

Notice of Meeting and Agenda Audit, Risk and Scrutiny Board

Date	Time	Venue
Monday, 06 November 2023	15:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

MARK CONAGHAN
Head of Corporate Governance

Membership

Councillor Andy Doig (Convener): Councillor Kevin Montgomery (Depute Convener):

Councillor Jennifer Adam: Councillor Chris Gilmour: Councillor John Gray: Councillor Lisa-Marie Hughes: Councillor Robert Innes: Councillor James MacLaren: Councillor Janis McDonald:

Hybrid Meeting

Please note that this meeting is scheduled to be held in the Council Chambers. However, it is a hybrid meeting and arrangements have been made for members to join the meeting remotely should they wish.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online

at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please email
democratic-services@renfrewshire.gov.uk

Webcasting of Meeting

This meeting will be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Convener will confirm if all or part of the meeting is being filmed. To find the webcast please navigate to

<https://renfrewshire.public-i.tv/core/portal/home>

Apologies

Apologies from members.

Declarations of Interest and Transparency Statements

Members are asked to declare an interest or make a transparency statement in any item(s) on the agenda and to provide a brief explanation of the nature of the interest or the transparency statement.

AUDIT

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Report by Lead Officer.

AUDIT EXEMPT

Exempt Item

Exempt documents are no longer available in print format. You will require to log in to Audit, Risk & Scrutiny Exempt Items to access documents. Please note that access to exempt documents is now restricted.

EXCLUSION OF PRESS AND PUBLIC

The Board may by resolution exclude the press and public from the meeting during consideration of the following items of business as it is likely, in view of the nature of the business to be transacted, that if members of the press and public are present, there could be disclosure to them of exempt information as defined in paragraph 1 of Part I of Schedule 7A of the Local Government (Scotland) Act, 1973.

14 Summary of Internal Audit Investigation Reports for period 1 July to 30 September 2023

Report by Chief Auditor.



To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Director of Finance and Resources

Heading: Azets Report to those charged with governance - Renfrewshire Council Group Annual Accounts 2022/23

1. Summary

- 1.1 Each year the Council's appointed external auditors carry out an audit of the Council's financial statements and provide an opinion as to whether those statements provide a true and fair view of the financial position of the Council, and its income and expenditure for the year; and also whether they have been prepared in accordance with the Local Government (Scotland) Act 1973.
- 1.2 In accordance with International Auditing Standards (ISA260), the external auditor, Azets, is obliged to report to those charged with the governance of the organisation matters which have arisen in the course of the audit.
- 1.3 The attached ISA260 report from Azets outlines their findings from the audit of the 2022/23 the Renfrewshire Council Group accounts.
- 1.4 Under the Local Authority Accounts (Scotland) Regulations 2014, the Council must meet to consider the Annual Accounts and aim to approve those accounts for signature no later than 30 September.
- 1.5 Azets officers will attend the Audit, Risk and Scrutiny Board meeting to present their reports.
- 1.6 There were two material adjustments made to the annual accounts over the course of the audit. They were:
- updated property values of schools and leisure centres, following the receipt of revised valuation calculations; and

- the value of the Council’s pension asset disclosed in the Balance Sheet required to be changed following late guidance issued by Audit Scotland in July 2023, which warranted further actuarial calculations to identify the pension asset cap or ‘ceiling’ that can be reported in the accounts.

Further detail is included in Azets’ Annual Audit report, presented at agenda item 1. Other minor and presentational changes were also agreed.

2. Recommendations

- 2.1 Members are requested to consider the attached report from Azets.
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Implications of the Report

1. **Financial** – The 2022/23 Annual Accounts demonstrate the Council continues to operate services within the resources available, and in line with the relevant legislation.
 2. **HR & Organisational Development** – none directly arising from this report.
 3. **Community/Council Planning** – none directly arising from this report.
 4. **Legal** – An audit opinion free from qualification demonstrates the Council’s compliance with the statutory accounting requirements set out in the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.
 5. **Property/Assets** – none directly arising from this report.
 6. **Information Technology** – none directly arising from this report.
 7. **Equality & Human Rights** – none directly arising from this report.
 8. **Health & Safety** – none directly arising from this report.
 9. **Procurement** – none directly arising from this report.
 10. **Risk** – none directly arising from this report.
 11. **Privacy Impact** – none directly arising from this report.
 12. **Cosla Policy Position** – none directly arising from this report.
 13. **Climate Risk** – none directly arising from this report.
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Author: Christine McCourt, Head of Finance and Procurement



Renfrewshire Council

**2022/23 Annual Audit Report to the
Council and the Controller of Audit DRAFT**

November 2023



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Key messages

This report concludes our audit of Renfrewshire Council (the “Council”) for the year ended 31 March 2023. This section summarises the key findings and conclusions from our audit.

Financial statements audit

Audit opinion	<p>The annual accounts will be considered and approved by the full Council.</p> <p>Our independent auditor’s report is expected to be unqualified, subject to finalising our work on asset valuations and subsequent events confirmations.</p>
Key audit findings	<p>The Council has appropriate administrative processes in place to prepare the annual accounts and the supporting working papers. We have obtained adequate evidence in relation to the key audit risks identified in our audit plan.</p> <p>The accounting policies used to prepare the financial statements are considered appropriate. We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements. All material disclosures required by relevant legislation and applicable accounting standards have been made appropriately.</p>

Audit adjustments	<p>We identified two material adjustments. The first is an adjustment of £258.3 million reducing the pension fund asset. This relates to a technical accounting adjustment to limit recognition of the pension asset to the Fund's pension 'asset ceiling' in compliance with accounting standards and guidance published by Audit Scotland in July 2023.</p> <p>The second is a £20.6million adjustment and reduction to the value of property assets identified following a review of property valuation calculations which had incorrectly included void areas in valuations.</p> <p>The Council updated the financial statements for all the potential audit adjustments identified during the audit process. This decreased the total comprehensive income to £255.8 million.</p> <p>We also identified some minor disclosure and presentational adjustments during our audit, all of which have been reflected in the final set of financial statements.</p>
Accounting systems and internal controls	<p>We have applied a risk-based methodology to the audit. This approach requires us to document, evaluate and assess the Council's processes and internal controls relating to the financial reporting process.</p> <p>Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we include these in this report. We consider the control environment within the Council to be satisfactory.</p>

Wider scope audit

Dargavel Primary school

We have reviewed the Council's response to the independent report on issues relevant to the building of Dargavel Primary School (the 'Bowles Report') and evaluated the Council's plans and progress in implementing the recommendations contained in that report.

The Bowles Report identified a number of historic significant failures in scrutiny, governance and working practices across a number of Council services in relation to the handling of the Dargavel Development. These failures led to the Council commissioning the developer of the Dargavel site (BAE Systems) to build a school with significantly fewer places than required by the scale of the development and the local area. The Council has accepted the Bowles Report recommendations and

acted quickly to develop a detailed action plan to take forward its response to those recommendations.

A key outcome is that the Council is now required to build a new and unplanned school to meet the needs of primary school age pupils in Dargavel and will also be required to deliver a larger extension than originally planned to provide the required high school capacity. This will incur additional cost. The Council is currently estimating completion of the new primary school by August 2027.

The initial capital cost of the new primary school is estimated at between £42million-45million, with the capital cost of additional secondary school provision at c£30million, and the Developer required to contribute approximately half of the second element of the cost. The estimated net cost to the Council of £60million is expected to be met from borrowing, resulting in interest payments of c£4million per annum. The costs do not include the running costs of the new school which the Council estimates, on a net basis, will be c£0.5million per annum.



These unplanned annual costs are incorporated into the Council's medium term financial plan (MTFP) as they impact on budgets from the 2027 financial year. As noted below, the Council has included these additional costs in its MTFP which has identifies a budget gap of up to £50million between existing expenditure plans and available funding.

We note that, once the issues relating to Dargavel School became apparent, the Council acted quickly to commission a full independent review (the Bowles Report) and has been open and transparent in publishing and communicating the outcomes from this review and in addressing the issues raised.

In parallel to the independent review progressing, the Council's focus has been to engage and communicate with the local communities impacted by the Dargavel School issue to address concerns and prioritise the education needs of local children. The Council has also been in negotiations with the Developer of the Dargavel site to secure the necessary land for building the new school and is establishing robust and accurate long-term projections of educational demand that is expected to emerge from Dargavel Village once completed, to inform key decisions.

Our report includes a small number of recommendations for the Council to consider in strengthening its response to the Bowles Report findings, mainly in relation to the monitoring and measurement of progress in implementing some recommendations.

Wider scope themes

<p>Financial Management</p> <p>Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p>	<p>Auditor judgement</p> <p>Financial management remains challenging in the current funding and post-pandemic environment.</p> <p>The Council reported a revenue overspend of £7.5million in 2022/23 caused mainly by the impact of inflation on the cost of fuel and materials, and the effect of pay awards in increased staff costs.</p> <p>The Council was not able to fully deliver its capital programme spend and some projects in line with original plans due to the ongoing impact of COVID and complex nature of some of the projects. Capital projects with a value of c£42million (25% of the capital programme) had to be re-profiled in the year.</p> <p>The Council has appropriate financial monitoring arrangements in place and we have not identified any significant weaknesses in financial controls.</p>	
<p>Financial Sustainability</p> <p>Financial sustainability looks forward to the</p>	<p>Auditor judgement</p>	

medium and longer term to consider whether the Board is planning effectively to continue to deliver its services and the way in which they should be delivered.

The Council approved its 2023/24 revenue budget at its meeting in March 2023 and agreed a 6% increase in council tax and utilisation of non-recurring reserve funding of up to £12million to achieve a break-even position. The projected year end outturn is an overspend of £5.7million (or 1% of the budget).

Medium term financial sustainability remains challenging as the Council is estimating a budget deficit of between £45million to £50million for the forecast period from 2023/24 and 2026/27. These already challenging savings targets now include c£4m cost per annum for the addition of costs required to service debt associated with the Dargavel Primary school issue.

The Council has reported cost savings of over £170million since 2011 and further savings will be challenging to achieve without a detrimental impact on the services. The Council must now make difficult decisions on spending priorities if it is to remain financially sustainable.

The Council has an ambitious £700 million capital programme in place over the next five years for both housing and non-housing programmes. Since the pandemic, the Council has not been able to fully deliver capital spend and some projects in line with original plans due to a number of market related factors, including the cost of materials, supply chain issues and availability of contractors. Given the scale of the Council's ongoing programme this is likely to remain a continuing area of challenge.

Vision, Leadership and Governance

Vision, Leadership and Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

Auditor judgement



The Council approved a new Council Plan in September 2022, articulating its vision, priorities and strategic objectives. The Plan has five main strategic outcomes: Place, Economy, Fair, Green and Living our values.

The Council operates an 'Audit, Risk and Scrutiny Board' which is chaired by an independent councillor. Our audit found some scope to better clarify the role of the Audit, Risk and Scrutiny Board within the Council's overall scrutiny arrangements and we welcome the Council's decision to undertake a review of its scrutiny and governance arrangements in the coming year. This will include an assessment of the effectiveness of the Audit, Risk and Scrutiny Board alongside the relevant CIPFA good practice guidance.

The Council has approved and adopted a Local Code of Corporate Governance and complies with that Code.

Use of Resources to Improve Outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.

Auditor judgement



The Council continues to recover from the post pandemic environment with the pace of improvement impacted by a high inflation economy and a challenging local government funding settlement.

The Council has generally good arrangements for performance management and operates a layered performance management framework aligned to its strategic objectives. Performance outcomes are available on the Council’s website, using a wide range of user friendly and easy to follow presentations, dashboards and narrative.

The Council mostly met its key performance indicator targets in relation to people support, although performance declined relative to the prior year in some areas (e.g. children services), while other services (e.g. employment and support) reported improved performance outcomes. Care, buildings and road indicators recorded an overall decline in service performance.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure Best Value.

We have considered the effectiveness of council leadership in developing new local strategic priorities following the elections in May 2022. Our key findings and conclusions are summarised below.

Council leadership in developing new local strategic priorities

Auditor judgement



Renfrewshire Council has a clear strategic ambition. The overall vision is for “Creating a fairer Renfrewshire built on innovation, wellbeing and opportunity”.

The Council has an ambitious strategic plan which contains numerous actions to improve service delivery across the complex range of council services. Whilst this is commendable, proposed actions are not currently prioritised and it can be difficult to distinguish which of them represent key priorities or the relevant time and cost impact associated with delivering them.

The Council activities to involve its citizens in decision making are wide ranging and community empowerment, wealth and wellbeing are reflected in the strategic priorities underpinning Council Plan. To support these priorities, the Council is continuing to actively seek to design operating models and services that strengthen the community voice and bring decision making more directly into local communities.

In this context, the Council faces challenges to rebuild the trust and confidence of the local communities directly affected by the need to provide additional primary and secondary school places in Dargavel. The Council recognises this and has a good programme of active engagement with the impacted communities continuing to raise a number of concerns with the Council.

The Council has set out a strong focus on the need to reduce inequalities and has refreshed its Community Plan to reflect this focus on addressing inequalities as part of the 'Fair' strategic outcome within the overall Council Plan. The Council demonstrates a clear commitment to those priorities through numerous initiatives to tackle inequality.

We note that the Council has a clear commitment to tackling climate change, having declared a climate emergency in 2019. This commitment forms a stand-alone strategic outcome in the Council Plan ('Green') which closely links to the Council's 'Plan for Net Zero' and 'RenZero'.

The Council's Delivery Plans are also well established and aligned to financial, people and other key enabling plans.

The Council has an appropriate governance framework in place to support member and officer working relationships. Our audit found Member and officer working relationships to be generally working well with a more collaborative approach to decision making being adopted.

A Best Value review was undertaken on Renfrewshire Council in 2016/17. The Best Value Assurance Report (BVAR) includes recommendations to help the Council address the improvement areas identified during the audit. We have considered progress made by the Council in implementing the recommendations made in the BVAR. Our findings are summarised below.

Best value Assurance Report – follow up

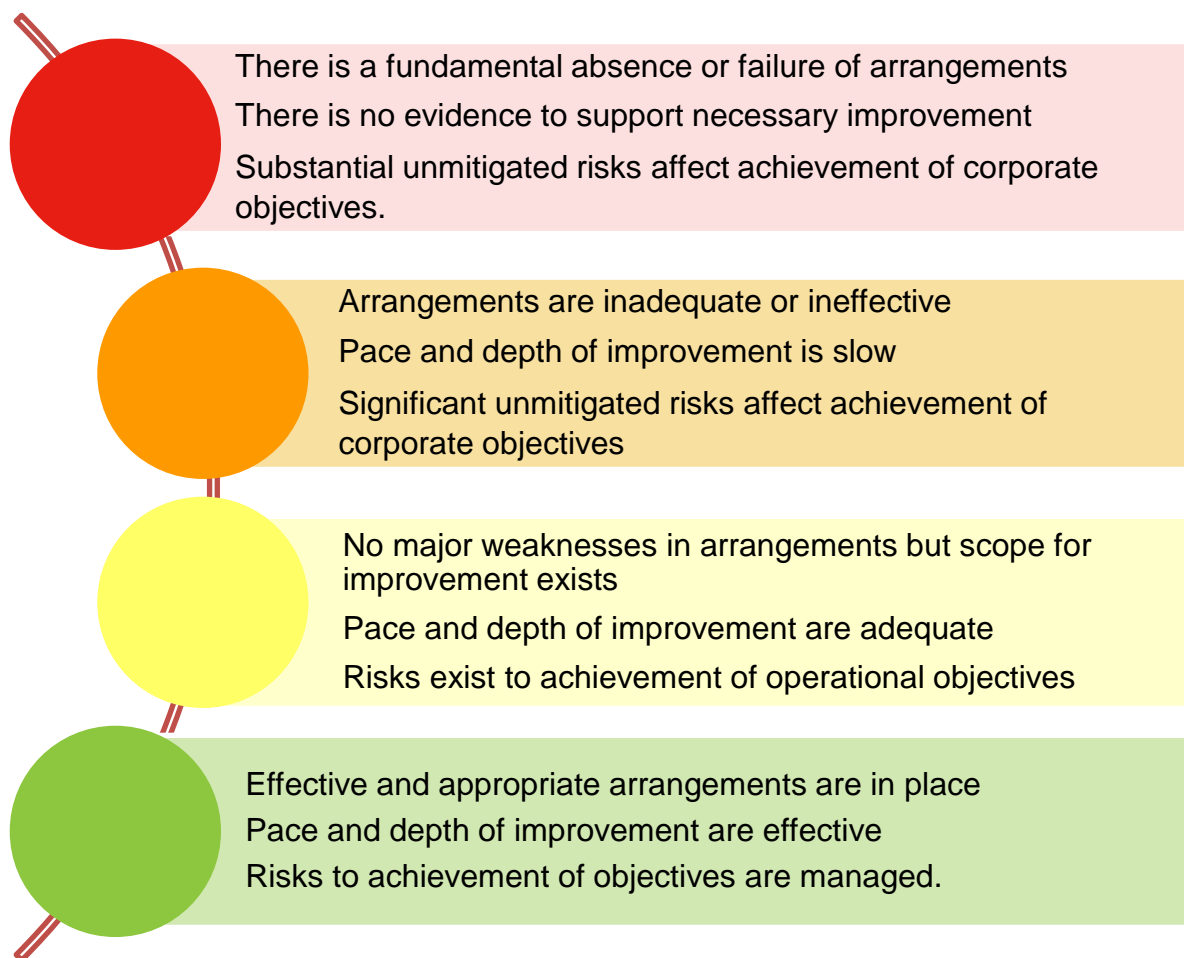
Auditor judgement



The Council had eight recommendations and progressed against each. We note however that some of the recommendations are no longer relevant due to changed circumstances since the report was published. Our audit has confirmed that cross-party working arrangements have improved significantly, training has been provided to members at an appropriate level, governance arrangements at Renfrewshire Leisure (now OneRen) have been clarified and workforce strategies changed in response to new circumstances. The Council's medium term financial strategy plays an important role in decision making and performance information is now published on the Council's website.

Definition

We use the following gradings to provide an overall assessment of the arrangements in place as they relate to the wider scope and best value areas. The text provides a guide to the key criteria we use in the assessment, although not all of the criteria may exist in every case.



Introduction

The annual audit comprises the audit of the financial statements and the wider-scope and Best Value audit responsibilities set out in the Code of Audit Practice.

We outlined the scope of our audit in our External Audit Plan, which we presented to the Audit, Risk and Scrutiny Board at the outset of our audit. Subsequent to issuing the plan our risks remained the same, however we have updated our approach for the issues that have arisen since our plan was issued or when we have obtained further, more detailed knowledge, of a particular area of work as noted below.

Responsibilities

The Council is responsible for preparing its annual accounts, including financial statements which show a true and fair view, and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on, the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to thank all management and staff for their co-operation and assistance during our audit.

Auditor independence

International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we complied with the Financial Reporting Council's (FRC) Ethical Standard. In our professional judgement, we remained independent, and our objectivity has not been compromised in any way.

We set out in Appendix 1 our assessment and confirmation of independence.

Adding value

All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We add value by being constructive and forward



looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to promote improved standards of governance, better management and decision making and more effective use of public money.

Any comments you may have on the service we provide would be greatly appreciated. Comments can be reported directly to any member of your audit team.

Openness and transparency

This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Annual accounts audit

The Council's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Our audit opinion

Opinion	Basis for opinion	Conclusions
Financial statements	<p>We conduct our audit in accordance with applicable law and International Standards on Auditing.</p> <p>Our findings / conclusions to inform our opinion are set out in this section of our annual report.</p>	<p>The draft financial statements, Management commentary, remuneration report and corporate governance statement were considered by the Council and approved on 22 June 2023.</p> <p>We anticipate we will issue unqualified audit opinions.</p> <p>We identified two material adjustments during our audit of the financial statements, as set out in Appendix 2. Management agreed to amend the draft financial statements for all of the errors and presentational points we identified.</p> <p>We received the draft annual accounts in line with our audit timetable. Our thanks go to the Finance team for their assistance with our work.</p>

Opinion	Basis for opinion	Conclusions
<p>Going concern basis of accounting</p>	<p>In the public sector, when assessing whether the going concern basis of accounting is appropriate, the anticipated provision of services is more relevant to the assessment than the continued existence of a particular public body.</p> <p>We assess whether there are plans to discontinue or privatise the Council's functions.</p> <p>Our wider scope audit work considers the financial sustainability of the Council.</p>	<p>Our understanding of the legislative framework and activities undertaken by the Council provides us with sufficient assurance that the services provided by the Council will continue to operate for at least 12 months from the signing date.</p> <p>Our audit opinion is unqualified in this respect.</p>

Opinion	Basis for opinion	Conclusions
<p>Opinions prescribed by the Accounts Commission:</p> <ul style="list-style-type: none"> • Management Commentary • Corporate Governance Statement • Remuneration Report 	<p>We plan and perform audit procedures to gain assurance that the management commentary, corporate governance statement and the audited part of the remuneration report are prepared in accordance with:</p> <ul style="list-style-type: none"> • statutory guidance issued under the Local Government in Scotland Act 2003 (management Commentary); • the Delivering Good Governance in Local Government: Framework (corporate governance statement); and • the Local Authority Accounts (Scotland) Regulations 2014 (remuneration report) 	<p>We have concluded that:</p> <ul style="list-style-type: none"> • the information given in the management commentary is consistent with the financial statements and has been prepared in accordance with relevant statutory guidance; • the information given in the corporate governance statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework; • the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Opinion	Basis for opinion	Conclusions
Matters reported by exception	<p>We are required to report on whether:</p> <ul style="list-style-type: none"> • adequate accounting records have not been kept; or • the financial statements and the audited part of the remuneration report are not in agreement with the accounting records; or • we have not received all the information and explanations we require for our audit. 	We have no matters to report.

An overview of the scope of our audit

The scope of our audit was detailed in our External Audit Plan, which was presented to the Audit, Risk and Scrutiny Board in March 2023. The Plan explained that we follow a risk-based approach to our audit that reflects our overall assessment of the relevant risks that apply to the Council. This ensures that our audit focuses on the areas of highest risk (the significant risk areas). Planning is a continuous process, and our audit plan is subject to review during the course of the audit to take account of developments that arise.

At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.

In our audit, we test and examine information using sampling and other audit techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through performing a review of the significant accounting systems, substantive procedures and detailed analytical procedures.

Significant risk areas and key audit matters

Significant risks are defined by auditing standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. Audit procedures were designed to mitigate these risks.

As required by the Code of Audit Practice and the planning guidance issued by Audit Scotland, we consider the significant risks for the audit that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team (the 'Key Audit Matters'), as detailed in the tables below.

Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures.

Our opinion on the annual accounts is not modified with respect to any of the risks described below.

Council's significant risks at the financial statement level

These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Management override of controls

Significant risk description

Management of any entity is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Although the level of risk will vary from entity to entity, this risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk on all audits.

This was considered to be a significant risk and Key Audit Matter for the audit.

Inherent risk of material misstatement: Very High

Management override of controls

How the scope of our audit responded to the significant risk

Key judgement

There is the potential for management to use their judgement to influence the financial statements as well as the potential to override controls for specific transactions.

Audit procedures

- Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals.
- Analysing the journals listing and determining criteria for selecting high risk and / or unusual journals.
- Testing high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for appropriateness, corroboration and appropriate approval in line with the Council's journals policy.
- Gaining an understanding of the accounting estimates and critical judgements made by management. We challenged key assumptions and considered the reasonableness and indicators of management bias which could result in material misstatement due to fraud.
- Evaluating the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Key observations

We did not identify any indication of management override of controls from our audit work. We did not identify any areas of bias in key judgements made by management. Key judgements were consistent with prior years.

Council's significant risks at the assertion level for classes of transaction, account balances and disclosures

Key risk area

Fraud in revenue recognition

Significant risk description

Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed inherent risk on every audit unless it can be rebutted.

The presumption is that the Council could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported financial position. Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end.

In respect of council tax income, non-domestic rates, housing rents and non-ring fenced government grants, however, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate these revenue streams. The risk of fraud in relation to revenue recognition is however present in all other revenue streams.

On review of the income transactions during the fieldwork we have narrowed this risk to cut-off, rather than the full population, as this would be an area for potential fraud or manipulation.

This was considered to be a significant risk and Key Audit Matter for the audit.

Inherent risk of material misstatement:
Revenue (occurrence / completeness): High

How the scope of our audit responded to the significant risk

Key judgements

Given the financial pressures facing the public sector as a whole, there is an inherent fraud

Key risk area

risk associated with the recording of income around the year end.

Audit procedures

- Evaluating the significant income streams and reviewing the controls in place over accounting for revenue.
- Considering key areas of income and obtaining evidence that income is recorded in line with appropriate accounting policies and the policies have been consistently applied during the year.
- Substantively testing a sample of income items.

Key observations

We have not identified any issues as a result of this testing.

Fraud in non-pay expenditure

Significant risk description

As most public sector bodies are net expenditure bodies, the risk of fraud is also present in relation to expenditure. There is a risk that expenditure may be materially misstated in the financial statements.

On review of the expenditure non-pay transactions during the fieldwork we have narrowed this risk to cut-off, rather than the full population, as this would be an area for potential fraud or manipulation.

This was considered to be a significant risk and Key Audit Matter for the audit.

Inherent risk of material misstatement:

- Non-pay expenditure (occurrence / completeness): High
- Accruals (existence / completeness): High

Key risk area

How the scope of our audit responded to the significant risk

Key judgements

Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of accruals and expenditure around the year end.

Audit procedures

- Evaluating the significant non-pay expenditure streams and the design of the key controls in place over accounting for expenditure.
- Considering key areas of expenditure and obtaining evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been consistently applied during the year.
- Testing accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.

Key observations

We have not identified any issues as a result of this testing.

Valuation of land and buildings and council dwellings (key accounting estimate)

Significant risk description

The Council held council dwellings with a net book value of £714.7 million and land and buildings with a net book value of £354.5 million at 31 March 2023. The Council revalue land and buildings and council dwelling on a five-year rolling basis.

Council dwellings are valued by the District Valuer using the beacon method which aggregates the vacant possession value of each unit of housing stock based on the value of a beacon or sample property. A full revaluation exercise is completed every five

Key risk area

years. In interim years the values of beacon properties are updated to reflect key factors including changes in rental prices.

Other land and buildings are held at fair value and revalued as part of the five-year rolling programme. In addition, indices are applied to all assets held at Depreciated Replacement Cost (DRC) to reflect market changes within the year.

Last year the Council processed an audit adjustment of £69.5million to correct the carrying amount of property, plant and equipment in relation the valuation of assets. While the Council uses the rolling programme of valuations, this process has not been sufficient to consider the impact of the economic environment and increasing building prices on the full portfolio of the Council's assets.

There is a significant degree of subjectivity in the measurement and valuation of investment property, land and buildings and council dwellings. This subjectivity and the material nature of the Council's asset base represents an increased risk of misstatement in the financial statements.

Inherent risk of material misstatement:
Investment property, land & buildings and council dwellings (valuation): Very High

How the scope of our audit responded to the significant risk

Key judgements

Councils are required to revalue investment properties annually and property, plant and equipment with sufficient regularity to ensure that the carrying amount does not differ materially from the current value at 31 March.

Audit procedures

- Evaluating management processes and assumptions for the calculation of the

Key risk area

estimates, the instructions issued to their valuation experts and the scope of their work.

- Evaluating the competence, capabilities and objectivity of management's valuation expert.
- Considering the basis on which the valuations were carried out and challenging the key assumptions applied.
- Evaluating the information used by the valuer to ensure it was relevant and consistent with our understanding.
- Ensuring revaluations made during the year were input correctly into the Council's fixed asset register and the accounting treatment applied was in line with the financial reporting framework.
- Testing a sample of valuations against documentation and assumptions used.

Key observations

Based on our analysis we have identified that a number of assets have been valued higher when compared to our expectations. As a result of our challenge and further investigation the Council has identified that for a limited number of properties incorrect floor areas were provided to the external valuer. Once corrected it resulted in an audit adjustment of £20.6million to reduce the value of properties.

We requested further information on the Council's exposure to potential risk in relation to Reinforced Autoclaved Aerated Concrete (RAAC) being used in the construction of public buildings with a potentially significant impact on asset impairment.

The Council has already visually assessed all schools with no occurrence of RAAC identified. Of 205 other buildings, 28 have been identified

Key risk area

as requiring further visual inspection for the presence or absence of RAAC materials. At the point of preparing this draft the Council was not aware of any basis of impairment of RAAC assets on the council's estate.

Valuation of defined benefit pension asset (key accounting estimate)

Significant risk description

An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under IAS 19 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. There is a risk that the assumptions used are not appropriate.

Inherent risk of material misstatement:

Defined benefit pension asset (valuation): High

How the scope of our audit responded to the significant risk

Key judgements

A significant level of estimation is required in order to determine the valuation of pension assets/liabilities. Small changes in the key assumptions (including discount rates, inflation and mortality rates) can have a material impact on the pension asset/liability.

Audit procedures

- Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to their actuarial experts and the scope of their work.
- Evaluating the competence, capabilities and objectivity of management's actuarial expert.

Key risk area

- Considering the basis on which the valuation was carried out and challenging the key assumptions applied.
- Evaluating the information provided to the actuary for the purposes of their calculation of the IAS 19 estimate to ensure it was complete and consistent with our understanding.
- Ensuring pension valuation movements made during the year were input correctly into the general ledger and financial statements and that the accounting treatment applied was in line with the financial reporting framework.

Key observations

The IAS 19 actuarial report for the Council identifies a pension surplus (or pension asset) of £434.1 million. This is a significant change to the prior year's pension liability of £55.2 million and is mainly driven by a significant increase in discount rate assumption between the years. The discount rate as of 31 March 2023 was 4.75% and decreases the value of future pension obligations substantially which, when combined with no significant movement in the value of pension investments, results in a pension surplus outcome.

Accounting standards require the Council to review the pension surplus and only recognise the lower of the surplus or an 'asset ceiling'. A detailed technical guidance note on how to calculate the pension asset ceiling was issued by Audit Scotland early in July 2023. Limiting the recorded pension asset to the asset ceiling value of £175.9 million, resulted in a £258.3 million audit adjustment processed in the accounts.

We are satisfied that we have obtained reasonable assurance over the disclosures in

Key risk area

the financial statements relating to the pension asset.

Financial instruments: fair value measurement (key accounting estimate)

Significant risk description

The Council maintains significant debt and investment portfolios. The Council measures its financial instruments at fair value or amortised cost or, where no reliable measurement exists, measured at cost.

Fair values are categorised by their level in the fair value hierarchy:

- Level 1 – fair value is derived from quoted prices in active markets for identical assets or liabilities
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability
- Level 3 – fair value is determined using unobservable inputs

For level 1 and level 2; the Council's valuations are supported by independent expert advice. For level 3, there is the potential for management to use their judgement to influence the financial statements.

Inherent risk of material misstatement:

Investments and borrowings (valuation): High

How the scope of our audit responded to the significant risk

Key judgements

For level 1 and level 2; the Council's valuations are supported by independent expert advice. For level 3, there is the potential for management to use their judgement to influence the financial statements.

Audit procedures

Key risk area

- Evaluating and reviewing the controls in place over accounting for financial instruments.
- Considering the Council's material financial instruments and obtaining evidence that these have been appropriately valued at 31 March 2023 including challenging fair value classification.
- Review of management experts and external investment managers.
- Review of the disclosures within the annual accounts to ensure they are consistent with supporting information.

Key observations

The Council has relatively non-complex financial instruments and borrowings in place. We have concluded that the valuation of PFI schemes and other investments and borrowings are free from material misstatement.

Provision for doubtful debts (key accounting estimate)

Significant risk description

The Council in its annual accounts provides for doubtful debts over sundry debtors and housing rent arrears.

Key risk area

How the scope of our audit responded to the significant risk

Key judgements

There is a significant degree of subjectivity in the measurement and valuation of provisions for doubtful debts. This subjectivity represents an increased risk of misstatement in the financial statements.

Audit procedures

- Obtaining the breakdown of provisions and assessing the reasonableness of management's judgements as well as challenging the appropriateness of any assumptions used.
- Performing substantive testing on provisions for doubtful debts where values and balances are derived by valuation and estimation.

Key observations

Our work in this area has not identified any issues.

Group and the Council materiality

Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile the Council and the needs of users. We review our assessment of materiality throughout the audit.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the Council and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Our initial assessment of materiality for the group financial statements was £8.4 million and the Council's financial statements was £8.4 million. On receipt of the unaudited financial statements, we reassessed materiality and updated it to £8.9 million and £8.8 million for the group and the Council accordingly. We consider that our updated assessment has remained appropriate throughout our audit.

	Group £million	Council £million
Overall materiality for the financial statements	8.9	8.8
Performance materiality	6.7	6.6
Trivial threshold	0.250	0.250

Materiality

Our assessment is made with reference to the group and Council’s gross expenditure. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance of the Council and its group.

Our assessment of materiality equates to approximately 1% of gross expenditure as disclosed in the 2022/23 unaudited annual accounts.

In performing our audit, we apply a lower level of materiality to Remuneration Report. Our materiality was set at £5,000.

We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our materiality levels set. We perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.

Performance materiality

Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out.

Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.

Trivial misstatements

Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Common Good Funds materiality

Our initial assessment of materiality for the Paisley Common Good Fund financial statements was £0.140 million. On receipt of the unaudited financial statements, we reassessed materiality and updated it to £0.120 million.

Our initial assessment of materiality for the Renfrew Common Good Fund financial statements was £0.690 million. On receipt of the unaudited financial statements, we reassessed materiality and updated it to £0.670 million.

Our initial assessment of the Johnstone Common Good Fund materiality remained unchanged from the planning stage.

We consider that our updated assessments have remained appropriate throughout our audit.

	Overall materiality	Performance materiality	Trivial threshold
	(£)	(£)	(£)
Paisley	£120,000	£90,000	£5,000
Johnstone	£1,040	£780	£52
Renfrew	£670,000	£502,500	£33,500

Overall materiality: our assessment is based on approximately 2% of net assets. We consider this benchmark to be the principal consideration for the users of the financial statements when assessing the performance of each fund.

Performance materiality: Using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.

Trivial threshold: 5% of overall materiality for the financial statements.

Group audit

The Council prepares group financial statements in addition to its own financial statements, as required by the CIPFA Code, as there are material differences between the Council and group figures. The Council's group structure is detailed within the annual accounts.

As group auditors under ISA (UK) 600 we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and regarding the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the

applicable financial reporting framework. The following table sets out the components within the group.

Component	Significant	Level of response required
Renfrewshire Leisure Ltd (OneRen)	No	Analytical
Common Good Funds	No	Analytical
Paisley Museum Reimagined Ltd	No	Analytical
Park Lane Developments (Renfrewshire) LLP	No	Analytical
Coats Observatory Trust	No	Analytical
Strathclyde Partnership for Transport	No	Analytical
Strathclyde Concessionary Travel Scheme Joint Committee	No	Analytical
Renfrewshire Valuation Joint Board	No	Analytical
Renfrewshire Health and Social Care Integration Joint Board	No	Analytical

Comprehensive – the component is of such significance to the group as a whole that an audit of the component’s financial statements is required for group reporting purposes.

Analytical - the component is not significant to the group and audit risks can be addressed sufficiently by applying analytical procedures at the group level.

We revisited our planning group scope assessment, following receipt of the unaudited accounts and our assessment remained the same.

As part of our audit, we reviewed the consolidation entries made within the group accounts, confirmed those entries back to the financial statements of the group bodies and evaluated any significant adjustments made to align the accounting policies or the different year end dates. Overall, we concluded that the results of the group bodies had been appropriately consolidated into the Council’s audited group accounts.

Our analytical procedures have not highlighted any significant material issues in the Group accounts.

Renfrewshire Trust Funds

Coats Observatory Trust Fund

The Charities Accounts (Scotland) Regulations 2006 outline the accounting and auditing requirements for charitable bodies. The Regulations require an auditor to prepare a report to the charity trustees where an audit is required by any other enactment.

The Council's charitable trust is covered by the requirements of section 106 of the Local Government (Scotland) Act 1973 and consequently require a full audit. Each registered charitable trust has required a full audit since 2013/14.

There is one registered charity preparing its accounts on a receipts and payments basis – Coats Observatory Trust Fund. This is subject to separate Audit Report.

Audit differences

We identified a small number of errors in the draft financial statements during our audit. These are set out in more detail in Appendix 2. Management agreed to amend the financial statements for all the errors we identified. The overall impact of the adjustments made on the financial statements of the Council was:

- Nil impact on the deficit on the provision of services
- £411.3 million reduction of total comprehensive income
- £431.9 million reduction to net assets.

We also identified disclosure and presentational adjustments during our audit which have been reflected in the final set of financial statements and are disclosed in Appendix 2.

Internal controls

As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Council. These matters are limited to those which we have concluded are of sufficient importance to merit being reported.

We did not identify any significant control weaknesses during our audit.

Follow up of prior year recommendations

We followed up on progress in implementing actions raised by the predecessor auditor in the prior year as they relate to the audit of the financial statements. Full details of our findings are included in Appendix 3.

Other communications

Accounting policies, presentation and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by the Council.

The accounting policies, which are disclosed in the financial statements, are in line with the CIPFA LASAAC Code of Practice and are considered appropriate. The accounting policies used in preparing the financial statements are unchanged from the previous year.

There are no significant financial statements disclosures that we consider should be brought to your attention. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately. Overall, we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management and the Audit, Risk and Scrutiny Board. Internal Audit is providing regular updates to the Board on any fraud related investigations. We have not been made aware of any additional incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting the Council. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations.

Written representations

We requested written representations from management, and these were approved at the same time as the financial statements were approved by the Audit, Risk and Scrutiny Board, signed by the director of finance and resources, and provided to us before we completed our audit and issued our auditor's report.

Related parties

We are not aware of any related party transactions which have not been disclosed.



Confirmations from third parties

All requested third party confirmations have been received.

Wider Scope

Dargavel Primary School

Our external audit plan highlighted our intention to monitor the Council's response to the "Independent Review of the Council's assessment of the demand for education for Dargavel Village, secured in Section 75 Agreements with BAE Systems" (the 'Bowles Report') published in June 2023.

The Council commissioned the Bowles Report following completion of the building of a new primary school in Dargavel last year which was found to have been built with significantly less capacity than required for the catchment area – about one third of the size required. The Council has worked on possible solutions to address the issue which had been caused by an error in estimating pupil numbers at the outset of the project.

The cost to address this error for the Council will be significant and is currently estimated at up to £75 million in gross capital costs for building a second primary school in Dargavel and building a larger than planned secondary school extension to accommodate the increased need for pupil places.

These costs are expected to be met from new borrowing and will add c£4million per annum in additional revenue costs to meet interest payments. The net running costs associated with operating the new schools will be at least £0.5million per year. The additional revenue costs of c£4million for borrowing interest cost have been factored into the Council's medium term financial plans as they will mainly take effect from when the new school is built which is currently projected to be by August 2027.

We note in context that the Council's existing medium term financial plan highlights the need to make savings of as much as £50million for the period to the 2026-2027 financial year. The revenue costs associated with the Dargavel issues identified above added to that already challenging savings target and will need to be incorporated into the Council's medium term financial plans in due course.

We summarise the independent examiners review work below, together with our assessment of the Council's response and actions to date. Our work has been informed by a range of meetings with Council officers and examination of a wide range of available documentation.

We have noted throughout our work the openness and transparency with which the Council have approached this difficult and challenging issue and we would like to thank the Council for their support during our audit.

Independent examiner's report – the Bowles Report

The Council commissioned the Bowles Report to provide an independent assessment of the circumstances which led to the significant error in school capacity planning for Dargavel School. The Report was published and presented at the June 2023 full Council's meeting. The review was undertaken by a former local government director and chief executive with experience of leading major independence investigations. The Bowles Report made a number of recommendations and we summarise its key findings below.

We note that the remit of the report was limited to a review of the Dargavel Development and should not be regarded as indicative of how the Council manages major capital programmes or projects.

The independent examiner identified a number of the contributory factors:

- A failure of leadership in the education service.
- Limited corporate oversight of the project.
- Lack of clarity about the size of the development.
- A complete and repeated failure to test data for reasonableness.
- Ignoring conflicting data.
- Not either understanding or planning to manage the risk associated with this large development.
- Focussing on capacity problems at Bishopton Primary School.
- Ignoring emerging problems when agreeing to a 2 form entry primary school in 2018, which increased the capacity of the planned Dargavel school by about 100 places.
- A failure to recognise the growing school capacity problem until May 2022.
- A failure to take any concerns expressed by others seriously.

The report notes that all of the senior officers involved in the Dargavel development are no longer employed by the Council. We note that some of those officers have moved to senior positions with other local authorities.

The school was built as a part of Section 75 agreement with BAE Systems and linked to housing regeneration development in the area of Dargavel. Section 75 refers to a type of agreement by which a developer agrees to contribute to the additional public costs associated with delivery of any new housing development, including costs associated with schools, health, roads and other infrastructure. The early agreement between the Council and BAE Systems was for a maximum of 2,500 houses and a new primary school with capacity for 340 pupils. The revised 2018 planning consent increased the development to c.4,000 houses and a primary school requirement for 430 pupils.

When the school opened in January 2022, and with the development of just over 2,200 houses, it became apparent that pupil registrations were exceeding estimates raising concerns over the overall school capacity.

Additional work by the Council to create a robust long-term estimate of pupil numbers (further confirmed by more detailed projections from the Council's consultants - Edge Analytics) identified a need for a primary school capacity of 1,100 pupils and high likelihood of breaching the existing 430 capacity in the 2023/24 school intake requiring c.60% more pupil spaces in the short term.

The Council's Education and Children's Services Policy Board agreed an interim solution to instal 6 new modular classrooms, which were delivered on time, before the end of August 2023 to address immediate capacity issues.

The current long-term estimates for the required primary school pupil places in Dargavel are projected to peak between 1,100-1,500 and reduce over the long term towards the end of the 2030 decade to a settled level as the development matures. These estimates have been subsequently confirmed by the Council's consultants Edge Analytics. The range of estimated projections reflects a number of risk-based scenarios and sensitivity analysis identified as part of the additional work undertaken by the Council and Edge Analytics recognising that there are multiple factors that can impact and influence the actual pupil demand that will ultimately emerge over time.

The work undertaken by the Council to establish robust estimates of demand for pupil places in Dargavel addresses a key recommendation identified by the Bowles Report:

- The initial Section 75 agreement from 2009 estimated that demand for school places was based on an adjacent area of Bishopton. However, Bishopton is a mature area with low pupil demand, while new housing (i.e. Dargavel) tends to attract more young families yielding higher numbers of pupils for pre-school and primary age groups. Data from other sources, like NHS expected demand, which contradicted the estimates, was either not used or disregarded by the Council.
- The final Section 75 agreement increased the housing development from 2,500 to 3,850 houses (55%), but the school roll size was only increased by 30% to 440. There was also lack of clarity over the 3,850 number, as other documents reviewed by the independent examiner suggested a maximum number of 4,291 houses to be developed. There has been 'overwhelming evidence' that the pupils demand was significantly underestimated before the Council entered into the Section 75 agreement.
- Concerns were expressed by parents, the Community Council, and other stakeholders, but were ignored by the Council.

- When BAE Systems proposed to further lower the number of secondary school pupils places from 300 to 200, the Council agreed without evidence of any challenge from officers. The Council did not use data on actual educational demand to do a robust estimation of the pupils expected demand.
- The above shortcomings resulted in the Council weakening its negotiating position by allowing the capping of BAE contributions in both Section 75 agreements.

The Bowles Report included recommendations for improving the reliability of estimates of demand for primary and secondary school places in Dargavel. As noted above, the Council has acted quickly to address these recommendations and appointed Edge Analytics to support its work in this area. The subsequent work of Edge Analytics has confirmed the Council's estimates.

The Council's response and our assessment

The Council had already been prioritising its response to many of the issues associated with Dargavel School since they emerged, and had anticipated and progressed many of the actions the Bowles Report subsequently recommended. For example, education provision in Dargavel has been a standing item on Education and Children's Services Policy Board meeting agendas for over a year.

The Council's initial response to the recommendations contained in The Bowles Report was necessarily prepared shortly after the publication of the independent examiner's report. As a result, this initial high-level response records the Council's acceptance of the recommendations in the Report and commitment to addressing them.

This initial response has since been supplemented by a more detailed action plan response in a Specific, Measurable, Achievable, Realistic and Timebound (SMART) format which enables appropriate monitoring and reporting of progress in implementing agreed actions.

The Bowles Report has covered the decision making issues relevant to the outcome of building too small a school to meet community needs. The impact of that decision on educational outcomes for school children in the Bishopton and Dargavel areas remains a significant concern for the local community. The Council has put a range of mitigations in place to address those concerns, including the provision of modular primary school classrooms to provide additional short term capacity and a number of community engagement touch points to reassure parents and respond to local concerns. The Council remains in regular dialogue with parents, teachers and community groups in the local area. We note that a small number of members of the affected local communities continue to raise concerns with the Council and the Council continues to engage to address local concerns.

The Bowles Report also raises wider issues for the Council in planning effectively for the future school estate. We note that the Council has employed Edge Analytics as

consultants to support its efforts to ensure it has the most robust long term projection data across the whole of its school estate to support better informed long term strategic investment decisions on the school estate that will be made in future years. A key challenge for the Council will be to win the trust and confidence of local communities as it communicates and explains any potential future school estate configuration decisions it may take in years to come.

The Council has been very open and transparent in responding to our audit queries. We met with the senior management team at the end of August and issued our ‘key lines of enquiry’, which we include in the table below, and received a formal response on 6th September. We have remained in regular contact with the Council to discuss and clarify the Council’s response which has included the development of a more detailed action plan (in response to the Bowles recommendations) to enable appropriate scrutiny and facilitate effective tracking and monitoring of progress in implementing agreed actions.

The Audit, Risk and Scrutiny Board is the Council’s main scrutiny body, but was not actively engaged in the commissioning of the Bowles Report or in scrutiny of the Council’s response to its recommendations until relatively recently. The Council chose to consider and scrutinise the Bowles Report at a full Council meeting with the first formal report on the issue to the Audit, Risk and Scrutiny Board due to be presented to the Board in November. The Council provided the following formal responses to our audit enquiries at the time of drafting this report.

Audit Enquiry	The Council’s response and audit assessment
<p>Future Budgetary Impact</p> <p>What is the full capital cost of the new school and has the Council considered a range of options on how will it be funded? Have the additional revenue costs been identified (i.e. additional staff members, gas and electric, etc)? Has the opportunity costs of building the additional school been identified?</p>	<p>The Council estimates that the capital cost for the development of the 2nd 800 place Dargavel primary school will in the £42million to £45million range. The new school is expected to be completed by August 2027.</p> <p>The capital cost of extending Park Mains High School is estimated at between £27million to £30million and will accommodate an additional 400 pupils.</p> <p>Both estimates exclude financing, VAT and any other associated costs.</p> <p>The estimates above have been based on the standard area per pupil and cost</p>

Audit Enquiry

The Council's response and audit assessment

per square meter as per the Scottish Futures Trust ('SFT') guidance included in their 'Learning Estate Investment Programme' guidance.

Audit assessment: The calculated initial capital cost is within SFT's ranges. Although minimal in scale relative to the Council's overall revenue budget, we asked the Council to prepare more a more detailed revenue cost assessment for running and operating the new schools. The Council estimates the net additional revenue impact to be £0.5million per annum, which will represent an additional 0.1% cost pressure on the Council's budget in 2028/29 when the full year effect of this cost will require to be addressed

Current Budgetary Impact

What is the immediate impact on the Council's overall budgets (capital and revenue), including the impact of future savings, impact on Council tax levels and supporting displaced pupils (i.e. transportation costs)?

The immediate impact would be between circa £60 million in capital cost, with the expected borrowing financing cost of £4 million per year. The figure is net of an expected BAE Systems contribution to 200 spaces to the provision of the secondary school extension.

The Council informed us that any impact on future revenue, savings or Council tax would be considered as part of the Council medium term financial plans.

Audit assessment: The Council estimates additional capital costs of up to £75million (£60million net) to address primary and secondary school capacity issues in the Dargavel area. The revenue cost associated with borrowing to finance these costs is estimated at

Audit Enquiry

The Council's response and audit assessment

£4million per annum with a further £0.5million per annum in net running costs for the new schools. The £4.5million in new revenue costs is now included in the Council's existing savings target of £50million. The Council has not yet identified how it will achieve the cost savings required to fund this additional expenditure.

Operational Performance

When will the new school be ready? What work has the Council done to ensure any new school provision will meet the needs of current and future children for both primary and secondary education provision in the area?

Has the Council considered the short-/long-term impact on pupil performance and other operational targets? Has that consideration extended to impact on Dargavel and surrounding schools? What mitigations have been put in place? How long are they required for?

How will the Council monitor the impact on educational outcomes for the surrounding area?

The new primary school, and extended secondary school are expected to be operational from August 2027.

The Council's Education and Children's Services Policy Board considers the Dargavel school issue on an ongoing basis.

The last update to August 2023 Board meeting considered the progress of the modular interim solution installation, other schools impacted and referred to developing a long-term Learning Estate Strategy and Management Plan.

The Council delivered an interim solution (6 modular classrooms) to meet the immediate capacity needs for pupil places and to retain classroom space ratios within government guidelines.

In future years, pupils not allocated places in Dargavel Primary (including modular classrooms) will be placed in the neighbouring Bishopton Primary school.

These interim changes necessary to meet the immediate education needs of local children did lead to some initial concern with parents in both Dargavel and Bishopton schools. The Council has

Audit Enquiry

The Council's response and audit assessment

been able to demonstrate that many of these initial concerns have been addressed and the Council's monitoring indicates that these interim measures are working well with no evidence at this stage of any negative impact on education experience or attainment in the affected schools.

Long term estimates of the demand for pupil places have been completed and mapped to the current school estate capacity. The Council appointed specialist consultants Edge Analytics to support with this work.

The Council has been in discussion with BAE Systems and reached an agreement for additional land to be transferred to the Council to provide a preferred site to enable new school construction as well as providing increased land at the existing primary school to provide greater flexibility. The Council is assessing the preferred procurement and delivery route for the new school and will in due course undertake appropriate statutory consultation processes.

Audit assessment: The level of scrutiny given to this issue at Council is appropriate. However, we note that the role of the Audit, Risk and Scrutiny Board in providing scrutiny over the Dargavel School issues has not been sufficiently articulated at the outset. The very first report on the issue was presented to this Board in September 2023 with a further report planned for November 2023 to provide scrutiny and challenge over the Council's detailed response actions to the Bowles report.

Audit Enquiry

The Council's response and audit assessment

The Bowles report itself was considered at full Council and regular updates provided through the Education and Children's Services Policy Board since November 2022.

The Council has implemented a number of mitigations to address immediate school capacity issues in the short term and work on estimating the demand for school places over the next 15 years has also been completed to support appropriately risk informed decision making by the Council.

The Council monitors the impact of these changes on the educational outcomes for pupils as part of its existing established arrangements. Early indications are that pupils continue to perform well in both Dargavel and Bishopton schools which are both regarded as high performing primary schools.

Community engagement

What is being done to ensure community engagement improved and continues whilst the issues are resolved? What additional support is being provided to the pupils already impacted?

The Council has an appropriate stakeholders engagement strategy in place. The Council has established more formal forums with stakeholders, parents, local groups and councillors amongst others to maintain and improve future engagement.

Audit assessment: The decision making failures identified in the Bowles Report create a significant challenge for the Council in building trust and confidence with local communities in decision making affecting the school estate for both the Dargavel and Bishopton communities and more widely for how decisions on the future

Audit Enquiry

The Council's response and audit assessment

school estate are appropriately scrutinised and communicated. The Council has recognised this, has been alert to this risk from the outset of the Dargavel issue, and has an existing stakeholder engagement strategy which has been appropriately adapted to the developing situation. In future years, the Council will have further school estate decisions to make and in this context the Council should consider developing a more specific plan for how it will make those decisions, the appropriate governance and scrutiny arrangements for those decisions, and how it will involve local communities in those decisions and ensure effective communication with all key stakeholders each stage of the decision making process.

Lessons learned

Has a lesson learned exercise been undertaken which identified the root cause of the issues identified in the external report and recommendation raised on how to resolve these issues?

The Council accepted the findings of the Bowles Report in full and as an immediate response provided an initial high level action plan response when the report was published in June 2023. A more detailed action plan has subsequently been prepared over the summer period and will be subject to regular monitoring and scrutiny of the Council's progress in implementing agreed actions.

Audit assessment: The Council has good arrangements in place for monitoring capital projects and has already implemented many of the Bowles Report recommendations. The Council has also developed a detailed action plan response to the Report recommendations. The Bowles Report

Audit Enquiry

The Council's response and audit assessment

was considered at full Council and the Audit Risk and Scrutiny Board will scrutinise and monitor progress in implementing agreed actions. This governance route was not, however, clearly articulated at the outset and this would have provided greater clarity in respect to the appropriate governance route for scrutinising the Council's response to the Dargavel issue. We note that the Education & Children's Services Policy Board has been monitoring, and will continue to monitor, the educational aspects of Bowles Report recommendations and the Council's response. We note that the Council is reviewing its governance and scrutiny arrangements as part of its response to the Bowles Report.

Action plans

Is there a detailed action plan in place which outlines the recommendation identified from both external and internal reviews?

1. Does this action plan outline:
 - a. the response to the recommendation in sufficient detail for a third party to understand the proposed approach;
 - b. the responsible owner of the action; and
 - c. a deadline for the action to be completed?
2. Has this action plan been scrutinised and approved by the appropriate governance forum?

See comments above, the Council has prepared a detailed action plan response to the Bowles Report recommendations.

Audit assessment: See comments above.

Contractor engagement

The Council has worked closely with BAE Systems and negotiated a transfer

Audit Enquiry

The Council's response and audit assessment

What are the outcomes of negotiations with BAE? How has the Council ensured that lessons learned have been applied to prevent similar issues reoccurring? What oversight have the legal team had in regard to this agreement?

of land to the Council for £1 consideration, for the purpose of new school construction and to increase the land at the existing school site to provide increased flexibility.

In exchange for this transfer the Council clarified the understanding that a maximum of 4,322 homes are consented to be delivered as a part of Dargavel Masterplan. The Council has also agreed to reduce the quantum of social housing to be delivered by 93 units, and redesignating part of the site from commercial to residential use.

Audit assessment: The Council has worked constructively with BAE Systems and obtained additional land to enable a new School to be built with an estimated completion date of August 2027 and has secured additional land at the existing school site to secure greater flexibility to meet potential long term changes.

Governance arrangements

What is being done to ensure similar issues are not evident in similar projects recently completed or ongoing? What is being done to improve the governance around significant capital investments to ensure issues don't reoccur? Does the council operate with cross department teams in place (capital projects managers, finance, legal, education officers etc) working together to ensure a holistic approach to complex capital projects?

The Council has demonstrated that the Bowles Report findings are limited to the Dargavel School project and has appropriate governance arrangements for managing major investment programmes such as its City Deal Programme and Community Investment Programme .

In recognition of the growing scale of investment being delivered in the learning estate, the Council has also recently established a new Strategic Learning Estate work programme and its terms of reference and governance model aligns with the Council's strategic

Audit Enquiry

The Council's response and audit assessment

priorities, sets its purpose, oversight arrangements and brings officers from different departments into its Programme Board.

The Council is planning to review its overall governance and scrutiny arrangements as part of a wider review of effective corporate governance. The Council has also agreed to undertake a review of the effectiveness of its Audit, Risk and Scrutiny Board against CIPFA good practice guidelines.

Audit assessment: The Council has good arrangements for tracking and monitoring the project management of major capital projects.

We note the Council's planned reviews of governance and scrutiny arrangements, and we will monitor the outcomes from these reviews in future audit work.

Accountability

Has the Council considered any further steps that could be taken towards the key staff responsible for the decision making that resulted in the failure to build an appropriately sized school?

The Council has sought independent legal advice and considered the potential for any form of appropriate action against former senior officers involved in Dargavel School decision making. All of the senior officers involved in the historic handling of Dargavel are no longer employed by the Council and the Council has assessed in conjunction with external advisors that there is no prospect of pursuing any specific action against former senior employees of the Council.

It would be inappropriate for the Council to make any comment on any ongoing

Audit Enquiry

The Council's response and audit assessment

disciplinary actions against existing employees.

Audit assessment: The Council has obtained appropriate external legal advice and considered the potential for any form of action against former senior employees involved in Dargavel School decision making.

Summary of the audit judgments and progress on Dargavel primary school

The Council acted quickly to respond to the Dargavel issue, including appointing an independent examiner who has recognised the transparency and helpfulness of the Council in supporting his work in a difficult and challenging area. We can confirm that the Council continues to engage openly and transparently in addressing issues relevant to Dargavel School. This open and transparent approach is an important element of the Council's response supporting the rebuilding of public trust and confidence in future decision making on the school estate.

Officers recognise that estimating future population trends is an ongoing complex exercise and requires specialist input and challenge. The Council has appointed a specialist consulting firm (Edge Analytics) to support their work in providing the best possible data and estimates over the likely demand for future school places and to review those estimates on ongoing basis to react to any changes to expected demand patterns.

The Dargavel School issue continues to be a priority area for the Council involving significant time for senior leaders and for the Council to ensure an appropriate response. We have observed an appropriate level of involvement of members at the Education, Children's Services Policy Board level who continue to scrutinise the delivery of education across the Council. The Council has structured and formalised its approach to the governance of other major capital projects. There has been a recent review by officers and adoption of Strategic Learning Estate work programme, bringing together officers from different departments to oversee educational estate delivery and ensure joint working going forward.

We note that the Council is undertaking its own review of scrutiny and governance arrangements partly in response to Bowles Report recommendations and we welcome the planned review of the effectiveness of the Audit, Risk and Scrutiny

Board to support the effectiveness of future scrutiny arrangements. We will continue to monitor developments in this area as part of our audit.

We note that the Council assesses the impact of Dargavel School decisions on the standard of teaching delivery and pupil attainment as part of its regular monitoring arrangements. The Council assesses that, whilst there has been some disruption, there has been no detriment to either teaching delivery or pupil education in the Dargavel and Bishopton areas. The Council continues to monitor this closely.

The Council recognises that it still faces a significant challenge to build the trust and confidence of the affected local communities in its decision making in relation to Dargavel. For example, although there is support from across associated Parent Councils for the Council's decision to extend (rather than replace) an existing secondary school serving the Dargavel and Bishopton area, a recent report to the Education, Children's Services Policy Board comments on the negative reaction from some within the Dargavel community to this decision. The Council recognises this and is alert to actively managing this ongoing issue. This confirms that future decision making on the school estate will remain a high profile issue for the Council going forward.

Recommendation 1

Financial management

Our detailed findings on the Council's financial management arrangements are set out below.

Financial performance

The Council reported General Fund overspend of £7.5million at 31 March 2023. Significant additional spend was incurred due to inflationary pressures during the year.

£10million of expected budget savings were incorporated into revenue estimates for 2022/23 with £8.8million of further savings targeted for 2023/24, including savings of £1.4million from the use of the flexibilities in relation to service concession arrangements.

The capital programme budgets for both HRA and non HRA elements have been re-profiled and decreased during the year by c£27million (17%) due to further COVID-19 related delays. The Council estimates it will achieve a small underspend on its revised capital budget. However, the Council is aware of the pressure on the overall capital programme and an expected increase in costs due to contractor claims and materials cost inflation which will require to be funded.

Revenue performance against budget

The bulk of the General Fund overspend was split between two services: Children's Services with £3.5million, and Environment & Infrastructure of £6.7million. The main financial challenge during the year has been from inflationary pressure on staff costs, the cost of food, fuel, energy, construction and children's residential care.

More specifically: the number and cost of complex child care packages have increased, high gas and electricity costs account for £2m of the overspend, refuse collection costs were impacted by increased fuel costs, with car park income still below pre-pandemic levels recording £1 million less income than expected.

The largest cost element in the Council's accounts are staff costs which was at c£384million representing 43% of total expenditure. In 2022/23 a national pay settlement was agreed for local government workers at 5% and for teachers at 7%. To support the additional cost, the Scottish Government provided councils with additional funding, with Renfrewshire Council receiving £8.6million.

The council tax collection rate for the year was 95.5%, slightly below the target of 95.9%. However, income from this source exceeded budget by £2.2million due to better than expected prior year arrears collection rates.

The General Fund balance increased to £127.4million at 31 March 2023 from £104.7million in the previous year. The Council maintains unallocated reserves of £10.3million which equals to 2.3% of the Council's net annual running cost.

Housing revenue account (HRA)

The Housing Revenue Account (HRA) reported a net cost of £15.7million (£8.7million), mainly due to increased repairs and maintenance costs. The balance of HRA reserves has been maintained at the same level as the prior year at £6.5 million.

Capital expenditure

The capital programme budget for 2022/23 was £161 million, which consisted of non-housing programmes of £132 million and a housing related programme of £29 million. The delivery of the capital programmes has been impacted by the complexity and scale of the projects, the costs of inflation, availability of contractors and increasing professional fees. This resulted in an in-year re-profiling of the capital programme and an underspend against budget of £42 million (or 25% of the budget) of which £32 million was for non-housing development and £10million related to housing.

The largest element of the Council capital programme spend is City Deal, responsible for almost one third of the programme, with Leisure and Heritage projects, council dwellings and roads and transport projects making up the remainder.

The projects re-profiled into 2023/24 largely relate to Paisley Museum, Paisley Town Hall and Paisley Town Centre Infrastructure, City Deal and the new Paisley Grammar Campus.

Treasury management

Capital spend is sourced through a number of funding and borrowing streams. Almost half of capital funding comes from external borrowing, with 46% being funded from government grants and contributions and 5% from other sources. During 2022/23 the Council borrowed £25 million from the Public Works Loans Board (PWLB) on a long-term loan basis. Cash levels have decreased when compared to the balance as at March 2022,

The Council remained within its authorised capital financing requirement (CFR) of £480 million, with the actual CFR being £442.1 million. The ratio of net revenue used for paying for the borrowing financing cost (loan interest) was 33% for housing and 3% for non-housing.

Systems of internal control

We have evaluated the Council's key financial systems and internal financial controls to ensure internal controls are operating effectively to safeguard public assets.

We did not identify any significant weaknesses in the Council's accounting and internal control systems during our audit.

Prevention and detection of fraud and irregularity

We found the Council's arrangements for the prevention and detection of fraud and other irregularities to be sufficient and appropriate.

National fraud initiative

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise co-ordinated by Audit Scotland working together with a range of Scottish public bodies to identify fraud and error.

The most recent NFI exercise commenced in 2022. The Council uploaded the data in line with the requirements of the NFI in October 2022 ahead of the new data sets being released in January 2023. Council officers are working through the matches and an update to the Council is going to be presented during 2023/24. There are no significant findings to note so far.

Overall, the Council's arrangements with respect to NFI are satisfactory. We will follow up completion of the work as part of our 2023/24 audit.

Financial sustainability

Significant audit risk

Our audit plan identified a significant risk in relation to financial sustainability under our wider scope responsibilities:



Extract from External Audit Plan - Financial sustainability

The Council considers its medium-term financial planning through its Financial Sustainability and General Fund Financial Outlook report regularly presented to the full Council. The Council has considered a range of scenarios from optimistic to pessimistic and identified a 'central scenario' with a funding gap of £45 million to £50million between 2024/25 and 2026/27. Assuming a 5% council tax increases in each of those years the funding gap reduces to a range of £30 -35million and would require the Council to identify c.£10million of savings and efficiencies each year. However, such council tax increases would be subject to prior Council vote and approval.

The Council reviewed its budget planning assumptions to reflect the financial challenges impacting on the external environment which the Council operates in. In addition to council tax, other assumptions included pay and contractual inflation cost pressures. The emerging and uncertain impact of cost pressures on the Council's finances and ability to deliver services in a sustainable manner remains a significant challenge and risk.

The key Council's transformation programme Right for Renfrewshire ("RFR") aims to transform the Council's services, create efficiencies, and generate savings over the medium term. It was paused between 2020 and 2021 to focus the efforts on the emergency response to the COVID-19 pandemic and restarted again in 2022. The Council recognises that as a result, the savings have fallen behind the requirement to secure financial sustainability. The original RFR savings target of £25million was revised in June 2022 when the Council reinstated the programme with a target to achieve £15million of savings instead. The Council delivered £5million of savings between 2020-22 against the original RFR target. The new savings target £15million has also proven to be challenging and it is currently expected that £8million will be achieved over the period of 2023-2025.

The Council has been reviewing its medium-term sustainability workstreams noting that over the period from 2010 it has already achieved £173million of savings and that the scope for further savings is therefore limited without impacting the quality of the services delivery. The Council has concluded that these measures will deliver less savings than planned and is currently investigating the potential for further savings and efficiencies.

The Council's reserves include £21.5million of ringfenced reserves (in relation to COVID and inflation mitigation) and £10.3million of unallocated reserves. While the Council plans to potentially draw down up to £12million of ringfenced reserves to achieve a breakeven position in the short term, it has acknowledged that these cannot be utilised as a sustainable solution to close the medium-term budget gap. The Council recognises that difficult decisions on spending priorities will be required to address the projected budget deficit.

The Local Government Finance circular 10/2022 confirmed that local authorities can utilise financial flexibility whereby the capital repayment element of service concessions can be accounted for over the expected useful life of the asset

instead of the contract period. The Council has approved the use of this flexibility, which will produce an in-year saving of £1.4million, with reduced cost available up to 2036/37. However, this re-profiling exercise will also generate cost, not previously present, beyond 2036/37. The net cost impact over the revised life of the assets is nil. Council's utilisation of the service concession financial flexibilities has been incorporated into the Financial Outlook reports during 2022.

Our detailed findings on the Council's arrangements for achieving long term financial sustainability are set out below.

2023/24 revenue budget

The Council approved its 2023/24 revenue budget at a meeting in March 2023. The Council voted 6% increase on council tax and agreed utilisation of non-recurring reserve funding up to £12million to achieve a break even position.

The projected outturn at March 2023/24 is an overspend of £5.7million against its total budget of £509.6million. The key areas of the adverse variance relate to:

- £2.6million in relation to external specialised residential accommodation placements within Children and Families;
- £2.3million in relation to the ongoing shortfall in parking income, waste collection cost driven up by fuel prices and other inflationary pressures; and
- £1.1million from repair and maintenance of streetlight columns, due to inflationary pressures and under-recovery within soft facilities management services

There is also uncertainty in relation to ongoing pay negotiations and their impact on 2023/24 outturn.

Cost improvement plans

The Council re-commenced its service transformation programme in 2022, including arrange of financial sustainability workstreams to achieve savings over the medium term. This is branded under the name of Right for Renfrewshire ('RFR'). There have been specific, targeted reviews undertaken as a part of RFR to generate savings and included reviews of the Operations and Infrastructure service within Environment and Infrastructure to generate savings over 2022/23 to 2024/25. Remaining areas of the Council where reviews have been undertaken include Corporate Governance, Marketing and Communications, Policy and Partnerships and People and Organisational Development. The Council expects that these reviews will largely deliver against their savings target in 2023/24.

The budget savings under RFR were expected to be at £8million over the remaining 12 months, against £15 million target. £4.7million of these savings are incorporated

into 2023/24 budget. The Council is undertaking work on how to achieve a longer-term target of £20million savings in the medium to longer term.

In addition, the above target will be affected by additional savings required to fund additional revenue costs in relation to the Dargavel Primary school issue.

Medium term financial plan

Officers have noted that the prior year’s savings were largely achieved by two departments which make up only 20% of the total council budget. Commitment to savings would need to be met by all services, including the Council’s subsidiaries.

The medium-term financial challenge and financial gap has been considered by the Council numerous times, but no clear options have been presented or decision has been made as to how to address those challenges. This poses an increasing risk to the Council’s delivery of services over the medium-term, and we would recommend addressing as a priority.

Recommendation 2

Capital plans

The Council has a number of medium- and long-term capital projects, financed through borrowing, Levelling up Fund, City Deal, Regeneration Capital Grant funds and Scottish government funding. The biggest capital projects over the next 5 years include City Deal Projects (Clyde Waterfront & Renfrew Riverside, Glasgow Airport Investment Area), Advanced Manufacturing Innovation District Scotland South project, Paisley Museum and investment in heritage venues and town centre infrastructure. This is supported by asset lifecycle maintenance programmes.

Exhibit: Capital programme

	2023/24	2024/25	2025/26	2026/27	2027/28
	(£m)	(£m)	(£m)	(£m)	(£m)
Non-housing	145.9	94.0	85.4	53.4	45.6
Housing	29.7	48.6	69.0	71.7	51.9
Total	175.6	142.6	154.4	125.1	97.5

Projected outturn at March 2023/24 is an underspend of £0.1million. The total borrowing and long-term debt over the next three years is expected to increase by 34% from £429million in 2023/24 to £575million in 2025/26 and new borrowing will need to be financed, therefore reducing revenue available to provide other services.

These reductions have been budgeted for and impact is included within the overall projected £50million medium term financial gap.

This year's programme included construction of Paisley Grammar New Campus and Primary Schools Estate Programme, but additional expected cost of building a new primary school in Dargavel and extending the secondary school there is not included in the above estimates. The Council expects to finance this cost of c.£72-75m from external borrowing.

Housing Revenue Account

The Council plans to deliver total housing capital investment of £270.8million over the 5-year period up to 2027/28. The council expects that £26.6million of the total will be financed from government grant. The HRA 2023/24 budget of £29.7million is expected to be on track for delivery, with no under or overspend currently reported.

The HRA operates a rolling 30-year Business Plan model which is the standard operating practice amongst local authorities and Registered Social Landlords. The 30-year basis of the model reflects the need for a long term planned approach to the replacement of major items such as rewiring, central heating aligned to the lifecycle of the element.

Similar to non-housing construction, the sector is still experiencing the impact of pandemic recovery, with the backlog of repairs to void properties influencing income generation. The Council is focusing on the first phase of its capital programme to deliver c.1,100 housing properties and to invest £30million in the existing high-rise accommodation.

Vision, leadership and governance

Our detailed findings on the Council's arrangements are set out below.

Vision

The Council approved a new Council Plan in September 2022, articulating its vision, priorities and strategic outcomes for the Council. The Council Plan strategic outcomes are used to underpin the Council's internal and external communication and engagement and these align to their organisational values. The Plan has five main strategic outcomes: Place, Economy, Fair, Green and Living our values.

Corporate leadership team

Renfrewshire council senior team consist of the Chief Executive, 3 Directors of departments and 15 Heads of Service (along with the Chief Officer of the HSCP and Chief Executive of partner organisation OneRen). The Council's internal structure changed in December 2022 when Community Learning moved into the Chief Executive's Services, and Community Protection and Housing services were consolidated with Environment and Infrastructure, and one director's post was deleted as a result.

Governance arrangements

The Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives set out in the Council plan. The Council has approved and adopted a Local Code of Corporate Governance and publishes information on how it complies with that Code.

The Council has a number of Boards (Committees) with delegated authorities and specific remits in place. The Audit, Scrutiny and Risk Board is chaired by an independent member of the council and comprise nine members from all political parties represented on the Council. Its remit is to consider internal and external audit and scrutiny reports, note internal audit performance, consider and monitor progress reports against any action points raised by internal and external auditors. The Board also has responsibility for considering the Council's code of corporate governance, approving the risk management policy and strategy and reviewing the effectiveness of risk management arrangements. Other functions include monitoring and reviewing service delivery performance, policies and practices and to submit recommendations to the Council.

The Council has recently committed to undertaking a review of the effectiveness of the Audit, Risk and Scrutiny Board against the CIPFA good practice guidance for

audit committees. The Council should also consider the effectiveness of existing scrutiny arrangements across all governance bodies as part of its evaluation of the role of the Audit, Risk and Scrutiny Board.

Recommendation 3

Seven Local Partnerships have been established and have identified initial local priorities. Decision making including that relating to relevant grants is delegated to each Local Partnership through a lead officer appointed by the Council.

Risk Management

Renfrewshire Council has a risk management framework in place formed over key components and supported by a high-level combined risk management policy and strategy, last revised in March 2021. The strategy is due to be reviewed by the Audit, Risk and Scrutiny Board in November 2023. The risk management objectives refer to:

- Leadership and management;
- Policy and strategy;
- People;
- Partnership and resources;
- Processes;
- Risk handling and assurance; and
- Outcomes and delivery.

Updates on progress reports and monitoring of risks are reported to the Audit, Risk and Scrutiny Board on a six-monthly basis. Each Council department has at least one representative on the Corporate Risk Management Group (the Group). The Group has overseen reporting of the 2022/23 strategic and corporate risk, monitoring progress on behalf of the Corporate Management Team. Services have taken ownership of their risks with processes being followed for reporting, and where necessary 'escalation' of significant risks to the strategic or corporate registers. All service departments submitted their risk data on time for the progress reports to the Audit, Risk and Scrutiny Board as planned.

Cyber security

There continues to be a significant risk of cyber-attacks to public bodies, and it is important that they have appropriate cyber security arrangements in place. A number of recent incidents in other organisations have demonstrated the significant impact that a cyber-attack can have on both the finances and operation of an organisation.

We have considered risks related to cyber security at the Council as part of our integrated audit as part of our understanding of the Council's use of IT. Based on this initial assessment we concluded that arrangements are appropriate.

Internal audit

The internal audit service operates in accordance with the Public Sector Internal Audit Standards and reports to the Audit, Risk and Scrutiny Board. Internal audit undertakes an annual programme of work, approved by the Board, based on a strategic risk assessment. The Council's Chief Auditor provides an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control.

To ensure the integrity of the internal audit function, the annual internal audit strategy and plan is determined by the Chief Auditor in consultation with all service Directors and their senior management teams.

The internal audit opinion for 2022/23 was that, subject to management addressing the critical and important recommendations made in the limited and no assurance reports, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control, risk management and governance arrangements.

Internal audit presented results of their activity for 2022/23, out of the planned days of 941, 903 (or 96%) were delivered. Internal audit also followed up on 94 recommendations of which 67% have been completed, 23% were partially completed and 7% not implemented. We consider internal audit work during our risk assessment and on ongoing basis.

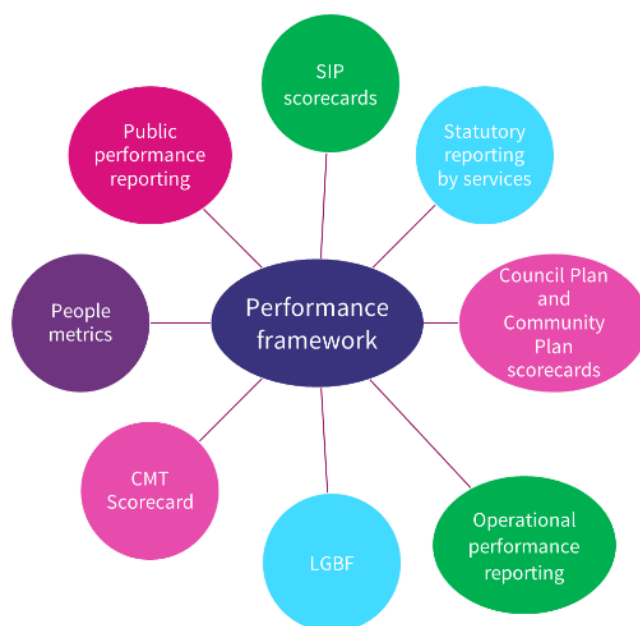
In line with the requirements of the Public Sector Internal Audit Standards (PSIAS) the internal audit function was subject to an external assessment performed by an internal auditor of another local authority. The external reviewer concluded that RC's internal audit fully complies with PSIAS requirements.

Use of resources to improve outcomes

Our detailed findings on the Council’s arrangements are set out below.

Performance management framework

The Council introduced a new performance framework to measure against the new 2022-27 Council Plan objectives. A high level summary of the Framework is presented below:



Source: The Council’s internal documentation

The framework assumes 6 monthly reporting to Leadership Board with performance indicators against action progress grouped by Council Plan strategic outcomes. These outcomes have also one cross-cutting theme – Improving outcomes for children and families.

Service Improvement Plans (SIP) at teach service level were also given a new format to make them aligned with the above. The reporting is done on 6 monthly basis to relevant Boards including an annual outturn report. All performance indicators and actions in the Council Plan Framework are included in SIPs.

The next stage of performance reporting is at operational level with range of service-specific performance reporting across Council to the appropriate Policy Board, together with statutory performance reports.

Local Government Benchmark Framework (LGBF) is scrutinised by the Corporate Management Team (CMT) with reports to the Audit, Risk and Scrutiny Board. The

CMT would also review a number of performance reports, scorecards, people metrics and have ‘deep dives’ into specific areas on a quarterly basis.

These documents are then used to create public performance reporting in user friendly formats, and by using interactive presentations, case studies and dashboards.

Service improvement and reporting 2022/23

We have considered how the Council demonstrates a trend of service improvement in delivering their strategic priorities, as required by the Audit Scotland planning guidance for 2022/23.

The Council reports its performance on website across different themes, against 105 indicators included in LGBF, Best Value requirements, and also includes a high level list of performance indicators in its statutory annual accounts.

A summary of the information the Council reports publicly on its service performance is set out below.

Extract from the accounts is included below. In terms of key performance indicators the Council mostly meets the target in relation to people support, although some of the performance declined relative to prior year (children services), while other (employment and support) have improved. Care, buildings and road indicators have overall declined.

Council Services Key Performance Indicators	22/23	21/22	Target
Pothole repairs completed within timescales	95%	83%	80%
Reported street lighting faults which were repaired within the 7-day timescale	99.2%	99.9%	95%
Affordable housing completions	369	170	200
Number of unemployed/ low waged people being supported through Renfrewshire Council Employability Programme (INVEST)	1,370	859	1,100
Number of people supported, sustained in work at 6 Months through Renfrewshire Council Employability Programme (INVEST)	340	221	180
Number of people viewing or attending the events programme	151,500	63,630	65,000
Looked After Children cared for in the community	90%	92%	89.9%
Accommodated Looked After Children placed with families	87%	89%	83%
Community Asset Transfer - number of months from receipt of an application to a determination being issued from the Council	4	n/a	6
Proportion of vehicle fleet using alternative fuels	28%	25%	25%
Statutory A-road inspections completed on target	83%	100%	100%
Statutory B-road inspections completed on target	86%	100%	100%
Building Standards first reports issued within 20 days	67%	53.4%	95%
New business start-ups with Business Gateways Support	206	272	320
Care leavers participating in employment, training or education	52%	59%	55%
Council housing stock which meets the Scottish Housing Quality Standard	68%	57%	100%

Statutory performance information

The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. This responsibility links with the Commission's best value audit responsibilities. In turn, councils have their own responsibilities, under their best value duty, to report performance to the public. The Accounts Commission issued a revised Statutory Performance Information Direction ('2021 Direction') in December 2021, which applies for the three-year period from March 2023 to March 2025. The 2023 Direction requires a council to report its:

- performance in improving local public services (including those provided with its partners and communities), and progress against agreed desired outcomes
- own assessment and audit, scrutiny and inspection body assessments of how it is performing against its duty of Best Value, and how it has responded to these assessments.

The Council have made proper arrangements for preparing and publishing the statutory performance information in accordance with the Direction. The information reported on the Council's website is the Council's response to meeting the requirements.

Climate change

Tackling climate change is one of the greatest global challenges. The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75 percent reduction in greenhouse gas emissions by 2030.

There are specific legal responsibilities placed on public bodies to contribute to reducing greenhouse gas emissions, to adapt to climate change, to act sustainably and to report on progress. All public bodies need to reduce their direct and indirect emissions and should have plans to do so. Many public bodies also have a role in reducing emissions in wider society, and in supporting activity to adapt to the current and potential future impact of climate change.

The key actions the Council has taken to reduce climate change are set out in the table below:

What targets has the body set for reducing emissions in its own organisation or in its local area?

The Council set net zero target by 2030.

Does the body have a climate change strategy or action plan which sets out how the body intends to achieve its targets?

The Council has 'Renfrewshire's Plan for Net Zero' strategy in place with five key themes and actions.

How does the body monitor and report progress towards meeting its emission targets internally and publicly?

The Council plans to use annual updates of emissions modelling tool, which will be taken to a Board and published.

Has the body considered the impact of climate change on its financial statements?

No, but the Council is currently working on phased road map with interim annual targets for the area as a whole and also a carbon budget for the Council as an organisation.

What are the areas of the financial statements where climate change has, or is expected to have, a material impact?

Not applicable as per the answer above.

Does the body include climate change in its narrative reporting which accompanies the financial statements and is it consistent with those financial statements?

Yes, climate change targets, main policies and strategies are summarised in the annual report.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure Best Value. There are the following four aspects to auditors' work:

- Thematic reviews;
- Follow-up and risk-based work;
- Service improvement and reporting; and
- Contributing to Controller of Audit reports.

Thematic review

Auditors are required to report on Best Value or related themes prescribed by the Accounts Commission. This year's thematic review is on the effectiveness of council leadership officers and members in developing new local strategic priorities following the elections in May 2022. We present the findings in a separate report with a summary set out below:

How clear is the new council vision and its priorities?

The Council has 2022-27 Council Plan clearly articulating the vision, priorities and 5 strategic outcomes for the Council. The development of the new Council Plan was done in tandem with the refresh of Renfrewshire's Community Plan with Strategic Needs Assessment which underpinned both documents, outlining the key themes, needs and opportunities for Renfrewshire. The Community Planning Executive Group had full oversight of the development process.

How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?

There is a performance framework in place with indicators to measure progress against each of the strategic outcomes.

There is a variety of the forums for the views of the citizens to be reflected in the Council's decision making. These include Fairer Renfrewshire Programme, Connected Communities Programme and a number of other ones. The Community Impact Assessment and resultant programmes are based on

How effectively do the council priorities reflect the need to reduce inequalities and climate change?

consultation and engagement on priorities. There are also participatory budgeting programmes in place.

As a part of the Community Impact Assessment there was a specific equalities-led engagement programme run, recognising that the pandemic exacerbated inequalities. This work then led to the Social Renewal Plan and Fairer Renfrewshire programme. These findings were also reflected in the Strategic Needs Assessment which was clear about the challenge faced. The Community Plan was refreshed almost exclusively to focus on the inequalities and the 'Fair' strategic outcome in the Council Plan has a strong focus on this.

Council commitment to this includes specific funding for the programme and a sub-committee of the Leadership Board established to specifically focus on this key priority area.

Renfrewshire Council has a strong commitment to tackling climate change, having declared a climate emergency in 2019. This commitment forms a stand-alone strategic outcome in the Council Plan (green) which closely links to our Plan for Net Zero and RenZero identity.

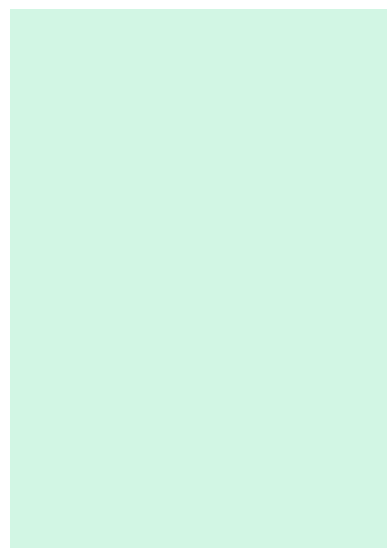
How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?

Service plans highlight how key priorities within the Council and Community Plan will be delivered, often at a more granular level. The Council's strategic framework has links from the Council and Community Plan to service level and operational plans. The Council has a well-established approach around transformation and achieving savings across services through the Right for Renfrewshire programme and now through Financial Sustainability workstream.

There are workforce plans, financial plans, assets and digital plans at the Council, formalised into strategies, capital plans and other documents, followed by operational consideration.

Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

The Council established a Cross Party Sounding Board to allow matters to be canvassed by officers with Elected Members in what is intended to be a non-political forum. The Council has agreed to establish a cross-party body to discuss and review existing governance arrangements of the Council. Officer



briefings for all of the three major political groups are offered in advance of policy boards and these occur more frequently under the current Council.


Our interviews with members and senior management team members indicate that this has been an area of improvement over the years.

The Service Improvement Plan scrutiny process outlined above gives Members the opportunity to scrutinise service performance in relation to progress against the agreed priorities. This process is also mirrored in the Council Plan scrutiny process with performance reported to Board every 6 months.

Best Value Assurance Report follow-up

Auditors are required to follow up Accounts Commission findings, Controller of Audit recommendations and any outstanding improvement actions reported in Best Value Assurance Reports and Annual Audit Reports. We are also required to have regard to the seven Best Value themes when completing our wider scope work

A Best Value review was undertaken on Renfrewshire Council in 2016/17. The Best Value Assurance Report (BVAR) includes recommendations to help the Council address the improvement areas identified during the audit. We have considered progress made by the Council in implementing the recommendations made in the BVAR. Our findings are summarised below.

Best value Assurance Report – follow up	Auditor judgement	
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The Council had eight recommendations and progressed against each. We note however that some of the recommendations are not directly applicable to the Council after so many years since the report was published.

Recommendation 1: Councillors should improve cross-party working, given the financial challenges that exist and the important decisions that will need to be made in the future.

Progress: from our work and interviews with council members and officers we can conclude that the members are working with each other effectively.

Recommendation 2: Councillors should take advantage of the training and development opportunities that the council provides to ensure they have the necessary skills and knowledge to perform their role effectively.

Progress: appropriate training is delivered to members, monitored by the Council and reported to appropriate Board annually.

Recommendation 3: The Council should review its governance arrangements to ensure they provide for a relationship with Renfrewshire Leisure Limited (RLL) that is clear, independent, and more easily understood by the public.

Progress: governance arrangements has been updated and strengthened.

Recommendation 4: The Council should develop a detailed medium and long-term workforce strategy and plan and implement its organisational development strategy. Implementing both the workforce and organisational development strategies will be critical to managing how future services are provided.

Progress: this had a number of iterations over the years and a progress report on the Council's People Strategy was presented to Finance, Resources and Customer Services Policy Board in September 2023.

Recommendation 5: The Council is continuing to review how it will achieve the savings required within the medium- term financial strategy. The Council should prioritise how services need to be provided in future to meet these savings.

Progress: The Council's Financial Outlook is being continually reviewed in light of changing economic climate and regular reports are made to the Council.

Recommendation 6: Community Planning partners need to plan their budgets and finances together to provide a clearer picture of the overall resources available.

Progress: At the meeting of the Community Planning Executive Group in September 2023, a discussion took place on resourcing and the need to collectively focus resources on joint priorities.

Recommendation 7: The Council and its partners need to continue to involve communities and work together on joint priorities and to strengthen partnership

working. This will provide a positive base to ensure the Community Empowerment (Scotland) Act 2015 is fully implemented.

Progress: there was progress made in this area in relation to development of new local partnerships and through the Developing Communities. However, the Dargavel primary school issue demonstrated that more needs to be done in this area.

Recommendation 8: The Annual Report should include a summary position regarding the Council's performance together with relevant detailed performance information. This would improve the accessibility of performance information and help to demonstrate greater transparency by the Council.

Progress: There a number of performance management methods and the Chief Executive's Service's current Service Improvement Plan is to review and refresh the Council's performance management framework, which will continue to be reported on via the mid-year and outturn reports.

We have considered the Best Value themes as part of our wider scope work and have not identified any significant risks in this respect.

Service improvement and reporting

We have considered this as part of our wider scope work within Vision, leadership and governance section of this report.

Contributing to Controller of Audit Reports

The Controller of Audit reports to the Accounts Commission on each council's performance in meeting its Best Value duties at least once over the five-year audit appointment. Auditors are required to include judgments on the pace and depth of continuous improvement in the council as part of their wider scope work to contribute to these reports. Our findings and conclusions are set out in our wider scope work within Vision, leadership and governance section of this report.

Appendices



Appendix 1: Responsibilities of the Council and the Auditor

Appendix 2: Audit differences identified during the audit

Appendix 3: Action Plan

Appendix 4: Follow up of prior year recommendations

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Appendix 1: Responsibilities of the Council and the Auditor

Responsibilities of the Council

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer. The Director of Finance and Resources is responsible for the preparation of the Council’s annual accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Area	The Council’s responsibilities
Corporate governance	<p>The Council is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p>
Financial statements and related reports	<p>The Council has responsibility for:</p> <ul style="list-style-type: none"> preparing financial statements which give a true and fair view of the financial position of the Council and its group and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support the balances and transactions in its financial statements and related disclosures; preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent and a remuneration report that is consistent with the disclosures made in the financial statements and prepared in accordance with prescribed requirements. The management commentary should be fair, balanced and understandable and also address the longer-term financial sustainability of the Council. <p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the Council and its financial performance, including providing</p>

Area	The Council's responsibilities
	<p>adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</p> <p>The Council is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. The Council is also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
<p>Standards of conduct for prevention and detection of fraud and error</p>	<p>The Council is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.</p>
<p>Financial position</p>	<p>The Council is responsible for putting in place proper arrangements to ensure its financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
<p>Best Value</p>	<p>The Council has a specific responsibility to ensure that arrangements have been made to secure best value. They are responsible for ensuring that these matters are given due priority</p>

Area	The Council's responsibilities
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and resources, and that proper procedures are established and operate satisfactorily.

Auditor responsibilities

Code of Audit Practice

The Code of Audit Practice (the Code) describes the high-level, principles-based purpose and scope of public audit in Scotland. The [2021 Code](#) came into effect from 2022/23.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General and it is a condition of our appointment that we follow it.

Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to the Council and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

Financial management



Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.

Auditor considerations

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.

Financial sustainability



Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Auditor considerations

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

Vision, leadership and governance



Audited bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

Auditor considerations

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

Use of resources to improve outcomes



Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.

Auditor considerations

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvement in priority services.

Best Value

[Ministerial guidance to Accountable Officers for public bodies](#) sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value. Our work in respect of the Council's best value arrangements has been integrated into our audit approach, including our follow up on the Council's Best Value Assurance Report and work on the wider scope dimensions.

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#).

The most recent audit quality report can be found at <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202122>

Independence

The Ethical Standards and ISA (UK) 260 require us to give the Council full and fair disclosure of matters relating to our independence. We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We

confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Our period of total uninterrupted appointment as at the end of 31 March 2023 was one year.

Audit and non-audit services

The total fees charged to the Council for the provision of services in 2022/23 were as follows. Prior year charges for the predecessor auditor are also shown for comparative purposes:

	2022/23	2021/22
Auditor remuneration	£298,450	223,730
Pooled costs	-	23,320
Contribution to PABV costs	£78,110	110,340
Audit support costs	£10,290	11,940
Sectoral cap adjustment	£55,800	-
Total Council's audit	£442,650	£369,330
Non-audit services - Council	-	-
Non-audit services – wider group	£710	-
Total fees	£443,360	£369,330

The FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. We have detailed in the table below the non-audit services provided to both the Council and the wider group, the threats to our independence and the safeguards we have put in place to mitigate these threats.



Non-audit service	Service provided to	Type of threat	Safeguard
Tax return preparation	Park Lane Developments (Renfrewshire) LLP	Self-review	Non-audit services on this component are delivered by a separate tax team lead by a tax partner.

Appendix 2: Audit differences identified during the audit

We are required to inform the Council of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. The non-trivial misstatement discovered during the course of our audit which have been adjusted for by management are summarised in the table below.

Adjusted misstatements

Details of the item corrected following discussions with management is as below.

No	Detail	Assets	Liabilities	Reserves	CIES
		Dr / (Cr) £m	Dr / (Cr) £m	Dr / (Cr) £m	Dr / (Cr) £m
1.	Correction of pension fund plan assets that were initially recognised in full. Adjusted from application of asset ceiling restriction.	(258.3)			258.3
2.	Valuation of property adjustment	(20.6)		20.6	
3.	Resource transfer adjustment				23.3 (23.3)
4.	Holiday pay accrual		(0.7)		0.7
5.	Asset depreciation adjustment	(1.6)			1.6
Net impact on General Fund Reserve					Nil
Net impact on net assets					(281.2)

Unadjusted misstatements

We identified no unadjusted misstatements during our audit.

Misclassification and disclosure changes

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the Council.

We identified a number of reclassification adjustments and some minor presentational issues in the Council's accounts, and these have all been amended by management. Details of all disclosure changes amended by management following discussions are as below.

No	Detail
1.	Disclosure on the Dargavel School required extending to reflect the results of the independent review.
2.	Disclosures in the remuneration report were inconsistent between each other.
3.	Restatement of prior year reserves have had no note to explain its nature.
4.	NDR Income account note contribution figure was inconsistent with the financial statements.
5.	Pension asset has been presented under liabilities in the balance sheet as a 'positive' figure rather than under assets category.
6.	Minor presentational and disclosure issues. The audit team have raised minor and presentational issues with management and we recommend that this is updated.
7.	Presentational classification adjustment to Note 4 between depreciation and other service expenses, not impacting the core statements.

Overall, we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

Appendix 3: Action plan

Our action plan details the weaknesses and opportunities for improvement that we have identified during our audit.

Action plan grading structure

To assist the Council in assessing the significance of the issues raised and prioritising the action required to address them, the recommendations have been rated as follows:

Rating	Assessment rationale
High	An issue that results in a severe impact to the achievement of objectives in the area audited.
Medium	An issue that results in a moderate impact to the achievement of objectives in the area audited.
Low	An issue that results in a small impact to the achievement of objectives in the area audited.

Current year action plan

1. Dargavel school response		Medium
Observation	<p>The Council has responded in a transparent and open manner to issues raised through the Bowles Report. We welcome the creation of a detailed action plan response to Bowles report recommendation and we note the planned reviews of overall governance arrangements and the specific review of the role the Audit, Risk and Scrutiny Board should have going forward.</p> <p>The Council recognises that it faces an ongoing challenge to build the trust and confidence of local communities in its school estate decision making. A recent report to the Education, Children’s Services Policy Board comments on the community negative reaction to the Council’s decision on extending (rather than replacing) an existing secondary school and indicates that decisions on the future school estate will remain a high profile area for the Council.</p>	

<p>Implication</p>	<p>Lack of clarity over the above points might lead to slow pace of remediating issue or re-occurrence in the future</p>
<p>Recommendation</p>	<p>We recommend that the Council:</p> <ul style="list-style-type: none"> • Performs a more comprehensive and continuous assessment of future operating costs for planned new school provision. • Consider whether any additional monitoring and assessment arrangements for pupil educational attainment may be required for pupils in the Bishopton and Dargavel communities • Consider how it will evidence better joint working between council departments in future projects • Remains open and measures its effectiveness in rebuilding its relationship with the affected communities.
<p>Management response</p>	<p>The Council has developed a substantial action plan addressing all the key recommendations from the independent review; and which will address the external audit points above. The action plan will subject to ongoing monitoring and scrutiny by the Audit, Risk and Scrutiny Board.</p> <p>Responsible officer: Chief Executive</p> <p>Implementation date: Ongoing</p>

2. Financial sustainability		High
Observation	<p>Officers have noted that the prior year's savings were mainly achieved by two departments which make up only 20% of the total council budget. Commitment to savings would need to be met by all services, including the Council's subsidiaries.</p> <p>The medium term financial challenge and financial gap has been considered by the Council numerous times, but no clear options have been presented or decision have been made as to how to address those challenges. The Council now needs to make difficult spending priority decisions to secure financial sustainability going forward.</p>	
Implication	<p>This poses an increasing risk to the Council's delivery of services over the medium term and we would recommend addressing as a priority.</p>	
Recommendation	<p>To present the Council with a range of options and services implications.</p>	
Management response	<p>A Financial Outlook update has been reported to Council at each board cycle, the last being 28th September 2023. This continues to update status of the budget deficit position in the medium term and the progress of savings targets. The Council's senior management team continue to identify options for further savings and service transformation, for agreement by elected members in setting future annual revenue budgets.</p> <p>Responsible officer: Director of Finance & Resources</p> <p>Implementation date: Ongoing</p>	

3. Cut off de minimis		Low
Observation	<p>The Council applies a 'de minimis' limit to determining how it will process transactions into the correct financial year. However, we identified that this threshold is not formally set.</p>	
Implication	<p>There could be inconsistent treatment of the transactions with no formal limit set leading to misstatements.</p>	
Recommendation	<p>To formalise arrangements around cut-off recording.</p>	

Management response	<p>A formal de minimis will be included in year-end guidance documents from 2023/24 onwards.</p> <p>Responsible officer: Head of Finance and Procurement</p> <p>Implementation date: 31 March 2024</p>
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4. Land valuations frequency Low	
Observation	Our audit of fixed assets identified that a number of land values have been revalued in 2023, but had not been revalued in the five years before that valuation.
Implication	Revaluations to be made with sufficient regularity to ensure that the carrying amount does not differ materially from current value.
Recommendation	We recommend revaluing land values at least once in five years in line with standard industry practice and accounting requirements.
Management response	<p>There have been resourcing issues within the Council's Estates team, with external assistance purchased in 2023. Land values will be reviewed at least once in five years.</p> <p>Responsible officer: Head of Economy and Development</p> <p>Implementation date: 31 March 2024</p>

Appendix 4: Follow up of prior year recommendations

We have followed up on the progress the Council has made in implementing the recommendations raised by the previous auditor last year which were reported as either new or ongoing.

Recommendations raised in 2021/22 (predecessor auditor recommendations)

1. Property, plant and equipment valuations	<p>The Code of Practice on Local Authority Accounting requires authorities to revalue property, plant and equipment with sufficient regularity to ensure the carrying amount does not differ materially from current value, being the value that would have been obtained if revalued. Property, plant and equipment valuations within the annual accounts is supported by workings from valuers, using a rolling programme of revaluations. The valuation process could be enhanced through greater documentation of the annual valuation report and management scrutiny over the report including:</p> <ul style="list-style-type: none">• The assets revalued in year and the methodology applied in the valuation exercise;• Key assumptions and estimates made in the valuation;• The total valuation amount reflected within the annual accounts; and <p>The recommendation was that a valuation report is prepared by the council's valuer on an annual basis outlining the details of the work undertaken, the impact on the asset values and the methodology applied in completing the revaluation programme. There should be clear evidence of how officers have challenged and scrutinised the valuation to ensure the accounts are free from material misstatement.</p>
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Implementation date

Closed

Response: The Council's valuer has detailed which assets have been valued in the year and the impact of this on the wider category of assets. Improvements will continue to be made to

Recommendations raised in 2021/22 (predecessor auditor recommendations)

annual valuation information to allow increased clarity on the work undertaken in year.

Responsible officer: Head of Economy and Development

2. Related party disclosures

The information held relating to member and officer interests could be enhanced to ensure that all relevant information is recorded to support the governance and financial reporting requirements around the disclosure of related parties. Processes and controls to consider and identify relevant relationships and transactions that require to be disclosed within the annual accounts should be reviewed for appropriateness.

Risk: There is a risk that the council fail to identify related parties due to underlying documentation lacking sufficient detail.

The recommendation was that a review of controls and processes around related parties is undertaken. This will include the documentation of member and officer interests as well as the processes in place to identify the relevant disclosures for inclusion in the financial statements.

Ongoing

Response: The Related Parties disclosure was refreshed and significantly expanded in the 2022/23 accounts and further development of the note will be undertaken for the 2023/24 accounts.

Responsible officer: Head of Finance and Procurement

Recommendations raised in 2021/22 (predecessor auditor recommendations)

3. Financial strategy to support financial sustainability

The council face continuing financial challenges and significant uncertainty.

It is anticipated that new financial flexibilities may become available and the impact of these should be assessed within the scope of the wider financial strategy.

Risk: There is a risk that decisions around financial flexibilities, transformation and redesign of savings are made without detailed financial impacts being available to support the decision-making process.

The recommendation was to develop a revised financial strategy incorporating new or temporary financial flexibilities and assess how the total balances available are best utilised to support the financial sustainability of the council over the medium term.

The council will need to actively engage with local and national partners to deliver the required level of efficiencies and savings.

Ongoing

Response: Financial Outlook update reports have been reported to Council at each board cycle, the last being 28th September 2023. This continues to update the budget position in the medium term and the progress of savings targets. The use of financial flexibilities was agreed by Council in September 2021.

Responsible officer: Director of Finance and Resources

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We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

Accounting | Tax | Audit | Advisory | Technology

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Azets Audit Services
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EH3 8BL

Dear Sirs

**Renfrewshire Council
Financial Statements for the year ended 31 March 2023**

This representation letter is provided for the purpose of expressing an opinion as to whether Renfrewshire Council's financial statements present a true and fair view, in all material respects, in accordance with applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Renfrewshire Council's Chief Executive and the Audit, Risk and Scrutiny Board, the following representations given to you in connection with your audit of Renfrewshire Council's annual accounts for the year ended 31 March 2023.

Financial Statements

- i. Renfrewshire Council and I have fulfilled our responsibilities for the preparation of Renfrewshire Council's financial statements in accordance with applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code), for being satisfied that they give a true and fair view and for making accurate representations to you.
- ii. I have complied with the requirements of all statutory directions affecting Scotland and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The financial statements are free of material misstatements, including omissions.
- iv. Renfrewshire Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.



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- v. I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and I believe that I have appropriately fulfilled these responsibilities.
- vi. The methods, data and significant assumptions used by us in making accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework. I am satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements.
- vii. Renfrewshire Council has satisfactory title to all assets disclosed in the accounts. I have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities as at 31 March 2023 are reflected in the financial statements.
- viii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of Renfrewshire Council has been assigned, pledged or mortgaged;
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- ix. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of applicable law and accounting standards.
- x. All events subsequent to the date of the financial statements and which require adjustment or disclosure have been adjusted or disclosed.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK adopted international accounting standards, and as interpreted and adapted by the Code.
- xii. I confirm my estimation of the holiday pay accrual is materially accurate and complete within the financial statements.
- xiii. I have assessed Renfrewshire Council's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Renfrewshire Council's ability to continue as a going concern.



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Information Provided

- xv. I have provided you with:
 - a. access to all information of which I am aware that is relevant to the preparation of the Renfrewshire Council's financial statements such as accounting records, and all other records requested;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within Renfrewshire Council (via remote arrangements where necessary), from whom you determined it necessary to obtain audit evidence.

- xvi. I have communicated to you all deficiencies in internal control of which management is aware.

- xvii. All transactions undertaken by Renfrewshire Council have been recorded in the accounting records and are properly reflected in the financial statements.

- xviii. I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- xix. I have disclosed to you all information in relation to known fraud or suspected fraud that I am aware of and that affects Renfrewshire Council and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.

- xx. I have disclosed to you all information in relation to instances of, or allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

- xxi. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

- xxii. I have disclosed to you the identity of Renfrewshire Council's related parties and all the related party relationships and transactions of which I am aware.

- xxiii. I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.



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My Ref: AR/CB
Contact: Alastair MacArthur
Telephone Number: 0300 300 0285
Email: Alastair.macarthur@renfrewshire.gov.uk



xxiv. I acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as I am aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Annual Governance Statement

xxv. I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Renfrewshire Council's risk assurance and governance framework and I confirm that I am not aware of any significant risks or weaknesses in governance or internal control that are not disclosed within the AGS.

Management Commentary

xxvi. The disclosures within the Management Commentary fairly reflect my understanding of Renfrewshire Council's financial and operating performance over the period covered by the financial statements.

Remuneration Report

xxvii. I am satisfied that the disclosures within the Remuneration report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Approval

The approval of this letter of representation was minuted by Renfrewshire Council at its meeting on 9 November 2023.

Yours faithfully

Signature:

Name: Alastair MacArthur

Position: Director of Finance and Resources

Date



Finance and Resources
Director: Alastair MacArthur
Renfrewshire House, Cotton Street, Paisley PA1 1TT
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To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Director of Finance and Resources

Heading: Audited Annual Accounts 2022/23 - Renfrewshire Council Group

1. Summary

1.1 The 2022/23 unaudited Annual Accounts were approved by Council on 22 June 2023. Each year the Council's appointed external auditors carry out an audit of the Council's financial statements and provide an opinion as to whether those statements provide a true and fair view of the financial position of the Council, and its income and expenditure for the year; and also whether they have been prepared in accordance with the relevant regulations.

1.2 The audited annual accounts are now presented for members' noting and further recommendation to the Council that the audited accounts be approved.

1.3 There were two material adjustments made to the annual accounts over the course of the audit in relation to pension fund disclosures and the revaluation of properties. Further detail is included in Azets' Annual Audit report, presented at agenda item 1. Other minor and presentational changes were also agreed.

2. Recommendations

2.1 Members are requested to note the attached 2022/23 Audited Annual Accounts; and to recommend to Council that they be approved.

Implications of the Report

1. **Financial** – The 2022/23 Annual Accounts demonstrate that the Council continues to operate services within the resources available, and in line with the relevant legislation.
2. **HR & Organisational Development** – none directly arising from this report.
3. **Community/Council Planning** – none directly arising from this report.
4. **Legal** – An audit opinion free from qualification demonstrates the Council's compliance with the statutory accounting requirements set out in the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.
5. **Property/Assets** – none directly arising from this report.
6. **Information Technology** – none directly arising from this report.
7. **Equality & Human Rights** – none directly arising from this report.
8. **Health & Safety** – none directly arising from this report.
9. **Procurement** – none directly arising from this report.
10. **Risk** – none directly arising from this report.
11. **Privacy Impact** – none directly arising from this report.
12. **Cosla Policy Position** – none directly arising from this report.
13. **Climate Risk** – none directly arising from this report.

Author: Christine McCourt, Head of Finance and Procurement



Renfrewshire Council
Audited Accounts
2022–2023

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Management Commentary

The purpose of the Management Commentary is to present an overview of Renfrewshire Council's performance during the 2022/23 financial year and to help readers understand its financial position at 31 March 2023. In addition, it outlines the main issues and risks that may impact the performance of the Council in the future.

Renfrewshire Council, one of 32 local authorities in Scotland, was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. It provides services to over 179,000 residents in the entire Renfrewshire area, which has a mixed geography, with many villages complementing its three main towns of Johnstone, Paisley and Renfrew.

Population of 179,940



0-15	16.6%
16-64	64.2%
65+	19.2%
Female	51.6%
Male	48.4%

The Council is part of a wider Group, with partnerships spanning a number of organisations to varying degrees.



The Council also works closely with the Renfrewshire Health and Social Care Partnership, which delivers care services across the region; and with OneRen, which delivers leisure and cultural services. During 2022/23, Renfrewshire Council was organised into five directorate services, as follows:

- 
CHIEF EXECUTIVE'S SERVICE
 Responsible for the development of corporate policy, particularly in the areas of social inclusion, equalities, best value and efficient government.
- 
CHILDREN'S SERVICES
 Responsible for education services, children's social work services and criminal justice social work services.
- 
COMMUNITIES AND HOUSING
 Services include housing services (including our landlord function) public protection and community learning and development.
- 
ENVIRONMENT AND INFRASTRUCTURE
 Services include the management of roads and transportation, fleet, StreetScene and land services, waste and facilities management.
- 
FINANCE AND RESOURCES
 Core activities are geared towards providing services to the Council and its elected members, other council services and the general public.

In December 2022, a report to Council outlined changes to the senior management structure that resulted in Communities services moving into the Chief Executive's Service, and Housing services consolidating with Environment and Infrastructure. One director post was deleted from the structure.

The kind of services that the Council provides includes:



- HOUSING
- NURSERY
- PRIMARY & SECONDARY EDUCATION
- WASTE MANAGEMENT
- ROADS
- REGENERATION

Our Aims and Objectives

The Council's aims were revised during 2022 with a refreshed [Community Plan](#) and a new [Council Plan](#). The Community Plan is Renfrewshire's Local Outcomes Improvement Plan, and the Council works with local partners to achieve a Renfrewshire that is:

Thriving, Well, Fair and Safe.

It covers the period 2017-2027, but was refreshed in 2022 to consider how to respond to and recover from the unique challenges over the last few years.

The new Council Plan presents the Council's vision for the next 5 years as

*'Creating a fairer
Renfrewshire built on
innovation, wellbeing, and
opportunity'*

It outlines five new strategic outcomes which the Council will work with partners, communities, and businesses to deliver and one cross-cutting theme which will underpin the delivery of the outcomes. These are:

- Place: working together to enhance wellbeing across communities,
- Economy: building an inclusive, green, and resilient economy,
- Fair: nurturing bright, happy, and healthy futures for all,
- Green: leading Renfrewshire to Net Zero, and
- Living Our Values: making a difference together.
- [Improving outcomes for Children and Families: Cross-cutting](#)

Each Council service prepares a [Service Improvement Plan](#), themed around the Council Plan's strategic outcomes, demonstrating how the services will contribute to the delivery of the Council Plan.

Financial Strategy

The financial strategy and plans of the Council support the delivery of the Council's priorities as outlined in the Council Plan. In order to achieve this, the financial strategy must ensure resources are effectively and efficiently used in line with overall objectives; and ensure that resources are managed sustainably and in a way that continues to ensure the stability of service delivery.

The medium-term Financial Outlook 2023-26 was reported to the Council on 15 December 2022, with a further update in March 2023. These reports highlight the increasingly challenging financial and economic environment the Council is facing, predominantly linked to high levels of inflation.

The Council's medium-term financial outlook continues to be based on an assumed flat-cash revenue settlement over the next three years; however, it is cost pressures that are increasing significantly and the principal driver for the extremely challenging financial outlook. Incorporating an affordable level of pay increase over the period 2024/25 to 2026/27, and a reduced level of inflation on supplies and services costs suggests that the Council is facing a £45-50m funding gap over this period, before any decisions on council tax. Assuming a 5% council tax increase in each of these three years would reduce the funding gap to £30-35m, meaning that the Council must target cost reductions and savings averaging at least £12m each year to remain in financial balance. For this reason, financial sustainability and stability risks remain high on the Council's priorities going into 2023/24.

Information on the year-end financial position of the Council at 31 March 2023 is detailed later in the Financial Performance section.

Review of the Year

The Council publishes an annual [Public Performance Report](#) to provide the public with information on how our services are performing. The story map provides an overview of performance for the LGBF indicators and

the key priority areas for the Council. It includes case studies, infographics, and performance indicators. Each year the Council considers the latest data available through the Local Government Benchmarking Framework ([LGBF](#)), which compares the performance of local authorities against a number of indicators. There are currently 105 indicators within the framework, and the 2021/22 data shows Renfrewshire had:

- 47 improved in performance and 38 improved in ranking

- 43 declined in performance and 41 declined in ranking
- 1 remained the same in performance and 12 remained the same in ranking
- 14 did not have data available yet

A detailed [report](#) on Renfrewshire’s performance in the Local Government Benchmarking Framework was taken to the Council’s Audit, Risk and Scrutiny Board in May 2023.

Key Achievements 2022/23

PLACE

The Medicines Manufacturing Innovation centre opened in November 2022 and is forecast to bring £200million in advanced technology investment in the first 5 years, and 100 initial high-value jobs.

External funding for has been successfully won for regeneration. Between 22/23 and 24/25 we have received £1.5m in funding from the Shared Prosperity fund. £4.4m has been allocated from the Place Based Investment Fund, and £35k was secured from Visit Scotland.

The first phases of the Housing Led Regeneration and Renewal programme was progressed, with tenants moving into new council homes in Johnstone and Ferguslie Park

ECONOMY

An event was hosted in November 2022 for local businesses, providing information on how to register as a supplier on Public Contracts Scotland and access Council tenders, which 58 local businesses attended.

Renfrewshire's events programme drew large audiences. Over 150,000 people attended the events over the year, which included Paisley Food and Drink festival, Renfrew and Barshaw Gala days, Sma Shot day, the Spree, Paisley Halloween festival and the Christmas events.

Youth employment was a huge focus for the Council over the year, and over 500 young people were supported through the Kickstart and Young Person’s Guarantee.

FAIR

The Council has invested in a range of activities to tackle poverty, including £600,000 into a programme to provide financial insecurity payments to cover fuel and essentials, £100,000 for a fuel emergency support and advice pilot, and £50,000 into a Community Food Fund for local initiatives.

The #Youdecide participatory budgeting programme announced the environmental projects that successfully won part of the £1.2m fund in February 2023. Work is underway to deliver the 50 projects, 4 of which were completed in 2022/23

A new service to support people with experience of substance use to maintain tenancies called My Life Ahead was launched.

GREEN

Renfrewshire's Plan for Net Zero was approved in August 2022 and sets out the 5 themes with key outcomes that will drive activity to reduce carbon emissions and mitigate climate change. The plan outlines how the Council will lead the area to Net Zero by 2030.

The Team Up to Clean up initiative, a joint venture between the Council and community to improve the environment in Renfrewshire, has grown to over 4.6k facebook members actively supporting the campaign.

Delivering the Energy Efficient Standard for Social Housing (EESH2) is on track, with a contractor now on site to deliver energy efficient works.

VALUES

The Council is committed to achieving Best Value and continuous improvement. In 2022/23 it refreshed the approach to corporate self-assessment, and workshops will be carried out to implement the new approach next year.

The experience of customers is important and there are efforts to improve it. A review of the Council website is underway to modernise content and make it more user-friendly. Engagement with Council digital channels reflect this effort, reaching 69,287 people by the end of 2022/23.

A new Workforce wellbeing strategy was developed and will be launching in early summer, and over the last year 5 policies have been updated or introduced to support the Council implement new ways of working.

CHILDREN

As part of our commitment to keep The Promise in Renfrewshire, more than 100 people have been appointed Promise Keepers. They act as local champions, helping to educate and improve services for care experienced people.

The Celebrating Renfrewshire Programme is a Participatory Budgeting fund for young people aged 12-25. Over 2,200 young people voted to decide where Council fund should be spent in 2022/23

Ren10 launched in March 2022, to deliver a system-wide provision of mental health and wellbeing supports for young people, at the level of early intervention. Several services have been launched to support young people deal with mental and emotional distress.

Council Services Key Performance Indicators	22/23	21/22	Target
Pothole repairs completed within timescales	95%	83%	80%
Reported street lighting faults which were repaired within the 7-day timescale	99.2%	99.9%	95%
Affordable housing completions	369	170	200
Number of unemployed/ low waged people being supported through Renfrewshire Council Employability Programme (INVEST)	1,370	859	1,100
Number of people supported, sustained in work at 6 Months through Renfrewshire Council Employability Programme (INVEST)	340	221	180
Number of people viewing or attending the events programme	151,500	63,630	65,000
Looked After Children cared for in the community	90%	92%	89.9%
Accommodated Looked After Children placed with families	87%	89%	83%
Community Asset Transfer - number of months from receipt of an application to a determination being issued from the Council	4	n/a	6
Proportion of vehicle fleet using alternative fuels	28%	25%	25%
Statutory A-road inspections completed on target	83%	100%	100%
Statutory B-road inspections completed on target	86%	100%	100%
Building Standards first reports issued within 20 days	67%	53.4%	95%
New business start-ups with Business Gateways Support	206	272	320
Care leavers participating in employment, training or education	52%	59%	55%
Council housing stock which meets the Scottish Housing Quality Standard	68%	57%	100%

Areas for Improvement and Development

Detailed consideration of performance is a core part of our Service Improvement Plan and Council Plan reporting, which note areas for continued improvement and development as well as successes. As well as the achievements noted above, services have identified areas where progress has been delayed or where further work is required.

The average time it takes to re-let council dwellings was 60.59 days against a target of 53 days. Despite issues with utilities suppliers and ongoing labour supply shortages within the construction industry, there has been improvement in the average re-let times from the 2021/22 figure, which was 66 days. Whilst the council has not met its target, void turnaround times and processes remain an area of primary focus, which is evident from the improvement since last year, and the Council continues to look for improved ways of working. The percentage of rent lost due to voids also improved from 2% in 2021/22 to 1.86% in 2022/23.

The amount of CO₂ emitted by the Council's public vehicle fleet was slightly higher than the target of 3,000 tonnes, with 3,267 tonnes emitted in 2022/23, higher than the 2021/22 figure of 3,223. The use of the Council fleet has increased over the last year due to an increase of operational services post-pandemic. There is currently a trial of using hydrotreated vegetable oil in place of diesel, and the Council have purchased 14 electric vehicles which will reduce emissions going forward.

In the delivery of the £10.9m roads and footways capital investment programme for last year, the Council successfully delivered 82 of the 90 planned projects. The remaining eight were unable to progress due to external factors and will be rescheduled into the 2023/24 programme.

In common with many other council areas, Renfrewshire's poverty-related attainment gap has widened during the pandemic. The poverty-related attainment gap is the gap between those in the most and least deprived 20% of areas and is measured through LGBF. Attainment was greatly affected through

2020 and 2021 due to Covid-19 and the effects are still being felt within education. The numeracy gap for those in p1,4 and 7 in Renfrewshire was 23% compared to an average of 21% in 2020/21, and 19% in 2021/22 compared to an average of 18%. For literacy, the gap was 29% in 2020/21 compared to an average of 25%, and 21% in 2021/22 which matched the average. Closing the gap will remain a key priority for Children's Services.

In November 2022, a report to the Education and Children's Services Policy Board noted revised roll projections for the Dargavel Village primary school catchment, currently served by Dargavel Primary School, which opened in January 2022. The revised roll projection exercise was carried out following higher than anticipated admissions to the new primary school over the course of the year.

The findings from the preliminary phase of the review based on the existing school roll, known pre-school population within the school catchment area and potential future pace of house completions across the Dargavel development, provided clear preliminary conclusions that the existing school capacity would be materially insufficient to meet the future demand profile of the catchment. There is also a higher than anticipated impact on secondary provision. This preliminary work was further developed with support from Edge Analytics, specialists in school roll and demographic projections who support local authorities across the UK sector. The updated modelling underpinned a decision by the Council to plan for the expansion of educational capacity for Dargavel Village through a second primary school and larger than previously planned extension to Park Mains High School.

An independent review into the matter was instructed by the Chief Executive, which started in January 2023. The findings of this review were reported to the Council at its meeting on 22 June 2023. The report can be found on the Council's website at the following link: [Dargavel Primary – Independent External Review](#)

There were eight recommendations arising from the independent review, as follows:

1. Build a more robust model of primary school need for Dargavel.
2. Reconsider catchment areas
3. Produce robust supplementary guidance on developer contributions
4. Seek to work co-operatively with BAE
5. Corporate working and organisational culture
6. Risk management
7. Role of members
8. Public confidence

The Chief Executive reported a response to the findings at the same meeting, with actions related to each of these recommendations set out in detail. This report can be found on the Council's website at the following link: [Dargavel Primary School Independent Review – Response to Recommendations](#).

General performance information can be found on the Council's website at the following path: [Your Council>Information, performance and statistics>Council Performance](#).

LGBF data can be found at: [Your Council>Information, performance and statistics>Council Performance>Benchmarking](#).

Service Update Reports, Service Delivery Plans and Operational Performance Reports are reported to the relevant Policy Board and can be found on the Council Committee Management Information System at: <https://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

Net Zero by 2030

Renfrewshire Council declared a climate emergency in June 2019 and approved the Plan for Net Zero in August 2022, which committed the Council to working towards net zero by 2030 for both the Renfrewshire area as a whole and Renfrewshire Council as an organisation.

This target places Renfrewshire 15 years ahead of the national target (as set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which commits Scotland to become net zero by 2045); and 20 years ahead of the UK Government target of net zero by 2050.

Renfrewshire's Plan for Net Zero is Council-led, but is for the whole of Renfrewshire, and the scale of the challenge is significant. Renfrewshire Council contributes around 2.5% of the area's total carbon emissions, but around 33% of area-wide emissions are from sectors that could be shaped or influenced by council policy or partnerships, including waste and recycling services; land use and planning policies; and transport strategies.

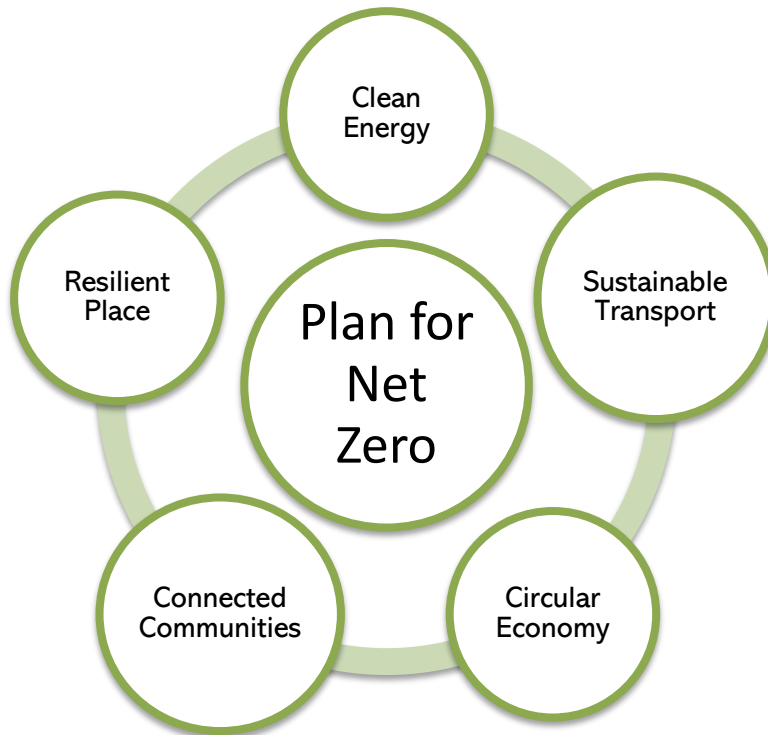
During 2022/23, a Planning and Climate Change Policy Board was established to progress climate-related initiatives and projects. The last Net Zero update was reported to the Board in January 2023 and can be found on the Council's Committee Management Information System at:

<https://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

Renfrewshire's [Plan for Net Zero](#) was approved in August 2022 and it outlines five themes, with key outcomes to be achieved against each theme. The core principle at the heart of the Plan, is for the Council to act as a driver or catalyst for change, to lead by example and maximise the opportunities of a just transition to net zero - integrating climate action into the Council's financial planning, decision making and existing activities and embedding climate considerations across all that we do in a way that ensures continued delivery of high quality public services and closely aligns with our ambitions for Renfrewshire.

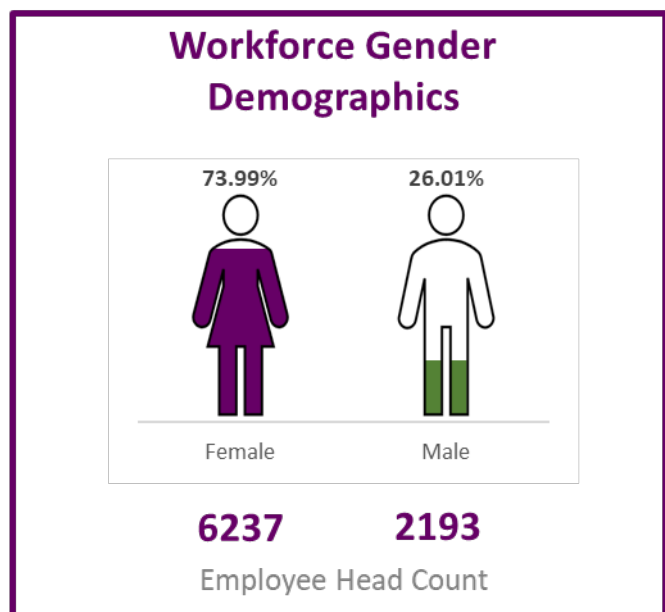
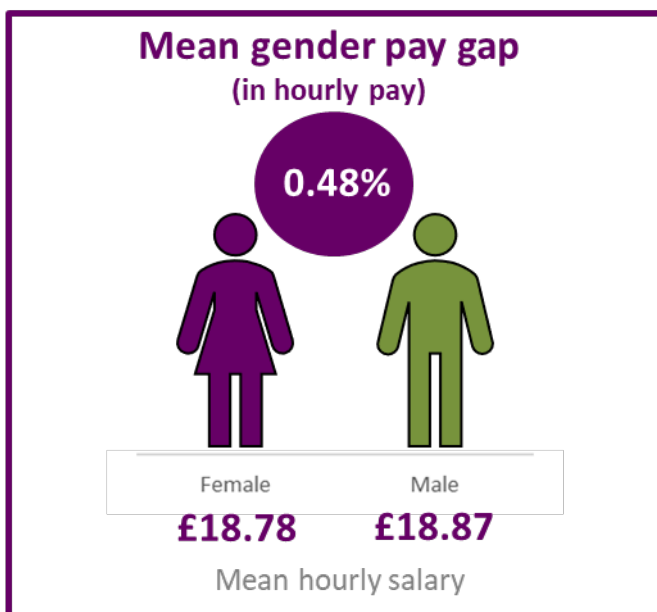
The next phase of the Plan for Net Zero will produce a detailed phased road map, broken down into clear annual phasing and interim targets for each year alongside costed phased delivery plans.

As well as mitigation (reducing emissions), interventions within the Plan for Net Zero aim to address adaptation - resilience of our communities, buildings and critical infrastructure to local impacts of climate change, such as increased flooding; heatwaves; and more frequent severe weather events.



Gender Pay Gap

The gender pay gap is the difference between the average hourly rates of pay of men and women expressed as a percentage, where a positive figure indicates that women are paid less than men. The gender pay gap is different from equal pay, which is a direct comparison of two people or groups carrying out the same or an equivalent role. In 2021, the mean gender pay gap in Scotland when comparing overall average hourly earnings was 10.1%. This means for every £1 men earned, women earned £0.90. At 31 March 2023, the mean gender pay gap for Renfrewshire Council was 0.48% (2.29% at 31 March 2022).



Key Financial Ratios

The following tables provide information regarding the financial performance of the Council in 2022/23 and the affordability of its ongoing commitments:

Financial Indicator	2022/23		2021/22	Commentary
	Estimate	Actual	Actual	
Reserves				
Uncommitted General Fund reserves as a % of budgeted net expenditure	2.2%	2.1%	2.3%	Reflects the level of funding available to meet unplanned expenditure and manage financial risk.
Movement in uncommitted General Fund balance	n/a	-4.4%	-0.9%	Reflects Council decision to use £0.450m of unearmarked balances in year for Fly-Tipping and £0.020m in support of disaster emergencies.
Council Tax				
In-year collection rate	95.9%	95.5%	95.5%	Reflects the Council's effectiveness in collecting Council Tax debt
Council Tax income as a proportion of total taxation and non-specific grant income	17.2%	17.6%	19.5%	Reflects the Council's ability to vary expenditure by raising Council Tax, the principal local authority controlled source of finance
Debt/Long term borrowing				
Capital Financing Requirement (CFR)	£462.0m	£442.1m	£360.5m	The information in this section demonstrates that the level of external debt (driven by the capital programme) is affordable, owing to the low proportion of our budget spent on servicing debt. Further information, including descriptions of these terms and their significance, is available in the Treasury Management Annual Report, presented to Council on 30 June 2022.
External debt	£362.0m	£340.7m	£320.5m	
Ratio of financing costs to net revenue stream (General Fund)	3.2%	3.0%	3.1%	

Financial Performance

Primary Financial Statements

The annual accounts summarise the Council's transactions for the year, its financial position at 31 March 2023, and its cashflows. The annual accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), Movement in Reserves Statement (MIRS), Balance Sheet and Cashflow Statement. These statements are accompanied by notes to the accounts, which provide more details on the figures shown in the statements and set out the accounting policies adopted by the Council. There are also separate statements for Council Tax, Non-Domestic Rates, the Housing Revenue Account and the Common Good Funds.

The Comprehensive Income and Expenditure Statement (CIES) presents the total cost of providing Council

services in 2022/23 along with the income available to fund those services.

The outturn explained in the following section differs from the accounting deficit of £68m shown in the CIES due to accounting adjustments required to comply with proper accounting practice, but which under statute should not impact on local taxpayers. A reconciliation of these figures can be found in the Note 1: Expenditure and Funding Analysis.

General Fund

The General Fund is funded by government grant and Council Tax revenues and the Council is also able to apply usable reserves from the General Fund Balance to fund expenditure.

As mentioned previously, the Council's medium-term Financial Outlook highlights the increasingly challenging financial and economic environment the Council is facing, predominantly linked to high levels of inflation.

For the General Fund in 2022/23, resulting increases in the cost of food, fuel, energy, construction and other contracts have featured in regular budget monitoring reports throughout the financial year, culminating in a year-end overspend against budget of £8.3m. Specific pressures that contributed to this position were as follows:

- Children's residential care: the number and cost of complex care packages has increased significantly;
- Exceptionally high gas and electricity costs resulted in a £2m overspend;
- The refuse collection service was impacted by high fuel costs as well as overtime arising from carried forward holiday entitlement; and
- Car-parking income under-recovered by £1m, having not recovered since the pandemic despite charging being re-introduced in 2021.

The Council's largest category of spend is staffing, so naturally any pay settlement linked to high levels of inflation will create a further cost pressure. In 2022/23 a national pay settlement of 5% was agreed for local government workers and 7% for teachers. In recognition of the exceptional inflationary environment, the Scottish Government provided councils with additional funding in support of the 2022/23 pay settlements. For Renfrewshire, this amounted to £9.7m. Adult Services experienced a year-end underspend of £0.8m which increased the reserves of the Renfrewshire Health and Social Care Partnership, who operate these services.

The Council fell just short of its target in-year council tax collection rate of 95.9% in 2022/23, instead returning a creditable 95.5% in light of the prevailing cost of living crisis on household finances. Income from Council Tax actually over-recovered by £2.2m, owing mainly to more prior year arrears being collected than had been anticipated. The income budget had also been set at a prudent level owing to the cost of living crisis and the expected impact on household finances. Recovery was further boosted by Cost of Living Awards made during the year, which were credited to Council Tax accounts and therefore processed as revenue

After accounting for the Adult Services underspend and the over-recovery in Council Tax revenues, the final position for the Council's General Fund balance at 31 March 2023 was an overspend of £6.1m.

2022/23	Revised Budget £m	Actual £m	Variance £m
Chief Executive's Service	27.525	27.605	(0.080)
Children's Services	229.760	233.285	(3.525)
Communities and Housing	10.897	10.897	0.000
Environment and Infrastructure	54.781	61.470	(6.689)
Finance and Resources	44.669	43.686	0.983
Miscellaneous Services	21.843	20.795	1.048
Adult Services	93.580	93.580	0.000
Net Expenditure	483.055	491.318	(8.263)
Revenue Support Grant	(297.652)	(297.652)	0.000
Council Tax Income	(78.504)	(80.713)	2.209
Non-Domestic Rates Income*	(108.076)	(108.076)	0.000
Funding	(484.232)	(486.441)	2.209
Use of General Fund Balances	(1.177)	4.877	(6.054)

*Adult Services underspent against budget in the year by £0.758m; this was transferred to HSCP reserves and does not impact on the Council's General Fund balance.

The Council collected £120.9m directly from local businesses with £12.8m due back to the Scottish Government National Non-Domestic Rates Pool.

The Council's Reserves

The Council holds the following balances in reserve. Further details can be found in Note 7: Usable reserves.

As at 31 March 2022 £m	Usable Reserves	As at 31 March 2023 £m
104.667	General Fund Balance	127.391
6.497	Housing Revenue Account	6.497
7.594	Capital Receipts Reserve	8.184
95.699	Other Statutory Funds	93.979
214.457	Total	236.051

The General Fund balance of £127.4m will be carried forward to 2023/24. Of this balance, £117.1m has been earmarked for a particular purpose, as outlined in Note 7: Usable reserves. This leaves unallocated reserves of £10.3m (2.3% of the Council's net annual running costs), which is in line with levels agreed by the Council under its revised financial planning principles.

It is viewed that this balance is appropriate to the financial risk environment the Council is facing both in light of the ongoing response and recovery from the pandemic, but also to mitigate adverse risks anticipated in public finances generally over the medium to longer term.

Housing Revenue Account

The balance on the Housing Revenue Account (HRA) as at 31 March 2023 has been maintained at £6.5m. This remains a prudent level of unallocated reserves for the HRA to mitigate the impact of any unforeseen risks and to provide an element of mitigation against forecast pressures related to the prevailing economic climate. The year-end break-even position was arrived at after some large budget variances were experienced in-year. Property repairs and maintenance, including voids management, significantly overspent; however, this was offset by lower capital charges and increased interest receivable following higher interest rates over the year.

Infrastructure Assets

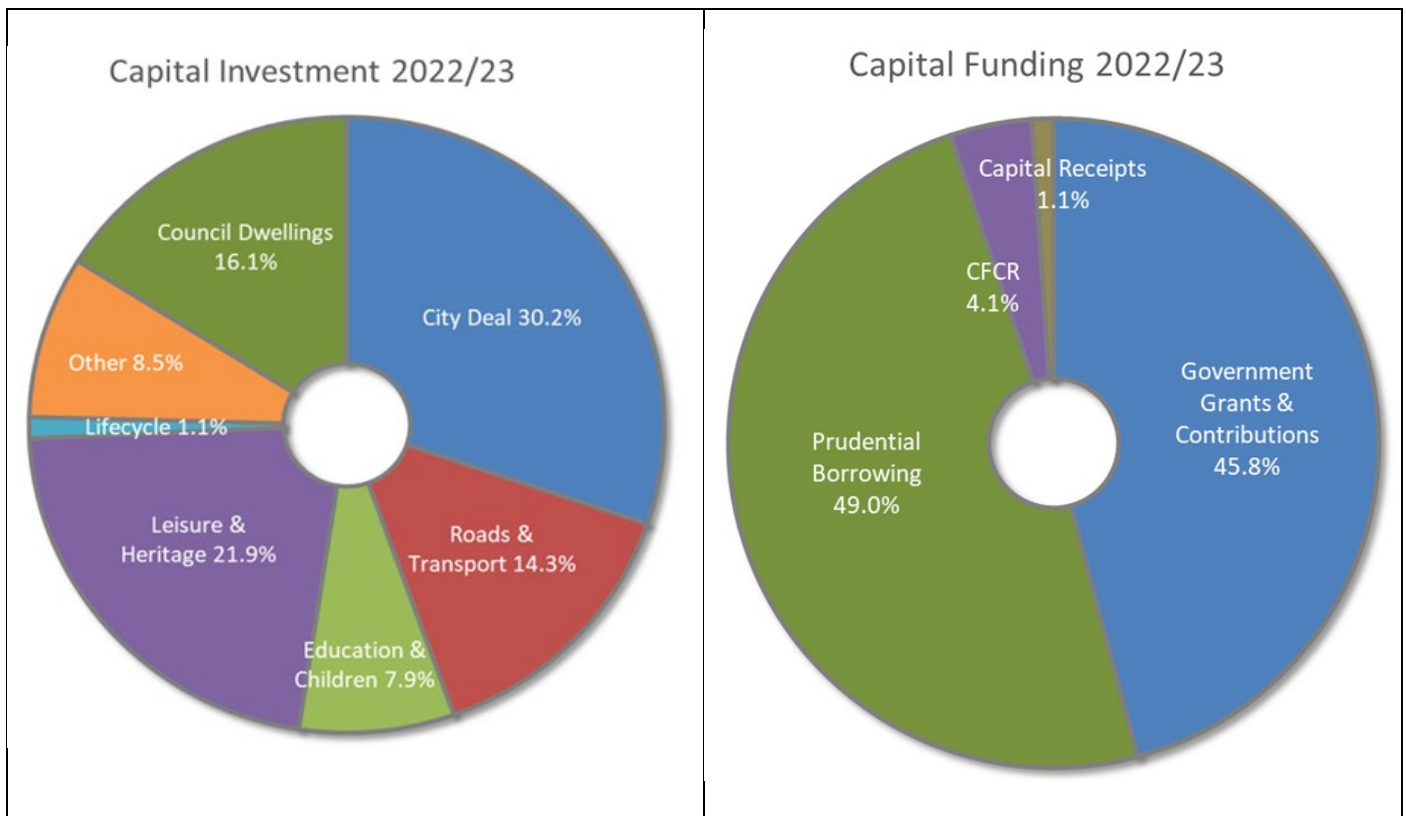
The Scottish Government published a Statutory Override in August 2022, to allow councils to continue the current accounting treatment for Infrastructure assets until 31 March 2024. Further detail is provided at Note 9.

Capital and Borrowing

Renfrewshire Council continues to make significant capital investment in council housing, schools, culture, roads and the town centre estate. On 3 March 2022, the Council approved the housing capital investment programme for 2022/23 of £29m; and the General Fund capital investment programme for 2022/23 of £132m.

The capital investment programmes were affected by the availability of contractors, as well as high levels of inflation impacting construction costs and professional fees. Programmes have therefore been re-profiled during the year to reflect revised timescales of individual projects, or where project completion dates have been delayed, resulting in actual capital spend for the year of £19m for housing capital investment and £100m for the General Fund. Further detail is provided in Note 14: Capital expenditure and capital financing

The following charts show the actual expenditure incurred and income received in relation to the 2022/23 capital programme.



During the course of 2022/23 there was new long-term external borrowing from the Public Works Loans Board (PWLB) of £25m to support the capital programme. The level of cash balances available to the Council remains consistent with daily cash requirements, treasury and capital investment plans. The decrease in cash balances compared to 31 March 2022 is attributable in part to a significant capital programme, particularly the Council's cultural and heritage investment over the year, with Paisley Town Hall the first of a number of transformed cultural facilities planned to open later in 2023.

The Council's borrowing strategy is prepared in accordance with the Code of Practice on Treasury Management in Local Authorities. The majority of the Council's borrowing comes from the Public Works Loan Board with the remainder from market and other loans. Further details are provided in Note 22: Financial Instruments.

The Council regulates its capital spending limits within a prudential framework recommended by CIPFA and endorsed by the Scottish Government. Each year, the

Council sets its capital financing requirement (CFR) for the forthcoming year in its Treasury Management Strategy Statement (TMSS), approved by the Council on 3 March 2022 with a mid-year update to the Finance, Resources and Customer Services Policy Board on 17 November 2022. The TMSS for 2022/23 can be found on the Council Committee Management Information System at:

<http://renfrewshire.cmis.uk.com/renfrewshire/Home.aspx>.

The CFR is a prudent assessment of the aggregate external borrowings for capital investment purposes that are affordable and sustainable over the longer-term. The actual CFR at 31 March 2023 was £440.5m, within the authorised limit of £480.0m. The Council's external borrowings have only been applied for capital investment purposes, with the Council's net external debt being £340.7m at 31 March 2023 compared to the operational boundary of £462.0m. The Council's costs of borrowing remain consistently one of the lowest of all Scottish local authorities, are affordable, and align to the Council's medium to long-term financial strategy.

The Council's non-housing financing costs were 3.0% as a proportion of the Council's non-housing net revenue stream. Housing related financing costs as at 31 March 2023 were 32.5% of net housing revenues, lower than the mid-year forecast of 33.4%.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed in Notes 27 and 28. The appointed actuaries, have confirmed an increase of £489.3m in their assessment of the Council's share of the actuarial position of the local government pension fund as at 31 March 2023. This is largely attributable to the corporate bond yield (upon which the pension discount rate is derived) having risen over the past year, which served to reduce the employer's pension obligations and led to the gain on the balance sheet.

The assessment provides only a snapshot as at 31 March 2023 and necessarily changes on a day-to-day basis to reflect stock market movements in particular. The appointed actuaries remain of the view that the asset

holdings of the Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and income to meet future pension liabilities.

Accounting rules require that a cap is placed on the value of a pension asset that can be reported in the Balance Sheet. For 2022/23, this has adjusted the value of the pension asset shown in the balance sheet to £175.9m.

A potential change to pension rules is outlined in Note 29: Contingent liabilities; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Provisions and Contingencies

The Council has provided for eventualities which may have a material effect on the financial position of the Council. The reasons for the provisions made are outlined in Note 21: Provisions. In general, any contingent liabilities known to the Council are covered by insurance arrangements. As outlined at Note 7, the Council has also set aside £2.8m for uninsured claims. Any contingencies that cannot yet be accurately quantified are outlined in Note 29: Contingent Liabilities.

The Renfrewshire Council Group

Local authorities are required to prepare Group Accounts in addition to their own Council's accounts where they have a material interest in other organisations. The Group Accounts consolidate the results of the Council with five subsidiaries:

- Renfrewshire Leisure Limited, trading as OneRen, a registered charity and company limited by guarantee formed to provide facilities for recreation, sport, cultural and other leisure activities for the benefit of the community in Renfrewshire;
- the Common Good Funds;
- the Coats Observatory Trust;
- Park Lane Developments (Renfrewshire) LLP; and
- Paisley Museum Reimagined Limited.

The Group Accounts also consolidate the Council's share of four other entities treated as associates or joint ventures:

- Strathclyde Partnership for Transport;
- Strathclyde Concessionary Travel Scheme Joint Committee;
- Renfrewshire Valuation Joint Board; and
- Renfrewshire Health and Social Care Integration Joint Board.

The Council has non-material interests in a number of other entities namely Scotland Excel; Glasgow and the Clyde Valley Strategic Development Planning Authority; and Glasgow City Region – City Deal Cabinet.

Financial Outlook and Key Risks

Financial Sustainability

The Financial update reports to Council in December 2022 and March 2023 outlined continued and considerable uncertainty for local government finances. In 2020, the Council agreed to replenish unallocated reserves to a threshold of £10m in order to address the risks of significant and unplanned cost pressures which may emerge over the medium term, and this has been maintained in 2022/23.

The impact of the UK's exit from the EU and the war in Ukraine are still being felt, particularly in relation to the cost of materials as well as labour shortages in the construction industry. Clearly the UK has had a period of very high inflation, with the Consumer Price Index (CPI) peaking at 11.1% in October 2022.

The Scottish Government published its Medium Term Financial Strategy (MTFS) on 25 May 2023, outlining its potential spending and funding position over the next 5 years. The MTFS outlines a growing financial gap for the Scottish Government, with spending pressures are expected to outstrip the resources available from 2024/25, with an estimated funding gap of approaching £2 billion by 2027/28. The outlook for the local government settlement is likely to remain very constrained and in line with that previously outlined in

the Resource Spending Review i.e. effectively real terms cuts.

As outlined in the Revenue Estimates 2023/24 report to Council in March 2023, after adjusting for new responsibilities, areas of growing responsibility and other conditional aspects of the settlement to provide a like-for-like comparison to 2022/23, the underlying core grant for Renfrewshire Council increased by £0.239m (0.1%). The Council decided to increase Council Tax by 6% in 2023/24 and used £0.605m of earmarked reserves to balance the revenue budget.

Existing service and cost pressures arising from pay settlements, demographic and socio-economic factors will continue to play a major role in driving spending pressures for the Council; however, the predominant focus of the Council will be addressing its projected medium-term funding gap. As reported to the Council in June 2023, the central forecast is a financial gap of £45-50m by the end of 2027. This forecast is prior to any decisions on council tax increases. Assuming a 5% uplift in council tax in each year is decided, the cumulative gap would reduce to a range of £30-35m.

As outlined in the Unaudited Annual Accounts report to Council in June 2023, earmarked balances have been pooled and consolidated to provide a Financial Flexibility Fund which will allow the Council some flexibility in managing the financial challenge over the medium term. In addition, a Loan Charges Flexibility Fund has also been established, to provide for future borrowing costs and reducing loan charge support for service concession (PFI/PPP) arrangements over the longer term.

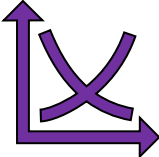


The Council continues to mitigate treasury risks, including those associated with the security of cash deposits, by actively considering debt restructuring as outlined in the Council's agreed Treasury Management Strategy. The Council also continually reviews, in consultation with its treasury advisors, the criteria for placing deposits with financial institutions on the Council's approved counterparty list.

As part of the Council's treasury strategy, it continues to utilise internal cash balances, deferring or minimising external borrowing with the dual objectives of reducing

the level of cash deposits held by the Council, whilst generating ongoing savings in net interest costs. This strategy is monitored carefully in order to ensure that the Council retains sufficient cash balances to support

its ongoing requirements and remains alert to any anticipated adverse movement in future borrowing rates.

Other Key Risks

Risk	Mitigating Actions
<p>Economy</p> 	<p>A range of strategic challenges – the COVID-19 pandemic, the UK leaving the EU, the climate emergency, high inflation in the UK economy leading to high food and energy costs– impact on the local and national economy. Renfrewshire’s economy has well-established strengths in transport, manufacturing, construction and retail, but all sectors and supply chains have been impacted by these economic challenges. We mitigate the impact through our large-scale infrastructure investment programme which includes the AMIDS development, our investment in housing and heritage assets, our employability programmes and our support for new and existing businesses, which includes support to bid for council contracts and to reduce carbon emissions.</p>
<p>Reducing inequalities</p> 	<p>The pandemic has exacerbated many existing inequalities and had a disproportionate impact on our poorer communities. In Renfrewshire, we seek to address unequal outcomes through strong partnership working, through our Fairer Renfrewshire programme, through specific programmes which tackle local priorities (such as our focus on alcohol and drug use), through national programmes such as the Scottish Attainment Challenge, and on building community capacity. In the short-term, we are significantly focused on food insecurity and income maximisation.</p>
<p>Climate, Sustainability and Adaptability</p> 	<p>Renfrewshire Council declared a Climate Emergency in 2019. The climate emergency brings risk to the Council and to our communities and we are focused on mitigation and on working toward a just transition to net zero. Our Plan for Net Zero was approved in 2022 and our Council Plan and Service Improvement Plans set out how each part of the Council will contribute to Net Zero. Our procurement strategy considers sustainability and community benefits in all contract strategies. Our Climate Panel provided an opportunity for community voices (including under-represented groups) to be heard. Our Community Climate Fund supported community organisations to enable behaviour change and deliver local green projects. Internally, we manage our corporate assets and capital investment programme to optimise use of the estate and promote reductions in energy use.</p>

Common Good Funds and Coats Observatory Trust

The Council administers the Common Good Funds for the areas of Paisley, Renfrew and Johnstone, as well as the Coats Observatory Charitable Trust. In order to comply with the Code, Audit Scotland and the Office of the Scottish Charity Regulator (OSCR) requirements, the Council separately prepares the financial statements of the Coats Observatory Trust, with the financial performance of the Common Good Funds disclosed in the Council's Annual Accounts. Balances are also included in the Group Accounts. Azets is the appointed auditor for the Coats Observatory Charitable Trust.

Overall, the Common Good Funds incurred a combined in-year surplus of £0.65m which is added to the previous surplus brought forward. The total net asset value decreased by £1.6m, with investments increasing by £3.0m. Both the market values of investments and income generated from dividends are likely to be subject to ongoing volatility as the economy recovers from the pandemic and is subject to increased inflationary risk.

The total net asset value of the Observatory Trust decreased by £0.023m owing to depreciation. There were no other transactions in the year.

Conclusion and Acknowledgements

We would like to acknowledge efforts by the whole Finance team in producing the annual accounts, as well as colleagues in other services for their continued hard work and support.

Further information on the annual accounts or on the Council's general finances can be obtained on the Council website (www.renfrewshire.gov.uk), or by telephoning 0300 300 0285.

Cllr Iain Nicolson
Leader of the Council

Alan Russell
Chief Executive

Alastair MacArthur
Director of Finance and Resources

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In Renfrewshire Council, that officer is the Director of Finance and Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003), and;
- approve the Annual Accounts for signature.

I can confirm that these annual accounts will be approved for signature by the Council at a date TBC.

Signed on behalf of Renfrewshire Council.

Cllr Iain Nicolson

Leader of the Council

The Director of Finance and Resources' Responsibilities

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

In preparing the Annual Accounts, the Director of Finance and Resources has:

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

The Director of Finance and Resources has also:

- kept adequate accounting records that were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Council and its group at the reporting date and the transactions of the Council and its group for the year ended 31 March 2023.

Alastair MacArthur

Director of Finance and Resources

Annual Governance Statement

Scope of responsibility

Renfrewshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Council's members and the corporate management team are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework; Delivering Good Governance in Local Government. A copy of the Local Code is available on our website at: www.renfrewshire.gov.uk > Your Council > Information, performance and statistics > Information Governance

This statement explains how Renfrewshire Council has complied with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for an annual Governance Statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives set out in the Council plan.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives

and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework

The main features of our governance arrangements are described in the Local Code but are summarised below:

The overarching strategic priorities and vision of the Council are set out in the Council Plan 2022-2027 and the Renfrewshire Community Plan 2017-2027. The Council Plan is aligned to the Community Plan and sets out 5 strategic outcomes that the organisation will work to achieve over a 5-year period with specific priorities relating to tackling inequality, promoting economic and cultural regeneration, attainment and sustainability. Renfrewshire's Community Plan (which also acts as Renfrewshire's Local Outcome Improvement Plan as required by the Community Empowerment (Scotland) Act 2015) details how community planning partners will work together to achieve the key priorities identified for Renfrewshire.

- The key outcomes the Council is committed to delivering with its partners, are set out in the Community Plan;
- The Council operates within an established governance framework which incorporates a scheme of delegated functions, financial regulations, standing orders relating to contracts and procedural standing orders. These elements of the framework are kept under regular review by the Council;
- The Council facilitates policy and decision making through a policy board structure;
- Services are able to demonstrate how their own activities link to the Council's vision and priorities through their service improvement plans. Performance management and monitoring of service delivery is reported through policy boards regularly including six monthly updates to the Leadership

Board on progress against the implementation of the Council Plan;

- The Corporate Management Team has agreed a new refreshed approach to its performance monitoring and the Council Plan scorecard will be considered alongside other performance information each quarter and followed up with an in-depth look at performance in one service particular area of interest at regular intervals.
- An annual report on the Local Government Benchmarking Framework, which includes data for over 100 indicators for all 32 local authorities, is provided to the Audit, Risk and Scrutiny Board each year.
- The Council has adopted a code of conduct for its employees. Elected members adhere to the nationally prescribed Code of Conduct for Members. In addition, the Council has in place a protocol for Relationships between Political Groups, Elected Members and Officers;
- The Council's approach to risk management is set out in the risk management strategy and is well embedded. Risks are reported regularly to the Audit, Risk and Scrutiny Board. During the year development work was completed on a new assurance model for managing business as usual risk, which involves senior managers working through a series of modules to ascertain their levels of assurance in how these risks are being managed within their services. A further development includes the Corporate Risk Management Group undertaking "control deep dive" exercises which involves detailed investigation of specific risk controls known to be in place to ascertain if the risk is over/under or well controlled;
- The Director of Finance and Resources is the Council's Senior Information Risk Owner and information risk is monitored through the Information Management and Governance Group and its sub-groups. The Managing Solicitor (DPO) is the statutory Data Protection Officer;
- Comprehensive arrangements are in place to ensure members and officers are supported by appropriate training and development;
- Registers of interests for elected members and senior officers are maintained and published on the Council's website;
- The Council complies with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and the Council's arrangements for fraud prevention, detection and investigation are managed through the corporate counter fraud service;
- The Council's approach to 'whistleblowing' is outlined in the whistleblowing policy;
- Cyber-attacks are both increasing and becoming more sophisticated and while no system of internal control can provide absolute assurance, the Council has a range of multi layered Cyber Security controls in place and tested annually to check standards are in line with government guidance. Industry cyber security standards are followed and explicitly those belonging to Public Sector Network (PSN), National Cyber Security Centre (NCSC) guidance, Scottish Government Public Sector Cyber Resilience Plan and Payment Card Industry (PCI) data security standards. The O365 security and compliance toolset provides a wide range of protection against cyber-attacks including identity theft and phishing. The Council holds a current Certificate of Compliance for PSN standards. ICT network and digital services are monitored monthly through our cyber security partner. These are all monitored and managed through the Cyber Security team which is headed up by a CISM qualified Cyber Security Architect (Cyber Information Security Manager). Events and alerts are monitored 24 x 7 by our cyber security partner who are authorised to take emergency preventative action where necessary;
- Clear and independent governance arrangements are in place with One Ren and the Renfrewshire Health and Social Care Partnership with oversight from the Head of Policy and Commissioning and the Head of Corporate Governance respectively and the Council's Leadership Board.
- Seven Local Partnerships have been established and have identified initial local priorities. Decision making including that relating to relevant grants is

delegated to each Local Partnership through a Lead Officer appointed by the Council.

This governance framework has been in place at Renfrewshire Council for the year ended 31 March 2023.

Within the 2021/22 report, Audit Scotland concluded that the Council's governance arrangements, including during the Covid-19 pandemic, were "appropriate and operated effectively."

The system of internal financial control

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. The system includes:

- Guidance on financial management supported by comprehensive financial regulations and codes;
- Comprehensive budgeting systems, and detailed guidance for budget holders;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts;
- Clearly defined capital expenditure guidelines;
- As appropriate, formal project management principles;
- The Chief Finance Officer is the Director of Finance and Resources who complies with the CIPFA Statement on the Role of The CFO in Public Services.

The role and responsibilities of the Audit Committee and the Chief Auditor

The role of the audit committee is under the remit of the Audit, Risk and Scrutiny Board, which is chaired by a member of the opposition. Its role is:

- to approve the internal audit charter and annual internal audit plans;
- to review internal and external audit reports and the main issues arising, including those relating to the annual accounts and seek assurance that action has been taken and make recommendations to the Council where appropriate;
- to receive and consider the Chief Auditor's annual report, summarising internal audit activity and the level of assurance this provides over the arrangements for internal control, risk management and governance within the Council;
- monitor the performance of internal audit;
- to consider the annual review of the Local Code of Corporate Governance.

The internal audit service operates in accordance with the Public Sector Internal Audit Standards and reports to the Audit, Risk and Scrutiny Board. Internal audit undertakes an annual programme of work, approved by the Board, based on a strategic risk assessment. The Council's Chief Auditor provides an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control. The Council conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services. The Audit, Risk and Scrutiny Board complies with the CIPFA guidance Audit Committees: Practical Guidance for Local Authorities and Police. The Council's Chief Auditor has responsibility to review independently and report to the Audit, Risk and Scrutiny Board annually, to provide assurance on the adequacy and effectiveness of the Local Code and the extent of compliance with it. The Audit, Risk and Scrutiny Board performs a scrutiny role in relation to the application of the Local Code of Corporate Governance and regularly monitors the performance of the Council's internal audit service.

Internal Audit reporting arrangements include communication of finalised audit engagements, monitoring the progress of agreed management actions

and communication of any unacceptable risk identified to the Board.

Review of effectiveness and continuous improvement

Renfrewshire Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness of the framework is informed by the work of the Corporate Management Team who have responsibility for the development and maintenance of the governance environment, the Chief Auditor's annual report, and reports from the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework is reviewed annually by the Corporate Management Team, including the use of an annually updated self-assessment tool covering six key areas of governance (including the impact on governance of the coronavirus pandemic), as follows:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity
- Conflicts of Interest, Whistleblowing and Gifts and Hospitality

This self-assessment indicated the governance framework is being complied with in all material respects. In addition, the review of the effectiveness of the governance arrangements and the systems of internal control within the group entities places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The Council's approach to continuous improvement has a number of strands. Our Council Plan and Service Improvement Planning processes drive much of this and allow for elected member scrutiny of improvement activity. Services also undertake improvement work linked to their core duties and to statutory requirements. Registered services in education, housing, social work and social care regularly undertake self-

assessment activity as part of their regulatory framework and inspection process. Services within Environment, Housing and Infrastructure maintain their ISO 9001 accreditation as one means of demonstrating quality. The Council has recently developed its own model of corporate self-assessment based on the Public Service Improvement Framework.

The Council continues to recognise the need to exercise strong financial management arrangements to manage the financial pressures common to all local authorities, and has robust financial control and financial planning processes in place. The CIPFA Financial Management (FM) Code was adopted in June 2021. An Action Plan has been established following wide engagement with senior managers, service users and Finance staff. It contains 59 improvement actions with target dates ranging from 2023 until 2025. Work to refresh the initial engagement will be undertaken over the next 1-2 years to ensure that improvement work continues to be relevant and effective.

- In the post-pandemic period, the Council has had a strong focus on recovering from Covid-19 and continuing to mitigate some of the impacts on our communities, including those relating to rapidly increasing living costs. As an organisation, the Council has adopted continues to adopt new ways of working, building on the strong approach developed during the pandemic in areas such as digital access for customers, and embracing hybrid working. Whilst this is still a recovery phase, much of the business-as-usual work has fully resumed, including:
- the work on social renewal, which began during the pandemic, is now part of the wider Fairer Renfrewshire programme, which is overseen by a sub-committee of the Leadership Board services have returned to the regular programme of reporting performance to elected members through policy boards, with service improvement plans submitted for approval in spring 2022 and regular progress updates provided.
- the Right for Renfrewshire programme recommenced over 2022, and the service redesigns progressed were in those areas where it was anticipated that there would be potentially less

direct impact from the pandemic recovery process and where the greatest opportunity exists for appropriate management and service capacity to be directed towards the Right for Renfrewshire agenda;

- the ongoing impact of the pandemic on service delivery continue to be monitored as part of service recovery arrangements. There have been no significant changes to internal controls although significant numbers of new and amended processes;
- the Council commenced planning for Brexit during 2019/20 and identified risks have been incorporated into the Strategic and Corporate Risk Registers. Some of these risks will be further exacerbated by the ongoing conflict in Ukraine and the associated sanctions on Russia which will place additional cost and supply pressures on some products and materials that are likely to increase and continue into 2023/24.

Audit Scotland has introduced a new approach to auditing Best Value in local government which has commenced this year as part of the next 5-year Best Value Audit programme. This approach involves thematic areas of focus each year which will be considered for all local authorities within the same snapshot in time rather than the previous rolling programme of deep dive audits which inspect each local authority across a five-year programme. This significant shift in approach and for year one, will examine the effectiveness of leadership in developing new local strategic priorities. Audit Scotland have also indicated they will be looking at Councils' approaches to climate change, cyber security (both will be looked at in year one) reducing inequalities and demonstrating improved outcomes for communities (ongoing).

Alongside the ongoing Best Value auditing and this new approach with annual themes, there will also be a Section 102 Audit carried out and a report produced at some point within the 5-year programme. Unlike the new annual thematic reviews, this is anticipated to involve a deeper dive across all Best Value themes collated into a lengthier report specifically for Renfrewshire Council. The first year of this will run from October 2023 to August 2024 and Renfrewshire Council has not been included for this round. Another change

for Renfrewshire Council sees the appointment of a new team of external auditors, Azets. More information about Azets and the planned audit approach was outlined to the Audit, Risk & Scrutiny Board in March 2023 in the External Audit Plan 2022/23

Audit Scotland provided an unqualified and unmodified audit opinion on the 2021/22 annual accounts.

An external independent review is ongoing regarding the circumstances which led to an error with the projected required school roll of Dargavel Primary School. Once this external review has reached its conclusion, the findings from this review will be considered by Council, including any improvement actions identified.

Regular reviews of the Council's arrangements are undertaken by internal audit, in the 2021/22 governance statement, 2 areas were identified where only limited assurance could be provided.

- Memorial safety - The inspection process for memorials has progressed significantly and is currently sitting at 85% complete. The remaining 15% will be completed by the end of June 2023. In addition to the initial inspections being carried out the service is now carrying out reinspection's to the headstones that were identified as requiring to be monitored annually for any deterioration at their initial inspection.
- Corporate purchase cards – card holders and approvers have been reminded that the procedures must be complied with, and sample checks are being undertaken by the Procurement team. Regular internal audit reviews of compliance with the procedures will continue to be undertaken.

The programme of work undertaken by internal audit in 2022/2023 identified 6 occasions where a limited or no assurance level was provided in relation to the internal control, risk management and governance objectives for the specific areas of each audit review. Of these 4 were specific to individual service areas and although these areas require to be addressed there is no significant impact on the Council's overall system of internal

control and action plans are in place to address the risk identified.

The two areas identified as impacting on the overall internal control, risk management and governance arrangements are:

- Business continuity plans - Service level Business Continuity Plans require to be improved to record all the ICT areas referred to in the council's Business Continuity Plan template for all service areas. The main areas to be reviewed and updated are service area restoration plans and plans in the event of ICT system outages. The Crisis and Resilience Management Team have overarching responsibility for Business Continuity Plans and recommendations have been made to address the areas identified and ensure a consistent approach is taken across services.
- Creditor payments - The audit specifically reviewed the arrangements for compliance with the purchase to pay procedures, whereby manual payments should only be made in very specific circumstances. The review identified that current process in place for the passing and payment of manual invoices fall short in several areas and creates several risks, particularly in relation to possible breaches of the Council's Contract Standing Orders.

Internal audit undertakes an annual exercise to ensure that recommendations arising from internal audit engagements have been implemented by service management and the results are reported to the Audit, Risk and Scrutiny Board. This work highlighted that 67% of recommendations were implemented by the due date. 30% had passed their original due date and revised implementation dates have now been set and 3% were superseded. Of the 13 recommendations followed up that were deemed to be critical, 8 have been fully implemented, 3 have been partially implemented and 2 were still to be implemented. Revised implementation dates have been agreed for each of these recommendations.

It is our view that the Council has in place a sound for governance, risk management and internal control and that appropriate mechanisms are in place to identify any areas of weakness. This is corroborated by an Annual Report incorporating the Annual Assurance Statement prepared by the Council's Chief Auditor stating that subject to management addressing the critical and important recommendations made the limited and no assurance reports, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control, risk management and governance arrangements.

Action Plan

Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the Council's governance.

Agreed action	Responsible person	Date
All service level business continuity plans are to be updated to record all the ICT risks referred to in the council's business continuity plan template for all service areas.	Service Directors	September 2023
A review of the current manual payment process is under review with key stakeholders from the Corporate Procurement Unit and the Finance Business Partners, this will enable and introduce an exception policy to support the No Purchase Order No Payment. Once the review is conducted the exception policy will be implemented and the No Purchase Order No Payment approach will commence, this is anticipated to take up to 12 Months.	Procure to Pay (P2P) Manager	May 2024

The agreed actions will be subject to review to identify the progress being made in implementing them.

Update on the 2021/22 Action Plan

Agreed action	Progress Update	Responsible person	Date
Prepare 3-year Improvement Plans for each service.	Complete All 2022 Service Improvement Plans were approved by the relevant Policy Boards in May/June 2022.	Service Directors	June 2022
Review and refresh quarterly scorecard of performance information.	Complete The new Council Plan scorecard was approved by Leadership Board in December 2022 New approach to Corporate Management Team (CMT) scorecard approved by CMT March 2023.	Head of Policy and Partnerships	December 2022 March 2023
Establish an action plan arising from the CIPFA FM Code.	Complete The Action Plan was delayed due to other priorities and capacity issues in the Finance team; however, it is now complete and was finalised on 8 March 2023.	Head of Finance and Procurement	December 2022

Update on the 2020/21 Action Plan

The 2020/21 Governance Statement identified areas of continuous improvement activities to be taken forward to improve the overall governance, risk management and internal control environment. Progress over the last 12 months against the agreed action plan is detailed below.

Agreed action	Progress Update	Responsible person	Date
Review and update where necessary the policy for expressing concerns outwith line management whistleblowing for approval by Board.	Complete	Chief Auditor	February 2023
Review and refresh the Council Plan	Complete	Head of Policy and Partnerships	September 2022

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2022/23 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Cllr Iain Nicolson
Leader of the Council

Alan Russell
Chief Executive

Remuneration Report

The Local Authority Accounts (Scotland) Amendment Regulations 2014 (SSI No. 2014/200) amend the Local Authority Accounts (Scotland) Regulations 2011 (SI No 2011/64) and requires local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. All information disclosed in sections 3 to 8 in this Remuneration Report has been audited by the Council's appointed auditor, Azets. The other sections of the Remuneration Report will be reviewed by Azets to ensure that they are consistent with the financial statements.

1. Remuneration Policy for Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The salaries of the Corporate Directors and Heads of Service are based on a spinal column point model as agreed by the Finance and Resources Policy Board on 14 May 2014. Senior employees received a 5% pay award in 2022/23 and no other benefits.

2. Remuneration policy for the Leader of the Council, the Provost and Senior Councillors

The annual salary of the Leader of the Council and the upper limit for the annual salary of the Provost (or civic head) are set by the Scottish Government in terms of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, as amended by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2021. The salary for the Leader of the Council in 2022/23 was £39,148 per annum (£37,111 in 2021/22) and the salary for the Provost was £29,361 per annum (£27,834 in 2021/22).

In terms of the same Regulations, the Scottish Government permits Renfrewshire Council to nominate up to 14 senior councillors (in addition to the Leader of the Council and the Provost), whose salaries in aggregate must not exceed a specified amount, in

2022/23 being £342,524 per annum; and whose salaries individually must be on a specified scale, in 2022/23 £19,571 to £29,361. At the Council meeting of 30 June 2022, it was agreed that Renfrewshire Council would have 13 senior councillors: six Policy Board Conveners (salary of £28,910 per annum in 2022/23); four Regulatory Board Conveners (salary of £23,400 in 2022/23); Chair of OneRen Board; Chair/Vice-Chair of Integration Joint Board and one Leader of the Opposition (salary of £23,400 in 2022/23).

3. Remuneration of Senior Employees

The regulations define a senior employee as any employee who meets one or more of the following criteria:

- has responsibility for the management of the local authority to the extent that the person has power to direct or control the major activities of the authority whether solely or collectively with other persons.
- holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989.
- whose annual remuneration, including any annual remuneration from a local authority subsidiary body is £150,000 or more.

The Council has interpreted the above criteria as including the Chief Executive, Directors and the Chief Executive of OneRen.

The term 'remuneration' means gross salary, fees and bonuses, allowances and expenses and compensation for loss of office. The table below outlines the remuneration details for senior employees, including prior year figures. The table shows the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2023, whether or not those amounts were actually paid to, or received by, those persons within that period. There were no non-consolidated bonuses or performance-related payments made to any senior officer in 2022/23.

2021/22		Senior employees		2022/23		
Total Remuneration £	Name	Post held	Annual Salary £	Election Allowances £	Total Remuneration £	
120,930	Sandra Black	Chief Executive until 15 December 2021 <i>(full year equivalent 2021/22 £151,238)</i>	0	0	0	
136,965	Alan Russell	Director of Finance and Resources until 15 December 2021; Chief Executive from 16 December 2021;	158,344	2,435	160,779	
123,340	Mary Crearie	Director of Communities and Housing Services	129,136	0	129,136	
40,985	Alastair MacArthur	Acting Director of Finance and Resources from 16 December 2021 to 15 February 2022; Director of Finance and Resources from 16 February 2022	125,242	974	126,216	
126,743	Gordon McNeil	Director of Environment and Infrastructure Services	129,136	800	129,936	
123,340	Steven Quinn	Director of Children's Services	129,136	300	129,436	
672,303	Total		670,994	4,509	675,503	

In 2022/23, some Senior Employees received remuneration connected to election activities; this was £22,461 in 2021/22.

2021/22		Senior Employees of Subsidiary Bodies		2022/23
Total Remuneration £	Name	Post held		Total Remuneration £
104,035	Victoria Hollows	Chief Executive, OneRen		108,924
104,035	Total			108,924

4. Remuneration of Senior Councillors

Under the regulations, remuneration disclosures are to be made for the Leader of the Council, the Civic Head and any councillor designated a Senior Councillor by the Council. The table below shows the relevant amounts, before tax and other deductions, due to each of the persons named for the year to 31 March 2023, whether or not those amounts were actually paid or received within that period and relate only to the Senior Councillor posts indicated. No payments were made in connection with loss of employment or office, nor were any other payments made that are not included in the table.

A local government election took place on 6 May 2022. Elected members who held a senior councillor position on 1 April 2022 were paid at that remuneration level until 5 May 2022. All members elected to Renfrewshire Council on 6 May 2022 reverted to basic councillor remuneration on that date.

Senior Councillor appointments were then made at the statutory meeting of the Council on 19 May 2022, except for the Chair/Vice Chair of the Integration Joint Board, who was formally appointed on 24 June 2022 at the first meeting of that

Board, and the Licensing Board Convener, who was formally appointed on 5 September 2022 at the first meeting of that Board.

The following table reports on remuneration related to senior councillor positions only, and prior year figures are shown only once per person.

2021/22	Senior Councillors		2022/23
Total Remuneration £	Name	Position held	Total Remuneration £
Until 5 May 2022			
27,512	Cathy McEwan	Policy Board Convener	2,589
22,690	Jennifer Adam	Chair/Vice Chair IJB (2)	2,175
22,690	Bill Binks	Regulatory Board Convener	2,357
22,690	Andy Steel	Regulatory Board Convener	2,175
27,512	Jacqueline Cameron	Chair/Vice Chair IJB	2,589
22,690	Eddie Devine	Leader of largest opposition group	2,141
22,690	Neill Graham	Leader of 2nd largest opposition group	2,175
From 19 May 2022			
0	Michelle Campbell	Policy Board Convener	23,753
0	Emma Rodden	Policy Board Convener	23,753
as above	Andy Steel	Policy Board Convener	23,753
0	Andy Doig	Regulatory Board Convener	19,637
0	Stephen Burns	Regulatory Board Convener	19,637
as above	Cathy McEwan	Regulatory Board Convener ⁽¹⁾	13,197
as above	Jennifer Adam	Chair/Vice Chair IJB ⁽²⁾	21,573
0	Iain McMillan	Leader of largest opposition group	19,637
Full Year (excluding 6-19 May)			
37,111	Iain Nicolson	Leader Of the Council	36,821
27,834	Lorraine Cameron	Provost	27,580
27,512	Marie McGurk	Policy Board Convener	26,341
27,512	Jim Paterson	Policy Board Convener	26,341
27,512	John Shaw	Policy Board Convener	26,341
22,690	John McNaughtan	Regulatory Board Convener	21,812
27,512	Lisa-Marie Hughes	Chair, OneRen ⁽³⁾	23,796
366,157	Total		370,174

Notes:

1. Cllr McEwan was appointed as Convener of the Licensing Board on 5 September 2022, which was the first meeting of that board following the election
2. Cllr Adam was appointed as Chari/Vice-Chair of the Renfrewshire Integrated Joint Board (IJB) on 24 June 2022, which was the first meeting of that board following the election
3. Cllr Hughes was appointed as Chair of OneRen on 28 June 2022, which was the first meeting of that board following the election

5. Pension Entitlement

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

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

From 1 April 2015 benefits for local government employees are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age of each member.

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

Tiered contribution rates on whole time pay 2022/23		Equivalent bandings for 2021/22
Up to £23,000	5.5%	Up to £22,300
£23,001 to £28,100	7.25%	£22,301 to £27,300
£28,101 to £38,600	8.5%	£27,301 to £37,400
£38,601 to £51,400	9.5%	£37,401 to £49,900
Over £51,401	12%	Over £49,901

If a person works part-time their contribution rate will be based on their part-time pay.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of pensionable pay for each year of membership, adjusted in line with the cost of living (prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

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

The pension entitlements for Senior Employees and Senior Councillors for the year to 31 March 2023 are shown in the table below, together with the contribution made by the Council to each individual's pension during the year.

Any senior employees and councillors omitted from the following tables are not members of the Local Government Pension Scheme (LGPS).

Name	Post held	In-year pension contributions by Renfrewshire Council		Accrued pension benefits as at 31 March 2023		Change in accrued pension benefits since 31 March 2022	
		2022/23 £	2021/22 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Senior Employees							
Sandra Black	Chief Executive until 15 December 2021	0	20,750	n/a	n/a	n/a	n/a
Alan Russell	Director of Finance and Resources until 15 December 2021; Chief Executive from 16 December 2021	30,560	25,784	69	95	5	4
Mary Crearie	Director of Communities and Housing Services	24,923	23,778	63	83	6	1
Alastair MacArthur	Acting Director of Finance and Resources from 16 December 2021; Director of Finance and Resources from 16 February 2022	24,167	19,893	53	72	5	6
Gordon McNeil	Director of Environment and Infrastructure Services	24,923	23,778	42	35	4	3
Steven Quinn	Director of Children's Services	24,923	23,778	23	0	3	0
Total		129,496	137,761	250	285	23	14

Senior Employees of Subsidiary Bodies							
Name	Post held	In-year pension contributions by Renfrewshire Leisure		Accrued pension benefits as at 31 March 2023		Change in accrued pension benefits since 31 March 2022	
		2022/23 £	2021/22 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Victoria Hollows	Chief Executive, OneRen	21,022	20,062	41	48	4	2
Total		21,022	20,062	41	48	4	2

The following table reports on in-year pension contributions relating to senior councillor positions only. Pension benefits shown relate to those that the individual has accrued as a consequence of their total local government service and not just their current appointment.

Leader of the Council, Provost, Senior councillors							
Name	Post held	In-year pension contributions by Renfrewshire Council		Accrued pension benefits as at 31 March 2023		Change in accrued pension benefits since 31 March 2022	
		2022/23 £	2021/22 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Iain Nicolson	Leader Of the Council	6,944	7,162	11	3	2	0
Cathy McEwan	Policy Board Convener/Regulatory Board Convener	2,870	5,310	6	0	1	0
Marie McGurk	Policy Board Convener	5,015	5,310	4	0	1	0
Jim Paterson	Policy Board Convener	5,015	5,310	4	0	1	0
John Shaw	Policy Board Convener	5,015	5,310	4	0	1	0
Emma Rodden	Policy Board Convener	3,943	0	3	0	n/a	n/a
Michelle	Policy Board Convener	3,943	0	3	0	3	0
Andy Steel	Regulatory Board	4,918	4,379	3	0	0	0
John	Regulatory Board Convener	4,180	4,379	3	0	0	0
Jennifer Adam	Regulatory Board Convener/Chair/Vice Chair	4,370	4,379	3	0	1	0
Jacqueline Cameron	Chair/Vice Chair Integration Joint Board	642	5,310	4	0	2	0
Lisa-Marie	Chair, OneRen	4,393	5,310	4	0	2	0
Stephen Burns	Regulatory Board Convener	3,359	0	3	0	n/a	n/a
Andy Doig	Regulatory Board Convener	3,359	0	3	0	n/a	n/a
Eddie Devine	Leader of largest opposition group until 5 May 2022	642	4,379	8	1	1	0
Neill Graham	Leader of 2nd largest opposition group until 5 May 2022	642	4,379	2	0	0	0
Iain McMillan	Leader of opposition group	3,989	0	0	0	n/a	n/a
Total		63,238	60,917	68	4	15	0

6. Councillors' remuneration

The Council paid the following amounts to its elected members (councillors) during the year.

2021/22 £		2022/23 £
892,271	Salaries	948,984
1,187	Travel costs – reimbursed	2,129
1,420	Travel costs – paid directly by the Council	4,480
0	Subsistence expenses - accommodation	200
230	Training and Conferences	0
6,030	Telephone and information technology expenses – paid directly by the Council	4,649
901,138	Total	960,442

The public record of members' salaries, allowances and expenses for 2022/23 is available for inspection on the Register of Councillors' Interests page of the Council's website and navigating to: [Your Council>Councillors> Record of councillor salaries, allowances, expenses and training register.](#)

7. Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions and election expenses, was in excess of £50,000 during 2022/23, in bands of £5,000; and also details of the number of those employees highlighted who left the employment of the Council during 2022/23. This information includes those senior employees who are subject to the fuller disclosure requirements in the tables above. Note that leavers may be included due to retirement or redundancy costs. Bands with nil employees for both years are not shown.

2021/22			Remuneration band	2022/23		
Teachers	Non-teachers	Total		Teachers	Non-teachers	Total
146	73	219	£50,000 to £54,999	92	43	135
97	55	152	£55,000 to £59,999	131	80	211
56	22	78	£60,000 to £64,999	96	18	114
17	32	49	£65,000 to £69,999	64	11	75
2	8	10	£70,000 to £74,999	20	20	40
3	4	7	£75,000 to £79,999	9	2	11
1	3	4	£80,000 to £84,999	5	7	12
1	1	2	£85,000 to £89,999	4	6	10
1	8	9	£90,000 to £94,999	1	1	2
0	2	2	£95,000 to £99,999	2	10	12
0	4	4	£100,000 to £104,999	0	1	1
0	1	1	£105,000 to £109,999	0	3	3
0	3	3	£120,000 to £124,999	0	0	0
0	0	0	£125,000 to £129,999	0	3	3
0	1	1	£130,000 to £134,999	0	0	0
0	1	1	£140,000 to £144,999	0	0	0
0	0	0	£155,000 to £159,999	0	1	1
324	218	542		424	206	630

Of the staff noted above, five left during the year and their termination payments are included in the above analysis; however, they would have been included as an over £50k earner in a normal year (five in 2021/22). The number of teachers earning above £50k has increased due to the late agreement for the 2021/22 pay settlement, which was not reflected in the published 2021/22 figures.

8. Exit Packages

The Council has agreed a number of exit packages in 2022/23 as detailed in the table below. The exit packages agreed were all on a voluntary basis; there were no compulsory redundancies. The Council only agrees exit packages where they are consistent with wider workforce planning and service delivery objectives; and where the savings accruing from an individual ceasing employment with the Council are sufficient to pay back the costs of the exit package within an acceptable period. The assessment of the payback period takes account of the total costs of the exit package.

The total exit package costs in the table below include redundancy, pension strain and compensatory lump sum payments; and also, the notional capitalised costs of compensatory added years. These notional costs are not based on actual costs, but are the estimated present value of projected costs over the lifetime of the individuals in receipt of the exit package, based on the following assumptions:

	2022/23	2021/22
Future Life expectancy at age 65 – males	20.5 years	21.0 years
Future Life expectancy at age 65 – females	24.2 years	24.5 years
Pension increase rate	3.0%	3.2%
Discount Rate	4.8%	2.7%

Exit Package Cost	2022/23		2021/22	
	Number of Employees	Value £m	Number of Employees	Value £m
£0 - £20,000	4	0.065	10	0.120
£20,001 - £40,000	5	0.112	3	0.093
£40,001 - £60,000	2	0.107	6	0.285
£60,001 - £80,000	6	0.420	4	0.270
£80,001 - £100,000	4	0.351	1	0.092
£100,001 - £150,000	17	2.082	4	0.479
£150,001 - £200,000	11	1.808	6	1.140
£200,001 - £250,000	3	0.604	3	0.668
£250,001 - £300,000	0	0.000	3	0.815
£300,001 - £350,000	3	0.989	2	0.632
Total	55	6.538	42	4.594

9. Trade Union Facility Time

Renfrewshire Council recognises that it is to the mutual benefit of the Council and its employees that employees are represented by Trade Unions. The Council is committed to the principle of collective bargaining at both national and local level. The Council recognises the key role of Trade Unions in promoting and developing good employee relations and health and safety practices. The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires public sector employers to publish information relating to facility time taken by union representatives.

Trade Union (TU) representative	
Number of employees who were relevant union officials during the period	30
FTE employee number	29.35

Percentage of pay bill spent on facility time	
Total cost of facility time	£221,081
Total pay bill	£330,069,268
Percentage of the total pay bill spent on facility time	0.07%

Percentage of time spent on facility time		
Number of representatives	% time	
25.00	1% - 50%	
3.00	51% - 99%	
2.00	100%	

Paid Trade Union activities	
Time spent on paid TU activities as a percentage of total paid facility time hours	40.12%

Cllr Iain Nicolson
Leader of the Council

Alan Russell
Chief Executive

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

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Renfrewshire Council and its group for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Account, the Non-domestic Rate Account, and the Common Goods Fund and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2023 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the council and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Director of Finance and Resources and Audit, Risk and Scrutiny Board for the financial statements

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

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

The Audit, Risk and Scrutiny Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability

of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Gary Devlin, (for and on behalf of Azets Audit Services),
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing the Council during the year. It includes, on an accruals basis, all of the Council's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that Councils need to take into account when setting the annual council tax charge. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

2021/22			Note	2022/23		
Gross expenditure £m	Gross income £m	Net expenditure £m		Gross expenditure £m	Gross income £m	Net expenditure £m
253.334	(41.446)	211.888	Children's Services	294.465	(38.357)	256.108
57.024	(54.169)	2.855	Communities and Housing Services	69.707	(59.300)	10.407
104.227	(12.804)	91.423	Environment and Infrastructure	104.694	(4.462)	100.232
106.841	(48.250)	58.591	Finance and Resources	109.077	(48.963)	60.114
41.418	(7.783)	33.635	Chief Executive's Service	37.895	(9.097)	28.798
12.708	(13.850)	(1.142)	Miscellaneous Services	17.692	(14.653)	3.039
233.939	(147.843)	86.096	Adult Services	260.152	(161.744)	98.408
809.491	(326.145)	483.346	Cost of Services	893.682	(336.576)	557.106
(0.175)	0.000	(0.175)	(Gain)/Loss on the disposal of non-current assets	0.103	0.000	0.103
25.222	(0.631)	24.591	Financing and investment income and expenditure	24.322	(6.646)	17.676
0.000	(486.210)	(486.210)	Taxation and non-specific grant income	0.000	(505.934)	(505.934)
834.538	(812.986)	21.552	Deficit/(Surplus) on the Provision of Services	918.107	(849.156)	68.951
		(165.905)	(Surplus)/Deficit on the revaluation of non-current assets		8	(104.500)
		(0.058)	(Surplus)/Deficit from investments in equity instruments designated as Fair Value through Other Comprehensive Income		8	0.469
		(214.582)	Actuarial (gain)/loss on pension assets and liabilities		28	(269.861)
		(380.545)	Other comprehensive (income) and expenditure			(373.892)
		(358.993)	Total comprehensive (income) and expenditure			(304.941)

Figures shown in brackets represent income or gains and figures without brackets represent expenditure or losses.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (those reserves that can be applied to fund expenditure or to reduce local taxation) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Council's services, more details of which are shown in the CIES. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax-setting and dwellings rent-setting purposes. The net increase or (decrease) before transfers to other statutory reserves line shows the statutory General Fund Balance and the Housing Revenue Account Balance before any discretionary transfers to or from the other statutory reserves of the Council.

2022/23	General Fund Balance	Housing Revenue Account	Revenue statutory funds	Capital Funds	Total Usable Reserves	Unusable Reserves	Total reserves
Note	£m	£m	£m	£m	£m	£m	£m
Balance at 1 April 2022	104.667	6.497	2.974	100.319	214.457	1,278.820	1,493.277
Movement in reserves during the year							
Total Comprehensive Income and Expenditure	(50.865)	(18.086)	0.000	0.000	(68.951)	373.892	304.941
Adjustments to Usable Reserves permitted by accounting standards	25.394	11.784	0.000	0.000	37.178	(37.178)	0.000
Transfers to / (from) other statutory reserves	7 (0.121)	0.000	0.121	0.000	0.000	0.000	0.000
Adjustment for Service Concession Arrangements	27.601	0.000	0.000	0.000	27.601	(27.601)	0.000
Adjustments between accounting basis and funding basis under regulations	6 20.715	6.302	0.000	(1.251)	25.766	(25.766)	0.000
Increase / (Decrease) in year	22.724	0.000	0.121	(1.251)	21.594	283.347	304.941
Balance at 31 March 2023	127.391	6.497	3.095	99.068	236.051	1,562.167	1,798.218
Comparative movements in 2021/22							
Note	£m	£m	£m	£m	£m	£m	£m
Balance at 1 April 2021	88.458	6.497	2.864	96.274	194.093	940.631	1,134.724
Movement in reserves during the year							
Total Comprehensive Income and Expenditure	(15.516)	(6.036)	0.000	0.000	(21.552)	380.545	358.993
Adjustments to Usable Reserves permitted by accounting standards	14.295	11.178	0.000	0.000	25.473	(25.473)	0.000
Transfers to / (from) other statutory reserves	7 (0.550)	0.000	0.110	0.000	(0.440)	0.000	(0.440)
Adjustments between accounting basis and funding basis under regulations	6 17.980	(5.142)	0.000	4.045	16.883	(16.883)	0.000
Increase / (Decrease) in year	16.209	0.000	0.110	4.045	20.364	338.189	358.553
Balance at 31 March 2022	104.667	6.497	2.974	100.319	214.457	1,278.820	1,493.277

Balance Sheet

The balance sheet shows the value as at 31 March 2023 of the assets and liabilities recognised by the Council. The net assets of the Council are matched by the reserves held by the Council. Reserves are reported in two categories. The first category comprises usable reserves, which are reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve, which may only be used to fund capital expenditure or to repay debt). The second category of reserves comprises those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold differences shown as 'adjustments between accounting basis and funding basis under regulations' in the Movement in Reserves Statement.

As at 31 March 2022			As at 31 March 2023
£m		Note	£m
1,663.152	Property, plant and equipment	9	1,797.350
44.186	Heritage assets	10	44.186
1.479	Investment property	11	1.593
3.349	Intangible assets	13	2.524
9.513	Long-term investments	22	4.157
2.966	Long-term debtors	19	2.582
0.000	Other long-term assets	28	175.891
1,724.645	Long-term assets		2,028.283
0.922	Assets held for sale	12	0.100
183.583	Short-term investments	22	166.751
1.032	Inventories	17	1.314
81.666	Short-term debtors	19	67.422
18.817	Cash and cash equivalents	18	11.632
286.020	Current assets		247.219
(92.034)	Short-term borrowing	22	(93.653)
(75.843)	Short-term creditors	20	(89.147)
(0.240)	Short-term provisions	21	(0.252)
(168.117)	Current liabilities		(183.052)
(69.152)	Long-term creditors	20	(65.690)
(5.117)	Long-term provisions	21	(4.942)
(219.781)	Long-term borrowing	22	(223.600)
(55.221)	Other long-term liabilities	28	0.000
(349.271)	Long-term liabilities		(294.232)
1,493.277	Net assets		1,798.218
(214.457)	Usable reserves	7	(236.051)
(1,278.820)	Unusable reserves	8	(1,562.167)
(1,493.277)	Total reserves		(1,798.218)

The unaudited accounts were issued on 22 June 2023 and the audited accounts will be authorised for issue at a date TBC.

Cashflow Statement

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

2021/22 £m		2022/23 £m
(21.552)	Net surplus/(deficit) on the provision of services	(68.951)
	Adjustment for non-cash movements:	
63.319	Depreciation, amortisation, impairment and revaluations	51.918
0.729	Increase/(decrease) in creditors	18.982
(0.450)	(Increase)/decrease in debtors	14.628
(0.153)	(Increase)/decrease in inventories	(0.282)
48.269	Pension (liability)/asset	38.749
0.610	Carrying amount of non-current assets sold	0.610
0.232	Other non-cash items charged to the net surplus or deficit on the provision of services	(0.163)
(42.875)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(44.807)
48.129	Net cash flows from operating activities	10.684
	Net cash flows from investing activities :	
(82.237)	Purchase of property, plant and equipment, investment property and intangible assets	(87.082)
(0.785)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1.697)
(52.871)	Proceeds from short-term and long-term investments	22.188
43.660	Other receipts from investing activities	46.504
	Net cash flows from financing activities	
(2.847)	Cash payments for the reduction of the outstanding liability relating to finance leases and on-balance sheet PFI /PPP contracts	(3.220)
19.497	Repayment of short-term and long-term borrowing	5.438
(27.454)	Net increase/(decrease) in cash and cash equivalents	(7.185)
46.271	Cash and cash equivalents at the beginning of the reporting period	18.817
18.817	Cash and cash equivalents at the end of the reporting period	11.632

The Net cash flow from operating activities above includes the following elements of interest paid and received:

2021/22 £m	Interest Paid and Received	2022/23 £m
(0.631)	Interest received	(6.646)
10.895	Interest paid	11.660
5.525	Interest element of finance lease and PPP payments	4.923
15.789		9.937

Note 1: Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and non-domestic rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service departments. Income and expenditure accounted for under generally accepted account practices is presented more fully in the CIES.

2022/23	Net Expenditure chargeable to the General Fund and HRA £m	Adjustments between Funding and Accounting basis £m	Depreciation charged to Revaluation Reserve £m	Net Expenditure in the CIES £m
Children's Services	233.285	0.993	20.390	256.108
Communities and Housing Services	10.897	(12.287)	11.798	10.407
Environment & Infrastructure	61.470	38.013	0.749	100.232
Finance & Resources	43.686	14.853	1.575	60.114
Chief Executive's Service	27.605	(1.269)	2.462	28.798
Miscellaneous Services	20.795	(16.985)	0.203	3.039
Adult Services	93.580	5.560	0.000	98.408
Net cost of services	491.318	28.878	37.177	557.106
Other income and expenditure	(486.441)	(2.732)		(488.155)
(Surplus) / Deficit	4.877	26.146	37.177	68.951
Opening General Fund and HRA balance	(111.164)			
Less (Surplus) / Deficit in the year	4.877			
Add other items not charged to the Surplus / (Deficit)	(27.601)			
Closing General Fund and HRA at 31 March*	(133.888)			

* For a split of this balance between the General Fund and the HRA, see the Movement in Reserves Statement.

2022/23	Adjustments for capital purposes £m	Net change for the pensions adjustments £m	Other differences £m	Total Adjustments £m
Children's Services	18.383	11.212	(26.999)	2.596
Communities and Housing Services	5.936	3.386	(21.609)	(12.287)
Environment & Infrastructure	12.990	8.466	16.557	38.013
Finance & Resources	1.969	6.831	6.053	14.853
Chief Executive's Service	(2.736)	2.381	(0.914)	(1.269)
Miscellaneous Services	(0.202)	(1.746)	(15.037)	(16.985)
Adult Services	0.003	6.235	(1.410)	4.828
Net cost of services	36.343	36.765	(43.359)	29.749
Other income and expenditure	(46.897)	1.984	42.181	(2.732)
Total adjustments between accounting basis and funding basis	(10.554)	38.749	(1.178)	27.017

- Adjustments for capital purposes: adds in depreciation, impairment and revaluation gains and losses to the service net expenditure including income on the disposal of assets and the amounts written off for those assets and the

statutory charges for capital financing and capital grants which are not chargeable under generally accepted accounting practices.

- Net change for the pensions adjustments: removes employer pension contributions as allowed by statute and replaces with the current and past service costs within the IAS 19 employee benefits pension related expenditure and income. The net interest on the defined benefit liability is also included as charged to the CIES.
- Other differences: any other differences between those amounts debited or credited to the CIES and amounts payable or receivable to be recognised under statute, including those primarily involved in the financial instruments adjustment account, the employee statutory adjustment account and other statutory funds. Any other non-statutory adjustments would also be included here.

2021/22	Net Expenditure chargeable to the General Fund and HRA £m	Adjustments between Funding and Accounting basis £m	Depreciation charged to Revaluation Reserve £m	Net Expenditure in the CIES £m
Children's Services	217.871	(16.333)	10.350	211.888
Communities and Housing Services	11.109	(19.432)	11.178	2.855
Environment & Infrastructure	55.880	34.833	0.710	91.423
Finance & Resources	40.045	17.258	1.288	58.591
Chief Executive's Service	28.009	3.822	1.804	33.635
Miscellaneous Services	28.094	(29.379)	0.143	(1.142)
Adult Services	79.974	6.122	0.000	86.096
Net cost of services	460.982	(3.109)	25.473	483.346
Other income and expenditure	(477.191)	15.507	0.000	(461.794)
(Surplus) / Deficit	(16.209)	12.398	25.473	21.552
Opening General Fund and HRA balance	(94.955)			
Less (Surplus) / Deficit in the year	(16.209)			
Closing General Fund and HRA at 31 March*	(111.164)			

* For a split of this balance between the General Fund and the HRA, see the Movement in Reserves Statement.

2021/22	Adjustments for capital purposes £m	Net change for the pensions adjustments £m	Other differences £m	Total Adjustments £m
Children's Services	2.064	12.728	(31.125)	(16.333)
Communities and Housing Services	0.366	3.497	(23.295)	(19.432)
Environment & Infrastructure	9.795	9.319	15.719	34.833
Finance & Resources	2.944	7.771	6.543	17.258
Chief Executive's Service	1.939	2.677	(0.794)	3.822
Miscellaneous Services	(8.264)	0.477	(21.592)	(29.379)
Adult Services	0.000	6.893	(0.771)	6.122
Net cost of services	8.844	43.362	(55.315)	(3.109)
Other income and expenditure	(43.835)	4.907	54.435	15.507
Total adjustments between accounting basis and funding basis	(34.991)	48.269	(0.880)	12.398

Note 2: Financing and investment income and expenditure

2021/22 £m		2022/23 £m
20.315	Interest payable and similar charges	22.338
4.907	Net interest on the net defined benefit liability	1.984
(0.631)	Interest receivable and similar income	(6.646)
24.591	Total	17.676

Note 3: Taxation and non-specific grant income

2021/22 £m		2022/23 £m
(86.464)	Income from Council Tax and community charge	(80.713)
(81.663)	Distribution from the national non-domestic rate pool	(108.076)
(274.423)	General Revenue Grant from the Scottish Government	(270.144)
(43.660)	Capital grants and contributions	(47.001)
(486.210)	Total	(505.934)

Note 4: Expenditure and income analysed by nature

This note presents the subjective analysis of expenditure and income shown by operational service area in the CIES.

2021/22 £m		Note	2022/23 £m
	Expenditure		
356.167	Employee benefits expenses		383.749
390.005	Other service expenses		420.837
63.319	Depreciation, amortisation, impairment		89.096
25.222	Interest Payments	2	24.322
(0.175)	(Gain) /Loss on the disposal of assets	8	0.103
834.538	Total expenditure		918.107
	Income		
(326.145)	Fees, charges and other service income		(336.576)
(0.631)	Interest and investment income	2	(6.646)
(168.127)	Income from council tax and non-domestic rates	3	(188.789)
(318.083)	Government grants and contributions	3	(317.145)
(812.986)	Total income		(849.156)
21.552	(Surplus) or deficit on the provision of services		68.951

Note 5: Grant income

The Council credited the following grants, contributions and donations direct to services in the CIES during 2022/23.

2021/22 £m		2022/23 £m
43.434	Housing benefit	40.841
0.549	Housing benefit and Council Tax administration	0.549
1.203	Discretionary Housing Payment	0.687
0.200	Private sector housing grant	0.200
0.579	Education Maintenance Allowance	0.491
0.016	Gaelic Education	0.061
0.015	School Milk	0.000
4.276	Pupil Equity Fund	4.663
21.860	Early Years Expansion	18.716
9.265	Other Education	7.772
3.163	Children's Services	3.203
12.322	Adult Services	12.254
1.436	Employability	3.406
8.011	Other grants	3.415
106.329	Total	96.258

Note 6: Adjustment between accounting basis and funding basis under regulations

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

The first table outlines the current year position, and the second table outlines the comparative prior year position.

2022/23	Usable reserves				Unusable reserves £m
	General Fund Balance £m	Housing Revenue Account Balance £m	Capital Statutory Funds £m	Capital Receipts Reserve £m	
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items charged to the CIES:					
Charges for depreciation and impairment of non-current assets	(34.956)	(16.099)	0.000	0.000	51.055
Amortisation of intangible assets	(0.863)	0.000	0.000	0.000	0.863
Capital grants and contributions applied	46.599	0.402	0.000	0.000	(47.001)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the CIES	0.173	(0.276)	0.000	0.000	0.103
Insertion of items not charged to the CIES:					
Statutory provision for the repayment of Loans Fund & Finance Lease principal	1.815	11.434	0.000	0.000	(13.249)
Capital expenditure charged against the General Fund and HRA Balances	2.325	0.000	1.841	0.000	(4.166)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain or loss on disposal to the CIES	0.000	0.000	0.000	(1.697)	1.697
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	1.107	(1.107)
Adjustment primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0.323	0.173	0.000	0.000	(0.496)
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	(74.376)	(0.089)	0.000	0.000	74.465
Employer's pension contributions and direct payments to pensioners payable in the year	37.587	(1.871)	0.000	0.000	(35.716)
Adjustment primarily involving the Employee Statutory Adjustment Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.658	0.024	0.000	0.000	(0.682)
Total adjustments	(20.715)	(6.302)	1.841	(0.590)	25.766

2021/22	Usable reserves				Unusable reserves £m
	General Fund Balance £m	Housing Revenue Account £m	Capital Statutory Funds £m	Capital Receipts Reserve £m	
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items charged to the CIES:					
Charges for depreciation and impairment of non-current assets	(21.812)	(15.158)	0.000	0.000	36.970
Amortisation of intangible assets	(0.876)	0.000	0.000	0.000	0.876
Capital grants and contributions applied	36.513	7.147	0.000	0.000	(43.660)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the CIES	0.169	0.006	0.000	0.000	(0.175)
Insertion of items not charged to the CIES:					
Statutory provision for the repayment of Loans Fund & Finance Lease principal	3.011	15.087	0.000	0.000	(18.098)
Capital expenditure charged against the General Fund and HRA Balances	10.464	0.000	(5.089)	0.000	(5.375)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain or loss on disposal to the CIES	0.000	0.000	0.000	(0.785)	0.785
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	1.829	(1.829)
Adjustment primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0.289	0.203	0.000	0.000	(0.492)
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	(80.312)	(0.215)	0.000	0.000	80.527
Employer's pension contributions and direct payments to pensioners payable in the year	34.168	(1.910)	0.000	0.000	(32.258)
Adjustment primarily involving the Employee Statutory Adjustment Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.406	(0.018)	0.000	0.000	(0.388)
Total adjustments	(17.980)	5.142	(5.089)	1.044	16.883

Note 7: Usable reserves

Usable reserves are those reserves the Council is able to apply to fund expenditure or reduce taxation and comprise both capital and revenue reserves. Movements in the revenue reserves during the year are outlined in the Movement in Reserves Statement and a summary is shown in below.

More information about the Housing Revenue Account can be found on page 95.

As at 31 March 2022 £m	Usable Reserves	As at 31 March 2023 £m
(104.667)	General Fund Balance	(127.391)
(6.497)	Housing Revenue Account Balance	(6.497)
(7.594)	Capital Receipts Reserve	(8.184)
(95.699)	Other Statutory Funds	(93.979)
(214.457)	Total	(236.051)

This note sets out the amounts set aside from the General Fund Balance in statutory funds established under Schedule 3 of the Local Government (Scotland) Act 1975 to provide financing for specific areas of expenditure, and the amounts transferred back from these funds to meet General Fund expenditure in 2022/23.

	Balance at 1 April 2021 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2022 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2023 £m
Insurance Fund	2.543	0.000	0.110	2.653	0.000	0.115	2.768
Reservoir Repair Fund	0.321	0.000	0.000	0.321	0.000	0.006	0.327
Revenue statutory funds	2.864	0.000	0.110	2.974	0.000	0.121	3.095
Education Capital Items Fund	1.400	(0.224)	1.093	2.269	(0.509)	0.346	2.106
Investment Capital Fund	86.236	(0.680)	4.900	90.456	(2.175)	0.497	88.778
Capital statutory funds	87.636	(0.904)	5.993	92.725	(2.684)	0.843	90.884
Total	90.500	(0.904)	6.103	95.699	(2.684)	0.964	93.979

- The Insurance Fund is the funding mechanism for the control of insurable risk and covers the main classes of insurance. It is earmarked for premiums and self-funded insurance costs.
- The Reservoir Repair Fund is funding received from a contractor for repairs in perpetuity to the Thornly Dam.
- The Education Capital Items Fund is earmarked funding for specific schools to be used in future years for planned purchases of a capital nature, such as computers and information communication technology equipment.
- The Investment Capital Fund represents planned funding earmarked to support the Council's investment programme and the wider strategic management of the Council's associated debt profile.
- In addition to the capital statutory funds above the Capital Receipts Reserve is also a statutory fund. The Capital Receipts Reserve holds cash receipts from asset sales and is used to fund planned capital expenditure.

	Balance at 1 April 2021 £m	Sale proceeds £m	Capital exp funded £m	Balance at 31 March 2022 £m	Sale proceeds £m	Capital exp funded £m	Balance at 31 March 2023 £m
Capital Receipts Reserve	8.638	0.785	(1.829)	7.594	1.697	(1.107)	8.184

Ring-fenced elements of the General Fund Balance

The following note sets out the amounts within the General Fund Balance that the Council has ring-fenced for future expenditure plans. The unallocated balance of £10.318m represents 2.1% of the Council's net annual running costs.

	Balance at 1 April 2021 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2022 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2023 £m
COVID-19 General Recovery Fund	11.390	(16.412)	14.182	9.160	(1.780)	(7.380)	-
COVID-19 Education Recovery	6.149	(3.534)	3.713	6.328	(0.403)	(5.925)	-
COVID-19 Recovery Construction	-	-	10.000	10.000	(2.735)	(7.265)	-
Inflation Mitigation	-	-	4.990	4.990	-	(4.990)	-
Financial Sustainability Fund	-	-	-	-	(6.054)	27.560	21.506
Social Renewal Plan	2.706	(0.911)	-	1.795	(1.180)	(0.615)	-
Tackling Poverty	2.421	(1.019)	-	1.402	(0.770)	(0.632)	-
Fairer Renfrewshire Programme	-	-	-	-	(1.584)	6.081	4.497
Climate Change Action Fund	0.742	(0.131)	-	0.611	(0.256)	(0.355)	-
Community Empowerment Fund	0.375	(0.036)	-	0.339	(0.038)	(0.301)	-
Sustainable Communities Fund	-	-	-	-	-	0.656	0.656
PPP Schools Replacement Fund	12.670	-	-	12.670	-	(12.670)	-
Loan Charges Flexibility Fund	-	-	-	-	-	44.759	44.759
Alcohol and Drugs Commission	2.000	(0.196)	-	1.804	(0.601)	0.100	1.303
British Sign Language	0.081	(0.080)	-	0.001	(0.001)	-	0.000
City Deal	0.659	(1.094)	2.185	1.750	(0.237)	0.106	1.619
Civil Contingencies Shared Service	-	-	-	-	-	0.114	0.114
Culture Bid Legacy	3.532	(0.225)	0.260	3.567	(0.869)	0.395	3.093
Development Contribution – Paisley Town Centre	1.057	-	-	1.057	-	-	1.057
Digital Infrastructure	0.375	-	2.014	2.389	-	0.033	2.422
Discretionary business grants	2.303	(1.911)	-	0.392	-	-	0.392
Early Years Change Fund	1.900	-	-	1.900	-	1.000	2.900
Employability	8.095	(1.704)	3.090	9.481	(0.171)	-	9.310
Environment & Infrastructure	1.500	(0.500)	0.015	1.015	(0.500)	0.045	0.560
Fly Tipping Enforcement	-	-	-	-	(0.208)	0.450	0.242
Invest in Renfrewshire	0.576	(0.576)	-	-	-	-	-
Local Authority Economic	-	-	-	-	0.305	-	0.305
Leisure: Inclusive Play Facility	0.050	-	-	0.050	(0.043)	-	0.007
Local Heat and Energy Efficiency	-	-	-	-	-	0.075	0.075
Memorial Headstone Safety	0.987	(0.362)	-	0.625	(0.511)	-	0.114
Paisley Town Centre Heritage	2.995	(1.895)	0.154	1.254	(0.369)	-	0.885
Private Sector Housing Grant	2.632	(0.851)	0.425	2.206	(0.167)	-	2.039
Pupil Equity Fund	1.225	-	0.034	1.259	(0.599)	0.370	1.030
Rapid Rehousing Transition Plan	-	-	-	-	(0.114)	0.154	0.040
Resettlement and Asylum Fund	-	-	-	-	-	0.585	0.585
School Music Participation	0.375	(0.125)	0.035	0.285	(0.125)	0.062	0.222
Service Modernisation & Reform	6.981	(0.124)	4.202	11.059	(0.225)	0.185	11.019
Town Centre Public WiFi	0.093	(0.060)	-	0.033	(0.033)	-	(0.000)
Villages Improvement Fund	0.292	(0.159)	-	0.133	(0.133)	-	(0.000)
Welfare Reform	0.612	(0.291)	0.712	1.033	(0.447)	0.493	1.079
Year-end flexibility: Children's Svc	2.798	(0.220)	2.713	5.291	(2.645)	2.597	5.243
General Fund: Ring-fenced	77.571	(32.416)	48.724	93.879	(22.493)	45.687	117.073
Unallocated Balance	10.887	(0.099)	-	10.788	(0.470)	-	10.318
Total General Fund Balance	88.458	(32.515)	48.724	104.667	(22.963)	45.687	127.391

Note 8: Unusable reserves

Unusable reserves are those reserves that the Council is not able to utilise to provide services, and comprise:

- Reserves that hold unrealised gains and losses, particularly in relation to the revaluation of property, plant and equipment and financial instruments, where amounts will only become available to provide services (or limit resources in the case of losses) once the gains or losses are realised as the assets are disposed of. This category of reserves comprises the Revaluation Reserve and the Financial Instruments Revaluation Reserve.
- Adjustment accounts that deal with situations where income and expenditure are recognised according to statutory regulations against the General Fund Balance and the Housing Revenue Account Balance on a different basis from that expected by generally accepted accounting practices. These adjustment accounts will carry either a debit balance (showing that the Council is required by statute to fund its expenditure more slowly than accounting standards would expect) or a credit balance (where the Council has set resources aside under statute earlier than accounting standards require). The adjustment accounts effectively offset the General Fund Balance and the Housing Revenue Account Balance to give the Council more or less spending power in the short term than proper accounting practices would allow. The adjustment accounts comprise the Capital Adjustment Account, the Financial Instruments Adjustment Account, the Capital Receipts Reserve, the Pension Reserve and the Employee Statutory Adjustment Account.

As at 31 March 2022 £m	Unusable Reserves	As at 31 March 2023 £m
(705.624)	Revaluation Reserve	(772.123)
55.220	Pension Reserve	(126.831)
(646.538)	Capital Adjustment Account	(631.565)
11.437	Financial Instruments Adjustment Account	10.941
(0.997)	Financial Instruments Revaluation Reserve	(0.528)
7.682	Employee Statutory Adjustment Account	7.000
(1,278.820)	Total Unusable Reserves	(1,513.106)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its non-current assets. The balance is reduced when assets with accumulated gains are:

- i) revalued downwards or impaired and the gains are lost,
- ii) used in the provision of services and the gains are consumed through depreciation; or
- iii) disposed of and the gains are realised.

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

As at 31 March 2022 £m	Revaluation Reserve	As at 31 March 2023 £m
(565.557)	Balance at 1 April	(705.624)
(165.905)	Upward revaluation of non-current assets	(104.500)
25.473	Difference between fair value depreciation and historic cost depreciation	37.178
0.365	Accumulated (gains) / losses on disposal of non-current assets transferred to the Capital Adjustment Account	0.823
(140.067)	Movement in Year	(66.499)
(705.624)	Balance at 31 March	(772.123)

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions or regulations. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds. The debit balance on the Pension Reserve shows a significant shortfall in the benefits earned by past and current employees and the Council's share of Strathclyde Pension Fund resources available to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

As at 31 March 2022 £m	Pension Reserve	As at 31 March 2023 £m
221.533	Balance at 1 April	55.220
(214.582)	Actuarial (gains) / losses on pension assets and liabilities	(528.066)
0.000	Restriction to Asset Ceiling	307.266
80.527	Reversal of items relating to retirement benefits debited or credited to the surplus	74.465
(32.258)	Employer's pension contributions payable in the year	(35.716)
55.220	Balance at 31 March	(126.831)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets. The Capital Adjustment Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

The Capital Adjustment Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Capital Adjustment Account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council, and also revaluation gains accumulated on property, plant and equipment before 1 April 2007. The Revaluation Reserve was created to hold such gains arising from 1 April 2007 onwards.

As at 31 March 2022 £m	Capital Adjustment Account	As at 31 March 2023 £m
(615.667)	Balance at 1 April	(646.538)
0.000	Adjustment to opening balance re accelerated debt repayment	
36.970	Charges for depreciation, impairment and revaluation losses of non-current assets	51.055
0.876	Amortisation of intangible assets	0.863
0.785	Non-current assets sale proceeds	1.697
(0.175)	(Gain)/Loss on disposal of non-current assets charged to the CIES	0.103
(0.365)	Adjusting amounts written out of the Revaluation Reserve	(0.823)
38.091	Net written out amount of non-current assets consumed in the year	52.895
	Capital financing applied in the year:	
(1.829)	Use of the Capital Receipts Reserve to finance new capital expenditure	(1.107)
(43.660)	Capital grants and contributions credited to the CIES that have been applied to	(47.001)
(5.375)	Capital expenditure charged against the General Fund and Housing Revenue	(4.166)
0.000	Adjustment for Service Concession Arrangements	27.601
(68.962)		(37.922)
(646.538)	Balance at 31 March	(631.565)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments, and for bearing losses or benefiting from gains in accordance with statutory provisions [or regulations]. The Council uses the Financial Instruments Adjustment Account to:

- Manage premiums incurred on the early repayment of borrowings. Generally accepted accounting practices require that premiums are debited to the CIES when they are incurred (except where the loan debt being repaid is exchanged for new loan debt on substantially similar terms). However, statutory arrangements or regulations allow any premiums that would normally require to be taken immediately to the surplus or deficit on the provision of services, to be amortised to the General Fund Balance over the various periods of time as specified in the regulations/statutory guidance. Furthermore, statutory arrangements [or regulations] require that any premiums that were on the Council's balance sheet at 31 March 2007 be amortised to the General Fund Balance over the unexpired term that was outstanding on the associated loans when they were redeemed. The Council had various premiums totalling £17.630m at 31 March 2007 and, under the statutory arrangements, these will be fully amortised to the General Fund Balance by financial year 2053-2054.
- Manage borrowings that were on the Council's balance sheet at 31 March 2007 and that have a stepped interest rate feature. These borrowings comprise five 'lender option borrower option' (LOBO) loans for which the interest rate was fixed for an initial period, and at a pre-agreed later date the interest rate changed. Generally accepted accounting

practices require that interest charges relating to borrowings that have a stepped interest rate feature are debited to the CIES on the basis of a single effective interest rate (EIR) over the expected life of the loans, rather than based on the contractual cash outflows of interest. However, statutory arrangements [or regulations] allow such borrowings that were on the Council's balance sheet at 31 March 2007 to be charged to the General Fund Balance in accordance with the accounting treatment prior to 1 April 2007, which did not require the use of the effective interest rate as the basis for the interest charge.

- Manage 'soft loans' that were on the Council's balance sheet at 31 March 2007. Soft loans are loans advanced by the Council at nil or below prevailing interest rates. Generally accepted accounting practices require that the discounted interest rate is recognised as a reduction in the fair value of the loan, with the difference being debited to the CIES as service expenditure. However, statutory arrangements [or regulations] require that, for soft loans on the Council's balance sheet at 31 March 2007, the reduction in value and corresponding charge to be reversed, so that there is no impact on the General Fund Balance. As at 31 March 2007 interest free loans amounting to £0.156m had been advanced to employees who had had changes implemented to their pay cycle. These loans are repayable when employees leave the Council's employment.

Amount	Refinancing premiums and discounts £m	Borrowing on stepped interest rate loans £m	Loans to third parties at less than market rate £m	Total £m
	10.550	0.866	0.021	11.437
Premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(0.472)	0.000	0.000	(0.472)
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0.000	(0.021)	(0.003)	(0.024)
	10.078	0.845	0.018	10.941

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through other comprehensive income.

The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost; or
- disposed of and the gains are realised.

As at 31 March 2022 £m	Financial Instruments Revaluation Reserve	As at 31 March 2023 £m
(0.939)	Balance at 1 April	(0.997)
(0.058)	Downward/(Upward) revaluation of investments	0.469
(0.997)	Balance at 31 March	(0.528)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for short-term accumulating compensated absences at the end of the financial year.

As at 31 March 2022 £m	Employee Statutory Adjustment Account	As at 31 March 2023 £m
8.070	Balance at 1 April	7.682
(8.070)	Settlement or cancellation of accrual made at the end of the prior year	(7.682)
7.682	Amounts accrued at the end of the current year	7.000
7.682	Balance at 31 March	7.000

Note 9: Property, Plant and Equipment

The Code requires that where a component of an asset is replaced, the carrying amount (i.e. net book value) of the old component shall be derecognised to avoid double counting and the new component is reflected in the carrying amount of the infrastructure asset. However, due to practical difficulties in applying component accounting for the recognition and derecognition of replaced components of infrastructure assets, most local authorities have been unable to comply with the requirement to assess the net book value of the replaced component and have treated the amount of the replaced component as zero, because the replaced component is considered to have been fully used up at the point that it is replaced.

In recognition of this difficulty, the Scottish Government issued a Statutory Override in August 2022. Renfrewshire Council has elected to apply both of the following provisions:

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

Note 9: Property, Plant and Equipment (continued)

Movements in 2022/23	Council dwellings £m	Other land and buildings £m	Vehicles, plant, furniture and equipment £m	Infrastructure assets £m	Assets under construction £m	Surplus assets £m	Total £m	Of which funded by PFI £m
Balance sheet net carrying amount at 31 March 2022	618.804	341.319	408.817	214.168	57.786	22.258	1,663.152	135.370
Reclassified (to)/ from Assets Held for Sale	0.000	0.000	0.000	0.000	0.000	0.297	0.297	0.000
Other Reclassifications	6.656	(0.147)	1.966	4.766	(13.177)	0.000	0.064	0.000
Additions	7.414	1.529	16.625	13.538	79.917	0.000	119.023	1.685
Disposals	0.000	(0.227)	(0.130)	0.000	0.000	(0.918)	(1.275)	0.000
Depreciation	(20.627)	(9.380)	(51.712)	(9.740)	0.000	(0.092)	(91.551)	(9.516)
Revaluation adjustments taken to the Revaluation Reserve	102.701	2.519	(0.939)	0.000	0.000	0.219	104.500	0.000
Revaluation adjustments recognised in the CIES	(0.258)	7.537	(3.473)	0.000	0.000	(0.666)	3.140	0.000
Balance sheet net carrying amount at 31 March 2023	714.690	343.150	371.154	222.732	124.526	21.098	1,797.350	127.539
Gross carrying amount at 31 March 2023	714.690	361.314	617.573	n/a	124.526	26.180	1,844.283	139.579
Accumulated depreciation at 31 March 2023	0.000	(18.164)	(246.419)	n/a	0.000	(5.082)	(269.665)	(12.040)
Infrastructure Assets	0.000	0.000	0.000	222.732	0.000	0.000	222.732	0.000
Balance sheet net carrying amount at 31 March 2023	714.690	343.150	371.154	222.732	124.526	21.098	1,797.350	127.539

Movements in 2021/22	Council dwellings £m	Other land and buildings £m	Vehicles, plant, furniture and equipment £m	Infrastructure assets £m	Assets under construction £m	Surplus assets £m	Total £m	Of which funded by PFI £m
Balance sheet net carrying amount at 31 March 2021	579.608	296.670	350.381	173.012	62.874	21.698	1,484.243	107.052
Reclassified (to)/ from Assets Held for Sale	0.000	0.000	0.000	0.000	0.000	(0.822)	(0.822)	0.000
Other Reclassifications	2.018	2.938	7.964	35.218	(48.797)	0.659	0.000	0.064
Additions	5.168	4.485	14.953	12.933	43.709	0.000	81.248	2.122
Disposals	0.000	0.000	(2.050)	0.000	0.000	0.000	(2.050)	0.000
Depreciation	0.000	6.594	26.735	(6.995)	0.000	0.016	26.350	5.621
Revaluation adjustments taken to the Revaluation Reserve	32.010	23.221	25.238	0.000	0.000	0.856	81.325	10.156
Revaluation adjustments recognised in the CIES	0.000	7.411	(14.404)	0.000	0.000	(0.149)	(7.142)	0.404
Balance sheet net carrying amount at 31 March 2022	618.804	341.319	408.817	214.168	57.786	22.258	1,663.152	125.419
Gross carrying amount at 31 March 2022	618.804	353.451	620.666	n/a	58.064	27.290	1,678.275	133.326
Accumulated depreciation at 31 March 2022	(0.000)	(12.132)	(211.849)	n/a	(0.278)	(5.032)	(229.291)	(7.907)
Infrastructure Assets	0.000	0.000	0.000	214.168	0.000	0.000	214.168	0.000
Balance sheet net carrying amount at 31 March 2022	618.804	341.319	408.817	214.168	57.786	22.258	1,663.152	125.419

Note 10: Heritage Assets

2021/22 £m	Heritage Assets	2022/23 £m
39.303	Balance at 1 April	44.186
(0.046)	Revaluations to CIES	0.000
4.929	Revaluations to Revaluation Reserve	0.000
44.186	Balance at 31 March	44.186

A valuation of the fair value of the Council's Heritage Assets was carried out by an external valuer between October 2021 and March 2022. In the four years prior to 2022/23, there were no acquisitions, donations, or disposals of Heritage Assets.

The combined collections managed by the Renfrewshire Arts and Museums Service number in excess of 350,000 objects and it is impractical to undertake a full valuation of all the items in the collection. The balances above reflect the valuation of materials examined by the external valuer during 2021/22. Further detail on the valuation of each category of asset is outlined in Accounting Policy K on page 84.

The details of the valuations of the assets are as follows:

- Archaeology items
- Natural history and science book collections
- Art collection
- Ceramics
- Natural history and Numismatics
- Science and social history collections
- Special collections
- Textiles
- Transport collection
- World cultures

Note 11: Investment properties

The following items of income and expense have been accounted for in the 'Financing and Investment income and expenditure' line in the CIES.

2021/22 £m	Investment Properties	2022/23 £m
(0.118)	Rental income from investment property	(0.120)
(0.118)	Net Loss / (Gain)	(0.120)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property, nor does it have contractual obligations in relation to repairs, maintenance or enhancement.

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

2021/22 £m	Fair Value of Investment Properties	2022/23 £m
1.467	Opening balance at 1 April	1.479
0.012	Net gains or (losses) from fair value adjustments	0.178
0.000	Transfers from inventories and property, plant and equipment	(0.064)
1.479	Closing balance at 31 March	1.593

Fair Value Hierarchy

Detail of the authority's investment properties and information about the fair value hierarchy as at 31 March 2023 are as follows:

	Quoted Prices in active markets for identical assets (level 1) £m	Other significant observable inputs (level 2) £m	Other significant unobservable inputs (level 3) £m	Fair Value as at 31 March 2023 £m
Commercial Units	0.000	0.690	0.000	0.690
Office Units	0.000	0.075	0.000	0.075
Commercial Sites	0.000	0.700	0.000	0.700
Other	0.000	0.128	0.000	0.128
Total	0.000	1.593	0.000	1.593

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Sufficient title and lease information is available in the respect of Investment Properties. This, coupled with knowledge of the rent being achieved, or likely to be achieved, has enabled the market approach to be used in respect of the fair value measurement of Investment Properties.

Market knowledge, through sales evidence of surplus development sites within Renfrewshire has also been factored into the fair value measurement. Therefore, the level of observable inputs is significant, leading to the properties being categorised at level 2 in the fair value hierarchy.

Note 12: Assets held for sale

The following table summarises the movement in the fair value of assets held for sale during the year:

2021/22 £m	Assets Held for Sale	2022/23 £m
0.625	Opening balance at 1 April	0.922
	Assets reclassified as held for sale:	
0.822 (0.525)	Surplus Assets Assets sold	(0.297) (0.525)
0.922	Closing balance at 31 March	0.100

Note 13: Intangible assets

The Council accounts for purchased software licences as intangible assets. The cost of the licences is amortised on a straight-line basis over the expected life of the licences, which is three to five years for all ICT systems. Amortisation charges are initially charged to ICT services and then absorbed as an overhead across all the service headings in the net expenditure of services.

The movement on intangible asset balances during the year is shown in the following table.

2021/22 £m	Purchased Software Licences	2022/23 £m
	Balance at 1 April	
6.124 (1.947)	Gross carrying amount Accumulated amortisation	6.061 (2.712)
4.177	Net carrying amount at 1 April	3.349
0.048 (0.111)	Additions: purchases Disposals	0.038 (0.238)
0.111 (0.876)	Disposal amortisation Amortisation for the year	0.238 (0.863)
3.349	Net carrying amount at 31 March	2.524
	Comprising:	
6.061 (2.712)	Gross carrying amount Accumulated amortisation	5.861 (3.337)
3.349	Balance at 31 March	2.524

There are no individual intangible assets that are material to the financial statements and there are currently no contractual commitments for the acquisition of intangible assets.

Note 14: Capital expenditure and capital financing

Capital expenditure involves the creation of assets, the benefit of which will be available to future council tax and non-domestic rate payers. It is financed from borrowing and capital income (sales receipts), and so the cost of the asset is effectively borne over a number of years.

The Council's overall capital investment programme is sub-divided into two programmes: housing and non-housing. In 2022/23 total spending on capital projects was £119.061m (£81.296m in 2021/22) and was within the overall prudential limits approved by Council. Capital

receipts of £1.107m (£1.829m in 2021/22) were used to fund spending on capital projects.

The net capital expenditure for the year of £66.787m (£30.432m in 2021/22) was financed from external borrowing, credit arrangements and from cash balances. The table below shows the total amount of capital expenditure incurred in the year, including the value of assets acquired under finance leases and Service Concession Arrangements.

Also shown are the resources that have been used to finance this capital expenditure. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The movement in the CFR during the year is also analysed in the table below.

As at 31 March 2022 £m		As at 31 March 2023 £m
347.082	Opening Capital Financing Requirement	360.926
	Capital investment:	
1.509	Opening Balance adjustment	0.000
81.248	Property, plant and equipment	119.023
0.048	Intangible assets	0.038
	Sources of finance:	
(1.829)	Capital receipts – sale of other council assets	(1.107)
(43.660)	Government grants and other contributions	(47.001)
(5.375)	Sums set aside from revenue – direct revenue contributions	(4.166)
(18.097)	Loans Fund/Finance Lease principal repayments	(13.249)
0.000	Adjustment for Service Concession Arrangements	27.601
360.926	Closing Capital Financing Requirement	442.065
	Explanation of movements in year:	
16.254	Increase/(decrease) in underlying need to borrow (unsupported by government	84.357
(0.111)	Reduction in finance leases obligations	(0.114)
(2.740)	Increase/(decrease) in PPP finance lease creditor	(3.104)
13.403	Increase/(Decrease) in Capital Financing Requirement	81.139

At 31 March 2023 the Council had commitments on capital contracts for non-housing projects of £89.723 (£58.987m in 2021/22) and for housing projects of £28.542m (£25.922m in 2021/22). This expenditure will be funded from a combination of government grants, external borrowing, income from selling assets and contributions from revenue budgets.

Note 15: Service Concession Arrangements

The Council entered into a Public Private Partnership on 1 July 2006 for the provision and maintenance of educational buildings and other facilities. This agreement provides the Council with replacement buildings such as primary and secondary schools and community education premises. The provider is required to ensure the availability of these buildings to a pre-agreed standard, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standard.

When the agreement ends in 2038, the buildings will be handed to the Council at nil consideration with a guarantee of no major maintenance requirements for a five-year period. The Council only has rights to terminate the contract if it compensates the contractor in full for costs incurred and future profits that would have been generated over the course of the remainder of the contract. The assets used to provide services are recognised on the Council's Balance Sheet. Movements in their value over the year are shown in the movement on the Property, Plant and Equipment balance in Note 9.

The Council makes an agreed payment each year which is increased by inflation and can be reduced if the contractor fails to meet availability and performance standards. Under the agreement the Council is committed to paying the following sums (assuming an average inflation rate of 2.5% per annum and excluding any performance/availability deductions). The discount rate used in this calculation is the interest rate implicit in the PFI agreement, which was fixed at the outset at 7.6%.

Future Repayment Periods - Schools	Service Charges £m	Liability Repayment £m	Interest Repayment £m	Contingent Rentals £m	Total £m
Payable within 1 year	6.134	3.114	4.699	4.496	18.443
Payable within 2-5 years	28.274	12.522	16.497	19.607	76.900
Payable within 6-10 years	34.761	22.215	14.478	32.104	103.558
Payable within 11-15 years	41.511	25.498	5.130	34.014	106.153
Payable within 16-20 years	0.000	0.000	0.000	0.000	0.000
Payable within >20 years	0.000	0.000	0.000	0.000	0.000
Total	110.680	63.349	40.804	90.221	305.054

In 2019/20, the Council entered into a Service Concession Agreement for the use of a waste materials recovery facility at Bargeddie. Residual waste is then processed at a thermal treatment plant in Dunbar. North Lanarkshire Council is the lead authority and is contracted to Viridor.

Five councils, including Renfrewshire, have an inter-authority agreement with North Lanarkshire Council. Renfrewshire Council's share of the contract is 20%.

The discount rate used in this calculation is the interest rate implicit in the agreement, which was fixed at the outset at 5.68%.

Future Repayment Periods - Waste Facility	Service Charges £m	Liability Repayment £m	Interest Repayment £m	Total £m
Payable within 1 year	3.915	0.157	0.276	4.348
Payable within 2-5 years	16.748	0.638	1.021	18.407
Payable within 6-10 years	23.874	0.605	1.057	25.536
Payable within 11-15 years	26.737	1.170	0.870	28.777
Payable within 16-20 years	30.479	1.603	0.478	32.560
Payable within 21-25 years	11.090	0.685	0.055	11.830
Total	112.843	4.858	3.757	121.458

Outstanding Service Concession Arrangements	Schools £m	Waste Facility £m	Total £m
Balance at 1 April 2021	(68.894)	(5.157)	(74.051)
Additions during the year	0.000	0.000	0.000
Payments during the year	2.598	0.141	2.739
Balance at 31 March 2022	(66.296)	(5.016)	(71.312)
Adjustment for Service Concession Arrangements	0.000	0.000	0.000
Payments during the year	2.947	0.158	3.105
Balance at 31 March 2023	(63.349)	(4.858)	(68.207)

In accordance with Accounting Policy R and in line with Finance Circular 10/2022, the Council has applied the permitted PPP Service Concession Arrangement flexibility in financial year 2022/23 on a retrospective annuity basis with a useful life of 40 years. The flexibility being applied is consistent with the current Loans Fund arrangements and is considered prudent, sustainable and affordable over the life of the asset.

The current repayment charges have been compared against an annuity repayment profile based on the estimated useful asset lives for the schools service concession arrangement. The most appropriate asset life is considered to be 40 years which replicates the useful life of other similar type assets on the Council's balance sheet i.e. schools. The calculation of the repayment charges for the service concession arrangement using asset life annuity is compared to the current charges which are made over the contract period. By applying the flexibility, a one-off pre 2022/23 retrospective saving of £27.601m, as detailed on the table below, will be achieved.

PPP Service Concession Liability Repayment	Current Repayment £m	Revised Repayment £m	(Cost)/Reduction £m
Pre 2022/23	38.667	11.066	27.601
Paid in 2022/23	2.947	1.408	1.539
Payable within 1 year	3.114	1.516	1.598
Payable within 2-5 years	12.522	7.316	5.206
Payable within 6-10 years	22.215	12.768	9.447
Payable within 11-15 years	25.498	18.457	7.041
Payable within 16-20 years	0.000	26.682	(26.682)
Payable within 21-25 years	0.000	25.750	(25.750)
Total	104.963	104.963	0.000

In addition to the one-off retrospective element, an in-year saving occurred in the scheduled debt repayments in 2022/23 of £1.539m. This will be followed by a reduction in the annual charges for a further 15 years and then the continuation of statutory charges after the contract arrangements have been repaid. Over the full asset life of the service concession arrangement, the total repayment for the debt liability remains the same.

Impact on CIES and Balance Sheet

The reprofiling of the debt liability repayments increases the Capital Financing Requirement (CFR) by £27.601m as at 1 April 2022. The increases in the CFR, (see Note 14), will continue to be reduced by the revised repayments after the service concession arrangement has expired until the end of the revised annuity period. Being a cumulative statutory adjustment there is no prior year restatement of statutory adjustments in the Annual Accounts. The statutory adjustment up to 31 March 2023 has the following impact on the 2022/23 Balance Sheet (Capital Adjustment Account) and Movement in Reserves Statement.

PPP Service Concession Flexibility	£m	£m	£m
Capital Adjustment Account	27.601	1.539	29.140
Movement in Reserves	(27.601)	(1.539)	(29.140)
	0.000	0.000	0.000

Note 16: Leases

Renfrewshire Council as Lessee

Operating Leases

The Council has 19 properties and 6 vehicles classed as operating leases, with average lives of 10 years. The future minimum lease payments due under non-cancellable leases in future years are:

As at 31 March 2022 £m		As at 31 March 2023 £m
0.897	Not later than one year	0.563
1.873	Between one and five years	0.966
3.146	Later than five years	1.249
6.823		2.778

During 2022/23, there was £0.785m expenditure charged to the CIES in relation to these leases (£0.975m in 2021/22).

Finance Leases

Finance leases, which have substantially transferred to the Council the benefits and risks of ownership of a non-

current asset, are treated as if the asset had been purchased outright.

Assets acquired under finance leases are included in non-current assets at the lower of the fair value or the present value of the minimum lease payments. The capital element of the lease is included as obligations under creditors. The lease rentals comprise capital and interest elements; the capital element is applied to reduce the outstanding obligation and the interest element is charged to revenue over the terms of the lease. The Council has 44 electric vehicles under a finance lease agreement over a period of 5 years beginning during 2019/20. As at 31 March 2023, outstanding obligations to make payments under finance leases are as follows:

As at 31 March 2022 £m		As at 31 March 2023 £m
0.115	Not later than one year	0.118
0.155	Between one and five years	0.037
0.000	Later than five years	0.000
0.381		0.155

Renfrewshire Council as Lessor

Operating Leases

The Council leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

As at 31 March 2022 £m		As at 31 March 2023 £m
0.169	Not later than one year	0.169
0.611	Between one and five years	0.735
6.339	Later than five years	6.215
7.297		7.119

The minimum lease payments receivable does not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

Note 17: Inventories

2021/22 £m	Inventories	2022/23 £m
0.879	Balance at 1 April	1.032
7.454	Additions during the year	9.136
(7.294)	Recognised as an expense during the year: inventories sold, exchanged or distributed	(8.852)
(0.025)	Recognised as an expense during the year: inventories written down	(0.002)
0.018	Reversals during the year of previous inventory write-downs	0.000
1.032	Balance at 31 March	1.314

Note 18: Cash and cash equivalents

The balance of cash and cash equivalents is made up of the following components. With the exception of imprest accounts held at Council establishments, the balances in all of the categories listed below are used together to manage the Council's overall cash balances on a day-to-day basis.

2021/22 £m		2022/23 £m
(11.049)	Current account balances with the council's banker	(3.216)
2.954	Euro account balances with the council's banker - sterling equivalent	6.997
1.561	Callable deposits with UK banks and building societies	1.714
25.299	Callable deposits in money market funds and ultra-short bond funds	6.086
0.052	Imprest accounts held at council establishments	0.051
18.817	Total cash and cash equivalents	11.632

Note 19: Debtors

Amounts due to be received by the Council at 31 March are set out below. This is analysed by type of debtor to provide greater transparency of the sums due.

31 March 2022			As at 31 March 2023	
Short-term £m	Long-term £m		Short-term £m	Long-term £m
20.790	0.000	Central government bodies (non-NHS)	21.141	0.000
30.832	1.080	Central government bodies (NHS)	7.793	1.080
2.939	0.000	Other local authorities	3.316	0.000
4.564	0.000	HM Revenue and Customs	11.146	0.000
0.061	0.032	Employees	0.005	0.030
18.056	0.000	Council Tax arrears	19.819	0.000
(10.973)	0.000	less impairment	(11.911)	0.000
4.757	0.000	Rent arrears	4.681	0.000
(2.654)	0.000	less impairment	(2.829)	0.000
30.820	6.265	Other entities and individuals	31.645	6.005
(17.526)	(4.411)	less impairment	(17.384)	(4.533)
81.666	2.966	Total Debtors	67.422	2.582

Note 20: Creditors

Amounts due to be paid by the Council as at 31 March are set out below. This is analysed by type of creditor to provide greater transparency of the sums due.

As at 31 March 2022			As at 31 March 2023	
Short-term £m	Long-term £m		Short-term £m	Long-term £m
(8.943)	(0.157)	Central government bodies (non-NHS)	(7.810)	(0.150)
(0.430)	0.000	Central government bodies (NHS)	(1.549)	0.000
(2.629)	0.000	Other local authorities	(6.922)	0.000
(6.231)	0.000	HM Revenue and Customs	(9.154)	0.000
(5.677)	0.000	Strathclyde Pension Fund and Scottish Public Pensions Agency	(8.007)	0.000
(12.150)	0.000	Employees	(12.900)	0.000
(2.947)	(63.350)	Service concession arrangements: schools	(3.114)	(60.235)
(0.158)	(4.859)	Service concession arrangements: waste	(0.157)	(4.701)
(0.115)	(0.155)	Finance lease liabilities	(0.118)	(0.037)
(4.182)	0.000	Council Tax refundable to taxpayers	(4.863)	0.000
(0.795)	0.000	Council Tax receipts in advance	(1.210)	0.000
0.000	(0.005)	Financial guarantees	0.000	(0.003)
(31.586)	(0.626)	Other entities and individuals	(33.343)	(0.564)
(75.843)	(69.152)	Total Creditors	(89.147)	(65.690)

Note 21: Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Teacher's maternity pay is a short-term provision, made to reflect the changes in European legislation that allow teachers to accrue all holidays during parental leave.

The movement in these short-term provisions is detailed below:

Short-term Provisions	Teachers' maternity pay £m	Other £m	Total £m
Balance at 1 April 2022	(0.120)	(0.120)	(0.240)
Additional provisions made during the year	(0.122)	(0.130)	(0.252)
Reversal of existing provisions	0.120	0.120	0.240
As at 31 March 2023	(0.122)	(0.130)	(0.252)

A summary of the movements in the long-term provisions made by the Council is detailed below, along with an explanation of the reason for the provision:

Long-term Provisions	Holiday pay compensation £m	Insurance claims £m	Total £m
Balance at 1 April 2022	(0.445)	(4.672)	(5.117)
Additional provisions made during the year	0.000	(1.167)	(1.167)
Amounts used during the year	0.000	1.342	1.342
As at 31 March 2023	(0.445)	(4.497)	(4.942)

Holiday pay compensation payments

The Council has received a number of claims arising from a European Court of Justice ruling in relation to holiday pay. A provision has been made to reflect the potential outcome of known claims. A contingent liability is recognised in Note 29 for potential claims that have not yet materialised.

Insurance claims

The provision for insurance claims represents the actuarial assessment of excess costs arising from insurance claims together with identified liabilities in respect of insurance claims outstanding against Renfrewshire Council and predecessor local authorities. The Council has increased its net assessment by £1.167m on the basis of information held by the Council and notified by Glasgow City Council, the coordinating authority for the former Strathclyde Regional Council.

Note 22: Financial Instruments

Categories of financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term 'financial instrument' covers both financial assets and financial liabilities and includes trade payables, borrowings (for example Public Works Loan Board debt and market debt), financial guarantees, bank overdraft, trade receivables, loans receivable, cash deposits with financial institutions (some on a fixed term basis

and some which are immediately available) and longer-term investments. The following categories of financial instrument are carried in the balance sheet.

As at 31 March 2022		Financial Liabilities	As at 31 March 2023	
Long-term £m	Current £m		Long-term £m	Current £m
(199.427)	(1.869)	Principal sum borrowed	(223.600)	(0.828)
0.000	(2.698)	Accrued interest	0.000	(2.770)
(199.427)	(4.567)	Total Public Works Loan Board (PWLB) borrowing	(223.600)	(3.598)
(20.000)	(32.916)	Principal sum borrowed	0.000	(52.916)
0.000	(0.871)	Accrued interest	0.000	(0.871)
(0.354)	(0.512)	EIR adjustments	0.000	(0.845)
(20.354)	(34.299)	Total non-PWLB borrowing ("market debt")	0.000	(54.632)
0.000	(53.168)	Borrowing from group entities	0.000	(35.423)
(219.781)	(92.034)	Total Borrowing	(223.600)	(93.653)
0.000	(43.590)	At amortised cost trade payables	0.000	(49.657)
(68.362)	(3.219)	Service Concession and Finance Lease liabilities	(64.973)	(3.388)
(0.005)	0.000	Financial guarantees	(0.003)	0.000
(68.367)	(46.809)	Financial Liabilities included in Creditors	(64.976)	(53.045)

As at 31 March 2022		Financial Assets	As at 31 March 2023	
Long-term £m	Current £m		Long-term £m	Current £m
5.001	183.499	At amortised cost:	0.000	165.000
0.000	0.084	Principal	0.000	1.751
4.512	0.000	Accrued interest	4.157	0.000
		At fair value through other comprehensive income - designated equity instruments		
9.513	183.583	Total Investments	4.157	166.751
0.000	(9.437)	At amortised cost:	0.000	(1.461)
0.000	0.002	Principal	0.000	0.012
0.000	(0.001)	Accrued interest	0.000	(0.002)
0.000	28.253	Loss allowance	0.000	13.083
0.000	18.817	Total Cash and cash equivalents	0.000	11.632
1.437	90.077	At amortised cost:	1.093	78.842
5.027	0.065	Trade receivables	4.986	0.057
0.913	0.000	Loans made for service purposes	1.037	0.000
(4.411)	(19.740)	Accrued interest	(4.533)	(20.213)
2.966	70.402	Financial Assets included in Debtors	2.583	58.686

Loans to other entities and individuals comprise a loan to Park Lane Developments (Renfrewshire) LLP of £0.275m (2021/22 £0.275m), a loan to Kilbarchan Amateur Athletic Club of £0.075m (2021/22 £0.076), home loans of £0.335m (2021/22 £0.413m), soft loans to service users of £0.030m (2021/22 £0.030m), soft loans to employees of £0.022m (2021/22 £0.022m), social care charging order debtors of £0.785m (2021/22 £0.749m) and property charging order debtors of £0.024m (2021/22 £0.027m). Note that these balances are not principle amounts owed, rather valued at amortised cost based on a notional (effective) interest rate.

Equity instruments elected to fair value through other comprehensive income

The Council has elected to account for the Insurance Fund at fair value through other comprehensive income because it is a long-term strategic holding and changes in its fair value is not considered to be part of the Council's annual financial performance. The Insurance Fund is invested in the Phoenix Fund, managed on behalf of the Council by abrdn Capital Limited.

The objective of the fund is to achieve long term growth with low volatility, through a widely diversified portfolio. The fair value of the investment is £4.157m at 31 March 2023 (£4.512m as at 31 March 2022). Income from the Fund is reinvested.

Fair value of financial instruments

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including money market funds, the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2023.

The Council's 'Fair value through other comprehensive income' assets comprise its insurance fund investments. The fair value of the insurance fund investments equates to the market value of those investments, and this valuation has been provided by the Council's investment manager, abrdn Capital Limited.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair

values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2023, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- For 'lender option borrower option' (LOBO) loans, PWLB premature repayment rates have been applied to provide the fair value under PWLB debt redemption procedures. The PWLB redemption rates provide a reasonable proxy for rates and a number of market participants have used this basis when considering early redemption costs for market loans. It is likely that lenders will only exercise their options when market rates have risen above the contractual loan rate. The interest rate risk associated with the Council's LOBOs is not deemed to be significant and the potential penalties charged may make the redemption of the loans an uneconomic option.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of financial guarantees have been estimated based on the likelihood of the guarantees being called and the likely payments to be made.
- The fair values of finance lease assets and liabilities and of service concession (PFI) scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

The fair value for each category of financial instrument is shown below, with the balance sheet carrying amount shown for comparison.

As at 31 March 2022		Financial Liabilities	Fair value level	As at 31 March 2023	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
(203.994)	(254.715)	Financial liabilities measured at amortised cost:			
(54.653)	(73.852)	Public Works Loan Board borrowing	2	(227.198)	(222.758)
		Non-PWLB borrowing (“market debt”)	2	(54.632)	(61.519)
		Other liabilities:			
(71.581)	(102.940)	Service Concession and Finance Lease liabilities	3	(68.361)	(126.783)
(0.005)	(0.005)	Financial guarantees	3	(0.003)	(0.003)
(330.233)	(431.512)	Total financial liabilities for which fair value is disclosed		(350.194)	(411.063)
		Financial liabilities measured at amortised cost:			
(53.168)	n/a	Borrowing from group entities		(35.423)	n/a
(43.590)	n/a	Trade payables: short-term		(49.657)	n/a
(96.758)		Total financial liabilities for which fair value is not disclosed		(85.080)	

As at 31 March 2022		Financial Assets	Fair value level	As at 31 March 2023	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
25.299	25.299	Callable deposits in money market funds and ultra-short bond funds	1	6.086	6.086
2.954	2.954	Euro current account balances with the council’s banker	2	6.997	6.997
4.512	4.512	Investments in pooled funds (insurance fund)	1	4.157	4.157
32.765	32.765	Total Financial assets measured at fair value		17.240	17.240
188.584	187.713	Fixed term deposits with UK local authorities	2	166.751	166.751
(9.488)	(9.488)	Callable deposits with UK banks and building societies (including sterling current account balances with the Council’s banker)	2	(1.502)	(1.502)
0.052	0.052	Imprest accounts held at council establishments	2	0.051	0.051
1.592	1.707	Loans made for service purposes	3	1.546	1.681
180.740	179.984	Total Financial assets measured at amortised cost		166.846	166.981
213.505	212.749	Total financial assets for which fair value is disclosed		184.086	184.221
		Financial assets measured at amortised cost:			
1.437	n/a	Trade receivables and prepayments: long-term		1.092	n/a
70.339	n/a	Receivables and prepayments: short-term		58.631	n/a
71.776		Total financial assets for which fair value is not disclosed		59.723	

Items of income, expense, gain and loss relating to financial instruments

The following items of income, expense, gain and loss relating to financial instruments are included within the lines 'Financing and investment income and expenditure' and '(Surplus)/Deficit from investments in equity instruments designated as Fair Value through Other Comprehensive Income' in the CIES.

2021/22 £m		Financial Assets			Financial liabilities at amortised cost £m	2022/23 £m
		Amortised cost £m	Elected to Fair Value through Other Comprehensive Income £m	Fair Value through Profit or Loss £m		
16.420	Interest expense	0.000	0.000	0.000	16.583	16.583
0.000	Impairment losses	0.000	0.000	0.000	0.000	0.000
0.000	Fee expense	0.000	0.000	0.000	0.000	0.000
16.420	Total expense in the Surplus / Deficit on the Provision of Services	0.000	0.000	0.000	16.583	16.583
(0.353)	Interest income	(3.605)	0.000	(0.701)	0.000	(4.306)
(0.110)	Dividend income	0.000	(0.110)	0.000	0.000	(0.110)
(0.260)	Other income	(0.196)	0.000	0.000	0.000	(0.196)
(0.723)	Total income in the Surplus/Deficit on the Provision of Services	(3.801)	(0.110)	(0.701)	0.000	(4.612)
(0.009)	Net (gain) or loss on revaluation	0.000	(0.057)	0.040	0.000	(0.017)
(0.009)	(Surplus)/Deficit on the revaluation of financial assets	0.000	(0.057)	0.040	0.000	(0.017)
15.688	Net (Gain)/Loss for the year	(3.801)	(0.167)	(0.661)	16.583	11.954

Note 23: Nature and extent of risks arising from Financial Instruments

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

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks

associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with Scottish Government guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield.

The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

Credit Risk

Credit risk arises from the short-term lending of surplus funds to financial institutions and local authorities, as well as credit exposures to the Council's customers. It is the policy of the Council to place deposits only with other local authorities and a limited number of high-quality banks, building societies and money market funds whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers and to restrict lending to a prudent maximum amount for each entity.

The Treasury Management Strategy outlines the limits placed on investments with any counterparty.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio (including accrued interest) by credit rating.

2021/22 £m	Total Investment Portfolio by Credit Rating	2022/23 £m
25.299	AAA (money market funds and and ultra-short bond funds)	6.037
0.500	A	0.500
1.062	A-	1.204
188.584	UK local authorities	165.000
215.445	Total	172.741

The Council does not generally allow credit for customers such that, at 31 March 2023, £8.932m of sundry income debt is past its due date for payment (£8.131m as at 31 March 2022). The past due amount can be analysed by age as follows:

2021/22 £m	Sundry Income Debt Past Due	2022/23 £m
2.125	Less than three months	1.684
1.019	Three to six months	1.515
0.429	Six months to one year	0.965
4.558	More than one year	4.768
8.131	Total	8.932

Loss allowances on trade receivables have been calculated by reference to the Council's historic experience of default, adjusted for current and forecast economic conditions. Receivables are determined to have suffered a significant increase in credit risk where they are 30 or more days past due and they are determined to be credit-impaired where they are 90 or more days past due. Receivables are written off to the Surplus or Deficit on the Provision of Services when there is no reasonable prospect of payment, or when they become prescribed; but steps are still taken to collect sums owing when information becomes available which suggests the debtor can make payment.

Collateral

Renfrewshire Council occasionally provides loans to residents who wish to buy their homes under Right to Buy legislation. In such cases the Council takes a standard security over the property. As at 31 March 2023 the outstanding value of home loans advanced by the Council was £0.335m (£0.413m as at 31 March 2022).

Liquidity risk

The Council's main source of borrowing is HM Treasury's Public Works Loan Board, but the Council also has loans classed as 'lender option borrower option' (LOBO). There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates.

The Council's policy is to ensure that not more than 15% of loans are due to mature within any financial year and 50% within any rolling five-year period through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The maturity analysis of the principal element of borrowing is as follows:

As at 31 March 2022		Principal Borrowing Maturity Analysis	As at 31 March 2023	
£m	%		£m	%
34.785	13.68%	Less than one year*	0.828	0.30%
20.835	8.20%	Between one and two years	5.000	1.80%
10.023	3.94%	Between two and five years	5.016	1.81%
188.569	74.18%	More than five years	266.500	96.09%
254.212	100.00%	Total	277.344	100.00%

*The principal maturing in less than one year exceeded the 15% target in 2021/22 due to the technical possibility that the call option on LOBO loans could have been called by the lender.

Market risk: interest rate risk

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. For example, a rise in interest rates would mean an increase in the interest charged on borrowing at variable rates and an increased cost to the taxpayer. An increase in interest rates would also mean an increase in the income received on lending at variable rates and a reduction in cost for the taxpayer. Changes in market rates also affect the notional 'fair value' of lending and borrowing. For example, a rise in interest rates would reduce the fair value of both lending and borrowing at fixed rates. Changes in the fair value of lending and borrowing do not impact upon the taxpayer and are confined to prescribed presentational aspects in the Accounts.

The Council has a variety of strategies for managing the uncertainty of future interest rates and the financial impact on the Council's finances:

- it is the policy of the Council to limit its exposure to variable rate borrowing to a maximum of 25% of what it borrows;
- during periods of falling rates and where it is economically advantageous to do so, the Council will consider the repayment and restructuring of fixed interest rate debt;
- the Council takes daily advice from its specialist treasury advisers and actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowings and restructurings of existing borrowings.

To illustrate the notional impact of changes in interest rates upon the Council, the following table shows the financial effect if rates had been 1% higher during 2022/23, with all other variables held constant.

	As at 31 March 2023
	£m
Interest rate risk	
Increase in interest payable on new fixed rate borrowings taken during the year	0.161
Increase in interest receivable on deposits placed during the year	(10.347)
Notional impact on the Surplus/Deficit on the Provision of Services	(10.186)
Share of this impact which would be attributable to the Housing Revenue Account	(1.195)
<i>Other changes that would have no impact on the Surplus/Deficit on the Provision of Services or Other Comprehensive Income and Expenditure:</i>	
Decrease in the fair value of fixed rate loans and deposits	0.015
Decrease in the fair value of fixed rate borrowing	52.864

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

Market risk: price risk

The Council's Insurance Fund is invested in an externally managed fund under the powers of schedule 3 of the Local Government (Scotland) Act 1975 and section 3 of the Local Government etc. (Scotland) Act 1994. The investments are managed on behalf of the Council by abrdn Capital Limited in the Phoenix Fund. The objective of the fund is to achieve long-term growth with low volatility, through a widely diversified portfolio. The benchmark return is SONIA+2% per annum. During 2022/23 the book cost of investments increased by £0.115m (£0.110m increase during 2021/22). The investment is classified as fair value through other comprehensive income, meaning that all movements in price will impact on the gains and losses recognised in other comprehensive income and expenditure. This is an accounting requirement that has no impact on the taxpayer. To illustrate the impact of changes in share price upon the Council, an increase or fall of 5% in the general price of shares at 31 March 2023 would have resulted in a £0.071m gain or loss being recognised in Other Comprehensive Income and Expenditure for 2022/23.

Market risk: foreign exchange risk

As at 31 March 2023 the Council had a foreign currency deposit of €7.959m with the Council's banker (£3.500m as at 31 March 2022). This sum was being held in order to mitigate the foreign exchange risk associated with a contract being entered into as part of the Glasgow and Clyde Valley City Deal programme. The sterling valuation of this deposit as at 31 March 2023, based on the euro to sterling exchange rate at that time, was £6.997m. To illustrate the impact of changes in foreign exchange rates upon the Council, a relative increase or decrease of 1% in the euro to sterling exchange rate at 31 March 2023 would have resulted in a £0.080m gain or loss being recognised in Other Comprehensive Income and Expenditure for 2022/23.

Note 24: External audit costs

2021/22 (restated) £m	Audit Fees	2022/23 £m
0.350	Fees payable with regard to external audit services carried out by the appointed auditor for the year	0.443
0.350	Total	0.443

In 2022/23 a rebate of £0.019m was received in relation to a reduction in travel and subsistence costs during the 2019/20 and 2020/21 audits carried out by Audit Scotland. This has been adjusted in the 2021/22 reported fee. The 2022/23 figure excludes the audit fee for the Coats Observatory Trust, which was £6,000.

Note 25: Agency services

The Council bills and collects non-domestic rates on behalf of the Scottish Government from ratepayers situated within Renfrewshire Council and East Renfrewshire Council. The Council also bills and collects, along with its own council tax, domestic water and sewerage charges on behalf of Scottish Water. In addition, the Council received a number of funding streams from the Scottish Government in 2022/23 to support third parties (individuals and businesses) impacted by the COVID-19 pandemic. The Council had no discretion over the terms of the funding and could not use it for service delivery. This means the Council acted as agent only and the grant funding received and paid out are not included in the Council's reserves, CIES or Balance Sheet. In some cases, an administration grant was awarded to the Council to facilitate these payments. This is accounted for as operational income and expenditure and not disclosed here.

2021/22 £m	Agency Services	2022/23 £m
81.663	Scottish Government - Contributions (to)/from the non-domestic rates pool	108.076
10.434	Non-domestic rates collected: East Renfrewshire	13.640
0.063	Service income from East Renfrewshire Council for collection of non-domestic rates	0.066
(10.497)	Cost of collection of Non-domestic rates from East Renfrewshire	(13.706)
32.136	Domestic water and sewerage charges collected	34.350
(32.136)	Domestic water and sewerage charges paid over to Scottish Water	(34.350)
0.637	Service income from Scottish Water for collection of domestic water and sewerage	0.637
3.318	COVID-19 PPE and Testing kits issued to external providers	0.133
(3.318)	COVID-19 PPE and Testing kits received from Scottish Government	(0.133)
8.437	Financial Hardship and Self-Isolation grants paid out	0.000
(4.372)	Financial Hardship and Self-Isolation funding received from Scottish Government as part of Revenue Support Grant	0.000
(4.065)	Financial Hardship and Self-Isolation funding received from Scottish Government (specific funding)	0.000
0.933	Additional payments to Health and Social Care staff (£500)	0.000
0.375	Additional payments to Secondary Teachers (£400)	0.000
(1.308)	Additional payments to Health and Social Care staff and Teachers funding received from Scottish Government	0.000
0.000	Cost of Living Awards paid out	9.540
0.000	Cost of Living Awards funding from the Scottish Government	(9.540)
0.000	Scottish Child Bridging Payments paid out	0.911
0.000	Scottish Child Bridging Payments funding received from the Scottish Government	(0.911)
8.122	Strategic Framework grants paid out	
(8.122)	Strategic Framework funding received from Scottish Government	0.000
5.984	Other support for businesses (including furlough support) paid out	
(5.984)	Other support for businesses (including furlough support) funding received from Scottish Government	0.000

Note 26: Related parties

The Council's related parties are those bodies or individuals that have the potential to control or significantly influence the Council, or to be controlled or significantly influenced by the Council, or where those individuals or bodies and the Council are subject to common control. The Council is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties.

Disclosure of this information allows readers to assess the extent to which the Council might have been

constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Senior Officers and Elected Members

Members of the council and senior officers have control over the Council's financial and operating policies. They have the responsibility to adhere to a Code of Conduct, requiring them to declare an interest in matters that directly or indirectly influence, or appear to influence, their judgement or decisions taken during the course of their work. The total of councillors' and senior officers' remuneration allowances paid in 2022/23 are shown in the Remuneration Report on page 26.

Senior Officers

No senior officer holds a remunerated position outside of their Council employment. For details of Senior Officers' interests, please check the register of interests on the Council website at:

<https://www.renfrewshire.gov.uk>Your Council >Information, performance and statistics >Council structure/article/2179/Council-structure>.

Senior Elected Members

Under the Council Code of Conduct, elected members and senior officials must declare any registered interests

in any bodies where the Council itself does not have significant influence over their operations. Each member's Register of Interest is available at [Councillors - Renfrewshire Website](#).

In 2022/23, the Council made payments to the following bodies where senior councillors have declared a non-financial interest, either through non-remunerated positions held with the organisations, or through being a member of those bodies.

Senior Councillor	Non-financial Interest / Position	Organisation	Council Spend in 2022/23 £
Lorraine Cameron	Renfrewshire Council representative	Kibble Trust	2,725,159
Michelle Campbell	Chairperson	Erskine Arts Charity	78,495
Iain Nicolson	Member	Inchinnan Development Trust	27,386
Jim Paterson	Renfrewshire Council representative	Renfrewshire Citizens' Advice Bureau	473,991

NB: This disclosure excludes group entities and trade union membership.

Some senior councillors also hold a remunerated position outwith the Council, i.e. they receive payment from other organisations for employment, or board positions. The following table details these remunerated positions and notes where the Council has made payments to any of the organisations listed.

Senior Councillor	Remunerated Position	Employer / Organisation	Council Spend in 2022/23 £
Jacqueline Cameron	Non-executive Director: 8 hours per week	Public Health Scotland	14,712
	Non-Executive Director	NHSGGC Health Board	8,984,616
Michelle Campbell	Bank nurse: casual employee	NHSGGC Health Board	8,984,616
	Constituency Support Officer: part-time employee	Gavin Newlands MP Constituency Office	0
Andy Doig	Housing Support worker: part-time employee	RCA Trust	207,389
Neill Graham	Researcher	Russell Findlay MSP Constituency Office	0
Marie McGurk	Co-Owner	Paisley Podiatry and Chiropody Centre	0
Jim Paterson	Caseworker: part-time employee	Gavin Newlands MP Constituency Office	0
Emma Rodden	Constituency Assistant: full-time employee	Tom Arthur MSP Constituency Office	0
John Shaw	Chief of Staff: full-time employee	Gavin Newlands MP Constituency Office	0

Key Related Parties: subsidiaries and associates

The organisations set out in the group accounts note are those which the Council is considered to have control or influence over. The following entities have a significant impact on the Council's operations and have been consolidated into the group accounts:

- OneRen (formerly Renfrewshire Leisure)
- Renfrewshire Valuation Joint Board
- Paisley Museum Reimagined Ltd
- Park Lane Developments (Renfrewshire) LLP
- Strathclyde Concessionary Travel Scheme Joint Committee
- Strathclyde Partnership for Transport
- Renfrewshire Health and Social Care Integration Joint Board
- Scotland Excel
- Glasgow and the Clyde Valley Strategic Development Planning Authority
- Glasgow City Region – City Deal Cabinet
- Coats Observatory Trust
- Johnstone, Paisley and Renfrew Common Good Funds

For further details of the nature of group relationships, please refer to the Group Accounts and Notes from page 100.

Key Related Parties: Other Public Bodies

Scottish Government

The Scottish Government has effective control over the operations of the Council as it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties, such as Council Tax and Non-Domestic Rates. Grants received from the Scottish Government are set out in the analysis in Note 3: Taxation and non-specific grant

income, and other grants received from government departments are shown in Note 5: Grant Income.

UK Government

The UK Department of Work and Pensions administers funding for the delivery of Housing Benefit and associated costs. The total received by the Council in 2022/23 was £43.9m (£48.9m in 2021/22).

In 2022/23, the Council also received funding from the UK Home Office and Department for Levelling Up, Housing and Communities in relation to asylum and resettlement programmes amounting to £0.8m (£0.4m in 2021/22).

Rental income

Income received from the Care Inspectorate (£0.074m) and Scotland Excel (£0.097m) relate to rental income for occupancy of part of Renfrewshire House. The property rentals were conducted under standard terms and conditions and no guarantees have been applied.

Strathclyde Pension Fund

Strathclyde Pension Fund is the principal administrators of the post-retirement funds held on behalf of the current and former employees of the Council. Information about transactions during the year and outstanding assets and liabilities in relation to the Council's share of the Strathclyde Pension Fund can be found in Note 28.

Note 27: Pension schemes accounted for as defined contribution schemes

Renfrewshire Council participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in

the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2020, which set the contribution rate payable from 1 April 2020 to 31 March 2023.

Renfrewshire Council has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where Renfrewshire Council is unable to identify its share of the underlying assets and liabilities of the scheme. While the employee rate applied is variable, it will provide an actuarial yield of 9.6% of pensionable pay. At the last valuation a shortfall of £1.3bn was identified in the notional fund, which will be repaid by the increased rate of employers' pension contribution, effective from 1 September 2019, of 23%.

Based on the proportion of employer contributions paid in 2022/23, Renfrewshire Council's level of participation in the scheme is 3.0%. The Council paid £19.719m (£18.487m in 2021/22) for employer's contributions to the Scottish Public Pensions Agency. £0.444m of expenditure (£0.349m in 2021/22) was charged to service revenue accounts in respect of "added years" pension enhancement termination benefits, representing 0.5% of teachers' pensionable pay (0.4% in 2021/22). The estimated contribution for 2023/24 is £18.909m.

Note 28: Defined benefit pension schemes

28a: Participation in pension schemes

The pension scheme for teachers (the Scottish Teachers' Superannuation Scheme) is explained in the previous note, whilst this note relates exclusively to the pension

scheme for all other employees: the Local Government Pension Scheme.

The Local Government Pension Scheme in Scotland (LGPS) is a funded, defined benefit, statutory occupational pension scheme. It is regulated by the Scottish Public Pensions Agency but is administered locally by fund administering authorities through regional pension funds. For Renfrewshire Council, the fund administering authority is Glasgow City Council and the regional pension fund is the Strathclyde Pension Fund. As a funded scheme, the Council and employees pay contributions into the fund, calculated at a level intended to balance the scheme's pension liabilities with the scheme's investment assets. The statutory nature of the fund means that the post-employment benefits are defined and set out in law. The Strathclyde Pension Fund is a multi-employer fund, and it is possible for each employer to identify its own share of the assets and liabilities of the fund on a consistent and reasonable basis.

The principal risks to the scheme are assumptions relating to longevity, inflation, and investment performance; in addition, statutory changes to the scheme. These risks are mitigated to an extent by statutory requirements limiting charges to the Council's general fund. The Council has additional liabilities for unfunded discretionary pension payments outside the main schemes such as arrangements for the award of discretionary post-employment benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made.

However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

28b: Transactions relating to post-employment benefits

The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions

and accounting for investment returns on any resources set aside to meet the costs. However, the charge according to statutory regulations that is required to be made against the General Fund Balance and the Housing Revenue Account Balance is based upon the employer contributions payable by the Council to the pension fund in the year.

This requires an adjustment to be made in the movement in reserves statement to remove the cost (according to generally accepted accounting practices) of post-employment benefits and replace that cost with the value of employer contributions payable to the fund in the year.

The following transactions have been made in the CIES and the General Fund Balance via the movement in reserves statement during the year:

2021/22 £m		2022/23 £m
	Included within net cost of services:	
70.497	Current service cost	69.403
5.123	Past service cost/(gain)	3.078
	Included within Financing and Investment income and expenditure:	
35.942	Interest cost	47.114
(31.035)	Expected return on scheme assets	(45.130)
80.527	Total of Post-employment benefits charged to the Surplus/Deficit on the Provision of Services	74.465
	Included within Other Comprehensive Income and Expenditure:	
(88.246)	Return on Assets excluding amounts included in net interest	71.373
(10.729)	Actuarial gains and losses arising on changes in Demographic Assumptions	(13.264)
(122.672)	Actuarial gains and losses arising on changes in Financial Assumptions	(672.239)
7.065	Actuarial gains and losses arising on changes in Other Assumptions	86.064
(134.055)	Total of LGPS post-employment benefits charged to the CIES	(453.601)
	Movement in reserves statement:	
(214.582)	Actuarial losses or (gains)	(528.066)
0.000	Restriction on pension asset to Asset Ceiling	258.205
0.264	Effect of business combinations and disposals	0.000
80.527	Reversal of items relating to post-employment benefits debited or credited to the Surplus/Deficit on the Provision of Services	74.465
(32.522)	Employer contributions and direct payments to pensioners payable in the year	(35.716)
(166.313)	Movement in the year on the Pension Reserve	(231.112)

The cumulative amount of actuarial gains and losses recognised in the CIES as at 31 March 2023 is a gain of £394.710m (£124.849m gain as at 31 March 2022).

28c: Assets and liabilities relating to post-employment benefits

Renfrewshire Council's share of the defined benefit obligation (that is, the scheme liabilities) and of the scheme assets in the Strathclyde Pension Fund has been

assessed by Hymans Robertson LLP, the Fund's independent actuaries. The assessment indicates that, as at 31 March 2023, scheme assets exceeded the defined benefit obligation by £422.410m (£55.221m excess of obligations over assets as at 31 March 2022). The defined benefit obligation is valued on an actuarial basis using the "projected unit credit" method, which estimates the pensions that will be payable in future years (dependent on assumptions about mortality rates, salary levels and other factors) discounted to their

present value. The discount rate used at 31 March 2023 was 4.75% based on the indicative rate of return on high quality corporate bonds. Scheme assets are valued at fair value which, in the case of marketable securities, is market value using the current bid price. Where no market price is available, the fair value of scheme assets is estimated. The valuations are based on the latest formal valuation of the Strathclyde Pension Fund which was carried out as at 31 March 2020.

The common position for employers participating in the Strathclyde Pension Fund is that, based on a snapshot valuation as at 31 March 2023, a net pension asset is disclosed as a result of prevailing market conditions at that date. The net pension asset position of £422.410m represents a decrease in liability of £477.631m between 31 March 2022 and 31 March 2023. The net pension liability has a substantial impact on the net worth of the Council as recorded in the balance sheet. However, this surplus of scheme assets is restricted to the “asset ceiling” i.e. the net present value of future service costs less net present value of future contributions over the future working lifetime as at 31 March 2023. This has been calculated to be £175.892m

Local government legislation provides that local authorities have an obligation to meet the expenditure of the joint boards of which they are constituent members. As a consequence, Renfrewshire Council has additional liabilities arising from the pension scheme deficits of the Renfrewshire Valuation Joint Board. In accordance with accounting regulations, the group accounts include a share of the post-employment benefits transactions, defined benefit obligations and scheme assets of this joint board. Further information can be found in the annual report and accounts of each joint board. The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

28d: Movement in defined benefit obligation (scheme liabilities)

The following is a reconciliation of the 2022/23 opening and closing balances of the present value of Renfrewshire Council’s share of the Strathclyde Pension Fund’s defined benefit obligation (that is, scheme liabilities).

2021/22 £m		2022/23 £m
1,767.336	Balance at 1 April	1,725.861
70.497	Current service cost	69.403
5.123	Past service cost (including curtailments)	3.078
35.942	Interest cost	47.114
8.426	Member contributions	9.240
6.649	Effect of business combinations and disposals	0.000
(126.336)	Actuarial losses or (gains)	(599.439)
	<i>Losses or (gains) on curtailment</i>	
(4.605)	Estimated benefits paid: unfunded	(4.685)
(37.171)	Estimated benefits paid: other	(38.581)
1,725.861	Balance at 31 March	1,211.991

28e: Movement in scheme assets

The following is a reconciliation of the 2022/23 opening and closing balances of the fair value of Renfrewshire Council's share of the Strathclyde Pension Fund's scheme assets.

2021/22 £m		2022/23 £m
1,545.802	Balance at 1 April	1,670.640
31.035	Expected return on scheme assets	45.130
8.426	Member contributions	9.240
27.917	Employer contributions	31.031
4.605	Contributions in respect of unfunded benefits	4.685
6.385	Effect of business combinations and disposals	0.000
88.246	Actuarial (losses) or gains	(71.373)
(4.605)	Estimated benefits paid: unfunded	(4.685)
(37.171)	Estimated benefits paid: other	(38.581)
1,670.640	Balance at 31 March	1,646.087

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

The actual return on scheme assets from 1 April 2022 to 31 March 2023 was 1.6%.

The fair value of the assets held in the scheme may be analysed as follows:

As at 31 March 2022				As at 31 March 2023		
Quoted Prices in active markets £m	Prices not quoted in active markets £m	Total £m		Quoted Prices in active markets £m	Prices not quoted in active markets £m	Total £m
367.318	0.794	368.112	Equity instruments	321.441	2.951	324.392
0.000	0.000	0.000	Debt instruments (bonds)	0.000	0.000	0.000
0.000	327.050	327.050	Private Equity	0.000	404.589	404.589
0.000	140.891	140.891	Real Estate	0.000	135.719	135.719
9.268	782.810	792.078	Investment Funds	7.090	743.114	750.204
0.000	0.000	0.000	Derivatives	0.000	(0.001)	(0.001)
41.946	0.563	42.509	Cash and cash equivalents	22.766	8.418	31.184
418.532	1,252.108	1,670.640	Fair value of scheme assets	351.297	1,294.790	1,646.087

28f: Scheme history: analysis of defined benefit obligation and scheme assets

The Council's share of the accumulated deficit or surplus in the scheme is shown below. The analysis shows the nature of various elements of the Council's share of the scheme's defined benefit:

As at 31 March 2022 £m		As at 31 March 2023 £m
(895.339)	Current employee members	(568.195)
(69.073)	Pre-local government reorganisation (1996) liabilities	(57.322)
(182.553)	Deferred pensioners	(111.002)
(488.130)	Pensioners	(401.978)
(1,635.095)	Total Present Value of the Defined Benefit Obligation - Funded liabilities	(1,138.497)
(82.127)	Retirals from Renfrewshire Council	(66.196)
(8.639)	Retirals pre-local government reorganisation (1996)	(7.298)
(90.766)	Total Present Value of the Defined Benefit Obligation - Unfunded liabilities	(73.494)
(1,725.861)	Present value of defined benefit obligation	(1,211.991)
1,670.640	Fair value of scheme assets	1,646.087
0.000	Restriction to asset ceiling	(307.266)
(55.221)	Net (liability)/asset arising from defined benefit obligation	126.830

Basis for estimating assets and liabilities

The following table shows the principal assumptions used by Hymans Robertson LLP, the Fund's independent actuaries, to estimate the Council's post-employment benefits transactions for 2022/23, and the Council's share of the Strathclyde Pension Fund's defined benefit obligation (scheme liabilities) and scheme assets as at 31 March 2023:

2021/22		2022/23
2.7%	Discount rate for defined benefit obligation	4.8%
2.7%	Long-term expected rate of return on scheme assets*	2.7%
3.9%	Rate of increase in salaries	3.7%
3.2%	Rate of increase in pensions	3.0%
3.2%	Rate of inflation	3.0%
	Mortality assumptions (years):	
	<i>Longevity at age 65 for current pensioners:</i>	
19.6	Men	19.3
22.4	Women	22.2
	<i>Longevity at age 65 for future pensioners:</i>	
21.0	Men	20.5
24.5	Women	24.2
	Take up of option to convert annual pension into retirement lump sum	
50%	For Pre-April 2009 service	50%
75%	For Post-April 2009 service	75%

*The expected rates of return are set equal to the discount rate as per IAS19,

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period. The limitations of methods and assumptions used are associated with any changes in market conditions that affect the net discount rate. These can have a significant effect on the value of the obligations reported.

Impact on the Defined Benefit Obligation on the Scheme	%	£m
0.1% decrease in the Real Discount	2%	22.091
1 year increase in the member life expectancy	4%	48.480
0.1% increase in the Salary Increase	0%	2.675
0.1% increase in the Pension Increase Rate	2%	19.729

In addition, a one-year increase in life expectancy is estimated to increase the Defined Benefit Obligation by 3-5%.

Impact on the Authority's cash flows

An objective of the Fund is to keep employers' contributions at as constant a rate as possible. The Fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers.

The rate for employer contributions has been set at 19.3% for 2022/23 to 2023/24. The total contribution expected to be made by the Council to the Strathclyde Pension Fund in the forthcoming year to 31 March 2023 is £29.439m. The weighted average duration of the defined benefit obligation is 19 years.

Note 29: Contingent liabilities

- i) The Council has been notified of a number of contractor claims for additional costs incurred on construction contracts. The Council disputes the claims, which may be referred for arbitration. The Council recognises a contingent liability for potential costs, which may be incurred to resolve this dispute. It is not considered practicable at this stage to estimate the financial effect.
- ii) Following two court cases, including Mrs Goodwin v Department for Education, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be in the range of 0.1%-0.2% of gross obligations, which equates to between £1.767m and £3.535m for the Council. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 30: Events after the balance sheet date

Events taking place after the authorised date for issue per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 31: Accounting Standards Issued not Adopted

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

The following new or amended standards are adopted within the 2023/24 Code:

- IFRS 16 *Leases*
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes the following relevant standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
 - IAS 37 (Onerous contracts) – clarifies the intention of the standard
 - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material.

None of the matters covered in the annual improvements are dealt with in detail in the 2023/24 Code; however during the Code consultation process, CIPFA/LASAAC did not envisage a significant effect on local authority financial statements.

The Code allows implementation from 1 April 2022 and there is therefore no impact on the 2022/23 accounts. There is no material impact anticipated in future years from the implementation of these standards, other than IFRS 16 *Leases*. The impact of this standard is that many long-term rented assets will now be disclosed in the Balance Sheet along with their associated liability and be subject to depreciation.

CIPFA LASAAC has since issued a formal decision to defer the implementation of IFRS 16 until 1 April 2024 (i.e., in the 2024/25 accounts), with the option to adopt earlier if local authorities wish to do so.

Renfrewshire Council will look to adopt the new standard in the 2023/24 accounts if it is deemed practical to do so at that time.

Note 32: Accounting Policies – Renfrewshire Council

The Financial Statements for the year ended 31 March 2023 have been prepared in accordance with proper accounting practice as per section 12 of the Local

Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice, supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Council and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of non-current assets and financial instruments, and on a going concern basis.

A Accruals of Expenditure and Income

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

- i) Revenue from the sale of goods or provision of services is recognised when the performance obligation relating to the transaction has been satisfied, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.
- ii) Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet. Works are charged as expenditure when they are completed, before which they are carried as assets under construction on the Balance Sheet.
- iii) Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument. Interest receivable and dividend income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.
- iv) Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is

recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

- v) Supplier invoices paid in the two weeks following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by 31 March 2023 or relate to services associated with the prior financial year.

B Business Improvement District

Following the formation of the Paisley First BID company on 15 January 2015, the Council has entered into an agreement to act as the billing body for the purposes of the Planning etc. (Scotland) Act 2006 and the Regulations and is responsible for the administration, collection and recovery of the BID Levy. As the Council is acting as agent for the BID company, no transactions in relation to the BID levy or BID Revenue Account are included in the CIES with the exception of any contribution made by the Council to the BID project, the costs and income related to the collection of the BID levy or any income from the BID company in relation to services provided.

C Cash and Cash Equivalents

Cash is defined as cash in hand and deposits repayable on demand less overdrafts repayable on demand. Cash equivalents are defined as call accounts, money market funds and instant deposits. Fixed term deposits are not classified as cash or cash equivalents as these are held for investment purposes rather than for meeting short-term cash commitments.

D Charges for the Use of Assets

Services are charged for the use of assets no matter how they are financed, and this charge includes a provision for depreciation where appropriate.

E Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the financial statements but are disclosed as a note to the accounts where they are deemed material.

F Employee Benefits

Benefits payable during employment

All salaries and wages earned up to 31 March 2023 are included in the Accounts irrespective of when payment was made. An accrual is made for the cost of holiday entitlements earned by employees, but not taken before the year end and which employees may carry forward into the next financial year; along with any pay inflation agreed for the year and not yet paid.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the relevant service line in the CIES when the Council is demonstrably committed to either terminating the employment of an officer or making an offer to encourage voluntary redundancy. The Council is only demonstrably committed to a termination when it has a detailed formal plan for the termination, and it is without realistic possibility of withdrawal.

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

Post-employment benefits

The Council participates in two formal pension schemes: the Local Government Pension Scheme which is administered by Strathclyde Pension Fund; and the Scottish Teachers' Superannuation Scheme. Liabilities for the Scottish Teachers' Superannuation Scheme cannot be identified specifically to the Council; therefore, the scheme is accounted for as a defined contributions scheme.

The Local Government Pension Scheme is accounted for as a defined benefit scheme in accordance with International Accounting Standard 19 (IAS19) (as revised in 2011). Renfrewshire Council's share of the net pension asset or liability in Strathclyde Pension Fund and a pension reserve are recognised in the Balance Sheet. The CIES recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year. Liabilities are included in the Balance Sheet on an actuarial basis using the projected unit method. Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds. Assets are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

G Events after the Balance Sheet date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statements are authorised for issue. There are two types of events:

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period, and the Statements are adjusted to reflect such events
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted.

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

H Prior Period Adjustments

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

Where there has been a change in accounting policy, that change will be applied retrospectively. Where there has been a change in accounting estimate, that change will be applied prospectively. Where a material misstatement or omission has been discovered relating to a prior period, that misstatement or omission will be restated unless it is impracticable to do so.

I Financial Instruments

Financial Assets

Financial assets are classified into three categories of valuation:

- At amortised cost;
- At fair value through other comprehensive income – designated equity instruments; and
- At fair value through profit or loss.

Financial Assets Measured at Amortised Cost

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

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES. The Council has assets such as investments and debtors which are classified as financial assets measured at amortised cost.

Financial Assets Measured at Fair Value through other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Investment income is credited to Financing and Investment Income and Expenditure in the CIES when it becomes receivable by the Council. Where an equity instrument is designated as FVOCI, changes in fair value are posted to Other Comprehensive Income and Expenditure and are balanced by an entry in the Financial Instruments Revaluation Reserve (an unusable reserve).

When the asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services. The Council has made an irrevocable election to designate these assets as FVOCI on the basis that they are held for non-contractual benefits, not for trading, but for strategic purposes.

Financial assets measured at fair value through profit and loss

Assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the CIES when it becomes receivable by the Council.

Assets values are based on the following principles:

- instruments with quoted market prices – the market price

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

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the CIES. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Expected Credit Loss Model

Where assets are identified as impaired as a result of an expected credit loss, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

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

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Guarantees

Financial guarantees are recognised at fair value assessed as the probability of the guarantees being called and the likely amount payable under the guarantees.

Loans Fund

The Council operates a Loans Fund and all loans raised are paid into the Fund. Advances are made to departments to finance capital expenditure during the year. Repayments to the Loans Fund are calculated using the annuity method.

The local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 - loans fund accounting came into force on 1 April 2016 and replaced the statutory provisions for local authority borrowing, lending and loans funds as set out in Schedule 3 of the local Authority (Scotland) Act 1975. The regulations

contain the following provisions in respect of the loans fund:

- Regulation 12 places a duty on a local authority to maintain a loans fund, which is to be administered in accordance with the proper accounting practices and prudent financial management,
- Regulation 13 requires a local authority to make loans fund advances each year for expenditure of or lending to third parties by, the local authority which it has determined should be met from borrowing, and
- Regulation 14 requires a local authority to determine for each loans fund advance the period over which it will be repaid and the amount of each repayment. Both the period and the annual amounts must be considered by the authority to be prudent.

Interest is calculated and allocated to the CIES in accordance with Local Authorities Scotland Accounts Advisory Committee's (LASAAC) Guidance Note 2: Statement on the Calculation and Allocation of Loans Fund Interest and Expenses.

Financial Instruments - Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability take place either in the principal market for that asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Valuation techniques used are appropriate in the circumstances and have sufficient data available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or

disclosed in the financial statements are categorised within the fair value hierarchy, as follows:

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

The fair value hierarchy gives priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

J Government Grants and other Contributions

Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

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

Amounts recognised as due to the Council are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or Taxation and Non-Specific Grant Income in the CIES.

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

K Heritage Assets

The Council's heritage assets are held in the museums operated by OneRen (Paisley Museum and Art Gallery, Renfrew Town Hall and Museum, and The Secret Collection). The purpose of holding these assets according to the Museums' Statement of Purpose is "to enhance public understanding of the human and natural world, principally by the use of original objects". Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets.

The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. Purchased acquisitions are recognised at cost and donated acquisitions are recognised at valuation with reference to appropriate commercial markets. Acquisitions are made in line with the approved Acquisition and Disposal Policy. The collections of heritage assets are accounted for as follows:

Art Collection	The collection includes fine, contemporary and applied art works. The collection is included in the balance sheet at market value where this is available (from external valuations provided by suitably experienced and knowledgeable experts) or insurance valuations provided by the relevant collection curator. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore no depreciation is charged.
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Shawl and textile design	The museums hold a collection of approximately 1,000 Paisley-type shawls, and a considerable collection of original designs for shawl manufacture. The collection is included in the balance sheet at insurance valuation which is based on market values. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore no depreciation is charged.
Natural History	The collection includes vertebrate and invertebrate zoology, botany, geology and microslide collections; in addition to a library of natural history books. The collection is included in the balance sheet at insurance valuation which is based on market values. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore no depreciation is charged.
Human History	The museums hold collections relating to social history, transport, science (including an important collection of astronomical apparatus in Coats Observatory), archaeology, arms, local archives, numismatics, photography, textiles, ethnography and Egyptology. The collection is included in the balance sheet at insurance valuation which is based on market values. However, where an external valuation or cost information is available, or a valuation may be secured at a cost which is not prohibitive relative to the value of the item, then the Council will recognise the asset in the balance sheet at this value. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore, no depreciation is charged.

In addition to the museum collections, there are a number of public space statues, monuments, memorials, fountains and outdoor artworks at various locations throughout Renfrewshire. These assets are not generally recognised in the balance sheet. The Council considers that obtaining valuations would involve disproportionate cost and that reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets and the lack of comparable data. However, where reliable cost information can be reasonably obtained, the asset will be included in the balance sheet.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, eg where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment. Heritage assets will occasionally be disposed of in accordance with the approved Acquisitions and Disposal Policy (a copy of which is available). Assets are only disposed of for curatorial reasons (eg the item has deteriorated to such an extent

it is no longer suitable for public display) and not with the aim of generating funds. Any proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts. Expenditure incurred in preserving individual items is recognised in the CIES.

L Intangible Assets

The Council accounts for purchased software licences as Intangible Assets. Expenditure on intangible assets is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Items costing less than £9,000 are not treated as Intangible Assets.

Intangible assets are measured initially at cost. Amounts are not revalued, as the fair value of the assets held by the Council cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life. An asset is tested for impairment whenever there is an indication that the

asset might be impaired. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

M Interests in Companies and Other Entities

The Council has material interests in two charitable companies, a limited liability partnership and Joint Boards and Committees that have the nature of subsidiaries and associates under accounting conventions, requiring it to prepare group accounts. In the Council's own single-entity accounts, these interests are not recorded as the Council has no shares in, or ownership of, any of these organisations.

Reflected in the Council's single-entity balance sheet is a 50% share in an Integration Joint Board, which is recorded as an investment.

N Inventories

Inventories (generally consumable stock) are included in the Balance Sheet at weighted average cost. The Code requires inventories to be held at lower of cost or Net Realisable Value. Weighted average cost is used as the measure of cost.

O Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment

Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

P Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

The Council as Lessee

Finance Leases

Property, plant and equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower).

The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability, and
- a finance charge (debited to the CIES).

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

Operating Leases

Rentals paid under operating leases are charged to the CIES. Title to the property, plant or equipment remains with the lessor.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal.

Lease rentals receivable are apportioned between:

- a capital receipt for the disposal of the asset – applied to write down the Debtor (together with any premiums received); and
- finance income (credited to the CIES).

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the CIES.

Q Overheads and Central Support Costs

Where internal costs are allocated to user departments, the basis of allocation varies by originating department, for example the cost of Payroll Services may be allocated on the number of payslips per service. In many instances the allocation is time-based. Internal transactions are no longer present in the income and expenditure figures reported in the CIES.

R Service Concession Arrangements – School Buildings and Other Facilities

The Council carries the assets used under PFI or Service Concession contracts on its Balance Sheet as part of Property, Plant and Equipment. The original recognition

of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

The accounting treatment of the contractual arrangements are in accordance with IFRIC12 *Service Concession Arrangements*.

S Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

The cost of assets acquired other than by purchase is deemed to be its fair value. The valuation of work-in-progress is based on cost plus an appropriate proportion of overheads, together with attributable profits and allowances for foreseeable losses.

Plant, furniture and computer equipment costing less than £9,000 are not treated as fixed assets. This de-minimis level does not apply where certain categories of these assets are grouped together and form part of the approved capital programme.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the CIES. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account.

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

- infrastructure, community assets and assets under construction – depreciated historical cost;
- council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH). Council dwellings are valued using a Beacon Principle (adjusted vacant possession) methodology in accordance with the Royal Institution of Chartered Surveyors (RICS) guidance;
- Vehicles, plant, furniture and equipment – depreciated replacement cost;
- Other land and buildings – fair value, determined as the market value amount that would be paid for the asset in its existing use (existing use value – EUV). Operational assets are shown at the lower of net current replacement cost or net realisable value in existing use. Non-operational assets are shown at the lower of net current replacement cost or net realisable value.

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. The effective date of any revaluation is 31 March. Valuations are undertaken by the Council Valuer who is MRICS qualified. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Fair Value Measurement

The authority measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured are categorised within the fair value hierarchy as follows:

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

Impairment

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

Where impairment losses are identified, they are accounted for as follows:

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the

CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

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

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are credited to the Capital Receipts Reserve.

Depreciation

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

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property of between 10 and 50 years as estimated by the Council Valuer
- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer based on useful lives of between 3 and 30 years.
- infrastructure – straight-line allocation over between 10 and 60 years.

General Fund services are charged with depreciation where appropriate for the use of assets no matter how they are financed. Depreciation on the Council's non-operational assets is not charged to service revenue accounts. It is however reflected in the CIES through non-distributable costs.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Significance is determined by comparing a component's cost against the overall cost of an asset, and a component is deemed significant if its cost is 20% or more of the total asset cost. The de-minimis threshold for componentisation is £1m.

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

T Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the CIES. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year.

U Reserves

The Council has various reserve funds. The two capital reserves arising from the system of capital accounting are the Revaluation Reserve and the Capital Adjustment Account. The former of these represents the store of gains on revaluation of fixed assets not yet realised through sales and the latter relates to amounts set aside from capital resources to meet past expenditure.

The two accounting reserves arising from the restatement of financial instruments to “fair value” are the Financial Instruments Adjustment Account and the Financial Instruments Revaluation Reserve. The Financial Instruments Adjustment Account is a balancing account to allow for differences in statutory requirements and proper accounting practices for lending & borrowing by the Council. The Financial Instruments Revaluation Reserve is a store of gains or losses on revaluation of the investments of the Insurance Fund not yet realised through sales.

The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Council's share of actuarial gains and losses in the Strathclyde Pension Fund and the change in the Council's share of the Pension Fund net liability chargeable to the CIES.

V Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the

Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

W Value Added Tax

Income and Expenditure excludes any amount relating to Value Added Tax (VAT), as all VAT is payable to HM Revenue & Customs and all VAT is recoverable from them.

Note 33: Judgements in Applying Accounting Policies

In applying the accounting policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a judgement has been made, this is referred to in the relevant note to the core financial statements; however, a summary of those with the most significant effect is detailed below.

Item	Judgement
Public Sector Funding	The Council has assessed that anticipated levels of local government funding over the medium term do not provide sufficient indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. This is discussed further in the Management Commentary.
Service Concession Arrangements	The Council is deemed to control the services provided under the agreement for the provision of schools. The accounting policies for PFI schemes and similar arrangements have been applied and the assets under the contract are included within Property, Plant and Equipment on the Council's Balance Sheet. Bargeddie Waste Facility is shared by a number of Scottish councils with North Lanarkshire Council taking the lead. The apportionment of costs and liabilities over the life of the facility, which was funded by a service concession agreement, has been agreed between the councils involved and the local external audit team. Note 15 provides further details.
Council acting as Agent, not Principal	'Agent' is where the Council is acting as an intermediary and 'Principal' is where the Council is acting on its own behalf. From 2020/21, the Council received funding from the Scottish Government relating to grants and subsidies in support of hardship experienced by third parties from the impact COVID-19. In many cases, the Council had no discretion over the terms of the grants awarded and any unspent grant was repaid to the Scottish Government; these have been treated as Agent transactions and excluded from the CIES, Balance Sheet and related Notes. Cashflows have, however, been included in the Cashflow Statement. CIPFA and the Local Authority (Scotland) Accounts Advisory Committee issued guidance in relation to the funding streams administered by Scottish local authorities in terms of their treatment as Agent or Principal activities and this guidance has been followed. Further detail on the sums involved can be found in Note 25.
Impairment of financial assets	In line with IFRS9: Financial Instruments, the approach to impairment of financial assets depends on the type of asset being assessed, either using a 'historic loss rate' approach, or a 'probability of default' approach, whereby historical experience of default rates across a similar class of instrument and credit rating is used to estimate 12-month expected credit losses. Further detail can be found at Note 22: Financial Instruments.
Determination of Contingent Liabilities and Provisions	A Provision is defined by the Code as a liability of uncertain timing or amount. A Contingent Liability is a possible obligation whose timing or value cannot be reliably measured and the Council makes a judgement on which is appropriate based on information available at the Balance Sheet date.

Item	Judgement
Rolling Valuation Programme	The Council employs professional valuers who are registered with the Royal Institution of Chartered Surveyors. These valuers carry out regular reviews of the value of assets reported in the Balance Sheet and any significant changes in value are processed as asset revaluations or impairments. These values are based on their professional opinion using available market information at the time of assessment. Due to the high number of assets, a rolling programme of asset valuation has been established for many years, with the aim of revaluating one fifth of the portfolio each financial year. This carries inherent risk that assets not valued in-year have been subject to material changes in value. The highest risk in this respect relates to assets valued using the Depreciated Replacement Cost (DRC) method, which for Renfrewshire Council, includes schools and leisure centres. To mitigate for this risk, a desktop exercise was undertaken for 2022/23 accounts to estimate the potential increase in value of all DRC assets not valued in-year and reflected any material adjustment required in these accounts.

Note 34: Assumptions made about the future

The Annual Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's Balance Sheet as at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainty	Effect if results differ from assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The carrying value of the net pension asset was £434.1m, before the asset cap, as at 31 March 2023 (liability of £55.2m as at 31 March 2022). Further detail can be found in Note 28: Defined Benefit Pension Schemes.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £22.0m. However, the assumptions interact in complex ways. At 31 March 2023, the Council's actuaries advised that (before the asset cap is applied) the net pensions opening liability had increased by £86.064m as a result of estimates being corrected as a result of experience; decreased by £13.3m as a result of updating demographic assumptions; and decreased by £672.2m as a result of updating financial assumptions.
Debt Impairment	At 31 March 2023, the Council had a balance for long and short term debtors (including council tax, rent arrears and trade debtors) of £70m. A review of significant balances suggested that an impairment of doubtful debts of £36.7m was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient. Over 2022/23, the principal debt impairment increase related to Council Tax and Rents, which increased by £1.1m.	Based on experience, the bad debt provision is considered adequate; however, if collection rates were to deteriorate, a 10% increase in the amount of potential impairment losses would require an additional £3.7m to be set aside as an allowance.

Common Good Funds

The Common Good Funds comprise land granted to a Burgh by the Crown; further grants of land and buildings, mainly in the late 19th and early 20th century by local industrialists and other landowners for the common good of the inhabitants of the Burgh; and rental income and sale proceeds from such land. The bulk of the Paisley Common Good was granted to the Burgh of Paisley by the King Charles II Charter, dated 27 and 28 July 1666, and has been administered by the Burgh and its successors since that date. The bulk of the Renfrew Common Good was granted to the Royal Burgh of Renfrew by the Queen Anne Charter, dated 7 August 1703, and again has been administered by the Burgh and its successors since that date.

Income and expenditure statement

Income and Expenditure Statement for the Year Ending 31 March 2023	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Expenditure	0.739	0.000	2.682	3.421
Income	(0.192)	0.000	(1.622)	(1.814)
(Surplus)/Deficit for the year	0.547	0.000	1.060	1.607
(Surplus)/Deficit Brought Forward	(6.646)	(0.052)	(34.763)	(41.461)
Accumulated (Surplus)/Deficit at 31 March 2023	(6.099)	(0.052)	(33.703)	(39.854)

Income and Expenditure Statement for the Year Ending 31 March 2022	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Expenditure	0.219	0.000	0.331	0.550
Income	(0.392)	0.000	(1.839)	(2.231)
(Surplus)/Deficit for the year	(0.173)	0.000	(1.508)	(1.681)
(Surplus)/Deficit Brought Forward	(6.473)	(0.052)	(33.255)	(39.780)
Accumulated (Surplus)/Deficit at 31 March 2022	(6.646)	(0.052)	(34.763)	(41.461)

Balance Sheet

Balance Sheet as at 31 March 2023	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Tangible Fixed Assets	0.928	0.000	13.024	13.952
Heritage Assets	0.063	0.046	0.109	0.218
Investments	4.737	0.000	18.114	22.851
Debtors	0.027	0.000	0.136	0.163
Short-term deposits	0.350	0.006	2.347	2.703
Total assets	6.105	0.052	33.730	39.887
Creditors: Amounts Falling Due Within One Year	(0.006)	0.000	(0.027)	(0.033)
Net Assets	6.099	0.052	33.703	39.854
Income Funds	(3.747)	(0.036)	(21.391)	(25.174)
Revaluation reserve: Investments	(0.916)	0.000	(2.999)	(3.915)
Revaluation reserve: Fixed Assets	(1.436)	(0.016)	(9.313)	(10.765)
Total Reserves	(6.099)	(0.052)	(33.703)	(39.854)

Accounting Policies and Note

Accounting Policies adopted for the Common Good are the same as those adopted for Renfrewshire Council except for the application of IAS 16. IAS 16 requires that assets be depreciated and that the charge for depreciation be set against and surplus in the Income and Expenditure account. In addition, IAS 16 requires any decreases in the value of assets to be recognized in the Income and Expenditure account, unless there is previous increase in the value of the asset held in the Revaluation Reserve. Conversely, any increases in the value of assets are to be recognized in the surplus or deficit in the Income and Expenditure account, to the extent that it reverses a decrease of the same asset previously recognized in the Income and Expenditure account.

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. They manage the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given that the Common Good is owned by the Council, these specific provisions are supplemented by the general provisions relating to the administration of local authority monies, i.e., the duty to obtain best value.

Income to the Common Good Funds is solely from investment returns (both financial investments and property rental income) and bank interest; no donations to the Funds are solicited. The only other source of income, which arises periodically, is from the sale of fixed assets.

The investment performance of the Common Good Funds is monitored regularly by Council officers and is reported bi-annually to the Investment Review Board, which is comprised of five cross-party elected members. The minutes of the Investment Review Board are submitted to the Finance, Resources and Customer Services Policy Board, whose meetings are held in public. In turn, the minutes of this Board are submitted to the full Council for ratification. Therefore, all elected members are kept informed of both the performance of the funds and any decision regarding the operation of the Funds, which would be made by the Finance, Resources and Customer Services Policy Board.

Revaluation adjustments related to investments are included in Income within the CIES and were £0.664m for Paisley Common Good and £2.380m for Renfrew Common Good.

Housing Revenue Account

Income and expenditure statement

The Housing Revenue Account (HRA) reflects a statutory obligation to maintain a revenue account for local authority housing provision in accordance with the Housing (Scotland) Act 1987. The Housing Revenue Account income and expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Councils charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the movement on the Housing Revenue Account statement.

2021/22 £m		2022/23 £m
16.244	Repairs and maintenance	19.851
17.160	Supervision and management	14.852
26.336	Depreciation and impairment of non-current assets	27.883
0.671	Increase/(Decrease) in the allowance for bad debts	0.839
1.300	Other expenditure	3.208
61.711	Total Expenditure	66.633
(48.622)	Dwelling rents	(48.115)
(1.438)	Non-dwelling rents	(1.185)
(2.996)	Other income	(1.616)
(53.056)	Total Income	(50.916)
8.655	Net Cost of HRA services as included in the CIES	15.717
	HRA share of the operating income and expenditure included in the CIES:	
(0.006)	(Gain)/Loss on sale of HRA non-current assets	0.276
0.000	(Gain)/Loss on revaluation of investment properties	0.000
4.478	Interest payable and similar charges	4.110
(0.159)	Interest and investment income	(1.704)
0.215	Pensions interest cost and expected return on pensions assets	0.089
(7.147)	Taxation and non specific grant income	(0.402)
6.036	Deficit for the year on HRA services	18.086

Movement on the Housing Revenue Account statement

This statement shows the movement in the year on the Housing Revenue Account (HRA) Balance. The surplus or deficit for the year on the HRA income and expenditure statement represents the true economic cost of providing the Council's HRA services, more details of which are shown in the HRA income and expenditure statement itself.

The adjustments between accounting basis and funding basis under regulations detail the adjustments that are made to the HRA income and expenditure, as recognised by the Council in the year in accordance with proper accounting practice, to the statutory amounts required to be charged to the HRA Balance for dwellings rent setting purposes. An analysis of these adjustments can be found in

Note 6: Adjustment between accounting basis and funding basis under regulations on page 47.

2021/22 £m		2022/23 £m
(6.497)	Balance on the HRA at 1 April	(6.497)
6.036	Deficit for the year on the HRA income and expenditure statement	18.086
5.142	Adjustments between accounting basis and funding basis under statute	(6.302)
(11.178)	Adjustments to Usable Reserves permitted by accounting standards	(11.784)
(0.000)	Net (Increase)/Decrease before transfers to or from reserves	0.000
(6.497)	Balance on the HRA at 31 March	(6.497)

Notes to the Housing Revenue Account income and expenditure statement

The number and types of dwelling in the Council's housing stock

The Council was responsible for managing 12,216 dwellings during 2022/23 (12,216 in 2021/22). The following shows an analysis of these dwellings by type. The figures below exclude void initiative properties.

As at 31 March 2022			Type of dwelling	As at 31 March 2023	
Number	Average weekly rent	Number		Average weekly rent	
416	£64.48	419	One-apartment	£65.43	
3,685	£72.84	3,665	Two-apartment	£75.85	
5,864	£82.37	5,853	Three-apartment	£88.19	
2,040	£92.06	2,065	Four-apartment	£100.16	
211	£98.94	214	Five-apartment	£108.38	
12,216		12,216	Total		

Other information

	Dwellings £m	Non-Dwellings £m	Total as at 31 March 2023 £m	Total as at 31 March 2022 £m
Void Rent Loss	2.638	0.262	2.900	4.118
Rental Income Arrears	4.268	0.582	4.850	4.367
Provision for uncollectable rent arrears	3.330	0.346	3.676	3.166
Corporate and Democratic Core costs			0.033	0.056

Council Tax Income Account

The Council Tax income account shows the gross income raised from Council Taxes levied and deductions made under statute. Councils raise taxes from residents through Council Tax, which is a tax linked to property values. The Council Tax Reduction Scheme represents a discount introduced across Scotland following the abolition of Council Tax Benefits as part of the UK government's Welfare Reform programme. The resultant net income is transferred to the Council's CIES.

2021/22 £m		2022/23 £m
118.049	Gross council tax levied	123.138
(16.199)	Other discounts and reductions	(26.330)
(13.433)	Council tax reduction scheme	(13.143)
(2.476)	Write-off of uncollectable debts and allowance for impairment	(2.707)
0.523	Adjustment to previous years' community charge and council tax	(0.245)
86.464	Transfer to the Comprehensive Income and Expenditure Statement	80.713

Calculation of the Council Tax

Dwellings are valued by the Assessor and placed within valuation bands ranging from the lowest "A" to the highest "H".

The band D Council Tax charge is calculated using the Council Tax base, and this in turn fixes the charge for each of the other bands, which are based on pre-determined proportions relative to the band D charge. The band D charge for 2022/23 was £1,315.42 (£1,315.42 in 2021/22).

2021/22 £	Council Tax Band	2022/23 £
876.95	A	903.26
1,023.10	B	1,053.79
1,169.26	C	1,204.34
1,315.42	D	1,354.88
1,728.32	E	1,780.17
2,137.56	F	2,201.69
2,576.03	G	2,653.31

If a property is occupied by only one person over 18, a discount of 25% is applied.

Since 15 July 2016, unoccupied and unfurnished properties have been exempted from Council Tax for the first six months. A discount of 10% is then available for the next six months and 100% additional Council Tax levy is then payable for as long as the property remains empty, although the 10% discount may be extended by a further 12 months if the property is being actively marketed for sale or let.

Certain persons are disregarded for Council Tax purposes, including students, people who are in detention and those who are severely mentally impaired. Reductions in Council Tax are available for people with disabilities.

Charges for water and sewerage services are the responsibility of Scottish Water. Renfrewshire Council collects total monies and makes a precept payment to Scottish Water on the basis of collection levels based on a pre-determined formula. The figures below exclude the water and sewerage charges.

Calculation of the Council Tax base

The Council Tax base is the number of chargeable dwellings across all valuation bands (adjusted for dwellings where discounts apply), after providing for non-payment, expressed as an equivalent number of band D dwellings.

Band	Number of dwellings	Number of exemptions	Disabled relief	Discounts	Council Tax Reduction	Total equivalent dwellings	Ratio to Band D	2022/23 Band D equivalent	2021/22 Band D equivalent	
A	13,463	2,135	8	1,925	3,616	5,856	0.67	3,904	3,899	
B	25,888	1,648	77	3,268	5,562	15,392	0.78	11,972	11,958	
C	15,193	518	59	1,592	1,990	11,079	0.89	9,848	9,834	
D	13,263	329	45	1,194	761	11,007	1.00	11,007	10,820	
E	11,599	189	73	723	439	10,223	1.31	13,432	13,319	
F	6,993	77	48	303	120	6,464	1.63	10,504	10,252	
G	4,223	80	19	140	50	3,934	1.96	7,704	7,491	
H	208	4	0	10	2	192	2.45	470	475	
	90,830									
								Band A dwellings subject to disabled relief	8	8
								Class 17 and 24 dwellings	73	79
								Sub-total	68,922	68,135
								Less: Provision for non-payment and future award of discounts and reliefs	-4,017	-4,675
								Council Tax Base	64,905	63,460

Non-Domestic Rates Income Account

This account is an agent's statement that reflects the statutory obligation for those councils who issue bills to non-domestic rate payers to maintain a separate non-domestic rate account. The account shows the rates collected from non-domestic rate payers during the year. Any difference between the rates collected and the amount the Council is guaranteed to receive under the national pooling arrangements is adjusted via the Scottish Government's general revenue grant to the Council. Non-domestic rate income is redistributed from the national non-domestic rate pool in proportions based on the prior year mid-year income returns net of prior year adjustments. In 2012/13 the Scottish Government introduced the Business Rates Incentivisation Scheme (BRIS) which allows councils, where an agreed target income figure is exceeded, to retain 50% of the 'above target' income.

2021/22 £m		2022/23 £m
145.727	Gross rates levied	147.870
(55.765)	Reliefs and other deductions	(21.774)
(4.306)	Write-off of uncollectable debts and allowance for impairment	(3.543)
85.656	Net Non-Domestic Rates income	122.553
(0.759)	Adjustment to previous years' non-domestic rates	(1.692)
(3.234)	Contribution (to)/from the National Non-Domestic Rate pool	(12.785)
0.000	Non-domestic rate income retained by authority (BRIS)	0.000
81.663	Transfer to the Comprehensive Income and Expenditure Statement	108.076

The nature and amount of each rate fixed

The non-domestic rates charge for each subject is determined by the rateable value placed upon it by the Assessor, multiplied by the rate per pound (the "rate poundage") set each year by the Scottish Government. For 2022/23 the charge was 49.0 pence in the pound, with a 1.3 pence supplement for properties with a rateable value over £51,000 and a 2.6 pence supplement for properties with a rateable value above £95,000.

Under the Small Business Bonus Scheme (SBBS) relief is available to businesses where the combined rateable value of all business premises is £35,000 or less and the rateable value of individual premises is £18,000 or less. Properties with a total rateable value up to and including £15,000 are entitled to a 100% reduction in their business rates on each individual property and properties with a rateable value of between £15,001 to £35,000 receive a 25% reduction on each individual property with a rateable value of £18,000 or less.

Analysis of Renfrewshire Council's rateable values

Analysis of Rateable Values	2022/23 £m
Commercial	103.652
Industrial and freight transport	47.218
Education and public service	31.534
Communications	1.587
Others	101.814
Rateable Value at 1 April	285.805
Adjustments (Full Year Rateable Value)	1.440
Rateable Value at 31 March	287.245
Less: Wholly Exempt Subjects	(1.374)
Net Rateable Value at 31 March	285.871

Group Accounts

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing operations during the year. It includes, on an accruals basis, all day-to-day expenses and related income. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that councils need to take into account when setting the annual council tax charge. The required adjustments between accounting basis and funding basis under regulations are shown in the group movement in reserves statement.

2021/22			Note	2022/23		
Gross expenditure £m	Gross income £m	Net expenditure £m		Gross expenditure £m	Gross income £m	Net expenditure £m
253.334	(41.446)	211.888	Children's Services	294.465	(38.357)	256.108
57.024	(54.169)	2.855	Communities and Housing	69.707	(59.300)	10.407
104.227	(12.804)	91.423	Environment and Infrastructure	104.694	(4.462)	100.232
106.841	(48.250)	58.591	Finance and Resources	109.077	(48.963)	60.114
50.217	(13.059)	37.158	Chief Executive's Service	45.825	(14.131)	31.694
13.140	(13.523)	(0.383)	Miscellaneous Services	18.509	(15.032)	3.477
233.939	(147.843)	86.096	Adult Services	260.152	(161.744)	98.408
818.722	(331.094)	487.628	Cost of Services	902.429	(341.989)	560.440
(0.175)	0.000	(0.175)	(Gain)/Loss on the disposal of non-current assets	0.103	0.000	0.103
25.222	(1.615)	23.607	Financing and investment income and expenditure	24.322	(8.234)	16.088
0.000	(486.210)	(486.210)	Taxation and non-specific grant income	0.000	(505.934)	(505.934)
843.769	(818.919)	24.850	Deficit/(Surplus) on the Provision of Services	926.854	(856.157)	70.697
		(12.454)	Share of the (surplus) / deficit on the provision of services by associates and joint ventures		G3	8.135
		12.396	Group Deficit/(Surplus)			78.832
		(166.292)	(Surplus)/Deficit on the revaluation of non-current assets			(105.285)
		(0.873)	(Surplus)/Deficit from investments in equity instruments designated as Fair Value through Other Comprehensive Income		G15	3.514
		(226.812)	Actuarial (gain)/loss on pension assets and liabilities			(302.266)
		(4.216)	Share of other comprehensive (income) and expenditure of associates and joint ventures		G4	(2.084)
		(398.193)	Other comprehensive (income) and expenditure			(406.121)
		(385.797)	Total comprehensive (income) and expenditure			(327.289)

Figures shown in brackets represent income or gains and figures without brackets represent expenditure or losses.

Group Movement in Reserves Statement

The group movement in reserves statement shows the movement in the year on the different reserves held by the Council's group, analysed into the Council's usable reserves, the Council's unusable reserves and the Council's share of the reserves of the subsidiaries, associates and joint ventures within the group.

Note	Council's Usable Reserves £m	Council's Unusable Reserves £m	Council's Total Reserves £m	Council's share of Reserves of Subsidiaries, Associates and Joint Ventures £m	Total Reserves £m
Balance at 1 April 2022	214.457	1,278.820	1,493.277	104.347	1,597.624
Movement in reserves during the year					
Total Comprehensive Income and Expenditure	(54.026)	373.892	319.866	7.423	327.289
Adjustments between Group accounts and Council accounts G5	(14.925)	0.000	(14.925)	14.925	0.000
Adjustments to Usable Reserves permitted by accounting standards	37.178	(37.178)	0.000	0.000	0.000
Adjustment for Service Concession Arrangements	27.601	(27.601)	0.000	0.000	0.000
Adjustments between accounting basis and funding basis under regulations 6	25.766	(25.766)	0.000	0.000	0.000
Increase / (Decrease) in year	21.594	283.347	304.941	22.348	327.289
Balance at 31 March 2023	236.051	1,562.167	1,798.218	126.695	1,924.913

Group Balance Sheet

The group balance sheet shows the value as at 31 March 2023 of the assets and liabilities recognised by the Council. The net assets of the Council's group are matched by the reserves held by the group. Reserves are reported in two categories: usable reserves, which are those reserves that the group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations; and unusable reserves, comprising those that the group is not able to use to provide services. This category includes reserves that hold unrealised gains/losses in the value of assets where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown as 'adjustments between accounting basis and funding basis under regulations' in the group movement in reserves statement.

As at 31 March 2022		Note	As at 31 March 2023
£m			£m
1,677.558	Property, plant and equipment	G10	1,811.898
44.405	Heritage assets	G11	44.405
1.906	Investment property	G9	2.014
3.349	Intangible assets	13	2.524
34.848	Long-term investments	G15	27.008
64.790	Investments in associates and joint ventures	G3	58.739
2.691	Long-term debtors	G15	2.308
1,829.547	Long-term assets		1,948.896
0.922	Assets held for sale	12	0.100
183.583	Short-term investments	G15	166.751
1.106	Inventories		1.381
80.877	Short-term debtors	G12	67.340
19.819	Cash and cash equivalents	G15	13.513
286.307	Current assets		249.085
(92.005)	Short-term borrowing	G15	(94.161)
(74.206)	Short-term creditors	G13	(87.332)
(0.240)	Short-term provisions	21	(0.252)
(166.451)	Current liabilities		(181.745)
(69.152)	Long-term creditors	20	(65.690)
(5.117)	Long-term provisions	21	(4.942)
(219.781)	Long-term borrowing	G15	(223.600)
(57.729)	Other long-term liabilities		202.909
(351.779)	Long-term liabilities		(91.323)
1,597.624	Net assets		1,924.913
(241.908)	Usable reserves	G7	(265.043)
(1,355.716)	Unusable reserves	G8	(1,659.870)
(1,597.624)	Total reserves		(1,924.913)

The unaudited accounts were issued on 22 June 2023 and the audited accounts will be authorised for issue on a date TBC.

Group Cashflow Statement

The group cash flow statement shows the changes in cash and cash equivalents of the Council's group during the year. It shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is, borrowing) to the Council. The Council's share of the cash flows of its associates and joint ventures is disregarded for the purpose of this statement because the Council's share of the associates' and joint ventures' reserves is unusable and cannot be used to fund services.

2021/22		2022/23
£m		£m
(12.396)	Group surplus/(deficit)	(78.832)
103.510	Adjustment for non-cash movements	135.202
(42.875)	Adjustments for items included in the group surplus/deficit that are investing and financing activities	(44.807)
48.239	Net cash flows from operating activities	11.563
(92.233)	Net cash flows from investing activities	(20.087)
16.650	Net cash flows from financing activities	2.218
(27.344)	Net increase/(decrease) in cash and cash equivalents	(6.306)
47.163	Cash and cash equivalents at the beginning of the reporting period	19.819
19.819	Cash and cash equivalents at the end of the reporting period	13.513

Notes to the Group Accounts

The Council's share of Group entities is reviewed on an annual basis and some prior year figures are adjusted as a result, when compared to the prior year audited accounts.

Note G1: Details of the group's combining entities

Renfrewshire Council is represented on the board of a number of organisations. The extent of the Council's controlling interest has been reviewed in determining those entities that should be consolidated and incorporated within the group accounts. Those organisations, which have a significant impact on the Council's operations, are listed below. The accounting period for all of these bodies is the year to 31 March 2023. In addition to the information included in the group accounts on the preceding pages the accounting regulations require specific disclosures about the combining entities and the nature of their business.

OneRen, the Paisley, Renfrew and Johnstone Common Good Funds, Paisley Museum Reimagined Limited, Park Lane Developments (Renfrewshire) LLP and the Coats Observatory Trust administered by Renfrewshire Council (as sole trustee) are treated as subsidiaries in the Council's group accounts, with assets, liabilities, reserves, income and expenses being consolidated line-by-line.

Renfrewshire Leisure Limited, trading as **OneRen**, is a company limited by guarantee formed in 2014 and registered as a charity in Scotland. Its principal place of business is the Lagoon Leisure Centre, 11 Christie Street, Paisley PA1 1NB. The charity provides leisure and culture facilities within Renfrewshire Council's area to the general public and operates ten leisure centres within Renfrewshire plus a range of cultural service buildings, libraries and community halls. The objectives of the charity are to provide facilities for recreation, sport, cultural and other leisure activities for the benefit of the community in Renfrewshire. Any surplus generated by the charity is applied solely to its continuation and development. During 2022/23 Renfrewshire Council provided additional funding of £0.350m to OneRen to mitigate the financial impact of the pandemic recovery period, as well as a pass-through of Scottish Government funding in support of the local government pay settlement (£0.518m). The accounts of the charity are published separately and may be obtained from the Chief Executive, Lagoon Leisure Centre, 11 Christie Street, Paisley PA1 1NB.

Paisley Museum Reimagined Limited was formed in 2019 by Renfrewshire Council, with the objective of managing the development and delivery of the fundraising strategy for Paisley Museum and to drive the capital appeal for the redevelopment of Paisley Museum and furthering Paisley's cultural regeneration. The company is treated as a subsidiary within the Group Accounts. Copies of the financial statements may be obtained from its registered office at Renfrewshire House, Cotton Street, Paisley, Scotland, PA1 1WB.

Park Lane Developments (Renfrewshire) LLP was formed in 2010 by Renfrewshire Council and Park Lane Real Estate LLP in order to facilitate the regeneration of Paisley town centre through the transformation of the town's former Arnotts store into a mixed-use retail, office and residential development. The Partnership is treated as a subsidiary within the Group Accounts. Copies of the financial statements for the partnership may be obtained from its registered office at 87 Port Dundas Road, Cowcaddens, Glasgow G4 0HF.

The **group comprehensive income and expenditure statement (CIES)** includes total net comprehensive income for the year of £29.529m (2021/22 £8.732m) for OneRen, total net comprehensive expenditure for the year of £1.607m (2021/22 net comprehensive income of £1.681m) for the Paisley, Renfrew and Johnstone Common Good Funds, total net comprehensive expenditure for the year of £0.033m (2021/22 £0.057m restated) for Park Lane Developments (Renfrewshire) LLP, total net comprehensive income for the year of £0.533m (2021/22 net comprehensive expenditure of £0.152m) for Paisley Museum Reimagined Limited and total net comprehensive expenditure for the year of £0.023m (2021/22 £0.070m restated) for the Coats Observatory Trust.

The **group balance sheet** includes net assets of £27.389m (2021/22 net liabilities of £2.140m) for OneRen, net assets of £39.854m (2021/22 £41.461m) for the Common Good Funds, net assets of £0.076m (2021/22 £0.109m restated) for Park Lane Developments (Renfrewshire) LLP, net liabilities of £0.040m (2021/22 £0.573m) for Paisley Museum Reimagined Limited and net assets of £0.677m (2021/22 £0.700m restated) for the Coats Observatory Trust.

Strathclyde Concessionary Travel Scheme Joint Committee comprises the twelve councils in the west of Scotland and oversees the operation of the concessionary fares scheme for public transport within its area. The costs of the scheme are met by a combination of funding from the twelve constituent councils and by direct grant funding from the Scottish Government. Strathclyde Partnership for Transport administers the scheme on behalf of the committee. In 2022/23, Renfrewshire Council contributed £0.325m or 8.00% of the committee's estimated running costs (2021/22 £0.325m or 7.99%) and its share of the year-end net asset was £0.402m (2021/22 £0.367m) and is included in the group balance sheet. Copies of its accounts may be obtained from the Treasurer to Strathclyde Concessionary Travel Scheme, Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Strathclyde Partnership for Transport was formed on 1 April 2006 as the successor to the Strathclyde Passenger Transport Authority. It is a joint committee of the twelve councils in the west of Scotland. In association with the related

strategic development committees, the partnership's remit includes the promotion of joint working to set out the policy framework for achieving the most effective management, development and integration of the transport network across boundaries in the medium to longer term through the Regional Transport Strategy. Renfrewshire Council contributed £2.853m or 8.01% to the committee's estimated running costs in 2022/23 (2021/22 £2.861m or 8.00%) and its share of the year-end net asset was £37.982m (2021/22 £38.643m) and is included in the group balance sheet. Copies of its accounts may be obtained from the Treasurer to Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Renfrewshire Valuation Joint Board £m	Renfrewshire Council's Share £m		Renfrewshire Valuation Joint Board £m	Renfrewshire Council's Share £m
As at 31 March 2022		Balance Sheet Summary	As at 31 March 2023	
0.182	0.102	Long-term assets	0.126	0.073
0.693	0.390	Current assets	0.886	0.511
(0.087)	(0.049)	Current liabilities	(0.082)	(0.047)
(0.335)	(0.188)	Pension asset / (liability)	5.202	3.001
0.453	0.255	Net assets	6.132	3.538
2021/22		Income and Expenditure Summary	2022/23	
2.802	1.577	Income	2.884	1.664
3.215	1.809	Expenditure	3.031	1.749
(0.413)	(0.232)	Deficit for the year	(0.147)	(0.085)

Renfrewshire Valuation Joint Board was formed in 1996 at local government re-organisation by Act of Parliament. Its principal place of business is The Robertson Centre, 16 Glasgow Road, Paisley PA1 3QF. The board maintains the electoral, council tax and non-domestic rates registers for the three councils of East Renfrewshire, Inverclyde and Renfrewshire. The board's running costs are met by the three member councils. Surpluses or deficits on the board's operations are shared between the councils. In 2022/23, Renfrewshire Council contributed £1.635m or 57.7% of the board's estimated running costs (2021/22 £1.561m or 56.3%) and its share of the year-end net asset was £3.538m (2021/22 £0.255m restated) and is included in the group balance sheet. Copies of its accounts may be obtained from the Treasurer to the Renfrewshire Valuation Joint Board, Renfrewshire Council, Renfrewshire House, Paisley PA1 1JB. The following additional disclosures are required under accounting regulations for Renfrewshire Valuation Joint Board because it is a related party to the Council.

Aggregate of Associate results £m	Renfrewshire Council's Share £m	Associates	Aggregate of Associate results £m	Renfrewshire Council's Share £m
As at 31 March 2022		Balance Sheet Summary	As at 31 March 2023	
321.773	25.815	Long-term assets	322.440	25.878
186.993	15.285	Current assets	184.227	15.190
(20.079)	(1.647)	Current liabilities	(26.305)	(2.147)
(0.335)	(0.188)	Pension asset / (liability)	5.202	3.001
488.352	39.265	Net assets	485.564	41.922
2021/22		Income and Expenditure Summary	2022/23	
83.591	8.036	Income	89.369	8.588
75.700	7.604	Expenditure	81.299	8.015
7.891	0.432	Surplus for the year	8.070	0.573

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of health and adult social care in Scotland. On 27 June 2015, Scottish Ministers legally established the **Renfrewshire Health and Social Care Integration Joint Board (IJB)** as a formal legal partnership between Renfrewshire Council and NHS Greater Glasgow and Clyde.

The IJB is responsible for the strategic planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements. Copies of the financial statements for the IJB may be obtained from Chief Officer, Renfrewshire Health and Social Care Integration Joint Board, Renfrewshire House, Cotton Street, Paisley, PA1 1WB.

Renfrewshire Integration Joint Board £m	Renfrewshire Council's Share £m		Renfrewshire Integration Joint Board £m	Renfrewshire Council's Share £m
As at 31 March 2022		Balance Sheet Summary	As at 31 March 2023	
51.049	25.525	Current assets	33.633	16.817
51.049	25.525	Net assets	33.633	16.817
2021/22		Income and Expenditure Summary	2022/23	
367.251	183.626	Income	359.320	179.660
343.208	171.604	Expenditure	376.736	188.368
24.043	12.022	(Deficit)/Surplus for the year	(17.416)	(8.708)

Note G2: Non-material interest in other entities

In addition to the combining entities detailed in note G1, the Council has a "significant interest" in a number of joint committees. The Council's share of the net assets or liabilities of these joint committees is not material to the fair understanding of the financial position and transactions of the Council. Accordingly, the group accounts do not include these organisations. In the interest of transparency, the following disclosures are made concerning the business nature of each organisation.

Scotland Excel is formed by agreement among local authorities throughout Scotland and is maintained through a joint committee comprising representatives from all of the member councils. Launched on 1 April 2008 as a centre of procurement expertise for the local government sector, it is the largest non-profit making purchasing agency in Scotland. Its aim is to help improve the efficiency and effectiveness of public sector procurement. Renfrewshire Council contributed £0.126m (3.2%) to the committee's estimated running costs in 2022/23 (£0.122m in 2021/22).

Glasgow and the Clyde Valley Strategic Development Planning Authority. The committee covers the eight councils within its area. Under the Town and Country Planning (Scotland) Act 1997, each member council not only has responsibilities for local planning matters in its area but also the strategic issues that cover the wider area of the Glasgow and Clyde valley. Accordingly, the committee prepares, monitors and reviews the Strategic Development Plan on behalf of member councils and liaises with central government, Scottish Enterprise and other bodies. Renfrewshire Council contributed £0.068m (12.5%) to the committee's estimated running costs in 2022/23 (£0.052m in 2021/22).

Glasgow City Region – City Deal Cabinet is a Joint Committee, the purpose of which is to determine the Strategic Development priorities for the Clyde Valley Region and to monitor and ensure the delivery of the City Deal programme as agreed between member authorities and the UK and Scottish Governments. The City Deal programme aims to deliver a

£1.13 billion investment programme through 20 infrastructure projects and will drive innovation and growth through the support of the key sectors, including delivery of labour market and innovation programmes.

The committee operates in an administrative / project management capacity and does not hold any assets or liabilities developed from the City Deal programme.

Note G3: Associates and joint ventures

The aggregate value of the assets, liabilities, income and expenditure of the Council's associates and joint ventures are shown in the two tables which follow.

The net asset figure from these two tables combined (£16.817m + £41.922m = £58.739m) equates to the figure disclosed in the group balance sheet as 'Investments in associates and joint ventures'.

Aggregate of Joint Venture results £m	Renfrewshire Council's Share £m	Joint ventures	Aggregate of Joint Venture results £m	Renfrewshire Council's Share £m
As at 31 March 2022		Balance Sheet Summary	As at 31 March 2023	
51.049	25.525	Current assets	33.633	16.817
51.049	25.525	Net assets	33.633	16.817
2021/22		Income and Expenditure Summary	2022/23	
367.251	183.626	Income	359.320	179.660
343.208	171.604	Expenditure	376.736	188.368
24.043	12.022	(Deficit)/Surplus for the year	(17.416)	(8.708)

Aggregate of Associate results £m	Renfrewshire Council's Share £m	Associates	Aggregate of Associate results £m	Renfrewshire Council's Share £m
As at 31 March 2022		Balance Sheet Summary	As at 31 March 2023	
321.773	25.815	Long-term assets	322.440	25.878
186.993	15.285	Current assets	184.227	15.190
(20.079)	(1.647)	Current liabilities	(26.305)	(2.147)
(0.335)	(0.188)	Pension asset / (liability)	5.202	3.001
488.352	39.265	Net assets	485.564	41.922
2021/22		Income and Expenditure Summary	2022/23	
83.591	8.036	Income	89.369	8.588
75.700	7.604	Expenditure	81.299	8.015
7.891	0.432	Surplus for the year	8.070	0.573

Note on contingent assets, contingent liabilities and capital commitments

The Council is unaware of any material contingent asset or contingent liability as at 31 March 2023 in relation to any of its associates or joint ventures. The Council is unaware that any commitments have been entered into by any of its associates or joint ventures as at 31 March 2023, either with the Council itself or with other parties.

Note G4: Material items of group income and expenditure

In order to assist the reader in a better understanding of the impact of the inclusion of the results of the associates and joint ventures, the following tables provide an analysis of the Council's share of the material amounts of income and expenditure disclosed in the group CIES.

2021/22 £m	Material items of group income and expenditure	2022/23 £m
	Share of (surplus) or deficit:	
3.298	Subsidiaries:	1.746
(0.434)	Paisley, Renfrew and Johnstone Common Good Funds	(0.650)
0.025	Coats Observatory Trust	0.020
3.498	OneRen	2.876
0.057	Park Lane Developments (Renfrewshire) LLP	0.033
0.152	Paisley Museum Reimagined Limited	(0.533)
(0.432)	Associates:	(0.573)
(0.573)	Strathclyde Partnership for Transport	(0.624)
(0.091)	Strathclyde Concessionary Travel Scheme Joint Committee	(0.034)
0.232	Renfrewshire Valuation Joint Board	0.085
	Joint Venture:	
(12.022)	Renfrewshire Health and Social Care Integration Joint Board	8.708
(9.156)	Aggregate share of (surplus) or deficit	9.881
	Share of other comprehensive (income) and expenditure:	
(13.432)	Subsidiaries:	(30.145)
(1.247)	Paisley, Renfrew and Johnstone Common Good Funds	2.257
0.045	Coats Observatory Trust	0.003
(12.230)	OneRen	(32.405)
(4.216)	Associates:	(2.084)
(2.815)	Strathclyde Partnership for Transport	1.285
0.000	Strathclyde Concessionary Travel Scheme Joint Committee	(0.001)
(1.401)	Renfrewshire Valuation Joint Board	(3.368)
(17.648)	Aggregate share of other comprehensive (income) and expenditure	(32.229)
(26.804)	Aggregate share of total comprehensive (income) and expenditure	(22.348)

Note G5: Adjustments between group accounts and council accounts

In the group movement in reserves statement, adjustments between group accounts and council accounts are required to bring the Council's reserve balances back to the amount presented in the Council-only figures (before adjustments between accounting basis and funding basis under regulations). This is because intra-group transactions are eliminated when total comprehensive income and expenditure is calculated for the group. The adjustments between group accounts and council accounts can be analysed as follows:

2021/22 £m	Adjustments between Group accounts and Council accounts	2022/23 £m
0.148	Grants made by the Paisley, Renfrew and Johnstone Common Good Funds to Renfrewshire Council in contribution towards the funding of community events and projects	0.123
0.059	Governance costs charged to the Paisley, Renfrew and Johnstone Common Good Funds by Renfrewshire Council	0.059
(0.003)	Interest income received from Renfrewshire Council by the Paisley, Renfrew and Johnstone Common Good Funds	(0.040)
(12.941)	Service charge and other expenditure payable by Renfrewshire Council to OneRen	(15.629)
0.297	Expenditure payable by OneRen to Renfrewshire Council	0.442
0.144	Expenditure payable by Paisley Museum Reimagined Limited to Renfrewshire Council	0.120
(12.296)	Total adjustments between Group accounts and Council accounts	(14.925)

Note G6: Group financing and investment income and expenditure

2021/22 £m	Group financing and investment income and expenditure	2022/23 £m
20.312	Interest payable and similar charges	22.298
4.907	Net interest on the net defined benefit liability	1.984
(0.631)	Interest receivable and similar income	(6.646)
(0.208)	Income and expenditure in relation to investment properties and changes in their fair values	(0.352)
(0.773)	Other investment income	(1.196)
23.607	Total financing and investment income and expenditure	16.088

Note G7: Group Usable reserves

2021/22 £m	Group Usable Reserves	2022/23 £m
(214.457)	Council Usable Reserves - Note 7	(236.051)
	Group Usable Reserves:	
(24.524)	Paisley, Renfrew and Johnstone Common Good Funds: unrestricted funds	(25.174)
(0.241)	Coats Observatory Trust: usable balances	(0.218)
(0.368)	OneRen	(0.371)
0.573	Paisley Museum Reimagined Limited	0.040
(2.891)	Renfrewshire Health and Social Care Integration Joint Board	(3.269)
(241.908)	Total Group Usable Reserves	(265.043)

Note G8: Group Unusable reserves

Unusable reserves are those reserves that the Council is not able to utilise to provide services. Included within the total Group Unusable Reserves are the unusable reserves of the Council's subsidiaries; also included is the Council's share of the reserves of the associates and joint ventures within the group.

2021/22 £m	Group Unusable Reserves	2022/23 £m
(1,278.820)	Council Unusable Reserves - Note 8	(1,513.106)
	Group Unusable Reserves:	
(6.960)	Paisley, Renfrew and Johnstone Common Good Funds: financial instruments revaluation reserve	(3.915)
(9.977)	Paisley, Renfrew and Johnstone Common Good Funds: revaluation reserve	(10.765)
(0.459)	Coats Observatory Trust: revaluation reserve	(0.459)
2.508	OneRen: pension reserve	(27.018)
(0.109)	Park Lane Developments (Renfrewshire) LLP	(0.076)
	Council share of the Reserves of associates and joint ventures:	
(38.643)	Strathclyde Partnership for Transport	(37.982)
(0.367)	Strathclyde Concessionary Travel Scheme Joint Committee	(0.402)
(0.255)	Renfrewshire Valuation Joint Board	(3.538)
(22.634)	Renfrewshire Health and Social Care Integration Joint Board	(13.548)
(1,355.716)	Total Group Unusable Reserves	(1,610.809)

Note G9: Group investment properties

The following items of income and expense have been accounted for in the 'Financing and investment income and expenditure' line in the group CIES:

2021/22 £m	Group Investment Properties	2022/23 £m
(0.419)	Rental income from investment property	(0.472)
(0.419)	Net (gain) or loss	(0.472)

There are no restrictions on the Council's ability to realise the value inherent in investment property, nor on the right to the remittance of income and the proceeds of disposal. With regards Common Good properties, the Council is obliged to observe the provisions of the Community Empowerment (Scotland) Act 2015 in terms of public consultation on disposal proposals; however, the right to the remittance of income and proceeds of disposal remains with the Common Good Funds. The following table summarises the movement in the fair value of investment properties during the year:

2021/22 £m	Group Investment Properties	2022/23 £m
1.993	Balance at 1 April	1.906
(0.081)	Net losses from fair value adjustments	0.178
0.000	Transfers from inventories and property, plant and equipment	(0.064)
(0.006)	Other changes	(0.006)
1.906	Balance at 31 March	2.014

Note G10: Group Property, plant and equipment

Movements in 2022/23	Council PPE (Note 9) £m	Council share of Group PPE £m	Total Group PPE £m
Balance sheet net carrying amount at 31 March 2022	1,663.152	14.406	1,677.558
Assets reclassified (to) or from the "held for sale" category	0.297	0.000	0.297
Other asset reclassifications	0.064	0.000	0.064
Additions	119.023	0.000	119.023
Disposals	(1.275)	0.000	(1.275)
Depreciation	(91.551)	0.108	(91.443)
Revaluation adjustments taken to the Revaluation Reserve	104.500	0.034	104.534
Revaluation adjustments recognised in the CIES	3.140	0.000	3.140
Balance sheet net carrying amount at 31 March 2023	1,797.350	14.548	1,811.898
Gross carrying amount at 31 March 2023	1,844.283	19.058	1,863.341
Accumulated depreciation at 31 March 2023	(269.665)	(4.510)	(274.175)
Infrastructure assets	222.732	0.000	222.732
Balance sheet net carrying amount at 31 March 2023	1,797.350	14.548	1,811.898

Movements in 2021/22	Council PPE (Note 9) £m	Council share of Group PPE £m	Total Group PPE £m
Balance sheet net carrying amount at 31 March 2021	1,484.243	14.339	1,498.582
Assets reclassified (to) or from the "held for sale" category	(0.822)	0.000	(0.822)
Additions	81.248	0.000	81.248
Disposals	(2.050)	0.000	(2.050)
Depreciation	26.350	(0.166)	26.184
Revaluation adjustments taken to the Revaluation Reserve	81.325	0.233	81.558
Revaluation adjustments recognised in the CIES	(7.142)	0.000	(7.142)
Balance sheet net carrying amount at 31 March 2022	1,663.152	14.406	1,677.558
Gross carrying amount at 31 March 2022	1,678.275	19.020	1,697.295
Accumulated depreciation at 31 March 2022	(229.291)	(4.614)	(233.905)
Infrastructure assets	214.168	0.000	214.168
Balance sheet net carrying amount at 31 March 2022	1,663.152	14.406	1,677.558

Note G11: Group heritage assets

A valuation of the fair value of the Council's Heritage Assets was carried out by an external valuer between October 2021 and March 2022, resulting in an increase of £4.883m. The value at 31 March 2023 was £44.405m (£39.522m in 2021/22). Included in this value are the civic regalia and equipment of the Paisley, Renfrew and Johnstone Common Good Funds, which have been externally valued on a present value insurance basis at £0.219m as at 31 March 2023 (£0.219 at 31 March 2022).

Note G12: Group short-term debtors

The balances detailed below are composed mostly of the debtors of the Council, to which the debtors of OneRen, Park Lane Developments (Renfrewshire) LLP and the Paisley, Renfrew and Johnstone Common Good Funds have been added.

As at 31 March 2022 £m	Group Short-term Debtors	As at 31 March 2023 £m
5.527	Trade receivables	6.110
5.298	Prepayments	4.311
70.052	Other receivables	56.219
80.877	Total	66.640

As at 31 March 2022 £m		As at 31 March 2023 £m
0.737	Amounts owing to Renfrewshire Council: Other balances	0.789
0.737	Total	0.789
(51.076) (0.675)	Amounts owed by Renfrewshire Council: Liability for Renfrewshire Integration Joint Board's retained underspend Other balances	(33.660) (1.119)
(51.751)	Total	(34.779)

Note G13: Group short-term creditors

The balances detailed below are composed mostly of the creditors of the Council, to which the creditors of OneRen, Park Lane Developments (Renfrewshire) LLP and the Paisley, Renfrew and Johnstone Common Good Funds have been added.

As at 31 March 2022 £m	Group Short-term Creditors	As at 31 March 2023 £m
(14.909)	Trade payables	(24.957)
(59.297)	Other payables	(62.407)
(74.206)	Total	(87.364)

Note G14: Amounts due between Renfrewshire Council and its associates and joint ventures

An analysis of the amounts owing and owed between the Council and its associates and joint ventures, analysed into amounts relating to loans and amounts relating to other balances, is shown in the table below.

Note G15: Group financial instruments

Balance sheet carrying amounts of group financial instruments

The following categories of financial instrument are carried in the group balance sheet. Additional qualitative information on the various categories of financial instruments can be found in Note 22: Financial Instruments.

As at 31 March 2022		Financial Assets	As at 31 March 2023	
Long-term £m	Current £m		Long-term £m	Current £m
5.001	183.499	At amortised cost: Principal	0.000	165.000
0.000	0.084	At amortised cost: Accrued interest	0.000	1.751
29.847	0.000	At fair value through other comprehensive income - designated equity instruments	27.008	0.000
34.848	183.583	Total Investments	27.008	166.751
0.000	(8.435)	At amortised cost: Principal	0.000	0.420
0.000	0.002	At amortised cost: Accrued interest	0.000	0.012
0.000	(0.001)	At amortised cost: Loss allowance	0.000	(0.002)
0.000	28.253	At fair value through profit or loss	0.000	13.083
0.000	19.819	Total Cash and cash equivalents	0.000	13.513
1.162	89.288	At amortised cost: Trade receivables	0.818	78.888
5.027	0.065	At amortised cost: Loans made for service purposes	4.986	0.057
0.913	0.000	At amortised cost: Accrued interest	1.037	0.000
(4.411)	(19.740)	At amortised cost: Loss allowance	(4.533)	(20.213)
2.691	69.613	Financial Assets included in Debtors	2.308	58.732

As at 31 March 2022		Financial Liabilities	As at 31 March 2023	
Long-term £m	Current £m		Long-term £m	Current £m
(199.427)	(1.869)	Principal sum borrowed	(223.600)	(0.828)
0.000	(2.698)	Accrued interest	0.000	(2.770)
(199.427)	(4.567)	Total Public Works Loan Board (PWLB) borrowing	(223.600)	(3.598)
(20.000)	(32.916)	Principal sum borrowed	0.000	(52.916)
0.000	(0.871)	Accrued interest	0.000	(0.871)
(0.354)	(0.512)	EIR adjustments	0.000	(0.845)
(20.354)	(34.299)	Total non-PWLB borrowing ("market debt")	0.000	(54.632)
0.000	(53.139)	Borrowing from group entities	0.000	(35.931)
(219.781)	(92.005)	Total Borrowing	(223.600)	(94.161)
0.000	(41.849)	At amortised cost: Trade payables	0.000	(47.709)
(68.362)	(3.219)	Service concession and finance lease liabilities	(64.973)	(3.388)
(0.005)	0.000	Financial guarantees	(0.003)	0.000
(68.367)	(45.068)	Financial Liabilities included in Creditors	(64.976)	(51.097)

Note: the figures in this table include accrued interest where this is applicable

Fair value of group financial instruments

The fair value through other comprehensive income financial assets carried on the group balance sheet comprise the Council's insurance fund investments and the investments of the Paisley and Renfrew Common Good Funds. The fair value of these investments equates to the market value of the investments as provided by the Council's investment manager, abrdn Capital Limited. In terms of the fair value measurement hierarchy the financial instruments measured at fair value are considered to be Level 1 being quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date, Level 2 being inputs other than quoted prices that can be accessed at the measurement date, or Level 3 being unobservable inputs e.g. cashflow forecasts or estimated creditworthiness (see table below).

As at 31 March 2022		Financial Liabilities	Fair value level	As at 31 March 2023	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
(203.994)	(254.715)	Financial liabilities measured at amortised cost:			
(54.653)	(73.852)	Public Works Loan Board borrowing	2	(227.198)	(222.758)
		Non-PWLB borrowing ("market debt")	2	(54.632)	(61.519)
		Other liabilities:			
(71.581)	(102.940)	Service concession and finance lease liabilities	3	(68.361)	(126.783)
(0.005)	(0.005)	Financial guarantees	3	(0.003)	(0.003)
(330.233)	(431.512)	Total financial liabilities for which fair value is disclosed		(350.194)	(411.063)
		Financial liabilities measured at amortised cost:			
(53.139)	n/a	Borrowing from group entities		(35.931)	n/a
(41.849)	n/a	Trade payables: short-term		(47.709)	n/a
(94.988)		Total financial liabilities for which fair value is not disclosed		(83.640)	

As at 31 March 2022		Financial Assets	Fair value level	As at 31 March 2023	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
25.299	25.299	Callable deposits in money market funds	1	6.086	6.086
2.954	2.954	Euro account balances with the Council's banker	2	6.997	6.997
29.847	29.847	Investments in pooled funds	1	27.008	27.008
58.100	58.100	Total Financial assets measured at fair value		40.091	40.091
188.584	187.713	Fixed term deposits with UK local authorities	2	166.751	166.751
(8.486)	(8.486)	Callable deposits with UK banks & building societies*	2	0.379	0.379
0.052	0.052	Imprest accounts held at council establishments	2	0.051	0.051
1.592	1.707	Loans made for service purposes	3	1.546	1.681
181.742	180.986	Total Financial assets measured at amortised cost		168.727	168.862
239.842	239.086	Total financial assets for which fair value is disclosed		208.818	208.953
		Financial assets measured at amortised cost:			
1.162	n/a	Trade receivables and prepayments: long-term		0.817	n/a
69.550	n/a	Receivables and prepayments: short-term		58.677	n/a
70.712		Total financial assets for which fair value is not disclosed		59.494	

*includes current account balances with the Council's banker.

The short-term nature of cash and cash equivalents means that their fair value equates to their balance sheet carrying amount. Further qualitative information on the fair value of financial instruments can be found in Note 22.

Items of income, expense, gain and loss relating to group financial instruments

The following items of income, expense, gain and loss relating to group financial instruments are included within the lines 'Financing and Investment income and expenditure' and '(Surplus) or deficit from investments in equity instruments designated as 'Fair Value through Other Comprehensive Income (OCI*)' in the group CIES.

2021/22 £m		Financial Assets			Financial liabilities at amortised cost £m	2022/23 £m
		Amortised cost £m	Elected to Fair Value through OCI* £m	Fair Value through Profit or Loss £m		
16.417	Interest expense	0.000	0.000	0.000	16.543	16.543
16.417	Total expense in the Surplus / Deficit on the Provision of Services	0.000	0.000	0.000	16.543	16.543
(0.294)	Interest income	(3.482)	0.000	(0.701)	0.000	(4.183)
(0.794)	Dividend income	0.000	(0.794)	0.000	0.000	(0.794)
(0.409)	Other income	(0.319)	(0.551)	0.000	0.000	(0.870)
(1.497)	Total income in the Surplus/Deficit on the Provision of Services	(3.801)	(1.345)	(0.701)	0.000	(5.847)
(0.824)	Net (gain) or loss on revaluation	0.000	2.987	0.040	0.000	3.027
(0.824)	(Surplus)/Deficit on the revaluation of financial assets	0.000	2.987	0.040	0.000	3.027
14.096	Net (Gain)/Loss for the year	(3.801)	1.642	(0.661)	16.543	13.723

Group Accounting Policies

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 ("the Code") requires local authorities to consider their interests in all types of entity.

This includes other local authorities or similar bodies defined in section 106 of the Local Government (Scotland) Act 1973, for example statutory bodies such as valuation boards.

Authorities are required to prepare a full set of group accounts in addition to their own Council's accounts where they have a material interest in such entities.

Combining entities

Renfrewshire Council's group accounts consolidate the results of the Council with the results of the Paisley, Renfrew and Johnstone Common Good Funds; the Coats Observatory Trust administered by Renfrewshire Council; and seven other entities:

1. Renfrewshire Leisure Limited, trading as OneRen;
2. Paisley Museum Reimagined Limited;
3. Park Lane Developments (Renfrewshire) LLP;
4. Strathclyde Partnership for Transport;
5. Strathclyde Concessionary Travel Scheme Joint Committee;
6. Renfrewshire Valuation Joint Board;
7. Renfrewshire Health and Social Care Integration Joint Board.

The Council has effective control over OneRen, Paisley Museum Reimagined Limited, the Paisley, Renfrew and

Johnstone Common Good Funds and the Coats Observatory Trust administered by Renfrewshire Council (as sole trustee) and, as such, these are treated as subsidiaries in the Council's group accounts, with assets, liabilities, reserves, income and expenses being consolidated line-by-line.

The Council also holds 50% (£50) of the share capital of Park Lane Developments (Renfrewshire) LLP. Under the terms of the Partnership Agreement, the Council has enhanced voting rights and Park Lane Developments (Renfrewshire) LLP has no claim on the remaining assets should the partnership be wound up; therefore, the entity is treated as a subsidiary.

Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee are included within the group accounts under the definition of associate, even though the Council holds less than 20% or more of the voting (or potential voting) power (which is the criterion normally used to confer significant influence). However, the view has been taken that the nature of the funding arrangements between the constituent Councils and these entities is sufficient to confer significant influence.

Renfrewshire Valuation Joint Board is included within the group accounts as an associate because the Council does not have a controlling interest in the body in terms of the voting rights.

Renfrewshire Council's share of each associate's net assets or liabilities is calculated based on the Council's proportionate contribution to each associate's annual revenue costs. The Council has no shares in, or ownership of, any of these three organisations, which are entirely independent of the Council under law and for taxation.

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of health and adult social care in Scotland.

Scottish Ministers legally established the Renfrewshire Health and Social Care Integration Joint Board on 27 June 2015 as a formal legal partnership between Renfrewshire Council and NHS Greater Glasgow and

Clyde. This entity is included as a joint venture in the Council's group accounts. Renfrewshire Council's share of the joint venture's net liabilities is calculated based on the Council's proportionate ordinary shareholding in the joint venture.

Basis of preparation of group statements and going concern

For the associates and joint ventures detailed above, the combination has been accounted for under the accounting conventions of the acquisition basis using the equity method, with the Council's share of the net assets or liabilities of each entity incorporated and adjusted each year by the Council's share of that entity's results and the Council's share of other gains and losses (recognised in the group CIES).

For four of the combining entities the Council has a share in a net liability. The net liability position of both the Renfrewshire Valuation Joint Board and OneRen arises from the inclusion of liabilities related to the defined benefit pension schemes as required by IAS19 (which requires that pension liabilities reflect the long-term cost of paying post-employment benefits). For Park Lane Developments (Renfrewshire) LLP the net liability arises from long-term borrowing to fund regeneration work within and around the site of the former Arnott's store in Paisley. For Paisley Museum Reimagined Limited the net liability relates to sums due by the company to Renfrewshire Council for the provision of ongoing administrative support.

All of the organisations noted above prepare their annual accounts on a going concern basis. Arrangements with the Council and other funders for the longer-term funding of Park Lane Developments (Renfrewshire) LLP are considered sufficient to meet future funding requirements. The Council will continue to support Paisley Museum Reimagined Limited until their anticipated revenue generation materialises.

Consideration for acquisition of associates' net assets or liabilities

The Council has acquired its share of the net assets of its associates for a nil consideration. There is no deferred or contingent purchase consideration. A fair value for its share of the net assets or liabilities of the three joint boards and committees at the point of acquisition and the post-acquisition results are unable to be accurately determined in view of the length of time since the transfer of these responsibilities at local government re-organisation in 1996 and the change in accounting for pensions under FRS17 in 2003/04.

It is not possible to provide the fair value of the investment in the other combining entities of the Council as there are no published price quotations for these entities. No goodwill has been included in the group balance sheet in view of the length of time since acquisition, that no consideration was involved and that a fair value at the date of acquisition cannot now be properly assessed.

Group boundary: non-material interests in other entities

The Council has a significant interest in three joint committees that have not been included in the group accounts. The Council's share of their net assets or liabilities is not material to the fair understanding of the financial position and transactions of the Council. In the interest of transparency, details of the business nature of each organisation are shown in notes G1 and G2.

Inventories

Inventories (generally consumable stock) are included in the group balance sheet at weighted average cost and the lower of cost or net realisable value: weighted average cost – Council's stock; lower of cost or net realisable value – OneRen's stock. The difference in valuation methods does not have a material effect on the results of the group given the levels of stockholdings in these entities.

Post-employment benefits

In common with Renfrewshire Council, all combining entities, except Park Lane Developments (Renfrewshire) LLP, participate in the Local Government Pension Scheme, which is administered locally by Glasgow City Council through the Strathclyde Pension Fund. The associates have accounting policies for pensions accounting that are consistent with those of the Council.

Property, plant and equipment

The basis of valuation across the combining entities is in accordance with the Code. Operational property, plant and equipment assets are shown at the lower of net replacement cost or net realisable value in existing use with the following exceptions:

- i) The Concessionary Travel Scheme Joint Committee has no fixed assets.
- ii) Strathclyde Partnership for Transport holds exceptional types of fixed assets in its balance sheet. Within intangible assets, there are subsidised bus contracts that are recorded at amortised cost. There are also "third-party" assets that are rolling stock and other public assets used by other transport operators but which the partnership has the power to direct to the benefit of the travelling public within the partnership's operating area – these are held at historic cost.
- iii) OneRen uses the historic cost convention for its recent leasehold improvements, but this is considered a suitable proxy for market value in existing use on a replacement cost basis. OneRen also uses depreciated historic cost for its computers, plant, furniture and fittings rather than the Council's depreciated replacement cost basis, however this is not considered to be material given the small values involved.

Restrictions on the transfer of funds

The Council's share of the reserves of its associates is unusable in that it cannot be used to fund the Council's services nor to reduce taxation. All associates are entirely independent of the Council under law and for taxation. The Council is unable to access their reserves, whether classified as usable or otherwise in the associate's own financial statements.

Value Added Tax

Value Added Tax paid by OneRen is accounted for within income and expenditure to the extent that it is irrecoverable from HM Revenue and Customs.



Renfrewshire
Council

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To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Director of Finance & Resources

Heading: Azets Report to those charged with governance - Coats Observatory Trust Annual Accounts 2022/23

1. Summary

- 1.1 Each year the Council's appointed external auditors carry out an audit of the financial statements of the Coats Observatory Trust, controlled by Renfrewshire Council, and provide an opinion as to whether those statements provide a true and fair view of the financial position of the charity and its income and expenditure for the year; and also whether they have been prepared in accordance with the relevant regulations.
- 1.2 In accordance with International Auditing Standards (ISA260), Azets is obliged to report to those charged with the governance of the organisation matters that have arisen in the course of the audit.
- 1.3 The attached ISA260 report from Azets outlines their findings from the audit of the 2022/23 Coats Observatory Trust accounts.
- 1.4 Under the Local Authority Accounts (Scotland) Regulations 2014, the Council must meet to consider the Annual Accounts and aim to approve those accounts for signature no later than 30 September.
- 1.5 Azets officers will attend the Audit, Risk and Scrutiny Board meeting to present their reports.

2. Recommendations

- 2.1 Members are requested to consider the attached report from Azets.

Implications of the Report

1. **Financial** – The annual accounts demonstrate that the Council continues to operate the charity it controls within the resources available, and in line with the relevant legislation.
2. **HR & Organisational Development** – none arising directly from this report.
3. **Community/Council Planning** – none arising directly from this report.
4. **Legal** – An audit opinion free from qualification demonstrates compliance with the relevant legislation and statutory accounting requirements.
5. **Property/Assets** – none arising directly from this report.
6. **Information Technology** – none arising directly from this report.
7. **Equality & Human Rights** – none arising directly from this report.
8. **Health & Safety** – none arising directly from this report.
9. **Procurement** – none arising directly from this report.
10. **Risk** – none arising directly from this report.
11. **Privacy Impact** – none arising directly from this report.
12. **Cosla Policy Position** – none arising directly from this report.
13. **Climate Risk** – none arising directly from this report.

Author: Christine McCourt, Head of Finance and Procurement



Coats Observatory Trust Fund

**2022/23 Annual Audit Report to the Audit,
Risk and Scrutiny Board and the Accounts
Commission**

November 2023



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Key messages

This report concludes our audit of Coats Observatory Trust Fund (the “Trust”) for the year ended 31 March 2023. This section summarises the key findings and conclusions from our audit.

Financial statements audit

Audit opinion	<p>The annual accounts are due to be considered by the Council on 6 November 2023 and approved upon completion of the audit.</p> <p>We anticipate our independent auditor’s report to be unqualified.</p>
Key audit findings	<p>The Trust had appropriate administrative processes in place to prepare the annual accounts and the supporting working papers. We have obtained adequate evidence in relation to the key audit risks identified in our audit plan.</p> <p>The accounting policies used to prepare the financial statements are considered appropriate. We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements. All material disclosures required by relevant legislation and applicable accounting standards have been made appropriately. This is subject to the completion of the final audit senior management review.</p>
Audit adjustments	<p>We have not identified any audit adjustments during the audit process.</p> <p>We identified some disclosure and presentational adjustments during our audit. As part of our completion procedures, we will confirm these have been reflected in the final set of financial statements.</p>

Accounting systems and internal controls

We have applied a risk-based methodology to the audit. This approach requires us to document, evaluate and assess The Trust's processes and internal controls relating to the financial reporting process.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we include these in this report. We consider the control environment within The Trust to be satisfactory.

Introduction

The annual audit comprises the audit of the financial statements.

We outlined the scope of our audit in our External Audit Plan for Renfrewshire Council (“the Council”), which we presented to the Board at the outset of our audit. We have not made any subsequent changes to the risks outlined in that plan.

Responsibilities

The Charities Accounts (Scotland) Regulations 2006 outline the accounting and auditing requirements for charitable bodies. The Regulations require an auditor to prepare a report to the charity trustees where an audit is required by any other enactment.

The Trust is Renfrewshire Council’s charitable trust and is covered by the requirements of section 106 of the Local Government (Scotland) Act 1973 and consequently require a full audit. Each registered charitable trust has required a full audit since 2013/14.

Coats Observatory Trust Fund is a registered charity preparing its accounts on a receipts and payments basis.

The Trustees are responsible for preparing its annual accounts, including financial statements which properly present the receipts and payments, and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on, the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to thank all management and staff for their co-operation and assistance during our audit.

Auditor independence

International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we complied with the Financial Reporting Council’s (FRC) Ethical Standard. In our professional judgement, we remained independent, and our objectivity has not been compromised in any way.

We set out in Appendix 1 our assessment and confirmation of independence.

Adding value

All our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We add value by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to promote improved standards of governance, better management and decision making and more effective use of public money.

Any comments you may have on the service we provide would be greatly appreciated. Comments can be reported directly to any member of your audit team.

Openness and transparency

This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Annual accounts audit

The Trust’s annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Our audit opinion

Opinion	Basis for opinion	Conclusions
Financial statements	<p>We conduct our audit in accordance with applicable law and International Standards on Auditing.</p> <p>Our findings / conclusions to inform our opinion are set out in this section of our annual report.</p>	<p>We expect to issue an unqualified audit opinion on the annual accounts subject to final checks on potential post-balance sheet events.</p> <p>We have not identified any errors.</p> <p>We received the draft annual accounts and supporting papers in line with our audit timetable and those draft accounts were of good quality. Further information and revisions were provided promptly where required. Our thanks go to the Finance team for their assistance with our work.</p>
<p>Opinions prescribed by the by the Accounts Commission on the Trustees’ Annual Report</p> <ul style="list-style-type: none"> • 	<p>We plan and perform audit procedures to gain assurance that the information given in the Trustees’ Annual Report is consistent with the financial statements and that report has been prepared in accordance with The Charity Accounts (Scotland) Regulations 2006.</p>	<p>We have no matters to report.</p>

Opinion	Basis for opinion	Conclusions
Matters reported by exception	<p>We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept; or the financial statements are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit. 	We have no matters to report.

An overview of the scope of our audit

The scope of our audit was detailed in our External Audit Plan for the Renfrewshire Council, which was presented to the Audit, Risk and Scrutiny Board in March 2023. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Trust. This ensures that our audit focuses on the areas of highest risk (the significant risk areas). Planning is a continuous process, and our audit plan is subject to review during the course of the audit to take account of developments that arise.

At the planning stage, we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.

In our audit, we test and examine information using sampling and other audit techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through performing a review of the significant accounting systems, substantive procedures and detailed analytical procedures.

Significant risk areas and key audit matters

Significant risks are defined by auditing standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. Audit procedures were designed to mitigate these risks.

As required by the Code of Audit Practice and the planning guidance issued by Audit Scotland, we consider the significant risks for the audit that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team (the 'Key Audit Matters'), as detailed in the tables below.

Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures.

Our anticipated opinion on the annual accounts is not modified with respect to any of the risks described below.

Significant risks at the financial statement level

These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Management override of controls

Significant risk description

Management of any entity is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Although the level of risk will vary from entity to entity, this risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk on all audits.

This was considered to be a significant risk and Key Audit Matter for the audit.

Inherent risk of material misstatement: Very High

Management override of controls

How the scope of our audit responded to the significant risk

Key judgement

There is the potential for management to use their judgement to influence the financial statements as well as the potential to override controls for specific transactions.

Audit procedures

- Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals.
- Analysing the journals listing and determining criteria for selecting high risk and / or unusual journals.
- Testing high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for appropriateness, corroboration and appropriate approval in line with The Trust's journals policy.
- Gaining an understanding of the accounting estimates and critical judgements made by management. We challenged key assumptions and considered the reasonableness and indicators of management bias which could result in material misstatement due to fraud.
- Evaluating the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Key observations

We have completed our work and have not identified any issues.

Significant risks at the assertion level for classes of transaction, account balances and disclosures

Key risk area

Valuation of the Trust land and buildings

Significant risk description

The valuation of Coats Observatory land and buildings is based on fair value, determined as the market value that would be paid for the asset in its current use. Valuation is provided by the Council Valuer and updated as a minimum every five years. The latest

Key risk area

valuation of the Observatory building was 31 March 2021.

Inherent risk of material misstatement:

Assets (valuation): High

How the scope of our audit responded to the significant risk

Key judgements

There is a significant degree of subjectivity in the measurement and valuation of land and buildings. This subjectivity and the material nature of the Trust's asset base represents an increased risk of misstatement in the annual accounts.

Audit procedures

Procedures performed to mitigate risks of material misstatement in this area will include:

- Evaluating the competence, capabilities and objectivity of the valuation expert.
- Considering the basis on which the valuation is carried out and the challenge in the key assumptions applied.
- Testing the information used by the valuer to ensure it is complete and consistent with our understanding. If there have been any specific changes to the assets in the year, we will ensure these have been communicated to the valuer.

Key observations

We have completed our work and have not identified any issues.

Materiality

Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of The Trust and the needs of users. We review our assessment of materiality throughout the audit.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the Audit, Risk and Scrutiny Board

and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Our initial assessment of materiality was £7,000. On receipt of the unaudited financial statements, we reassessed materiality and have increased this to £6,700 in proportion to the decrease of the asset value for 2022/23 financial year. We consider that our updated assessment has remained appropriate throughout our audit.

		£
Overall materiality for the financial statements	100%	6,700
Performance materiality	75%	5,025
Trivial threshold	5%	335

Materiality	<p>Our assessment is made with reference to The Trust’s gross expenditure. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance of The Trust.</p> <p>Our assessment of materiality equates to approximately 1% of gross assets as disclosed in the 2022/23 unaudited annual accounts.</p> <p>In performing our audit, we apply a lower level of materiality to the Remuneration Report. Our materiality was set at £5k.</p> <p>We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our materiality levels set. We perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.</p>
Performance materiality	<p>Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out.</p> <p>Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceeds overall materiality.</p>
Trivial misstatements	<p>Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in</p>

aggregate and whether judged by any quantitative or qualitative criteria.

Audit differences

We have not identified any errors during our audit.

Internal controls

As part of our work, we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Audit, Risk and Scrutiny Board. These matters are limited to those which we have concluded are of sufficient importance to merit being reported.

We did not identify any significant control weaknesses during our audit.

Other communications

Accounting policies, presentation and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by The Trust.

The accounting policies, which are disclosed in the financial statements are considered appropriate. The accounting policies used in preparing the financial statements are unchanged from the previous year.

There are no significant financial statements disclosures that we consider should be brought to the attention of The Trust. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately. Overall, we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management and the Audit, Risk and Scrutiny Board. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting The Trust. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations.

Written representations

We requested written representations from management, and these have been shared with the Audit, Risk and Scrutiny Board alongside this report, and are due to be approved and signed alongside the financial statements upon completion.

Related parties

We are not aware of any related party transactions which have not been disclosed.

Appendix 1: Responsibilities of The Trust and the Auditor

Responsibilities of The Trust

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. They manage the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls.

Area	The Trust’s responsibilities
Corporate governance	<p>The Director of Finance and Resources has responsibility for ensuring that an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented, or detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Director of Finance and Resources is responsible for keeping proper accounting records that are up to date and ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SoRP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014. Decisions regarding the operation, assets, processes or policies of the Trust Fund are delegated by the Council to the Finance, Resources and Customer Services Policy Board (FRCSPB).</p>
Internal Control	<p>The Trustees have overall responsibility for the Trust Funds’ system of internal control. This system is designed by senior management to ensure effective and efficient operation, including financial reporting and compliance with laws and regulations. The Trustees acknowledge that such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.</p>

Area	The Trust's responsibilities
Standards of conduct for prevention and detection of fraud and error	The Trust is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.

Auditor responsibilities

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

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

- using our understanding of the local government sector and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charity;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity/charities;
- inquiring of the Trustees concerning the charity's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#).

The most recent audit quality report can be found at <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202122>

Independence

The Ethical Standards and ISA (UK) 260 require us to give The Trust and fair disclosure of matters relating to our independence. In accordance with our profession's ethical guidance and further to our External Audit Annual Plan issued confirming audit arrangements we have no matters to bring to the Audit, Risk and Scrutiny Board's attention.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Our period of total uninterrupted appointment as at the end of 31 March 2023 was one year.

Audit and non-audit services

The total fees charged to the entity for the provision of services in 2022/23 were as follows.

	2022/23
Auditor remuneration	£6,000
Total fees	£6,000

The FRC's Ethical Standard stipulates that where an auditor undertakes non-audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. We have not provided any non-audit services to The Trust.

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We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

Accounting | Tax | Audit | Advisory | Technology

My Ref: AR/CB
Contact: Alastair MacArthur
Telephone Number: 0300 300 0285
Email: Alastair.macarthur@renfrewshire.gov.uk



Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Dear Sirs

**Coats Observatory Trust Fund
Financial Statements for the year ended 31 March 2023
Letter of Representation (ISA 580)**

This representation letter is provided for the purpose of expressing an opinion as to whether Coats Observatory Trust Fund's financial statements present a true and fair view, in all material respects, in accordance with applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Coats Observatory Trust Fund's trustees, the following representations given to you in connection with your audit of Coats Observatory Trust Fund's annual accounts for the year ended 31 March 2023.

Financial Statements

- i. We have fulfilled our responsibilities as trustees under the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, for the preparation of Coats Observatory Trust Fund's financial statements in accordance with applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code), for being satisfied that they give a true and fair view and for making accurate representations to you.
- ii. I have complied with the requirements of all statutory accounting regulations affecting the accounts of Coats Observatory Trust Fund and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The financial statements are free of material misstatements, including omissions.
- iv. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements..



Finance and Resources
Director: Alastair MacArthur
Renfrewshire House, Cotton Street, Paisley PA1 1TT
www.renfrewshire.gov.uk



My Ref: AR/CB
Contact: Alastair MacArthur
Telephone Number: 0300 300 0285
Email: Alastair.macarthur@renfrewshire.gov.uk



- v. I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and I believe that I have appropriately fulfilled these responsibilities.
- vi. The methods, data and significant assumptions used by us in making accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework. I am satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements.
- vii. Coats Observatory Trust Fund has satisfactory title to all assets disclosed in the accounts. While the observatory building is currently subject to renovation as part of the Paisley Museum Reimagined project, I have no information that would materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities as at 31 March 2023 reflected in the financial statements.
- viii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of Coats Observatory Trust Fund has been assigned, pledged or mortgaged;
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- ix. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of applicable law and accounting standards.
- x. All events subsequent to the date of the financial statements and which require adjustment or disclosure have been adjusted or disclosed.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK adopted international accounting standards, and as interpreted and adapted by the Code.
- xii. I have assessed Coats Observatory Trust Fund's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Coats Observatory Trust Fund's ability to continue as a going concern.

Information Provided

- xiii. I have provided you with:



Finance and Resources
Director: Alastair MacArthur
Renfrewshire House, Cotton Street, Paisley PA1 1TT
www.renfrewshire.gov.uk



My Ref: AR/CB
Contact: Alastair MacArthur
Telephone Number: 0300 300 0285
Email: Alastair.macarthur@renfrewshire.gov.uk



- a. access to all information of which I am aware that is relevant to the preparation of the Coats Observatory Trust Fund's financial statements such as accounting records, and all other records requested;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within Coats Observatory Trust Fund (via remote arrangements where necessary), from whom you determined it necessary to obtain audit evidence.
- xiv. I have communicated to you all deficiencies in internal control of which management is aware.
- xv. All transactions undertaken by Coats Observatory Trust Fund have been recorded in the accounting records and are properly reflected in the financial statements.
- xvi. I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xvii. I have disclosed to you all information in relation to known fraud or suspected fraud that I am aware of and that affects Coats Observatory Trust Fund and involves:
- a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xviii. I have disclosed to you all information in relation to instances of, or allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xix. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xx. I have disclosed to you the identity of Coats Observatory Trust Fund's related parties and all the related party relationships and transactions of which I am aware.
- xxi. I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- xxii. I acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as I am aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.



Finance and Resources
Director: Alastair MacArthur
Renfrewshire House, Cotton Street, Paisley PA1 1TT
www.renfrewshire.gov.uk



My Ref: AR/CB
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Telephone Number: 0300 300 0285
Email: Alastair.macarthur@renfrewshire.gov.uk



Approval

The approval of this letter of representation was minuted by Coats Observatory Trust Fund at its meeting on [date] 2023.

Yours faithfully

Name: Alastair MacArthur
Position: Director of Finance and Resources



Finance and Resources
Director: Alastair MacArthur
Renfrewshire House, Cotton Street, Paisley PA1 1TT
www.renfrewshire.gov.uk





To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Director of Finance and Resources

Heading: Audited Financial Statements 2022/23 – Coats Observatory Trust

1. **Summary**

- 1.1 The 2022/23 unaudited financial statements were approved by Council on 22 June 2023. Each year the appointed external auditors carry out an audit of the financial statements of Coats Observatory Trust and provide an opinion as to whether those statements provide a true and fair view of the financial position of the charity and its income and expenditure for the year; and also whether they have been prepared in accordance with the relevant regulations.
 - 1.2 The audited financial statements are now presented for Members' noting and further recommendation to the Council that they be approved.
 - 1.3 There were no material changes to the financial statements over the course of the audit. Further detail is included in Azets' Annual Audit report, presented at agenda item 3.
-

2. **Recommendations**

- 2.1 Members are requested to note the attached 2022/23 audited financial statements for the Coats Observatory Trust; and to recommend to Council that they be approved.

Implications of the Report

1. **Financial** – The 2022/23 Annual Accounts demonstrate the Council continues to manage the charity it controls within the resources available and in line with relevant legislation.
2. **HR & Organisational Development** – none directly arising from this report.
3. **Community/Council Planning** – none directly arising from this report.
4. **Legal** – An audit opinion free from qualification demonstrates compliance with the relevant legislation and statutory accounting requirements.
5. **Property/Assets** – none directly arising from this report.
6. **Information Technology** – none directly arising from this report.
7. **Equality & Human Rights** – none directly arising from this report.
8. **Health & Safety** – none directly arising from this report.
9. **Procurement** – none directly arising from this report.
10. **Risk** – none directly arising from this report.
11. **Privacy Impact** – none directly arising from this report.
12. **Cosla Policy Position** – none directly arising from this report.
13. **Climate Risk** – none directly arising from this report.

Author: Christine McCourt, Head of Finance and Procurement

RENFREWSHIRE COUNCIL

COATS OBSERVATORY TRUST FUND
SC019454

TRUSTEES' REPORT
AND FINANCIAL STATEMENTS
1 APRIL 2022 to 31 MARCH 2023



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Trustees' Report

1. INTRODUCTION

Renfrewshire Council acts as sole trustee for the Coats Observatory Trust Fund which has charitable status and is registered with the Office of the Scottish Charity Regulator (OSCR).

The financial statements of the Trust are included in this report:

The principal address of the Trust Fund is:

Renfrewshire Council
Finance and Resources
Renfrewshire House
Cotton Street
Paisley
PA1 1JB

Renfrewshire Council administers the Trust Fund and separately accounts for it. Renfrewshire Council was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. The Council provides a wide range of public services such as education, social services, environmental services, council housing and economic regeneration.

The Trust Accounts do not form part of Renfrewshire Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Trust "vest[s] in" the relevant local authority. However, the Trust Fund accounts are included within the group accounts of the Council. A copy of the group accounts can be obtained from the address above.

Independent Auditors: Azets
 Titanium 1
 King's Inch Place
 Renfrew
 Glasgow
 PA4 8WF

TRUSTEES

In terms of the “Trustees” of the Trust, the guidance provided by OSCR is that those who have “general control and management” of the charity are the charity trustees. Decisions regarding the general control and management of the Trust Fund are made by the Finance, Resources and Customer Services Policy Board (FRCSPB), which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. We have therefore interpreted the above guidance as meaning all elected members are charity trustees.

The following individuals were the Trustees of the Trust Fund in their capacity as elected members of Renfrewshire Council during the 2022/23 financial year:

Jennifer Adam	Bruce MacFarlane
Fiona Airlie-Nicolson	James MacLaren
Stephen Burns	Kenny MacLaren
Jacqueline Cameron	Mags MacLaren
Lorraine Cameron	Colin McCulloch
Michelle Campbell	Janis McDonald
Graeme Clark	Cathy McEwan
Carolann Davidson	David McGonigle
Eddie Devine	Jamie McGuire
Andy Doig	Marie McGurk
Audrey Doig	Iain McMillan
Alison Ann-Dowling	John McNaughtan
Chris Gilmour	Kevin Montgomery
Edward Grady	Sam Mullin
Gillian Graham	Will Mylet
Neill Graham	Iain Nicolson
John Gray	Jim Paterson
Anne Hannigan	Emma Rodden
John Hood	John Shaw
Lisa-Marie Hughes	Ben Smith
Robert Innes	Andy Steel
Alec Leishman	

Day to day management of the Trust Fund is delegated to the Director of Finance and Resources of Renfrewshire Council. All the trustees for the accounts are normally elected or re-elected at local government elections. By-elections are held to elect new members in the event of existing members vacating their position. New members automatically become trustees.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Coats Observatory Fund was inherited by the local authority in early 1963 from the Paisley Philosophical Society. The Council as Trustees own the buildings comprising the Coats Observatory. These buildings are leased to Renfrewshire Leisure Ltd for zero consideration.

HISTORY

The original purpose of the Trust when it was set up was: “for the upkeep of Coats Observatory equipment”. This purpose was relevant while there were cash funds available; however these funds have been exhausted, and only the property assets remain.

GOVERNANCE AND MANAGEMENT

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. They manage the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given the Trust Fund is controlled by the Council, these specific provisions are supplemented by general provisions relating to the administration of local authority monies, i.e., the duty to obtain best value.

The Director of Finance and Resources has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Director of Finance and Resources is responsible for keeping proper accounting records which are up to date, and which ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006(as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014.

Decisions regarding the operation, assets, processes or policies of the Trust Fund are delegated by the Council to the Finance, Resources and Customer Services Policy Board (FRCSPB).

RISK

The Trustees have overall responsibility for the Trust Funds’ system of internal control. This system is designed by senior management to ensure effective and efficient operation, including financial reporting and compliance with laws and regulations. The Trustees acknowledge that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

3. FINANCIAL REVIEW

The Trust Fund has no explicit reserves policy. The Trust Fund is not in deficit and no donations to the Fund are solicited.

4. FUTURE PLANS

Given there are no cash funds remaining, nor are any anticipated, the Council will explore with OSCR the future of the charity, always considering the ongoing sustainability of the Observatory and ensuring appropriate governance arrangements remain in place.

CONCLUSION

The Trustees wish to thank the Renfrewshire Council officers involved in producing the Report and Financial Statements.

Signed:

Date:

Alastair MacArthur
Director of Finance and Resources
Renfrewshire Council

On behalf of the Trustees:

Date:

Councillor John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Independent Auditor's Report to the Trustees of Coats Observatory Trust Fund and the Accounts Commission for Scotland

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the statement of accounts of Coats Observatory Trust Fund for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In our opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2023 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that properly present the receipts and payments of the charity, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- using our understanding of the local government sector and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charity;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity/charities;
- inquiring of the Trustees concerning the charity's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on other requirements

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charity Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Gary Devlin, (for and on behalf of Azets Audit Services),
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Trust Accounts Financial Statements Overview

1. INTRODUCTION

The following pages detail the Statement of Receipts and Payments, the Statement of Balances and relevant Notes to the Accounts, as required by the Charities Accounts (Scotland) Regulations 2006. A Cash Flow Statement is not required as the charity is classified as a small charity as defined in the Charities Statement of Recommended Practice (SORP) and therefore is exempt from producing a Cash Flow Statement.

2. STATEMENT OF RECEIPTS AND PAYMENTS

The Statement of Receipts and Payments provides an analysis of the incoming and outgoing cash and bank transactions for the period. If applicable, the Statement would also show any cash movements in relation to fixed assets. In the case of the Trust Fund, there have been no purchases or sales of fixed assets.

3. STATEMENT OF BALANCES

The Statement of Balances reconciles the cash and bank balances at the beginning and end of the financial year with the surpluses or deposits shown in the Statement of Receipts and Payments. The Statement of Balances also summarises final closing balances at the end of the period.

4. NOTES TO THE ACCOUNTS

Notes to the accounts expand on or explain the information contained in the Statement of Receipts and Payments and the Statement of Balances.

Statement of Receipts and Payments for the year ended 31 March 2023

2021/22 Total £		Unrestricted £	Restricted £	2022/23 Total £
0	Total receipts	0	0	0
0	Total payments	0	0	0
0	Surplus / (deficit) for period	0	0	0

Statement of Balances as at 31 March 2023

As at 31 March 2022 Total £		Unrestricted £	Restricted £	As at 31 March 2023 Total £
	Cash balances held with Renfrewshire Council			
0	Opening balance	0	0	0
0	Surplus / (deficit) for period	0	0	0
0		0	0	0
	Other assets (at current valuation)			
	<i>Land and buildings:</i>			
700,213	Coats Observatory, Paisley	0	677,143	677,143
700,213		0	677,143	677,143

Signed

Alastair MacArthur

Director of Finance and Resources

Renfrewshire Council

Date:

Signed

Councillor John Shaw

Convenor, Finance, Resources and Customer
Services Policy Board

Renfrewshire Council

Date:

Notes to the Financial Statements

1. ACCOUNTING POLICIES

INTRODUCTION

The Financial Statements for the year ended 31 March 2023 have been prepared in accordance with the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are designed to give a true and fair view of the financial performance and position of the Trust Fund and comparative figures for the previous financial year are provided. There are no significant departures from accounting standards other than that outlined specifically below.

The accounting concepts of “materiality” and “going concern” have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accounts have been prepared on a going concern basis. The going concern concept assumes that the Trustees will not significantly curtail the scale of the charities’ operations, however it is anticipated that the Observatory Fund will not continue indefinitely. This has no impact on the financial statements as the assets of the Fund comprise solely of the Observatory buildings which are independently valued.

The accounting concept of "accruals" is not relevant to these statements, which have been prepared on a receipts and payments basis.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of assets. The following accounting policies used in its preparation have been reviewed following the introduction of Financial Reporting Standard 18 “Accounting Policies” (FRS18).

Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanations of the nature and purpose of each fund is included in the notes to the financial statements.

The 2021/22 comparative figures have been brought forward unchanged.

INCOMING/OUTGOING RESOURCES

Recognition of incoming resources

All income is recognised and included in the Statement of Receipts and Payments (SoRP) when the money is actually received.

Recognition of expenditure

Expenditure is recognised and included in the Statement of Receipts and Payments (SoRP) when it is paid for.

Charitable Activities

Decisions regarding the way the Trust Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board, whose membership comprises 15 of the trustees of the Trust Fund.

Costs of Generating Funds

The cost of administering the Trust Fund is borne entirely by Renfrewshire Council.

Governance Costs

Governance costs, where applicable, include the:

- costs of the preparation and examination of statutory accounts;
- cost of any legal advice to trustees on governance or constitutional matters; and
- cost of administering grants.

ASSETS

The Fund includes the land and buildings of Coats Observatory, Paisley. The latest valuation was carried out in 2021/22 and was based on fair value, determined as the market value that would be paid for the asset in its current use. Valuations are provided by the Council Valuer who is MRICS qualified, and are updated as a minimum every five years. The Observatory building is being depreciated on a straight-line basis over 30 years.

2. ANALYSIS OF RECEIPTS/PAYMENTS

No income was received in the year.

3. TRUSTEES' REMUNERATION AND EXPENSES

Neither the trustees of the Trust Fund nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the trustees during the period (2022/23 nil).

4. RELATED PARTIES

During the period, the Council also acted as the banker for the Trust Fund and all transactions, incoming and outgoing, are made via the Council's bank accounts. There are no outstanding balances due to or from Renfrewshire Council nor were there any cash transactions during 2022/23.



To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Chief Executive

Heading: Best Value thematic report

1. Summary

- 1.1 The duty of best value applies to all public bodies in Scotland, and requires organisations to ensure that there is good governance and effective management of resources, whilst also ensuring activities focus on improvement and deliver the best possible outcomes for the public.
- 1.2 Elected members will be aware that previously local authorities were subject to best value audit arrangements in relation to this duty, which have evolved over time. The last formal report on best value activities in Renfrewshire was published in 2017 and was undertaken by our previous external auditors Audit Scotland. Regular reports on follow up best value audit activities were reported to the Audit Risk and Scrutiny Board as part of the annual audit reporting process.
- 1.3 In March 2023, the Accounts Commission announced a new approach to auditing best value in local authorities. This ensures compliance against the statutory duty, but is now fully integrated within the annual audit undertaken each year within a local authority. Detailed best value work is also carried out each year around a particular theme selected nationally, with findings collated into a national report. This is the first year that this process has been undertaken in relation to Renfrewshire Council.
- 1.4 The Council's annual audit process was conducted by our external auditors Azets, and the Council's Annual Audit Report is being presented as part of this policy board agenda for oversight and scrutiny by elected members.
- 1.5 Our external auditors have also produced a standalone best value thematic report for consideration by the Board, as part of its annual programme of work, which is attached as Appendix 1 to this paper.

- 1.6 Elected members are asked to note that the overall assessment made by our external auditors in relation to the best value work undertaken this year is that *“We are satisfied that the Council has appropriate arrangements in place to demonstrate Best Value under each reported area of the 2022/23 thematic review”*
- 1.7 Auditor judgements have been provided against a number of core areas set out in the report, with all rated yellow or green. The appendix within the Best Value thematic report contains an action plan to be progressed by the Council in response to the recommendations made by the external audit team. The action plan contains two actions which relate to opportunities to strengthen the prioritisation of council plan activities, and related monitoring arrangements. These will be actioned and any updates will be provided to elected members through the regular 6 monthly update reports on the Council Plan which are provided to the Leadership Board.

2. Recommendations

- 2.1 Members are requested to note the contents of the best value thematic report provided by the Council’s external auditors as part of the annual audit process.
-

Implications of the Report

1. **Financial** – the Best Value report specifically notes the wider financial sustainability issues which the Council is responding to, as is specifically covered within the Annual Audit Report presented as part of this board agenda.
2. **HR & Organisational Development** – none.
3. **Community/Council Planning** – the Best Value report notes the progress that has been made in terms of progressing principles of community empowerment in Renfrewshire, as well as the work that is planned.
4. **Legal** – none
5. **Property/Assets** – the Best Value report notes the work being undertaken in Renfrewshire to review our current portfolio of assets.
6. **Information Technology** - none.
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals’ human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations

and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** - none.
9. **Procurement** – none.
10. **Risk** - none.
11. **Privacy Impact** - none.
12. **COSLA Policy Position** –not applicable.
13. **Climate Risk** – The Best Value report considers the programme of work being progressed by the Council and partners to work towards achieving net zero carbon emissions by 2030

List of Background Papers

None



Renfrewshire Council

**Leadership of the development of new
local strategic priorities**

Best Value thematic work in councils 2022-23

October 2023




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Key messages

Overall Conclusion

We are satisfied that the Council has appropriate arrangements in place to demonstrate Best Value under each reported area of the 2022/23 thematic review. Our gradings reflect the point of time of our reporting with some areas for improvement identified.

How clear is the new council vision and its priorities?	<p>Auditor judgement</p> <p>Risks exist to the achievement of operational objectives </p> <hr/> <p>Renfrewshire Council has a clear strategic ambition. The overall vision is for “Creating a fairer Renfrewshire built on innovation, wellbeing and opportunity”.</p> <p>With numerous actions and plans in its strategic Council Plan it is difficult to distinguish which of them are the key priorities and it can be argued that focussing efforts on all of them will dilute the efficiency of the delivery.</p> <p>The Council set a clear performance framework and service tracking of Council Plan objectives. Through our review of the first progress report we noted that there is some disconnect between the Plan objectives which all were marked either as complete or green for progress, and indicators, which were of a more mixed picture. We note however that some of the indicators might relate to a longer term targets.</p>
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<p>How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?</p>	<p>Auditor judgement Effective and appropriate arrangements are in place </p> <hr/> <p>The Council activities to involve its citizens in decision making are wide ranging.</p> <p>Community empowerment, wealth and wellbeing are reflected in the strategic priorities underpinning Council Plan. To support these priorities, the Council is continuing to actively seek to design operating models and services that strengthen the community voice and bring decision making into communities.</p> <p>Some examples of community engagement activities include work around the Local Development Plan, working with communities on Housing Led Regeneration and Renewal Programme priorities, participatory budgeting programmes, and tenant participation.</p> <p>The Bowles Report in relation to the Dargavel school has covered the decision making issues relevant to the outcome of building too small a school to meet community needs. The impact of that decision on educational outcomes for school children in the Bishopton and Dargavel areas remains a significant concern for the local community. The Council has put in a range of mitigations to address those concerns, but we note that the affected local communities continue to raise a number of concerns with the Council.</p>
<p>How effectively do the council priorities reflect the need to reduce</p>	<p>Auditor judgement Effective and appropriate arrangements are in place </p>

inequalities and climate change?

The Council's priorities have a strong focus on the need to reduce inequalities. The Community Plan was refreshed almost exclusively to focus on the inequalities and the 'Fair' strategic outcome in the Council Plan.

The Council demonstrates clear commitment to those priorities through numerous initiatives to tackle inequality.

Renfrewshire Council has a clear commitment to tackling climate change, having declared a climate emergency in 2019 and a target to achieve net zero carbon emissions by 2030. This commitment forms a stand-alone strategic outcome in the Council Plan ('Green') which closely links to Plan for Net Zero and RenZero identity.

<p>How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?</p>	<p>Auditor judgement</p> <p>Risks exist to the achievement of operational objectives </p> <hr/> <p>The Council has delivery plans in place for achieving the Council Plan priorities, however work on addressing financial sustainability challenges is ongoing.</p> <p>The Council is aligning its financial, people and other key plans with its priorities.</p> <p>The Council is still actively having to manage the impact of the pandemic and the recovery of services as well as the longer term impact for citizens. In addition, and more recently, the impact of the cost of the living crisis adds further challenge and complexity.</p> <p>We recognise that the financial sustainability is one of key challenges facing the council and we have made a separate comment on that in our report on 2022-23 audit. Achieving financial sustainability has a potential of indirectly impacting achievement of other objectives in the Council Plan.</p>
<p>Overall, how effective has the leadership been (political and officer) in setting clear priorities and</p>	<p>Auditor judgement</p> <p>No major weaknesses in arrangements but scope for improvement exists </p>

a sustainable approach to delivering them?

The Council has in place an appropriate governance framework to support member / officer relationships. Member and officer working relationships are effective.

In the past Renfrewshire Council has been subject to criticism in relation to difficult working relationships between elected members and on cross party working. From our work to date and interviews with the members we have observed a clear improvement in this area, with a collaborative approach adopted by the current members.

Our audit has also identified a gap in the overall effectiveness of scrutiny arrangements within the Council and we have recommended that the Council evaluates the effectiveness of its Audit, Scrutiny and Risk Board against CIPFA good practice guidelines.

Definition

We use the following gradings to provide an overall assessment of the arrangements in place as they relate to best value. The text provides a guide to the key criteria we use in the assessment, although not all of the criteria may exist in every case.¹



¹ Our overall judgements have not considered the pace and depth of improvement as part of this review. The Council has approved its Council Plan not that long ago and it would be difficult to make a judgment so early on progress against it. We will consider the Council's progress in implementing the Plan during the course of our appointment and will apply judgement as to the pace and depth of improvement as part of this work.

Scope of the audit

When discussing the Local Government in Scotland Overview 2022, William Moyes, Chair of the Accounts Commission said: “Councils are operating in a complex and increasingly volatile, unprecedented and unpredictable environment. Strong leadership from councils is needed now more than ever, with new and returning councillors being able and willing to make difficult decisions about where and how to spend highly pressurised resources.”

This report concludes on the effectiveness of the council’s leadership of the development of the council’s strategic priorities, following the recent local government elections.

The [Accounts Commission’s Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2020 Best Value reporting requirements

Best Value reporting – extract from the Code

87. The Accounts Commission’s approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body’s performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate. ²
- The Accounts Commission reports nationally on thematic aspects of local government bodies’ approaches to, and performance in, meeting their Best

² The Controller of Audit will report the first tranche of council BV reports to the Commission between October 2023 and August 2024 on Moray, Falkirk, Dundee City, Orkney Islands, South Ayrshire, Dumfries and Galloway, Clackmannanshire and West Dunbartonshire.

Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on the effectiveness of the leadership of the development of the council's strategic priorities.



In carrying out the work auditors have considered the following questions:

- How clear is the council's new vision and its priorities?
- How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?
- How effectively do the council priorities reflect the need to reduce inequalities and climate change?
- How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?
- Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

Council vision and priorities

A council focused on achieving Best Value in how it operates will be able to demonstrate that elected members and officers have a clear vision and priorities for their area.

The Local Government in Scotland Overview 2022 says that Scotland's councils have had a pivotal role in supporting and working with communities as they respond to the impacts of Covid-19. Following the council elections in May 2021, council's will have reviewed their priorities.

The Council has established a clear vision and ambitions as set out in its Council Plan 2022-27 developed together with refreshed Renfrewshire Community Plan

Renfrewshire Council has a clear strategic ambition. The overall vision is for "Creating a fairer Renfrewshire built on innovation, wellbeing and opportunity".

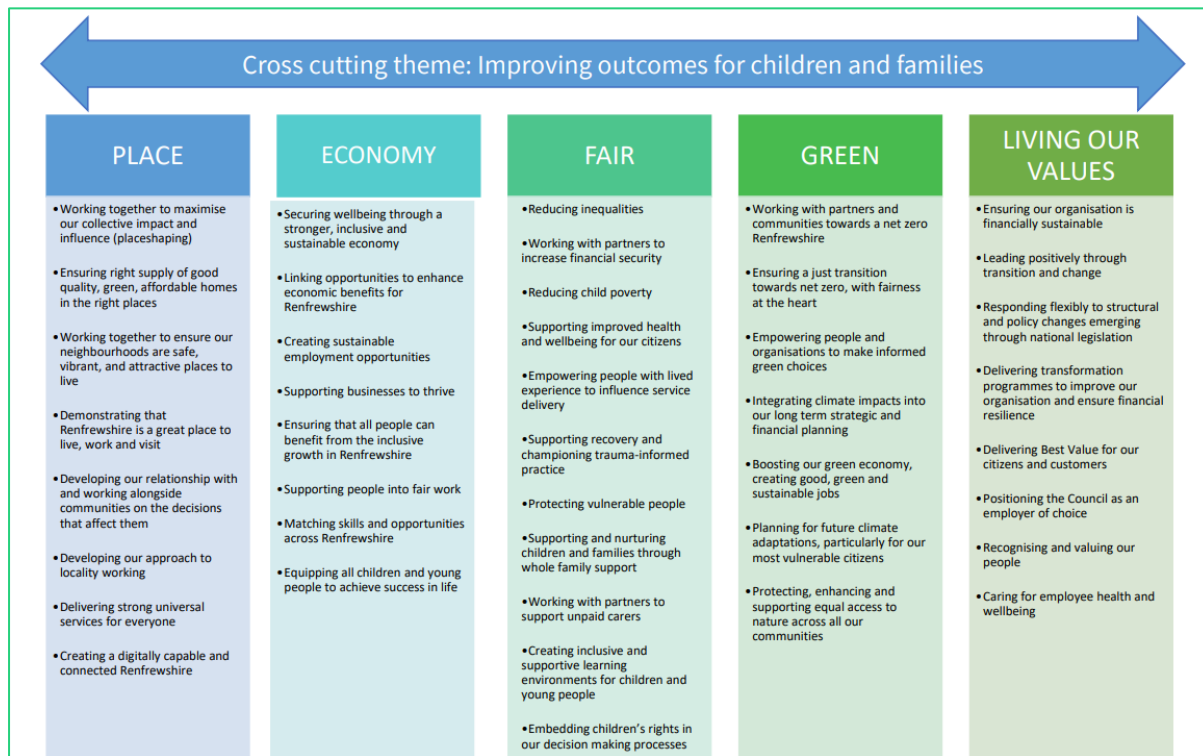
"Our Council Plan sets out the Council's priorities for the next 5 years, it describes the actions we will take to deliver change across Renfrewshire within the themes that need our focus. This Plan remains ambitious even though we know that we face huge hurdles. Whilst still in recovery from the pandemic, we face renewed financial challenges for Renfrewshire Council and likely structural changes through the proposed development of the National Care Services - both will lead to fundamental changes in the way we work and deliver services. As a Council, we have so many positives to build on, we have passion and creativity, and we remain committed to delivering strong universal services that people in Renfrewshire need every day to live their lives well."

The Council Plan

Renfrewshire Council set out its vision and ambitions in the new Council Plan approved in September 2022. The Plan uses strategic outcomes to communicate internal and external communication and engagement. The Plan also describes a cross-cutting theme – improving outcomes for children and families. Every one of the 5 strategic outcomes should directly contribute to this outcome and demonstrate that services are working together to get it right for children, families and communities.

There was a significant piece of work, undertaken through a Strategic Needs Assessment which underpinned both documents, outlining the key themes, needs and opportunities for Renfrewshire. The Community Planning Executive Group had full oversight of the development process. There was Community Impact Assessment commissioned in light of the pandemic and cost of living crisis which

informed the development of the Council Plan. This was scrutinised as part of their development by a cross party sounding board.



There are many priorities in Council Plan, which might dilute the effectiveness of its delivery

The Plan sets out five strategic outcomes for Renfrewshire, and then individual detailed priorities against each, together with actions to achieve those. Those actions translate into SMART actions to show the specific activity required across Council services and to as set of performance indicators and data to measure impact. Six-monthly updates on Council Plan progress will be reported to the Council’s Leadership Board, which is made available online.

Across Renfrewshire Council, each Service develops a Service Improvement Plan (SIP) on an annual basis – these SIPs sit under the Council Plan and describe the activities that each Service will undertake in order to support the delivery of the Council Plan.

However, with numerous actions and plans it is difficult to distinguish which of them are the key priorities and can be argued that focussing efforts on all of them will dilute the efficiency of the delivery. To demonstrate our point, the first objective ‘Place’ has seven ‘priorities’, 13 actions and 8 indicators. While having this level of

detail demonstrates a thought-through, research-based approach, it might be difficult to distinguish which of these objectives are being, or should be, prioritised.

Recommendation 1

The Council set a clear performance framework and service tracking of Council Plan objectives; The Council might want to revisit the way it tracks Plan objectives progress to ensure reporting is accurate

The Council approved a Performance Framework for Council Plan in December 2022. The Framework includes a targeted suite of actions and indicators, progress against which will be reported to the Leadership Board every 6 months. Where possible, the scorecard of indicators for each Council plan outcome contains both quarterly and annual indicators to ensure that members of the board are able to access timely and relevant performance information. The Framework contains 55 high-level actions to be achieved in the next five years, with 39 performance indicators to measure the progress. All of these have been identified as important to monitor and deliberately selected for that purpose.

The first update against Council Plan progress has been reported to Leadership Board in June 2023. These present a mixed picture, due to challenges with resourcing and cost pressures. We also note that there is some disconnect between the Plan objectives which all were marked either as complete or 'green' for progress, and indicators, which indicated a more mixed picture.

Recommendation 2

Citizen and community engagement

Recovery from the pandemic will require councils to work alongside their local communities. There must be a focus on getting the services people need in place as pressures and stresses escalate and impact the day to day lives of individuals and communities.

Councils, with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in the decisions that affect their everyday lives.

Early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services should be a core part of determining a council's vision and priorities.

The Council's activities to involve its citizens are wide ranged but challenges remain

Community empowerment, wealth and wellbeing are reflected in the strategic priorities underpinning Council Plan. To support these priorities, the Council is continuing to actively seek to design operating models and services that strengthen the community voice and bring decision making into communities. Community empowerment is also one of the key guiding principles of the Council's Fairer Renfrewshire programme.

Community engagement and participatory budgeting

Renfrewshire Council has a number of initiatives in relation to community engagement summarised in its Community Plan 2017-27, which was refreshed in 2022. A Connected Communities programme is being led by the Head of Policy and Partnerships as part of the overall Right for Renfrewshire programme. Key strategic plans by partners such as One Ren and HSCP also reflect this focus, as do high level strategic plans and regeneration programmes e.g. Whole Family Wellbeing or Housing Regeneration programmes.

The Community Impact Assessment and resultant programmes such as Fairer Renfrewshire are based on consultation and engagement on priorities. The Fairer Renfrewshire Panel is supporting and shaping local work in relation to poverty and inequality.

Some service-specific examples include the Village Improvement Fund, designed with communities around road safety and road layout. The creation of biodiversity

areas has also involved engagement with local communities, alongside parks investment. This work links closely with the Council's award-winning Team Up to Clean Up Programme, which empowers local people to make changes and environmental improvements in their local areas. Finally, the new school menu design was carried out with parent/carers and pupils.

The Council has participatory budgeting programmes which reflect this way of working, for example, You Decide and Celebrating Renfrewshire. There is also established a lived experience panel as part of Fairer Renfrewshire Programme, following on from the Alcohol and Drugs commission where lived experience featured significantly in the evidence gathering and workshops. In addition, Renfrewshire's local partnerships are examples of communities making decisions about their local places. The objectives of Local Partnerships with which the Council is working to develop with communities is to:

- make connections and networks between community groups and the wider community;
- identify, set and share local community priorities;
- listen to, consult and represent local communities; and
- distribute grants to support local priorities.

There are a range of service-specific examples including engagement around the Local Development Plan, working with communities on a Housing Led Regen priorities. There is also a well established tenant participation approach including engagement on housing, sheltered housing and homelessness. Consultation has also been carried out on the design and engagement on active travel, road safety measures, parks' design and equipment with communities in most instances.

Engagement with children and young people is a key focus, and work has been undertaken through Youth Services to develop mechanisms for young people to have a voice and get involved in the decision making process.

Educational Attainment – case study

Closing the poverty-related attainment gap has been a priority for Renfrewshire Council for a number of years. Participation in the Scottish Attainment Challenge has supported this goal and allowed for a number of innovative programmes. Tariff scores for pupils in the most deprived 30% of areas within Renfrewshire have risen steadily and Renfrewshire is one of the best-performing councils in Scotland. In 2017/18, the average score in Renfrewshire was 619 (compared to a Scottish average of 620). By 2021/22, this had risen to 744 in Renfrewshire, an increase of 20% over five years, compared with a Scottish average of 699 (an increase of 13%).

Renfrewshire has made strong progress in literacy and numeracy attainment. In 17/18, 92% of our school leavers had achieved Level 4 in Literacy and 78% had

achieved Level 5. In comparison, 96% of our 21/22 school leavers achieved Level 4 and 87% achieved Level 5. A similar picture emerges for numeracy attainment. In 17/18, 86% of our school leavers achieved Level 4 in Numeracy and 54% had achieved Level 5. Our 21/22 cohort had 93% of school leavers achieving Level 4 Numeracy and 77% achieving Level 5. Our 21/22 leavers cohort outperformed the West Partnership and National figures for percentage of leavers achieving level 4 and 5 in literacy and numeracy.

Progress has also been made in the overall attainment of our school leavers. The percentage of leavers who have achieved a pass in at least 1 Level 5 award has risen from 90.0% in 2018 to 91.5% in 2022. In 2018, 69.1% of school leavers left with an award at Level 6, compared with 72.9% in 2022. More notable progress has been made at deeper levels of achievement. For example, in 2018, 67% of leavers left with 5 or more awards at Level 5 and 37% left with 5 or more awards at Level 6. In contrast, 72% of leavers in 2022 left with 5 or more awards at Level 5 and 42% left with 5 or more awards at Level 6.

Positive progress has been made in relation to positive destinations. In 2018, 93.1% of Renfrewshire school leavers were in initial positive destinations. This figure was behind both Virtual Comparator (95.2%) and National (94.4%) figures. In 2022, 96.6% of Renfrewshire school leavers entered an initial positive destination. This was above both the virtual comparator (96.3%) and national (95.7%) figure. Significant improvements have been made in the initial destinations of our pupils from the 20% most deprived areas. In 2018, 87.7% of leavers from these SIMD zones entered positive destinations. By 2022, this had increased to 93.9%.

Communities affected by the Dargavel Primary school issue

We have reviewed the Council's response to the independent report on issues relevant to the building of Dargavel Primary School (the 'Bowles Report') and evaluated the Council's plans and progress in implementing the recommendations contained in that report. We comment on the full detail in our Annual Audit Report for 2022/23 audit.

The Bowles Report identified a number of significant failures in scrutiny, governance and working practices across a number of Council services. These failures led to the Council commissioning the developer of the Dargavel site (BAE Systems) to build a school with significantly fewer places than required by the scale of the development and the local area. The Council remains in the process of assessing how best to address the recommendations of the Bowles Report, but will be required to now build a new and unplanned school to meet the needs of primary school age pupils. The initial gross capital cost of this new school will be c.£75million with ongoing revenue costs of c£4.5million. These costs do not include the additional running costs of this new school which will also be significant. These additional unplanned costs add to the Council's overall budget deficit.

The Bowles Report in relation to the Dargavel school has covered the decision making issues relevant to the outcome of building a school which is too small to meet community needs. The impact of that decision on educational outcomes for school children in the Bishopton and Dargavel areas remains a significant concern for the local community. The Council has put in a range of mitigations to address those concerns, but we note that the affected local communities continue to raise a number of concerns with the Council.

Reducing inequalities and tackling climate change

Council priorities are expected to reflect the Best Value expectations that all activities should contribute to tackling poverty, reducing inequality, promoting fairness, respect and dignity for all citizens, alongside a focus on sustainable development, including climate change.

The Local Government in Scotland Overview 2022 report says that the impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality. Councils have worked hard and adapted to maintain service delivery but those most in need of support are still being affected. Councils must evaluate these impacts so that recovery and renewal supports those most affected and addresses inequalities.

Around two-thirds of councils have formally declared a climate emergency, and COSLA's Blueprint for Local Government states that climate change is a 'greater threat than COVID'. The Scottish Government has recently published guidance on public sector leadership on the global climate emergency to help public bodies in leading climate action. Addressing the climate emergency and setting actions to achieve net zero will need to be a key element of councils' recovery and renewal from the pandemic.

The Council's priorities have a strong focus on the need to reduce inequalities.

As a part of Community Impact Assessment, the Council run a specific equalities-led engagement programme, recognising that the pandemic exacerbated inequalities. The assessment was commissioned in light of the pandemic and cost of living crisis informed the development of the Council Plan. This work then led to the Social Renewal Plan and Fairer Renfrewshire programme and the findings were also reflected in the Strategic Needs Assessment. The Community Plan was refreshed almost exclusively to focus on the inequalities and the 'Fair' strategic outcome in the Council Plan.

Council commitment to reduce inequalities includes specific funding for the programme and a sub-committee of the Leadership Board established to specifically focus on this key priority area. A Fairer Renfrewshire Officer Group has been established to share learning, understanding and information on fairness and inequality issues across Renfrewshire, and there are initial plans to develop a wider partnership group also.

Examples of targeted work include working with young people as part of the Plan for Net Zero. The lived experience panel and the Alcohol and Drugs Commission work and close engagement with the DEAR group (Diversity Equality Alliance in Renfrewshire) to understand local need and priorities.

A cost of living evidence event was held in October 2022 year bringing together a wide range of local groups, organisations and partners to identify key priorities and influence the development of the Fairer Renfrewshire programme. This programme brings together all the activities that the Council have been progressing through the social renewal plan, through our tackling poverty programme and alcohol and drugs programme.

Another area which shows this approach in practice is through how 'Renfrewshire Keeps the Promise', including:

- Renfrewshire Promise Keepers network: recruited over 166 (and growing) Promise Keepers from across the Council and partners who act as local champions, helping to educate and improve services for Care Experienced people.
- Renfrewshire Language Policy: guidelines for how people speak about and describe Care Experience and Care Experienced children and young people. This was co-designed with Care Experienced young people.
- 'Keeping Brothers and Sisters Together' policy, which was co-designed by Care Experienced young people from the Renfrewshire Champions Board.

The work on inequalities is aligned with Renfrewshire's Economic Recovery Plan 2020 to 2022 which addressed the immediate impacts from the Covid-19 pandemic on Renfrewshire's economy. This included a specific focus on inequalities with one of the key objectives 'Tackling inequalities; employment, income, education and health including measures to mitigate the risks of increasing multiple disadvantages and any widening of the gap between the most and least deprived as a result of the economic crisis' as well as a theme to support young people. This work has now been mainstreamed within Renfrewshire's long term Economic Plan, driven forward by Renfrewshire's Economic Panel.

Delayed Discharge – case study

Within a national context, Renfrewshire was the highest performing HSCP area in Scotland at March 2023 for standard delays with 137 bed days lost. This equated to a rate of 93 per 100,000 population. The national average rate at March 2023 was 874 and the Greater Glasgow and Clyde average was 676.6 per 100,000 population. This level of performance has been maintained over a decade, with Renfrewshire consistently one of the best performing council areas.

Employability Support – case study

Renfrewshire Council's Employability Programme, INVEST, continued to provide employment and training support, with the team supporting 1,370 new registrations to the service throughout the year, 538 people into paid employment and 340 into sustained work after 6 months following support from the service. A further 507 people were supported to secure qualifications which could help them in seeking paid, or higher paid work through the service.

During the pandemic, Renfrewshire's Kickstart Gateway was one of the largest youth employment schemes in Scotland, placing 408 young people into roles across Renfrewshire, including 71 at Renfrewshire Council. Work such as this has contributed to Renfrewshire having one of the highest youth employment rates in Scotland.

The Council declared a climate emergency in 2019. Addressing the climate emergency is one of strategic outcomes ('Green') within Council Plan

Renfrewshire Council has a clear commitment to tackling climate change, having declared a climate emergency in 2019. The elected members have agreed to work to achieve net zero carbon emissions by 2030. This commitment forms a stand-alone strategic outcome in the Council Plan ('Green') which closely links to Plan for Net Zero and RenZero identity. Commitment to climate change was also shown through the establishment of the Climate Change Sub-committee of the Leadership Board. Following the election, this then moved into a formal Policy Board, the Planning and Climate Change Policy Board.

The priorities, targets and actions are set out in Plan for Net Zero which outlines the reasoning, research, themes, actions and next steps required as we work towards becoming net zero by 2030. Renfrewshire themes and actions include: clean energy, sustainable transport, circular economy, connected communities, resilient place.

Climate Goals – case study

Recycling rates were adversely affected across the country during the first phase of the pandemic, and this was evidenced in the LGBF data for 2020/21.

Renfrewshire's recycling rate has shown steady progress in recent years, and is one of only nine councils where more than half of household waste is recycled. In 2021/22, 51.7% of Renfrewshire's household waste was recycled and more recent local data indicates that the proportion is continuing to grow.

Increasing use of alternative fuels within the Council's fleet is also contributing to our Plan for Net Zero. As of 2023, 30.2% of the Council's fleet runs on alternative fuels and refuse collection vehicles which can run on Hydrolysed Vegetable Oil are currently being trialled.

Alignment of delivery plans

Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a council will be well placed to ensure that all of its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

Delivery Plans are well established

The Council's strategic framework has a link from the Council and Community Plan to service level and operational plans. Services have their own Service Improvement Plans covering 2022-2025 period. Service plans highlight how key priorities within the Council and Community Plan will be delivered, often at a more granular level.

The Council has a well-established approach around transformation and achieving savings across services through our Right for Renfrewshire programme and now through Financial Sustainability workstream. This work is cross-cutting, supported by the Council's programme management unit and reports to Corporate Management Team (CMT). This includes identifying service changes across other Council areas and data analysis where appropriate.

An example is the ongoing development of digital operations and the use of robotics process automation, whereby digital solutions are being used to ensure the most effective and efficient processes are employed.

The Council is aligning its financial, people and other key plans with its priorities

In setting the 2023/24 budget Council agreed to combine previously unspent funds linked to climate action and community empowerment together in a way which aims to better support the sustainability of community investments, and to better support community groups tackle climate change locally through improved targeting of the available funding. Proposals for the resultant Sustainable Communities Fund were considered by elected members through the Leadership Board on 20 September 2023.

The Council also recognised the difficult financial position it is facing and agreed to consolidate pandemic related funding into a financial sustainability fund which will be utilised in the short term to underpin the Council's financial position while substantive measures are taken to redesign and amend service provision in line with available revenue resource.

As commented in our Annual Audit Report 2022-23 the Council regularly receives updates on the medium term financial position and associated financial risks and

assumptions for financial sustainability. Investment capacity has been severely limited in recent years - a position which is unlikely to improve over the medium term. We recognise that the financial sustainability is one of key challenges facing the council and we make a separate comment on that in our report on 2022-23 audit.

A new people strategy has been recently approved by appropriate Board which had detailed actions related to workforce planning. A new workforce action group will also be set up to support in the delivery of these actions and will regularly review if these actions meet the needs of the Council.

Renfrewshire Council is currently undertaking a Strategic Property review to assess the portfolio size. In addition, Renfrewshire Council will look to produce an Asset Management Plan to assess and understand the current assets across the Council and to plan for the future.

The Council has a Digital Strategy and a Digital Board that meets every 4 weeks.

Community engagement at work

From September 2022 through to December 2022, the Council launched a public (and staff) campaign to build awareness of the scale of the council's financial challenge locally and to pave the way for difficult decisions on changes to services.

The campaign was designed to limit anxiety about change, especially at a time of economic uncertainty and cost of living crisis, and to reassure staff, local people and service users that the council is fully focused on managing its finances and is basing decisions on service data and evidence, social listening and insights gathered previously through a number of resident engagements (Our Values engagement, Public Services Panel 2022, Engagement with tenants - housing regeneration areas and community engagement during Covid recovery). A secondary aim was to provide context for political decision making, so Council decisions are transparent and impacted stakeholders are prepared.

The integrated campaign including a short film <https://www.youtube.com/watch?v=uadiX1slgoc> promoted through Council channels, community networks, organic and paid-for social media and through local press advertising. Residents were encouraged to watch the short film and visit the council website for information. The campaign confirmed the level of savings required over the next 3 years, and the likely ways savings will be achieved, using simple language.

Leadership

Effective leadership from councillors, chief executives and senior officers, is key to councils achieving their objectives and providing clear strategic direction. The complex local government environment means collaborative leadership, working with partners, communities and citizens to improve outcomes is more important than ever.

Leaders need to be skilled in effective strategic thinking, decision-making and collaborative working and able to learn lessons from new ways of working. Councillors and officers must be clear on their roles in setting the vision and planning for its delivery.

Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation. Good conduct and behaviours when working together are crucial. Working relationships between members and between members and officers should be constructive and productive. Councillors should show a commitment to agreed council priorities and work together to achieve them.

The Council has in place an appropriate governance framework to support member / officer relationships. Member and officer working relationships are effective.

In the past Renfrewshire Council has been subject to criticism in relation to difficult work relationships between elected members and impacting on cross party working. From our work to date and interviews with the members we can see a clear improvement in this area, with collaborative approach adopted by the current members.

The Council established a Cross Party Sounding Board to allow matters to be consulted by officers with Elected Members in what is intended to be a non-political forum. For example, the Board met to discuss the new Council Plan and refreshed Community Plan.

In response to Dargavel linked recommendations, the Council has agreed to establish a cross-party body to discuss and review existing governance arrangements of the Council. Officer briefings for all of the three major political groups are offered in advance of policy boards and these occur more frequently under the current Council.

The Code of Conduct for Councillors forms the basis of the principles and values for elected members. The Council's Protocol for relationships between Political Groups, Elected Members and Officers sets out the respective duties of Members and officers and regulates the standards expected of each. The Protocol will be soon

reviewed as part of the cross party review of the Council's governance arrangements.

Statutory training is provided to elected members. An extensive induction programme was offered to all Elected Members after the 2022 LG Elections (including returning Members). There is also an annual Members Development week, with other training sessions being offered as and when a need is identified, either by officers, members or as a result of new areas of legislation.

From our observations during the short period of our audit appointment the work relationships between officers and elected members appear to be effective.

We note the Bowles Report identifies issues relevant to effective scrutiny, decision making and joint working across and between Council services. Our audit has also identified a gap in the overall effectiveness of scrutiny arrangements within the Council and we have recommended that the Council evaluates the effectiveness of its Audit, Scrutiny and Risk Committee against CIPFA good practice guidelines. We have included a recommendation in this regard in our Annual Audit Report for 2022/23.

Appendix 1: action plan

1. Key priorities	
Observation	With numerous actions and plans in its Council Plan it is difficult to distinguish which of them are the key priorities and can be argued that focussing efforts on all of them will dilute the efficiency of the delivery. While having this level of detail demonstrates a thought through, research-based approach it might be difficult to distinguish which of these objectives are being prioritised.
Implication	While having this level of detail demonstrates a thought through, research-based approach it might be difficult to distinguish which of these objectives are being prioritised.
Recommendation	To consider further priority setting to allow effective delivery of the Council's key outcomes.
Management response	<p>The Council Plan is subject to ongoing review and we are currently gathering the 6 monthly report on progress which will be submitted to Leadership Board in December 2023. A review will be conducted of all priorities, actions and indicators by end of March 2024, and this will inform the next scheduled report to Leadership Board in June 2024.</p> <p>Responsible officer: Head of Policy and Partnerships Implementation date: March 2024</p>

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To: Audit, Risk and Scrutiny Board

On: 06 November 2023

Report by: Chief Auditor

Heading: Summary of Internal Audit Reports for period 01 July to 30 September 2023

1. Summary

1.1 In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board. To comply with this requirement, Internal Audit submits regular reports on the findings and conclusions of audit engagements to the Audit, Risk and Scrutiny Board.

1.2 Appendix 1 provides details those audit engagements completed during the period 1 July to 30 September 2023 with the overall assurance rating and the number of recommendations in each risk category. The committee summary for each report is also attached. For each audit assignment where recommendations have been made, the relevant managers have put action plans in place to address the issues raised.

1.3 In addition to the reports listed in the Appendix, Internal Audit has an ongoing commitment to:

- A range of corporate and service initiatives;
- Progressing of information security matters in partnership with ICT and Legal Services;
- The regular provision of advice to departmental officers;
- The provision of internal audit services to the associated bodies for which Renfrewshire Council is the lead authority and to OneRen and Renfrewshire Health and Social Care Integrated Joint Board;

- Co-ordination of the Council's corporate risk management activity;
 - Management of the counter fraud team;
 - Management of the risk management and insurance team.
-

2. **Recommendations**

- 2.1 Members are invited to consider and note the Summary of Internal Audit Reports finalised during the period from 1 July to 30 September 2023.
-

Implications of the Report

1. **Financial** - None
2. **HR & Organisational Development** - None
3. **Community Planning – Safer and Stronger** - effective internal audit is an important element of good corporate governance.
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** – None
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The summary reported relates to the delivery of the risk-based internal audit plan.
11. **Privacy Impact** – None
12. **COSLA Implications** – None
13. **Climate Risk** - None

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Appendix 1

Renfrewshire Council

Internal Audit Service

Update for Audit, Risk and Scrutiny Board

Final Audit Reports issued from 1 July – 30 September 2023

Category	Service	Engagement	Assurance Rating	Recommendation Ratings			
				Critical	Important	Good Practice	Service Improvement
Assurance	Finance and Resources	Debt Management	Reasonable	0	1	4	0
		Non Domestic Rates	Reasonable	0	3	2	0
		Disaster Recovery	Limited	0	3	2	0
	Adult Services	Care at Home Processes	Substantial	0	0	4	0
	Chief Executives	Cultural Grants	Reasonable	0	3	1	0
	Environment, Housing & Infrastructure	Energy Management	Reasonable	0	1	2	0

Note – No assurance rating can be given in respect of investigation assignments

Assurance Level	
Substantial Assurance	<ul style="list-style-type: none"> There is a sound system of internal control designed to achieve the objectives of the area being reviewed. The control processes tested are being consistently applied.
Reasonable Assurance	<ul style="list-style-type: none"> The internal control processes are generally satisfactory with some areas of weakness being identified that could

	<p>put some objectives of the area being reviewed at risk</p> <ul style="list-style-type: none"> • There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	<ul style="list-style-type: none"> • Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk. • The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	<ul style="list-style-type: none"> • Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. • Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.

Internal Audit Report

Finance & Resources

Debt Management (A0068/2023/001)

Date: August 2023

COMMITTEE SUMMARY

Audit Objectives

The objectives of the audit were to ensure that:

1. There is an adequate debt management strategy in place which is supported by sufficient documented procedures.
2. There is adequate segregation of duties between accounting, collection, cancellation and write off of debtors accounts.
3. Debtors accounts are raised timeously after the date of supply.
4. Credit notes are only issued upon appropriate authorisation.
5. Outstanding accounts are followed up in line with pre-determined triggers and appropriately monitored and appropriate action is taken with regards to non-payment of accounts.

Audit Scope

1. Interviewed the appropriate staff, evaluated the arrangements for debt management and identified any possible improvements to the system.
2. Prepared a series of tests to meet the above objectives.
3. The audit examined sundry debt records only. Council Tax and Non-Domestic Rates are audited separately.

Key Audit Assurances

1. There is adequate segregation of duties between accounting, collection, cancellation and write off of debtors accounts.
2. Invoices and credit notes tested were only issued upon appropriate authorisation.
3. Appropriate actions are taken with regards to the write off of debts.

Key Audit Risks

The lack of a Debt Management Strategy and procedures may result in roles and responsibilities for the management and following up of outstanding debt not being clear.

Overall Audit Opinion

Although there are Business World procedures for administering debts, the council does not have a Debt Management Strategy setting out a high-level approach to preventing the accumulation of debt over time for sundry debts and procedures for each stage of the debt management process. To assist in this process we were informed that the team dealing complex debt within Business Services will provide management information regarding debt trends and patterns of problem debt.

Internal Audit Report
Finance & Resources
Debt Management (A0068/2023/001)

Date: August 2023

Invoices and credit notes are only issued upon appropriate authorisation, but some invoices tested were not raised timeously and some reminders tested were not issued in line with the prescribed timescales. We have made recommendations to address the issues raised in the audit report.

Management Commentary

We are progressing the implementation of the recommendations, including the creation of a formal Debt Management Strategy that will outline the Council's approach to debt management for all revenue collection areas.

Internal Audit Report

Finance & Resources

Non Domestic Rates (A0082/2023/001)

Date: August 2023

COMMITTEE SUMMARY

Audit Objectives

The objectives of the audit were to ensure that:

1. There is an adequate system in place to ensure the calculation and payment of non-domestic rates.
2. All exemptions and discounts have been properly applied.
3. All Non Domestic Rates income due is properly accounted for and recorded on the system.
4. All accounts have been issued in line with statutory timescales.
5. All income due to East Renfrewshire Council has been remitted to their bank account.
6. Outstanding debt at the year-end is being appropriately managed.

Audit Scope

1. Interviewed the appropriate officers to ascertain the system in place in relation to billing, collecting and monitoring Non Domestic Rates income, updating for any recent changes. Identified any areas for improvement.
2. Undertook a series of tests to ensure the system was adequate and operating as intended.
3. Prepared a certificate for East Renfrewshire Council based on the outcome of the audit.

Key Audit Assurances

1. There is an adequate system in place for the calculation and payment of Non-Domestic Rates.
2. Demand notices are issued according to statutory timescales.
3. All income due to East Renfrewshire Council has been remitted to their bank account.

Key Audit Risks

1. When backup information for reliefs and refunds is not held on the individual systems, the reason for the reliefs and refunds may not be clear.
2. Where income and refund reconciliations are not carried out timeously, errors may not be identified.

Overall Audit Opinion

The audit identified that satisfactory controls are in place for the billing and collection of Non Domestic Rates. Reviews of Non Domestic Rate reliefs, granted on the basis of a prior

Internal Audit Report
Finance & Resources
Non Domestic Rates (A0082/2023/001)

Date: August 2023

year's applications, have now recommenced after having not being carried out for a number of years.

However, many actions that management stated would be put in place after previous audit recommendations are not fully implemented. Primarily, evidence of some rates relief applications and refund authorisations were not available. It was also noted that staff changes have resulted in income and refund reconciliations not being carried out timeously.

Recommendations in the report to address areas of weakness identified will, if implemented, help strengthen the controls in place for Non Domestic Rates.

Management Commentary

The recommendations are in the process of being implemented. This will include giving briefings to the relevant staff and preparing guidance notes to ensure staff are fully aware how Non Domestic Rates transactions and documentation should be dealt with.

Internal Audit Report Finance & Resources

SaaS Disaster Recovery (A0072/2023/001)

Date: July 2023

COMMITTEE SUMMARY

Audit Objectives

A review of the Council's disaster recovery arrangements in relation to Software as a Service (SaaS) systems, where software is procured on a subscription basis and hosted by the supplier. The objectives of this audit were to ensure that:

1. A comprehensive list of all Software as a Service solutions in place is maintained, which details the service owner, criticality and responsibility for disaster recovery.
2. There are council standard requirements to be addressed at the tender stage for any proposed SaaS solution.
3. Disaster recovery plans have been prepared and agreed with the Council, are regularly tested and the Council receives formal assurance from the Contractor that the plans continue to be fit for purpose.
4. Contracts include adequate arrangements for data back-up and retention policies and have clearly defined roles and responsibilities for disaster recovery, including communication and decision-making arrangements for major incidents.
5. There is regular engagement with the contractor and disaster recovery arrangements are part of contract management discussions.

Audit Scope

A series of tests were undertaken to check that disaster recovery arrangements in place for 5 of the main Software as a Service Solutions operating within the Council were satisfactory.

Key Audit Assurances

1. An evaluation questionnaire has been developed that SaaS providers are required to complete, which is based on the National Cyber Security Centre's cloud principles. This is included in the ICT tender requirements document as well as a document explaining the Council's expectations from SaaS providers.
2. The minimum requirements for disaster recovery purposes have been outlined in the relevant standards for procuring SaaS services.
3. Contract monitoring arrangements are in place and where underperformance had been identified a service score card was available

Internal Audit Report Finance & Resources

SaaS Disaster Recovery (A0072/2023/001)

Date: July 2023

Key Audit Risks

1. Although it is recognised that a small number of key systems would be treated as priority, there is not an approved central register of critical systems and therefore recovery efforts may be delayed or not be completed in alignment with the Council's priorities.
2. ICT procurement arrangements are not formally documented and there is a risk that services may not realise that ICT approval is required for ICT systems especially for low cost subscription-based systems accessed via a web browser.
3. If assurance and verification is not sought from SaaS solution providers regarding their ability to meet disaster recovery requirements, services may not be restored in alignment with business continuity requirements.
4. For one of the Systems sampled, the councils disaster recovery and backup requirements could not be evidenced in the contract documentation and therefore the Suppliers arrangements in place may not meet the Council's expectations and the Council may not have recourse following a disaster recovery incident.

Overall Audit Opinion

The audit has identified scope for improvement in the existing arrangements and recommendations were made to enhance and strengthen this area.

Management Commentary

SaaS solutions are provided by different suppliers, so it should be recognised that in a major outage, solutions would be worked on concurrently, negating the need to arbitrarily allocate criticality to each one. However we are developing our business continuity information and this will include supplier and key contact details for systems.

We are currently progressing the audit recommendations made. A documented procedure will be prepared in conjunction with procurement colleagues to advise services how the purchase of ICT systems should be undertaken, regardless of platform (e.g SaaS, internally hosted etc).

It is essential that any documented procedure is adopted by all services, in conjunction with Corporate Procurement, to ensure any procurement of technology solutions is appropriately assessed by ICT Services. Implementation of the procedure within the Corporate Procurement will be the responsibility of the Corporate Procurement Manager, which will include clear communication of the documented procedures to service managers.

Internal Audit Report Finance & Resources

SaaS Disaster Recovery (A0072/2023/001)

Date: July 2023

Any procurement of technology solutions which does not adhere to the documented procedure should be paused until a review of requirements is undertaken.

For future contracts we will ensure that the disaster recovery and backup requirements are adequately stated in the contracts and as part of the contract management arrangements, suppliers will be asked to provide evidence of their disaster recovery testing.

Internal Audit Report

Adult Services

Care at Home Processes (A0099/2023/001)

Date: August 2023

COMMITTEE SUMMARY

Audit Objectives

The objectives of the audit were to:

1. Review processes relating to scheduling tasks associated with Totalmobile and ensure that the scheduling of home care staff is adequate and efficient.
2. Review and assess the resource management information available and ensure that it is being utilised effectively to inform management actions.
3. Review access controls to ensure that only current authorised officers can access the system.

Audit Scope

1. Interviewed relevant officers to obtain the required information and documentation relating to Totalmobile.
2. Prepared a series of tests which met the detailed audit objectives

Key Audit Assurances

1. The processes in place relating to scheduling tasks associated with Totalmobile are of a good standard and efficient.
2. Management information available from the Totalmobile system is being used to inform management actions.
3. Processes are in place to ensure that only current authorised officers can access the system.

Key Audit Risks

No key risks were identified during the audit.

Overall Audit Opinion

The current processes and controls in place relating to the Totalmobile system are adequate and efficient in the scheduling of home care visits with the current staffing establishment. The Totalmobile system has provided the service with improved higher quality management information which is being used to increase the efficiency of the service provided. Recommendations have been made within the report regarding the completion of daily checks and system permission checks.

Management Commentary

N/A as no key risks were identified

Internal Audit Report Chief Executives & OneRen Cultural Grants (A0030/2023/001)

Date: September 2023

COMMITTEE SUMMARY

Audit Objectives

The objectives of the review were to ensure that:

1. Consistent policies and procedures are in place for each cultural fund that provide guidance to those making grant recommendations to Board;
2. Grants are allocated only where the conditions of the fund are met;
3. All grants are supported by a completed application form and relevant supporting documentation;
4. Arrangements are in place to ensure that the grant is used for the specified purpose;

Audit Scope

1. Obtained a copy of the procedures and guidance in place for each cultural fund.
2. Interviewed relevant officers to acquire background information.
3. Prepared a series of tests to meet the above objectives. In order to conduct these tests, applications and associated documentation from several grant funding streams which are either completed or ongoing were reviewed.

Key Audit Assurances

Policies and procedures are in place for each cultural fund that provide guidance on the conditions of the fund to those involved in the grants process.

Key Audit Risks

Where documentation relating to the sample of grant awards could not be located, it could not be confirmed that all of the process had been followed correctly or all conditions met, for the grants reviewed.

Overall Audit Opinion

Although there is policy and guidance documentation in place to support grant funds, there was a lack of supporting evidence to confirm that some grant conditions were met and that projects were being adequately monitored. It is acknowledged that the main contacts for the audit from the Chief Executives Service and One Ren were unavailable at the time of the review. In addition, other officers within One Ren and the Chief Executives Service were unable to provide the Auditor with all information required for the cultural grants awarded prior to 2022 due to staffing changes and being recently in post. In addition, the Auditor was advised that COVID affected usual practices and that there is now a dedicated Grants Officer in place within One Ren with overall responsibility for

Internal Audit Report
Chief Executives & OneRen
Cultural Grants (A0030/2023/001)

Date: September 2023

grant monitoring. Recommendations have been made within this report to improve some of the controls in operation.

Management Commentary

Actions have been completed by the parties involved in the cultural grants process and additional checklists introduced to ensure that we record that all documents are received prior to a grant application being fully processed and grant condition have been met. The monitoring process for grant awards has also been strengthened. This ensures all supporting documentation can be centrally accessed, mitigating the risk of staffing changes in future.

Internal Audit Report

Environment, Housing & Infrastructure

Energy Management (A0049/2023/001)

Date: September 2023

COMMITTEE SUMMARY

Audit Objectives

The objectives of the audit were to ensure that:

1. There is a documented energy management plan in place which covers the whole organisation, clearly sets out roles and responsibilities and complies with industry standard best practice.
2. Identified and agreed actions arising from the energy management plan are monitored and reported on to ensure there is adequate oversight of the progress of the plan.
3. Targets are set for individual premises and there are processes in place to monitor energy consumption and action is taken where variances from target are identified.
4. Invoices are only passed for payment after being checked for completeness and accuracy.

Audit Scope

1. Interviewed the appropriate staff, evaluated the arrangements for energy management and identified any possible improvements to the system.
2. Prepared a series of tests to meet the above objectives.

Key Audit Assurances

Invoices are only passed for payment after being checked for completeness and accuracy.

Key Audit Risks

When the council does not have an Energy Management Plan, actions to minimise energy demand and maximise energy efficiency may not be delivered.

Overall Audit Opinion

The objectives of this review could not be fully met as there is no council Energy Management Plan in operation since the council's Carbon Management Plan concluded in 2020. Renfrewshire's Plan for Net Zero, was approved in August 2022 and although it is a Council led plan, it relates to the whole area of Renfrewshire. One of the main focus areas of this plan is clean energy and some of the intended actions to minimise energy demand and maximise energy efficiency are council specific and whilst we acknowledge that at the time of the audit, the Net Zero plan was at an early stage, we recommend that an Energy Management plan should be prepared as soon as possible to ensure these actions are delivered.

In addition, whilst checks are in place to investigate energy consumption variances, we found that there is a lack of evidence held to show that these have been undertaken

Internal Audit Report
Environment, Housing & Infrastructure
Energy Management (A0049/2023/001)

Date: September 2023

timeously. The invoices checking procedure in place before payments were made was found to be satisfactory.

Management Commentary

The Energy Management Unit are involved in Renfrewshire Councils ambition to become net zero and continue to contribute to the approved Net Zero Plan. We are actively involved in the preparation of the net zero delivery plan and milestones to ensure progress towards the target is being achieved. Once this delivery plan has been completed, an action plan and timescales will be prepared for the Renfrewshire Council specific energy management actions for the Clean Energy focused area of the Net Zero Plan.



To: Audit, Risk and Scrutiny Board

On: 06 November 2023

Report by: Chief Auditor

Heading: Internal Audit and Counter Fraud Progress and Performance for Period to 30 September 2023

1. Summary

- 1.1 The Internal Audit Annual Plan was approved by the Audit, Risk and Scrutiny Board on 13 March 2023. Internal Audit measures the progress and performance of the team on a regular basis using a range of performance indicators. This report monitors progress from 1 April 2023 to 30 September 2023, in terms of the delivery of the Audit Plan for the year and compares actual performance against targets set by the Director of Finance and Resources.
- 1.2 In terms of Counter Fraud, no formal performance targets for fraud investigation have been established for the following reasons. A major part of their work involves being the single point of contact (SPOC) for the Department for Work and Pension's (DWP) Single Fraud Investigation Service and the Service Level Agreement for this work contains time targets for completing this work. The types of fraud referrals received to date are wide ranging and the team's objective is to concentrate on investigating those referrals considered to contain the greatest fraud risk. They are also involved in promoting fraud awareness and assisting with the implementation of adequate fraud prevention measures within the Council.
- 1.3 All of the Internal Audit Team and Counter Fraud Team are currently working on a hybrid basis and also undertake home/site visits when the need arises. We also provide advice and support where necessary to council services.

- 1.4 The report details progress against local and national initiatives involving Internal Audit and the Counter Fraud Team from 1 April 2023 to 30 September 2023.
-

2. **Recommendations**

- 2.1 Members are invited to note the Internal Audit and Counter Fraud Team progress and performance to 30 September 2023.
- 2.2 Members are asked to approve the proposed amendments to the Annual Internal Audit Plan for 2023/2024.
-

3. **Background**

- 3.1 The progress and performance of the Internal Audit Team is subject to regular monitoring using a number of performance measures. The Director of Finance and Resources has set annual targets for the team to demonstrate continuous improvement. In terms of the Counter Fraud team, there are time targets in place for responding to requests from the DWP's Single Fraud Investigation Service. Due to the diverse nature of fraud referrals no formal performance targets have been established and the outcomes from investigations is regularly monitored by management.
- 3.2 Internal Audit and the Counter Fraud Team support a variety of local and national initiatives through participation in professional practitioner groups and co-ordination of national initiatives such as the National Fraud Initiative.
- 3.3 This report measures the progress and performance of both the Internal Audit and Counter Fraud Team for the period from 1 April 2023 to 30 September 2023.

4. **Internal Audit Team Performance**

(a) **Percentage of audit plan completed as at 30 September 2023**

This measures the degree to which the Audit Plan has been completed.

Actual 2022/23	Annual Target 2023/24	Audit Plan Completion Target to 30 September 2023	Audit Plan Completion Actual to 30 September 2023
93.2%	95.0%	42.8%	43.9%

Actual performance is slightly ahead of target.

(b) **Percentage of assignments complete by target date**

This measures the degree with which target dates for audit work have been met.

Target 2023/24	Actual to 30 September 2023
95.0%	100%

Actual performance is ahead of the target set for the year.

(c) **Percentage of audit assignments completed within time budget**

This measures how well the time budget for individual assignments has been adhered to.

Target 2023/24	Actual to 30 September 2023
95.0%	100%

Actual performance is ahead of the target set for the year, although this is likely to reduce over the remainder of the year.

(d) **Percentage of audit reports issued within 6 weeks of completion of audit field work**

This measures how quickly draft audit reports are issued after the audit fieldwork has been completed.

Target 2023/24	Actual to 30 September 2023
95.0%	100%

Actual performance is ahead of the target set for the year, although this is likely to reduce over the remainder of the year.

5. Review of the 2023/24 Internal Audit Plan

5.1 Our 2023/24 Audit Plan is subject to ongoing review in light of any organisational risks arising, and also to determine whether any assignments will have to be amended or cancelled as result of us being unable, for any reason, to undertake the work planned. As a result we recommend the following amendment at this time:-

a) Administration of Medicines in Schools– 20 Days - A new policy for the administration of medicines in schools is currently being prepared but has not yet been approved. It is likely that this policy will not be actually implemented until early 2024 and therefore it is suggested that this review is deferred until 2024/25 to enable the policy to be embedded into school processes. It is proposed that we add this time to our contingency budget, as a lot of contingency time has been utilised in the first half of 2023/24 for investigations, which will be reported to members of this Board on completion of any proceedings which may arise from this work.

5.2 The Internal Audit Plan progress will continue to be closely scrutinised by management. Currently we are in the process of conducting a 6 monthly review with each of the service senior management teams to discuss the progress of the plan and ensure there are no issues in undertaking the remaining audit plan assignments. Any further proposed amendments will be brought to this Board for approval.

6 Counter Fraud Team Progress and Performance

6.1 In line with the Service Level Agreement, the Counter Fraud Team act as the Single Point of Contact (SPOC) to route potential housing benefit fraud referrals to the DWP, liaise with the Council's Housing Benefit Team and DWP Fraud Officers and retrieve the necessary evidence for the DWP Fraud Officers from the Housing Benefit System. Where a suspicion of fraud arises, the team investigate and report their findings to management. Where appropriate, follow-on action is taken, such as reporting the matter to Police Scotland for further investigation, or directly to the Procurator Fiscal. In addition, they also work jointly with DWP Fraud Officers on criminal fraud investigations which focuses on the investigation and prosecution of the Local Authority administered Council Tax Reduction Scheme and Social Security benefit fraud. In addition to investigation work the team also undertake fraud prevention work.

6.2 During this quarter, we have mainly been working on the various fraud referrals received and completing investigations into matches received in January 2023 from the National Fraud Initiative, administered by Audit Scotland. As part of our fraud prevention work, we are continuing to validate any bank account or remittance contact changes received from the Council's suppliers and contractors.

6.3 The financial and non-financial results for the period (April 2023 to September 2023) are noted in the table below.

Financial Outcomes	Period to 30 September 2023 (£)
Cash savings directly attributable to preventative counter fraud intervention	2,892
Cash recoveries in progress directly attributable to counter fraud investigations	43,196
Housing Benefit Savings Attributable to Joint Working by Counter Fraud and DWP Counter Fraud Officers	11,158
Notional savings identified through counter fraud investigation, (e.g. housing tenancy and future council tax)	113,127
Non-Financial Outcomes	Period to 30 September 2023
Housing properties recovered	1
Housing applications amended/cancelled	3
Housing Allocation Priority Changed	1
Blue badge misuse warning letters issued	8
Blue Badges Cancelled	2
Supplier/Contractor Checks Undertaken	162

6.4 Our notional savings are based on the methodology prepared by the Cabinet Office and this has been revised from April 2023.

7. Local and National Initiatives

Scottish Local Authorities Chief Internal Auditors Group

7.1 The Local Authorities Chief Internal Auditors Group met in September and were joined by Audit Committee chairs and vice-chairs for a presentation by a representative from the Chartered Institute of Public Finance & Accountancy body on their publication "Internal Audit Untapped Potential".

Scottish Local Authorities Investigation Sub-Group

7.2 The Local Authorities Investigation Sub-Group also met in September and the Chair of the Scottish Local Authorities Chief Internal Auditors Group attended to assist in the planning of the work programme arising from the Conference held in June 2023.

External Quality Assessment

7.3 We are continuing to progress the agreed action plan arising from our second external assessment reviewing how our service undertakes some of its functions to ensure the actions are completed by the agreed timescale.

7.4 We are also currently undertaking the external quality assessment of Inverclyde Council and plan to have this completed shortly.

Revised CIPFA Guidance – Audit Committees

7.5 We are developing a framework to undertake a self-assessment of our compliance with this guidance for both the Council and Renfrewshire Integration Joint Board

National Fraud Initiative

7.6 We are currently ensuring that all the work which has been undertaken to date on the matches received by the Council has been recorded on the portal by all staff involved in the exercise.

Counter Fraud Training

7.7 Our counter fraud e-learning course was formally launched during this quarter. To date 368 employees have completed the course and we have had positive feedback regarding this course.

Implications of the Report

1. **Financial** - The Council has in place arrangements to recover the any overpayments identified from the work of the Counter Fraud Team and the National Fraud Initiative.
2. **HR & Organisational Development** - None
3. **Community Planning – Safer and Stronger** - effective internal audit is an important element of good corporate governance.
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** – None

9. **Procurement** - None
10. **Risk** - The progress and performance reported relates to the delivery of the risk-based internal audit plan and the mitigation of the risk of fraud and error.
11. **Privacy Impact** – None
12. **COSLA Implications** – None
13. **Climate Risk** - None

Author: Karen Campbell – 07768354651



To: Audit, Risk and Scrutiny Board

On: 06 November 2023

Report by: Chief Auditor

Heading: CIPFA Audit Committee Guidance – Self Assessment Arrangements

1. Summary

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) published guidance in late 2022 for local authority Audit Committees. The purpose of the guidance is to support Audit Committee members in fulfilling their role on the Audit Committee.
 - 1.2 The guidance promotes that a regular self-assessment against the key principles should be undertaken, to support the planning of the audit committee work programme and training plans and also inform the annual report.
 - 1.3 Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.
 - 1.4 This report seeks to provide members with an overview of the new CIPFA guidance and develop the arrangements for conducting a self-assessment of compliance against the guidance.
-

Recommendations

- 2.1 That the Audit, Risk and Scrutiny Board are asked to agree the proposed format for the self-assessment against the CIPFA Audit Committee Guidance.

- 2.2 That the Audit, Risk and Scrutiny Board are asked to agree a suitable date for the member development session.
 - 2.3 That the Audit, Risk and Scrutiny Board are asked to agree that the resulting action plan will be submitted to the Council, and completion of the plan will be monitored 6 monthly by the Audit, Risk and Scrutiny Board.
-

3. Background

Effective Audit Committees

- 3.1 The Audit Committee is a key part of an organisation's governance arrangements and one of its key roles is ensuring that there is sufficient assurance over the governance risk and control framework. It can be a valuable resource for the whole organisation.
- 3.2 An audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'
- 3.3 To develop the Audit Committee and provide assurance via the annual report, it is recommended that the committee is supported in a self-assessment. Alternatively, an independent review can be undertaken.
- 3.4 The CIPFA guidance provides a framework for assessing the effectiveness of the Audit Committee, this framework comprises distinct but inter-dependent areas that should be assessed.

- **Self-assessment of good practice (Appendix 1)**

This question set provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and the revised Audit Committee Guidance. The framework covers the core functions and the administrative arrangements of the Audit Committee, with some areas being outwith the direct control of the Audit Committee members.

It is proposed that an initial assessment is undertaken by the Chair of the Audit, Risk and Scrutiny Board, the Chief Auditor, the Clerk to the Board and any other officers from the Council contributing where appropriate. From the initial assessment any identified areas for further discussion and development will be incorporated into the development session detailed below.

- **Evaluating the impact and effectiveness of the audit committee (Appendix 2)**

The appendix provides a resource to support a self-assessment against these areas and to encourage reflection on the impact, influence and effectiveness of the committee. It is proposed that a development session

is arranged, with participation from the members of the Audit, Risk and Scrutiny Board. The outcome of the development session will be a comprehensive action plan for improvement and compliance against the CIPFA guidance.

Implications of the Report

1. **Financial** - None
2. **HR & Organisational Development** – None
3. **Community Planning – Safer and Stronger** - None
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The report addresses the risk of non-compliance against the revised CIPFA guidance for an effective Audit Committee.
11. **Privacy Impact** – None
12. **COSLA Implications** – None
13. **Climate Risk** - None

Author: Andrea McMahon, Chief Auditor

Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5

Audit committee purpose and governance

1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Has the committee maintained its advisory role by not taking on any decision-making powers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Does the governing body hold the audit committee to account for its performance at least annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:					
<ul style="list-style-type: none"> compliance with the CIPFA Position Statement 2022 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Functions of the committee					
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
Governance arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk management arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal control arrangements, including:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 					
Annual governance statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assurance framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Over the last year, has adequate consideration been given to all core areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Has the committee met privately with the external auditors and head of internal audit in the last year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5

Membership and support

13 Has the committee been established in accordance with the 2022 guidance as follows?					
<ul style="list-style-type: none"> • Separation from executive 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • A size that is not unwieldy and avoids use of substitutes 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Is adequate secretariat and administrative support provided to the committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Effectiveness of the committee

20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22 Are meetings effective with a good level of discussion and engagement from all the members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23 Has the committee maintained a non-political approach to discussions throughout?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Good practice questions	Does not comply					Partially complies and extent of improvement needed				Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement					
Weighting of answers	0	1	2	3	5					
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
26 Do audit committee recommendations have traction with those in leadership roles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
27 Has the committee evaluated whether and how it is adding value to the organisation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
28 Does the committee have an action plan to improve any areas of weakness?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
29 Has this assessment been undertaken collaboratively with the audit committee members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Subtotal score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Total score										
Maximum possible score										200**

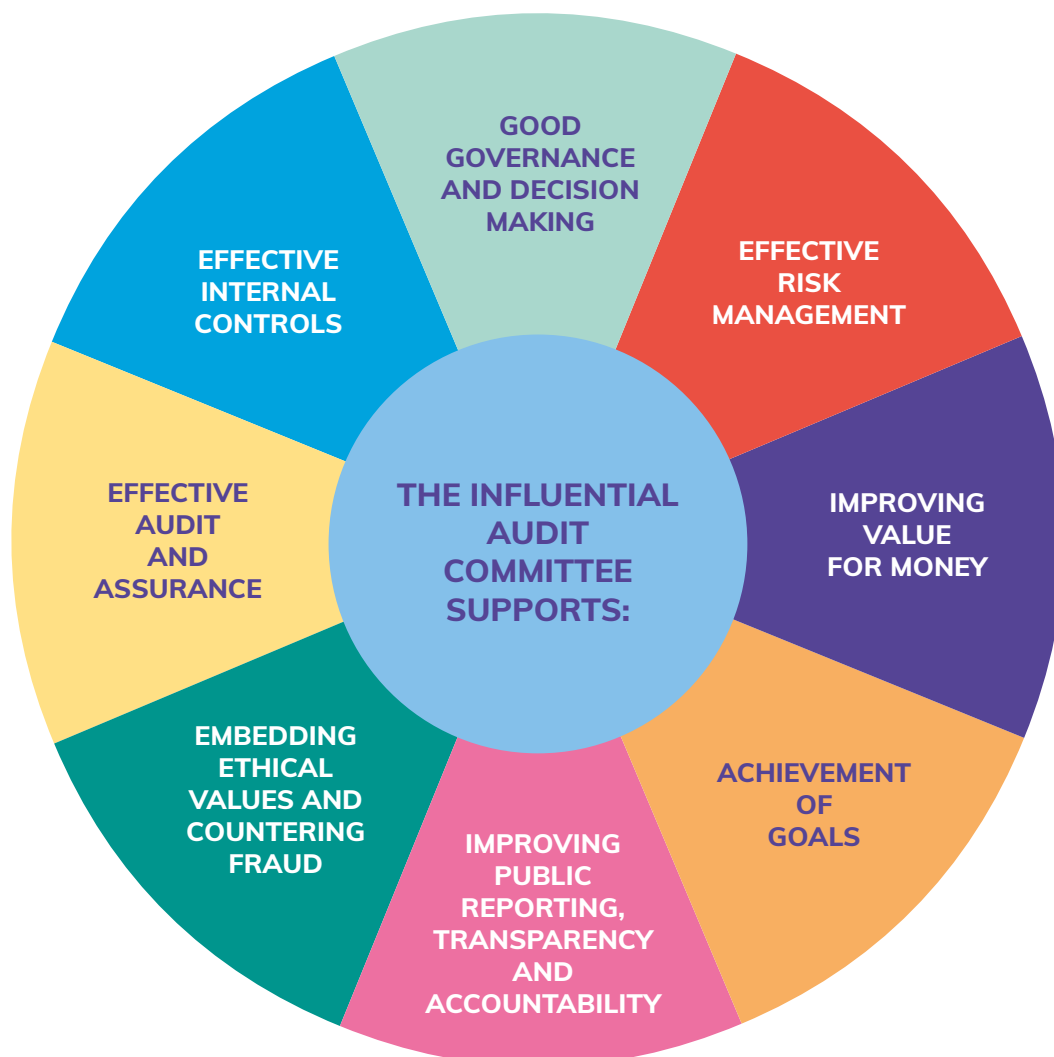
** 40 questions/sub-questions multiplied by five.

Evaluating the impact and effectiveness of the audit committee

An audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'.

The improvement tool below can be used to support a review of effectiveness. It identifies the broad areas where an effective audit committee will have impact.

Figure 1: The influential audit committee



The table includes examples of what the audit committee might do to have impact in each of these areas.

The third area includes key indicators that might be expected to be in place if arrangements are in fact effective. These indicators are not directly within the control of the audit committee, as it is an advisory body. They do provide an indication that the authority has put in place adequate and effective arrangements, which is the purpose of the committee.

Use the tool for discussion and evaluation of the strengths and weakness of the committee, identifying areas for improvement.

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting the principles of good governance and their application to decision making.</p>	<ul style="list-style-type: none"> • Supporting the development of a local code of governance. • Providing a robust review of the AGS and the assurances underpinning it. • Supporting reviews/audits of governance arrangements. • Participating in self-assessments of governance arrangements. • Working with partner audit committees to review governance arrangements in partnerships. 	<ul style="list-style-type: none"> • Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements. • Local arrangements for governance have been clearly set out in an up-to-date local code. • The authority's scrutiny arrangements are forward looking and constructive. • Appropriate governance arrangements established for all collaborations and arm's-length arrangements. • The head of internal audit's annual opinion on governance is satisfactory (or similar wording). 	
<p>Contributing to the development of an effective control environment.</p>	<ul style="list-style-type: none"> • Encouraging ownership of the internal control framework by appropriate managers. • Actively monitoring the implementation of recommendations from auditors. • Raising significant concerns over controls with appropriate senior managers. 	<ul style="list-style-type: none"> • The head of internal audit's annual opinion over internal control is that arrangements are satisfactory. • Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified. • Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement. 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<ul style="list-style-type: none"> • Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking. • Monitoring improvements to risk management. • Reviewing accountability of risk owners for major/ strategic risks. 	<ul style="list-style-type: none"> • A robust process for managing risk is evidenced by independent assurance from internal audit or external review. 	
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	<ul style="list-style-type: none"> • Reviewing the adequacy of the leadership team's assurance framework. • Specifying the committee's assurance needs, identifying gaps or overlaps in assurance. • Seeking to streamline assurance gathering and reporting. • Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit. 	<ul style="list-style-type: none"> • The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies. 	
Supporting effective external audit, with a focus on high quality and timely audit work.	<ul style="list-style-type: none"> • Reviewing and supporting external audit arrangements with focus on independence and quality. • Providing good engagement on external audit plans and reports. • Supporting the implementation of audit recommendations. 	<ul style="list-style-type: none"> • The quality of liaison between external audit and the authority is satisfactory. • The auditors deliver in accordance with their audit plan and any amendments are well explained. • An audit of high quality is delivered. 	
Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.	<ul style="list-style-type: none"> • Reviewing the audit charter and functional reporting arrangements. • Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. • Actively supporting the quality assurance and improvement programme of internal audit. 	<ul style="list-style-type: none"> • Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment). • The head of internal audit and the organisation operate in accordance with the principles of the CIPFA <u>Statement on the Role of the Head of Internal Audit</u> (2019). 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<ul style="list-style-type: none"> • Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of performance management arrangements. 	<ul style="list-style-type: none"> • Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives. • The authority's arrangements to review and assess performance are satisfactory. 	
<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<ul style="list-style-type: none"> • Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee. • Considering how performance in value for money is evaluated as part of the AGS. • Following up issues raised by external audit in their value-for-money work. 	<ul style="list-style-type: none"> • External audit's assessments of arrangements to support best value are satisfactory. 	
<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p>	<ul style="list-style-type: none"> • Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014). • Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. • Assessing the effectiveness of ethical governance arrangements for both staff and governors. 	<ul style="list-style-type: none"> • Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements. 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.</p>	<ul style="list-style-type: none"> Working with key members/ the PCC and chief constable to improve their understanding of the AGS and their contribution to it. Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. Publishing an annual report from the committee. 	<ul style="list-style-type: none"> The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality. The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion. The authority has published its financial statements and AGS in accordance with statutory guidelines. The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements. 	

OVERALL QUESTIONS TO CONSIDER

- 1 Does the committee proactively seek assurance over the key indicators?
- 2 How proactive is the committee in responding to aspects of governance, risk, control and audit that need change or improvement?
- 3 Are recommendations from the committee taken seriously by those responsible for taking action?

REPORTING RESULTS

The outcome of the review can be used to inform the committee's annual report.



To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Chief Executive

Heading: Dargavel Primary School Independent Review recommendations – actions monitoring report

1. **Summary**

1.1 The findings of an independent review into the circumstances of the errors in planning and delivery of primary school provision in the Dargavel area were reported to Council in June 2023. At the same meeting, a further report was presented outlining the initial high level Council response to the recommendations of the independent review.

1.2 Subsequent to the initial high-level response provided at the June Council meeting immediately after the report publication, a more detailed range of specific actions were developed over the summer period by officers which have been actively progressed at pace. Where appropriate, a range of associated reports were taken to a number of policy boards to approve specific actions or note the outcome of actions progressed by officers as part of wider Dargavel update reports.

1.3 Although not an audit report, the Independent Review report provided to the Council was highly unusual in nature and presented a range of important recommendations for the Council to progress and reflect on. In this context, it is important that as part of the Council's wider governance arrangements, the Audit, Risk and Scrutiny Board considers the actions identified by the Council and the progress achieved to progress them.

- 1.4 In this regard, this report provides an update and further detail on the actions the Council has taken, and plans to take, in addressing the recommendations within the independent review.
-

2. **Recommendations**

- 2.1 Note and consider the update provided in Appendix 1 in relation to the Council's response actions and that a full range of appropriate senior officers will be available at the meeting to support any detailed questioning.
- 2.2 Note that many of the actions have been noted and or approved through an appropriate policy board and that the Council's response to the independent review recommendations have been considered in detail by the Council's external auditors and reported on as part of the annual audit report also included on this board agenda which will be of associated interest to Board members when considering this report.
- 2.3 Note that the actions outlined in this report have been incorporated in to the regular risk reporting arrangements in place for the Board and that regular reports on progress are also provided to relevant Policy Boards.
-

3. **Background**

- 3.1 At a Special Meeting of the Education and Children's Services Policy Board on 7 November 2022, the Board considered a report by the Director of Children's Services relative to the capacity of Dargavel Primary School. The report advised that the school opened in January 2022 and that over the course of the 2022/23 school session the rate of admissions had been higher than anticipated. Accordingly, a forecast roll projection based on the existing school roll, known pre-school population within the school catchment area and potential future pace of house completions across the Dargavel development was carried out and the results of the preliminary stage provided clear conclusions that the existing school capacity would be materially insufficient to meet the future demand profile of the catchment area.

- 3.2 As part of that Report to the Board, and at the meeting itself, the Board were advised that the Chief Executive would instruct an Independent External Review to assess the circumstances which led to the very significant error in school capacity planning. Members were subsequently advised that the Independent External Review would be carried out by David Bowles who had been appointed through SOLACE Business. David Bowles is a highly experienced former local government Director and Chief Executive. The review was completed in June and the full report was discussed at the June 2023 Council meeting.
- 3.3 The report outlined the circumstances and failures which led to the error in school roll projection, and subsequent failures to correct the error when the opportunity to do so arose. The report contained eight recommendations across a range of issues for the Council to consider.
- 3.4 The report was published immediately prior to the June Council meeting and in this context a necessarily initial high level response to the independent review recommendations was set out in a report from the Chief Executive to the Council meeting. This initial high-level response accepted in full all of the findings and recommendations set out in the Independent Review report and outlined actions the Council would take forward to address the recommendation of the independent review.
- 3.5 It should be noted that many of the issues and recommendations set out in the independent report had already been identified internally by officers and many of the associated actions had already been progressed and in some instances significantly completed at the point the report was published. Over the summer period officers developed in more detail a substantial action plan to progress the high level response outline in June and where appropriate and required, a range of associated reports were presented to a number of policy boards during the August and September board cycle. Updates on progress in relation to progress of each recommendation is also provided to relevant policy boards.
- 3.5 The appendix to this report provides a full update on the action taken by Council officers to date; and timescales for remaining actions to be undertaken. Although not a formal audit report, it is recognised that this independent report is highly unusual and sets out findings and recommendations in relation to some very significant historic failings by the Council in how the Dargavel Development and in particular Education planning has been handled over many years.

It is therefore critical that the Council responds appropriately to the recommendations and embeds learning as we move forward and, in this context, the Audit Risk and Scrutiny Board will wish to consider in detail the Council's response and progress achieved to date.

- 3.6 The Council's response to the independent review recommendations have been considered in detail by the Council's external auditors and reported on as part of the annual audit report also included on this board agenda which will be of associated interest to Board members when considering this report.
- 3.7 The agenda for this meeting also includes the regular six-monthly risk report, which has been updated to include the actions outlined in this report. The actions will therefore be subject to regular reporting within the Board's established risk monitoring arrangements moving forward.

Implications of the Report



1. **Financial** – there will be significant capital and revenue implications for the Council in resolving the error. It is currently estimated that the capital cost for a new primary school will be in the region of £45 million, while a larger than anticipated extension to Park Mains High School may cost in the region of £30 million. It is also anticipated approximately half of the cost of the High School extension will be funded by the site developer, BAE Systems. The net capital cost to the Council is therefore estimated at £60 million, which if fully funded by prudential borrowing would incur an annual revenue cost of £4 million.
2. **HR & Organisational Development** – the report outlines a leadership development programme will be delivered in the coming months, with a focus on key issues raised in the independent review around governance, risk management, corporate working and culture.
3. **Community/Council Planning** – the report outlines action being taken to develop an engagement and ongoing communication process with affected communities.
4. **Legal** – the report outlines the legal agreements necessary to secure suitable sites for a new primary school in the Dargavel area and the Board approval processes undertaken to date.

5. **Property/Assets** – the Council will construct a new primary school and extend Park Mains High School. Planning and procurement options for these developments are progressing. Interim capacity solutions at the existing Dargavel Primary School Bishopton Primary School and Park Mains High School are also progressing.
6. **Information Technology** – *n/a*
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report as it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – *n/a*
9. **Procurement** – *n/a*
10. **Risk** – the report outlines the action being taken in relation to risk management and checks on the risk profiles of major projects.
11. **Privacy Impact** – *n/a*
12. **Cosla Policy Position** – *n/a*
13. **Climate Risk** – *n/a*


Author: *Alan Russell, Chief Executive*

Action	Target Completion	Responsible Officer	RAG Status	Update
Bowles Report Recommendation 1 Build a more robust model of primary school need for Dargavel - the Council should continue to refine its pupil forecast model for Dargavel.				
<p>Response Objectives</p> <p>Deliver robust projection modelling for Dargavel and PMHS which: -</p> <ul style="list-style-type: none"> • considers live information arising from NHS, pupil & ELC registrations, the pace of development to date, certainty over development size and likely pace of future build out rate, • utilises external data analytics and projection expertise to augment and enhance the Council’s in-house forecasting approach to ensure modelling is robust, underpinned by external challenge and specialist input reflecting the complexity and significant portion of Dargavel that has yet to be developed out over a circa 10 year period, • provides modelling output which considers potential future upper scenarios reflecting the high yield factors reflected in the 2023/24 P1 intake to inform immediate decisions on scale of capacity to be delivered as well as planning for potential additional interventions at a future time, • delivers modelling output which provides a long-term view beyond the anticipated completion timeline for Dargavel to ensure the long term impact of Dargavel is modelled and understood, • provides modelling output over the long term which indicates both the scale, timing and shape of an anticipated peak in demand that will accompany a development of this scale and nature. This will provide visibility of the anticipated short-lived peak in demand and long term settled demand to ensure this is appropriately reflected in estate/capacity decisions and in particular to mitigate against delivery of excessive long term / permanent increase in capacity that would result in excess unused surplus capacity over the long term. • Provides modelling that can be tested and revised as necessary as new key data becomes available such as P1 and S1 registrations, actual scale and pace of the development and any new developments, which will continue to inform decisions on any future estate interventions if required. 				

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
Complete Council modelling through to the anticipated end date for the housing development (2033/34) based on assumed 4,300 units and available live data.	October 2022	Director of Children's Services	Complete	Completed October 2022
Engage and appoint Edge Analytics to deliver enhanced modelling approach for both Dargavel primary requirements as well as PMHS out to 2033/34 and updated live datasets.	February 2023	Director of Children's Services	Complete	Completed February 2022 including additional upper forecast scenarios for Dargavel non-denominational requirements to support management of risk associated with long term yield remaining at similar level to 2023/24. Informed reports to Education and Children's Services Board in March and May 2023
Extend Edge engagement to deliver an enhanced model projecting out to 2038 to provide longer term forecast to assess the full impact on the secondary sector and allow identification of likely timing and scale of peak demand encapsulating any relevant updates to live datasets.	September 2023	Director of Children's Services	Complete	Modelling completed which has identified an anticipated peak period in both primary and secondary sectors and will be reported to Education and Children's Services Board in November 2023.
Provide update to November Education & Children's Service Policy Board.	November 2023	Director of Children's Services		
Update Edge Analytics modelling for newly released national Census data and expand across the whole school estate and establish modelling dashboard to support ease of updating and rapid re-assessment of revised projection that will be utilised on an ongoing basis over future years, both for Dargavel / PMHS but also as part of the strategic Learning Estate programme.	January 2023	Director of Children's Services		


Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<p>Bowles Report Recommendation 2</p> <p>Use of Bishopton Primary - in its future plans the Council should reconsider how surplus capacity at Bishopton can be used effectively.</p>				
<p>Response Objectives</p> <p>Consider and assess how existing capacity within Bishopton Primary School may be best utilised to support the Dargavel catchment over the immediate term and potentially over the longer term, taking into consideration the uncertainty and risk over the long-term demand levels that will ultimately emerge for primary education from Dargavel as well as the expectation of a temporary peak period of demand.</p> <p>Provide a report to Education and Children’s Services Board setting out a clear overview as to how Bishopton PS capacity will be utilised to support temporarily over the short term period and how it may be considered amongst other options for use to support Dargavel in the longer term (noting that any such longer term use will be subject to detailed consideration and decision at an appropriate point in future years).</p>				
<p>Complete assessment of anticipated P1 intake from Dargavel catchment and assess against revised DPS capacity availability, establish planned P1 intake capacity cap and anticipated P1 intake requiring accommodation at Bishopton Primary School.</p>	<p>August 2023</p>	<p>Director of Children’s Services</p>	<p>Complete</p>	<p>Planned use of Bishopton Primary School along with planned capped entry levels to Dargavel Primary School reported an approved at Education and Children’s Services Policy Board in August 2023. There will be a requirement to annually monitor anticipated and actual P1 intakes carefully to assess adequacy of short term capacity provision across both Dargavel and Bishopton Primary Schools to meet demand pending the second primary school in Dargavel coming on stream.</p>
<p>Complete an exercise to assess the timing, scale and range of potential demand level scenarios, in particular understanding the scale and timing of the peak demand and likely settled long term demand. This information will be used to inform the assessment of how Bishopton Primary School could, if required, be potentially be utilised as an option in the longer term.</p>	<p>January 2024</p>	<p>Director of Children’s Services</p>	<p></p>	<p>Completion of the updated work with Edge Analytics has provided a view of the likely timing and length of the peak demand period – with peak primary demand being forecast in 2033/34 which will fall over the second half of the 2030s to a more settled level. Further work is being progressed to update this information for the</p>


Dargavel Independent Review
 Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
				recently released 2023 census information and November registration data to inform an overall assessment.
Complete financial analysis to understand the potential financial context of utilising Bishopton Primary School Capacity	May 2023	Director of Finance and Resources	Complete	<p>Bishopton PS is a predominantly 1960s construction and is more than 60 years old. This building will, along with the whole school estate, undergo an updated condition survey over coming months. Notwithstanding, given the underlying age of the building it will inevitably have a limited remaining lifespan before being considered for replacement.</p> <p>Existing surplus capacity if used permanently to reduce the required size of a second Dargavel primary school, will require to be replaced as part of a renewal programme. The determination of the timing of that will be subject to work progressed as part of the strategic learning estate programme.</p> <p>Consequently, it has been assessed that any financial advantage from utilising Bishopton PS will be restricted to a temporary time value of money benefit and consequently will be relatively limited.</p> <p>In addition, there is also a risk that utilising Bishopton PS permanently removes its availability to provide supporting capacity to manage both a temporary peak that may arise from upper end</p>


Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
				<p>educational demand scenarios and longer term upper end demand. There could be the risk that in such circumstances if Bishopton capacity was no longer available this would lead to higher overall costs over the longer term for the Council.</p> <p>The financial considerations and risks will be incorporated into the overall assessment scheduled to be reported as part of the Education & Children’s Services Board report in January 2024.</p>
<p>Set out overview in a report to the Education and Children’s Services Policy Board in respect to the potential long-term utilisation of Bishopton Primary School which will be subject to detailed consideration at an appropriate point in future years as actual long term demand trends increasingly emerge.</p>	<p>January 2024</p>	<p>Director of Children’s Services</p>		<p>Work to allow appropriate recommendation to be made is progressing in line with plans and scheduled to be reported to Board in January 2024</p>

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
Bowles Report Recommendation 3				
As the Council progresses its plans to issue supplementary guidance on developer contributions for education it should seek to learn from other Councils in Scotland.				
A development the size of Dargavel is exceptional and would need its own modelling techniques. However, for smaller developments the Council should create an evidence base to calculate specific yield factors derived from recent developments in Renfrewshire. Such robust data will ease future negotiations.				
Undertake a desk top review of other local authorities across Scotland and identify key best practice councils to engage.	June 2023	Head of Economy and Development	Complete	
Complete detailed engagement with identified best practice councils arising from desk top research	Summer 2023	Head of Economy and Development	Complete	Detailed engagement completed with Fife, Falkirk and West Lothian councils.
<p>Complete data analysis exercise of a range of datasets of mixed historic sites across Renfrewshire to provide empirical evidence to support actual pupil yields to inform establishment of appropriate yield factors to be used in future contribution policy.</p> <ul style="list-style-type: none"> • Refresh % capacity of all schools (vs school rolls) • Sample research of Pupil Product Ratio (PPR) for developed housing sites (< 10 units) [min 10 site sample] • Sample research of PPR for developed housing sites (> 100 units)[min 10 site sample] • Sample research of PPR for established / mature housing development to provide longer term perspective (eg. 15 years old) (> 100 units)[min 4 site sample] • Identify individual schools where pupil capacity is above notional threshold (85%) • Identify all known undeveloped housing sites in individual school catchments • [Subset of 5] identify all housing sites with current "live" planning application 	October 2023	Head of Economy and Development	<p>Complete</p> 	Updated datasets (e.g. census data released by NRS) now available to allow detailed data analysis to be completed. Resource challenges have slowed the pace of some of this workstream but prioritisation expected to still allow for this to be completed during October.



Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<ul style="list-style-type: none"> Identify schools where it is anticipated intervention would be required to increase capacity based on potential future housing to be delivered over next 10 years to inform likely future developer discussions. 				
<p>Incorporate into the development of the draft contributions policy targeted to be presented to the Planning and Climate Change Policy Board in January 2024.</p>	<p>January 2024</p>	<p>Head of Economy and Development</p>		<p>This remains the targeted date but it will be informed by complexity of any additional work that may be identified from the data analytics workstream.</p>
<p>Bowles Report Recommendation 4</p> <p>Council needs to work co-operatively with BAE. Unless the Council and BAE can work together to resolve the current problems, BAE may face accusations, whether founded or not and regardless of Council incompetence, that it has increased its profits at the expense of Council taxpayers.</p>				
<p>Response Objectives</p> <p>Secure legal ownership of suitable land to facilitate delivery of a second school within Dargavel Village as well as additional land next to existing school site to provide increased flexibility to meet potential future extension of the school and or establishment of greater outdoor space.</p> <p>Secure legal commitment from BAE to provide land remediation and associated infrastructure requirements as part of legal agreement at nil cost to the Council.</p> <p>Secure as part of the legal agreement certainty on consented planning numbers and any associated adjustments to s.75 agreement to reflect revised agreement.</p>				

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
Secure with BAE agreement on Heads of Terms for allow for mutual governance approval from each organisation to inform detailed legal agreement drafting and final sign off	As soon as possible was targeted.	Chief Executive	Complete	This was completed and approved by ILE Board end of August
Secure completed and signed legal missives to deliver in full the objectives outlined above to provide certainty and timing of availability of remediated and infrastructure proofed land to support wider school delivery planning and consultation arrangements that will be progressed by the Council team.	August 2023	Chief Executive	Complete	Legal missives concluded mid-September
Proposed revisions to S.75 negotiated with BAE Systems were approved by ILE. Revised S.75 signed off by both the Council and BAE Systems to legally conclude matters.	August 2023	Head of Economy & Development	Complete	Approved by planning and Climate Change Board end of August
<p>Bowles Report Recommendation 5</p> <p>Corporate working and organisational culture - although I understand that the Council has sought to improve and strengthen corporate working in recent years, the evidence would suggest there is a long way to go; simply establishing corporate working groups is insufficient if staff are in a mindset of 'not my problem'.</p> <p>The failure of management oversight, if symptomatic of the Council as a whole, would be deeply disturbing. The Council needs to consider a significant change programme, not just on the of issue of corporate working and personal responsibility, but also its organisational culture and values. It needs plans to build a stronger organisation where constructive challenge is welcomed and there is a clarity of what is expected of all of those in a leadership role.</p>				
<p>Response Objectives</p> <p>Provide assurance that established programme governance framework and operations of governance for other major capital investment programmes and specifically that the Bowles findings on the historic failings on the handling of Dargavel by officers are not representative of the Council's current culture and approach to the management and delivery of major programmes.</p>				



Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<p>The Council is committed to living its values as a learning and collaborative organisation and post COVID was already in the process of re-establishing an Leadership Development programme for senior leadership teams and managers across the Council in recognition that this required to be reinvigorated post COVID and that there has been significant turnover in management and senior positions over the past three years and this would support growing and maturing the current culture and collaborative connections across the organisation.</p> <p>In response to the Bowles recommendations, the objective is to ensure the new Leadership Development programme is appropriately cognisant and reflective of the key learning points from the Bowles report and takes the opportunity to ensure its coverage seeks to re-enforce the development of skills related to governance, risk management, commercial risk, corporate working and culture etc and effectively utilises failures referenced in the Bowles report as key examples for learning throughout the programme. Collective reflection and learning of such significant failures – albeit historical – is recognised as an important element of building an effective future culture and ways of working across the organisation.</p>				
<p>Undertake a health check assessment on major capital programmes to provide reassurance in respect to all aspects of governance, control, reporting and management of programmes.</p>	<p>October 2023</p>	<p>Chief Executive supported by CMT</p>		<p>Health check will be completed by end of October with any identified improvement actions considered by CMT.</p>
<p>Put in place arrangements to deliver a comprehensive Leadership Development Programme (circa 12 months + programme) for chief officers and senior managers which amongst other things will cover and key areas referenced in the Bowles report in respect to governance, accountability, risk management, collaborative working, member officer relations etc.</p>	<p>Commence programme by September 2023</p>	<p>Director of Finance & Resources and Head of HR & OD</p>		<p>Contract engagement in place and resources secured from SOLACE Enterprises to support co-designed and co-delivered programme.</p> <p>Initial Chief Officer programme launch event occurred on 3rd October with focusing on personal resilience with the following Learning Development events scheduled: -</p> <p>October – Effective Communications and Elected Member Relations</p>






Dargavel Independent Review
 Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
				<p>November - Governance and Risk Management</p> <p>December – Programme Management, Leading and Navigating Strategic Change</p> <p>January – Transformational Leadership</p> <p>February – Delivering Corporate/Team Values and Vision</p> <p>Delivery of wider tier of management / leadership cohort to commence early 2024.</p>
<p>Design and undertake an evaluation process of the Leadership Development Programme for Chief Officer cohort to inform required changes / adjustments to programme delivery for next management cohort.</p>	<p>March 2024</p>	<p>Head of HR and OD</p>	<p>Not commenced</p>	

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<p>Bowles Report Recommendation 6</p> <p>Risk management</p> <p>From documents I have seen the Council was unaware of the scale of risk it was taking in the calculation of pupil numbers. The identified risk in Council documents related to providing the school on time, not that the size of the school may prove to be inadequate. The failure to identify that risk has had two consequences; first the Council has been slow to react to the increase in pupil numbers and second the Council did not negotiate with BAE with that risk in mind.</p> <p>The Council needs to review how it both identifies risk and manages it.</p>				
<p>Response Objectives</p> <p>Progress actions to provide reassurance in relation to the Council’s current risk management approach, in particular how this is approached, deployed and managed as part of major projects as well as considering and assessing the seniority / appropriateness of officer involvement and related skills across officers involved in the process.</p>				
<p>A review of risk profiles across all service departments to ensure visibility of all risks and confirmation of where certain risks are being monitored if outwith the standard Risk Reports to the Audit, Risk and Scrutiny Board (i.e., Health and Safety Planning Groups, Service Improvement Plans etc)</p>	<p>October 2023</p>	<p>Director of Finance and Resources</p>	<p></p>	<p>Initial report to CMT w/c 9/10/23 to update on progress, with planned final report to ARSB on 6/11/23</p>
<p>A review of the ‘service risk representative’ roles in each service department to ensure the representatives who sit on the Corporate Risk Management Group are sufficiently involved in risk matters within the service, to feed this into the Corporate Risk Management Group and that they also have authority within the service to provide challenge as a ‘critical friend.’</p>	<p>October 2023</p>	<p>Director of Finance and Resources</p>	<p></p>	<p>Ongoing – CMT confirmation of current reps or revised membership; including consideration of revised job responsibilities for corporate representatives undertaking compliance activities</p>



Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
Delivery of a project risk management workshop specific to the planned new primary school in Dargavel (complete)	August 2023	Director of Finance and Resources	Complete	Workshop delivered covering nature of project risks, risk changes over lifecycle of the project; reminder of Council PM framework and PMU support; key issues re good governance
Delivery of project risk management training with all PMU colleagues (in a train the trainer format) so colleagues are delivering this as part of project kick-offs to support a more risk focussed culture in the organisation.	September 2023	Director of Finance and Resources		Scheduled for 12/10/23
Undertaking a 'health check' of project management arrangements across the council to ensure governance, management, reporting and risk management is appropriate to the scale of the project.	November 2023	Director of Finance and Resources		Compliance review of all PMU supported projects underway with aim to complete by end November; model and approach to be more widely applied to other significant Council projects
An update to the risk management course on iLearn and consideration of whether it should be a mandatory course.	November 2023	Director of Finance and Resources		Work underway, decision on mandatory nature tbc by CMT
Embed and deliver risk management training into the new leadership development programme that is currently under development, particularly in relation to commercial risk	November 2023	Director of Finance and Resources	Complete	Risk management session programmed for delivery 8/11/23, including internal and external subject matter experts
Reviewing governance documents to ensure delegations in relation to liability caps are clear and unambiguous.	December 2023	Director of Finance and Resources		Potential minor additions/revisions to the council's scheme of delegation and contract standing orders being considered, with formal approval by Council in due course
Deliver a targeted risk management development day for Chief Officers:- <ul style="list-style-type: none"> Project risk management (and risk simulation exercise) 	December 2023	Director of Finance and Resources		Programme being developed delivered by internal leads with support from appropriate external experts, with delivery planned early December

Dargavel Independent Review
 Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<ul style="list-style-type: none"> • Risk horizon scanning and sustainability (the Global Risk Report) • Liability caps and their implications 				
<p>It is recognised that Dargavel Village has a significant amount of housing development yet to be delivered (circa 2000 housing units over a 10 year period) and therefore many of the associated risk that existed at the beginning of the development continue to exist today albeit there is live data to inform future projections from the first circa 2,300 units that have been delivered. Manage ongoing education demand risk relating to Dargavel through: The Council therefore continues to face risk and uncertainty in relation to accurately projecting the scale and timing of future education demand which will continue to have inherent uncertainty and risk. In recognition of this the Council will continue to progress the following actions to manage and mitigate this risk:-</p> <p>Securing robust long term demand projections which provide both a core projection, potential upper scenario and a long term view of the potential scale and timing of short term peak demand to inform decisions on capacity provision.</p>	September 2023	Director of Children’s Services	Complete	Further updates will be completed in this respect for updated datasets available from November registration data and recently released NRS Census data

Dargavel Independent Review
 Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<p>Identify now a range of flexible options that are and will remain available to in future years to deliver, if required additional capacity (both temporary capacity and permanent long term capacity) to ensure the Council can be reassured of being able to respond appropriately to the potential for upper end demand scenarios and or temporary demand peaks to emerge.</p>	<p>January 2024</p>			
<p>Establish process and arrangements to support and provide detailed monitoring and updates to projections for updates to actual data sets to facilitate a continual re-assessment of longer term trend and likely requirements / decision point required in relation to deployment of potential additional interventions.</p>	<p>January 2024</p>			

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<p>Bowles Report Recommendation 7</p> <p>Whilst protecting the integrity of the planning process, the Council needs to ensure the appropriate involvement of members in such developments.</p> <p>Additional Council Motion Council agrees that in light of the Independent External Review of Dargavel that there is a requirement to convene a cross party body to discuss and review existing governance arrangements of Renfrewshire Council.</p>				
<p>Response Objectives</p> <p>Assess the extent to which major investment projects have provided sufficient engagement with elected members through both formal governance routes as well as through briefing sessions, engagement sessions, group presentations, site tours etc. Identify any adjustments or improvements required moving forward.</p> <p>Provide officer support to a cross party group to of elected members to agree the remit and progress a discussion and review of the Council’s formal governance arrangements in line with the motion approved.</p> <p>Carry out an assessment of the Audit Risk and Scrutiny Board against CIPFA’s published good practice guide for audit committees.</p>				
<p>Undertake a health check assessment on major capital programmes to provide reassurance in respect to extent to which elected member involvement has been appropriately secured through formal governance reporting as well as via other appropriate informal engagement routes.</p>	<p>October 2023</p>	<p>Chief Executive supported by CMT</p>		<p>Health check will be completed by end of October with any identified improvement actions considered by CMT.</p>
<p>Support Council Leader and other nominated elected members to determine a review remit, progress the review and develop suitable recommendations.</p>	<p>TBC pending initial meeting</p>	<p>Head of Corporate Governance</p>	<p>Not yet commenced</p>	

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
Carry out an assessment of the Audit Risk and Scrutiny Board against CIPFA's published good practice guide for audit committees and identify any recommendations for change in remit or operational arrangements.	December 2023	Director of Finance and Resources	Not yet commenced	Report outlining proposed approach to self assessment and wider full ARSB development day to be discussed at ARSB 6/11/23. Timescales for any revisions to ARSB remit or approach tbc depending on self-assessment outcomes.
<p>Bowles Report Recommendation 8</p> <p>Public confidence</p> <p>These recent events and the matters described in this report will dent public confidence in the Council. The Council should work in an open and transparent manner in the resolution of these issues and particularly with the residents of Dargavel, who have legitimate concerns about the implications for their children during both their primary and secondary education.</p>				
<p>Response Objectives</p> <p>The key aim has been to provide straightforward messaging and up to date sitreps to ensure publics (and council representatives) have the most up-to-date position and the complexity of the issue is explained in a simple and honest way and that parental/carer concerns in respect to the school and educational environment are able to be appropriately discussed through structured engagement arrangements with the parent councils with appropriate agreed actions taken forward.</p> <p>The strategy has been designed to:</p> <ul style="list-style-type: none"> - Improve the flow and regularity of information to parents and carers and the wider Dargavel community, so they are first to hear about decisions impacting their community. - Ensure parents and carers have access to all projection data available to the council. - Introduce direct communication channels with Dargavel residents, enabling all sections of the community to engage on matters that are important to them and making sure the latest information is accessible and easy to find. - Provide residents with a feedback loop to enable them to ask questions of the council in relation to the development and have questions answered quickly. - Include the community in formal planning and design of a new primary school and high school extension. 				

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
<p>It is recognised that effective communication and engagement is important to building a new relationship between the Council and the Dargavel community, but ultimately it will take the delivery of the solution and investment in long term engagement to reduce local anxiety and fully rebuild trust and confidence in the Council.</p>				
	Target Completion Date	Responsible Officer	RAG Status	Update
<p>Develop communication plan to drive tactical engagement, ensuring the Dargavel community and specifically parents and carers kept updated on progress and the decisions being made by Council Boards.</p>	<p>November 2022</p>	<p>Head of Marketing and Comms</p>	<p>Complete</p>	<p>This plan supported and guided all initial comms and engagement in the initial months of the issue being reported and has guided the following key activities:</p> <p>Hosting two parent and carer meetings, attended by council officers and more than 220 parents or carers,</p> <p>Attending several parent council meetings with all primary schools and PMHS to support direct engagement, discussion on key activities, immediate estate decisions in respect to deployment of modular classrooms and post occupancy adjustments at Dargavel Primary, sharing and discussion of revised projection data and modelling, key council decision points, independent review outcomes etc</p> <p>Attending several community meetings from community council, Community Liaison Group as well as supporting coordination and delivery of</p>

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
				<p>wider community representative round table session to maintain ongoing engagement, sharing of information and data sharing etc.</p> <p>Issuing 12 letters/updates to impacted parents and carers at Dargavel Primary School</p> <p>Issuing 9 updates to Bishopton Community Council</p> <p>Issuing 3 media releases or proactive statements and responding to almost 50 media enquiries</p> <p>Issuing 11 elected member briefings and 8 MP/MSP briefings to support members in their engagement with local families.</p> <p>Maintaining updated information on the council website with 10 updates to our web pages</p>
<p>Deliver a revised comms and engagement strategy to coincide with the return to school period along with timing of key milestone points in relation to post independent review and moving towards confirmation of progress with BAE systems and moving more significantly into a delivery phase. This will ensure long term engagement process continues to build pro-active and positive engagement to continue to re-establish trust and confidence across the Dargavel community.</p>	<p>August 2023</p>	<p>Head of Marketing and Comms</p>	<p>Complete</p>	<p>This strategy</p>

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update
Establish a new parent council liaison group to provide a single PC forum (at the request of PC chairs) to provide a streamlined opportunity for consistent engagement and communication with the whole PC community for all schools associated with Dargavel / Bishopton and PMHS and all feeder primaries.	August 2023	Head of Education	Complete	Group has been established and has met following school summer break with positive feedback from Parent Council Chairs with engagement to date.
Establish regular opt-in digital community newsletter to facilitate regular communication updates direct to interested members of the community.	August 2023	Head of Marketing and Comms	Complete	Take up of opt-in digital channel newsletter is currently sitting at 309 users and it is expected that this will continue to grow in the coming months as school delivery and design engagement commences more significantly.
Establish and track key indicators of community sentiment.	Ongoing	Head of Marketing and Comms	Ongoing	Assessment of the range of indicators and metrics suggest an ongoing interest in Dargavel albeit across the wider community this beginning to settle into the formalised engagement routes focusing increasingly on the range of solutions identified for delivery by the Council. There remain some ongoing aspects of concern expressed from some key community representatives in relation to the new school and planned expansion to PMHS which may continue to be an issue raised through ongoing engagement and future consultation arrangements.
Develop, deploy (at appropriate key points post formal consultation period) and evaluate a community pulse survey to assess and track community sentiment and view of ongoing handling and satisfaction with delivery of key interventions within the community.	Expected April/May 2024	Head of Marketing and comms	N/A at this stage	

Dargavel Independent Review
Action Plan Response Monitoring

Action	Target Completion	Responsible Officer	RAG Status	Update



To: Audit, Risk and Scrutiny Board

On: 06 November 2023

Report by: Director of Finance and Resources

Heading: "Risk Matters," the combined risk policy and strategy

1. Summary

- 1.1 Risk Matters is formally reviewed with approval sought from the Board, every two years, and an interim review conducted by the Corporate Risk Management Group on behalf of the Corporate Management Team.
 - 1.2 At this time there are no material changes proposed to Risk Matters following review by the Corporate Risk Management Group in October 2022; only one minor amendment has been made to reflect a change in terminology for the council's risk appetite as being risk cautious (neither risk averse, nor risk eager). Previously, the appetite had been defined as "risk aware."
 - 1.3 "Risk Matters" is presented in full in Appendix 1 version 15.0 for the Board to consider for approval.
-

2. Recommendations

- 2.1 It is recommended that the Board approves "Risk Matters" version 15.0 in keeping with the Board's delegated authority for the council's risk management arrangements.
-

3. Background

- 3.1 The council's risk management arrangements are well established and robust.
 - 3.2 Risk Matters, the combined risk management policy and strategy, continues to reflect good practice, is aligned to recognised standards and takes account of learning through benchmarking with other public sector organisations.
-

Implications of the Report

1. **Financial** - There are no specific financial risks associated with the provision of this paper. A key benefit of effective risk management is better use and prioritisation of the council's resources
2. **HR & Organisational Development** - key benefits of effective risk management include high levels of employee morale and productivity and further enhancement of the council's good reputation both as an employer and as a public service provider
3. **Community/Council Planning** – revised strategy supports strategic and corporate risks being aligned to community/ council plan outcomes
4. **Legal** - key benefit of effective risk management is a higher level of service user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation
5. **Property/Assets** - key benefit of effective risk management is better use and prioritisation of the council's resources/ assets
6. **Information Technology** - key benefit of effective risk management is better use and protection of the council's ICT resources/ assets
7. **Equality & Human Rights** - not relevant to report recommendations
8. **Health & Safety** - key benefit of effective risk management is a reduction in adverse health and safety incidents
9. **Procurement** - risk management principles are built into the council's procurement processes to ensure supply chain management and contract risks are addressed
10. **Risk** – as per the subject matter of this report
11. **Privacy Impact** – not relevant to report recommendations
12. **Cosla Policy Position** – not relevant to report recommendations
13. **Climate Risk** – risk management principles are key to effective climate risk management

Author: Karen Locke, Risk Manager
23/10/2023
Tel: 07506 957 037, Email: Karen.Locke@renfrewshire.gov.uk

Our Values

We are helpful

We value learning

We are fair

We are great collaborators



Renfrewshire Council

Risk Matters

The Council promotes a culture where employees are encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice. In doing so we aim to protect vulnerable people, deliver high quality services for all service users, achieve high standards of performance, make the most of opportunity, and provide a safe environment for those we employ, contract or partner with in providing a wide range of services.

Our vision

Good risk management practice will be embraced as an enabler of success, whether in pursuing opportunity and innovation, or, managing imminent, shorter term or longer term challenges.

Our approach

We will encourage our people to manage risk well and will equip them with the skills to do so.

We will be risk cautious (neither risk averse, nor risk eager).

We will embed good risk management in our business processes.

Risk Management Policy

Our principles

We will use risk information to make fair judgments and good decisions.

We will learn from the past to build a better and more resilient future.

We will work with our partners for the benefit of our citizens.

Our risks

We align with industry standards for our risk management process.

We will be open about our risks and risk appetite; knowing when risks are acceptable to take or tolerate, or not.

We will handle risk in a way that adds most value to the business.

Signed: Alastair MacArthur, Director of Finance and Resources, October 2023

Risk Management Strategy

Our strategy is integral to our risk management framework.

Governance & Reporting – structures, roles and responsibilities for managing/reporting on risks and the effectiveness of the framework and risk objectives.

Enablers - our fundamental building blocks for success; what we need to make risk management ‘happen.’

Process - a standardised way to identify, assess and evaluate risks consistently.

Application – areas of business activity where applying good risk management should add value and deliver results.

Risk Service – a dedicated resource for promoting and supporting the risk management framework.

Risk Management Framework

Risk Management Policy & Strategy

Governance:

Leadership, Reporting and Accountability
Board, Groups and Individuals

Enablers
Objectives
Guidance
People
Training
Development
eSystems

Risk Management Process

...linked to our risk appetite

Application/ Results
Policies
Planning
Performance
Budgeting
Project Mgt.

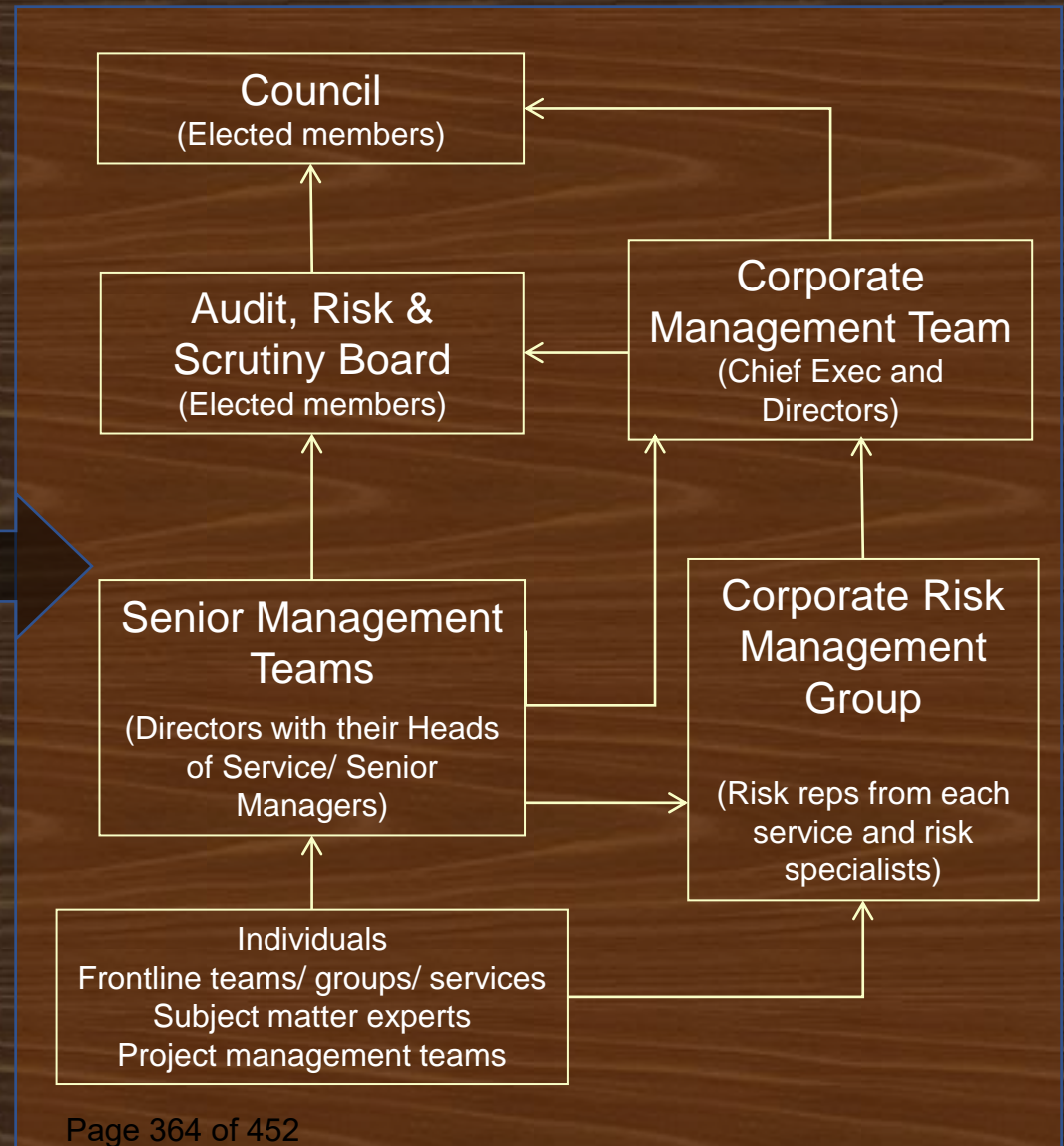
Supported by the Risk (and Insurance) Service

Governance

Roles and Responsibilities - Groups

Renfrewshire Council's [Scheme of Delegated Functions](#) specify matters which are the delegated responsibility of Boards and the Chief Executive; including risk management.

The diagram here shows how risk information flows throughout the council. Pages 5 to 8 set out the specifics of how this works and the various responsibilities.



Council and Policy Boards



The Council holds overall accountability for ensuring we have a suitable risk management **framework** in place so that significant risks are adequately identified and controlled. The execution of this risk related duty is delegated to the Audit, Risk & Scrutiny Board.

The Audit, Risk and Scrutiny Board (ARS), has authority to

1. approve the risk management policy and strategy.
2. consider the effectiveness of the risk management arrangements through consideration of the annual risk management report.
3. oversee the Council's risks and associated actions through consideration of six monthly risk reports.


All policy boards consider recommendations in relation to any specific risks brought to the board as a matter of business as usual (through the risk implications section of Board Papers). Policy boards have a further responsibility to facilitate the sharing of learning across the council, from good practice or any events or near misses that identify trends and potential risk.

Corporate Management Team

In respect of the Risk Management Framework, the Corporate Management Team promotes a risk aware culture and encourages good risk management practice across all services and activities. The CMT ensures risk information and data is used to guide major decisions in areas such as policy development, service planning, performance monitoring, budget planning, investment programmes, change programmes, projects and partnerships. The CMT ensures that a member of the management team oversees the risk management framework on behalf of the Chief Executive, and ensures the remit of the risk service/ risk manager is clear. For reporting of risk information, the CMT ensures arrangements are clear and are implemented across the organisation. The CMT ensures that key performance measures are in place to check that risk management is in line with the risk management policy and strategy and ensures that risk management arrangements are reviewed at a minimum of every two years so that it remains fit for purpose and reflects best practice.

In respect of managing risk as part of its normal business reporting arrangements the CMT will regularly receive updates on risks relating to the council and community plan objectives and strategic recovery plans (economic, financial and social), ensuring that significant risks that could impact on key objectives or service delivery responsibilities are identified and responded to appropriately. On an annual basis the CMT will additionally review and agree the organisation's risk registers to be submitted to the Audit, Risk & Scrutiny Board for approval, ensuring risk owners are clearly identified. The CMT will provide support to the Corporate Risk Management Group for undertaking deep dives into various risk control measures. The CMT maintain a clear understanding of the council's risk profile and how it relates to the council's appetite for risk. The CMT has a vital role in ongoing horizon scanning for potential new risks (opportunities or threats), yet encouraging innovation through appropriate and informed risk management.

Corporate Risk Management Group (CRMG)



In respect of the Risk Management Framework, the CRMG leads on implementing the Strategic Risk Management Development Plan (SRMDP) that supports delivery of the risk management policy and strategy. The Group develops and monitors key risk management performance indicators and prepares the risk management annual report on the effectiveness of the council's risk management framework in order to provide assurance to the ARS Board. The Group leads risk management initiatives across all services and facilitates sharing of good risk management between services. Risk 'specialists' who sit on the Group (the Risk Management Alliance) take forward specific initiatives related to the Group's remit and provide related regular updates.

In respect of managing risk, the Group co-ordinates the provision of 6-monthly risk reports; a report at the start of the year to the CMT for agreement and onwards submission to the Audit, Risk & Scrutiny Board for approval and a mid-year update to the Board.

The Group ensures that suitable arrangements are in place for the management of 'business as usual' risks across the organisation and undertakes deep dives on specific risks so that best value is delivered in managing risk, and that risks are not materially over or under controlled.

Risk Management Alliance (RMA)

The RMA has a small number of employees in risk-related roles (audit, risk management & insurance, health & safety, civil contingencies), who work together as subject experts and subgroup of the Corporate Risk Management Group.

An extended RMA with colleagues responsible for data, property and motor matters also meets as required.

The RMA provides a central resource of expertise to the wider council, working closely together on various matters either directly or through/at the request of other council services. It is through members of the RMA that services can often access other internal or external sources of expertise such Police, Insurers and/ or Insurance brokers/ advisors.

Specialists, Local Teams (Services, Groups or Projects)

Service management teams regularly review their service risk profiles ensuring visibility of these in the 6-monthly risk reports submitted to the Audit, Risk & Scrutiny Board.

Managers also highlight risks in the risk implications section of papers going to Boards.

Other teams, groups or specialists who consider risk matters in one way or another (i.e. health and safety planning groups, the information management and governance group, or project teams), will be familiar with the council's risk management framework and ensure they access training and other services available to them through the council's Risk Manager or RMA. Such groups should also keep their service risk reps informed of any developing or emerging risks so that these can be captured in service risk registers where appropriate.

Governance

Roles and Responsibilities - Individuals

Individuals – the bubbles to the right show the named individuals who have specific roles in risk management – **over and above the responsibilities that all employees have**. Pages 10 to 14 set out the specifics in more detail.

Elected
Members

Chief
Auditor

Chief
Executive

Director of
Finance &
Resources

Risk
Manager

Head of
Child Care
& Criminal
Justice

All
Directors

Service
Risk Reps

All Heads
of Service

Elected Members

A significant aspect of an elected member's role is in making decisions for the council and the people of Renfrewshire. In considering any recommendations from officers relating to new policies/ proposals, members ensure they are aware of the risks and benefits involved prior to making their decisions. The 'risk implications' section on board papers will enable appropriate risk information to be provided and reviewed.

Chief Executive

The Chief Executive is accountable for the council's risk management framework, ensuring suitable and effective arrangements are in place to manage the council's risks.

The Chief Executive is supported in this role by the Director of Finance and Resources.

Director of Finance & Resources

The Director is directly accountable to the Chief Executive and is the CMT member responsible for overseeing the council's risk management framework and remit of the risk management function. The Director is responsible for leadership and co-ordination of the risk management agenda, for undertaking the role of 'Senior Information Risk Owner' and for ensuring any significant risk issues requiring attention are brought before the CMT. The Director of Finance and Resources is supported in their role by the Chief Auditor and the Risk Manager.

Chief Auditor

The Chief Auditor supports the strategic direction of risk management in the council, overseeing the work of the risk management service which includes delivering risk management guidance, training and development and risk software for recording organisational risks.

The Chief Auditor ensures that the strategic audit plan considers the council's key risks as well as key areas of organisational change for which risk is inherent, and ensures that the outputs of internal audit work similarly inform the strategic, corporate and service risks in terms of any required improvements identified.

Risk Manager

This role is an enabling role, encouraging officers to practice sound risk management. The role provides advice and guidance to services in implementing the council's risk policy and strategy and supports risk management in high profile areas of activity within the organisation.

The Risk Manager provides training and development opportunities for members, employees and partners through a variety of methods, such as linked to elected member training, management development programmes and projects.

As chair of the Corporate Risk Management Group and Risk Management Alliance, the Risk Manager ensures suitable arrangements are in place so that the CRMG can deliver best value in its activities for the council and make timely submissions to Board in relation to strategic, corporate and service risks and the risk management annual report.

Making sure insurable risk across the council is appropriately covered also falls within the remit of the Risk Manager

All Directors

Service directors and their senior management teams implement local arrangements in support of the risk policy and strategy (and associated guidance and procedures).

All directors are accountable to the Chief Executive, the Corporate Management Team and Policy Boards for managing risks within their areas of responsibility.

While service directors have accountability for the management of a risk within their service, they might not 'own' the risk control measures being implemented to manage the risks (e.g. implementation of policies developed by other services). In this case, the role of the director is to oversee that the controls are fit for purpose and operating effectively within their area of responsibility and liaise with directors who 'own' the controls should they have any concerns.

Service directors and their senior management teams will be supported in their risk management responsibilities by their nominated service risk management rep who will also represent the service on the Corporate Risk Management Group.

Service Risk Reps

The risk reps support corporate risk management activities, representing their service on the CRMG. Risk reps attend all CRMG meetings and take part in its activities (or arrange a deputy if required).

The risk reps actively promote corporate risk initiatives and training opportunities and play a valuable role in progressing risk KPIs and the Strategic Risk Management Development Plan. Locally, the reps support their directors, senior teams and colleagues to fully implement *Risk Matters*. The risk rep is the first point of contact for risk queries within their service.

A key role for the risk rep is to bring forward the service's risk information for reporting to Board.

The risk reps raise any significant service risks that require to be considered for escalation. Risk reps also support their heads of service in providing assurance on how their 'business as usual' risks are being handled.

All Heads of Service

Heads of Service are required to ensure their employees are familiar with *Risk Matters* and associated guidance; they are accountable to their Director for managing risk across their remits.

Specifically, heads of service will regularly review and update the risks they own, either directly or on behalf of their Director or the CMT (whether these are strategic, corporate, service or project risks).

Similarly Heads of Service will be responsible for providing assurance as to how their 'business as usual' risks are being handled.

Within their teams, the Heads of Service ensure their employees understand the risk context in which they undertake their duties, they encourage their employees to promptly report any matters of concern and make sure that risk management skills and training needs are assessed and addressed.

Head of Child Care & Criminal Justice

Section 3 of the Social Work (Scotland) Act 1968 requires every local authority to appoint a professionally qualified Chief Social Work Officer (CSWO). The CSWO is a 'proper officer' in the social work function: an officer with particular responsibility on behalf of a local authority, where the law requires the function to be discharged by a specified post holder. The Head of Child Care and Criminal Justice is the council's specified CSWO.

The Chief Social Work Officer ensures the provision of effective and professional advice relating to the provision of social work services and assists understanding of the complexities of social work service delivery, particularly in relation to issues such as corporate parenting, **child protection, adult protection and the management of high risk offenders**. The CSWO has a role to play in overall performance improvement and significantly in the identification and management of risk insofar as it relates to social work services, including adult social work services delegated to the Renfrewshire Health and Social Work Partnership.

Governance

All employees



Good risk management should be embedded in the daily activities of every employee. By ensuring that decisions on risk management are taken locally rather than centrally, the council encourages local ownership of the process. All employees are encouraged to be actively involved in identifying current and potential risks where they work. Employees should make every effort to be aware of situations that might put themselves or others at risk, report identified hazards or concerns and take action to reduce risk. To do this it is important that employees:

- make sure they know the risks linked to their roles and activities;
- understand that how they behave in relation to risk could impact on their own and their client's/ the public's safety;
- make sure they know if they are accountable for particular risks and how to manage them;
- understand it's important that they can contribute to improvements in risk management and should be supported to come forward with ideas;
- understand that good risk management is part of Renfrewshire Council's 'DNA' and culture; and,
- quickly report to their line manager where they perceive new risks or problems with how existing risks are being managed. This includes reporting any near misses they become aware of.

Enablers

- our fundamental building blocks for success; what we need to make risk management 'happen.' Having these components means we have evidence that risk management arrangements are in place; this is essential for providing assurance and for demonstrating compliance with industry standards that relate to risk management (such as ISO 31000)

• Objectives –

These are shown to the right. In working to these we can deliver benefits to the council and the measures of success include better financial outcomes, delivery of business objectives and targets, better project success rates, good outcomes from external scrutiny, fewer unexpected problems, fewer incidents, accidents or complaints, and fewer insurance claims/ less litigation. We have key performance indicators to track how well our strategy is being implemented.

Strategic Risk Management Objectives

Enablers

- (1) Leadership and management: Ensuring that our Members, Directors and Senior Managers fully support and promote risk management
- (2) Policy and strategy: Ensuring that our policy and strategy remain fit for purpose and maintain a consistent approach to the management of risk and increasing its effectiveness
- (3) People: Ensure that our people are equipped and supported to manage risk well
- (4) Partnerships and resources: Ensuring that we have effective arrangements for managing risks in partnerships and resourcing risk management activity
- (5) Processes: Ensuring that our risk management processes are effective in supporting the business activities of the council

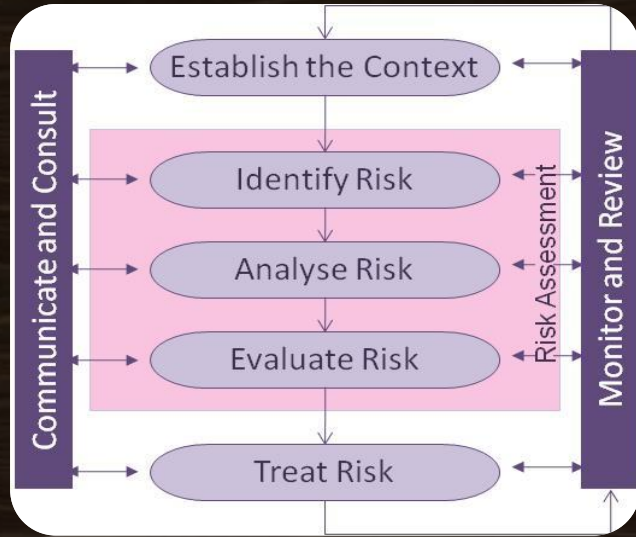
Results

- (6) Risk handling and assurance: Ensuring that risks are handled well and that the council has assurance that risk management is delivering successful outcomes and supporting innovation
- (7) Outcomes and delivery: Ensuring that risk management does contribute to achieving positive outcomes for the council

Enablers – continued...

- **Guidance** – the guidance supporting the risk policy and strategy is all available on the [Intranet](#)
- **People** – as has been set out already in pages 10 to 14
- **Training** – a range of training and development opportunities are available through the risk manager
- **Development** – our strategic risk management development plan (SRMDP) is the plan that helps us stay on track with our strategy and for meeting our objectives. The plan includes immediate, medium or longer term actions for the lifetime of the present strategy, with named responsible officers. The plan is realistic, stretching but achievable; it allows CRMG to focus on strategic priorities and actions but at the same time helps risk reps to consider operational requirements for supporting the objectives.
- **eSystems** – we make the most of technology whenever possible. We use our MS Teams channel for recording strategic, corporate or service risks and KPIs, project management software for project risk, the intranet for policy, strategy, guidance and other risk management media, Business World for accident and incident recording and monitoring, iLearn for online courses, and we use MS Teams and channels to facilitate our CRMG meetings and comms.

Risk management process



Renfrewshire Council embeds risk management throughout the council using an industry accepted risk management process and applying this consistently across all services and business activities (i.e. budget setting/ projects etc), it helps us better understand risk and make better risk-based decisions.

Risk Guidance note 02 is dedicated to explaining the process fully but some important points of note are set out on this page and the next.

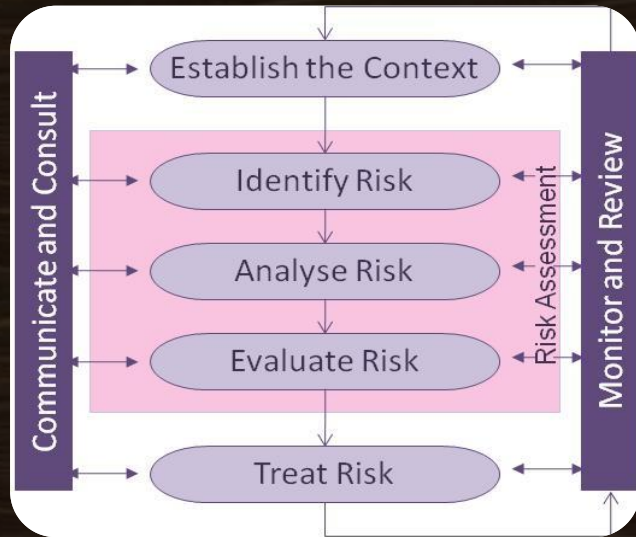
Context - takes account of many factors, including considering **what type** of risk is being addressed.

- Strategic risks are outward in focus and represent threats or opportunities linked to the Community Plan outcomes and our two-year economic and social recovery strategies
- Corporate risks are inward in focus and represent threats or opportunities linked to the Council Plan outcomes and our two-year financial recovery strategy
- Service risks impact only on the remit of the individual service, its employees/ volunteers, contractors/ partners, or the general public/ service users. Service risks can be proposed for escalation to corporate risk if they require significant central resource for risk control measures.
- Project risks represent events or circumstances which may impact on a specific project - usually as a threat to schedule and/ or cost of a project or the benefits the project will deliver. Any residual risks at the end of a project are handed over to the relevant service department/s to manage.

All of the above risk types can be found recorded on registers or in reports and are reported to Policy Boards or Project Boards.

'Business as usual' risks however are not generally related to corporate priorities or ambitions but rather are inherent by nature of our type of organisation. These risks do not go through the full risk management process but are managed via the risk assurance model launched in April 2023.

Risk management process (continued)



Analysing risk

Two factors are used to analyse risk – likelihood of occurrence, multiplied by the severity of the consequence/s if it does. (Guidance note 04)

Evaluating and treating risk

The outcome of analysis is a risk score which leads to evaluation being either *Low, Moderate, High or Very High*.

This aspect is **extremely important** as it links to the council's cautious risk appetite and will determine how a risk should be treated (unless the law deems otherwise). It is generally understood by all services that *usually*:

- **low risk** is acceptable without any further action to prevent or mitigate the risk;
- **moderate risk** is tolerable - control measures implemented or introduced must be cost effective;
- **high risk** may be tolerable - providing the council is assured regarding the adequacy and effectiveness of the control measures in place. Any further control measures implemented or introduced must be cost effective in relation to the high risk;
- **very high risk** is deemed to be unacceptable and measures should be taken to terminate, transfer or treat a very high risk to a more tolerable.

The council recognises that in exceptional circumstances a combination of factors produce 'very high' risks, for which the council may have limited control (such as a global pandemic, recessions etc). While it may have the capacity to deal with some very high risk, the Council does not wish to tolerate any more than two or three very high risks at any given time, either across the council or within the service departments.

Application/ results

While enablers provide the building blocks for risk management to happen and the risk managing process brings consistency in how we view and understand risk, it's only when we apply this to our business activities that risk management starts to really add value to our organisation. Good **examples** of this include:

- * Policy Development
- * Service Planning
- * Budgeting
- * Performance Management
- * Project management

These activities are shown on the right with some practical suggestions.

Policy Development

Risk management thinking can add value by checking e.g:

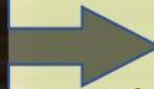
- Any strengths, weaknesses, opportunities or threats to delivering the new policy?
- Could we be creating new risks when bringing in the new policy?
- If the policy isn't approved, what risks are we left with?

Service Planning

Risk management data can add value by informing us of where service improvements could/ should be made. Good sources of risk-related data include:

- Complaints
- Accident trends/ near misses
- Claims trends/ defensibility rates
- Audit reports

Budgeting



Finance colleagues are appraised of the financial risks associated with financial planning and setting service budget. Services can use risk information to support their applications for funding, to manage unavoidable cost pressures and associated risks.

Performance Management

Risk management thinking can add value by checking e.g:

- Do poorly performing KPIs show we may have new risks arising?
- If a poorly performing KPI is already linked to a risk, have our risk controls failed?

Project Management

Some questions that can help with checking for risk in projects include, is the project likely to deliver the desired outcomes; what may cause us to run over time, over budget or impact on quality; are we over optimistic; are our assumptions reasonable?

Risk Service

The council has a 'Risk Manager,' however managing risk and making decisions on risk, is delegated to services.

The role of the Risk Manager is set out in page 11. Some examples of activities the Risk Manager leads on or is involved in are shown on the right by way of practical illustration.

The Risk Manager does not operate in isolation but values collaboration, working closely with the CRMG, Risk Reps and other Risk Professionals.

Supported by the Insurance & Risk Management Co-ordinator, the Risk Manager also manages the council's insurance service, arranging policy cover, providing advice on that, and providing services such as recommending insurance requirements for tenders and checking contractors' insurances.

The Risk Manager and the Insurance and Risk Management Co-ordinator ensure their own personal development through membership of [ALARM](#) (the public sector Risk Management Association).

Taking risk management to the next level – embedding risk management into the council's DNA!

Getting involved in key (and exciting) strategic projects with guidance and advice, such as City Deal and Cultural Regeneration.

Leading continuous improvements in risk management maturity – where it really adds value

Developing and delivering training opportunities and practical tools that are engaging as well as educational

Regular engagement with insurers, brokers, other risk professionals and partners, UK-wide, to ensure the council is protected in its activities

Working collaboratively with other risk professionals in the council on high profile areas of risk management such as the recent pandemic, preparing for the EU exit, preparing for elections etc, to protect the council and support good management of these risks

In conclusion:

The remaining pages of this strategy go beyond the risk management framework and set out some further aspects of our approach; these being:

- * Resourcing risk management
- * Measuring risk management maturity
- * Communicating risk management
- * Expectations for all services.

Resourcing the council's risk management framework

Developing and leading ongoing implementation of the risk management framework is resourced through the Risk Manager role, the Corporate Risk Management Group and Risk Management Alliance. Training and education costs are minimised with the majority of courses/ training delivered in-house or external sources such as insurers or membership of ALARM (public sector risk management association). Directors will provide resource within their service to support managers' and employees' risk training needs.

Resourcing risk owners to manage risks

Service risks should influence budget allocations. Any unplanned or unbudgeted resources arising in relation to risks will be subject to review by the service director in consultation with the Director of Finance and Resources.

Risk owners will ensure that responses to risk (by way of transfer or treatment) are effective and proportionate to each risk's significance. Put simply, resources allocated to addressing risk should not exceed the cost of the exposure itself (in the case of adverse risks) or the benefits that are being sought (in the case of opportunities).

The council's Insurance and Risk Management Co-ordinator can, on request, provide guidance on the cost effectiveness of transferring risk to the council's Insurers where this is a suitable option.

The council's Treasury consultants and investment advisors will provide guidance on risk and appropriate action in relation to the council's investment portfolio.

Measuring risk management maturity

We work towards our risk management vision through our strategic risk management objectives and by seeking every opportunity to apply effective risk management practice where it will yield most benefit (such as major investment/ change programmes/ entering into new areas of business, service or partnerships), and when it will yield most benefit, (such as along the development path of major initiatives and not solely the final decision point).

In working towards our risk management vision **we aim to demonstrate maturity where risk management is consistently embedded and integrated*** while also being able to demonstrate examples of where risk management information is driving the key policy decisions of our organisation.

*Definition as per the 'Risk Management Toolkit' developed by ALARM

Level 1
Awareness


Level 2
Happening

Level 3
Working

Level 4
Embedded and integrated

Level 5
Driving

Communicating risk management



Effective communication of risk management information across all service departments and with employees is essential to developing a consistent and effective approach to risk management.

Copies of 'Risk Matters' are disseminated to all service directors for cascade throughout their services, and copies, along with other risk management documentation and guidance are available on the Staff Intranet 'Risk Matters' page.

Details of the council's insurance arrangements are published on the Staff Intranet: insurance a quick guide. The details include definitions of a range of insurance terms along with key insurance documents such as the council's Employers Liability Certificate and the standard letter from the council's insurance brokers and advisors that summarises all the main insurances that are in place.

Risk management awareness is communicated with all new employees through the induction process; through iLearn (corporate e-learning platform) and through local induction.

Expectations for all services

- Making the most of the risk management guidance, tools, advice and training available.
- Using the risk management process wherever possible, but especially in business processes where this will add most value (page 19). This means that an assessment of risk as well as costs and benefits becomes routine wherever possible.
- Identifying risk using standard methods such as 'bottom-up' and 'top-down' approaches, involving managers throughout your service with detailed knowledge of the service and the context in which it operates.
- Ensuring where possible and relevant, that risks are aligned with the relevant council plans (page 17)
- Using the council's risk matrix to consistently analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of current risk control measures.
- Responding to risk in a way that is proportionate to the level of risk. This means that risk may be terminated; transferred elsewhere (such as through insurance); tolerated as it is; or, treated with cost effective measures to reduce it to a level where the exposure is acceptable or tolerable for the council in keeping with its capacity for risk. In the case of opportunities, the council may 'take' an informed risk in terms of tolerating it if the opportunity is judged to be (1) worthwhile pursuing and (2) the council is confident in its ability to achieve the benefits, manage and justify the risk.
- Maintaining risk registers or logs as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritisation of resources and ease of access to information for risk reporting.

Expectations for all services

- Escalating and de-escalating risk/ moving risks between risk registers when appropriate, involving service risk reps.
- Reassessing individual risks within a timescale that is proportionate to the level of risk (i.e. low risks annually, moderate risks every 6 months, significant [high and very high] risks at least on a quarterly basis), taking account of how effective the related control measures are.
- Participating in the 6-monthly review of strategic, corporate and service risks to be reported to the Audit, Risk & Scrutiny Board (exercise led by the CRMG), checking progress, checking for any changes in context and horizon scanning for new impacts or indeed new risks.
- Completing an annual assurance exercise for 'business as usual' risks
- Routinely considering risks and associated data (Heads of Service at 1-1s with their relevant Service Directors).
- Committing to action required to support high performance of Key Risk Management Performance Indicators.
- Supporting colleagues to come forward and report risks and concerns in a 'learning' culture that seeks to learn from past experience to build a better future, avoiding repetition of avoidable adverse events.

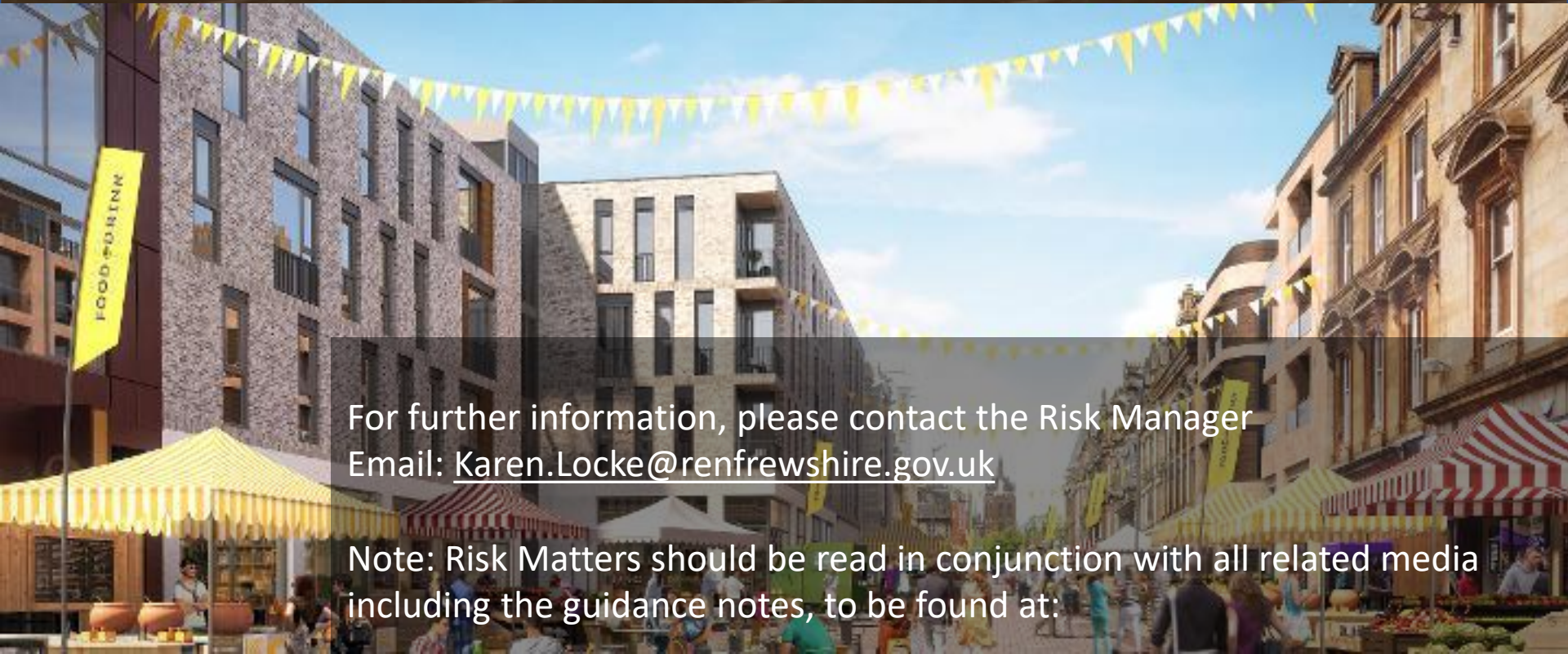
Our Values

We are helpful

We value learning

We are fair

We are great collaborators



For further information, please contact the Risk Manager
Email: Karen.Locke@renfrewshire.gov.uk

Note: Risk Matters should be read in conjunction with all related media including the guidance notes, to be found at:

<http://intranet.renfrewshire.gov.uk/article/6752/Risk-Matters---The-combined-risk-management-policy-and-strategy>



To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Director of Finance and Resources

Heading: Risk Report, November 2023

1. Summary

- 1.1 Each year the Board considers and approves the council's risks.
- 1.2 This paper sets out the latest position in managing the council's risks, midway through the financial year. The appendices attached provide details of:
- 1: longer-term or imminent strategic risks
 - 2: longer-term significant corporate risks
 - 3: service risks
 - 4: assurance levels for business-as-usual risks
-

2. Recommendations

- 2.1 It is recommended that the Board approves the report.
-

3. Background

- 3.1 The key areas of risk **previously** reported to the Audit, Risk & Scrutiny Board in **May 2023** were:

Strategic Risks:

- Very High-Risk** Economy
- Very High-Risk** Reducing inequalities
- High Risk** Climate, sustainability & adaptability

Corporate Risks:

- Very High-Risk** Financial sustainability
- Very High-Risk** Financial stability
- High-Risk** Cyber attack
- High Risk** Regulatory services/ statutory activities
- High Risk** Commercial vehicle & operator's license
- High Risk** Tree Fall and Ash Dieback
- High Risk** Asset Management

3.2 The strategic and corporate risk profile for the council in terms of its longer-term or imminent risks was as shown by the matrix below:

Evaluation:	Low	Moderate	High	Very High	Total
LT or Imm Strategic Risks:	00	00	01	02	03
LT or Imm Corporate Risks:	00	00	05	02	07

3.3 Risks are evaluated using the Council’s adopted risk matrix; this involves multiplying the likelihood of a risk occurring by its potential impact. Risks are then evaluated as either ‘low’ (green), ‘moderate’ (yellow), ‘high’ (amber) or ‘very high’ (red).

3.4 It was noted that when service departments had reviewed their top ‘significant’ operational risks (i.e., those evaluated as high or very high) all reported that any such risks were already captured by some strategic and/ or corporate risks. In May however, with the integration of Housing Services into the new ‘Environment, Housing and Infrastructure’ service department, a commitment was given to do a deeper dive into the service’s risk profile. This was carried out and has additionally been extended to other service departments too. There is therefore better visibility of some service risks emerging and these are being reflected within Appendix 3 of the attached report. This should be noted however as work in progress.

3.5 The Corporate Management Team has reviewed the risk profile at the mid-year point and the updated risk information is now presented to Board, setting out the key risks as we progress through the 2023-24 financial year.

3.6 **Movement** in risk profile since the previous risk report to Board in May 2023:

- Risks added/ NEW

Strategic

- Migration and asylum related impacts – **high** (SRR.23.02.03, page 14)
The pace at which asylum dispersal and refugee resettlement has taken place in Renfrewshire since 2022 has been significant; beyond anything previously experienced. Partnership governance structures have been established to enable partners to share information and to identify and respond to issues as these emerge. In the short term, these are anticipated to be in relation to potential pressure on local education, health and social care services. There are significant pressures on, homelessness and housing services, given the tightness of the current housing market locally and on children’s social work due to availability of foster care and residential provision.
- Strategic sustainable planning for people and assets – **high** (SRR.23.03.05, page 16)
It is being proposed that the climate, sustainability, and adaptability risk will focus solely on global environmental sustainability and our route to Net Zero, and other sustainability aspects (people and place), should be lifted out to focus on the delivery of sustainable services and longer-term strategic sustainability and sufficiency of the council’s assets. This would incorporate strategic decision making regarding the estate, including the learning estate

and major capital projects, and ensure new assets are fit for purpose for the future. Note: the current asset management risk would therefore now primarily focus on *ongoing* asset management related matters.

Corporate

Delivery of the Dargavel solution – **high** (CRR23.04.11, page 22)

If the Learning Estate is not appropriately adapted on time, then there is a risk of insufficient places to meet pupil numbers associated with the Dargavel Village development, with consequent impact on families, education experience and further significant damage to the council's reputation.

Organisational learning from Dargavel investigation – **high** (CRR23.04.12, page 27)

As reported in a special risk update report to Board on 26 September, this new risk is being added. The recent Independent Review into Dargavel, and the council's response to the Review, highlighted several recommendations and agreed actions. The council must progress the actions as a matter of urgency or there is a risk that without sufficient learning, similar errors to those made in the past could occur again, with further financial implications and significant reputational damage for the council.

- National Care Service (governance and financial implications) – **moderate** (CRR23.04.14, page 33)

There has been recent confirmation that for the proposed new National Care Service, staff will continue to be employed by councils. However, under the terms of a new partnership arrangement, legal responsibility for the service is to be '*shared*' between the health service, councils and Scottish Government, with councils also responsible for buildings and the delivery of support services. The council will need to ensure clear governance arrangements are established otherwise there will be increased risk in terms of liabilities.

- RAAC and the school estate – **moderate** (CRR23.04.16, page 34)

While this report was initially being drafted, RAAC had not been identified as a local issue for us, albeit of national concern. Just prior to submitting this report however, some presence of the material was identified in the gym areas of one school (at the point of writing). It should be noted that while RAAC has been detected there are no concerns about its current condition or structural integrity of the roof. Precautionary assessment continues at other schools, and this will continue to inform the risk assessment in terms of potential impact on schools and any remedial costs that might be necessary. The risk is being added as a new corporate risk, with details provided on page 34 of this paper.

- Risks remaining, where scoring has **↑**

- Successful cyber attack – **high**, now to **very high** (CRR23.04.08, page 19)

The risk has been updated from cyber attack to risk of a *successful* cyber attack as more and more this risk comes closer to home, despite the sophisticated security protocols and cyber architecture in place, and for those organisations who *have* been impacted by successful attacks, we see that the effects are devastating. It is only right that this risk is now considered to be one of the greatest threats to the council's operations.

- Risks remaining, where scoring has ↓ (other than de-escalated risk below)
 - Financial stability – **very high** now to **high** (CRR23.04.07, page 19)
The budget set for 2023/24 includes the planned use of reserve balances and the current year budget monitoring suggests that the level of overspend is broadly in line with the planned use of reserves, therefore the in-year financial position appears stable; however the position will be kept under close review.
- Risks removed or de-escalated to service
 - Tree Fall and Ash Dieback – **high**, now to **moderate**
The risk is now moving from a corporate risk back to Environment, Housing & Infrastructure Services, as a programme of work has commenced to address the risk.
- Risks escalated from 'business as usual' to strategic or corporate
 - Workforce planning, recruitment and retention – **high** (CRR23.04.13, page 32)
Staff resourcing is captured by our model for business-as-usual risk under organisation resilience, however over recent months it has been clear that a live issue is emerging in relation to recruitment and retention challenges, particularly for various professional services. There is a national shortage in the UK labour market. For Renfrewshire Council that is impacting on certain specialist recruitment campaigns. This combined with diminution of salaries, the reality is that there is a risk the council may lose key personnel, it may be very difficult to recruit suitably qualified and skilled officers for compliance, advisory, investigative and assurance work, with significant impact on statutory responsibilities and slippage in professional activity. Note, the former corporate risk relating to Regulatory services/ statutory activities is now reflected within this newly escalated one.
 - Programme and project management – **moderate** (CRR23.04.15, page 33)
While so far, Heads of Service undertaking self-assessment in this area of practice have reported reasonable or substantial assurance, and the governance arrangements in place to support major projects is sound, there is a risk that some minor or externally led projects may not benefit from the council's established project management controls where they could do so, but they are not known to the programme management unit. There is therefore scope to explore how these projects might be captured and so this moderate risk will feature in the corporate risk register until a review of this is complete.
- Risks escalated from service/s to strategic or corporate - nil
- Horizon Scanning and other points of note

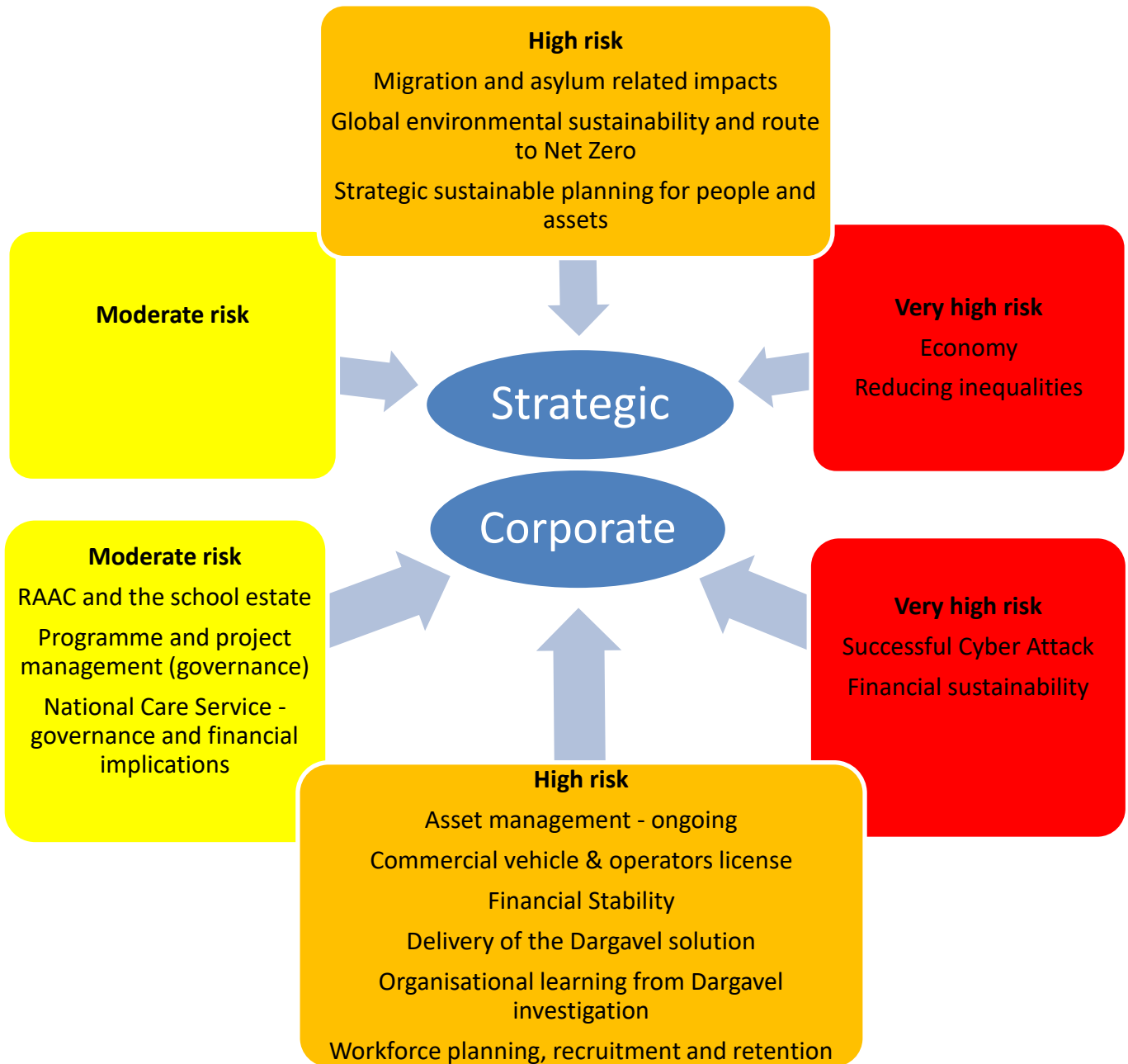
While not necessarily included on risk registers, there are always matters that the Corporate Management Team will keep a watching brief on. External sources of rich data include for example the [Global Risks Report](#) – the survey produced annually by the World Economic Forum in partnership with Marsh McLennan and Zurich Insurance Group.

Additionally, there is ongoing consideration internally of other matters that have been raised with the Corporate Risk Management Group that are kept on the radar. Recent examples of this include:

- The Verity House Agreement – Scottish and Local Government have entered into a new Agreement on how we will work together to 1) tackle poverty, 2) transform our economy through a just transition to net zero and 3), deliver sustainable person-centred public services. Risks that already capture these areas of activity should take account of the Verity Agreement without the need for a distinct risk. This is being monitored however for any unintended consequences that may emerge from the Agreement.
- Terror threat levels – under constant monitoring through various channels but not thought to require a distinct risk now, however this will be introduced if/when deemed necessary.
- Preparedness for another major public health incident – not added at this point as this sits within our ‘business as usual’ risk for organisation resilience, but should any intelligence emerge suggesting an increase in threat level, the risk will be reinstated.

3.7 With all of 3.6 in mind, the risk strategic and corporate risk profile is therefore now as follows:

Evaluation:	Low	Moderate	High	Very High	Total
LT or Imm Strategic Risks:	00	00	03	02	05
LT or Imm Corporate Risks:	00	03	06	02	11



3.8 Appendix 1 provides the detail for 05 longer-term or imminent strategic risks. Appendix 2 provides the detail for 11 longer-term or imminent corporate risks. Appendix 3 provides the detail for 15 longer-term or imminent service risks. Appendix 4 provides the assurance levels (to date) for business-as-usual risks.

3.9 The strategic and corporate risks are aligned with the council plan themes that were approved in 2022.

Implications of the Report

1. **Financial**

Recurring costs associated with the measures in place for each risk are considered proportionate to the level of risk, and new planned actions are also considered to be cost effective.

The financial requirements to support the risks should be met within the budget of each relevant risk owner, nevertheless, any unplanned and unbudgeted cost pressures that arise in relation to any of the risks identified will be subject to review in consultation with the Director of Finance and Resources.

2. **HR & Organisational Development** – not relevant to report recommendations

3. **Community/Council Planning** – effective risk management supports the delivery of all community/ council plan outcomes

4. **Legal** – not relevant to report recommendations

5. **Property/Assets** – not relevant to report recommendations

6. **Information Technology** – not relevant to report recommendations

7. **Equality & Human Rights** – not relevant to report recommendations

8. **Health & Safety** – not relevant to report recommendations

9. **Procurement** – not relevant to report recommendations

10. **Risk** – as per the subject matter of this report

11. **Privacy Impact** – not relevant to report recommendations


12. **Cosla Policy Position** – not relevant to report recommendations

13. **Climate Risk** – not relevant to report recommendations



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27/10/2023
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Appendix 1: Strategic Risks, longer-term or imminent

- **ECONOMY – building an inclusive, green and resilient economy**


Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
<p>SRR.23.01.01 Economy</p> <p>The coronavirus pandemic has resulted in significant challenges for economies across the world. The UK and Scottish Governments invested billions to support businesses through lockdowns and furlough in order to keep businesses viable and retain people in employment. Subsequently, the cost-of-living crisis and supply chain issues have meant that economic conditions remain challenging. Renfrewshire's economy has well established strengths in transport (including Glasgow Airport), retail (including Braehead), manufacturing (including significant international exports) and construction and major initiatives such as AMIDs are key to future growth. There is a risk that failure to support economic growth will have a negative impact on residents, businesses, and public services.</p>	<p>Even before the COVID-19 crisis, the Scottish economy was facing several strategic challenges including climate change, Brexit and lower than average productivity. Likewise, Renfrewshire's economy was facing challenges such as: growing the working age population; more closely aligning the education and skills provision with the needs of local employers; and achieving a strong and inclusive economy.</p> <p>The risk therefore is that significant economic improvement and upskilling of local workforce is difficult to progress until the current landscape improves and our investment programmes are completed</p>	<p>Head of Economy and Development</p> <p>Head of Finance & Procurement</p> <p>Programme Director – City Deal & Infrastructure</p>	<p>(1) Economic Recovery Plan</p> <p>(2) Capital investment such as investment in housing and heritage assets; supporting Scotland's</p> <p>(3)</p> <p>(4) investment by identifying and developing opportunities such as AMIDS¹ and supporting local businesses seeking to export to new markets</p> <p>(5) Taking forward measures to counter any education learning loss</p> <p>(6) Developing skills interventions to address the risks of unemployment, in particular those in low-paid employment, and parents.</p> <p>(7) Support for local businesses to bid for council contracts</p> <p>(8) Support for local businesses to become more carbon neutral</p>	05	05	25 V.High
Action Codes	Actions	Assigned To	Date	Status		
CESIP22.01.02	<p>Maximise funding for regeneration of Renfrewshire's places through grant submissions to external sources including UK and Scottish Governments.</p> <p>The Regeneration and Place Team have successfully been able to secure and receive funding through various external sources. Between 21/22 and 25/26 we have been allocated £4.4m from the Place Based Investment Fund for capital regeneration projects. Between 22/23 and 24/25 we have received £1.5m in funding for capital and revenue regeneration spend from the Shared Prosperity fund. We have consistently been successful in RCGF funding applications. Most recent successful application received £800k in funding for the PACE theatre project. Four applications have been submitted this year for the 24/25 allocation. We have now been invited to Stage 2 for two of these applications. Stage 2 applications will be submitted in November, with decisions expected in the new year.</p>	Head of Economy and Development	31-Mar-2026			







¹ Advanced Manufacturing Innovation District



	<p>An application was also submitted this year to the Scottish Governments Vacant and Derelict Land Investment Programme (VDLIP). Again have been successful in progressing to Stage 2, with a further application to be submitted in November.</p> <p>Funding worth £85k has been secured from SEPA to investigate the potential deculverting and environmental enhancement of the Candren Burn in Ferguslie. We have recently secured £35k funding from Visit Scotland to develop a strategic Tourism Infrastructure Development Plan for Clyde Muirshiel Regional Park. Will be looking to make further applications to the Rural Tourism Infrastructure fund in the near future. The Regeneration team will continue to explore external funding opportunities to help deliver our place shaping agenda</p>			
CESDP21 - 01 - 27	<p>Monitor benefits of City Deal Projects, including AMIDS, Clyde Waterfront and Renfrew Riverside and City Region wide employment programmes.</p> <p>Clyde Waterfront & Renfrew Riverside: All required community benefits have been delivered to date, with the rest remaining on track during the project lifespan. Project is advancing with the completion of a new culvert and foundations of bridge structure in place. Fabrication of bridge components is progressing with these due to arrive on site in early 2024.</p> <p>Glasgow Airport Investment Area project is now complete which is enabling the development of AMIDS</p>	Programme Director - City Deal and Infrastructure	31-Mar-2025	
CESDP21 - 01 - 13	<p>The transformation of Paisley on the back of the Action Plan is advancing at pace. Goals such as creating an international culture and heritage destination and acting as a stimulus for property investment, development and re-use has already been realised.</p> <p>There are a number of significant regeneration projects currently under construction nearing completion including the restoration of the Museum, Town Hall and Arts Centre and the creation of a new Culture and Learning Hub in the High Street.</p> <p>The publication of the Paisley Vision document will also act as a further catalyst to inspire future development in and around the town centre. The Liberal Club, which was identified as a key building in the Vision, is currently under restoration, securing its long-term status.</p> <p>The Regeneration Team will be looking to refresh our town centre strategies to reflect changes that have taken place in a post pandemic environment. These Strategies will align with the guidance and principles outlined in NPF4. We await the publication of applicable supplementary guidance. In the meantime, work has been ongoing in respect of outlining potential regeneration priorities and projects. This includes commissioning visioning work in Johnstone, a review of potential projects in Erskine and the submission last year of a bid to the Levelling Up Fund in respect of a project in Renfrew. The team will continue to bring forward regeneration proposals across our town centres. This action carries forward into the new Service Improvement Plan but has been widened in scope.</p>	Chief Economic and Regeneration Manager	31-Mar-2026	
CESIP23 - 01 - 02	<p>Work with the development partner and stakeholders to maximise the potential of AMIDS for Renfrewshire</p> <p>Development partner (Buccleuch) now in place with contracts being signed. Work has already commenced to secure new leads to AMIDS with phase 1 which will deliver the next building on site, beginning the design process.</p>	Programme Director, City Deal and Infrastructure	31-Mar-26	
CP.22.02.01	<p>Develop an Investment Proposition for Renfrewshire that is clear on our economic ambitions for place</p> <p>Two reports have been commissioned to analyse Renfrewshire's Growth Sectors. The first highlighted that there are several opportunities which Renfrewshire needs to capitalise on to support the growth of its economy further. The second report aims to reconcile existing priorities, team capacity and skills engaged in the economic development and regeneration functions of the Chief Executive's Department, with the future opportunities and challenges outlined in the first report and the Council's Economic</p>	Head of Economy and Development	31-Mar-25	




	<p>Strategy. This report highlights that there is a requirement to grow and increase visibility of Renfrewshire’s inward investment proposition to drive future economic growth and development. The development of a web site which signposts the area’s investment portfolio is recommended. Officers are now looking to progress this action in conjunction with the Marketing/Communications team .</p>			
CP.22.02.07	<p>Develop a Community Wealth Building Plan for Renfrewshire</p> <p>Community Wealth Building [CWB] is at the heart of the council’s approach to inclusive economic growth and aims to support a wellbeing economy in Renfrewshire. A new Community Wealth Building Act is expected next year and a council framework/plan is currently being prepared. Key actions to report are: i) Ensuring the Council CWB plan is aligned to a regional approach with Glasgow City Region; ii) Reporting quarterly to the Scottish Government’s Community Wealth Building Policy Manager and liaising directly with colleagues in the SG CWB policy team; iii) Contributing to Economic Development Association Scotland (EDAS) and Centre for Local Economic Strategies [CLES] workshops.</p> <p>As part of a Scottish Government pilot, Renfrewshire Council (Economic Development and Procurement) were one of four local authorities to participate in a CWB project delivered by Scotland Excel. The project involved data analysis of local spend, practice sharing workshops and a Spotlight on Community Wealth Building from the Scottish Government’s Heads of Procurement. Economic Development are working on a draft paper which will provide an overview of CWB practice within the Council and will outline the Council’s key objectives and levers to maximise the impact of CWB at a local level. In order to ensure the paper is aligned to national policy, the draft paper will be revised to reflect the proposed new CWB Bill due to be put forward during the current parliamentary term.</p>	Head of Policy and Partnerships	31-Mar-24	
CESDP21 - 01 - 03	<p>Support and grow supply chain management and knowledge exchange among manufacturing SMEs to supply Scottish / UK businesses and global supply chain</p> <p>A key aim of the recent Growth Sectors report is for the Council to identify opportunities for local supply chain growth and development. For the past 18 months the Economic Development and Procurement teams in the council have been developing and delivering a wide range of new supports to local businesses to encourage them to bid for public sector contracts. This builds on existing work with the Supplier Development Programme and Business Gateway support. The main driver of this is work around the Community Wealth Building agenda and the aim of increasing and sustaining local economic growth and also increasing council, and other public sector spend, in the local area. Further opportunities for local growth and development are also being explored.</p>		31-Dec-2023	

- PLACE - working together to enhance wellbeing across communities
- FAIR - nurturing bright, happy and healthy futures for all

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
<p>SRR.23.02.02</p> <p>Reducing inequalities in Renfrewshire</p> <p>The Council plays a key role in tackling inequalities and providing the best possible services to our communities, particularly those who are experiencing the poorest outcomes. As well as our focus on health and wellbeing, we are also committed to support vulnerable individuals, groups or communities through early intervention and prevention, responding to poverty, supporting routes to employment as well as dealing with welfare reforms. The impact of COVID-19 is likely to have exacerbated existing inequalities in terms of for example educational attainment, health, poverty and mental health. There will be a significant focus on ensuring that people receive the economic and wellbeing support that is needed, with a real opportunity to work in a different way, and to tackle some of the existing inequalities across communities as we do this. The current cost of living crisis impacts disproportionately on particular groups in society. In the short term, significant focus is on supporting food insecurity and supporting people on low incomes to maximise income and seek advice with income and debt management.</p>	<p>If we don't have a coordinated approach to tackling inequalities across Renfrewshire (including for example, the causes and consequences of poverty), this could jeopardise the effort in reducing both the short-term impacts on households but also have wider long-term consequences on attainment and health for people living on low incomes.</p>	<p>Head of Policy & Partnerships</p>	<p>(1) Fairer Renfrewshire Programme (2) Attainment Challenge and Pupil Equity Funding (3) Strong partnership working (e.g. Community Planning Partnership (CPP). Advice Partnership, Empowering Communities Forum, Improving Life Chances, CPP Board (4) Community Plan identifies 'Fair' priorities with associated actions relating to cost of living crisis, addressing the impact of alcohol and drugs, and a just transition to Net Zero. Social Renewal Plan has been developed through a programme of analysis, research, and engagement.</p>	<p>05</p>	<p>05</p>	<p>25 V.High</p>
Action Codes	Actions	Assigned To		Date	Status	
CESIP22.03.01	<p>Develop the new Fairer Renfrewshire programme.</p> <p>The Fairer Renfrewshire Sub-Committee has been meeting since August 22 and a Fairer Renfrewshire Officers Group made up of officers from across services is meeting monthly. Work with partners to develop the Fairer Renfrewshire Programme is ongoing. There are four key emerging themes which are shared across all elements of the programme, and these are:</p> <ul style="list-style-type: none"> •Improving financial security •Advancing equality of opportunity •Building community capacity and resilience •Listening to lived experience <p>Funding has been allocated from the Fairer Renfrewshire budget to a number of projects to support residents with immediate Cost of Living increases. These include supports around food, fuel and advice. Work is also ongoing around digital access and supporting residents to get online through the Citizen Voice group, with a new post of Digital Champion in libraries has been recruited.</p> <p>Our Winter Connections programme was set up to support residents over the Winter 22/23 period, and has provided grants to a number of organisations to run activities. The development of a panel of people with lived experience of</p>	Strategic Partnerships & Inequalities Manager		31-Mar-2025		

	<p>poverty to inform the Council's policy and practice is ongoing. A diverse panel has been recruited and have met formally six times, with test of change being evaluated by Poverty Alliance.</p> <p>In addition, officers are undertaking a 'deep dive' child poverty data exercise, to support the Local Child Poverty Action Plan as well as the wider Fairer Renfrewshire programme</p>			
CESIP22.03.02	<p>Develop the Trauma Informed and Responsive Renfrewshire Programme</p> <p>A coordinator post has been created to lead this programme of work going forward, with the coordinator starting in late October 2022. Further engagement with the Improvement Service and other local authorities has taken place through national networks for trauma champions and trauma leads, and the steering group reconvened in March 2023 to further explore the draft plan for the Programme. Leadership training for the Corporate Management Team was also undertaken in March 2023.</p>	Head of Policy & Partnerships	31-Mar-2024	
CESIP22.03.03	<p>Deliver the Stigma/Language Matters project.</p> <p>The work of the Alcohol and Drugs Commission identified the need for partners to act robustly to eradicate stigma and promote positive conversations around recovery. Although the initial focus for this initiative was focused on alcohol and drug stigma, there is the opportunity to widen its scope to include other existing and emerging priorities, such as The Promise, Tackling Poverty, Trauma Informed and Responsive Renfrewshire and Our Values for example. High level themes and initial actions have been identified, including supporting staff to understand the power of language, be confident in their use of language, and to challenge stigma by speaking up when people make negative or wrong comments; and supporting national campaigns to help people in Renfrewshire understand the power and impact of language. A review of the resources required to deliver this project is currently underway.</p>	Head of Policy & Partnerships	31-Mar-2024	
CESIP22.03.09	<p>Carry out an evaluation of the Tackling Poverty programme and develop a transition plan for mainstreaming this work. Work commenced in Q2 and initial projects identified for evaluation. This work is ongoing with Programme Management Unit support.</p>	Strategic Partnerships & Inequalities Manager	30-Sep-2023	
CP.22.01.09	<p>Develop new options for services and partners to work together more closely across localities to provide advice and support to local people and develop community capacity.</p> <p>We are progressing new connected communities approach - considering how we develop our 'front door' services for people accessing advice and support; exploring family advice services; and developing options for locality working.</p>	Head of Policy & Partnerships	31 Dec 25	
CESIP23 - 01 - 01	<p>Deliver a participatory budgeting framework for the Council</p> <p>This year £1.2M was allocated by Environment & Infrastructure through their #Youdecide programme. The project delivery is well underway, and an evaluation report is being finalised. The updated CONSUL site for Renfrewshire is now ready to be put into use. Arrangements are being put in place for the Data Analytics teams to manage the site in the interim while a permanent host is agreed. A range of services have undertaken training in CONSUL to enable potential future PB projects to take place within their services. The planning of the £25k PB project for Johnstone Christmas event is ongoing with a steering group including residents being formed and the group are currently planning the initial engagement work.</p>	Strategic Partnerships & Inequalities Manager	31-Mar-24	
CP.22.03.08	<p>Take forward the recommendations of the Alcohol and Drugs Commission</p> <p>Services across the Council continue to support and implement work to address the recommendations of the Alcohol and Drugs Commission Report. MyLA (My Life Ahead) launched last year, which provides holistic wraparound support, using</p>	Head of Policy & Partnerships	31-Mar-25	




	<p>many of the elements of the Housing First approach and is delivered by Housing Services, working with Turning Point Scotland. The project has now provided meaningful support for 39 individuals - which exceeds the target number - and there have been very positive indicators emerging in terms of: reduction in alcohol/drug use; people being supported to successfully access the specialist services they require; and, those with a history of non-engagement now working positively with the MyLA team. Children's Services, in partnership with I Am Me Scotland, have developed a digital, interactive and progressive curricular programme in substance use for early years to senior phase aligned to the principles of Curriculum for Excellence, and reflecting the context of drug use within Renfrewshire. Children and young people have led the design and development of the materials, with significant involvement from partners, as well as young people and adults with lived experience, from a variety of different backgrounds. Since its launch in August 2022, the programme has been accessed by 414 Renfrewshire teachers. In the new academic session (23/24), additional training sessions will be offered to ensure that the programme is embedded across all establishments. There has been much interest in our programme from across Scotland. As such, every local authority and a total of 982 teachers have accessed the platform. In addition, there have been access requests from Police Scotland (394), HSCP (18) and others (91) including elected members, Education Scotland, youth groups, disability groups, Crown Office and Procurator Fiscal Service, Public Health Scotland and Respect Me. The programme was put forward by Council for a COSLA award under Category 3: Tackling Inequalities and Improving Health and Wellbeing</p>			
CP.22.03.02	<p>Work with partners to support Renfrewshire residents through the cost-of-living crisis The Community Food Fund has supported community food provision across Renfrewshire and a further allocation of funding was agreed at the June 23 Leadership Board. Three allocations of funding have been made to the Fuel Insecurity Pilot which continues to support fuel vouchers augmented with energy advice and the increase in payment amount and continuation of the Financial Insecurity Winter Payment supports households who are struggling to purchase essentials like food and fuel. In addition the Tackling Poverty programme continues to support an Energy Adviser in the Energy Management Unit. Council Officers have worked with Engage Renfrewshire to produce information on Cost of Living supports held in one easy to access place, with leaflets printed and distributed to help dissemination of this information. The School Support service in all secondary schools commences in August 23, with RCAB providing advice, while Advice Works are providing support to early years and primary locations.</p>	Strategic Partnerships & Inequalities Manager	31-Dec-23	
CESIP22.03.07	<p>Develop mechanisms for supporting individuals with lived experience of poverty to influence policy in this area The development of a panel of people with lived experience of poverty to inform the Council's policy and practice is ongoing with Poverty Alliance and STAR Project being contracted to organise, chair facilitate and support the panel. A diverse panel of 15 people has been recruited and have met formally six times, as well as meeting in-between panel meetings to debrief and develop the work alongside a community artist to create a record of their experience. Initial meetings with Officers and Elected members have been held to commence the panel's input to policy. Work is also underway to plan an event which will bring the Panel together with the Fairer Renfrewshire Sub-Committee to discuss the Panel's deliberations and recommendations. An</p>	Strategic Partnerships & Inequalities Manager	31-Mar-24	

	evaluation of the process has also been carried out by Poverty Alliance to explore how these types of participation processes can inform work going forward, and to inform the development of the model moving forward. Officers are currently undertaking contract arrangements to extend the existing panel arrangements for a further year.			
CESIP23.03.02	Develop the Fair Food Renfrewshire strategy. The Head of Policy and Partnerships has assumed role as officer Food Champion. The first development session of local food partnerships was held on 24 October 2022, with input from Nourish Scotland/Glasgow City Food Partnership and Renfrewshire HSCP Health Improvement Teams. A local partnership will be formed to develop the strategy. Discussions were held with Nourish Scotland and a second Fair Food Renfrewshire event was held in May 2023. The purpose of this event was to further engage with a wider stakeholder group and help shape the Vision, Charter and the work priorities of Fair Food Renfrewshire as suggested by the Sustainable Food Places toolkit.	Strategic Partnerships & Inequalities Manager	31-Mar-24	
CESIP23.03.01	Deliver targeted programmes of community-based adult literacy and numeracy, ESOL, digital, personal and social development, and family learning activities in response to identified need and as set out in Renfrewshire's CLD Strategy 2021-24 (CF) Q1 delivered 52 adult & family learning courses and 8 one-off learning events across Renfrewshire: Adult Literacies 5 x weekly sessions plus 5 short numeracy courses delivered as part of the Multiply initiative ESOL 10 x weekly sessions plus 2 ESL in the Community groups under the Supporting New Scots initiative. Digital beginners and work clubs 12 x weekly sessions Personal development groups x 16 weekly sessions Family Numeracy 2 x weekly sessions delivered as part of the Multiply initiative. One-off learning events include family learning days during school in-service days and activities delivered in partnership with OneRen and CAB.	Community Development Manager	31-Mar-26	
CESIP23.03.03	Continue to deliver new approaches to Building Communities and identify further new opportunities for locality area-based support which builds community capacity. "Take the Lead" was launched in May 2023 to promote responsible dog walking behaviours, primarily to reduce instances of dog fouling within communities. Dog owners who sign the Pledge agree to adhere to good practices such as picking up after their dog. Signatories receive a free lead, mobile dog fouling dispenser, (bags included) and bandana promoting the Campaign. The Green Spaces, Play Parks and Villages Investment Fund has supported 104 community projects since its launch in 2018. In 2023, 16 projects have been supported including gala days, community gardening projects and community murals. Feedback from communities demonstrates the Team's support is appreciated and the funds bring neighbourhoods together, as well as deliver physical improvements.	Community Development Manager	31-Mar-26	

Context		Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
SRR.23.02.03 Migration and asylum related service pressures		The pace at which asylum dispersal and refugee resettlement has taken place in Renfrewshire since 2022 has been significant, and beyond anything previously experienced. Partnership governance structures have been established to enable partners to share information and to identify and respond to issues as these emerge. In the short term, these are anticipated to be in relation to potential pressure on local education, health and social care services. There are significant pressure on, homelessness and housing services, given the tightness of the current housing market locally and on children's social work due to availability of foster care and residential provision.	Head of Child Care & Criminal Justice	(1) The Migration and Resettlement Strategic Group meets regularly to review and discuss developments across all migration and resettlement programmes. This group is comprised of senior officers from across appropriate council services. (2) Asylum Dispersal meetings are held once every two weeks with senior council officers and representatives from the UK Government Home Office and their agent Mears. (3) The Renfrewshire Community Protection Chief Officer Group receives regular updates on migration and asylum issues and any emerging issues. (4) The Renfrewshire Community Protection Member Officer Group receives regular updates on migration and asylum issues and any emerging issues. (5) Updates are provided, as required, to the Leadership Board of the council.	04	04	16 High
Migration/ Ukraine/ Asylum programmes - this is an area which is developing and could be a potential major issue moving forward. The impact of the conflict in Ukraine is reflected within the Financial Sustainability Risk, but only in relation to pricing volatility and global supply issues. The risk here is wider ranging and includes: <ul style="list-style-type: none"> - Ukrainian Displaced Persons - Home Office Asylum dispersal programme – use of hotel accommodation in Renfrewshire - Unaccompanied Asylum-Seeking Children – new requirement from UK Government for Renfrewshire to provide for children and young people under the National Transfer Scheme - Syrian/ Afghan resettlement programme - Support to ensure effective resettlement to New Scots 			Head of Policy and Partnerships				
Action Codes	Actions				Assigned To	Date	Status
	Ongoing Monitoring						

• GREEN – leading Renfrewshire to Net Zero

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
<p>SRR.23.03.04 Global environmental sustainability and route to Net Zero <i>(Renamed from Climate, Sustainability risk)</i></p>	<p>The climate emergency brings a risk to Council and its communities in relation to increased extreme weather as well as food insecurity. We need to focus on mitigation and adaptation and ensure a just transition so no one is left behind and none is disadvantaged in the transition to net zero. The Council would need to take action and support those most disadvantaged. A key risk is that the Council is not in control of all of the levers, and cannot deliver everything required in isolation, so there is a risk that others do not contribute towards the 2030 target.</p>	<p>Head of Climate, Public Protection and Roads Climate Change Working Group</p>	<p>(1) The Council has used the Climate Change Assessment Tool – helps public sector organisations in Scotland self-evaluate their performance under the public sector duties of the Climate Change (Scotland) Act 2009 (2) Renfrewshire’s Plan for Net Zero has specific objectives to reduce emissions, and these are included in other key documents such as the Council Plan (3) Governance through the Planning & Climate Change Policy Board (4) Launch of the Climate change action fund – to support a range of initiatives/feasibility to test new ways of working and to be ready to lever external funding (5) Climate Panel / Partnership Forum to support engagement and ensure all voices are heard, including traditionally underrepresented groups (6) Community Climate Fund – fund for community organisations to enable behaviour change and local green projects to make our communities more resilient</p>	04	04	16 High
<p>Renfrewshire Council declared a Climate Emergency on 27 June 2019 and established a Climate Change Sub-Committee, now the Planning and Climate Change Policy Board to lead on this work. The actions required are potentially complex and multi-faceted and need to be supported by organisations across all sectors, and in partnership with local communities. Actions include: pledging to work proactively with others towards a net zero Renfrewshire by 2030, taking into account both production and consumption emissions; and assisting communities to become more resilient to the impacts of global warming, particularly to flooding and to drought.</p>						
Action Codes	New Actions	Assigned To		Date	Status	
CESIP22.04.01	Complete the District Heating Network at AMIDS, with supplies to NMIS and MMIC. The district heating network is now complete and operational.	Programme Director, City Deal and Infrastructure		31-Mar-23		
CESIP22.04.02	Develop the first stage of Renfrewshire’s Plan for Net Zero The Plan for Net Zero was developed in partnership with other services, stakeholders and our citizens through Renfrewshire’s Climate Panel. The Plan was approved by the Planning and Climate Change Policy Board on 23rd August.	Strategy, Policy & Insight Manager		31-Dec-22		
Forward action linked to Net Zero plan: Climate change action to make Renfrewshire net zero - Renfrewshire Website						



Context		Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation	
SRR.23.03.05 Strategic sustainable planning for people and assets		There is a risk that decisions could be made in the short term, for example to address financial pressures, which may then impact adversely on sustainability goals for the longer term impacting on our communities and organisation.	CMT	(1) Learning Estate Programme Board established (2) Implementation of the Corporate Asset Management Strategy ensures that property assets are managed effectively and efficiently through the provision of relevant management and performance information (3) The Energy Management Team: ensure energy management initiatives are aligned to the capital investment programme and corporate asset strategy to optimise use of property estate and reduce overall running costs and energy consumption levels. Promote reductions in energy usage and advise employees and residents about energy efficiency (4) Through the Procurement Unit, sustainability and community benefits are considered in the development of all contract strategies	04	04	16 High	
<ul style="list-style-type: none"> - Deliver sustainable person-centred public services (the Verity Agreement) and an engaged sustainable workforce - Ensure infrastructure future-proofing, with investment in solar and wind farms, electric charging networks and public transport, showing that taking the right risks right now, can transform communities - For capital projects, ensure new assets are fit for purpose for the future and have sustainable maintenance and repairs strategies - Strategic decision making regarding the estate, including the condition and sufficiency of the learning estate 								
Action Codes	Linked Actions				Latest Note	Assigned	Date	Status
<p><i>It is recognised that Dargavel Village has a significant amount of housing development yet to be delivered (circa 2000 housing units over a 10-year period) and therefore many of the associated risks that existed at the beginning of the development continue to exist today albeit there is live data to inform future projections from the first circa 2,300 units that have been delivered.</i></p> <p><i>The Council therefore continues to face risk and uncertainty in relation to accurately projecting the scale and timing of future education demand which will continue to have inherent uncertainty and risk. In recognition of this the Council will continue to progress the following actions to manage and mitigate this risk:</i></p>								
SRR.23.03.05a	Securing robust long term demand projections which provide both a core projection, potential upper scenario and a long-term view of the potential scale and timing of short-term peak demand to inform decisions on capacity provision.				Completed	Director of Children's Services	30-Sep-2023	
SRR.23.03.05a	Identify now a range of flexible options that are and will remain available to in future years to deliver, if required additional capacity (both temporary capacity and permanent long-term capacity) to ensure the Council can be reassured of being able to respond appropriately to the potential for upper end demand scenarios and or temporary demand peaks to emerge.				Further updates will be completed in this respect for updated datasets available from November	Director of Children's Services	31-Jan-2024	
SRR.23.03.05a	Establish process and arrangements to support and provide detailed monitoring and updates to projections for updates to actual data sets to facilitate a continual re-assessment of longer-term trend and likely requirements/ decision point required in relation to deployment of potential additional interventions.				registration data and recently released NRS Census data	Director of Children's Services	31-Jan-2024	
Further action TBC								

Appendix 2: Corporate Risks, longer-term or imminent

- LIVING our VALUES – making a difference together

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.06 Financial Sustainability Financial recovery from global events - Anticipated reduced income from NDR/CT over the medium term as full economic implications of the pandemic and cost-of-living crisis hit local businesses and communities - Pricing volatility and global supply issues leading to shortage of labour and materials following Brexit and the outbreak of the Ukraine war Best value report - Recommendation in Best Value report to prioritise how services need to be provided in future to be funded from within available resources. Cost and Income pressures - Future grant settlements and the level of funding available. - Implications of national economic policy choices to protect certain services from real-terms reductions in funding such as the Police and NHS - Future Local Government pay settlements, and non-payroll inflation - Demographics and demand pressures, such as an ageing	If significant cost pressures are not successfully planned for and managed effectively over the medium to longer term, this could jeopardise the financial sustainability of the council and result in a significant impact on availability and quality of front-line services and capital investment resources. Decisions will then be required on the continuity or scope of some services currently offered.	Head of Finance & Procurement	(1) Revised medium- to long-term Financial Outlook reassessed the various risks to the Council’s short, medium- and longer-term financial sustainability. Refreshed report to Council on 28 September 2023 outlined the immediate financial concerns and plans to address these, including R4R savings (see 3 below), financial sustainability workstreams, and utilising flexibilities agreed by the Scottish Government; however, as the position continues to develop and evolve, close monitoring will be required to ensure that the Council manages costs in the short term and fully appreciates the longer term consequences of actions taken to address short-term risks. Committee reports of this nature cover a wide range of current and future financial and economic factors e.g., Strategic Economic and National Policy Context, Cost Pressures, Pressures on Income and Mitigation Strategies to deal with such uncertainties. (2) A well-developed and embedded budget planning, budget setting and budgetary control system is in place throughout the organisation, and this informs members and officers regarding financial performance and stability. This facilitates robust and transparent decision making and incorporates an escalation process with regards budget management issues which may arise. (3) In conjunction with the medium to longer term financial outlook and the Council’s continued “Right for Renfrewshire (R4R) Programme”, Renfrewshire Council has been pro-active in planning for the future by identifying and agreeing a planned release of resources. This is required to meet emerging budget pressures and has been run in conjunction with the Council’s long-term debt smoothing strategy to support the release of planned savings over a number of years; however, the pandemic interrupted the planned delivery of savings under RFR, so the full programme has been reviewed. It remains the case that savings will continue to require be generated at scale in order to ensure the ongoing financial sustainability of the Council. (4) The Council approved a number of Financial Sustainability Workstreams in June 2022. These are led by Directors and look to progress recurring revenue savings.	05	05	25 V.High

<p>population with increased associated service demands, and increases in demand for children's social care</p> <ul style="list-style-type: none"> - Implications of welfare policies and poverty levels, exacerbated by cost-of-living crisis. - Reductions in income from fee-generating services such as car parking; implications of the national economic recovery and associated risks/uncertainty in economic factors e.g., interest rates and inflation. - Implications of third party provider financial stability, such as childcare providers in current economic climate - Liability for predecessor organisations, in light of the removal of the limitation period for historic child abuse claims 			<p>(5) There is close financial monitoring of the agreed savings to ensure that they are delivered within the agreed timescales or where this is not possible, to understand and reschedule planned delivery to achieve the associated objectives. Monitoring is undertaken via a combination of financial and operational measures, actions and related update reports.</p> <p>(6) Regular updates and bespoke reports are provided to CMT and the Council with regards the national fiscal position, likely developments and the impact on the council through close liaison with national groups e.g., CIPFA DoFs, COSLA and the Scottish Government. This liaison remains critical in ensuring the Council is aware of potential financial developments and is in a position to influence these.</p> <p>(7) Levels of and use of reserves has been a key tool in addressing the costs of the pandemic, therefore the planned use of reserves in the medium term, and the Council's Capital Investment and Treasury Management Strategy, are key to ensuring ongoing financial sustainability.</p> <p>(8) Reports and publications from Audit Scotland in relation to the Local Government financial outlook, financial planning and related developments and improvements are supplemented with a Renfrewshire context report, with both reports being submitted to the Council's Audit Risk and Scrutiny Board.</p> <p>(9) Energy consumption data and condition surveys are used to identify priority areas for investment in the Council's estate, support informed investment decisions and formulate the Council's Capital and Revenue budgets.</p>			
Action Codes	Linked Actions	Latest Note	Assigned To	Due	Status	
CRR22.05.05a	Strategic Property Review and new ways of working / Review of local policy positions	<p>Work on all of the financial sustainability workstreams is being progressed with updates regularly to Council. Agreed budget changes will then be incorporated into the General Fund base budget in future years to capture the recurring savings.</p> <p>Due dates extended from original.</p>	Director of Environment, Housing and Infrastructure	31-Mar-2023		
CRR22.05.05b	Charging, fees and commercialisation / review of Council risk		Director of Finance and Resources	31-Mar-2023		
CRR22.05.05c	Strategic review of procurement		Head of Finance & Procurement	31-Mar-2023		
CRR22.05.05d	Connected Communities		Chief Executive (Head of Policy and Partnerships)	31-Mar-2023		
CRR22.05.05e	Digital Strategy		Director of Finance and Resources	31-Mar-2023		
CRR22.05.05f	Council Tax and Tax Policy		Director of Finance and Resources	31-Mar-2023		


Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.07 Financial Stability	If significant short-term costs and income losses are not closely monitored and understood, this could destabilise the finances of the Council to an extent beyond the financial resilience of the Council, resulting in a need for immediate cost control measures, or short-term savings which have an immediate impact on service delivery.	Head of Finance and Procurement	<ol style="list-style-type: none"> (1) Revenue budget monitoring reports to Policy Boards focus on the forecast year-end outturn position rather than the historic periodic position, so that significant variances are reported early, and any mitigating steps can be taken. This is already highlighting severe price pressures (such as contractual inflation) across different services. The impact of pay inflation is also highlighted through this reporting mechanism. (2) Review of all Right for Renfrewshire programmes has been undertaken in order to recalculate potential cost savings in-year and to reprofile agreed savings, the delivery of which was interrupted by the pandemic (3) Review of Financial Sustainability workstreams following approval of the 2023/24 Revenue Budget to ensure targets remain achievable (4) Clear analysis of the Council's reserves position and potential for reprioritisation or redirection; including the development of plans to rebuild financial resilience of the Council in the medium term (5) Ongoing discussion with directors to understand the financial consequences of the current economic climate for each service and how these will be managed; (6) Review of capital plan and ongoing projects to ensure clear understanding of phasing of potential spend. 	03	05	15 High
<p><u>Context:</u> Imminent shorter-term risk for financial stability, recognising the immediate financial situation of the Council (note: the medium to longer-term financial position is captured under financial 'sustainability')</p>						
Action Codes	Linked Actions	Latest Note		Assigned	Due Date	Status
CRR22.05.07a	Investigate potential of Service Concession Flexibility allowed by Scottish Government	This exercise has now been completed and approved by Council through the Revenue Estimates 2023/24 where annual recurring savings of £1.4m were identified.		Head of Finance and Procurement	31-Oct-2022	
CRR22.05.07b	Report to Council the financial impact of utilising the service concession flexibility	Complete – reported to Council in Financial Outlook in December 2022 and Revenue Estimates report in March 2023		Director of Finance and Resources	31-Dec-2022	



Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.08 Successful Cyber Attack	Regardless of the Council's technical preparedness for a cyber attack, the threat remains acute and present, as evidenced by successful attacks on partner bodies, with the risk of significant impact on council operations.	CMT	For security reasons, technical security controls are not published in the public domain.	04	05	20 V.High
<p><u>Context:</u> The risk has been updated from cyber attack to risk of a <i>successful</i> cyber attack as more and more this risk comes closer to home, despite the sophisticated technical security protocols and cyber architecture in place, and for those organisations who have been impacted by successful attacks, we see that the effects are devastating.</p>						






No matter what technology is deployed, the risk is materially impacted by individual employee behaviours – i.e. learning how to recognise a cyber attack and keeping that knowledge up to date by reading cyber updates and doing mandatory cyber training, being alert to phishing attacks and understanding the need for rapid escalation should an error inadvertently be made and criticality of urgently reporting when they have reacted to a phishing email and explaining all actions taken.					
Action Codes	Linked Actions	Latest Note	Assigned	Due Date	Status
As agreed by the Corporate Management Team					

Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
<p>CRR23.04.09 Commercial vehicle and operator licence compliance</p> <p><u>Context:</u> The council's vehicle fleet, managed by Environment & Infrastructure Services, comprises around 500 vehicles including heavy and large goods vehicles, light vans and cars. The council implements a range of measures to ensure ongoing vehicle operator licence compliance.</p>	Renfrewshire Council requires its fleet of vehicles to be effectively managed, otherwise there could be sustained impact in several areas including community care, housing maintenance and repairs, streetscene operations and waste collection.	Head of Operations and Service Development	<p><u>Governance</u></p> <p>(1) Compliance and Business Lead Officer in post monitoring compliance performance and performing vehicle spot audits to make sure compliance is adhered too.</p> <p>(2) Vehicles services and Maintained within the DVSA roadworthiness guidelines. Tachograph analysis system ensuring monitoring and compliance of driving staff.</p> <p>(3) Operator Licencing Awareness Training (OLAT) conducted for all operational service managers</p> <p>(4) Vehicle Tracking system monitoring vehicle performance and vehicle utilisation for all services. Driver CPC training to enhance driving knowledge for all HGV fleet drivers.</p> <p>(5) Quarterly attendance at Logistics UK (formerly FTA) and APSE Transport boards</p> <p><u>Operational</u></p> <p>(6) Reduction in average age of Council Fleet</p> <p>(7) Workshop equipment and tooling improvements</p> <p>(8) Vehicle User group created with all fleet users to improve operational performance.</p> <p>(9) New Requirement for Fleet Management system – Fit for purpose conducted with IT. (Digital working requirement to improve service for operational departments.)</p>	03	05	15 High
Action Codes	Linked Actions	Latest Note	Assigned	Date	Status	
Updating the fleet management system, to create a digital working environment within Fleet Operations for all service users.						




Context		Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.10 Asset Management - Ongoing		Effective governance and management of the council's property assets is essential, otherwise there is a significant risk of harm, financial loss, service disruption, non-compliances, fines, rising energy costs and inability to recover losses via insurance proceeds	Director of Environment, Housing & Infrastructure. Head of Economy & Development Services	<u>Corporately:</u> Key responsibilities with regards to the Estate span 2 specific service departments, but they come together through a CAMIS Development Group (Corporate Asset Management Information System) which is taking forward a workplan to more effectively consolidate and oversee asset management risk <u>Heads of Service:</u> Effective asset management in practice on the frontline is included within the new Risk Assurance model which went live on 1 April 2023.	03	05	15 High
<u>Context:</u> GOVERNANCE – roles and responsibilities <ul style="list-style-type: none"> - Estates (Leases – by and from the council, and on behalf of HSCP) - Facilities management (security, housekeeping, statutory duties/ inspection, maintenance, repair, building fire risk assessment) - Property services (capital works, and CAMIS development) - All services (inspection inventories and response, people elements of fire risk assessment) OTHER MATTERS IN SCOPE <ul style="list-style-type: none"> - RAAC – see risk CRR23.04.16 on page 34 - Fluorescent Lights – requiring LED replacement - Action in relation to Unwanted Fire Alarm Signalling and upgrade costs 							
Action Codes	Linked Actions	Latest Note		Assigned To	Due	Status	
CRR22.0 5.10a	New CAMIS Development Group to appoint Joint Chairs/ Heads of Service	Head of Property Services and Head of Facilities Management Services have agreed to co-chair the group		CAMIS Development Group	30-Sep-2022		
CRR22.0 5.10b	Agree Terms of Reference for the CAMIS Development Group	The Terms of Reference have been finalised.		CAMIS Development Group	15-Nov-2022		
CRR22.0 5.10c	Undertake gap analysis to ascertain if any responsibilities in terms of governance are missing or unclear	Organisational changes agreed by Council have streamlined some governance arrangements – specifically that Property Services are now part of the Facilities & Property Services function in Environment, Housing & Infrastructure Services. There is less scope therefore for unclear responsibilities.		CAMIS Development Group	19-Dec-2022		
CRR22.0 5.10f	Develop a workplan for the group and prioritise areas of initial focus	Leads for initial priority activities have been agreed and a workplan is progressing in line with the Group's terms of reference.		CAMIS Development Group	28-Feb-2023		
CRR22.0 5.10g	Agree the workplan for 2023/24	Workplan and meeting schedules are in place, aligned to the Group's terms of reference		CAMIS Development Group	31-Mar-2023		
CRR22.0 5.10d	Undertake gap analysis to identify activities that take place outside of the CAMIS environment and consider if these can be brought into CAMIS by way of system development	Due to competing demands, development work on CAMIS has moved to virtual environment and slower than initially planned. Work still being undertaken to assess what sits outside CAMIS and what can be brought in. Discussions with other Local Authorities that use CAMIS to see what can be added with Health and Safety module being reviewed. Due date therefore amended to June 2024		CAMIS Development Group	30-Jun-2024		





CRR22.0 5.10e	Explore data and status monitoring	Whilst CAMIS is noted to be a good repository for data, development work is required to improve the data and how it can be easily accessed. Due to resource requirements elsewhere in the Council, this has been delayed. However, conversations continue virtually to assess what can be done to improve CAMIS for users to ensure robust, up to date data is stored within the application. Due date therefore amended to June 2024	CAMIS Development Group	30-Jun-2024	
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Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.11 Delivery of the Dargavel solution	If the Learning Estate is not appropriately adapted in time , then there is a risk of insufficient places to meet pupil numbers associated with the Dargavel Village development, with consequent impact on families, education experience and further significant damage to the council's reputation	Director of Children's Services	(1) Effective programme and project governance established (2) Project risk management workshop delivered to the project management team	03	05	15 High
The newbuild Dargavel Primary school was delivered under a Section 75 agreement with the development company building a substantial housing development at Dargavel Village. The capacity of the new school was, and is, not sufficient for accommodating forecasted pupil numbers. The council needs to expand the learning estate in this area to ensure sufficient capacity for local education. The Independent Review into Dargavel resulted in 4 specific recommendations to be addressed to deliver the solution. <ul style="list-style-type: none"> ▪ Recommendation 1 - Build a more robust model of primary school need for Dargavel ▪ Recommendation 2 - Reconsider catchment areas ▪ Recommendation 3 - Produce robust supplementary guidance on developer contributions ▪ Recommendation 4 - Seek to work cooperatively with BAE 						
Action Codes	Linked Actions	Latest Note		Assigned To	Date	Status
For Rec 1						
CRR23.04.11-1a	Complete Council modelling through to the anticipated end date for the housing development (2033/34) based on assumed 4,300 units and available live data.	Completed October 2022		Director of Children's Services	31-Oct-2023	
CRR23.04.11-1b	Engage and appoint Edge Analytics to deliver enhanced modelling approach for both Dargavel primary requirements as well as PMHS out to 2033/34 and updated live datasets.	Completed February 2022 including additional upper forecast scenarios for Dargavel non-denominational requirements to support management of risk associated with long term yield remaining at similar level to 2023/24. Informed reports to Education and Children's Services Board in March and May 2023		Director of Children's Services	28-Feb-2023	







CRR23.04.11-1c	Extend Edge engagement to deliver an enhanced model projecting out to 2038 to provide longer term forecast to assess the full impact on the secondary sector and allow identification of likely timing and scale of peak demand encapsulating any relevant updates to live datasets.	Modelling completed which has identified an anticipated peak period in both primary and secondary sectors and will be reported to Education and Children's Services Board in November 2023.	Director of Children's Services	30-Sep-2023	
CRR23.04.11-1d	Provide update to November Education & Children's Service Policy Board.		Director of Children's Services	30-Nov-2023	
CRR23.04.11-1e	Update Edge Analytics modelling for newly released national Census data and expand across the whole school estate and establish modelling dashboard to support ease of updating and rapid re-assessment of revised projection that will be utilised on an ongoing basis over future years, both for Dargavel / PMHS but also as part of the strategic Learning Estate programme.		Director of Children's Services	31-Jan-2024	
For Rec 2					
CRR23.04.11-2a	Complete assessment of anticipated P1 intake from Dargavel catchment and assess against revised DPS capacity availability, establish planned P1 intake capacity cap and anticipated P1 intake requiring accommodation at Bishopton Primary School.	Planned use of Bishopton Primary School along with planned capped entry levels to Dargavel Primary School reported an approved at Education and Children's Services Policy Board in August 2023. There will be a requirement to annually monitor anticipated and actual P1 intakes carefully to assess adequacy of short-term capacity provision across both Dargavel and Bishopton Primary Schools to meet demand pending the second primary school in Dargavel coming on stream.	Director of Children's Services	31-Aug-2023	
CRR23.04.11-2b	Complete an exercise to assess the timing, scale and range of potential demand level scenarios, in particular understanding the scale and timing of the peak demand and likely settled long term demand. This information will be used to inform the assessment of how Bishopton Primary School could, if required, potentially be utilised as an option in the longer term.	Completion of the updated work with Edge Analytics has provided a view of the likely timing and length of the peak demand period – with peak primary demand being forecast in 2033/34 which will fall over the second half of the 2030s to a more settled level. Further work is being progressed to update this information for the recently released 2023 census information and November registration data to inform an overall assessment.	Director of Children's Services	31-Jan-2024	

CRR23.04.11-2c	Complete financial analysis to understand the potential financial context of utilising Bishopton Primary School Capacity	<p>Bishopton PS is a predominantly 1960s construction and is more than 60 years old. This building will, along with the whole school estate, undergo an updated condition survey over coming months. Notwithstanding, given the underlying age of the building it will inevitably have a limited remaining lifespan before being considered for replacement.</p> <p>Existing surplus capacity if used permanently to reduce the required size of a second Dargavel primary school, will require to be replaced as part of a renewal programme. The determination of the timing of that will be subject to work progressed as part of the strategic learning estate programme.</p> <p>Consequently, it has been assessed that any financial advantage from utilising Bishopton PS will be restricted to a temporary time value of money benefit and consequently will be relatively limited.</p> <p>In addition, there is also a risk that utilising Bishopton PS permanently removes its availability to provide supporting capacity to manage both a temporary peak that may arise from upper end educational demand scenarios and longer-term upper end demand. There could be the risk that in such circumstances if Bishopton capacity was no longer available this would lead to higher overall costs over the longer term for the Council.</p> <p>The financial considerations and risks will be incorporated into the overall assessment scheduled to be reported as part of the Education & Children’s Services Board report in January.</p>	Director of Finance and Resources	31-May-2023	
CRR23.04.11-2d	Set out overview in a report to the Education and Children’s Services Policy Board in respect to the potential long-term utilisation of Bishopton Primary School which will be subject to detailed consideration at an appropriate point in future years as actual long term demand trends increasingly emerge.	Work to allow appropriate recommendation to be made is progressing in line with plans and scheduled to be reported to Board in January 2024	Director of Children’s Services	31-Jan-2024	




For Rec 3					
CRR23.04.11-3a	Undertake a desk top review of other local authorities across Scotland and identify key best practice councils to engage.		Head of Economy and Development	30-Jun-2023	
CRR23.04.11-3b	Complete detailed engagement with identified best practice councils arising from desk top research	Detailed engagement completed with Fife, Falkirk and West Lothian councils.	Head of Economy and Development	31-Aug-2023	
CRR23.04.11-3c	<p>Complete data analysis exercise of a range of datasets of mixed historic sites across Renfrewshire to provide empirical evidence to support actual pupil yields to inform establishment of appropriate yield factors to be used in future contribution policy.</p> <ul style="list-style-type: none"> • Refresh % capacity of all schools (vs school rolls) • Sample research of Pupil Product Ratio (PPR) for developed housing sites (< 10 units) [min 10 site sample] • Sample research of PPR for developed housing sites (> 100 units) [min 10 site sample] • Sample research of PPR for established / mature housing development to provide longer term perspective (e.g. 15 years old) (> 100 units) [min 4 site sample] • Identify individual schools where pupil capacity is above notional threshold (85%) • Identify all known undeveloped housing sites in individual school catchments • [Subset of 5] identify all housing sites with current "live" planning application <p>Identify schools where it is anticipated intervention would be required to increase capacity based on potential future housing to be delivered over next 10 years to inform likely future developer discussions.</p>	Updated datasets (e.g. census data released by NRS) now available to allow detailed data analysis to be completed. Resource challenges have slowed the pace of some of this workstream but prioritisation expected to still allow for this to be completed during October.	Head of Economy and Development	31-Oct-2023	



CRR23.04.11-3d	Incorporate into the development of the draft contributions policy targeted to be presented to the Planning and Climate Change Policy Board in January 2024.	This remains the targeted date but it will be informed by complexity of any additional work that may be identified from the data analytics workstream.	Head of Economy and Development	31-Jan-2024	
For Rec 4					
CRR23.04.11-4a	Secure with BAE agreement on Heads of Terms for allow for mutual governance approval from each organisation to inform detailed legal agreement drafting and final sign off	This was completed and approved by ILE Board end of August	Chief Executive	31-Aug-2023	
CRR23.04.11-4b	Secure completed and signed legal missives to deliver in full the objectives outlined above to provide certainty and timing of availability of remediated and infrastructure proofed land to support wider school delivery planning and consultation arrangements that will be progressed by the Council team.	Legal missives concluded mid-September	Chief Executive	31-Aug-2023	
CRR23.04.11-4c	Proposed revisions to S.75 negotiated with BAE Systems were approved by ILE. Revised S.75 signed off by both the Council and BAE Systems to legally conclude matters.	Approved by planning and Climate Change Board end of August	Head of Economy & Development	31-Aug-2023	






Context	Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.12 Organisational learning from Dargavel investigation	The council must progress the actions as a matter of urgency or there is a risk that without sufficient learning, similar errors to those made in the past could occur again, with further financial implications and significant reputational damage for the council	CMT	(1) Corporate leads identified to ensure recommendations are taken forward.	02	05	10 High
The recent Independent Review into Dargavel, and the council's response to the review, highlighted several recommendations and agreed actions. The first 4 recommendations related to the delivery of the solution for Dargavel specifically and the other						
<ul style="list-style-type: none"> ▪ Recommendation 5 - Corporate working and organisational culture ▪ Recommendation 6 - Risk management ▪ Recommendation 7 - Role of members ▪ Recommendation 8 - Public confidence 						
Action Codes	Linked Actions	Latest Note		Assigned To	Date	Status
For Rec 5						
CRR23.04.12-5a	Undertake a health check assessment on major capital programmes to provide reassurance in respect to all aspects of governance, control, reporting and management of programmes.	Health check will be completed by end of October with any identified improvement actions considered by CMT.		Chief Executive supported by CMT	31-Oct-2023	
CRR23.04.12-5b	Put in place arrangements to deliver a comprehensive Leadership Development Programme (circa 12 months + programme) for chief officers and senior managers which amongst other things will cover any key areas referenced in the Bowles report in respect to governance, accountability, risk management, collaborative working, member officer relations etc.	Contract engagement in place and resources secured from SOLACE Enterprises to support co-designed and co-delivered programme. Initial Chief Officer programme launch event occurred on 3rd October with focusing on personal resilience with the following Learning Development events scheduled: - October – Effective Communications and Elected Member Relations November - Governance and Risk Management December – Programme Management, Leading and Navigating Strategic Change January – Transformational Leadership February – Delivering Corporate/Team Values and Vision Delivery of wider tier of management / leadership cohort to commence early 2024.		Director of Finance & Resources and Head of HR & OD	30-Sep-2023	
CRR23.04.12-5c	Design and undertake an evaluation process of the Leadership Development Programme for Chief Officer cohort to inform required changes			Head of HR and OD	31-Mar-2024	

	/ adjustments to programme delivery for next management cohort.				
For Rec 6					
CRR23.04.12-6a	A review of risk profiles across all service departments to ensure visibility of all risks and confirmation of where certain risks are being monitored if outwith the standard Risk Reports to the Audit, Risk and Scrutiny Board (i.e., Health and Safety Planning Groups, Service Improvement Plans etc)	Initial report to CMT w/c 9/10/23 to update on progress, with planned final report to ARSB on 6/11/23	Director of Finance and Resources	31-Oct- 2023	
CRR23.04.12-6b	A review of the 'service risk representative' roles in each service department to ensure the representatives who sit on the Corporate Risk Management Group are sufficiently involved in risk matters within the service, to feed this into the Corporate Risk Management Group and that they also have authority within the service to provide challenge as a 'critical friend.'	New update – action completed. CMT agreed (10 Oct), that each Director will nominate a Head of Service and one other colleague to support the Head of Service in the role going forward.	Director of Finance and Resources	31-Oct- 2023	
CRR23.04.12-6c	Delivery of a project risk management workshop specific to the planned new primary school in Dargavel (complete)	Workshop delivered covering nature of project risks, risk changes over lifecycle of the project; reminder of Council PM framework and PMU support; key issues re good governance	Director of Finance and Resources	31-Aug-2023	
CRR23.04.12-6d	Delivery of project risk management training with all PMU colleagues (in a train the trainer format) so colleagues are delivering this as part of project kick-offs to support a more risk focused culture in the organisation.	Training delivered	Director of Finance and Resources	30-Sep-2023	
CRR23.04.12-6e	Undertaking a 'health check' of project management arrangements across the council to ensure governance, management, reporting and risk management is appropriate to the scale of the project.	Compliance review of all PMU supported projects underway with aim to complete by end November; model and approach to be more widely applied to other significant Council projects	Director of Finance and Resources	30-Nov-2023	
CRR23.04.12-6f	An update to the risk management course on iLearn and consideration of whether it should be a mandatory course.	Work underway, decision on mandatory nature tbc by CMT	Director of Finance and Resources	30-Nov-2023	


CRR23.04.12-6g	Embed and deliver risk management training into the new leadership development programme that is currently under development, particularly in relation to commercial risk	Risk management session programmed for delivery 8/11/23, including internal and external subject matter experts	Director of Finance and Resources	30-Nov-2023	
CRR23.04.12-6h	Reviewing governance documents to ensure delegations in relation to liability caps are clear and unambiguous.	Potential minor additions/revisions to the council's scheme of delegation and contract standing orders being considered, with formal approval by Council in due course	Director of Finance and Resources	31-Dec-3023	
CRR23.04.12-6i	Deliver a targeted risk management development day for Chief Officers <ul style="list-style-type: none"> Project risk management (and risk simulation exercise) Risk horizon scanning and sustainability (the Global Risk Report) Liability caps and their implications 	Programme being developed delivered by internal leads with support from appropriate external experts, with delivery planned early December	Director of Finance and Resources	31-Dec-2023	
For Rec 7					
CRR23.04.12-7a	Undertake a health check assessment on major capital programmes to provide reassurance in respect to extent to which elected member involvement has been appropriately secured through formal governance reporting as well as via other appropriate informal engagement routes.	Health check will be completed by end of October with any identified improvement actions considered by CMT.	Chief Executive supported by CMT	31-Oct-2023	
CRR23.04.12-7b	Support Council Leader and other nominated elected members to determine a review remit, progress the review and develop suitable recommendations.	TBC pending initial meeting	Head of Corporate Governance	---	---
CRR23.04.12-7c	Carry out an assessment of the Audit Risk and Scrutiny Board against CIPFA's published good practice guide for audit committees and identify any recommendations for change in remit or operational arrangements.	Report outlining proposed approach to self assessment and wider full ARSB development day to be discussed at ARSB 6/11/23. Timescales for any revisions to ARSB remit or approach tbc depending on self-assessment outcomes.	Director of Finance and Resources	31-Dec-2023	
For Rec 8					
CRR23.04.12-8a	Develop a communication and engagement strategy to meet the following objectives:	This plan supported and guided all initial comms and engagement in the initial months of the issue being reported and has guided the following key activities:	Head of Marketing and Comms	30-Nov-2023	


	<ul style="list-style-type: none"> • Improve the flow and regularity of information to parents and carers and the wider Dargavel community, so they are first to hear about decisions impacting their community. • Ensure parents and carers have access to all projection data available to the council. • Introduce direct communication channels with Dargavel residents, enabling all sections of the community to engage on matters that are important to them and making sure the latest information is accessible and easy to find. • Provide residents with a feedback loop to enable them to ask questions of the council in relation to the development and have questions answered quickly. • Include the community in formal planning and design of a new primary school and high school extension. 	<p>Hosting two parent and carer meetings, attended by council officers and more than 220 parents or carers, Establishing a dedicated enquiries email inbox and encouraged residents to contact us with any questions and concerns, Attending several parent council meetings with all primary schools and PMHS to support direct engagement, discussion on key activities, immediate estate decisions in respect to deployment of modular classrooms and post occupancy adjustments at Dargavel Primary, sharing and discussion of revised projection data and modelling, key council decision points, independent review outcomes etc</p> <p>Attending several community meetings from community council, Community Liaison Group as well as supporting coordination and delivery of wider community representative round table session to maintain ongoing engagement, sharing of information and data sharing etc.</p> <p>Issuing 12 letters/updates to impacted parents and carers at Dargavel Primary School</p> <p>Issuing 9 updates to Bishopton Community Council</p> <p>Issuing 3 media releases or proactive statements and responding to almost 50 media enquiries</p> <p>Issuing 11 elected member briefings and 8 MP/MSP briefings to support members in their engagement with local families.</p> <p>Monthly updates to the council website</p>			
CRR23.04.12-8b	Post Review, deliver a revised comms and engagement strategy to re-establish trust and confidence across the Dargavel community.	Complete. As above.	Head of Marketing and Comms	31-Aug-2023	
CRR23.04.12-8c	Establish a new parent council liaison group to provide a single PC forum (at the request of PC chairs) to provide a streamlined opportunity for consistent engagement and communication with the whole PC community for all schools associated with Dargavel / Bishopton and PMHS and all feeder primaries.	Group has been established and has met following school summer break with positive feedback from Parent Council Chairs with engagement to date.	Head of Education	31-Aug-2023	
CRR23.04.12-8d	Establish regular opt-in digital community newsletter to facilitate regular communication	Take up of opt-in digital channel newsletter is currently sitting at 309 users and it is expected that this will continue to grow in the	Head of Marketing and Comms	31-Aug-2023	

	updates direct to interested members of the community.	coming months as school delivery and design engagement commences more significantly.			
CRR23.04.12-8e	Establish and track key indicators of community sentiment.	We track public feedback, website traffic, social media commentary, engagement and sentiment, media OTSH and the volume of media enquiries and FOI enquiries. Assessment of the metrics suggest an ongoing interest in Dargavel albeit across the wider community this beginning to settle into the formalised engagement routes focusing increasingly on the range of solutions identified for delivery by the Council. There remain some ongoing aspects of concern expressed from some community representatives in relation to the new school and planned expansion to PMHS which may continue to be an issue raised through ongoing engagement and future consultation arrangements.	Head of Marketing and Comms	Ongoing	
CRR23.04.12-8f	Develop, deploy (at appropriate key points post formal consultation period) and evaluate a community survey to understand the impact of engagement with the community.		Head of Marketing and comms	Expected April/May 2024	

Context		Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.13 Workforce planning, recruitment and retention		There is a national shortage in the UK labour market. For Renfrewshire Council that is impacting on certain specialist recruitment campaigns. This combined with diminution of salaries, the reality is that there is a risk the council may lose key personnel, it may be very difficult to recruit suitably qualified and skilled officers for compliance, advisory, investigative and assurance work, with significant impact on statutory responsibilities and slippage in professional activity.	Director of Finance & Resources	<ul style="list-style-type: none"> (1) Data analytics to look at areas of risk, trends both recruitment and attrition. (2) Ensuring we hire the right people in the first place by having solid recruitment methods (3) Offering workplace flexibility which can help enhance work life balance, and burnout (4) Creating opportunities for to development (5) Partnering with employability, community, and further education programmes to support the Council as an employer of choice 	04	04	16 High
Workforce planning risk is captured by our model for business-as-usual risk, however over recent months it has been clear that a live issue is emerging in relation to recruitment and retention challenges, particularly for various professional services. Note, the former corporate risk relating to Regulatory services/ statutory activities is now reflected within this newly escalated one.							
Action Codes	Actions				Assigned To	Date	Status
CRR23.04.13a	Agreed to introduce a working group focussed on workforce planning, the purpose of this is to look at new and innovation ways to support the recruitment, retention and upskilling of the Councils workforce.				Head of People and OD	31-Oct-2023	
CRR23.04.13b	Review our recruitment training for managers with a focus on supporting onboarding, induction, and development support.				Head of People and OD	31-Dec-2023	
CRR23.04.13c	Develop a Equality, Diversity and Inclusion strategy, this aim of this is to enable colleagues to have equity of opportunity within the council during the whole employee lifecycle				Head of People and OD	31-Dec-2023	
CRR23.04.13d	Introduce a programme that enables our colleagues voice and provides platform for recognition				Head of People and OD	31-Mar-2024	
CRR23.04.13e	Continue the roll out of our Health & Wellbeing strategy, ensuring colleagues can have the best experience at work				Head of People and OD	31-Dec-2024	

Context		Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.14	National Care Service – governance and financial implications	The council will need to ensure clear governance arrangements are established otherwise there will be increased risk in terms of liabilities, with financial impacts	Director of Finance & Resources	(1) Maintaining a watching brief through various professional networks	03	03	09
There has been recent confirmation that for the proposed new National Care Service, staff will continue to be employed by councils. However, under the terms of a new partnership arrangement, legal responsibility for the service is to be 'shared' between the health service, councils and Scottish government, with councils also responsible for buildings and the delivery of services.							Moderate
Action Codes	Actions				Assigned To	Date	Status

Context		Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
CRR23.04.15	Programme and project management	Where some projects might sit outside of the programme management unit's knowledge/awareness, there is a risk that those projects fail either in timescales, quality, or costs or even if successfully concluded, do not deliver the intended outcomes.	Director of Finance and Resources	(1) Self-referral approach currently in place where advice and professional support from project management professionals can be requested. (2) Portfolio management approach adopted by the CMT for key priorities and projects meaning these are identified and monitored	03	03	09
Some minor or externally led projects may not benefit from the council's established project management controls where they could do so, but they are not known to the programme management unit. There is scope to explore how these projects might be captured and so this moderate risk will feature in the corporate risk register until a review of this is complete.							Moderate
Action Codes	Actions				Assigned To	Date	Status
CRR23.04.15a	Explore a number of ideas, within the resources available, for corporate identification, triage and monitoring of projects that might not otherwise be visible corporately.				Strategic Change Manager	31-Mar-2024	

Context		Risk Statement	Owned by	Current Controls	Likelihood	Impact	Evaluation
<p>CRR23.04.16 RAAC and the school estate</p> <p>The Council's RAAC assessment involved checking the construction of schools and early learning and childcare facilities built between 1950 and 1980, which was then extended to schools built between 1930 and 1990 by Scottish Government. This was carried out in 2021 by structural engineers and covered 43 schools. The construction of all schools and childcare and early learning centres within this timeline was examined. 23 schools were assessed using available information and data on construction techniques and materials. Where additional information was required, physical and intrusive inspections took place (21 schools). At the conclusion of this exercise, no RAAC was identified.</p> <p>Follow-up precautionary checks commenced (and are ongoing) to provide additional validation of initial assessments and inspections. External structural engineers were appointed to carry out independent checks of schools that were part of the initial desk top assessments and physical inspections.</p> <p>During the check at Castlehead High School, structural engineers identified the presence of RAAC limited to the school gym halls. The inspection concluded that our analysis of the construction materials of the main school building was correct, but that different material, RAAC, had been used in the construction of the gym halls.</p> <p>It should be noted that while RAAC has been detected there are no concerns about its current condition.</p> <p>It should also be noted that in other follow-up checks conducted to date [27 Oct], no RAAC has been identified.</p>		<p>The detection of RAAC material in the school estate may lead to a risk of disruption to school operations with financial impact to resolve.</p>	<p>Director of Children's Services; Director of Environment, Housing & Infrastructure</p>	<p>(1) We have a matrix that details all school estate buildings built within the 1930 to 1990 timeframe, and information on the assessment/ inspections undertaken at each.</p> <p>(2) The methodology used by the council [for the 2021 RAAC investigation], aligns with that outlined by the Institute of Structural Engineers and was agreed by the Scottish Heads of Property Services. It also enabled the council to respond directly to the requirements of Scottish Government. This is being validated by external consultants.</p> <p>(3) Although there are no concerns about the current condition of the roof structure at Castlehead High School (as confirmed by independent engineers), the gym has been closed for remedial works.</p> <p>(4) The council's general school property condition assessments are underway and will continue to will further assess the condition of the school and early learning estate.</p>	03	03	09 Moderate
Action Codes	Actions	Assigned			Date	Status	
CRR23.04.16a	Further checks of gym/ assembly hall building roof structures at some primary schools are underway as a precautionary measure. This will supplement desktop analysis and inspections already completed. This is for reassurance purposes only, given our experience at Castlehead High School.	Head of Facilities and Property Management			15-Nov-2023		

Appendix 3: Service Risks

Risk (Cause and effect)	Risk Capture <input type="checkbox"/> Service RR <input type="checkbox"/> Project RR	Evaluation <input type="checkbox"/> Low <input type="checkbox"/> Moderate <input type="checkbox"/> High <input type="checkbox"/> Very High	Means of Monitoring <input type="checkbox"/> Board Risk-Reporting <input type="checkbox"/> SIP <input type="checkbox"/> Project Board <input type="checkbox"/> H&S Planning Group	Notes
Chief Executive's Service				
(1) <u>Discontinuation of Shared Prosperity Fund</u> If there is a change in government and the SPF ceases, funding for current economic development and place-based initiatives would be reduced by £5-6m.	Service RR	Moderate	Board Risk-Reporting	
(2) <u>AMIDS does not achieve Investment Zone status</u> Would dampen placeshaping ambitions and weaken local economy	Project RR	Moderate	Board Risk-Reporting	
Children's Services				
(3) <u>Portfolio Management</u> Unintended delays in progress in each of the three portfolios listed below will impact on our ability to ensure that children and young people thrive, learning and achieve: 1. Curriculum, learning, teaching and assessment; 2. Inclusion; and 3. Families and Communities	Project RR	Moderate	Project Board	Effective governance arrangements are in place with oversight, leadership and direction being provided by the Portfolio Governance Board which meets on a monthly basis. The three portfolio groups provide updates to the Board.
(4) <u>Availability of Alternative Care Placement (Foster Care and Residential Care)</u> This could result in a higher level of risk being managed within the community.	Service RR	Moderate	Board/Committee Risk-Reporting	Case managed by Social Work Management Teams with contingency plans in place.
Environment, Housing and Infrastructure Services				
(5) <u>Review of electric vehicle (fleet) infrastructure</u> Risks associated with the installation of charging facilities were managed during the related installation projects. There is however a need to review any residual risks that remain in relation to the siting, inspection, and maintenance of the facilities, to further reduce any risks to people or property within their vicinity.	Service RR	High	Board Risk-Reporting	Electric Vehicle fleet comprises around 116 vehicles. The council implements a range of measures to ensure vehicles are roadworthy and serviced accordingly. The EV Charging Infrastructure is electrically tested at final commissioning stage by a competent EV contractor. EV Chargers are serviced annually as part of warranty/ maintenance contract. Chargers are also monitored remotely by ChargePlace Scotland for any faults and site attended by contractor if fault is not able to be fixed by back-office support.

Risk (Cause and effect)	Risk Capture <input type="checkbox"/> Service RR <input type="checkbox"/> Project RR	Evaluation <input type="checkbox"/> Low <input type="checkbox"/> Moderate <input type="checkbox"/> High <input type="checkbox"/> Very High	Means of Monitoring <input type="checkbox"/> Board Risk-Reporting <input type="checkbox"/> SIP <input type="checkbox"/> Project Board <input type="checkbox"/> H&S Planning Group	Notes
(6) <u>Tree Fall and Ash Die Back & Larch Infection</u> With the emergence of Ash Die back in the UK there is now an increased potential for public injury and property damage, awards against the Council, reputational damage and statutory notices	Service RR	High	Board Risk-Reporting	The main trigger for this risk was a significant outbreak of Ash Dieback in the UK which is resulting in a significant number of trees within Renfrewshire having to be felled. Work is underway.
(7) <u>Housing Regeneration and Renewal Programme</u> Risks associated with delivering £100m regeneration and renewal programme.	Project RR	High	Project Board	Risk registers are produced for each project to identify and manage known risks associated with the programme.
(8) <u>Last in Block Properties</u> Initial discussions have commenced with Scottish Government officials on the feasibility of 'last in the block' properties being repaired and used for the resettlement of UDP's, and a further report will be submitted to the Communities and Housing Policy Board providing an update on progress.	Project RR	High	Board Report	Risk register has been produced and shared with Scottish Government
(9) <u>Housing IT System Replacement Programme</u> Ensuring replacement system procured fulfils all requirements and is delivered within target.	Project RR	High	Project Board	Renewal of main system dealing with Housing Services, Housing Asset Management and Homeless Services.
(10) <u>Housing Investment Programme</u> Risk of delivering approved capital investment programmes and ensuring stock complies with statutory and regulatory standards.	Project RR	High	Project Board	As part of governance arrangements, a new project board is being established. Risk registers will be produced for each programme.
(11) <u>Delivering Homeless duties</u> The risk is of breaching a statutory duty to provide accommodation and would be likely to lead to an increase in rough-sleeping and reputational harm.	Project RR	High	Board Report	We are at risk of being unable to provide temporary/ settled accommodation for the increased number of homeless applicants, Ukraine and Afghan resettlement programmes, and those asylum seekers living in Renfrewshire receiving positive decisions.
(12) <u>Disposal of Coal Tar</u> Coal tar is now classed as hazardous waste material. There is consequently a knock-on risk to the council's resurfacing scheme with some moderate delays in only a few locations as alternative solutions are developed.	Service RR	Moderate	Board Reporting	Officers have engaged with the commercial market and have identified the use of an innovative solution to recycle the material on site whilst ensuring the road surface received treatment to address the road defects present.
(13) <u>Change to the Antisocial Behaviour etc. (Scotland) Act 2004, Part 7 (S68 1a)</u>	Service RR	Moderate	SIP	The change has come into force in September 2023 and discussions and advice is taking place with legal services and licencing in relation to enforcement processes etc.

Risk (Cause and effect)	Risk Capture <input type="checkbox"/> Service RR <input type="checkbox"/> Project RR	Evaluation <input type="checkbox"/> Low <input type="checkbox"/> Moderate <input type="checkbox"/> High <input type="checkbox"/> Very High	Means of Monitoring <input type="checkbox"/> Board Risk-Reporting <input type="checkbox"/> SIP <input type="checkbox"/> Project Board <input type="checkbox"/> H&S Planning Group	Notes
The change now means that the scope of the legislation extends to holiday let notices with a risk of increased demand on service as it will be responsible for enforcing notices.				
(14) <u>Development of Local Heat and Energy Efficiency Strategy</u> Key risk is reputational damage if the Council does not publish their first Local Heat and Energy Efficiency Strategy and Local Heat and Energy Efficiency Delivery Plan on or before 31 December 2023.	Project RR	Moderate	Board Reporting	The Scottish Parliament passed the Local Heat and Energy Efficiency Strategies (Scotland) Order in May 2022. The LHEES Order places a duty on local authorities to prepare, publish and update a Local Heat and Energy Efficiency Strategy and Delivery Plan.
Finance and Resources Services				
(15) <u>PCI certification</u> Certification is required for taking credit and debit card payments. If certification is not consistently achieved, there is a risk of significant financial penalties applied by our Acquiring Bank and/ or removal of our ability to accept credit & debit cards completely. This would have a significant impact on Customers, Council income and the Council's digital aspirations.	Service RR	High	Board Risk-Reporting	To accept credit and debit card payments the Council is contractually obligated to comply with the Payment Card Industry Data Security Standards (PCI). This must be proven by submitting annual Self-Assessment. Questionnaires that match payment forms taken. Security & Compliance Mgr responsible for PCI compliance across Council. Internal procedures for applying compliance standards to card payment services. Annual independent audit of card payment procedures against PCI standards. PCI Governance Group to be established consisting of representatives from all Services who deliver 'pay for' services in the community. Training for staff handling card payments

Appendix 4: Business-as-Usual Risks

The council has 12 areas of risk that it now monitors via the new risk assurance model introduced in April 2023. Each Head of Service (and two other officers who report directly to a Service Director), must undertake self-assessment against a set of questions for each risk and indicate what level of assurance they are able to provide in relation to how they and their teams perform in these areas. **This is only the midpoint of year one**, so the dashboard below needs to be viewed in that context. However, it is hoped that elected members will find this new approach helpful. Some early feedback from people using the model is that it has been helpful in generating good discussion on topics and highlighting opportunities to take simple but effective action quickly.



Risk Assurance Model

Financial Year

2023-2024

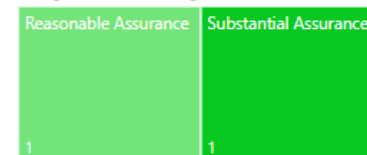
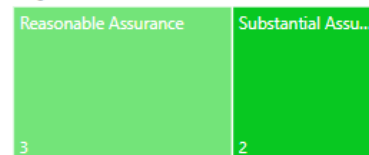
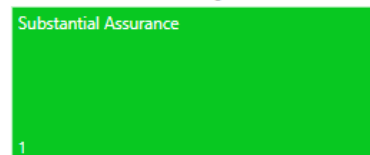
Modules completed by Assurance and Year

Asset Management

Financial control and governance

Organisational Resilience

Programme management

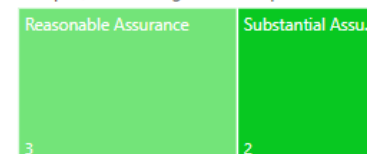
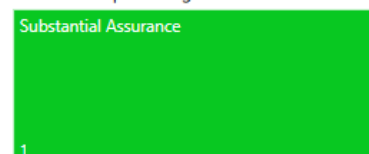
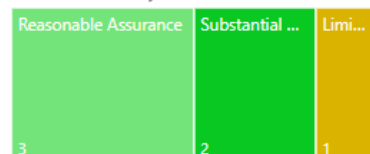
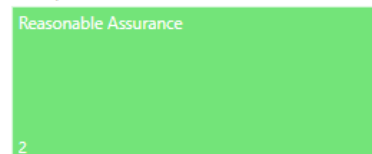


Complaints, comments and claims

Health & Safety, adverse events

Partnership management

People, wellbeing & development

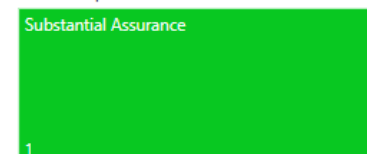
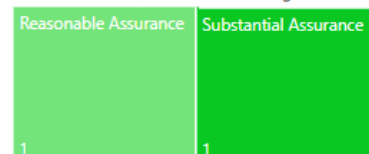
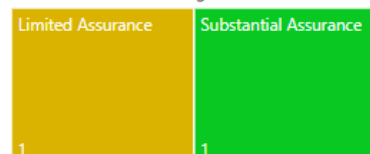
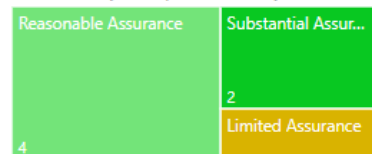


Community and public safety

Information handling

Procurement, contract management

Service performance



Interpreting the pictograph

Deep green = Substantial assurance
 Pale green = Reasonable assurance
 Amber = Limited assurance
 Red = No assurance

The digit in the lower left section of the boxes show how many Heads of Service and direct reports have completed each module with a specific level of assurance to date.

Taking Health & Safety, Adverse Events as an example, a total of 6 Heads of Service have completed this module to date: 1 self-assessing with limited assurance, 3 with reasonable assurance and 2 with substantial assurance.

If a module is completed by everyone, the total number for each module would be 16.

The Chief Auditor and the Risk Manager are monitoring engagement with the model on an ongoing basis, to support Directors on having a sound evidence base to underpin their annual assurance statements.

A reminder of what each model covers is on the following page.

While these are the council's business-as-usual risks, where there is recognised need for specific corporate action in any of these aspects of risk, these are escalated from time to time to the corporate risk register. An example of this is nos. 2 and 6 and below. Aspects of these risks are reflected not only within the risk assurance model **but are also** escalated to the corporate risk register.

BAU RISK AREA	ENCOMPASSING	BAU RISK AREA	ENCOMPASSING
1. Community & public safety	Child and adult protection Serious and organised crime (external)	2. Asset management	Statutory compliance Arrangements for void properties Fleet and other infrastructure ICT hardware and software assets and responsibilities
3. People wellbeing & development	Staff health and wellbeing Training and development Corporate and local induction	4. Information handling	GDPR compliance Information asset management Information security Records management
5. Health, safety & managing adverse events	Staff incident recording RIDDOR arrangements Incident monitoring and trends analysis	6. Programme and project management	Governance Compliance with industry standards/ adopted methods
7. Organisation resilience	Business continuity: - Staffing resource - ICT and/ or power outages - Facility issue - Cyber security	8. Partnership management	Partnership registers Agreements Liabilities
9. Financial control and governance	Authorities and delegation Budgeting and accounting Conflict and whistleblowing Insider threat and crime Counter fraud	10. Service performance monitoring	Trends analysis Links to risk management and service improvement
11. Procurement and contract management	Standing orders Roles and responsibilities Monitoring & Performance Mgt	12. Complaints, comments and claims handling	Compliance Trends analysis Links to service improvement

[Item 10 End]



To: Audit, Risk and Scrutiny Board

On: 6 November 2023

Report by: Director of Finance and Resources

Heading: Absence Statistics – Quarter 2 of 23/24.

1. Summary

- 1.1 The purpose of this report is to provide the Audit, Risk and Scrutiny Board with the absence information for the period 1 July to 30 September 2023.
- 1.2 Longer term absences continue to be impacted due to lengthier treatment and medical intervention waiting times.
- 1.3 The report details the absence statistics by service and by category of staff. The report provides information in relation to absence targets and how services have performed against them. An analysis of the reasons for absence has also been compiled and details are included within the report.

2. Recommendations

- 2.1 It is recommended that the Board notes the content of this report.
-

3. Background

- 3.1 The Scrutiny Board agreed that absence levels will be reported on a quarterly basis. It was agreed that the report will include the following information relating to supporting attendance: -
 - Absence statistics broken down by service and category of staff.
 - Reasons for absence broken down by service and category of staff.
 - Progress made by services in relation to their supporting attendance

action plans.

4. Sickness absence statistics for quarter 2 - 1st July to 30 September 2023 overview.

4.1 The main presenting issues and their percentage of the overall presented absence figures for the period were:

- Psychological (31.7%)
- Muscoskeletal (22.5%)
- Stomach/blood/bowel and metabolic disorders (15.2%)

4.2 A comparison of the council overall absence performance for the period is detailed in tables 1 and 2. In line with the reporting requirements for Scottish Councils, absence is expressed as a number of workdays lost per full time equivalent (FTE) employee.

Table 1









Employee Group	Quarter Ending September 22	Quarter Ending September 23	Variance +/- year on year
Local Government	3.80	3.40	- 0.40 
Teachers	0.80	0.96	+ 0.16 
Council Overall	3.02	2.77	- 0.25 

Table 2

Service	Quarter Ending September 22	Quarter Ending September 23	Variance +/- year on year
Chief Executives	1.0	1.9	+ 0.9 
Childrens Services	2.05	2.08	+0.03 
Environment, Housing, and Infrastructure	N/A	3.36	N/A
Finance & Resource Services	2.43	2.07	- 0.36 
Renfrewshire Health and Social Care Partnership	6.50	5.26	- 1.24 
Council Overall	3.02	2.77	- 0.25 
Council Overall Target	2.60	2.60	N/A

5.0 Sickness absence targets analysis for quarter 2.

5.1 The local government employee absence level of 3.4 days lost per FTE employee is **0.8 days above** the council target of 2.60 days.

5.2 The teacher absence level of 0.96 days lost per FTE employee is **0.58 days below** the council target of 1.54 days.

5.3 The council has recorded an overall absence rate of 2.77 days lost per FTE employee, which is **0.17 days above** the council target of 2.60 days.

6.0 **Sickness absence support measures during quarter 2.**

6.1 To support employees with psychological absences, the council provides a range of support services that employees can be referred to at an early stage for assistance, such as the council's Occupational Health Service and the Time for Talking employee counselling service.

6.2 The Time for Talking (TFT) counselling service provides 24-hour confidential support to employees with a range of personal health and well-being issues. It operates a flexible approach to appointments offering telephone consultations in the early mornings or evenings as well as throughout the day.

6.3 **56** new referrals were made and a total of **217** referrals offered during the reporting period. This generated an attendance rate of 83%. The main presenting issues are detailed below:



Personal

Stress/anxiety/depression
Family Relationships
Self-harm
Anger



Work & Personal

Stress/anxiety/depression
Retirement/Redundancy



Work related.

Role (the understanding of)
Demands

6.4 Telephone consultations remain the most requested type of intervention, however more face to face appointments are being requested. During the reporting period TFT responded to 1 critical incident.

6.5 HR and OD are working with our mental health first aiders across the council to further strengthen the supports on offer to our staff. We are actively looking to deliver further mental health first aider courses throughout the year.

6.6 The Physiotherapy service supports employees with Musculoskeletal and Joint Disorder conditions through the council's Occupational Health Service. The service has continued to be provided throughout the quarter using secure face to face appointments, video conferencing and telephone consultations.

6.7 The council's usage of the Occupational Health Service (OHS) for quarter 2 was **1,054** appointments. OHS provides advice and guidance on the impact of ill health on work and what steps the council and/or the employee may make

in order to secure a return to work. The main appointment types are detailed in the table below:

Appointment referral type	Number	Main types of intervention
Wellbeing	342	CBT/DBT/Physiotherapy.
Management	532	Presenting health condition advice and guidance.
Health surveillance	180	Audio/ Hand Arm vibration/vaccines.

6.8 We continue with our occupational health surveillance programme, offering audiometry, spirometry, hand arm vibration screening, and nightshift questionnaires. We have not reported new occupational diseases to the Health and Safety Executive.

7.0 Ongoing measures to support attendance at work.

7.1 A number of measures continue to be progressed to support attendance at work, and include (but not limited to) the following: -

- We are continuing to develop, with the support of the corporate communications team and the Businessworld team, an engagement and training plan around the new policy and its application.
- To link with the engagement plan, we are currently redesigning the current supporting absence training courses, ensuring managers are fully equipped to manage staff absence and take accountability for their absence status.
- We continue to develop, with support of the Business World Team, a suite of appropriate reports to enable managers to analyse their absence data. This will also provide an opportunity to increase the frequency of reporting sickness absence information to the Corporate Management Team.
- Throughout the reporting period, HR and OD have been working with service management teams to focus upon the absence data and look at interventions to support their staff. The biggest focus has been on the reduction of longer-term cases.
- In collaboration with the communications and marketing service, regular information and guidance continues to be issued, particularly around well-being issues.
- We continue to link the supporting attendance measures to our Health and Wellbeing Strategy development, which supports the People strategy.
- As part of the council's health and safety management system, risk assessments are reviewed on an ongoing basis to ensure that safe working practices are maintained, reducing the opportunity for ill health or injury.
- We work in collaboration with NHS colleagues, to offer safeTalk and ASIST courses on suicide awareness and prevention as well as anxiety awareness courses. We also promote the "Doing Well" service which supports employees with depression and low moods.

- We continue to promote the employee benefits scheme.
- We promote our supporting polices such as menopause, pregnancy loss, control of smoking and carers.

Implications of this Report

- 1 **Financial Implications** - Improvement in attendance impacts on the financial costs of absence.
- 2 **HR and Organisational Development Implications** - HR and Organisational Development Practitioners will continue to work with service managers and consult with the Trade Unions, on the implementation of the Supporting Attendance at Work Policy and Guidance and initiatives detailed in this report.
- 3 **Community Planning**

Children and Young People - none.

Jobs and the Economy - none.

Community care, health, and wellbeing - provides for continuous improvement in health and attendance.

Safer and Stronger - provides for improved service performance across the Council.

Greener - none.

Empowering our communities - none.
- 4 **Legal Implications** - ensures legal compliance with health and safety and equality legislation.
- 5 **Property/Asset Implications** - none.
- 6 **Information Technology Implications** - none.
- 7 **Equality and Human Rights Implications** - none.
- 8 **Health and Safety Implications** - it is integral to the Council's aim of securing the health and well-being of employees.
- 9 **Procurement Implications** - none.
- 10 **Risk Implications** - Without continued effective supporting attendance focus, there is a risk that sickness absence levels will adversely impact on the Council both financially and in terms of service delivery. Consequently, supporting attendance activities are monitored via the Corporate Risk Register.
- 11 **Privacy Impact Implications** - none.
12. **Cosla Policy Position** – none

13. **Climate Risk** - none

List of Background Papers - none.

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To: Audit, Risk & Scrutiny Board

On: 5 November 2023

Report by: Lead Officer

Heading: Charges for Bulk Items Uplift for the Elderly

1. Summary

- 1.1. At its meeting on 22 August 2022, members of the Audit, Risk and Scrutiny Board agreed an annual programme of activity for the Board for 2022/23. This included a review of charges for bulk items uplifts for the elderly as part of the programme of activity.

2. Recommendations

- 2.1. The Board is asked to:
1. consider the key findings and recommendations;
 2. approve the appended draft Council report for submission on 14 December 2023; and
 3. note the lead officer's appreciation for all who assisted in the review.

3. Background

- 3.1. The attached draft report to Council describes the purpose and scope of the review on charges for bulk items uplift for the elderly. It includes summaries of the information reported to each meeting of the Audit, Risk and Scrutiny Board, and concludes with the key findings and proposed recommendations.
- 3.2. Previous related reports to Board have been recorded as background papers for the Council report.
-

Implications of this report

1. **Financial** - The review highlights the additional costs and loss of income to Renfrewshire Council which could occur in the event of changes to the current arrangements and charges for the bulk uplift service amounting to an estimated £0.160m per year. This could rise depending on the level of demand experienced in future.
2. **HR and Organisational Development** - None directly arising from this report.
3. **Community/Council Planning** - None directly arising from this report.
4. **Legal** - None directly arising from this report.
5. **Property/Assets** - None directly arising from this report.
6. **Information Technology** - None directly arising from this report.
7. **Equality and Human Rights** - The recommendations contained within this report have not been assessed in relation to their impact on equalities and human rights as the paper sets out the scope for a review process rather than proposing any changes to services. If any change to policy or service position were to be considered in future, then full equality and human rights impact assessments will be undertaken.
8. **Health and Safety** - None directly arising from this report.
9. **Procurement** - None directly arising from this report.
10. **Risk** - The potential risk that the Council will overspend its approved budgets for the year will be managed at a Council-wide level by the Chief Executive and Directors.
11. **Privacy Impact** - None directly arising from this report.
12. **Cosla Policy Position** - Not applicable.
13. **Climate Risk** - None directly arising from this report.

List of Background Papers

Audit, Risk and Scrutiny Board Annual Programme approved 22 August 2022.
Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 23 January 2023.
Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 13 March 2023.
Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 22 May 2023.
Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 26 September 2023.

The foregoing background papers will be retained within Finance and Resources for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Finance Business Partner John Kilpatrick who can be contacted at john.kilpatrick@renfrewshire.gov.uk

Author: John Kilpatrick, Finance Business Partner

To: Council
On: 14 December 2023

Report by: Lead Officer on behalf of the Audit, Risk & Scrutiny Board

Heading: Charges for Bulk Items Uplift for the Elderly

1. Summary

- 1.1. At its meeting on 22 August 2022, members of the Audit, Risk and Scrutiny Board agreed an annual programme of activity for the Board for 2022/23. This included a review of charges for bulk item uplifts for the elderly as part of the programme of activity.
- 1.2. Over a period of months and as part of the annual programme, reports have been presented to the Board by the Lead Officer on the subject of charges for bulk items uplifts for the elderly.
- 1.3. This report describes the purpose and scope of the review, it includes summaries of the information reported to each Board meeting and concludes with the key findings and the recommendation.
- 1.4. The review has provided assurance to the Audit, Risk and Scrutiny Board. The Board agreed the final report at its 6 November 2023 meeting.

2. Recommendations

Members are asked to:

- 2.1. note the findings and approve the recommendations within this report.

3. Background

- 3.1. Residents of Renfrewshire can request special uplifts if they need any bulky general waste collected from their home. This can be for between 1 and 20

items but cannot include hazardous, clinical, or toxic waste. Loose waste must be bagged or tied in manageable bundles where necessary. In addition, appliances such as washing machines, freezers, cookers etc are all charged individually and cannot form part of the 1 to 20 items.

- 3.2. Ground clearances are when residents have more than 20 items and the charge quoted is for a maximum of one hour's work. However, if officers visit and assess that it will take longer than this, they will contact the resident about the additional costs before commencing any work. Again, domestic appliances are charged individually and do not form part of a ground clearance.
- 3.3. Renfrewshire Council aims to collect item(s) as soon as possible within 14 days. Residents must ensure any white goods have their doors removed or place in a position where no one can access it. Special uplift requests for white goods and general goods can be made at the same time, however white goods are charged separately.
- 3.4. The charges for 2023/24 are £37.15 for a domestic uplift (1-20 items) and £37.15 for each domestic white good. The ground clearance charges are £88.00 covering a driver, a waste collector, and a vehicle, for a maximum of one hour's work.
- 3.5. Residents who are council tenants are entitled to two special uplifts per year as part of their rent charge, this is paid for from within the overall Housing Revenue Account (HRA). This is achieved by providing their rent reference number when making their booking.
- 3.6. The current scheme provides no free, discounted or exemptions for this service for any other residents.

4. Purpose of the Review

- 4.1. The key purpose of this review will be to:
 4. Set out the current position in relation to bulk uplifts within Renfrewshire Council;
 5. Consider the impact of offering a free bulk uplift service for the elderly; and
 6. Identify any other mitigations that could be recommended for the elderly that the council could pursue within available resources.

5. Scope of the Review

- 5.1. In relation to 4.1(1) above, the focus of the review will be on research into demographics within Renfrewshire; in particular, the elderly population and current trends for existing service demand.
- 5.2. In relation to 4.1(2) above, the focus of the review will be on assessing the financial and non-financial implications in relation to the provision of free bulk uplifts for the elderly.

- 5.3. In relation to 4.1(3) above, the focus on the review will be exploring existing or potential options available to the elderly within Renfrewshire through partner organisations such as the third sector.
- 5.4. In relation to 4.1(3) above, consideration will be given to the existing services provided within neighbouring local authorities in relation to free bulk uplifts for the elderly to consider any benefits for Renfrewshire.
- 5.5. For clarity, the level of charges applied to bulk uplifts within Renfrewshire is outwith the scope of this review.

6. Demographics within Renfrewshire

- 6.1. To continue with the review a definition was required on the age to be used in relation to the term 'elderly' solely within the context of this review. It is proposed in relation to this review that we utilise the age of 65 for both men and women as being the most common age historically utilised for defining services for 'elderly' people. Therefore, the age of 65 will be assumed in relation to the term elderly for the duration of this review where this is practical. If an exception to this age is used, it will be clearly noted within the review.
- 6.2. Here we explore the demographics in relation to Renfrewshire, in particular the elderly population and likely service trends based on this data; this is in relation to scope objective 5.1.
- 6.3. Appendix 1, includes population projections developed by National Records of Scotland (NRS), utilising the most up to date published records at the time of preparation. This data forecasts the expected population across Renfrewshire for all ages from birth to 90+ between 2018 and 2043. This information has been used to provide analysis on the likely trends for the elderly based on the demographics for Renfrewshire.
- 6.4. The appendix 1 includes an analysis of the number and percentage of 65+ residents across Renfrewshire and forecast for each year. This starts at 18.7% and 33,288 of our residents in 2018 and rises to a high of 24.9% and 45,976 residents by 2040.
- 6.5. In the table below I have provided an extract from Appendix 1, analysing the proportion of tenants 65+ across the period 2023-2028. This clearly shows an upwards trend in the volume and percentage of the Renfrewshire population within the 65+ range across this period.

Renfrewshire Population Extract 2023-2028

Category	2023	2024	2025	2026	2027	2028
Overall Population	180,266	180,689	181,091	181,502	181,870	182,256
65 Plus	36,144	36,877	37,586	38,496	39,350	40,125
% 65 Plus	20.05%	20.41%	20.76%	21.21%	21.64%	22.02%

- 6.6. In order to consider this in the context of Scotland, information, again from the NRS population estimates, has been used to compare Renfrewshire nationally in relation to our elderly residents. Detailed analysis is contained in Appendix 2.
- 6.7. This shows that Renfrewshire had the eighth lowest as a percentage of population classified as elderly, at 19.2%. While this is close to the Scottish average of 19.6%, there is a wide variation from a low of 13.6%, in Glasgow to a high of 26.6%, in Dumfries and Galloway. The table below is a summary comparison with Scotland and our bordering authorities.

Scottish Context Mid-2021

Organisation	Population	65 Plus	% 65 Plus
Scotland	5,479,900	1,073,861	19.60%
North Ayrshire	134,220	31,294	23.32%
Inverclyde	76,700	16,721	21.80%
East Renfrewshire	96,580	19,846	20.55%
West Dunbartonshire	87,790	17,142	19.53%
<i>Renfrewshire</i>	<i>179,940</i>	<i>34,585</i>	<i>19.22%</i>
Glasgow City	635,130	86,604	13.64%

7. Provision of free bulk uplifts for the elderly

- 7.1. This section looks at the trends in income for special uplifts from 2020/21 to 2022/23. The information has been analysed by recharges to the HRA and for charges direct to Renfrewshire residents.

Income Trends Bulk Uplift

Financial Year	HRA Tenants	Residents	Total
2020/2021	£159,440.30	£55,866.00	£215,306.30
2021/2022	£111,655.35	£62,308.80	£173,964.15
2022/2023	£109,928.10	£71,079.98	£181,008.08
Average	£127,007.92	£63,084.93	£190,092.84

- 7.2. The service is managed through the deployment of a driver, waste collector and a specialised vehicle. The demand fluctuates within the table, and a major influence on this was due to COVID-19 and the post-pandemic recovery.
- 7.3. In order to assess the current demand for the service, a sample analysis of 12 weeks of requests from the period 9 January 2023 to 2 April 2023 has been reviewed. The analysis below shows that based on total orders we are averaging 15.3 orders daily and 74.5 items per day.

Sample Service Demand

Week	Special Uplifts	Ground Clears	Total Uplifts	Daily Average Uplifts	Total Items	Daily Average Items
1	98	13	111	15.9	544	77.7

2	85	11	96	13.7	407	58.1
3	88	9	97	13.9	472	67.4
4	85	8	93	13.3	425	60.7
5	84	5	89	12.7	479	68.4
6	107	13	120	17.1	520	74.3
7	114	7	121	17.3	692	98.9
8	123	18	141	20.1	637	91.0
9	113	14	127	18.1	656	93.7
10	77	6	83	11.9	418	59.7
11	102	17	119	17.0	551	78.7
12	81	3	84	12.0	455	65.0
Total	1,157	124	1,281	15.3	6,256	74.5

- 7.4. Operational managers have confirmed that any significant recurring increase in demand due to a free or discounted service could not be managed without either an additional team or by using an external partner to manage the increased demand.
- 7.5. The impact of creating a free bulk uplift service for the Elderly is likely to increase demand. This increase could be managed in two ways: by increasing capacity either internally or externally, both of which bring additional costs.
- 7.6. If we assume that demand increases beyond the current levels and an additional team consisting of a driver, waste collector, and specialised vehicle is required, then an additional cost of around £116,500 per year is estimated. This equates to around £320 per day in extra costs for Renfrewshire Council. In the past, external contractors have been used to aid in reducing the post-pandemic backlog, and this was at a cost of around £40 per uplift; however, costs are likely to have increased since then due to inflation.
- 7.7. If a policy of free uplifts for the Elderly was introduced, what sort of impact could this have based on demand levels, and how would this impact the service? Currently, we do not require the age of the requestor; therefore, we do not hold this information to analyse our existing data. Therefore, to gauge current demand, if we use the age profile data that we identified in 6.7 above, and start with 19.22% of our overall population are classed as elderly, and then adjust this to remove under 18s we get an estimate of 23.64% of our potential existing customers as Elderly. If this is assumed reflective of existing service demand then we can estimate a drop in income of £42,790.31 before any demand increases or further assumptions are made, as detailed in the table below.

Loss of Income Estimate

Impact on income 2022/23 levels	HRA Tenants	Residents	Total
2022/23 Actual	£109,928.10	£71,079.98	£181,008.08
23.64% Reduction	£25,987.00	£16,803.31	£42,790.31
2022/23 Revised	£83,941.10	£54,276.67	£138,217.77

- 7.8. It is, however, possible that the actual percentage of current service recipients could be higher than the demographic average due to the type of service provided and that this loss could be higher.
- 7.9. In summary, the impact of introducing a policy for free bulk uplifts for the Elderly could result in a reduction in income (minimum £0.043m) and an increased demand for the service resulting in a requirement to increase capacity at an additional cost (which could rise initially to £0.117m), bringing the total additional annual cost to potentially **£0.160m**.

8. Options available to the elderly within Renfrewshire

- 8.1. In this section we explore existing or potential options available to the elderly through partner organisations such as the third sector within Renfrewshire; this is in relation to scope objective 5.3.
- 8.2. Under the Waste Scotland Regulations, Councils are allowed to charge for collection of charities waste, but not the processing of their waste. A charge levied at 55% of the commercial waste charge, is applicable for charity collections, on the basis that we will be charging for collection only, this charge was effective from 1 April 2023. The Council's waste advisors are working with charities this year to support these revised arrangements.
- 8.3. The Council currently provides information regarding the potential to recycle items of bulk uplift. As residents navigate through the special uplift request form on the internet, information is provided on the RE-USE scheme.
- 8.3.1 Items in good condition can be donated free of charge to a re-use scheme. Before arranging an, residents are asked to consider donating any items in good condition to a re-use scheme, and the national helpline for more information is listed as 0800 0665 820.

Examples of items that re-use organisations will accept:

- Sofas and armchairs (fire regulation tags must be attached)
- Beds and mattresses (fire regulation tags must be attached)
- Wardrobes and chest of drawers
- Dining furniture
- Fridges, freezers, electric cookers, washing machines and tumble dryers
- Bicycles

- 8.3.2 The Zero Waste Scotland website allows residents to enter a postcode to find a list of charitable organisations in the area that can be contacted to discuss re-use options. This can be found at:

<https://www.zerowastescotland.org.uk/resources/pass-items-through-reuse-tool>

- 8.4. Care & Repair Renfrewshire deliver free services to people who are older or have disabilities and live in Renfrewshire. This includes a minor repairs service;

however, it has been confirmed that removal of bulk uplift items is not one of the services currently provided.

- 8.5. This is not an exhaustive list of all organisations that may work in local areas who could be of possible assistance to Elderly or vulnerable residents one further example is the Darkwood Crew in the Ferguslie Park area.
- 8.6. There are five recycling centres across Renfrewshire where residents can recycle, re-use and dispose of a wide range of household materials directly. Residents must bring proof of residency in Renfrewshire, like a Council Tax bill or driving licence, to all sites to gain access.
- 8.7. All council tenants including the Elderly are entitled to two special uplifts per year as part of their rent charge, this is achieved by providing their rent reference number when making their booking.

9. Other Local Authorities service provision

- 9.1. Here we explore our neighbouring local authorities in relation to bulk uplifts service provided. We also look nationally to see whether any free or reduced services are available, for either the elderly specifically, or for any other service users; this is in relation to scope objective 5.4.
- 9.2. A comparison of the charges and policies of our neighbouring authorities has been provided for context. It can be noted that none of our neighbouring authorities are currently providing any exemptions for these charges to the elderly or for any other demographic. The table below provides a summary of the common charges for comparison.

Local Context 2022/23 Comparison

Organisation	Standard Charge	Additional Context
Renfrewshire	£35.35	1 to 20 items with a cost of £35.35 for white goods (per item)
North Ayrshire	£25.20	Up to five items with an additional £5.04 for each additional item.
Inverclyde	£26.10	1-5 Items £26.10 (Minimum Charge), 6-10 Items £52.25.
East Renfrewshire	£51.85	Items should be manageable for a 2-person crew to collect within a 15-minute time slot.
West Dunbartonshire	£24.36	1 to 9 items with over ten items will result in a time charge rate.
Glasgow City	£5.00	1 item per £5, this covers standard items and large electrical items.

- 9.3. A review of the services provided by all 32 local authorities, has highlighted only Stirling Council currently offers an exemption for the elderly, in this case 60+ residents. If all members of a household are over 60 years old, they will collect up to two special uplifts free of charge each year. The standard charge is £45.60 for up to five items.

- 9.4. Two authorities currently operate a discount scheme for residents who are on Housing benefit or Council Tax Reduction (CTR). At the time of request the resident inputs their benefit number to obtain the discount. At present no other examples of any discounted bulk uplift services have been identified across Scotland.

Benefit Discount Schemes

Organisation	Standard Charge	Additional Context
Aberdeen City	£30.00	50% reduction if a resident is entitled to Housing or Council Tax Reduction.
Aberdeenshire Council	£29.72	60% reduction if a resident is entitled to Housing or Council Tax Reduction.

- 9.5. Although not within the initial scope of this review it was identified, during the investigation, that two Scottish Local Authorities provide a discounted Bulk Uplift service. This is not just for the Elderly but for any resident who is in receipt of Housing benefit or Council Tax Reduction.
- 9.6. In order to assess the potential impact of a similar policy in Renfrewshire the latest Council Tax Reduction (CTR) information has been analysed for Renfrewshire, split between HRA and other residents who are in receipt of any amount of CTR. The table below shows that the percentage of HRA tenants claiming CTR is 51.55% and 12.31% of other tenancies.

2022/23 Year End Council Tax Reduction Data

CTR Analysis	HRA Tenants	Residents	Total
Number of Claims	6,297	9,671	15,968
Stock Number	12,216	78,566	90,782
% CTR	51.55%	12.31%	17.59%

- 9.7. The table below outlines a high-level assumption on the potential cost of implementing this type of policy. This is based purely on the CTR data from above and assumes only a potential loss of income of 51.55% for HRA tenants and 12.31% for other residents of Renfrewshire. This has been modelled on both 50% and 60% reductions, in line with the two schemes identified nationally.

Income Impact Discount Scheme Renfrewshire

Impact on income 2022/23 levels	HRA Tenants	Residents	Total
No discount 100% charge	£109,928.10	£71,079.98	£181,008.08
50% discount on CTR%	£28,332.40	£4,374.76	£32,707.16
60% discount on CTR%	£33,998.88	£5,249.71	£39,248.59

- 9.8. The table shows a potential loss of income of £32,707.16 to £39,248.59 assuming existing income levels and no change to demand assumptions for uplifts. If this policy was implemented and demand exceeded the current operational capacity, then additional costs as highlighted in 7.6 could similarly be expected.
- 9.9. In summary the impact of introducing a policy for discounted bulk uplifts for CTR eligible could result in a reduction in income (minimum £0.033m) and an increased demand for the service resulting in a requirement to increase capacity at an additional cost (rising to £0.117m), bringing the total additional annual cost to potentially £0.150m.

10. Key Findings

- 10.1. The demographic information has identified that the over 65 population in Renfrewshire is forecast to increase in both numbers and as a percentage of the overall population in the coming years.
- 10.2. A review of the services provided by all 32 local authorities, has highlighted only Stirling Council currently offers an exemption for the elderly, in this case 60+ residents.
- 10.3. Two other authorities currently operate a discount scheme for residents who are on Housing benefit or Council Tax Reduction (CTR).
- 10.4. No other examples of any discounted bulk uplift services have been identified across Scotland.
- 10.5. The cost of implementing a free bulk uplift service for the Elderly within Renfrewshire is estimated as an additional recurring cost of a minimum £0.160m per year.
- 10.6. Items in good condition can be donated free of charge to a re-use scheme.
- 10.7. There are five recycling centres across Renfrewshire where you can recycle, re-use and dispose of a wide range of household materials directly.
- 10.8. The third sector offers potential alternatives to the disposal of waste.

11. Recommendations

- 11.1. It is recommended that the service Increases awareness of the options available to all service users including HRA tenants through a review of the existing bulk uplift request internet page.
- 11.2. It is recommended that this includes a visible and direct link to the Zero Waste Scotland website to improve access to details of third sector organisations.
- 11.3. It is recommended that this review should include increased promotion of the facilities available by the Council where residents can recycle, re-use and dispose of bulk directly.

- 11.4. It is recommended that the tenancy termination process includes highlighting the services available to HRA tenants to assist in the clearance of properties prior to the end of the tenancy.
- 11.5. As this report does not propose any policy or service change, no equality and human rights impact assessments are required at this time. However, if any change to policy or service position were to be proposed, then full equality and human rights impact assessments would be required and assessment made in line with the Council's Fairer Scotland duty by the service responsible for bulk uplifts. In addition, such a change to the service would increase the Council's medium term financial deficit and would require to be funded within existing budgets, for example by increasing charges to remaining users.
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Implications of this report

1. **Financial** - The review highlights the additional costs and loss of income to Renfrewshire Council which could occur in the event of changes to the current arrangements and charges for the bulk uplift service, amounting to an estimated £0.160m per year. This could rise depending on the level of demand experienced in future.
2. **HR and Organisational Development** - None directly arising from this report.
3. **Community/Council Planning** - None directly arising from this report.
4. **Legal** - None directly arising from this report.
5. **Property/Assets** - None directly arising from this report.
6. **Information Technology** - None directly arising from this report.
7. **Equality and Human Rights** - The recommendations contained within this report have not been assessed in relation to their impact on equalities and human rights as the paper sets out the scope for a review process rather than proposing any changes to services. If any change to policy or service position were to be considered in future, then full equality and human rights impact assessments will be undertaken.
8. **Health and Safety** - None directly arising from this report.
9. **Procurement** - None directly arising from this report.

10. **Risk** - The potential risk that the Council will overspend its approved budgets for the year will be managed at a Council-wide level by the Chief Executive and Directors.
 11. **Privacy Impact** - None directly arising from this report.
 12. **Cosla Policy Position** - Not applicable.
 13. **Climate Risk** - None directly arising from this report.
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List of Background Papers

Audit, Risk and Scrutiny Board Annual Programme approved 22 August 2022.

Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 23 January 2023.

Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 13 March 2023.

Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 22 May 2023.

Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 26 September 2023.

Audit, Risk and Scrutiny Board Charges for Bulk Items Uplift for the Elderly 6 November 2023.

The foregoing background papers will be retained within Finance and Resources for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Finance Business Partner John Kilpatrick who can be contacted at john.kilpatrick@renfrewshire.gov.uk

Author: John Kilpatrick, Finance Business Partner

2018-based principal population projections by sex, single year of age and year (2018-2030)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
All ages	177,790	178,294	178,766	179,276	179,761	180,266	180,689	181,091	181,502	181,870	182,256	182,597	182,930
0	1,754	1,640	1,667	1,670	1,671	1,675	1,679	1,681	1,685	1,676	1,675	1,671	1,660
1	1,773	1,751	1,648	1,675	1,678	1,676	1,682	1,685	1,687	1,691	1,682	1,681	1,677
2	1,815	1,797	1,775	1,673	1,701	1,704	1,702	1,709	1,712	1,714	1,718	1,709	1,708
3	1,786	1,826	1,811	1,785	1,682	1,709	1,714	1,711	1,718	1,721	1,723	1,727	1,718
4	1,894	1,790	1,832	1,816	1,791	1,690	1,714	1,720	1,718	1,725	1,728	1,730	1,734
5	1,976	1,900	1,797	1,836	1,820	1,794	1,695	1,718	1,723	1,721	1,728	1,731	1,733
6	1,983	1,991	1,915	1,812	1,851	1,831	1,805	1,707	1,731	1,736	1,734	1,741	1,744
7	2,001	1,996	2,001	1,923	1,825	1,860	1,840	1,813	1,715	1,739	1,744	1,742	1,749
8	1,898	2,016	2,013	2,016	1,935	1,841	1,875	1,854	1,825	1,727	1,751	1,756	1,754
9	1,909	1,894	2,017	2,011	2,013	1,932	1,838	1,873	1,851	1,822	1,723	1,748	1,752
10	2,009	1,923	1,908	2,030	2,024	2,027	1,945	1,852	1,887	1,864	1,836	1,736	1,761
11	1,879	2,020	1,931	1,917	2,039	2,037	2,038	1,955	1,863	1,898	1,874	1,845	1,746
12	1,937	1,883	2,025	1,936	1,923	2,047	2,042	2,043	1,960	1,868	1,903	1,879	1,849
13	1,906	1,949	1,896	2,033	1,946	1,933	2,058	2,052	2,053	1,970	1,878	1,913	1,888
14	1,854	1,924	1,969	1,919	2,057	1,969	1,953	2,080	2,074	2,075	1,992	1,901	1,935
15	1,797	1,865	1,933	1,977	1,929	2,068	1,981	1,963	2,092	2,085	2,085	2,003	1,912
16	1,815	1,802	1,870	1,938	1,978	1,935	2,072	1,985	1,967	2,096	2,089	2,088	2,006
17	1,918	1,805	1,794	1,860	1,928	1,969	1,926	2,063	1,976	1,958	2,089	2,082	2,078
18	1,902	1,869	1,759	1,753	1,817	1,885	1,922	1,880	2,015	1,931	1,913	2,041	2,034
19	1,893	1,835	1,797	1,687	1,685	1,747	1,815	1,846	1,809	1,937	1,859	1,838	1,964
20	2,017	1,933	1,867	1,833	1,717	1,726	1,779	1,846	1,879	1,843	1,973	1,894	1,874
21	2,156	2,084	2,002	1,931	1,896	1,778	1,790	1,844	1,910	1,943	1,909	2,038	1,961
22	2,112	2,207	2,131	2,053	1,981	1,942	1,827	1,836	1,891	1,957	1,989	1,957	2,088
23	2,147	2,132	2,218	2,144	2,070	1,998	1,955	1,839	1,849	1,904	1,970	2,002	1,972
24	2,256	2,167	2,150	2,240	2,168	2,091	2,018	1,975	1,858	1,868	1,921	1,986	2,020
25	2,303	2,267	2,177	2,161	2,250	2,178	2,099	2,027	1,983	1,867	1,877	1,929	1,994
26	2,471	2,334	2,296	2,211	2,200	2,283	2,210	2,132	2,060	2,014	1,898	1,912	1,963
27	2,361	2,482	2,340	2,307	2,221	2,212	2,292	2,217	2,141	2,069	2,022	1,907	1,922
28	2,349	2,396	2,514	2,369	2,335	2,245	2,235	2,316	2,240	2,164	2,090	2,042	1,926
29	2,241	2,359	2,403	2,527	2,370	2,335	2,250	2,239	2,317	2,243	2,166	2,092	2,044
30	2,408	2,292	2,405	2,463	2,586	2,427	2,381	2,298	2,290	2,364	2,291	2,214	2,137
31	2,442	2,443	2,343	2,450	2,518	2,638	2,474	2,426	2,346	2,338	2,411	2,337	2,260
32	2,194	2,461	2,481	2,386	2,490	2,561	2,677	2,513	2,462	2,381	2,376	2,448	2,374
33	2,258	2,249	2,514	2,543	2,452	2,550	2,629	2,744	2,576	2,520	2,440	2,435	2,504
34	2,213	2,288	2,285	2,544	2,577	2,491	2,586	2,668	2,781	2,609	2,554	2,475	2,469
35	2,412	2,231	2,310	2,308	2,563	2,597	2,513	2,609	2,695	2,806	2,632	2,575	2,496
36	2,239	2,429	2,248	2,333	2,332	2,577	2,616	2,535	2,630	2,719	2,830	2,652	2,593
37	2,414	2,265	2,456	2,285	2,372	2,373	2,609	2,655	2,575	2,671	2,762	2,871	2,689
38	2,181	2,420	2,274	2,454	2,292	2,382	2,381	2,611	2,658	2,581	2,677	2,770	2,877
39	2,102	2,190	2,414	2,276	2,452	2,294	2,386	2,384	2,609	2,659	2,583	2,678	2,773
40	1,947	2,117	2,208	2,422	2,287	2,466	2,308	2,401	2,399	2,620	2,673	2,597	2,692
41	1,872	1,963	2,136	2,228	2,433	2,304	2,481	2,322	2,418	2,414	2,635	2,690	2,614
42	1,961	1,890	1,978	2,148	2,238	2,441	2,316	2,491	2,333	2,431	2,428	2,645	2,703
43	2,101	1,967	1,895	1,984	2,154	2,244	2,441	2,320	2,494	2,337	2,436	2,432	2,648
44	2,126	2,099	1,969	1,900	1,987	2,156	2,244	2,439	2,321	2,493	2,337	2,437	2,433
45	2,231	2,123	2,098	1,970	1,900	1,988	2,158	2,247	2,436	2,322	2,491	2,338	2,439
46	2,397	2,233	2,124	2,101	1,975	1,904	1,992	2,164	2,254	2,437	2,330	2,494	2,342
47	2,563	2,399	2,239	2,130	2,108	1,983	1,912	2,000	2,174	2,264	2,444	2,339	2,502
48	2,705	2,569	2,404	2,243	2,134	2,113	1,988	1,916	2,007	2,180	2,272	2,448	2,346
49	2,668	2,701	2,566	2,400	2,239	2,131	2,112	1,987	1,915	2,006	2,179	2,273	2,446
50	2,812	2,666	2,699	2,565	2,398	2,236	2,130	2,113	1,988	1,915	2,007	2,181	2,276
51	2,810	2,808	2,664	2,700	2,566	2,402	2,237	2,132	2,114	1,991	1,919	2,009	2,184
52	2,819	2,798	2,796	2,653	2,688	2,555	2,394	2,230	2,123	2,106	1,985	1,911	2,003
53	2,917	2,810	2,791	2,789	2,648	2,684	2,552	2,391	2,229	2,121	2,104	1,984	1,910
54	2,811	2,899	2,797	2,778	2,773	2,635	2,671	2,540	2,379	2,220	2,113	2,095	1,974
55	2,733	2,807	2,896	2,795	2,774	2,770	2,633	2,667	2,537	2,377	2,218	2,110	2,094
56	2,800	2,720	2,794	2,883	2,782	2,761	2,759	2,622	2,655	2,529	2,370	2,211	2,103
57	2,815	2,782	2,699	2,774	2,860	2,762	2,742	2,738	2,603	2,636	2,512	2,354	2,194
58	2,576	2,796	2,767	2,686	2,758	2,845	2,746	2,729	2,724	2,590	2,623	2,501	2,345
59	2,575	2,559	2,776	2,747	2,669	2,743	2,826	2,726	2,711	2,707	2,573	2,606	2,486
60	2,528	2,549	2,535	2,749	2,719	2,646	2,719	2,800	2,701	2,688	2,682	2,550	2,584
61	2,338	2,508	2,530	2,518	2,732	2,702	2,630	2,703	2,783	2,684	2,673	2,667	2,536
62	2,222	2,322	2,486	2,511	2,499	2,711	2,682	2,611	2,683	2,761	2,664	2,653	2,648
63	2,130	2,200	2,297	2,458	2,482	2,476	2,683	2,654	2,584	2,657	2,734	2,638	2,628
64	2,070	2,108	2,179	2,275	2,433	2,457	2,453	2,658	2,630	2,560	2,634	2,710	2,615
65	1,980	2,051	2,090	2,161	2,255	2,410	2,434	2,430	2,633	2,607	2,538	2,612	2,686
66	1,862	1,827	2,027	2,064	2,135	2,228	2,383	2,407	2,403	2,606	2,580	2,513	2,585
67	1,999	1,835	1,928	2,001	2,036	2,106	2,199	2,353	2,378	2,374	2,575	2,551	2,484
68	1,871	1,967	1,805	1,897	1,969	2,004	2,074	2,165	2,318	2,343	2,339	2,538	2,515
69	1,951	1,837	1,932	1,772	1,864	1,935	1,970	2,039	2,129	2,281	2,305	2,301	2,499
70	1,913	1,917	1,809	1,903	1,745	1,837	1,907	1,940	2,011	2,098	2,250	2,272	2,271
71	2,173	1,875	1,878	1,772	1,864	1,711	1,800	1,870	1,903	1,973	2,059	2,209	2,232
72	1,565	2,125	1,834	1,839	1,735	1,826	1,676	1,764	1,833	1,865	1,936	2,019	2,167
73	1,560	1,522	2,068	1,783	1,788	1,687	1,779	1,633	1,719	1,787	1,819	1,889	1,970
74	1,572	1,524	1,486	2,015	1,739	1,745	1,648	1,738	1,596	1,681	1,748	1,780	1,850
75	1,375	1,521	1,476	1,440	1,951	1,684	1,691	1,597	1,686	1,548	1,631	1,697	1,730
76	1,283	1,325	1,468	1,423	1,389	1,884	1,625	1,633	1,544	1,630	1,497	1,578	1,643
77	1,238	1,236	1,276	1,413	1,370	1,337	1,819	1,578	1,578	1,490	1,575	1,447	1,525
78	1,136	1,192	1,190	1,228	1,360	1,319	1,288	1,753	1,512	1,523	1,439	1,522	1,398
79	1,158	1,083	1,135	1,134	1,170	1,298	1,258	1,230	1,675	1,445	1,456	1,376	1,456
80	1,090	1,104	1,031	1,079	1,079	1,113	1,235	1,197	1,172	1,597	1,377	1,388	1,313
81	1,025	1,027	1,037	971	1,015	1,017	1,049	1,164	1,129	1,105	1,510	1,301	1,313
82	967	966	965	976	914	956	959	989	1,097	1,065	1,043	1,426	1,229
83	887	878	894	893	903	848	885	890	917	1,018	989	969	

2018-based principal population projections by sex, single year of age and year (2031-2043)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
All ages	183,199	183,460	183,720	183,922	184,111	184,306	184,472	184,662	184,817	184,976	185,098	185,239	185,360
0	1,652	1,646	1,648	1,637	1,635	1,633	1,632	1,641	1,645	1,649	1,651	1,654	1,657
1	1,666	1,658	1,652	1,654	1,643	1,641	1,639	1,638	1,647	1,651	1,655	1,657	1,660
2	1,704	1,693	1,685	1,679	1,681	1,670	1,668	1,666	1,665	1,674	1,678	1,682	1,684
3	1,717	1,713	1,702	1,694	1,688	1,690	1,679	1,677	1,675	1,674	1,683	1,687	1,691
4	1,725	1,724	1,720	1,709	1,701	1,695	1,697	1,686	1,684	1,682	1,681	1,690	1,694
5	1,737	1,728	1,727	1,723	1,712	1,704	1,698	1,700	1,689	1,687	1,685	1,684	1,693
6	1,746	1,750	1,741	1,740	1,736	1,725	1,717	1,711	1,713	1,702	1,700	1,698	1,697
7	1,752	1,754	1,758	1,749	1,748	1,744	1,733	1,725	1,719	1,721	1,710	1,708	1,706
8	1,762	1,764	1,766	1,771	1,762	1,761	1,757	1,746	1,738	1,732	1,734	1,723	1,721
9	1,750	1,759	1,760	1,762	1,767	1,759	1,758	1,753	1,742	1,734	1,728	1,730	1,719
10	1,765	1,763	1,772	1,773	1,775	1,780	1,772	1,771	1,766	1,755	1,747	1,741	1,743
11	1,771	1,775	1,773	1,782	1,783	1,785	1,790	1,782	1,781	1,776	1,765	1,757	1,751
12	1,750	1,775	1,779	1,777	1,786	1,787	1,789	1,794	1,786	1,785	1,780	1,769	1,761
13	1,858	1,759	1,784	1,788	1,786	1,795	1,796	1,798	1,803	1,795	1,794	1,789	1,778
14	1,911	1,879	1,781	1,806	1,810	1,808	1,817	1,818	1,820	1,825	1,817	1,816	1,811
15	1,946	1,922	1,889	1,791	1,816	1,820	1,818	1,827	1,828	1,830	1,835	1,827	1,826
16	1,916	1,949	1,926	1,892	1,795	1,820	1,824	1,822	1,831	1,832	1,834	1,839	1,831
17	1,997	1,907	1,940	1,917	1,882	1,785	1,810	1,814	1,812	1,821	1,822	1,824	1,829
18	2,029	1,952	1,862	1,895	1,871	1,834	1,741	1,765	1,769	1,767	1,776	1,777	1,779
19	1,955	1,949	1,876	1,792	1,823	1,796	1,762	1,673	1,697	1,702	1,700	1,708	1,709
20	2,000	1,991	1,984	1,910	1,828	1,859	1,830	1,796	1,706	1,732	1,737	1,734	1,742
21	1,940	2,066	2,058	2,050	1,975	1,896	1,926	1,895	1,861	1,771	1,797	1,802	1,799
22	2,013	1,993	2,119	2,112	2,102	2,027	1,948	1,979	1,946	1,912	1,821	1,848	1,853
23	2,102	2,030	2,010	2,134	2,126	2,115	2,042	1,964	1,994	1,962	1,925	1,836	1,864
24	1,991	2,117	2,052	2,030	2,154	2,145	2,133	2,065	1,986	2,012	1,983	1,944	1,860
25	2,026	2,002	2,125	2,064	2,041	2,162	2,154	2,142	2,073	1,997	2,022	1,993	1,953
26	2,026	2,057	2,036	2,157	2,097	2,074	2,197	2,185	2,174	2,107	2,034	2,057	2,027
27	1,972	2,035	2,064	2,047	2,166	2,109	2,087	2,207	2,196	2,183	2,118	2,046	2,068
28	1,943	1,994	2,054	2,084	2,070	2,190	2,135	2,113	2,232	2,220	2,206	2,142	2,072
29	1,927	1,944	1,995	2,055	2,085	2,074	2,193	2,139	2,115	2,237	2,223	2,208	2,147
30	2,086	1,969	1,986	2,040	2,100	2,128	2,119	2,240	2,189	2,163	2,287	2,270	2,254
31	2,179	2,127	2,012	2,028	2,083	2,140	2,171	2,162	2,285	2,236	2,210	2,335	2,316
32	2,297	2,213	2,159	2,044	2,061	2,116	2,174	2,205	2,198	2,321	2,273	2,246	2,374
33	2,432	2,353	2,267	2,211	2,095	2,113	2,168	2,227	2,258	2,252	2,376	2,331	2,303
34	2,537	2,464	2,386	2,295	2,240	2,125	2,144	2,198	2,256	2,288	2,283	2,408	2,364
35	2,490	2,557	2,485	2,406	2,312	2,257	2,141	2,161	2,214	2,273	2,306	2,303	2,427
36	2,515	2,508	2,573	2,501	2,423	2,327	2,270	2,156	2,175	2,228	2,288	2,321	2,321
37	2,629	2,554	2,547	2,610	2,539	2,461	2,363	2,306	2,191	2,210	2,264	2,326	2,359
38	2,693	2,632	2,558	2,551	2,614	2,543	2,466	2,367	2,312	2,196	2,216	2,270	2,332
39	2,878	2,692	2,630	2,557	2,550	2,612	2,542	2,465	2,365	2,311	2,196	2,217	2,270
40	2,789	2,892	2,704	2,644	2,570	2,564	2,625	2,554	2,477	2,375	2,322	2,207	2,229
41	2,709	2,807	2,909	2,720	2,659	2,585	2,578	2,639	2,568	2,491	2,388	2,337	2,220
42	2,628	2,722	2,822	2,922	2,734	2,671	2,597	2,589	2,650	2,579	2,503	2,398	2,346
43	2,705	2,633	2,726	2,826	2,925	2,737	2,674	2,601	2,593	2,654	2,583	2,508	2,401
44	2,646	2,704	2,632	2,726	2,825	2,923	2,736	2,671	2,599	2,592	2,651	2,581	2,506
45	2,434	2,645	2,704	2,633	2,726	2,827	2,921	2,735	2,671	2,598	2,592	2,651	2,580
46	2,446	2,439	2,646	2,709	2,639	2,733	2,835	2,926	2,739	2,676	2,603	2,596	2,655
47	2,350	2,454	2,449	2,654	2,719	2,648	2,742	2,845	2,936	2,748	2,685	2,611	2,605
48	2,507	2,356	2,460	2,456	2,659	2,726	2,655	2,749	2,853	2,943	2,754	2,690	2,617
49	2,347	2,505	2,355	2,459	2,456	2,658	2,725	2,655	2,749	2,853	2,942	2,752	2,689
50	2,445	2,347	2,504	2,355	2,459	2,456	2,656	2,725	2,655	2,749	2,854	2,943	2,752
51	2,281	2,447	2,349	2,505	2,357	2,461	2,459	2,658	2,728	2,660	2,754	2,859	2,945
52	2,178	2,276	2,441	2,344	2,499	2,352	2,455	2,454	2,652	2,722	2,657	2,750	2,855
53	2,002	2,177	2,274	2,437	2,432	2,496	2,349	2,452	2,453	2,647	2,718	2,653	2,746
54	1,900	1,994	2,168	2,265	2,425	2,332	2,485	2,339	2,442	2,442	2,634	2,707	2,642
55	1,973	1,898	1,993	2,168	2,266	2,425	2,333	2,483	2,340	2,443	2,443	2,633	2,708
56	2,088	1,969	1,894	1,988	2,164	2,261	2,418	2,329	2,476	2,336	2,439	2,438	2,627
57	2,090	2,076	1,959	1,884	1,978	2,154	2,250	2,405	2,316	2,463	2,323	2,426	2,425
58	2,183	2,080	2,067	1,948	1,969	2,145	2,242	2,395	2,309	2,454	2,316	2,418	2,418
59	2,330	2,167	2,065	2,053	1,935	1,861	1,956	2,132	2,230	2,380	2,296	2,438	2,303
60	2,464	2,311	2,150	2,048	2,036	1,919	1,846	1,941	2,118	2,215	2,363	2,280	2,420
61	2,569	2,451	2,298	2,138	2,039	2,027	1,912	1,839	1,933	2,111	2,206	2,353	2,273
62	2,517	2,552	2,435	2,282	2,124	2,026	2,016	1,901	1,828	1,923	2,101	2,196	2,341
63	2,623	2,494	2,529	2,412	2,106	2,106	2,010	2,000	1,887	1,814	1,909	2,087	2,180
64	2,605	2,602	2,474	2,508	2,392	2,244	2,089	1,995	1,984	1,872	1,800	1,895	2,070
65	2,593	2,583	2,582	2,455	2,489	2,374	2,228	2,074	1,982	1,972	1,861	1,789	1,885
66	2,660	2,568	2,558	2,557	2,431	2,467	2,353	2,208	2,055	1,964	1,955	1,844	1,774
67	2,556	2,631	2,540	2,531	2,530	2,405	2,441	2,329	2,186	2,034	1,944	1,935	1,824
68	2,450	2,522	2,595	2,506	2,497	2,497	2,374	2,411	2,300	2,159	2,009	1,920	1,912
69	2,476	2,412	2,484	2,557	2,470	2,462	2,462	2,340	2,377	2,269	2,129	1,981	1,893
70	2,465	2,442	2,381	2,454	2,525	2,439	2,433	2,432	2,314	2,350	2,244	2,107	1,960
71	2,232	2,423	2,402	2,342	2,414	2,486	2,401	2,396	2,395	2,278	2,314	2,210	2,076
72	2,192	2,193	2,380	2,361	2,302	2,374	2,446	2,363	2,359	2,359	2,243	2,280	2,177
73	2,116	2,140	2,143	2,326	2,309	2,251	2,323	2,393	2,314	2,309	2,310	2,197	2,235
74	1,930	2,074	2,097	2,102	2,281	2,265	2,209	2,281	2,350	2,273	2,270	2,270	2,162
75	1,798	1,877	2,017	2,040	2,048	2,222	2,206	2,152	2,224	2,291	2,216	2,215	2,217
76	1,676	1,743	1,819	1,957	1,980	1,988	2,157	2,144	2,091	2,163	2,228	2,156	2,156
77	1,589	1,623	1,688	1,762	1,897	1,920	1,928	2,093	2,081	2,030	2,102	2,165	2,096
78	1,474	1,537	1,571	1,634	1,706	1,840	1,861	1,871	2,030	2,020	1,972	2,043	2,105
79	1,338	1,411	1,473	1,507	1,568	1,636	1,767	1,788	1,799	1,954	1,944	1,899	1,969
80	1,390	1,279	1,348	1,409	1,443	1,503	1,568	1,695	1,716	1,728	1,878	1,869	1,827
81	1,242	1,316	1,211	1,278	1,338	1,370	1,428	1,491	1,613	1,634	1,645	1,791	1,783
82	1,241	1,175	1,246	1,147	1,211	1,269	1,300	1,356	1,416	1,531	1,554	1,566	1,705
83	1,144	1,156	1,096	1,162	1,071	1,133	1,187	1,217					

Area name	All ages	Aged 65+	% 65+
Dumfries and Galloway	148,790	39,562	26.6%
Na h-Eileanan Siar	26,640	7,072	26.5%
Argyll and Bute	86,220	22,777	26.4%
South Ayrshire	112,450	29,362	26.1%
Scottish Borders	116,020	29,655	25.6%
Orkney Islands	22,540	5,540	24.6%
Angus	116,120	28,464	24.5%
Perth and Kinross	153,810	36,998	24.1%
North Ayrshire	134,220	31,294	23.3%
Highland	238,060	55,224	23.2%
East Dunbartonshire	108,900	25,065	23.0%
Moray	96,410	21,534	22.3%
Inverclyde	76,700	16,721	21.8%
Shetland Islands	22,940	4,924	21.5%
Fife	374,730	79,415	21.2%
East Ayrshire	122,020	25,574	21.0%
East Lothian	109,580	22,865	20.9%
Clackmannanshire	51,540	10,718	20.8%
East Renfrewshire	96,580	19,846	20.5%
Aberdeenshire	262,690	53,617	20.4%
Stirling	93,470	18,791	20.1%
South Lanarkshire	322,630	64,500	20.0%
Scotland	5,479,900	1,073,861	19.6%
West Dunbartonshire	87,790	17,142	19.5%
Falkirk	160,700	31,115	19.4%
Renfrewshire	179,940	34,585	19.2%
Midlothian	94,680	17,867	18.9%
Dundee City	147,720	26,243	17.8%
North Lanarkshire	341,400	60,616	17.8%
West Lothian	185,580	31,553	17.0%
Aberdeen City	227,430	37,341	16.4%
City of Edinburgh	526,470	81,277	15.4%
Glasgow City	635,130	86,604	13.6%

