

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.

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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.

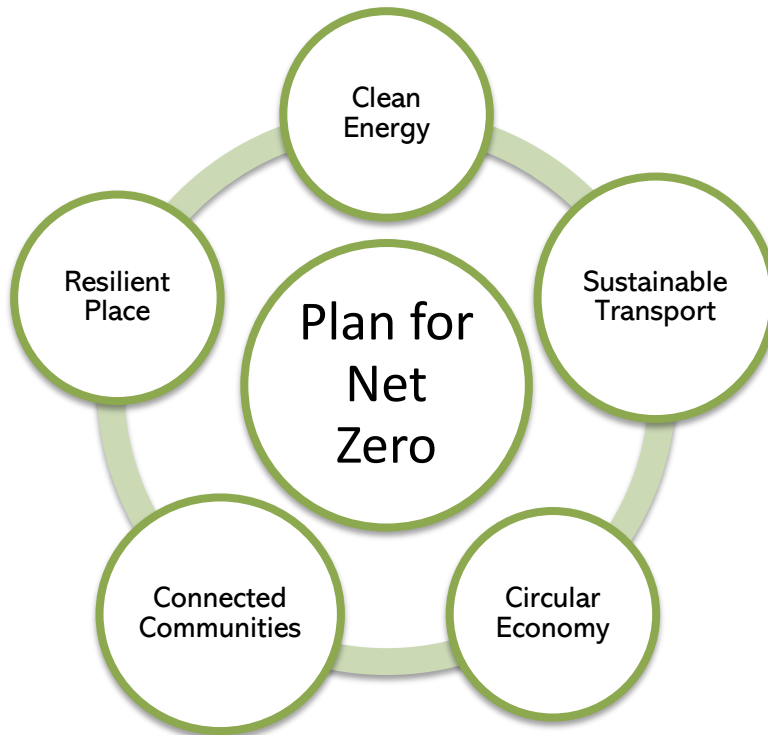
During 2022/23, a Planning and Climate Change Policy Board was established to progress climate-related initiatives and projects. The last Net Zero update was reported to the Board in January 2023 and can be found on the Council's Committee Management Information System at:

<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.

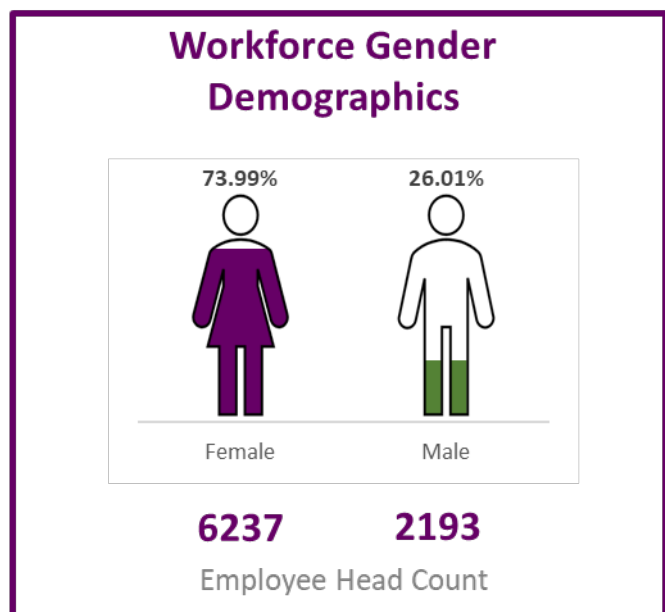
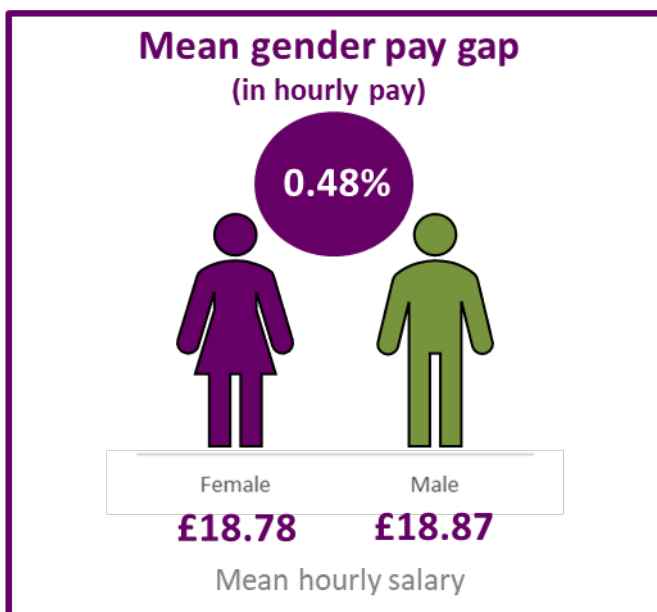
The next phase of the Plan for Net Zero will produce a detailed phased road map, broken down into clear annual phasing and interim targets for each year alongside costed phased delivery plans.

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

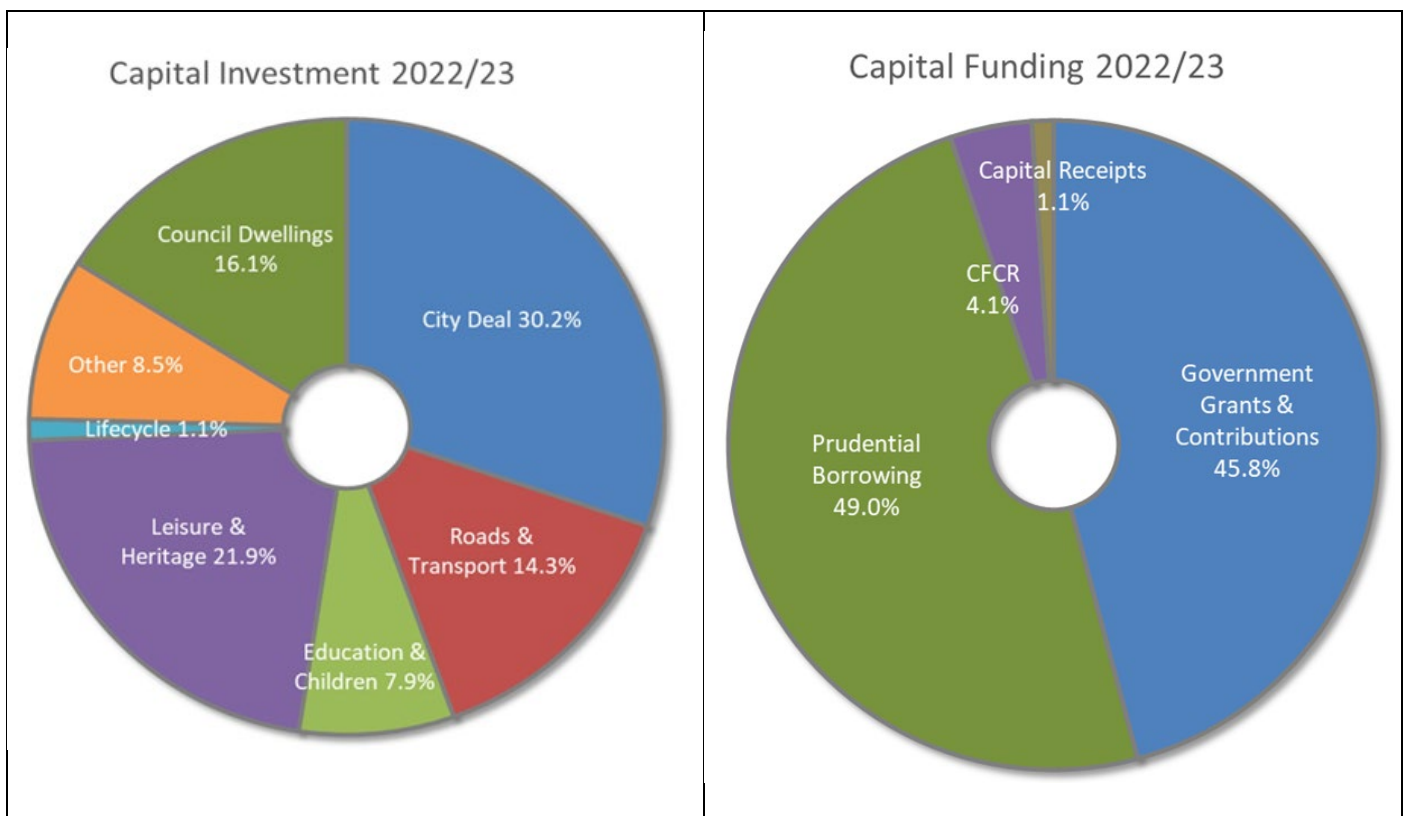
The Scottish Government published a Statutory Override in August 2022, to allow councils to continue the current accounting treatment for Infrastructure assets until 31 March 2024. Further detail is provided at Note 9.

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.

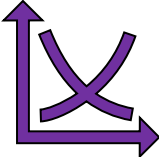


The Council continues to mitigate treasury risks, including those associated with the security of cash deposits, by actively considering debt restructuring as outlined in the Council's agreed Treasury Management Strategy. The Council also continually reviews, in consultation with its treasury advisors, 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)	Other significant observable inputs (level 2)	Other significant unobservable inputs (level 3)	Fair Value as at 31 March 2023
	£m	£m	£m	£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.

Interest rate risk	As at 31 March 2023 £m
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.

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)	Amounts owed by Renfrewshire Council: Liability for Renfrewshire Integration Joint Board's retained underspend	(33.660)
(0.675)	Other balances	(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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