Mid Terrace	£77.66
0 Bed House or Bungalow End Terrace	£80.41
1 Bed Flat shared entrance	£82.06
1 Bed Flat own entrance	£87.56
1 Bed House or Bungalow Mid Terrace	£93.06
1 Bed House or Bungalow End Terrace	£95.81
1 Bed House or Bungalow semi detached	£98.56
1 Bed House or Bungalow Detached	£104.06
2 Bed Flat shared entrance	£93.06
2 Bed Flat own entrance	£98.56
2 Bed Maisonette	£98.56
2 Bed House or Bungalow Mid Terrace	£104.06
2 Bed House or Bungalow End Terrace	£106.81
2 Bed House or Bungalow semi detached	£109.56
2 Bed House or Bungalow Detached	£115.06
3 Bed Flat shared entrance	£101.31
3 Bed Flat own entrance	£106.81
3 Bed Maisonette	£106.81
3 Bed House or Bungalow Mid Terrace	£112.31
3 Bed House End Terrace	£115.06
3 Bed House or Bungalow semi detached	£117.81
3 Bed House or Bungalow Detached	£123.31
4 Bed Flat shared entrance	£109.56
4 Bed Flat own entrance	£115.06
4 Bed House Mid terrace	£120.56
4 Bed House End Terrace	£123.31
4 Bed House Semi Detached	£126.06
5 Bed House Mid terrace	£126.06
5 Bed House End Terrace	£128.81
5 Bed House Semi Detached	£131.56
5 Bed House Detached	£137.06
Lock up Garage Rent (Council Tenant Charge)	£10.00
Lock up Garage Rent (Non Council Tenant Charge, inc VAT)	£12.00
Garage Pitch Site (Council Tenant, Annual Charge)	£110.00
Garage Pitch Site (Non Council Tenant, Annual Charge, inc VAT)	£132.00
Rent Charge for Temporary Accommodation (per Week)	£480.00

## Tenant Repair Responsibility

Under the terms of the Scottish Tenancy Agreement the Council can charge tenants if it decides to carry out repairs to damage caused by the tenant or anyone living with the tenants or a visitor to the tenancy. If the Council decides to carry out these types of repairs the tenant will be informed of any costs to be charged in as far as practicable prior to the work commencing. This would not apply to damage caused by fair wear and tear and or vandalism which has been reported and investigated by the police.

Price dependent upon work required

Clackmannanshire Council is no longer a registered factor, based on reviewed legal advice when registration was due to be renewed in late 2022. When the Council has shared ownership/interest in a communal area, we will take forward communal works and invoice owners for their contribution in accordance with title deeds and/or rateable value, if applicable.

## Miscellaneous

### Communal Investment / Communal Repairs

Costs will be shared by owners according to title deeds and or rateable value if applicable, therefore charges will vary.

Repair of damage caused by tenant, resident or visitor is charged on full cost recovery basis	Variable dependent on cost
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### Commercial Events

Price on application

### Graphic Design Services

Price on application

### Legal Services

£150-£200 per hour

### Health and Safety

IOSH Managing Safely	£360.50
IOSH Managing Safely Refresher	£103.00
First Aid at Work	£185.40
First Aid at Work Refresher	£154.50
Emergency First Aid at Work	£103.00
Paediatric First Aid	£103.00

If you are interested in obtaining group prices for Emergency First Aid at Work and Paediatric First Aid please contact 01259 452028.

# Leisure Lets

## Halls and Meeting Spaces

Venue	Small Area	Medium Area	Large Area
<b>Alloa Town Hall</b>	n/a	Meeting Rooms	Main Hall
<b>Alloa Academy</b>	Classroom	n/a	Assembly Hall
<b>Alva Academy</b>	Classroom	n/a	Assembly Hall
<b>Bowmar Community Centre, Alloa</b>	Meeting Room	Main Hall	n/a
<b>Lornshill Academy, Tullibody</b>	Classroom	n/a	Assembly Hall
	<b>Standard</b>	£17.60	£27.20
	<b>Concession</b>	£14.20	£20.40
			£41.35
			£34.00

Prices are charged per hour unless stated.

## Community Sports Facilities

	Standard	Concession
<b>Indoor Sports Facilities</b>		
Games Hall: Full Hall	£47.60	£35.15
Badminton / Single Court	£12.50	£9.10
Gymnasium	£21.00	£14.20
Dance Studio	£21.00	£14.20
Hydropool Hire (Alloa Academy) - Standard (per hour)	£39.15	
Fitness Suite Session	£4.00	£2.65
Fitness Suite (Annual Membership) *	£125.80	£100.30
Fitness Suite (30 day pass)	£15.90	£12.50
<b>Outdoor Sports Facilities</b>		
Artificial Grass: Match (Football Partnership)	£60.65	£30.05
Artificial Grass: Match (Football non Partnership)	£112.75	£56.65
Artificial Grass: Football 1/3	£50.00	£25.25
Artificial Grass: Football 2/3	£99.95	£50.50
Artificial Grass: Football 2/3 - partnership clubs	£79.95	£40.40
Artificial Grass: Football 3/3	£149.90	£75.75
Artificial Grass: Football 3/3 - partnership clubs	£119.90	£60.60
All Weather Surface: Football 5s per court	£40.25	£19.85
All Weather: Full pitch	£57.80	£28.90
All Weather Surface: Tennis per court (per hour)	£7.40	£5.10
Tennis Season Ticket (p/p)	£50.45	£31.20
Running Track: Exclusive use (Lornshill only)	£56.65	£28.35
Running Track: Half Track hire (Lornshill only)	£28.35	£14.20
Running Track: Session per person (Lornshill only)	£4.00	£2.50
Grass Rugby Pitch: Match (Lornshill & Alva)	£56.65	£27.20
Grass Rugby Pitch: Training (Lornshill & Alva)	£28.35	£13.60

Prices are charged per hour unless stated.

**Reduced Rate Lets** - Applies to community councils, charities, pensioners groups, parent & toddler groups, out of school care groups and other properly constituted, non profit-making clubs and societies.

**Standard Rate Lets** - Applies to any individual, group or company not covered under the reduced let rate (see above).

\* Fitness membership fees can be paid online via casual sports bookings.

Activity	Standard
<b>Weddings &amp; Celebrations</b>	
Alloa Town Hall (Full Day - exclusive use - 15hrs)	£683.20
Alloa Town Hall (Weekend package)	£1011.20
Alloa Town Hall (½ day package - 9hrs)	£476.45
Box Office Admin Fee per booking	£1.15
<b>Concerts, Shows &amp; Events</b>	
Alloa Town Hall (Full Day - exclusive use - 15hrs)	£877.55
Alloa Town Hall - multi day rate	Price on application

## Leisure Lets (continued)

	Standard	Concession
<b>Grass Football Pitches</b>		
Football Pitch (Match 2hrs)	£58.95	£28.35
Football Pitch - Training/hour	£17.65	£9.65
Football Pavilion - West End Park - per changing room per match	£19.60	N/A
Small grass pitch - standard	£22.10	£10.20
<b>Leisure Park Events</b>		
Parks West End Park & Cochrane Park - Commercial	Per Day	£394.30
Non operational days (max 2 days)	Per Day	£128.05
Parks West End Park & Cochrane Park - Non Commercial*	Per Day	£192.05
Non operational days (max 2 days)	Per Day	£64.05
Other Parks - Commercial	Per Day	£197.15
Non operational days (max 2 days)	Per Day	£95.75
Other Parks - Non Commercial*	Per Day	£95.75
Non operational days (max 2 days)	Per Day	£45.35
Partial hire of park grounds	Per Day	POA
Bond West End Park & Cochrane Park- Standard	Deposit	£1,972.55
Bond All Other Parks (Commercial Activities)- Standard	Deposit	£985.75
Bond All Other Parks (non-commercial activities, maximum 400 people)- Concession	Deposit	£460.00
Bond partial hire of park grounds		POA
West End Park Pavillion - for event hire	Per Hour	POA

\*For recognised Community Groups only

Commercial companies i.e. Circus or Fun Fair charged as follows:

Entry / Exit Day	No Fee
Non Operating Day	Concession Rate
Operating Day	Standard Rate
Bond	Standard Rate

**Please note:** A bond payment must be made at time of booking for events held in parks. The payment is refundable providing there is no damage to the park. Any costs incurred to re-instate the park will be deducted from the bond. Where the cost to re-instate the park is more than the price of the bond then the Council will make a separate charge for the balance.

## Sports Development

### Active Communities Programme

Zone 60s	Dumyat Community Centre	£3.05
Circuit Class *	Alva Academy	£6.05
Mature Movers	Venue TBC	£3.05
OTAGO	Venue TBC	£3.05
Chair Yoga *	Venue TBC	£6.05
Social Badminton *	Alva Academy	£6.05
Chi Kung	Venue TBC	£3.05
Yoga *	Alloa Academy	£6.05
Lower Limbs	Cochrane Hall, Alva	£3.05
Adult ASN Class	Venue TBC	£3.05
Sporty Seniors	Dollar Civic Centre (Hive)	£3.05
Over 60's	Tullibody Civic Centre	£3.05
Zumba *	Alloa Academy	£6.05
Lower Limbs Class	Venue TBC	£3.05
Fitter Folks *	Lornshell Academy	£6.05
Kettlecise *	Alva Academy	£6.05
Seasonal Yoga *	Lornshell Academy	£6.05
Female Only Class *	Alloa Academy	£6.05
Pilates *	Lornshell Academy	£6.05
Line Dancing*	Alva Academy	£6.05
Pickleball	Lornshell Academy	£3.10
Fitness Suite Session		£4.00
Fitness Suite Session - Concession		£2.65

\*Concession price of £3.00 for over 60's  
Classes with Access to Leisure pass £3.00

Sports Development Classes (i.e. gymnastics/football/athletics)	£52.15
School Holiday Sports Camp (per day)*	£26.10
School Holiday Sports Camp (per week)*	£105.40
Sports Development - Swimming - 6 Weeks*	£54.40
Pre School Football (Block) 45mins*	£39.10

\* Bookings are non refundable

# Sports Development

## Firpark Ski Centre

	Duration	Max No.	Cost
<b>Block Lessons*</b>			
Ski instruction	1 hr x 6 weeks	15	Adult - £102.00 Child - £58.95
Snowboard instruction	1 hr x 6 weeks	8	Adult - £147.30 Child - £74.25
Penguin Club	1 hr x 6 weeks	6	Child - £103.70
Trainee	1.5 hrs x 6 weeks	12	Adult - £173.35 Child - £87.25
Adult only skiing	1 hr x 6 weeks	8	Adult - £102.00
<b>Group Lets</b>			
Skiing/Snowboarding party with Firpark instructor	Per hour: Mon to Fri, 4-10pm / All Day Sat & Sun	8 or 12 *	£119.00
	Per hour: Mon to Fri, 9am - 4pm		£100.30
Snowboarding, skiing, group let with own instructor	Per hour: Mon to Fri, 4-10pm / All Day Sat & Sun	8 or 12 *	£91.80
	Per hour: Mon to Fri, 9am - 4pm		£71.95
Tubing let	1 hour on slope	15	£125.80
		30	£200.00
<b>Individual Sessions</b>			
Personal tuition	1 Client	4	£48.75 per hour £24.40 half hour
	2 Clients		£63.45 per hour £31.75 half hour
	3 Clients		£78.20 per hour £39.10 half hour
	4 Clients		£93.50 per hour £51.00 half hour
External schools using Firpark instructor	Per hour, per person	15	£6.80
Recreational skiing/snowboarding	Per hour, per person	24	Adult - £11.90 Child - £6.25
	Per 1.5hrs, per person	24	Adult - £17.55 Child - £9.35
After school club		25	£5.30
Supervised Practice			Adult - £12.90 Child - £6.95
Tubing	1 hour, per person	15	£6.45
<b>Holiday Ski Schools **</b>			
Skiing	4 days x 2 hours per day	12	Adult - £135.40 Child - £77.65
Snowboarding	4 days x 2 hours per day	8	Adult - £196.60 Child - £98.60
Penguin Club	4 days x 1 hour per day	6	£68.00
Bi Ski Sessions Adaptive Tuition	Per 1.5hrs, per person		Adult - £17.00 Child - £14.75

\*Lessons are non refundable

\*\*Group let cancellation requires 7 days notice

## Library

B & W photocopying and computer prints - A4	£0.35
Colour photocopying and computer prints - A4	£0.55
B & W photocopying - A3	£0.45
Colour photocopying - A3	£1.30
Microfilm pintout - A4 B & W and colour	£0.55
Laminating A4	£1.30
Laminating A3	£1.60
Lost and damaged items	100% of original or replacement cost
Lost Tickets	£0.65
Request Service - in stock	FREE
Request Service (ILL / Music Scores)	Full cost recovery
Talking Book (single issue)	£1.80
Withdrawn stock sales	£1.00
Archive Services	basic search - first 15 minutes free £16.50 per 30 minutes thereafter
Archive Photos (5" x 7 1/2")	£7.75
Archive Photos (9" x 6")	£10.60
Archive Photos (12" x 8")	£15.80
Provision of digital material (per item)	£1.25
Provision of digital material (per day)	£5.90

## Licensing (Civic)

Secondary Letting - (Occupancy 4 or under)	£494.55
Secondary Letting - (Occupancy 5 or above)	£604.50
Home Letting or Home Sharing (both) (Occupancy 4 or under)	£302.25
Home Letting or Home Sharing (both) (Occupancy 5 or above)	£384.65
Renewal Secondary Letting (Occupancy 4 or above)	£439.60
Renewal Secondary Letting - (Occupancy 5 or above)	£549.55
Renewal Home Letting or Home Sharing (both) (Occupancy 4 or under)	£247.30
Renewal Home Letting or Home Sharing (both) (Occupancy 5 or above)	£494.55
Variation application for Secondary Letting, Home Letting or Home Sharing (both) (Occupancy 4 or under)	£75.00
Variation application for Secondary Letting, Home Letting or Home Sharing (both) (Occupancy 5 or more)	£75.00

## Licensing (Civic)

Indoor Sports Licence	£274.75
Knife dealer's licence	£457.20
Late Hours Catering Licence	£274.75
Market Operator	£500.10
Temporary Market Operator	£133.90
Metal Dealer	£309.00
Public Entertainment - Fun Fair per occasion	£309.00
Public Entertainment (3 years) Grant	£412.00
Public Entertainment (3 years) Renewal	£309.00
<b>Public Entertainment (Temporary) By Capacity:</b>	
Events with less than 500 capacity	£206.00
501 capacity -> 1500 capacity	£309.00
Greater than 1501 capacity	£515.00
Second Hand Dealer's Licence	£223.10
Skin Piercing and Tattooing (Grant) (1 Year)	£457.25
Skin Piercing and Tattooing Renewal (3 Years)	£229.70
Street Trader's Licence	£306.65
Street Trader's Licence (Temporary)	£95.60
Street Trader's Licence (Variation)	£223.10
Substitution of Vehicles (per vehicle)	£51.50
Public Entertainment Licence - Community Gala (if eligible)	£0.00
Window Cleaner's Licence (1 year)	£130.85
Window Cleaner's Licence (3 years)	£328.60
Cinema Licence	£194.60
Itinerant metal dealer	£223.10
Civic Licensing Unspecified Variation	£77.25

## Licensing Taxis / Private Hire Vehicles

Taxi booking office licence (3 years)	£443.90
Taxi / Private Hire Operator Licence (1 year)	£240.00
Taxi / Private Hire Operator Licence (3 years)	£540.00
Taxi/PHC Operator Variation	£150.00
Taxi Booking Office Variation	£150.00
Taxi/Private Hire Driver Licence (1 year) Grant	£240.00
Taxi/Private Hire Driver Licence (1 year) Renewal	£190.00
Taxi/Private Hire Driver Licence (3 years)	£450.00
Replacement Taxi ID Badge	£25.00
Taxi card Aborted Journeys	£2.00
<b>Vehicle Testing</b>	
Taxi / Private Hire Replacement Plate	£19.80
Taxi Meter Check & Seal	£19.80
External Client Labour Charge	£44.60
Taxi / Private Hire Inspection and Hire Test Charges	£63.80
Taxi / Private Hire Inspection Retest	£44.60

## Licensing (Alcohol)

<b>Confirmation Premises Licence Fee Rateable:</b>	
Confirmation Premises Licence Fee Rateable Value of Premises £1 - £11,500	£600
Confirmation Premises Licence Fee Rateable Value of Premises £11,501 - £35,000	£900
Confirmation Premises Licence Fee Rateable Value of Premises £35,001 - £70,000	£1,100
Confirmation Premises Licence Fee Rateable Value of Premises £70,001 - £140,000	£1,500
Confirmation Premises Licence Fee Rateable Value of Premises Over £140,000.00	£1,800
<b>Application Fee:</b>	
Application Fee Rateable Value of Premises £0	£200
Application Fee Rateable Value of Premises £1 - £11,500	£800
Application Fee Rateable Value of Premises £11,501 - £35,000	£1,100
Application Fee Rateable Value of Premises £35,001 - £70,000	£1,300
Application Fee Rateable Value of Premises £70,001 - £140,000	£1,700
Application Fee Rateable Value of Premises Over £140,001	£2,000
<b>Annual Fee:</b>	
Annual Fee (September) Rateable Value of Premises £0	£180
Annual Fee (September) Rateable Value of Premises £1 - £11,500	£220
Annual Fee (September) Rateable Value of Premises £11,501 - £35,000	£280
Annual Fee (September) Rateable Value of Premises £35,001 - £70,000	£500
Annual Fee (September) Rateable Value of Premises 70,001 - £140,000	£700
Annual Fee (September) Rateable Value of Premises Over £140,000	£900

Personal Licence	£50
Personal Licence Renewal	£50
Personal Licence Variation	£20
Alcohol Licensing - Occasional Licence	£10
Alcohol Licensing - Extended Hours Licence	£10
Alcohol Licensing - Provisional Premises Licence	£200
Alcohol Licensing - Replacement Personal Licence	£20
Alcohol Licensing - Replacement Premises Licence (certified Copy)	£50
Alcohol Licensing - Substitution Premises Manager with Minor Variation	£31
Alcohol Licensing - Minor Variation	£20
Alcohol Licensing - Variation of Conditions, Operating Plan, Layout Plan	£200
Alcohol Licensing - Transfer Application By Licence Holder Including Variation Application	£250
Alcohol Licensing - Transfer Application By Licence Holder	£170
Alcohol Licensing - Transfer Application Other Than By Licence Holder Including Variation Application	£250
Alcohol Licensing - Transfer Application Other Than By Licence Holder	£170
Alcohol Licensing - Temporary Premises Licence	£250
Section 50 Application per certificate	£150

## Licensing (Other)

Performing Animals	£107.75
Duplicate Licences	£25.75
Certified True Copies	£25.75
Animal Boarding Establishment	£111.05
Breeding of Dogs/Cats/Rabbits - New Application/Renewal	£170.40
Breeding of Dogs/Cats/Rabbits - Variation of Licence	£142.90
Animal Welfare Establishments - New Application/Renewal	£170.40
Animal Welfare Establishments - Variation of Licence	£142.90
Rehoming Activities - New Application/Renewal	£170.40
Rehoming Activities - Variation of Licence	£142.90
Game Dealer's Licence	£115.45
Sale of Pet Animals - New Application/Renewal	£170.40
Sale of Pet Animals - Variation of Licence	£142.90
Riding Establishment	£139.60
Venison Dealer's Licence	£93.45
Dangerous Wild Animals	£128.60

## Licensing (Gambling Act 2005)

Non Commercial Society Grant (1 Year)	£40
Non Commercial Society Renewal (1 Year)	£20
Annual Fee - Betting Premises (Other)	£400
Gaming Machine Automatic Entitlement	£50
Variations (Bingo)	£1,200
Variations (Betting Office)	£1,050
Transfer (Bingo & Betting Office)	£840
Annual Fee - Adult Gaming Centre	£700
Annual Fee - Bingo Premises	£700
Annual Fee - Betting Office	£400
Transfer - Adult Gaming	£840
Variation - Adult Gaming	£700

## Early Years and Out of School Care

### Early Years and Out of School Care

Kidzone Out of School Care (term time) (per hour)	£5.00
Kidzone Out of School Care (term time) (per minibus journey)	£2.70

Note: there is a 10% discount for a sibling

### Early Years from August 2025 onwards

0-2 Years (per session - 4 hrs 30min)	£30.00
2-3 Years (per hour)	£6.70
3-5 Years (per hour)	£6.70

Note: there is a 10% discount for a sibling

## Education

Primary Milk (per carton)	£0.15
School Meals - Traditional Lunch - Child	£2.45
Breakfast (per serving)	£1.50



## Registrars

Extracts	
Extract of Entry of Birth, Death, Marriage or Civil Partnership (within one month of registration)	£10.00
Extract of an Entry of Birth, Death, Marriage or Civil Partnership (after one month of registration)	£15.00
Searches and ScotlandsPeople	
Particular Search - for each period of 5 years or part thereof	£5.00
General Search of statutory registers (assisted search - 30 minutes)	£15.00
ScotlandsPeople Search Facility (per day)	£15.00
Prints of historic Registration records (per page)	£0.50
Marriage or Civil Partnership	
Marriage or Civil Partnership Fees:	
Marriage Notice forms (per person)	£45.00
Civil Marriage or Civil Partnership Fee	£55.00
Ceremony Fees	
Midweek ceremony (Registration Office max 4 people)	£155.00
Midweek (Registration Office)	£230.00
Midweek (External Venue)	£425.00
Saturday (All Venues)	£425.00
Late Saturday or Sunday and Public Holidays (All Venues)	£525.00

## Electric Vehicle Charging Points

Standard Charger (7kW) (min. charge £5.00, overstay fee not applicable)	£0.50
Fast Charger (22kW) (min. charge £5.00, overstay fee £12.00 charged after 4 hours)	£0.50
Rapid Charger (43-50 kW) (min. charge £5.00, overstay fee £20.00 charges after 60 minutes)	£0.75

## Roads

New Roads and Street works Act 1980 Sample/Defect Inspections*	£36.00
New Roads and Street works Act 1980 Section 109 Permit/Inspection on Non Statutory Undertakers	£686.95
Roads (Scotland) Act - Minor Road works Consent - Footway Crossing	£49.45
Roads (Scotland) Act - Minor Road works Consent - Section 56	£148.40
Roads (Scotland) Act - Skip Permit (per week)	£30.80
Roads (Scotland) Act - Road Occupation Permits - Up to 3 days	£76.95
Roads (Scotland) Act - Road Occupation Permits - Up to 1 week	£126.40
Roads (Scotland) Act - Road Occupation Permits - Up to 1 month	£197.90
Roads (Scotland) Act - Road Closures - Emergency	£741.90
Road Closures - Non-Emergency (1 to 5 days)	£741.90
Road Closures - Non-Emergency (More than 5 days)	£741.90
Blue Badge (Issue or Replacement)	£20.00
Residents Parking Permits - Per Annum	£25.30
Traffic Light Charges (per site per week)	£71.50
Traffic Signal / Pedestrian Crossing Turn Off (+20% for OOH)	£219.80
Roads Adoption Plans (per PDF plan)	£60.50
Access Protection Marking - Initial	£76.95
Access Protection Marking - Remarking	£49.45
Traffic volume data extraction per site	£46.75
Traffic data collection per site	£57.70

\*Set by Scottish Road Works Commissioner subject to change.



## Waste

Commercial Waste - 1 Collection per week, Bin Size 240 (0% VAT)	£390.20
Commercial Waste - 1 Collection per week, Bin Size 360 (0% VAT)	£585.80
Commercial Waste - 1 Collection per week, Bin Size 660 (0% VAT)	£1,077.05
Commercial Waste - 1 Collection per week, Bin Size 1100 (0% VAT)	£1,794.70
Commercial Waste Bulky Uplift - individually priced subject to inspection (minimum standard collection charge of £54.95 plus standard disposal charge of £70.35)	Cost on enquiry
Commercial Food Waste Service - 1 collection per week, Bin Size 140 (0% VAT)	£171.45
Commercial Recycling Waste - 1 Collection per week, Bin size 240 (0% VAT)	£294.60
Commercial Recycling Waste - 1 Collection per week, Bin size 360 (0% VAT)	£442.90

Commercial Recycling Waste - 1 Collection per week, Bin size 660 (0% VAT)	£811.10
Commercial Recycling Waste - 1 Collection per week, Bin size 1100 (0% VAT)	£1,352.95
Small Trader Tipping Ticket for Forth bank (inc. £7.75 at 20% VAT) each - one per visit per vehicle size 3.5 tonnes gross vehicle weight ie (eg Transit Size)	£70.35
Bulky Uplift - Household Waste (0% VAT)	£54.95
Garden Waste Permit (fee per bin & max of 2 bins)	£50.00
Sacks / Labels are available in multiples of 10 (0% vat)	£41.80
Provision of bins for new properties (developers) per property	£154.50
Provision of communal bins for flatted properties	£549.55
Public Events(Fairs, Concerts, Galas etc)*	Full cost recovery

\* For access to these services contact [wasteservices@clacks.gov.uk](mailto:wasteservices@clacks.gov.uk)

## Trading Standards

Special Weighing & Measuring Equipment, per hour.	£160.15
Weights -weights exceeding 5kg or not exceeding 500mg, 2cm.	£19.55
Weights -other weights.	£19.55
Measures -linear measures not exceeding 3 metres for each scale.	£19.55
Measures -capacity measures without divisions not exceeding 1 litre.	£19.55
Liquid capacity measures for making up/checking average quantity packages.	£58.40
Templets -(a) per scale - first item.	£97.55
Templets -(b) second and subsequent items.	£38.90
Weighing Instruments - instruments calibrated to weigh only in metric or imperial units, non EC not exceeding 1 tonne.	£120.40
Weighing Instruments - instruments calibrated to weigh only in metric or imperial units, non EC exceeding 1 tonne up to 10 tonnes.	£200.25
Weighing Instruments - instruments calibrated to weigh only in metric or imperial units, non EC exceeding 10 tonnes.	£400.40
Measuring Instruments for Intoxicating Liquor -not exceeding 150ml.	£38.90
Measuring Instruments for Intoxicating Liquor -other.	£48.55
Measuring Instruments for Liquid Fuel and Lubricants -container type (un-subdivided).	£150.05
Measuring Instruments for Liquid Fuel and Lubricants -single/multi outlet (nozzles) -first nozzle tested per site.	£219.65
Measuring Instruments for Liquid Fuel and Lubricants -each additional nozzle tested.	£159.25
Measuring Instruments for Liquid Fuel and Lubricants -additional costs involved in testing ancillary equipment which requires additional testing on-site, such as credit card acceptors.	£160.15
Measuring Instruments for Liquid Fuel and Lubricants -testing of peripheral electronic equipment on a separate visit (per site).	£160.15
Measuring Instruments for credit card acceptor (per unit, regardless of the number of slots/nozzles/pumps).	£160.15



Road Tanker Fuel Measuring Instrument (above 100 litres) - Meter measuring systems -(a) wet hose with 2 testing liquids.	£460.50
Road Tanker Fuel Measuring Instrument (above 100 litres) - Dipstick measuring system - (a) up to 7,600 litres (for calibration of each compartment and production of chart).	£320.85
Road Tanker Fuel Measuring Instrument (above 100 litres) - Dipstick measuring system - (a) for any compartment over 7,600 litres -basic fee, plus additional costs at the rate of (b), (c) or (d). (see figures below)	£160.15
Road Tanker Fuel Measuring Instrument (above 100 litres) - Dipstick measuring system - (b) initial dipstick.	£48.55
Road Tanker Fuel Measuring Instrument (above 100 litres) - Dipstick measuring system - (c) spare dipstick.	£48.55
Road Tanker Fuel Measuring Instrument (above 100 litres) - Dipstick measuring system - (d) replacement of dipstick (including examination of compartment).	£97.55
Road Tanker Fuel Measuring Instrument (above 100 litres) - Certificate of Errors - for supplying a certificate containing the results of errors found on testing.	£77.85
Poisons Act - Registration	£52.70
Poisons Act - Change in details of registration	£29.20
Weighing & Measuring - Specialist Testing Services - non-trade equipment.	£187.15
Weighing & Measuring - Specialist Testing Services - Special attendance charges (out-with normal hours).	£188.05



Email: [REDACTED]

## Local Government Finance Circular No. 10/2024

Chief Executives and Directors of Finance of  
Scottish Local Authorities

Chief Executive, Convention of Scottish Local  
Authorities (COSLA)

Our ref: A51219904  
12 December 2024

Dear Chief Executive/Director of Finance

### **LOCAL GOVERNMENT FINANCE SETTLEMENT 2025-26 NON-DOMESTIC RATES**

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2025-26, as well as the latest information on current known redeterminations for 2024-25. This Circular also provides details on a range of Non-Domestic Rates measures, including the proposed 2025-26 rates and changes to certain reliefs.
2. These provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2025 being presented to the Scottish Parliament. This is currently scheduled for the end of February 2025.
3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 17 January 2025, if they think there are any discrepancies or changes required to these provisional allocations. Redistribution(s) to address any agreed discrepancies or changes will be undertaken within the total settlement allocations set out in this Circular and not through the provision of any additional resources by the Scottish Government. The allocations are therefore provisional only at this stage, with the final allocations not being confirmed until after the end of the consultation period and the publication of the Local Government Finance Circular which will follow the approval of the Local Government Finance (Scotland) Order 2025.
4. The Cabinet Secretary for Finance and Local Government wrote to the COSLA President, copied to all Council Leaders on 4 December 2024, and the First Minister wrote similarly on 9 December 2024, confirming the package of measures that make up the settlement to be provided to local government. This Circular should be read in conjunction with those letters. The terms of this settlement have been discussed with COSLA on behalf of all 32 of its member councils.
5. The Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package worth £15 billion and includes:

- a further £524.9 million of funding has now been baselined as General Revenue Grant, as part of our commitment under the Verity House Agreement to review ring-fenced funding;
  - Additional General Revenue Grant of £289 million to support local priorities;
  - An additional £15 million to support the expansion of Free School Meals;
  - £125 million for adult social care workers in commissioned services;
  - £10 million to support provision of Free Personal and Nursing care;
  - An additional £25.7 million to improve pay for early learning and childcare workers;
  - An additional £41 million investment to maintain or restore teacher numbers to 2023 levels;
  - An additional £28 million for additional support for learning;
  - £33 million to support development of people working in children’s social work;
  - £40 million to tackle the climate emergency;
  - An additional £10 million to improve play parks for children; and
  - An additional £8.6 million resource and £20 million capital to improve inter-island connectivity.
6. In addition to the funding set out in this Circular it should be noted that there are a number of further revenue and capital funding streams outwith the local government finance settlement for particular policy initiatives which deliver on shared priorities and support local government services. [Table 4.15 in the Scottish Government’s “Budget Document: 2025-26”](#), which was published on 4 December 2024, provides provisional details of these funding streams but as with previous years, the actual sums payable will be notified by the relevant policy team at the earliest opportunity.
7. The allocations have been arrived at using the standard agreed needs-based distribution methodology and updated indicators. The funding floor has been set at 0.75% below the average, at an increase of 1.95%.
8. Any undistributed sums will be allocated in the standard way following consideration by the Settlement and Distribution Group. We have shared a separate note with COSLA and Directors of Finance providing a full reconciliation of the changes between the 2024-25 and 2025-26 Budgets. We have also provided full details of all the revenue and capital allocations.
9. The various parts and annexes to this Circular, listed below, provide more of the detail behind the calculations.

- Part A: Local Government Finance Settlement – Revenue: 2025-26 and changes in 2024-25;  
 Part B: Local Government Finance Settlement – Capital: 2024-26;  
 Part C: Non-Domestic Rates for 2025-26.

The various Annexes included in this Circular are as follows:

- Annex A: All Scotland Aggregated Funding Totals 2024-26;  
 Annex B: Individual Revenue Allocations for 2025-26;  
 Annex C: Revised Individual Revenue Allocations for 2024-25;  
 Annex D: Explanatory Notes on the Revenue Distribution;  
 Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2025-26;  
 Annex F: Floor calculation for 2025-26;  
 Annex G: Redeterminations of Individual Revenue funding for 2024-25;  
 Annex H: 2008-26 Changes Column;  
 Annex I: General Capital Grant and Specific Capital Grants 2025-26;  
 Annex J: General Capital Grant – Flood Allocations Per Local Authority 2025-26;  
 Annex K: Updated General Capital Grant 2024-25; and  
 Annex L: Total Local Government Funding Settlement 2025-26

## **Part A: Local Government Finance Settlement - Revenue: 2025-26 and changes in 2024-25**

10. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2025-26. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2024-25 and 2025-26.
11. **Annexes B and C** set out the distribution of the total revenue funding allocation between councils and the allocation of the different elements (General Revenue Grant Funding, Non-Domestic Rate Income and Specific Revenue Grants) for each council for 2025-26 and 2024-25 respectively. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.
12. **Annex E** gives a breakdown of the provisional individual council shares of all the ring-fenced revenue grant allocations for 2025-26. The provisional total for specific grant included in the circular is £24.5 million higher than was published in the 2025-26 Scottish Government Budget due to the in-year transfer from the General Revenue Grant to the Support for Inter Island Connectivity specific grant for £13.760 million. The variance of £10.6 million for Pupil Equity funding was included in table 4.12 of the Scottish Budget (Local Government Attainment Grants) and will also be transferred in-year.
13. The calculation and effects of the main floor adjustment for 2025-26, which provided councils with a minimum increase in the funding used in the calculation of the main floor of 1.95%, is set out in **Annex F** of this Circular. The setting of the floor is in line with the revised arrangements agreed following the SDG review of the floor methodology during 2018 with the percentage set at 0.75% below the average.
14. This Circular confirms the continuation of the **85% funding floor** for 2025-26. The methodology compares total revenue funding plus local authorities' assumed council tax income and any council whose total support under this method falls below 85% will be topped up to ensure that all councils receive 85% of the Scottish average total revenue support per head. As all 32 local authorities now exceed 85% of the Scottish average, no additional funding has been provided.
15. This Local Government Finance Circular provides details of current known 2024-25 redeterminations at **Annex G** for the General Revenue Grant.
16. **Annex H** summarises the column within the settlement titled 2008-26 Changes Column.

## **Part B: Local Government Finance Settlement – Capital Grants 2024-26**

17. In 2025-26 the Local Government Settlement provides capital grants totalling £777.172 million. This is made up of General Capital Grant totalling £581.000 million and Specific Capital Grants totalling £196.172 million.
18. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2025-26. The methodologies used to calculate these provisional allocations have been agreed with COSLA. Capital grants which remain undistributed are identified as such.
19. The provisional distribution for the General Capital Grant includes allocations for flood risk management schemes. The allocations for these schemes are set out in **Annex J**. Where schemes have slipped and the grant paid in a prior year exceeds the grant due to the council, the scheme will show a negative value which will reduce the total General Capital Grant payable to that Council as shown in Annex I.
20. **Annex K** provides a breakdown of the updated 2024-25 General Capital Grant allocations by local authority.

21. **Annex L** summarises the Local Government Finance Settlement for 2025-26

**Part C: Non-Domestic Rates for 2025-26**

22. The Distributable Amount of Non-Domestic Rates Income for 2025-26 has been provisionally set at £3,114 million. This figure uses the latest forecast of net income from non-domestic rates in 2025-26 and also draws on council estimates of the amounts they will contribute to the Non-Domestic Rating Account (the ‘Pool’) in 2024-25. The figure incorporates the Scottish Fiscal Commission’s estimate of the contributable amount and includes a calculation of gross income; expected losses from appeals; estimated expenditure on mandatory and other reliefs; write-offs and provision of bad debt together; and estimated changes due to prior year adjustments. The distribution of Non-Domestic Rates Income for 2025-26 has been based on the amount each Council estimates that it will collect (based on the 2024-25 mid-year estimates provided by councils). General Revenue Grant provides the guaranteed balance of funding. This method of allocation provides a clear presentation of the Non-Domestic Rates Income per council and transparency in the make-up of council funding.

23. The 2025-26 Non-Domestic Basic Property Rate (‘poundage’) is provisionally set at 49.8 pence, the same rate as last year. The Intermediate Property Rate (levied on properties with a rateable value from £51,001 to £100,000) and Higher Property Rate (levied on properties with a rateable value over £100,000) will increase by inflation to 55.4 pence and 56.8 pence respectively.

24. A new 40% non-domestic rates relief will be available in 2025-26 for hospitality premises (including Grassroots Music Venues with a capacity of up to 1,500) liable for the Basic Property Rate, those with a rateable value up to and including £51,000. This relief is capped at £110,000 per ratepayer.

25. A 100% non-domestic rates relief will continue to be available in 2025-26 for properties in the hospitality sectors on islands, as defined by the Islands (Scotland) Act 2018, and prescribed remote areas (Cape Wrath, Knoydart and Scoraig), capped at £110,000 per ratepayer.

26. The Scottish Budget 2024-25 announced that Enterprise Areas relief would be phased out over 2024-25 and 2025-26 as set out in the table below. This relief will end on 31 March 2026.

**Enterprise Areas Relief**

Rateable Value	Relief available		
	2023-24	2024-25	2025-26
£120,000 or less	100%	66.7%	33.3%
£120,001 to £240,000	50%	33.3%	16.7%
£240,001 to £480,000	25%	16.7%	8.3%
£480,001 to £1,200,000	10%	6.7%	3.3%
£1,200,001 to £2,400,000	5%	3.3%	1.7%
Over £2,400,000	2.5%	1.7%	0.8%

27. The Scottish Budget 2023-24 introduced the following transitional reliefs for the 2023 revaluation and these will continue to apply in the 2025-26 financial year:

- A Revaluation Transitional Relief to protect those most affected by revaluation with bills capped as per the table below. The cumulative multipliers for small, medium and large properties respectively are therefore 1.933, 3.281 and 5.113 in 2025-26.

**Year-on-year Scottish Transitional Relief caps (%)**

Rateable Value	2023-24	2024-25	2025-26
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Small (up to £20,000)	12.5	25	37.5
Medium (£20,001 to £100,000)	25	50	75
Large (Over £100,000)	37.5	75	112.5

- A Small Business Transitional Relief: those losing or seeing a reduction in these reliefs (including due to the eligibility changes introduced for Small Business Bonus Scheme relief) on 1 April 2023 the maximum increase in the rates liability relative to 31 March 2023 were capped at £600 in 2023-24, rising to £1,200 in 2024-25 and £1,800 in 2025-26.

28. The following reliefs will be maintained: business growth accelerator relief, charitable rates relief, day nursery relief, disabled rates relief, fresh start relief, hardship relief, hydro relief, new fibre relief, renewable energy relief, rural relief, small business bonus scheme relief, sports club relief and stud farms relief.
29. Empty Property Relief was devolved to local authorities on 1 April 2023 covering all relief and rates exemptions for fully unoccupied properties including listed buildings, properties where the owner is in administration, etc. Partly unoccupied properties that the council requests be apportioned by the assessor will be liable for rates on the occupied portion only. Councils may offer their own local reliefs under the Community Empowerment (Scotland) Act 2015 including to empty properties.
30. The Retail, Hospitality and Leisure relief which was previously available from 1 April 2020 to 30 June 2022 will close on 31 March 2025. After this date, no retrospective applications for this relief can be accepted.
31. NDR reliefs, like other subsidy or support measures, may be subject to the Subsidy Control Act 2022.
32. Information on the Non-Domestic Rates Incentivisation Scheme (NDRIS) will be set out in a future circular
33. The Scottish Government is committed to a fair and transparent non-domestic rates system that is not undermined by avoidance tactics and we appreciate the efforts of the local authorities using the powers within the Non-Domestic Rates (Miscellaneous Anti-Avoidance Measures) (Scotland) Regulations 2023 to tackle known anti-avoidance practices. With effect from 1 April 2025, local authorities can retain 50 per cent of the non-domestic rates revenue received as a consequence of using these powers to tackle avoidance. We will liaise with councils and the Institute of Revenues, Rating and Valuation regarding the arrangements for reporting this.
34. Since 2019-20, the Scottish Government has provided Local Government Revenue Funding to support the additional costs met by Scottish Assessors in respect of the implementation of the recommendations of the Barclay Review of Non-Domestic Rates. Local authorities are expected to continue to pass on the allocated quantum for this to Assessors, including any increment in line with the 2025-26 settlement.

## Enquiries relating to this Circular

35. It should be noted that figures in this Circular may be marginally different from final allocations due to roundings. Local authorities should note that if they have any substantive specific enquiries relating to this Circular these should, in the first instance, be addressed through COSLA. We have given an undertaking to respond to these queries as quickly as possible. Contact details for COSLA are:

Mirren Kelly [REDACTED]

Any other queries should be addressed to the following:

Local Government Revenue and Capital Settlement. Craig Inglis  
[REDACTED]

Non-Domestic Rates. Anouk Berthie [REDACTED]

36. This Circular, along with the supporting tables will be made available through the Local Government section of the Scottish Government website at:

<https://www.gov.scot/publications/local-government-finance-circulars-index/>

Yours faithfully

[REDACTED]  
**Ellen Leaver**  
Director, Local Government

	<b>2024-25</b>	<b>2025-26</b>
	<b>£ million</b>	<b>£ million</b>
<b>Revenue Funding</b>		
General Resource Grant	10,338.364	10,872.221
Non Domestic Rate Income	3,068.000	3,114.000
Specific Revenue Grants	263.055	271.903
<b>Total Revenue</b>	<b>13,669.419</b>	<b>14,258.124</b>
<i>less</i> Redress Top-Slice	0.000	9.000
<i>less</i> Valuation Committee	0.583	0.883
<i>less</i> National Dog Database	0.053	0.053
<i>less</i> SSSC Fees	0.000	2.200
<i>less</i> Climate Intelligence Service	0.900	0.900
<b>Net Total Revenue</b>	<b>13,667.883</b>	<b>14,245.088</b>
<i>less</i> Teachers' Induction Scheme	0.000	37.600
<i>less</i> Discretionary Housing Payments	16.519	99.200
<i>less</i> Gaelic	0.103	0.100
<i>less</i> Inter Island Connectivity	0.000	0.512
<i>less</i> Criminal Justice Social Work	0.000	86.450
<i>less</i> Customer First Top-up	0.010	0.000
<i>less</i> Scottish Disability Assistance	0.000	3.149
<i>less</i> Social Care	0.000	0.000
<i>less</i> Additional Support for Learning	0.000	28.000
<i>less</i> Teacher Support	0.000	186.500
<i>less</i> Local government Pay Contribution	0.000	0.000
<i>less</i> Teachers Pay Contribution	0.000	0.000
<i>Total Undistributed Revenue Funding</i>	<i>16.632</i>	<i>441.511</i>
<b>Distributable Revenue Funding</b>	<b>13,651.251</b>	<b>13,803.577</b>
<b>Capital Funding</b>		
General Capital Grant	611.796	581.000
Specific Capital Grants	121.172	183.772
Distributed to SPT	0.000	12.400
<b>Total Capital</b>	<b>732.968</b>	<b>777.172</b>
<b>Total Funding</b>	<b>14,402.387</b>	<b>15,035.296</b>

<b>2024-25 RECONCILIATION FROM FINANCE CIRCULAR 2/2024</b>		
<b>General Resource Grant Circular 2/2024</b>	<b>9,927.845</b>	
No-one Left Behind	2.500	
Council tax Freeze	147.269	
62.7m Additional Funding	62.700	
Pay - Children's Services	19.862	
Island cost of living	5.000	
Climate Intelligence Service	1.373	
SNCT Pay Offer	29.000	
Ed Psych Refund	0.400	
Teacher Pensions	86.224	
King's Theatre	0.092	
Scottish Welfare Fund	20.000	
LG Pay	24.500	
School Milk	1.000	
Ukraine	3.400	
Green Freeport	0.800	
Teacher Induction	4.349	
Temporary Accomodation	2.000	
Verity House Resource	0.050	
<b>General Resource Grant Circular 10/2024</b>	<b>10,338.364</b>	<b>-</b>
<b>General Capital Grant Circular 2/2024</b>	<b>534.837</b>	
MoD Forthside	5.000	
Active Travel	35.000	
Landfill Ban Compliance	1.500	
Free School Meals	48.000	
Ferries	3.000	
LG Pay	53.000	
King's Theatre	0.459	
Undistributed	-69.000	
<b>General Capital Grant Circular 10/2024</b>	<b>611.796</b>	

£million	Expenditure				Funding							
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-25 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	524.735	65.348	6.096	-3.956	592.224	97.320	3.359	200.361	291.184	494.904	0.000	494.904
Aberdeenshire	639.470	79.577	16.930	-4.938	731.039	115.726	3.240	130.389	481.684	615.313	0.000	615.313
Angus	288.708	35.932	10.425	-2.274	332.792	44.956	2.315	28.346	257.174	287.836	0.000	287.836
Argyll & Bute	250.434	31.143	8.209	10.164	299.951	40.418	4.539	42.809	212.185	259.534	0.000	259.534
Clackmannanshire	134.589	16.753	4.138	-1.058	154.422	19.878	1.670	19.834	113.040	134.544	0.000	134.544
Dumfries & Galloway	397.442	49.439	13.545	-3.160	457.267	60.104	3.270	64.534	329.359	397.163	0.000	397.163
Dundee City	394.459	49.130	5.149	0.258	448.996	50.092	5.107	71.406	322.391	398.904	0.000	398.904
East Ayrshire	323.859	40.323	4.082	-1.990	366.273	43.982	3.987	33.087	285.217	322.291	0.000	322.291
East Dunbartonshire	289.070	35.998	3.542	-2.160	326.450	51.599	1.825	26.697	246.328	274.850	0.000	274.850
East Lothian	273.627	34.071	3.298	-2.064	308.932	50.687	1.826	60.072	196.348	258.246	0.000	258.246
East Renfrewshire	266.795	33.227	8.587	-2.042	306.567	45.199	1.551	15.871	243.947	261.368	0.000	261.368
Edinburgh, City of	1,127.683	140.448	21.397	4.215	1,293.744	234.700	8.240	400.788	650.016	1,059.044	0.000	1,059.044
Eilean Siar	91.007	11.302	6.083	19.490	127.882	9.845	1.310	9.387	107.340	118.038	0.000	118.038
Falkirk	391.286	48.724	4.901	-3.028	441.883	60.883	3.975	82.693	294.331	380.999	0.000	380.999
Fife	934.704	116.406	27.416	-7.414	1,071.111	143.573	10.478	171.721	745.340	927.538	0.000	927.538
Glasgow City	1,639.632	204.261	33.972	24.945	1,902.809	223.690	23.789	402.292	1,253.038	1,679.119	0.000	1,679.119
Highland	621.337	77.289	25.626	-1.927	722.325	101.373	6.721	167.986	446.245	620.952	0.000	620.952
Inverclyde	216.294	26.931	8.895	-1.753	250.368	27.868	2.650	20.806	199.043	222.499	0.000	222.499
Midlothian	244.506	30.448	5.998	-1.868	279.083	40.483	2.444	36.433	199.724	238.601	0.000	238.601
Moray	231.243	28.774	7.324	-1.831	265.510	35.911	1.485	58.035	170.080	229.599	0.000	229.599
North Ayrshire	370.253	46.105	5.125	4.940	426.423	51.113	4.290	44.123	326.897	375.310	0.000	375.310
North Lanarkshire	878.226	109.390	8.824	-6.897	989.543	119.819	9.943	122.759	737.022	869.724	0.000	869.724
Orkney Islands	99.615	12.390	2.726	-0.276	114.455	8.462	21.054	11.759	73.181	105.994	0.000	105.994
Perth & Kinross	381.204	47.447	7.326	-2.887	433.090	68.847	1.967	63.537	298.739	364.242	0.000	364.242
Renfrewshire	464.660	57.871	6.881	-3.588	525.824	73.600	4.718	108.844	338.663	452.225	0.000	452.225
Scottish Borders	298.797	37.170	5.204	0.094	341.264	49.057	1.948	43.024	247.235	292.207	0.000	292.207
Shetland Islands	107.548	13.378	4.663	1.801	127.391	8.475	24.934	26.492	67.490	118.916	0.000	118.916
South Ayrshire	297.583	37.047	8.020	-2.316	340.334	48.820	2.624	49.811	239.079	291.514	0.000	291.514
South Lanarkshire	830.814	103.470	8.902	-6.415	936.770	130.938	9.133	371.110	425.590	805.832	0.000	805.832
Stirling	237.399	29.547	9.845	-1.850	274.941	40.588	1.568	46.246	186.540	234.354	0.000	234.354
West Dunbartonshire	249.229	31.036	3.175	3.447	286.887	34.039	3.408	84.737	164.703	252.848	0.000	252.848
West Lothian	463.400	57.712	11.159	-3.663	528.608	69.540	5.473	98.011	355.585	459.069	0.000	459.069
<b>Scotland</b>	<b>13,959.607</b>	<b>1,738.088</b>	<b>307.463</b>	<b>0.000</b>	<b>16,005.159</b>	<b>2,201.582</b>	<b>184.841</b>	<b>3,114.000</b>	<b>10,504.736</b>	<b>13,803.577</b>	<b>0.000</b>	<b>13,803.577</b>

	Expenditure				Funding							
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-24 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	522.678	47.764	6.512	-5.308	571.646	95.529	7.310	208.768	260.039	476.117	0.000	476.117
Aberdeenshire	652.983	58.636	17.566	-6.626	722.559	114.985	6.057	131.630	469.887	607.574	0.000	607.574
Angus	293.903	26.503	10.699	-3.083	328.023	44.929	3.944	29.304	249.846	283.094	0.000	283.094
Argyll & Bute	251.923	22.679	8.485	13.141	296.228	40.185	4.526	41.334	210.183	256.043	0.000	256.043
Clackmannanshire	137.197	12.321	4.290	-1.420	152.388	19.821	2.783	19.659	110.125	132.567	0.000	132.567
Dumfries & Galloway	405.353	36.590	14.072	-3.425	452.589	59.912	5.794	63.708	323.175	392.677	0.000	392.677
Dundee City	405.471	36.588	5.353	1.757	449.169	49.028	8.653	73.695	317.793	400.141	0.000	400.141
East Ayrshire	333.984	30.044	4.242	-1.554	366.717	43.656	6.094	33.530	283.437	323.060	0.000	323.060
East Dunbartonshire	292.101	26.230	3.682	-2.894	319.119	51.391	2.587	25.901	239.240	267.728	0.000	267.728
East Lothian	276.956	24.872	3.427	-2.734	302.521	49.467	2.891	59.925	190.238	253.054	0.000	253.054
East Renfrewshire	270.573	24.079	8.732	-2.722	300.662	44.944	2.161	15.941	237.615	255.717	0.000	255.717
Edinburgh, City of	1,145.796	103.553	21.986	10.548	1,281.882	230.587	16.210	407.645	627.440	1,051.295	0.000	1,051.295
Eilean Siar	93.871	8.377	6.330	18.321	126.899	9.770	1.600	9.722	105.808	117.130	0.000	117.130
Falkirk	402.664	36.077	13.735	-1.388	451.088	60.119	6.660	72.962	310.947	390.569	0.000	390.569
Fife	946.634	86.038	28.359	-10.061	1,050.971	142.757	16.585	143.471	748.558	908.614	0.000	908.614
Glasgow City	1,692.841	152.416	34.734	30.881	1,910.871	220.895	39.274	386.817	1,263.885	1,689.976	0.000	1,689.976
Highland	629.738	56.944	28.057	-0.702	714.037	100.393	9.428	160.345	443.471	613.244	0.000	613.244
Inverclyde	218.136	19.894	9.261	-0.569	246.721	27.843	3.944	20.298	195.037	219.279	0.000	219.279
Midlothian	247.030	22.142	6.111	-2.419	272.864	39.605	3.681	34.944	194.634	233.260	0.000	233.260
Moray	236.559	21.216	7.614	-1.727	263.661	35.576	2.777	67.225	158.083	228.085	0.000	228.085
North Ayrshire	381.682	34.387	5.327	4.937	426.333	50.720	6.917	43.129	325.567	375.614	0.000	375.614
North Lanarkshire	886.746	81.240	9.167	-9.327	967.826	119.476	15.290	120.743	712.317	848.350	0.000	848.350
Orkney Islands	96.274	8.659	5.035	-0.969	108.999	8.458	16.314	12.176	72.052	100.541	0.000	100.541
Perth & Kinross	385.317	34.723	11.066	-3.884	427.223	68.150	3.806	64.717	290.549	359.072	0.000	359.072
Renfrewshire	472.456	42.439	7.155	-4.778	517.272	73.089	7.301	107.505	329.377	444.182	0.000	444.182
Scottish Borders	305.964	27.526	9.016	-3.219	339.286	48.946	3.205	42.222	244.913	290.340	0.000	290.340
Shetland Islands	107.180	9.660	5.037	3.307	125.183	8.364	23.588	27.348	65.883	116.819	0.000	116.819
South Ayrshire	304.254	27.345	8.315	-3.170	336.745	48.688	4.359	46.075	237.623	288.057	0.000	288.057
South Lanarkshire	843.057	75.844	9.248	-8.556	919.593	129.649	13.542	366.059	410.343	789.944	0.000	789.944
Stirling	243.468	21.816	10.161	-2.525	272.921	40.286	2.802	47.768	182.065	232.636	0.000	232.636
West Dunbartonshire	256.283	23.075	3.300	5.073	287.730	33.845	5.041	87.481	161.363	253.886	0.000	253.886
West Lothian	472.322	42.233	11.537	-4.906	521.187	68.603	7.930	95.953	348.700	452.583	0.000	452.583
<b>Scotland</b>	<b>14,211.393</b>	<b>1,281.912</b>	<b>337.611</b>	<b>0.000</b>	<b>15,830.916</b>	<b>2,179.665</b>	<b>263.055</b>	<b>3,068.000</b>	<b>10,320.196</b>	<b>13,651.251</b>	<b>0.000</b>	<b>13,651.251</b>

The explanation of each of the columns within the tables at Annex B is as follows:

**Column 1** – represents the updated on-going service provision and includes the following combined information: (i) the updated Grant Aided Expenditure (GAE) assessments; (ii) the revised Special Islands Needs Allowance (SINA); (iii) each council's individual share of the on-going revenue grants which have been rolled up into the core local government finance settlement; (iv) each council's share of all the baselined redeterminations since Spending Review 2007; and the previous loan charge adjustment.

**Column 2** – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011, 2013, 2015 and budget revisions for 2016 - 2026 allocated pro-rata to each council's share of TEE as agreed with the Settlement and Distribution Group (SDG).

**Column 3** – represents the updated share of the loan charges support for outstanding debt and the same level of on-going PPP level playing field support. The methodology for calculating Loan Charge Support (LCS) and support for Public Private Partnership (PPP) projects (level playing field projects only (LPFS) is set out on Annex H of Finance Circular 2/2011.

**Column 4** – is the main floor adjustment which has been calculated using the revised methodology agreed following the 2018 review.

**Column 5** – this is the net revenue expenditure recognised by the Scottish Government and represents the sum of columns 1 to 4.

**Column 6** – is the assumption of the amount of Total Estimated Expenditure to be funded from the council tax. Any changes are as a result of buoyancy or projected numbers of properties, as well as the estimated additional council tax income to be collected and retained by each local authority as a result of the changes to bands E to H.

**Column 7** – is each council's estimated share of the on-going Ring-Fenced Grants for Gaelic, Pupil Equity Fund (PEF), and Inter-Island Connectivity.

**Column 8** – is each council's share of the estimated non-domestic rate income which has been distributed proportionately on the basis of council's 2024-25 mid-year income.

**Column 9** – is the balance of funding provided by means of general revenue funding and is calculated by deducting columns 6, 7 and 8 from the Total Estimated Expenditure in column 5.

**Column 10** – represents the total revenue funding available to each council in 2025-26.

**Column 11** – is the 85% floor adjustment which has been calculated to meet the Scottish Government's commitment to ensure that no Local Authority receives less than 85% of the Scottish average per head in terms of revenue support.

**Column 12** - is the revised total funding including all the changes and the 85% funding floor adjustments.

<b>Local Authority</b>	<b>Gaelic</b>	<b>Pupil Equity Fund</b>	<b>Inter Island Connectivity</b>
	£m	£m	£m
Aberdeen City	0.095	3.264	0.000
Aberdeenshire	0.000	3.240	0.000
Angus	0.006	2.310	0.000
Argyll & Bute	0.365	1.364	2.810
Clackmannanshire	0.007	1.663	0.000
Dumfries & Galloway	0.000	3.270	0.000
Dundee City	0.000	5.107	0.000
East Ayrshire	0.144	3.843	0.000
East Dunbartonshire	0.073	1.752	0.000
East Lothian	0.010	1.816	0.000
East Renfrewshire	0.062	1.489	0.000
Edinburgh, City of	0.325	7.915	0.000
Eilean Siar	0.970	0.340	0.000
Falkirk	0.013	3.962	0.000
Fife	0.012	10.466	0.000
Glasgow City	0.565	23.224	0.000
Highland	0.915	4.285	1.521
Inverclyde	0.065	2.585	0.000
Midlothian	0.008	2.436	0.000
Moray	0.002	1.482	0.000
North Ayrshire	0.093	4.197	0.000
North Lanarkshire	0.265	9.678	0.000
Orkney Islands	0.000	0.250	20.804
Perth & Kinross	0.103	1.864	0.000
Renfrewshire	0.055	4.663	0.000
Scottish Borders	0.001	1.948	0.000
Shetland Islands	0.000	0.255	24.679
South Ayrshire	0.009	2.614	0.000
South Lanarkshire	0.170	8.963	0.000
Stirling	0.115	1.453	0.000
West Dunbartonshire	0.027	3.381	0.000
West Lothian	0.008	5.465	0.000
<b>Scotland</b>	<b>4.482</b>	<b>130.545</b>	<b>49.814</b>

Notes: These figures represent the best estimates used in the calculation of the 2025-26 local government finance settlement, including the calculation of the Floors. The actual sums payable will be notified to the relevant Policy Team.

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Midlothian	220.550	5.29%	-1.868	218.682	4.40%
East Renfrewshire	241.069	5.22%	-2.042	239.028	4.32%
Aberdeen City	467.026	5.00%	-3.956	463.071	4.11%
West Lothian	432.524	4.97%	-3.663	428.860	4.08%
Clackmannanshire	124.881	4.90%	-1.058	123.823	4.01%
Renfrewshire	423.587	4.85%	-3.588	419.999	3.96%
South Lanarkshire	757.431	4.79%	-6.415	751.016	3.90%
East Dunbartonshire	255.023	4.71%	-2.160	252.863	3.83%
East Lothian	243.696	4.44%	-2.064	241.632	3.56%
South Ayrshire	273.466	3.81%	-2.316	271.149	2.93%
Angus	268.432	3.80%	-2.274	266.158	2.92%
Fife	875.329	3.78%	-7.414	867.915	2.90%
North Lanarkshire	814.335	3.72%	-6.897	807.438	2.84%
Perth & Kinross	340.794	3.64%	-2.887	337.908	2.77%
<b>Aberdeenshire</b>	<b>583.019</b>	<b>3.47%</b>	<b>-4.938</b>	<b>578.081</b>	<b>2.60%</b>
<b>Dumfries &amp; Galloway</b>	<b>373.036</b>	<b>3.42%</b>	<b>-3.160</b>	<b>369.876</b>	<b>2.55%</b>
<b>Stirling</b>	<b>218.403</b>	<b>3.38%</b>	<b>-1.850</b>	<b>216.553</b>	<b>2.51%</b>
<b>Moray</b>	<b>216.194</b>	<b>3.23%</b>	<b>-1.831</b>	<b>214.363</b>	<b>2.36%</b>
<b>Inverclyde</b>	<b>206.958</b>	<b>3.22%</b>	<b>-1.753</b>	<b>205.205</b>	<b>2.35%</b>
<b>Falkirk</b>	<b>357.495</b>	<b>2.85%</b>	<b>-3.028</b>	<b>354.467</b>	<b>1.98%</b>
<b>Argyll &amp; Bute</b>	<b>226.216</b>	<b>-2.43%</b>	<b>10.164</b>	<b>236.381</b>	<b>1.95%</b>
<b>Dundee City</b>	<b>368.768</b>	<b>1.88%</b>	<b>0.258</b>	<b>369.027</b>	<b>1.95%</b>
<b>East Ayrshire</b>	<b>302.509</b>	<b>2.62%</b>	<b>-1.990</b>	<b>300.519</b>	<b>1.95%</b>
<b>Edinburgh (City of)</b>	<b>974.804</b>	<b>1.51%</b>	<b>4.215</b>	<b>979.019</b>	<b>1.95%</b>
<b>Eilean Siar</b>	<b>91.481</b>	<b>-15.96%</b>	<b>19.490</b>	<b>110.972</b>	<b>1.95%</b>
<b>Glasgow City</b>	<b>1,550.615</b>	<b>0.34%</b>	<b>24.945</b>	<b>1,575.560</b>	<b>1.95%</b>
<b>Highland</b>	<b>580.075</b>	<b>2.29%</b>	<b>-1.927</b>	<b>578.148</b>	<b>1.95%</b>
<b>North Ayrshire</b>	<b>344.617</b>	<b>0.51%</b>	<b>4.940</b>	<b>349.557</b>	<b>1.95%</b>
<b>Orkney Islands</b>	<b>79.981</b>	<b>2.30%</b>	<b>-0.276</b>	<b>79.705</b>	<b>1.95%</b>
<b>Scottish Borders</b>	<b>273.476</b>	<b>1.91%</b>	<b>0.094</b>	<b>273.570</b>	<b>1.95%</b>
<b>Shetland Islands</b>	<b>88.292</b>	<b>-0.09%</b>	<b>1.801</b>	<b>90.093</b>	<b>1.95%</b>
<b>West Dunbartonshire</b>	<b>228.367</b>	<b>0.43%</b>	<b>3.447</b>	<b>231.814</b>	<b>1.95%</b>
	<b>12,802.449</b>		<b>0.000</b>	<b>12,802.449</b>	

The annual change in the Grant for Floor Funding was 2.70% and as a result of the floor being set at -0.75% below this annual change the minimum increase in the Grant for floor was set at 1.95%

GENERAL FUNDING	No-one Left Behind	Council tax Freeze	62.7m Additional Funding	Pay - Children's Services	Island cost of living	Climate Intelligence Service	Building Standards Hub	SNCT Pay Offer	Ed Psych Refund	Teacher Pensions
Aberdeen City	0.077	6.978	2.336	0.673	0.000	0.003	-0.028	0.994	0.012	2.782
Aberdeenshire	0.082	7.963	2.868	0.683	0.000	0.004	-0.057	1.471	0.021	4.243
Angus	0.069	2.841	1.296	0.378	0.000	0.002	-0.022	0.630	0.008	1.886
Argyll & Bute	0.063	2.860	1.109	0.243	0.705	0.002	-0.026	0.456	0.008	1.389
Clackmannanshire	0.060	1.307	0.603	0.208	0.000	0.001	-0.006	0.299	0.006	0.928
Dumfries & Galloway	0.079	3.747	1.790	0.479	0.000	0.003	-0.032	0.755	0.007	2.408
Dundee City	0.078	3.413	1.790	0.658	0.000	0.003	-0.022	0.770	0.013	2.367
East Ayrshire	0.075	3.041	1.469	0.495	0.000	0.002	-0.019	0.649	0.013	2.065
East Dunbartonshire	0.060	3.570	1.283	0.302	0.000	0.002	-0.032	0.756	0.010	2.185
East Lothian	0.066	3.404	1.217	0.358	0.000	0.002	-0.023	0.560	0.008	1.735
East Renfrewshire	0.060	3.148	1.178	0.290	0.000	0.002	-0.023	0.757	0.011	2.106
Edinburgh, City of	0.104	16.110	5.065	1.541	0.000	0.007	-0.110	2.022	0.027	5.814
Eilean Siar	0.054	0.598	0.410	0.068	1.287	0.001	-0.008	0.169	0.002	0.596
Falkirk	0.078	3.845	1.765	0.587	0.000	0.003	-0.023	0.905	0.009	2.593
Fife	0.118	9.337	4.208	1.407	0.000	0.006	0.924	1.983	0.023	5.459
Glasgow City	0.191	15.447	7.455	3.097	0.000	0.011	-0.073	3.041	0.045	8.699
Highland	0.088	6.865	2.785	0.734	0.525	0.004	-0.062	1.258	0.019	3.834
Inverclyde	0.063	1.871	0.973	0.313	0.000	0.001	-0.009	0.415	0.008	1.267
Midlothian	0.066	2.870	1.083	0.377	0.000	0.002	-0.017	0.583	0.008	1.657
Moray	0.065	2.485	1.038	0.296	0.000	0.002	-0.022	0.515	0.006	1.615
North Ayrshire	0.079	3.453	1.682	0.569	0.286	0.002	-0.022	0.765	0.010	2.378
North Lanarkshire	0.116	7.366	3.974	1.499	0.000	1.289	-0.036	1.983	0.029	6.128
Orkney	0.053	0.565	0.424	0.059	1.089	0.001	-0.007	0.139	0.002	0.548
Perth & Kinross	0.072	4.739	1.698	0.443	0.000	0.002	-0.036	0.760	0.010	2.258
Renfrewshire	0.078	4.897	2.076	0.692	0.000	0.003	-0.029	0.943	0.013	2.992
Scottish Borders	0.069	3.220	1.346	0.344	0.000	0.002	-0.031	0.575	0.007	1.864
Shetland	0.053	0.519	0.472	0.057	1.108	0.001	-0.005	0.181	0.002	0.585
South Ayrshire	0.068	3.311	1.338	0.369	0.000	0.002	-0.029	0.630	0.008	1.796
South Lanarkshire	0.102	7.869	3.710	1.212	0.000	0.005	-0.051	1.892	0.024	5.497
Stirling	0.062	2.923	1.067	0.266	0.000	0.002	-0.023	0.524	0.009	1.674
West Dunbartonshire	0.068	2.219	1.129	0.415	0.000	0.002	-0.010	0.505	0.009	1.655
West Lothian	0.083	4.486	2.066	0.750	0.000	0.003	-0.033	1.116	0.011	3.222
<b>Scotland</b>	<b>2.500</b>	<b>147.269</b>	<b>62.700</b>	<b>19.862</b>	<b>5.000</b>	<b>1.373</b>	<b>0.000</b>	<b>29.000</b>	<b>0.400</b>	<b>86.224</b>

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2024-25 – GENERAL

ANNEX G

GENERAL FUNDING	King's Theatre	Scottish Welfare Fund	LG Pay	Teacher numbers	School Milk	Ukraine	Green Freeport	Teacher Induction	Temporary Accom	Customer First Top Up	Verity House Resource	Total
												£m
Aberdeen City	0.000	0.599	-6.112	5.210	0.037	0.063	0.000	1.805	0.015	0.000	0.000	15.444
Aberdeenshire	0.000	0.505	3.545	7.349	0.059	0.163	0.000	0.899	0.015	0.000	0.000	29.812
Angus	0.000	0.359	1.602	3.039	0.022	0.053	0.000	0.093	0.015	0.000	0.000	12.272
Argyll & Bute	0.000	0.258	1.371	2.125	0.015	0.091	0.000	0.031	0.015	0.000	0.000	10.713
Clackmannanshire	0.000	0.223	0.745	1.399	0.010	0.053	0.000	0.439	0.015	0.000	0.000	6.288
Dumfries & Galloway	0.000	0.522	2.212	3.902	0.027	0.068	0.000	0.355	0.015	0.000	0.000	16.337
Dundee City	0.000	0.745	2.212	4.032	0.025	0.198	0.000	0.674	0.015	0.000	0.000	16.971
East Ayrshire	0.000	0.566	1.816	3.315	0.024	0.065	0.000	1.269	0.015	0.000	0.000	14.861
East Dunbartonshire	0.000	0.236	-1.414	3.388	0.023	0.053	0.000	3.092	0.015	0.000	0.000	13.530
East Lothian	0.000	0.327	1.504	2.952	0.023	0.053	0.000	0.582	0.015	0.000	0.000	12.782
East Renfrewshire	0.000	0.196	1.456	3.396	0.024	0.053	0.000	2.198	0.015	0.000	0.000	14.867
Edinburgh, City of	0.092	1.362	1.260	10.658	0.074	0.153	0.000	1.283	0.743	0.000	0.000	46.206
Eilean Siar	0.000	0.081	0.506	0.718	0.005	0.053	0.000	0.106	0.015	0.000	0.000	4.660
Falkirk	0.000	0.551	2.181	4.430	0.029	0.098	0.400	2.045	0.015	0.000	0.000	19.510
Fife	0.000	1.355	-4.798	10.165	0.068	0.163	0.000	2.452	0.091	0.000	0.000	32.963
Glasgow City	0.000	3.659	9.215	16.499	0.099	0.220	0.000	6.654	0.576	0.000	0.000	74.835
Highland	0.000	0.700	0.443	6.163	0.046	0.071	0.400	0.403	0.015	0.000	0.000	24.292
Inverclyde	0.000	0.426	-1.797	2.120	0.013	0.106	0.000	1.046	0.015	0.000	0.000	6.833
Midlothian	0.000	0.297	1.339	2.785	0.022	0.138	0.000	0.643	0.015	0.000	0.000	11.867
Moray	0.000	0.248	1.283	2.440	0.019	0.053	0.000	1.011	0.015	0.000	0.000	11.068
North Ayrshire	0.000	0.705	2.079	3.753	0.023	0.075	0.000	0.626	0.015	0.000	0.000	16.478
North Lanarkshire	0.000	1.555	-15.088	9.870	0.067	0.078	0.000	3.883	0.015	1.400	0.050	24.178
Orkney	0.000	0.046	0.523	0.634	0.004	0.053	0.000	0.034	0.015	0.000	0.000	4.181
Perth & Kinross	0.000	0.368	2.099	3.625	0.028	0.129	0.000	0.137	0.015	0.000	0.000	16.348
Renfrewshire	0.000	0.705	2.566	4.801	0.033	0.247	0.000	1.776	0.015	0.000	0.000	21.809
Scottish Borders	0.000	0.330	1.664	2.893	0.021	0.077	0.000	0.929	0.015	0.000	0.000	13.325
Shetland	0.000	0.039	0.584	0.746	0.005	0.053	0.000	0.054	0.015	0.000	0.000	4.471
South Ayrshire	0.000	0.421	1.653	2.947	0.020	0.101	0.000	1.108	0.015	0.000	0.000	13.759
South Lanarkshire	0.000	1.243	4.585	9.379	0.063	0.218	0.000	1.818	0.085	0.000	0.000	37.653
Stirling	0.000	0.249	1.319	2.562	0.017	0.053	0.000	0.929	0.015	0.000	0.000	11.647
West Dunbartonshire	0.000	0.481	1.395	2.595	0.016	0.205	0.000	0.528	0.015	0.000	0.000	11.225
West Lothian	0.000	0.639	2.553	5.613	0.039	0.141	0.000	3.048	0.099	0.000	0.000	23.835
<b>Scotland</b>	<b>0.092</b>	<b>20.000</b>	<b>24.500</b>	<b>145.500</b>	<b>1.000</b>	<b>3.400</b>	<b>0.800</b>	<b>41.949</b>	<b>2.000</b>	<b>1.400</b>	<b>0.050</b>	<b>595.019</b>

Local Authority	2025-26 GAE plus SINA	Percentage Shares	2008-25 Changes	2008-24 Changes	Movement in Changes
	£m	£m	£m	£m	£m
<b>Aberdeen City</b>	523.697	3.760	65.348	47.764	<b>17.585</b>
<b>Aberdeenshire</b>	637.726	4.578	79.577	58.636	<b>20.941</b>
<b>Angus</b>	287.956	2.067	35.932	26.503	<b>9.429</b>
<b>Argyll &amp; Bute</b>	249.581	1.792	31.143	22.679	<b>8.464</b>
<b>Clackmannanshire</b>	134.256	0.964	16.753	12.321	<b>4.432</b>
<b>Dumfries &amp; Galloway</b>	396.203	2.844	49.439	36.590	<b>12.850</b>
<b>Dundee City</b>	393.723	2.827	49.130	36.588	<b>12.541</b>
<b>East Ayrshire</b>	323.142	2.320	40.323	30.044	<b>10.278</b>
<b>East Dunbartonshire</b>	288.486	2.071	35.998	26.230	<b>9.768</b>
<b>East Lothian</b>	273.046	1.960	34.071	24.872	<b>9.199</b>
<b>East Renfrewshire</b>	266.279	1.912	33.227	24.079	<b>9.148</b>
<b>Edinburgh, City of</b>	1,125.543	8.081	140.448	103.553	<b>36.896</b>
<b>Eilean Siar</b>	90.574	0.650	11.302	8.377	<b>2.925</b>
<b>Falkirk</b>	390.473	2.803	48.724	36.077	<b>12.647</b>
<b>Fife</b>	932.866	6.697	116.406	86.038	<b>30.367</b>
<b>Glasgow City</b>	1,636.929	11.752	204.261	152.416	<b>51.844</b>
<b>Highland</b>	619.388	4.447	77.289	56.944	<b>20.345</b>
<b>Inverclyde</b>	215.824	1.549	26.931	19.894	<b>7.037</b>
<b>Midlothian</b>	244.007	1.752	30.448	22.142	<b>8.306</b>
<b>Moray</b>	230.595	1.656	28.774	21.216	<b>7.559</b>
<b>North Ayrshire</b>	369.484	2.653	46.105	34.387	<b>11.718</b>
<b>North Lanarkshire</b>	876.641	6.294	109.390	81.240	<b>28.150</b>
<b>Orkney</b>	99.291	0.713	12.390	8.659	<b>3.731</b>
<b>Perth &amp; Kinross</b>	380.234	2.730	47.447	34.723	<b>12.723</b>
<b>Renfrewshire</b>	463.777	3.330	57.871	42.439	<b>15.433</b>
<b>Scottish Borders</b>	297.874	2.139	37.170	27.526	<b>9.644</b>
<b>Shetland</b>	107.214	0.770	13.378	9.660	<b>3.719</b>
<b>South Ayrshire</b>	296.894	2.131	37.047	27.345	<b>9.702</b>
<b>South Lanarkshire</b>	829.202	5.953	103.470	75.844	<b>27.626</b>
<b>Stirling</b>	236.785	1.700	29.547	21.816	<b>7.731</b>
<b>West Dunbartonshire</b>	248.719	1.786	31.036	23.075	<b>7.961</b>
<b>West Lothian</b>	462.501	3.320	57.712	42.233	<b>15.479</b>
<b>Scotland</b>	<b>13,928.909</b>	<b>100.000</b>	<b>1,738.088</b>	<b>1,281.912</b>	<b>456.177</b>

2025-26 Authority	Capital Settlement			Specific Capital Grants						
	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	T MDF	Cycling Walking & Safer Streets	Inter Island Connectivity	Climate emergency	Total
Aberdeen City	21.047	0.993	22.040	0.000	0.000	0.000	0.993	0.000	0.000	0.993
Aberdeenshire	28.764	1.152	29.916	0.000	0.000	0.000	1.152	0.000	0.000	1.152
Angus	10.309	0.500	10.809	0.000	0.000	0.000	0.500	0.000	0.000	0.500
Argyll & Bute	11.951	0.383	12.334	0.000	0.000	0.000	0.383	0.000	0.000	0.383
Clackmannanshire	4.566	0.226	4.792	0.000	0.000	0.000	0.226	0.000	0.000	0.226
Dumfries & Galloway	46.676	0.635	47.311	0.000	0.000	0.000	0.635	0.000	0.000	0.635
Dundee City	14.166	0.655	14.821	0.000	0.000	0.000	0.655	0.000	0.000	0.655
East Ayrshire	9.196	0.526	9.722	0.000	0.000	0.000	0.526	0.000	0.000	0.526
East Dunbartonshire	8.036	0.476	8.512	0.000	0.000	0.000	0.476	0.000	0.000	0.476
East Lothian	-6.110	0.496	-5.614	0.000	0.000	0.000	0.496	0.000	0.000	0.496
East Renfrewshire	7.199	0.430	7.629	0.000	0.000	0.000	0.430	0.000	0.000	0.430
Edinburgh, City of	42.884	30.231	73.115	0.000	0.000	27.950	2.281	0.000	0.000	30.231
Eilean Siar	5.871	0.114	5.985	0.000	0.000	0.000	0.114	0.000	0.000	0.114
Falkirk	11.772	0.691	12.463	0.000	0.000	0.000	0.691	0.000	0.000	0.691
Fife	28.869	3.335	32.204	0.000	1.708	0.000	1.627	0.000	0.000	3.335
Glasgow City	52.488	68.956	121.444	0.000	1.907	64.295	2.754	0.000	0.000	68.956
Highland	26.352	1.030	27.382	0.000	0.000	0.000	1.030	0.000	0.000	1.030
Inverclyde	6.312	0.341	6.653	0.000	0.000	0.000	0.341	0.000	0.000	0.341
Midlothian	7.780	0.428	8.208	0.000	0.000	0.000	0.428	0.000	0.000	0.428
Moray	8.820	0.413	9.233	0.000	0.000	0.000	0.413	0.000	0.000	0.413
North Ayrshire	8.656	2.143	10.799	0.000	1.561	0.000	0.582	0.000	0.000	2.143
North Lanarkshire	23.687	3.386	27.073	0.000	1.896	0.000	1.490	0.000	0.000	3.386
Orkney Islands	5.336	10.096	15.432	0.000	0.000	0.000	0.096	10.000	0.000	10.096
Perth & Kinross	18.261	0.665	18.926	0.000	0.000	0.000	0.665	0.000	0.000	0.665
Renfrewshire	12.324	0.813	13.137	0.000	0.000	0.000	0.813	0.000	0.000	0.813
Scottish Borders	11.692	0.508	12.200	0.000	0.000	0.000	0.508	0.000	0.000	0.508
Shetland Islands	5.251	10.100	15.351	0.000	0.000	0.000	0.100	10.000	0.000	10.100
South Ayrshire	8.709	0.487	9.196	0.000	0.000	0.000	0.487	0.000	0.000	0.487
South Lanarkshire	21.686	1.967	23.653	0.000	0.528	0.000	1.439	0.000	0.000	1.967
Stirling	5.980	0.408	6.388	0.000	0.000	0.000	0.408	0.000	0.000	0.408
West Dunbartonshire	17.931	0.387	18.318	0.000	0.000	0.000	0.387	0.000	0.000	0.387
West Lothian	13.039	0.801	13.840	0.000	0.000	0.000	0.801	0.000	0.000	0.801
Undistributed	81.500	40.000	121.500	0.000	0.000	0.000	0.000	0.000	40.000	40.000
<b>Councils Total</b>	<b>581.000</b>	<b>183.772</b>	<b>764.772</b>	<b>0.000</b>	<b>7.600</b>	<b>92.245</b>	<b>23.927</b>	<b>20.000</b>	<b>40.000</b>	<b>183.772</b>
Strathclyde Partnership for Transport	0.000	12.400	12.400	12.400	0.000	0.000	0.000	0.000	0.000	12.400
	<b>581.000</b>	<b>196.172</b>	<b>777.172</b>	<b>12.400</b>	<b>7.600</b>	<b>92.245</b>	<b>23.927</b>	<b>20.000</b>	<b>40.000</b>	<b>196.172</b>

<b>Council</b>	<b>Flood Scheme</b>	<b>Total 2025-26</b>
		<b>£m</b>
Aberdeenshire Council	Stonehaven	5.753
Aberdeenshire Council	Huntly	0.000
Angus Council	Arbroath	0.000
Argyll & Bute Council	Campbeltown	0.941
Comhairle nan Eilean Siar	South Fords	0.000
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	31.485
Dumfries & Galloway Council	Stranraer work item 4 &6	0.131
Dumfries & Galloway Council	Langholm	0.000
Dumfries & Galloway Council	Newton Stewart/ River Cree	-0.616
Dundee City Council	Broughty Ferry	0.000
Dundee City Council	Dundee	0.000
East Ayrshire Council	New Cumnock	0.000
East Dunbartonshire Council	Park Burn	0.000
East Lothian Council	Musselburgh	-15.878
East Lothian Council	Haddington	0.600
Falkirk Council	Grangemouth FPS	0.000
Fife Council	Kinness Burn	0.960
Glasgow City Council	White Cart Water Phase 3	0.000
Glasgow City Council	Camlachie Burn	0.000
Highland Council	Smithton and Culloden	-0.029
Highland Council	Caol and Lochyside	0.151
Highland Council	Drumnadrochit	-0.029
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	0.000
Inverclyde Council	Inverclyde FPS - Coves Burn	0.000
Inverclyde Council	Inverclyde FPS - Bouverie Burn	0.000
Inverclyde Council	Quarrier's Village	0.000
Moray Council	Newmill	0.000
North Ayrshire Council	Millport Coastal	-3.200
North Ayrshire Council	Upper Garnock FPS	0.000
North Ayrshire Council	Mill Burn Millport	0.994
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	8.109
Perth & Kinross Council	Milnathort	0.000
Perth & Kinross Council	South Kinross	-4.152
Perth & Kinross Council	Scone	0.333
Scottish Borders Council	Hawick	0.000
Stirling Council	Bridge of Allan	-5.011
Stirling Council	Stirling	0.000
Stirling Council	Callander	2.113
West Dunbartonshire Council	Gruggies Burn	10.944
	<b>Total</b>	<b>33.600</b>

<b>2024-25 General Capital Grant</b>	Circular 2/2024	MoD Forthside	Active Travel	Landfill Ban Compliance	Free School Meals	Ferries	LG Pay	King Theatre	<b>2024-25 Total</b>
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	17.518	0.000	1.557	0.000	0.000	0.000	9.000	0.000	<b>28.075</b>
Aberdeenshire	20.522	0.000	1.232	0.000	0.309	0.000	0.000	0.000	<b>22.063</b>
Angus	9.542	0.000	0.642	0.000	0.056	0.000	0.000	0.000	<b>10.240</b>
Argyll & Bute	9.256	0.000	0.395	1.500	0.000	0.000	0.000	0.000	<b>11.151</b>
Clackmannanshire	4.169	0.000	0.359	0.000	0.256	0.000	0.000	0.000	<b>4.784</b>
Dumfries & Galloway	4.251	0.000	0.721	0.000	3.865	0.000	0.000	0.000	<b>8.837</b>
Dundee City	12.689	0.000	1.084	0.000	0.156	0.000	0.000	0.000	<b>13.929</b>
East Ayrshire	7.588	0.000	0.745	0.000	0.132	0.000	0.000	0.000	<b>8.465</b>
East Dunbartonshire	7.033	0.000	0.746	0.000	0.045	0.000	3.000	0.000	<b>10.824</b>
East Lothian	25.788	0.000	0.691	0.000	0.083	0.000	0.000	0.000	<b>26.562</b>
East Renfrewshire	5.399	0.000	0.672	0.000	1.741	0.000	0.000	0.000	<b>7.812</b>
Edinburgh, City of	35.612	0.000	3.632	0.000	0.798	0.000	5.000	0.459	<b>45.501</b>
Eilean Siar	6.061	0.000	0.200	0.000	2.036	0.000	0.000	0.000	<b>8.297</b>
Falkirk	9.791	0.000	1.099	0.000	2.954	0.000	0.000	0.000	<b>13.844</b>
Fife	25.744	0.000	2.307	0.000	9.139	0.000	10.000	0.000	<b>47.190</b>
Glasgow City	47.842	0.000	4.605	0.000	12.999	0.000	0.000	0.000	<b>65.446</b>
Highland	23.347	0.000	1.168	0.000	0.101	0.000	3.000	0.000	<b>27.616</b>
Inverclyde	6.022	0.000	0.538	0.000	0.513	0.000	3.000	0.000	<b>10.073</b>
Midlothian	6.986	0.000	0.655	0.000	0.026	0.000	0.000	0.000	<b>7.667</b>
Moray	7.959	0.000	0.434	0.000	0.092	0.000	0.000	0.000	<b>8.485</b>
North Ayrshire	9.607	0.000	0.907	0.000	0.000	0.000	0.000	0.000	<b>10.514</b>
North Lanarkshire	22.270	0.000	2.434	0.000	0.479	0.000	20.000	0.000	<b>45.183</b>
Orkney	4.915	0.000	0.200	0.000	0.025	3.000	0.000	0.000	<b>8.140</b>
Perth & Kinross	25.567	0.000	0.739	0.000	2.325	0.000	0.000	0.000	<b>28.631</b>
Renfrewshire	11.530	0.000	1.305	0.000	1.292	0.000	0.000	0.000	<b>14.127</b>
Scottish Borders	10.412	0.000	0.545	0.000	0.900	0.000	0.000	0.000	<b>11.857</b>
Shetland	4.992	0.000	0.200	0.000	0.000	0.000	0.000	0.000	<b>5.192</b>
South Ayrshire	8.244	0.000	0.688	0.000	1.158	0.000	0.000	0.000	<b>10.090</b>
South Lanarkshire	20.156	0.000	2.122	0.000	0.331	0.000	0.000	0.000	<b>22.609</b>
Stirling	20.348	5.000	0.508	0.000	0.000	0.000	0.000	0.000	<b>25.856</b>
West Dunbartonshire	3.789	0.000	0.646	0.000	1.190	0.000	0.000	0.000	<b>5.625</b>
West Lothian	10.888	0.000	1.224	0.000	4.999	0.000	0.000	0.000	<b>17.111</b>
Undistributed	89.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>20.000</b>
<b>Scotland</b>	<b>534.837</b>	<b>5.000</b>	<b>35.000</b>	<b>1.500</b>	<b>48.000</b>	<b>3.000</b>	<b>53.000</b>	<b>0.459</b>	<b>611.796</b>

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2025-26 Revenue	General Capital Grant	Specific Grant	Total 2025-26 Capital	2025-26 Local Government Finance Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	3.359	200.361	291.184	494.904	21.047	0.993	22.040	516.944
Aberdeenshire	3.240	130.389	481.684	615.313	28.764	1.152	29.916	645.229
Angus	2.315	28.346	257.174	287.836	10.309	0.500	10.809	298.645
Argyll & Bute	4.539	42.809	212.185	259.534	11.951	0.383	12.334	271.868
Clackmannanshire	1.670	19.834	113.040	134.544	4.566	0.226	4.792	139.336
Dumfries & Galloway	3.270	64.534	329.359	397.163	46.676	0.635	47.311	444.474
Dundee City	5.107	71.406	322.391	398.904	14.166	0.655	14.821	413.725
East Ayrshire	3.987	33.087	285.217	322.291	9.196	0.526	9.722	332.013
East Dunbartonshire	1.825	26.697	246.328	274.850	8.036	0.476	8.512	283.362
East Lothian	1.826	60.072	196.348	258.246	-6.110	0.496	-5.614	252.632
East Renfrewshire	1.551	15.871	243.947	261.368	7.199	0.430	7.629	268.997
Edinburgh, City of	8.240	400.788	650.016	1,059.044	42.884	30.231	73.115	1,132.159
Eilean Siar	1.310	9.387	107.340	118.038	5.871	0.114	5.985	124.023
Falkirk	3.975	82.693	294.331	380.999	11.772	0.691	12.463	393.462
Fife	10.478	171.721	745.340	927.538	28.869	3.335	32.204	959.742
Glasgow City	23.789	402.292	1,253.038	1,679.119	52.488	68.956	121.444	1,800.563
Highland	6.721	167.986	446.245	620.952	26.352	1.030	27.382	648.334
Inverclyde	2.650	20.806	199.043	222.499	6.312	0.341	6.653	229.152
Midlothian	2.444	36.433	199.724	238.601	7.780	0.428	8.208	246.809
Moray	1.485	58.035	170.080	229.599	8.820	0.413	9.233	238.832
North Ayrshire	4.290	44.123	326.897	375.310	8.656	2.143	10.799	386.109
North Lanarkshire	9.943	122.759	737.022	869.724	23.687	3.386	27.073	896.797
Orkney	21.054	11.759	73.181	105.994	5.336	10.096	15.432	121.426
Perth & Kinross	1.967	63.537	298.739	364.242	18.261	0.665	18.926	383.168
Renfrewshire	4.718	108.844	338.663	452.225	12.324	0.813	13.137	465.362
Scottish Borders	1.948	43.024	247.235	292.207	11.692	0.508	12.200	304.407
Shetland	24.934	26.492	67.490	118.916	5.251	10.100	15.351	134.267
South Ayrshire	2.624	49.811	239.079	291.514	8.709	0.487	9.196	300.710
South Lanarkshire	9.133	371.110	425.590	805.832	21.686	1.967	23.653	829.485
Stirling	1.568	46.246	186.540	234.354	5.980	0.408	6.388	240.742
West Dunbartonshire	3.408	84.737	164.703	252.848	17.931	0.387	18.318	271.166
West Lothian	5.473	98.011	355.585	459.069	13.039	0.801	13.840	472.909
Strathclyde Passenger Transport	-	-	-	-	-	12.400	12.400	12.400
Undistributed	87.062	0.000	354.449	441.511	81.500	40.000	121.500	563.011
<b>Scotland</b>	<b>271.903</b>	<b>3,114.000</b>	<b>10,859.185</b>	<b>14,245.088</b>	<b>581.000</b>	<b>196.172</b>	<b>777.172</b>	<b>15,022.260</b>

**Clackmannanshire Council****Non-Domestic Rates Empty Relief Policy****1.0 Purpose**

- 1.1. The purpose of this report is to provide information to allow Council to review and agree the proposed Non-Domestic Rates Empty Property Relief Policy (Appendix G1).

**2.0 Background**

- 2.1. Non-Domestic Rates (NDR) are a tax on business, commercial, industrial and other miscellaneous property types. All properties are given a rateable value by the Scottish Assessors; this value is then used along with the nationally set Non-Domestic Rate poundage to determine the charges of each property. Some of these properties are exempt from charges or pay reduced amounts if they qualify for reliefs set out in legislation.
- 2.2. The amount of NDR actually collected in-year often differs from the original forecast provided by local authorities to the Scottish Government; sometimes it's more, sometimes it's less. To protect local authorities from these differences, the Scottish Government guarantees the amount of NDR income local authorities will receive. The Scottish Government pays any shortfall, and keeps any extra collected, and then adjusts the following year's guaranteed amounts accordingly. This process is often referred to as the "NDR pooling arrangement".
- 2.3. The Scottish Government devolved NDR Empty Property Relief to local authorities from 1<sup>st</sup> April 2023. The view was that this allows Councils to set their own local arrangements to best align the use of the relief. Since 1<sup>st</sup> April 2023, The Council had agreed to mirror previous legislation in 2023/24 and 2024/25 whilst reviewing annually.
- 2.4. The key legislation which previously permitted Empty Property Rates Relief are S.24-25 of the Local Government (Scotland) Act 1966, The Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 1994, and the Non-Domestic Rating (Unoccupied Property) (Scotland) Regulations 2018. Section 19 of the Non-Domestic Rates (Scotland) Act 2020 provides for the 1966 Act to be repealed and the Non-Domestic Rates (Scotland) Act 2020 (Commencement No. 2, Transitional and Saving Provisions (Amendment) and Commencement No. 3 and Saving Provision) Regulations 2022 gives effect to that. The Act was repealed with effect from 1st April 2023.
- 2.5. To compensate local authorities for the cost of delivering empty property relief, the Scottish Government have confirmed funding of £105m per annum until 2025-26. For Clackmannanshire Council, the funding is £562k per annum

### 3.0 Considerations

- 3.1. The current Empty Property Relief Scheme awards relief either as time limited or without limit of time as follows:

#### Relief to be awarded – Time Limited

- Unoccupied industrial property is eligible for 100% relief for the first six months since becoming unoccupied, and 10% awarded thereafter until occupied.
- Standard (non-industrial) unoccupied property is eligible for 50% relief for the first three months since becoming unoccupied and awarded 10% thereafter until occupied.

#### 100% Relief awarded – without limit of time

100% relief indefinitely awarded for unoccupied properties which meet any of the following:-

- Empty property is a listed building.
- The rateable subjects are:
  - a) Subject of a building preservation notice/s as defined by Section 56 of the Town and Country Planning (Scotland) act 1972(a) or included in a list compiled under Section a of that Act; or
  - b) Included in the Schedule of Monuments compiled under Section 11 of the Ancient Monuments and Archaeological Areas Act;
- Empty property where the rateable value is under £1,700.
- Empty property which is owned by a trustee for sequestration, liquidation, or executors.
- The person entitled to possession of the lands and heritages is so entitled by virtue only of being:-
  - a) The trustee under a trust deed for creditors; or
  - b) The trustee under an award of sequestration; or
  - c) The executor of the estate of a deceased person.
- Empty property where the owner is a company or partnership being wound up under the Insolvency Act.
  - a) The person entitled to possession of the lands and heritages is so entitled in his capacity as liquidator by virtue of an order made under Section 112 or Section 145 of the Insolvency Act 1986 (d); or

b) The owner of the lands and heritages is a company which is subject to a winding-up order made under the Insolvency Act 1986, or which is being wound up voluntarily under that Act.

- Empty property which cannot be occupied by law.
- The owner of the lands and heritages are prohibited by law from occupying them or allowing them to be occupied.
- Empty property which is under a compulsory purchase order.
- The lands and heritages are kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation of the lands and heritages or to acquiring them.
- Empty property which has no buildings (i.e. land).

4.2 The following table provides a breakdown of current empty properties across Clackmannanshire, with the relevant value of relief being awarded under the current policy.

<b>Type of Empty Relief</b>	<b>Total no. of Empty Properties</b>	<b>Total NDR Charge (£)</b>	<b>Total Relief Awarded 2024/25 (£)</b>	<b>Council owned</b>	<b>Total NDR Charge (£)</b>	<b>Value of Relief (£)</b>
Standard	45	183,004	21,840	16	54,830	5,642
Industrial Property	7	64,288	15,724	2	33,860	623
Insolvent	1	3,253	3,253	-	-	-
Listed Building	28	87,637	87,637	2	84,785	84,785
Occupation Prohibited by Law	4	14,569	14,569	-	-	-
RV Less than 1700	41	20,831	20,831	8	774	774
Deceased	-	-	-	-	-	-
Vacant Ground	10	49,848	49,848	5	15,637	15,637
<b>TOTAL</b>	<b>136</b>	<b>423,430</b>	<b>213,702</b>	<b>33</b>	<b>189,886</b>	<b>107,461</b>

#### Proposed Empty Property Relief from 1<sup>st</sup> April 2025

- 3.2. From 1<sup>st</sup> April 2025, Officers propose that the empty property relief entitlement be reduced on qualifying business rates property, which will in turn encourage owners to bring empty properties into use.
- 3.3. While officers recognise the economic challenges businesses face due to the cost-of-living crisis, they believe that providing unlimited rates relief for empty properties removes any incentive to bring them back into use. The proposed

change to empty property relief aims to encourage property owners to re-occupy these properties.

- 4.4 The revised policy provides a standard rate of relief on all empty properties with the exception of those properties where the owner is deceased or insolvent. In these situations 100% relief will apply with no time limit.
- 4.5 The standard empty relief will be awarded for a maximum of one year from 1<sup>st</sup> April 2025 as follows:
- 50% relief for the first 3 months after the rateable occupation ends
  - 10% relief for a further 9 months
  - No relief after the property has been empty for one year.
- 4.6 The new policy will take effect from 1<sup>st</sup> April 2025. The empty date will be reset for all properties to 1<sup>st</sup> April 2025, and entitlement will begin from this date. This will slightly advantage those businesses currently receiving the standard empty property relief. However, this will also allow those businesses who are negatively impacted by the policy change, time to potentially bring the empty property back into use.
- 4.7 The maximum backdate of relief will be the beginning of the financial year in which the application is made.
- 4.8 It should be noted that this policy change will also impact properties owned by Clackmannanshire Council. There are currently 33 as detailed in 4.4

## 5.0 Implications

- 5.1 The following table shows the total estimated charge including the uplift on the rates poundage for 2025/26, and the estimated relief to be awarded under the new policy for the current empty properties across Clackmannanshire. The table also shows the same information for Council owned properties

<u>Total no. of Empty Properties</u>	<u>Total NDR Charge (£)</u>	<u>Total Relief Awarded 2025/26 (£)</u>		<u>Council owned</u>	<u>Total NDR Charge (£)</u>	<u>Value of Relief (£)</u>
136	454,896	90,979		33	171,177	45,235

Based on current numbers of empty properties, the financial impact in 2025/26 would be:

- The cost of awarding the empty relief would reduce from £204k to £91k, representing a saving of £471k against the £562k granted from Scottish Government to cover the cost of the empty property scheme (3.5)

- However, there would be an additional cost of £137k to the Council arising from Council owned empty properties.
- The overall net saving would therefore be £334k.

5.2 The proposed policy is consistent with several other Local Authorities' approach to empty properties throughout Scotland.

**Clackmannanshire Council****Non-Domestic Rates Empty Relief Policy****1. Scope**

Clackmannanshire Council, as all other Local Authorities in Scotland, is required to have a policy on the reliefs available to empty property within Non-Domestic Rates.

This policy will be effective from 1<sup>st</sup> April 2025 and replaces the previous policy approved, which was effective from 1<sup>st</sup> April 2024

**2. Definition**

Empty properties are properties listed in the Valuation Roll by the Assessors for Central Scotland that are unoccupied.

For determining eligibility for empty relief, a property is considered empty if all movable items have been removed.

Properties undergoing refurbishment are also classified as empty. However, if a property is being used for storage and has contents insurance, it does not qualify for empty relief.

**3. Extent to which relief can be awarded for subjects completely unoccupied.**

The following relief will be awarded, where appropriate conditions are met, usually following an application made by ratepayer or their agent.

**Relief to be awarded – time limited**

The introduction of a standard rate of relief where unoccupied property is eligible for;

- 50% relief for the first three months since becoming unoccupied
- Followed by 10% relief for nine months
- No relief will be granted after 12 months

**Relief to be awarded – without limit of time**

100% relief will be awarded indefinitely for unoccupied properties which meet any of the following:-

- Empty property which is owned by a trustee for sequestration, liquidation, or executors.

- The person entitled to possession of the lands and heritages is so entitled by virtue of being: -
  - a) The trustee under a trust deed for creditors; or
  - b) The trustee under an award of sequestration; or
  - c) The executor of the estate of a deceased person.
- Empty property where the owner is a company or partnership being wound up under the Insolvency Act.
  - a) The person entitled to possession of the lands and heritages is so entitled in his capacity as liquidator by virtue of an order made under Section 112 or Section 145 of the Insolvency Act 1986 (d); or
  - b) The owner of the lands and heritages is a company which is subject to a winding-up order made under the Insolvency Act 1986, or which is being wound up voluntarily under that Act.

### **Important Notes**

This policy has no impact on occupied properties. Empty Property Relief does not affect other statutory reliefs such as Fresh Start Relief or New and Improved Reliefs.

All reliefs awarded are included for Subsidy Control purposes.

The maximum backdate of relief will be the beginning of the financial year, in which the application is made.

#### **4. Implementation**

This policy will take effect from 1st April 2025. The empty date for all properties will be reset to 1st April 2025, and entitlement will begin from then.

#### **5. Review**

This policy be reviewed on an annual basis to assess financial viability to the Council and impact on local business.

**Councillor Ellen Forson**  
**Leader of Clackmannanshire Council**  
Ward 4 Clackmannanshire South (Multi Member Ward)  
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**Clackmannanshire  
Council**

www.clacks.gov.uk

Comhairle Siorrachd  
Chlach Mhanann

Rt Hon Rachel Reeves MP  
House of Commons  
London  
SW1A 0AA



Contact: Jackie Davies  
Business Support Administrator  
Telephone: [REDACTED]  
Email: [REDACTED]  
Our ref: EF/JD  
Date: 17/02/2025

Dear Chancellor Rachel Reeves,

### **Financial Impact of Changes to National Insurance Contributions on Clackmannanshire Council**

I am writing on behalf of Clackmannanshire Council to raise urgent concerns regarding the financial implications of the recent changes to National Insurance contributions. As a local authority responsible for delivering essential public services, we will experience significant pressures as a result of these changes.

The recent amendments to National Insurance contributions, including the reduction in employee rates and changes to employer obligations, have placed a considerable financial strain on our council budget.

While we acknowledge the intended benefits of easing tax burdens on individuals and businesses, the impact on Scottish local government finances cannot be overlooked. Scotland's higher public sector workforce, compared to England, creates a substantial funding shortfall for covering the National Insurance increase announced by the UK Government, and additional pressures will be passported to Local Authorities from our commissioned services/third sector partners as no provision has been made in respect to this.

We have a number of signification concerns that we would wish to highlight :-

#### **Increased Financial Burden on Council Budgets**

Clackmannanshire Council is already operating within tight fiscal constraints. The rising cost of employer National Insurance contributions, combined with increasing inflationary pressures, is further exacerbating our financial position. This threatens our ability to sustain essential services, including social care, education, and public health.

### **Impact on Workforce and Service Delivery**

Local authorities are among the largest employers in their regions. The increased costs associated with these changes may necessitate difficult decisions regarding staffing levels, recruitment, and service provision. At a time when demand for local services is higher than ever, this creates an unsustainable model that could negatively affect our residents.

### **Lack of Corresponding Financial Support from Central Government**

Without additional funding that covers the full direct cost of the NI increase, we face severe financial shortfalls, which could lead to cuts in vital services that communities rely upon.

In light of these concerns, Clackmannanshire Council urges the UK Government to:

- Provide additional financial support to the Scottish Government to fully compensate the public sector for the increased employer National Insurance contributions.
- Provide additional financial support to reflect the ongoing pressures through increased provider costs caused by these changes.
- Engage directly with local councils to assess the full impact and collaboratively develop solutions that ensure funding provided to Scottish Government is sufficient to safeguard essential services.

As a Council we remain committed to delivering high-quality public services, but without urgent intervention, the financial sustainability of our local authority will be severely compromised.

We appreciate your attention to this critical issue and look forward to your support in addressing the challenges outlined in this letter.

Yours sincerely,



Councillor Ellen Forson  
Leader of Clackmannanshire Council

