

Notice of Meeting and Agenda Council

Date	Time	Venue
Thursday, 25 June 2020	09:30	Skype Meeting,

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor Jennifer Marion Adam-McGregor: Councillor Tom Begg: Councillor Derek Bibby: Councillor Bill Binks: Councillor Bill Brown: Councillor Stephen Burns: Councillor Jacqueline Cameron: Councillor Michelle Campbell: Councillor Carolann Davidson: Councillor Eddie Devine: Councillor Andy Doig: Councillor Audrey Doig: Councillor Natalie Don: Councillor Alison Jean Dowling: Councillor Edward Grady: Councillor Neill Graham: Councillor Jim Harte: Councillor John Hood: Councillor Lisa-Marie Hughes: Councillor Karen Kennedy: Councillor Scott Kerr: Councillor Paul Mack: Councillor Alistair Mackay: Councillor James MacLaren: Councillor Kenny MacLaren: Councillor Mags MacLaren: Councillor Eileen McCartin: Councillor Colin McCulloch: Councillor Marie McGurk: Councillor John McIntyre: Councillor John McNaughtan: Councillor Kevin Montgomery: Councillor Will Mylet: Councillor Emma Rodden: Councillor Jim Sharkey: Councillor John Shaw: Councillor James Sheridan: Councillor Andy Steel: Councillor Jane Strang: Provost Lorraine Cameron (Convener): Councillor Cathy McEwan (Depute Convener): Councillor Iain Nicolson (Leader): Councillor Jim Paterson (Depute Leader)

Recording of Meeting

This meeting will be recorded for subsequent broadcast via the Council's internet site. If you have any queries regarding this please contact Committee Services on 07534 058160. To find the recording please follow the link which will be attached to this agenda once the meeting has concluded. Please note that only meetings of the Emergencies Board from 17 April 2020 onward have been recorded for broadcast.

Skype Recording of Meeting of Renfrewshire Council: 25 June 2020

<https://youtu.be/yMEll3aRptE>

Apologies

Apologies from members.

Declarations of Interest

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

Items of business

1 **Minutes of Meetings of Council, Boards and Panels (attached as separate document)**

Council, 27 February 2020, pages 363-380

Special Council, 9 March 2020, pages, 381-396

Communities, Housing and Planning Policy Board, 10 March 2020,
pages 397-410

Regulatory Functions Board, 11 March 2020, pages, 411-416

Education and Children's Services Policy Board, 12 March 2020, pages,
417-426

Audit, Risk and Scrutiny Board, 16 March 2020, pages, 427-434

Infrastructure, Land and Environment Policy Board, 18 March 2020,
pages 435-444

Personnel Appeals and Applied Conditions of Service Appeals Panel, 19
March 2020, page 445

Emergencies Board, 20 and 27 March 2020, pages 447-456

Emergencies Board, 3, 9, 17 and 24 April, 2020, pages 457-476

Emergencies Board, 1, 7, 15, 22 and 29 May 2020, pages 477-500

Emergencies Board, 5 June 2020, pages 501-504
Emergencies Board, 12 June 2020 (to follow)

2	Update on Covid 19	5 - 40
	Report by Chief Executive	
3	Covid 19 Recovery Planning	41 - 50
	Report by Chief Executive	
4	Governance Arrangements until 24 September 2020	51 - 58
	Report by Director of Finance & Resources	
5	Annual Accounts 2019/20	59 - 220
	Report by Director of Finance & Resources	
6	Treasury Management Annual Report 2019/20	221 - 230
	Report by Director of Finance & Resources	



To: Council

On: 25 June 2020

Report by: Chief Executive

Heading: Update on COVID-19

1. Background

- 1.1 This report provides an update on the Council's current arrangements and response to the COVID-19 pandemic. Since 20 March 2020, weekly updates have been provided to the Emergencies Board on all key matters in relation to the COVID-19 response, including key statistics relating to the transmission of the virus, updates to policy and guidance impacting service provision, and the operational position of services.
 - 1.2 Section 3 of this report provides an overview of the current governance arrangements relating to the operation of the Emergencies Board, and the delegated authority provided to the Chief Executive to exercise in specific circumstances during the crisis.
 - 1.3 Section 4 of the report provides an overview of the national and local situation in relation to COVID-19, specifically in terms of numbers of cases and deaths. A summary is provided of available data from the National Records of Scotland.
 - 1.4 Section 5 of the report provides a summary of the key policy and legislative changes which have impacted the Council during this phase of the COVID-19 crisis. A detailed overview is provided in Appendix 2 of this report. The impact of the changes resulting from COVID-19 on operational service delivery is outlined in Section 6, with an overview of recent activity to restart services in line with the Scottish Government's Routemap for coming through the crisis. A detailed overview is provided in Appendix 4 of this report.
 - 1.5 The pandemic has had and will continue to have, a significant impact on the Council's financial position. An overview of the current position and future financial outlook is provided within Section 7 of this report. Section 8 of the report provides a summary of the wider impacts being experienced across local
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businesses and communities, which the Council and its partners will require to work collectively to address.

- 1.6 The final section of the report (Section 9) provides an update to Council on the work being progressed with partners, to take forward local recovery planning arrangements. These plans are critical to ensuring that the Council works to restart and recover services in line with all national guidance, moving to a “new normal” position of living with the COVID19 virus for an extended period of time.
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2. Recommendations

- 2.1 It is recommended that Council notes:

- (a) The update provided on the Council’s response to the COVID-19 crisis and the associated impact in terms of local communities and service provision; and
 - (b) The work being undertaken by the organisation to restart, recover and renew services in line with national guidance with partners, businesses and communities.
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3. Background

- 3.1 On 20 March 2020, the first meeting of the Emergencies Board was held having been convened in response to the developing COVID-19 pandemic. At this meeting, arrangements for the operation of the Board were agreed, including membership, meeting frequency and the conduct of meeting. Members of the Emergencies Board agreed that all scheduled policy board and Council meetings should be cancelled from 27 March 2020 until the Council meeting on 25 June 2020. The Emergencies Board has subsequently met on a weekly basis during this period via Skype, with recordings published on the Council’s website as soon as possible after each meeting.
- 3.2 At its meeting on 20 March 2020, the Emergencies Board also agreed that delegated authority would be given to the Chief Executive to make all required decisions in relation to the functions of the Council throughout the duration of the emergency, provided these were in accordance with existing Council policy. Any new major policy decisions would be referred to the Emergencies Board for consideration.
- 3.3 A process was established to record these specific delegated decisions made by the Chief Executive, a schedule of which is set out in Appendix 1 of this report.
- 3.4 This paper provides an update to Council on:
- The work undertaken to date to respond to the crisis
 - The current operational status of key services and
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- The planning work being undertaken by officers to support the recovery of council services moving forward.

3.5 A separate report has been submitted to the full Council meeting on 25 June 2020 in relation to proposals for future governance arrangements during the ongoing crisis.

4. National and Local Situation

4.1 Regular updates have been provided to the Emergencies Board on the data available at a UK, Scottish and Renfrewshire level in terms of reported cases and deaths from COVID-19. Current data as at 14 June is summarised in the section below. Officers are continuing to work with local analysts from the Information Services Division to analyse and report all available data at a Renfrewshire level.

Numbers of Cases

4.2 To date since the emergence of the pandemic crisis, there have been 291,409 confirmed cases of COVID-19 in hospitals in the UK, with 18,066 confirmed hospital cases in Scotland.

Numbers of Deaths

4.3 Worldwide it is very sad to note that there have now been over 447,700 deaths due to COVID-19. At a UK level, reports are indicating that there have now been 42,153 deaths across the UK, with the UK now ranking third in the world in terms of overall numbers of recorded deaths.

4.4 At a Scottish level the latest National Records of Scotland report shows that at 14 June 2020, there had been a total of 4,070 deaths registered in Scotland where COVID-19 was mentioned on the death certificate. The proportion of all COVID-19 deaths which took place in care homes initially rose each week and represented 59% of all COVID-19 deaths in the week to 3 May 2020. While this has reduced since, in the latest week to 14 June 2020 deaths in care homes still represented 47% of all COVID-19 deaths.

4.5 When looking at all deaths with COVID-19 registered to date:

- 77% were people aged 75 or over
- 43% were people aged 85 or over (compared with 35% of deaths from all categories in this age category)

4.6 Across Scotland, when looking at all deaths over the period of the last 12 weeks, there have been 2,451 excess deaths in care homes (77% above average) and 2,214 excess deaths at home or in non-institutional settings (59% above average). While there was an early peak, excess deaths in hospital have fallen, with 216 (3%) above the average number for the 12-week period.

4.7 Further data was published by NRS this week in relation to analysis that has been undertaken on recorded deaths from COVID-19 at a national level. Whilst further work is required to undertake this analysis at a Renfrewshire and community level, the national data indicates:

- People in the most deprived areas were 2.1 times more likely to die from the COVID-19 virus than those living in the least deprived areas.
- Of those people who died with COVID-19 in May, 92% had at least one pre-existing condition. The most common pre-existing condition was dementia and Alzheimer's disease which accounted for 38% of all deaths involving COVID-19, followed by ischaemic heart disease which account for 11% of all deaths.
- The highest number of deaths involving COVID-19 of working people aged between 20-64 by occupation group were among process, plant and machine operatives which accounted for 43 deaths.

4.8 The National Records of Scotland information also provides additional detail to understand the position and changing impact of the outbreak in Renfrewshire. A total of 201 people have sadly died from COVID-19 since the outbreak of the virus. 98 have died in care homes, 94 people in hospital and 9 people at home or other non-institutional locations. Deaths recorded on a weekly basis have continued to fall, with 3 recorded in the week to 14 June, compared to a peak of 40 for the week beginning 20 April.

4.9 The COVID -19 related death rate for all of Scotland has sadly reached 7.4 per 10,000 population (an increase from 7.3 per 10,000 population last week). The death rate in Renfrewshire reflects this is currently 11.2 per 10,000 population, which is the fifth highest in Scotland.

5. Key Policy and Legislative Changes affecting the Council

5.1 Since the emergence of the pandemic and the associated lockdown, officers have been focused on working with partners to ensure that essential services and supports continue to be provided across Renfrewshire's communities. As has been reported to the Emergencies Board within the weekly COVID-19 update paper, there has been an ongoing requirement to respond to the crisis and to deliver on new requirements at pace in relation to a variety of issues. In addition, the way in which existing services have been delivered has had to adapt and change on a continuous basis in response to Scottish Government guidance or legislation laid before the Scottish Parliament.

5.2 A full overview of all key policy and legislative changes is attached as Appendix 2 to this report. Key elements to highlight to elected members include:

Legislation and regulations

5.3 There have been four significant pieces of legislation to address the pandemic. These are:

- The Coronavirus Act 2020. This Act was passed by the UK Parliament as the statutory basis for measures to implement the lockdown and to make changes to other legislation to relax rules and timescales on matters such as the rules on claiming statutory sick pay and allowing for the remote registration of deaths.

- The Public Health(Coronavirus)(Restrictions) (Scotland) Regulations 2020, provide a detailed set of rules for Scotland covering such matters as which types of businesses had to close during the pandemic, which activities had to stop or were restricted, the exemptions that applied to these general rules and the powers of enforcement to Police Scotland and local authorities in relation to the lockdown. The Emergencies Board agreed to delegate responsibility to Environmental Health and Trading Standards Officers to exercise relevant enforcement powers for the Council as authorised officers under this Act.
- The Coronavirus (Scotland) Act 2020 introduced a wide range of measures covering such matters as protecting tenancies, making temporary changes to child protection procedures and the Children's Hearings system, extending timescales for determining civic licensing applications and freedom of information requests, extending the duration of planning permission, the justice system and allowing local authorities to exclude the public from meetings.
- The Coronavirus(Scotland)(No2) Act 2020 introduced a range of powers for the Scottish Ministers, Health Boards and local authorities to intervene in the way care homes were operated. This included a power to local authorities to purchase care homes in certain circumstances. There are provisions relating to marriage and civil partnerships and the Act also reversed the previous changes to the timescales for dealing with freedom of information requests. There are further provisions regarding the operation of the justice system and termination of student tenancies.

5.4 Community wellbeing

- A service has been established to support approximately 6000 local residents who have been asked to shield or self isolate due to a specific medical condition which puts them at very high risk should they contract COVID-19. Support has also been widened out by the Scottish Government through a national helpline which people who are vulnerable and are struggling to access support from friends or within the community, can contact for help. A local assistance team was established to provide support where required. Over 6800 calls have been received through the local helpline from people shielding, whilst almost 1000 calls have been redirected through the national helpline.
- A national campaign called Scotland Cares was launched to encourage people to volunteer to support the pandemic response. Over 50,000 people signed up to volunteer in Scotland, with over 1100 registered in Renfrewshire. At a local level officers worked closely with Engage Renfrewshire to develop our local volunteering response through the Renfrewshire Volunteer Reserve Bank, to which 248 people signed up. Local volunteers are at the heart of the neighbourhood hub model being developed in partnership with communities.

5.5 Children's services

- Linked to the closure of all schools from 20 March 2020, all local authorities were required to establish childcare hubs to support the children of key workers and also some of our more vulnerable children and families. 7 hubs were established in Renfrewshire across primary, secondary and ASN provision, and have typically supported around 200-300 children per week.

- Local authorities were required to put in place measures to support children who would no longer receive a free school meal due to school closure. In Renfrewshire a term time payment of £11.25 per week per child has been made via BACS transfer in respect of approximately 6700 children.
- Staff from across education and childcare services have supported local children to undertake home learning following the closure of education and childcare facilities on 20 March 2020. In the region of 500 tablets and chrome books to individual pupils and families to support home learning.

5.6 Testing and Personal Protective Equipment (PPE)

- The organisation has responded to different developments at a national level in terms of coronavirus testing. Testing is now available to any person aged over 5 who displays any of the key symptoms of coronavirus. Services across the Council continue to be supported by HR&OD to refer eligible employees and their households for testing.
- In May 2020, the Scottish Government published its test, trace isolate and support strategy, which sets out plans to disrupt community transmission of the virus going forward, by testing people at scale in the community who have symptoms consistent with Coronavirus. The programme, which is formally named Test and Protect, was launched on 28 May 2020, with the Council being required to support people to self isolate by assisting them with emergency access to food, medicine and in extreme circumstances accommodation. So far numbers have been relatively low across Scotland and only 2 people have required assistance from the Local Assistance Team, each being supported through access to food supplies.
- Access to Personal Protective Equipment has been a significant challenge throughout the pandemic, with pressures being experienced in terms of supply and distribution at a local and a national level. Guidance on use of PPE by staff undertaking roles across the Council and the HSCP has been updated on an ongoing basis. A local PPE hub was established in Renfrewshire to ensure the effective distribution of supplies to health and social care providers across the area.

5.7 Health and social care

- A range of guidance and new requirements have been introduced specifically in relation the provision of care homes, in response to the significant impact that COVID-19 has had on care home residents and staff.
 - New arrangements were introduced by the Scottish Government to strengthen oversight of care homes during the pandemic, with multi-disciplinary teams established and designated as having a lead role in scrutiny and oversight at a local level. These teams involve key clinical leads and the Chief Social Work Officer, with escalation procedures for significant issues put into place through the health board and local authority to Scottish Government
 - Specific testing arrangements in relation to care homes have been introduced and developed further as the pandemic has continued. A

programme of priority testing for homes where care home residents become symptomatic, as well as an ongoing surveillance testing programme for non-symptomatic residents and staff is now in place. Patients being discharged to a care home from hospital are also subject to testing before admission. Since early June 2020, local authorities have reported planned and actual testing data across care homes to the Scottish Government and this data is now published nationally.

- Each health board has developed a mobilisation plan, effectively outlining the roadmap for a return to normal levels of health and social care provision. Renfrewshire HSCP is actively engaging in planning within NHS Greater Glasgow and Clyde. Engagement with members of the Integrated Joint Board was undertaken in early June.
- Regulations to allow a limited number of short-term prisoners nearing the end of their time in custody to be released early were laid in Parliament to help tackle the coronavirus (COVID-19) outbreak. The scheme was limited to those individuals sentenced to 18 months or less and who on 4 May had 90 days or less left to serve in custody. 10 prisoners from Renfrewshire were released through this scheme.

5.8 Support for business

- On 12 May 2020 the Chancellor of the Exchequer announced that the UK Government would extend the furlough scheme until the end of October 2020. Furloughed workers will continue to receive 80% of their current salary, up to £2,500 per month up to end of July 2020 with additional flexibility being considered that would be built into the scheme from August to support employees back to work and to share the costs of the scheme with businesses. Recent data from HMRC suggest that in the region of 23,000 people in Renfrewshire have been furloughed.
- Local Authorities have been delivering several different business grant programmes on behalf of the Scottish Government since 24 March 2020. As at 9 June 2020, over 2700 Coronavirus Business Support Fund applications have been processed by the Council, with 2075 grants awarded. This equates to £23.4 million of funding support. The Scottish Government has now announced that this scheme will be closed to applications on 10 July 2020.

- 5.9 The Council is required to submit a range of regular data and information returns to Scottish Government on areas such as support for vulnerable adults and children, shielding and housing. Work has been undertaken through COSLA and SOLACE to streamline this activity and data is now submitted and reported through a weekly dashboard, which allows local authorities to benchmark with activity levels at a national level. The weekly return for week ending June 12th is attached as Appendix 3.

6. Current Operational Issues

- 6.1 Prior to the introduction of lockdown measures across the UK on 23rd March 2020, services had been working at pace to prepare for the impact of the pandemic on the Council's activities and workforce. Intensive work was undertaken to prepare for the planned closure of all education and childcare establishments, to implement social distancing measures and enhanced hygiene and cleaning arrangements, and to support employees to work from home where job roles allow this.
- 6.2 Since the implementation of lockdown, key Council buildings and facilities have remained closed, unless required to open for specific activities. Frontline services have continued to be delivered in line with national guidance, and critical services which require the workforce to be physically deployed such as health and social care services, public protection and waste collection have continued to operate with risk assessments undertaken and appropriate PPE provided where required.
- 6.3 A significant number of employees are working from home, and services have adapted to maintain customer contact and service provision within a new model of service delivery. Officers from across services have also worked in close collaboration with partners to keep vulnerable adults and children safe, with continued provision of core protection services, our children's houses, older adult homes, home care and the establishment of the office base at St. James' Street. This has been an unprecedented situation for the organisation, and the commitment and hard work of employees across all services, has allowed vital services to continue as permitted by national guidance.
- 6.4 As set out within section 5, the Council and HSCP have been required to implement a range of new services and support mechanisms in response to the pandemic. This includes the introduction of new business grants, new helplines, support for people shielding and support for the new Test and Protect contact tracing programme. Weekly updates on these and other service changes have been provided to the Emergencies Board.
- 6.5 On 21 May 2020, the Scottish Government published its COVID 19 Routemap which sets out a phased approach to moving the country through and out of the crisis. This phased approach is required as the country seeks to ease some of the lockdown measures under which we have all been living and working, whilst continuing to suppress the transmission of the virus over a potentially longer period until a potential vaccination or treatment can be developed. The Scottish Government's Routemap for coming through the crisis is underpinned by its contact tracing programme called 'Test and Protect. Under the programme anyone showing symptoms of COVID-19 is to be offered a test as quickly as possible, and if found positive, the people they had been in contact with will be traced and notified and asked to self isolate for a period of 14 days.

- 6.6 As elected members are aware Scotland has now moved through Phase 1 and into Phase 2 of the Scottish Government's Routemap to recovery, as announced by the First Minister on 18 June 2020. All relevant council services under Phase 1 have now restarted including designated outdoor sports facilities, household waste recycling services and other outdoor work and are now actively implementing Stage 2 changes including the reopening of playgrounds and outdoor sports courts and registration offices for high priority tasks, the scaling up of community and health and social care services, as well as the provision of support to businesses to support reopening under Phase 2 and Phase 3.
- 6.7 Phase 2 has three key stages, with different measures being eased on 19 June, 22 June and 29 June, subject to appropriate guidance being in place. Full detail is provided in Appendix 5. Regular updates on the easing of lockdown measures and the impact on Council service provision, will be provided to the Emergencies Board on a weekly basis as further guidance and information is released to local authorities.
- 6.8 As elected members will be aware, the Council is also actively preparing for Phase 3 and is making plans for the safe return of pupils and teachers as part of the proposed blended learning model from 11 August. Headteachers returned to school to commence further planning on 1 June and teachers also started to work back in schools from 8 June. The childcare hubs for the children of key workers and other vulnerable children, closed on 8 June, with all attending pupils returning to their home school for the final few weeks of term. Summer childcare hub arrangements will commence from 29 June. The Council submitted a schools recovery plan to Education Scotland for review by the required deadline of 24 June 2020. A report on the recovery plan will be presented to the Emergencies Board on 3 July 2020.
- 6.9 As of 18th June 2020, the Scottish Government's overall message to the public is now Stay Safe, Protect Others, Save Lives, as it is recognised that people are now able to move around more freely as the lockdown measures ease. There remains a focus on hygiene and infection control measures alongside physical distancing as the most effective way to minimise the risk of infection. From 22 June, face coverings will be mandatory on all public transport.

7. Financial Impact of COVID19

Additional Net Costs

- 7.1 The implications of the COVID-19 pandemic are unprecedented, which is singularly the most significant and disruptive social, economic and financial event ever experienced by the Council. Additionally, by its nature it is has extreme complexities and subject to a high level of uncertainty and risk over even the immediate time horizon of the current financial year. A report presented to the Emergencies Board on the 15th May 2020 outlined in detail that it is anticipated that the financial consequences for the Council will continue to emerge, develop and most likely grow

in scale over the course of 2020/21 as the implications of the pandemic both for Council services and for communities across Renfrewshire continue to evolve.

- 7.2 In addition to the immediate short term costs of rapidly introducing new services and support arrangements to communities across Renfrewshire as well as adapting and changing how the Council is required to operate, there is expected to be further costs and declining income implications for the Council which could take a number of months to emerge and be more fully understood.
- 7.3 Over the initial emergency response period to the end of June: -
- Direct costs are estimated at £3.9 million focused predominantly on supporting the Council's service response to the immediate emergency.
 - Loss of income due to the closedown period of £11 million. This figure includes an assumed residual impact beyond June on Renfrewshire Leisure facilities re-opening.
 - Savings of £2.6 million that will be achieved on some services, predominantly linked to the closure of buildings and facilities.
- 7.4 Taken together the direct net cost impact is currently estimated at circa £12 million. This overall level of net costs of managing the immediate response is broadly in proportion to the national local government position being coordinated via COSLA to support ongoing engagement with the Scottish Government.
- 7.5 In addition to the direct net costs emerging from the COVID-19 response, there are also consequential financial impacts that relate directly to the disruption on the Council, the wider community and economy. Financially this is expected to manifest itself predominantly in lost council tax income, bad debt levels and delays to the delivery of planned savings. It is expected that in relation to each of these areas, the full impact will take several months to emerge over the course of 2020/21 and become clearer, for example in particular the expectation of growing unemployment on Council Tax income and Council Tax reduction claims, which to date has been somewhat dampened by the UK government job retention (furlough) and self-employed support schemes. At this stage, illustrative estimates outlining a credible scenario that could emerge over the course of 2020/21 suggests a net financial loss in the region of £14 million against what has been budgeted as part of setting the 2020/21 budget.
- 7.6 Taken together the net financial impact on the Council's revenue budget is estimated at this stage to be potentially in the region of £26 million in 2020/21 based on existing assumptions and scenarios. Additionally, this is anticipated to further extend as the Council is likely to continue to be required to provide ongoing support arrangements across communities as part of the new Test and Protect arrangements and thereafter the recovery phase, as well as make extended adaptations to a range of Council services to meet for example social distancing requirements that will remain in place. Further, complying with the national guidelines published to support the planned reopening of schools from August 11th, is likely to result in a range of additional cost pressures in both staff resources and digital equipment. Taken together, it is expected these further demands will drive a new phase of increased costs for the Council over the course of 2020/21.

- 7.7 The costs outlined above do not include expenditure the Council is incurring to support Renfrewshire HSCP. At present, the HSCP has estimated additional costs for Adult Services over the course of 2020/21 of circa £27 million, for which the Scottish Government has provided an in-principle commitment to fund as part of the overall national COVID19 response in support of Health and Social Care.
- 7.8 The financial consequences of COVID-19 will be regularly examined to ensure the Council is as informed as possible as to the potential financial exposure it faces. Although uncertain, it will be significant in scale and the Council should prepare to address net additional costs in the order of magnitude outlined above. Given the scale of this financial outlook, it is vital the Council continues to support COSLA to pro-actively and positively engage with the Scottish Government, reflecting the overall seriousness of the financial position facing the Council both in the immediate and longer term. It should also be noted that the costs outlined above take no account of measures the Council may wish to put in place to support the economic and social recovery across Renfrewshire over those already agreed as part of existing arrangements.

COVID-19 Funding

- 7.9 Additional funding provided by the Scottish Government was outlined in detail in the report to the Emergencies Board in May, detailing that in total circa £2.7 billion has been deployed by the Scottish Government to target a wide range of specific interventions in response to the COVID-19 emergency.
- 7.10 Of this £235 million has been distributed to local government at this stage with an estimated future £25 million for Council Tax reduction yet to be distributed. This would provide in total circa £260 million to support services **provided directly by local authorities**, just under 10% of the overall funding deployed by the Scottish Government nationally.
- 7.11 Of this, the Council has received £7.8m of the £235 million distributed to date and would expect to receive in the region of £0.8 million of the estimated £25 million undistributed funding for Council Tax reduction. This would provide a total funding distribution for Council of circa £8.6 million. This is significantly less than the estimated £26 million of net additional costs outlined above and indeed is also less than the estimated net additional costs of the direct impact over the initial emergency response period through to the end of June of circa £12 million.
- 7.12 In the most recent correspondence to COSLA, the Cabinet Secretary for Finance has provided an indication that in the absence of greater financial support from the UK government, there is limited prospect of further resources being made available to local government.

Extract from correspondence from Cabinet Secretary for Finance to COSLA President, 26th May 2020

"We will of course make further representation to UKG on the need for further funding and flexibility and would welcome any support COSLA can provide in this respect, however my sense is that the provision of further resources will be limited. Indeed, UKG have already said that the current consequentials are estimates and may be revisited and that they will seek savings from Departments to offset some

of the costs of the COVID response, which could result in negative consequential for the Scottish Government.

I am of course willing to work with you going forward on how we can address any further funding pressures, this includes any costs associated with the strategic framework for the reopening of schools and early learning and childcare provision that has been developed jointly with the Scottish Government and local government. However, if there is not further funding made available to the Scottish Government from the UK Government, it will be extremely challenging to offer further funding to local government.”

- 7.13 Engagement will continue between COSLA and the Scottish Government in relation to further funding support for local government in response to not just the immediate emergency and the consequential impact on local authority finances, but also the anticipated additional demands that are expected to be placed on council services to support local communities and businesses through the coming weeks and months.
- 7.14 There remains the potential that the UK Government, similar to the already announced position from the Scottish Government, will over the course of the summer move towards announcing a mid-year revision to national budgets for 2020/21. Such revisions may be significant and will take into account:-
- the consequential costs of the rapid and unprecedented scale of financial measures that have been taken in the short term by both the UK and Scottish Governments since the onset of COVID-19 to manage the public health response, support communities, support businesses and protect jobs and support the economy to be in a position to restart as quickly as possible,
 - the significant revisions made to the economic outlooks at both a UK and Scottish level, both in terms of the unprecedented short-term economic impact and the risks that the recovery may not be as immediate and may take longer than first envisaged with risk of longer term economic damage and scarring.
- 7.15 There remains the risk that revision to UK national level financial plans will not be restricted to merely financially accommodating, through for example additional unplanned borrowing, all of the significant spending that has been committed to by both Governments. There is the potential prospect that a revision process will involve a degree of re-prioritisation of spending as part of adjusting the 2020/21 budget and wider medium-term financial plans. In such a scenario there is a risk that this will ultimately filter down and directly impact local government funding in Scotland for 2020/21 and in addition impact, possibly materially, on the Council's medium-term financial outlook.
- 7.16 In the immediate financial context of the council, where
- the significant financial gap between the estimated costs of COVID19 for the Council in 2020/21 as set against the funding distributed to date by the Scottish Government,

- the indication by the Cabinet Secretary for Finance that there may be limited scope for further funding for local government in Scotland beyond that already provided to date, and
- the uncertain and potentially developing UK national financial position,

there is a need for the Council to begin to pro-actively progress developing a revised and responsive financial strategy. The potential scale of the financial impact that the Council may be required to manage is such that that fully deploying all the existing £6.5 million of unallocated reserves set aside by the Council for emergency events will not be sufficient to address the 2020/21 challenge. This will be a complex process, with limited clarity and much uncertainty linked to both future costs and funding over the course of 2020/21 and it is therefore critical the Council seeks to pro-actively secure a flexible financial strategy to secure immediate financial stability. This is likely to result in both short term choices and reprioritisation for the Council as well as medium to longer term financial implications.

- 7.17 In this context, it was agreed with the Emergencies Board that the Corporate Management Team will begin to progress detailed preparatory work now and over the course of the summer to develop a range of key responses and options that will support the Council's considerations for revisions to the planned budget for the remainder of 2020/21 and actions that will support a reframed medium term financial outlook. In this respect a report is anticipated to be brought back to the September Council meeting for member's consideration.

Capital programme

- 7.18 The Council agreed in March 2020 capital investment plans for housing and general services for the period 2020/21 to 2023/24 which included investment totalling £368 million. In the current financial year, it was planned that spend of £130 million would take place.
- 7.19 The short-term cessation of construction sites and subsequent working restrictions once they re-open as part of the public health response to COVID-19 will impact on the Council's capital plan over 2020/21 and likely the medium term.
- 7.20 The full impact will not be fully understood for some months however it is anticipated there will be significant risk of substantial additional costs arising from live projects as the closedown and subsequent social distancing restrictions drive up costs of operating live construction sites and builds in unavoidable time delays and costs into the completion of projects.
- 7.21 A significant pro-active engagement exercise has already been commenced by officers which will seek to engage contractors early to achieve mutually agreeable adjustments to contract arrangements and avoid potentially expensive, disruptive and protracted legal disputes. In addition, the economic impact on the construction sector and supporting supply chains is anticipated to be significant and it is anticipated there will be increased risks of cost growth over the short to medium term from additional construction inflation which was not previously expected pre-COVID-19, along with significantly heightened risk of contractor failures as firms

grapple with sustainably managing their way through the impact of COVID-19. This is expected to both delay the timing of planned procurement exercises as well as potentially result in higher costs than would have been expected pre-COVID-19.

- 7.22 Developing a more complete understanding of such issues and risks is likely to take some time to achieve and at which point considerable ongoing uncertainty would be expected to remain over the medium term. However, the risks to the deliverability of the agreed capital plan within the financial envelope set prior to COVID-19 would appear to be escalating, bringing into question the ability of the Council to deliver its infrastructure and housing investment plans and priorities as was envisaged prior to the COVID-19 pandemic. It is therefore likely, that as part of a revised financial strategy, the Council will be required to fundamentally re-assess both the affordability envelope of its capital investment plans as well as the deliverability of it over previously planned timescales. It would appear at this stage, there is a significant risk that there will be a requirement for the Council to re-consider, re-prioritise and re-shape the scale and timing of the capital investment plan that is currently approved.

8 Community Impact

- 8.1 Similar to the financial impact, the wider socioeconomic impacts on local residents, communities and businesses, will develop over time. It is critical that the Council works with partners to monitor and analyse all information available on the impact of COVID-19 and considers what actions can be taken collectively to support those affected.
- 8.2 As set out in section 3 of this report, data on positive cases and in relation to deaths from COVID-19 is published at a local authority area by National Record Scotland on a weekly basis. Data on testing activity will also be published from mid-June. It is very important that we look beyond the published statistics, recognising that bereaved families and friends are processing their grief in very difficult circumstances, or are coping with illness arising from COVID-19.
- 8.3 Emerging data at a national level indicates that COVID-19 is impacting communities in very different ways and most importantly not in an even manner. For example, data has shown that people living in the most deprived areas of Scotland are 2.1 times more likely to die with COVID-19 than those living in the least deprived areas. Officers have been working with analysts in partner organisations to try to look at COVID death rates and the link to deprivation across Renfrewshire's communities. Whilst the publication of detailed information at a local level is not possible due to data sharing agreements, broad analysis at an intermediate zone level shows the death rate due to COVID-19 across Renfrewshire to be significantly impacted by the location of care homes, with the rate for Renfrewshire rural and village areas raised as a result. Analysis also shows that the least deprived areas of Renfrewshire have the fewest deaths from COVID-19.

- 8.4 Whilst comparison of death rates at a very local level is not possible, it is possible to analyse death rates in Renfrewshire against quintiles within the Scottish Index of Multiple Deprivation. A quintile splits the data into five at a national level, so SIMD quintile 1 has the areas in Renfrewshire that are in the most deprived 20% in Scotland. Analysis at a Renfrewshire level shows that those living in SIMD quintile 3 (average deprivation) experienced the highest rate of COVID-19 related deaths, while those living in SIMD quintile 5 (least deprived) experienced the lowest.
- 8.5 This represents part of a bigger picture and analysis of Scottish non COVID-19 deaths clearly shows a disproportionate number of deaths in the most deprived communities in Scotland during the period of the pandemic to date. Analysis has shown this to be the case for Renfrewshire too, with double the non COVID-19 death rate in the most deprived areas compared to the least deprived areas in Renfrewshire. Health indicators are a component of the SIMD and the link between deprivation and poor health outcomes is well known.
- 8.6 However, while SIMD analysis provides one helpful way of understanding the characteristics of our communities, we know that deprived people don't always live in deprived communities and there will be people and families struggling across all areas of Renfrewshire. Recognising this, our recovery response must consider a mixture of locality-focused and Renfrewshire-wide approaches.
- 8.7 Across Scotland and the UK, research, analysis and commentary has also been published relating to the factors impacting death rate – deprivation sits alongside age, gender, ethnicity and even occupation as contributory factors for an individual's survival chances.
- 8.8 With our most deprived areas experiencing an increased death rate, this inequality impacts disproportionately on the communities least equipped deal with the socioeconomic impact of death in terms of resources. In addition, those already experiencing physical and mental ill health are likely to find their conditions more difficult to cope with whilst trying to grieve through the constraints and anxieties of lockdown. Children and young people, already with routines disrupted and isolated from their grandparents and their friendship groups may find their sense of loss compounded and their natural anxieties heightened following the loss of a loved one. The lack of usual mourning rituals, including physically supporting family or ability to attend funerals, may impact the grieving process and cause longer-term trauma to bereaved families and friends. When planning recovery, it is important to ensure this area is adequately considered and that the Council works closely with partners and third sector providers to ensure families are given the support and care needed.

Economic Impact

- 8.9 As the lockdown is beginning to ease in Scotland and the immediate impact of the virus, in terms of health, seems to be suppressed within the community, increasing

focus is being placed on understanding and mitigating the ongoing impact of the virus and the necessary lockdown restrictions on the economy.

- 8.10 Before the COVID-19 pandemic began NOMIS data based on December 2019 data returns showed that the Renfrewshire economy included:
- 93,000 economically active residents; including about 4,000 unemployed
 - Gross weekly full-time average earnings of approx. £625 per person
 - 4,600 private businesses
 - GVA of approx. £3.4 billion
- 8.11 The largest sectors of the Renfrewshire economy by number of employees are listed below. Between them these 6 sectors account for about 2 out of every 3 jobs in the area:
- Manufacturing
 - Retail
 - Transport / logistics
 - Hospitality
 - Public Health
 - Public Administration
- 8.12 Various pieces of analysis have been undertaken, mainly at a national level, to try to predict the impact on the economy from the current pandemic.
- 8.13 KPMG have provided an analysis of GVA impact at local authority level across the UK. For Renfrewshire they estimate that GVA could fall by almost 12% in 2020. This compares to a Scottish average of 10% in the same study. In their analysis only 4 Local Authorities are predicted to fall further than Renfrewshire – these are South Ayrshire, Angus, Aberdeenshire and Aberdeen City. However, the same study also predicts a significant “V-shaped” recovery with GVA bouncing back in 2021 to grow by just over 13% in Renfrewshire. Only Aberdeen City and Aberdeenshire have higher predicted levels of growth for 2021.
- 8.14 Glasgow City Region’s Intelligence Hub has also done some analysis of possible impacts. This analysis has been undertaken at the city-region level as they are currently unable to disaggregate the analysis to individual local authorities. They have examined various scenarios for where the regional economy could end up in 2020 post COVID-19 and believe the number of jobs lost could be between 60,000 and 100,000 across the City Region. The highest predicted level would equate to about 1 in every 8 jobs in Glasgow City Region being lost. They have highlighted sectors at particular risk as including retail, arts & entertainment, hospitality and construction.
- 8.15 Officers are at an early stage of preparing an Economic Recovery Plan for Renfrewshire. Initial discussions have been held with the Renfrewshire Economic Leadership Panel (made up of local businesses and public agencies) and currently a survey is being undertaken with up to 10% of businesses to better understand the impact of the COVID-19 restrictions on the local economy and also how support could be provided via the Council and its partner agencies to these companies during the recovery phase.

8.16 Within Renfrewshire the initial data coming through on the impact of the lockdown on unemployment is of concern. Emerging data suggests a rapid and prolonged increase in unemployment which will affect local communities differently depending on the nature of the local labour market as sectors will experience different outcomes.

8.17 The latest NOMIS unemployment statistics were released on 16 June 2020 and included figures for May 2020.

	Claimant numbers	Of which male	Of which female	Aged 18-24	Aged 25-49	Aged 50+
March 2020	4015	2655	1360	745	2250	1000
April 2020	6675	4390	2290	1130	3845	1670
<i>difference</i>	<i>+ 66%</i>	<i>+ 65%</i>	<i>+ 68%</i>	<i>+ 52%</i>	<i>+ 71%</i>	<i>+ 67%</i>
May 2020	7565	4940	2625	1365	4305	1860
<i>Increase since April</i>	<i>+13%</i>	<i>+12%</i>	<i>+15%</i>	<i>+21%</i>	<i>12%</i>	<i>11%</i>
<i>Increase since March</i>	<i>+88%</i>	<i>+86%</i>	<i>+93%</i>	<i>+83%</i>	<i>+91%</i>	<i>+86%</i>

8.18 The Claimant numbers for Renfrewshire (reflecting those claiming benefit due to unemployment) rose by an additional 890 over the month of May, a 13% increase on the April figures. The overall change since the COVID-19 lockdown in March shows an increase of 3,550 or 88%.

8.19 The Council is yet to see figures that reflect the full force of the economic impact of the pandemic. Those who are on furlough are classed as being 'in employment but temporarily away from work', so their pre COVID-19 labour market status has essentially been frozen.

8.20 As the unwinding of the furlough scheme takes place over the next 6 months –and firms make decisions about future workforce needs– employment relationships may change and at that point larger increases in unemployment claimants are currently expected.

8.21 Another indication of the economic pressures facing the community comes from the Universal Credit caseload figures provided by the DWP which also increased significantly between March and April this year with provisional figures showing a 49% increase, moving from just over 8000 cases to just under 12,000 cases. This was the single biggest monthly increase in these figures since Universal Credit went live in Renfrewshire in September 2018. While Universal Credit can be paid to working families in the form of income support or housing benefits, at the same time, between March and April the Council's Housing benefit caseload remained

relatively unchanged with only a marginal decrease of about 2%. This indicates that these working age customers are likely to be new claimants and not those in the process of switching from Housing Benefit (legacy benefit) to Universal Credit.

- 8.22 Increasing numbers of Universal Credit applications are also predicted for May and June 2020 based on a pattern of increased awards for Council Tax Reduction. Council Tax Reduction provides support for Council Tax to customers and applications are made directly to the Council, often supplementing Universal Credit applications. Normally Council Tax Reduction caseload is relatively static however it has grown by 7.5% since the start of April and significant numbers of applications are continuing to be received.
- 8.23 Early indications are that so far, the changes in the labour market brought about by COVID-19 have had the biggest immediate impact on those on the lowest incomes and in the most precarious, least secure jobs – temporary jobs and those on zero hours contracts. It is also expected that those becoming unemployed or displaced in the labour market as furlough comes to an end are in jobs likely to disproportionately impact on young people, women, those with disabilities and minority groups.

9 Moving Forward

- 9.1 During COVID-19, Renfrewshire Council, alongside the wider public sector, has been focused on ensuring that essential services and support are provided across Renfrewshire's communities. There is an ongoing need to respond to the crisis and to deliver on new requirements at pace and scale, whilst looking to the future as we restart, recover and renew our approach at a local level.
- 9.2 As set out in both Renfrewshire's Community Plan and our Council Plan, we want to work together to create a thriving and connected Renfrewshire, where there are opportunities for all. The outcomes that the Council is working to achieve, remain the right outcomes to focus on in partnership, however the context in which the Council is working has changed significantly due to the COVID 19 pandemic.
- 9.3 Local recovery planning arrangements are now being progressed for Renfrewshire, which will be taken forward jointly with residents, communities, partners and businesses. This will focus on:
- incrementally restarting service provision in line with national guidance
 - rebuilding levels of service capacity, confidence and resilience and supporting reconnection with communities and residents.
 - reimagining / building better and resetting – Renfrewshire's ambition and vision for the future

- 9.4 These plans will be developed on an interim basis, recognising that the impact of the pandemic is likely to be deeply felt over the medium to long term, and there will be a requirement for Council services to continue to operate flexibly to meet the changing needs and behaviours of local communities, potentially providing new services or adapting others to reflect emerging Scottish Government guidance and considering the resources available at each stage. Our organisation will need to remain resilient and be able to respond to a potential cycle of lifting and easing of lockdown measures in order to support the suppression of the virus.
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Implications of the Report

1. **Financial** – although at this stage not fully quantified, the Council will experience a wide range of significant financial pressures arising from the impact of the pandemic on the population as well as the economic and social disruption caused by the associated restrictions being deployed by national governments. Significant financial pressures will emerge in a wide range of forms from loss of income, exceptional service costs, significant increase in demand for services, the need for additional and new interventions, urgent and immediate support arrangements and services from the Council to help individuals, families and businesses across Renfrewshire as well as the Council's workforce. The Scottish Government has provided a range of immediate funding announcements to provide specific support via local authorities to both individuals and businesses as well as a degree of general funding to assist local authorities in managing immediate financial pressures. Engagement will continue between COSLA and the Scottish Government regarding further funding as the period of emergency extends, however notwithstanding, the Council will experience significant financial impact and disruption that will require it to draw heavily on all its financial reserves and which is likely to take some time to recover.
 2. **HR & Organisational Development** – the Council's workforce represents a major part of the local population and as such is being impacted directly by the spread of confirmed cases, but much more significantly by the public health directions for self-isolation given to those displaying symptoms and those with family members displaying symptoms as well as those in the at risk groups instructed to pro-actively implement strict social distancing arrangements. Full support and communication are being provided to all staff members to ensure they remain fully informed of the developing situation and where appropriate and practical, are being supported to work safely at home and or safely return to active work once recovered or free of recommended self-isolation periods. The impact of these factors will increase exponentially over coming days and weeks and therefore the scale of availability across the Council's workforce will come under unprecedented pressures. Working closely with national government, partners and trade unions the Council will by necessity be required to actively manage and redeploy staffing resources to meet the most critical services over this exception emergency period.
 3. **Community/Council Planning** – Covid-19 will impact on the operations of Council partners and on services to the community. This paper highlights the work being undertaken to mitigate this impact as far as possible and maintain essential services for the safety and wellbeing of the community.
 4. **Legal** – The report sets out the changes to the Council's governance arrangements in response to the Covid-19 emergency and provides details of the key pieces of UK and Scottish legislation enacted during the emergency"
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5. **Property/Assets** – As outlined in the paper, the majority of Council facilities have remained close to comply with the initial lockdown guidance. As facilities start to open in line with the Scottish Government Routemap, adjustment may have to be made to physical spaces to allow for physical distancing and to comply with relevant guidance. This will also apply to outdoor assets.
6. **Information Technology** – ICT are working to ensure staff have the capability to work from home wherever possible to reduce social contact in line with government and health guidance
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.
 - (b) As outlined in the report itself, the Council will need to continue to monitor the impact of COVID-19 and the disproportionate impacts it may have on certain communities or groups of people across Renfrewshire, including in relation to poverty, ethnicity, gender and disability amongst other protected characteristics.
8. **Health & Safety** – Advice and guidance is being given to protect the health and safety of employees and service users when carrying out priority services for the Council in line with government and health guidance
9. **Procurement** – The ongoing pandemic has and will continue to have a significant impact on existing contractual obligations and on the procurement of future goods and services required by the Council.
10. **Risk** – Due to the severity of the global pandemic and Covid-19, there is a risk to the delivery of the services with staff levels being reduced. This is being closely monitored by the Emergency Management Team. Business Continuity Plans have been reviewed and the risk has been added to the Corporate Risk Register.
11. **Privacy Impact** - None.
12. **COSLA Policy Position** – COSLA Leaders have continued to meet very fortnight during the crisis and there has been ongoing dialogue in relation to emerging issues, with specific work being undertaken in relation to the significant financial constraints facing local authorities and education recovery amongst others.
13. **Climate Risk** – The pandemic has led to fairly significant changes to behaviours in terms of the mode and level of transport use and there are a range of emerging opportunities to promote active travel going forward. The Council has committed to work towards having net zero carbon emission by 2020, and the impact of COVID 19 will require to be reflected in future climate planning arrangements.

List of Background Papers

None

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Appendix 1 – Reports approved by the Chief Executive under delegated authority

Report Title	Summary
Contract Authorisation Report – Access to Counselling Services	This report relates the provision of counselling services to school children, covering primary from age 10 and secondary schools. There is a current contract in place but this expires at the end of June and at this time in particular, children's services are keen to ensure that counselling services available for young people who need them. The report recommended award to Therapeutic Counselling Services Limited, the contract term is 3 years and the maximum value across the full 3 years will be £900,000.00 (ex VAT).
Framework Agreement for Traffic Signals, Planned and Unplanned Maintenance	The report recommended the award of a contract to Dynniq UK Ltd. The contract term is 4 years with a maximum total spend across the 4 years of £800,000 (ex VAT). The service to be provided was classed as an Essential Service. The existing contract was due to expire on 13 May therefore the Chief Executive was asked to use her Delegated Authority to authorise the award of this contract to ensure that there was no break in the provision of maintenance services for traffic signals.
Framework Agreement for the Provision of Connectivity as a Service	The report recommended the award of a Framework Agreement with a single Service Provider for the provision of digital connectivity to Council sites, meeting the Council's current and potential future connectivity needs as they evolve during the Framework Agreement Period, to Commsworld Limited. The framework period is 15 years with an option to extend for up to a further 5 years and the ceiling spend set for the full 20 year period is £100 million. The report also requested authority to proceed with award of the first 4 call off contracts as follows: <ol style="list-style-type: none"> 1. Wide Area Network Services (WAN) at a value of £12.982 million excluding VAT to replace the existing contract which expires in March 2022; 2. Internet Connectivity at a value of £95,008 excluding VAT to replace the existing contract which expires in May 2021; 3. Public Space CCTV Connectivity at a value of £906,516 excluding vat to replace the existing contract which expires in May 2021; 4. Urban Traffic Control at a value of £1.351 million to replace the connectivity element of the existing contract will expire in March 2021.
Award of Funding to Engage Renfrewshire	Funding of £360,610 was allocated to Engage Renfrewshire in its role as third sector interface, in relation to the financial year 2020/21. The report noted that the funding has been agreed annually since 2018, with no increase proposed for 2020/21. It is intended that a full review is undertaken to consider all options for the future in terms of all of the Council's funding to support community capacity and empowerment locally.

Amendment to Renfrewshire Leisure's Articles of Association	<p>It was agreed to amend Renfrewshire Leisure's Articles of Association: to reduce the minimum number of directors appointed to the board from nine to eight; to introduce a notice period of three months for directors resigning from the board and; to amend the wording for the appointment of independent directors.</p> <p>The report noted that as a result of the resignation of one of the Directors and due to the current Covid19 pandemic, the appointment process, which is being supported by a professional recruitment agency, remains live to find appropriate candidates with the skills to take the organisation forward. However, the requirement, as set out in 3 section 7.3 of the Articles, for independent directors to be from the Renfrewshire area is proving challenging and is limiting potential candidates with significant experience in the sector from being appointed to the board</p>
Houston Shopping Centre - Request for Landlord's Consent	<p>It was agreed that the request for landlord's consent from Pars Properties Ltd to build two new retail units within the leased area and to extend and amalgamate three existing units into one, all in accordance with clause sixth (f) of the Lease, be approved. The Council will benefit from a rent review upon the occupation of each completed unit, authority was granted to the Head of Property and the Head of Corporate Governance to conclude the lease amendment to record the grant of landlord's consent and alterations to the rent review clause on the terms and conditions contained in the report.</p>
Paisley (TH/CARS2): Extension of the Project and Grant Award for 20 New St, Paisley	<p>Approval was granted to award a third-party TH/CARS2 grant, subject to approval by the funders NLHF and HES, for a building repair project at 20 New Street, Paisley. In order to maintain momentum with the grant process and to enable the grant applicant to make the necessary preparations to ensure that the building repair works are ready to be implemented when the current lockdown is lifted, it was necessary to approve the award of grant now rather than delaying the process. This report also noted the extension of the TH/CARS2 programme to December 2022, approved in principle by both NLHF and Historic Environment Scotland.</p>
HEEBS Funding 2020/21	<p>It was noted that the Council had been notified of its allocation of £1,654,486 for qualifying projects as part of the 2020/21 HEEPS:ABS programme and had been invited to submit suitable projects for this allocation. The report seeks authority to submit the application to the Scottish Government for funding in line with this allocation. The Director of Communities, Housing and Planning Services was authorised to submit an application for funding in line with Scottish Government guidance in this regard; and to oversee delivery and operational management of the programme and note that a further report will be submitted confirming the outcome of the HEEPS:ABS application</p>

Appendix 2 : Summary of key policy changes

1. Since the emergence of the pandemic and the associated lockdown, the Corporate Management Team have been focused on ensuring that essential services and support continue to be provided across Renfrewshire's communities. As has been reported to the Emergencies Board each week, there has been an ongoing requirement to respond to the crisis and to deliver on new requirements at pace, in relation to issues such as, for example, shielding, PPE and testing amongst many others. Key policy changes are summarised in the table below for information:

Community Wellbeing

- Early in the pandemic crisis the Chief Medical Officer wrote a letter to those people considered to most clinically vulnerable, to advise them to shield and strictly self isolate for a period of 12 weeks. To enable this, local authorities and HSCPs were asked to support local people to access food and medicine, and wider services required. In Renfrewshire over 6000 local people have been asked to shield.
- A Local Assistance Team was put into place to provide this emergency support, with staff making contact with 94% of local people asked to shield and have received over 6800 calls directed through the Council helpline.
- Over recent weeks the focus of the Local Assistance Team has been on conducting welfare calls to all of the vulnerable people being supported to ensure that they are connected with relevant services and support from mainstream services, partners, volunteers and third sector agencies.
- A national helpline was established by the Scottish Government in April 2020, which people could call to access support if they were struggling to access food or medicine, or needed support with getting online or mental health and wellbeing. Almost 1000 calls have been directed through the national helpline to Renfrewshire Council, with emergency support also provided to people in this category, many of whom have not previously had to engage with the Council for support.
- Community groups and third sector organisations mobilised very quickly to assist local people who needed support such as emergency food provision. The Council's Partnerships and Inequalities Team worked with Engage Renfrewshire to form a community food network which ensures that national resources including food and funding are directed to organisations working with vulnerable people across Renfrewshire who are experience the greatest barriers to food access. A range of national funding streams are available for community and third sector organisations across Renfrewshire to access to support the COVID-19 response, as well as the sustainability of their existing organisation. Across the Wellbeing Fund, the Response, Resilience and Recovery Fund, Third Sector Resilience Fund, Supporting Communities/Community Anchor Funds and Communities Wellbeing Small Awards Fund a total of £618,469 has been received by local organisations to date.
- A national campaign called Scotland Cares was launched to encourage people to volunteer to support the pandemic response. Over 50,000 people signed up to volunteer in Scotland, with over 1100 registering in Scotland. At a local level officers worked closely with Engage Renfrewshire to develop our local volunteering response through the Renfrewshire Volunteer Reserve Bank. Local volunteers are at the heart of the neighbourhood hub model which is being developed by Council officers and partners as a mechanism to provide locally based support for communities and individuals.

- The Council has been asked to support the Connecting Scotland programme which will offer an internet connection; training and support; and a laptop or tablet to vulnerable people who are not already online during the response to COVID-19. Eligible digitally excluded people will be identified by local authorities and third sector organisations and offered a device with a mobile internet data package, which will be delivered to their homes. 230 devices will be available in Renfrewshire, and the Council will work with local community and third sector partners to facilitate this programme locally. Volunteers from the neighbourhood hubs will play a key role in supporting this programme locally.

Children and Families

- Linked to the closure of all schools from 20 March, all local authorities were required to establish childcare hubs to support the children of key workers and also some of our more vulnerable children and families. 7 hubs were established across primary, secondary and ASN provision which have provided support to in the region of 250-350 children each week.
- Local authorities were required to put in place measures to support children who would no longer receive a free school meal due to school closure. In Renfrewshire a term time payment of £11.25 per week per child has been made via BACS transfer to families impacted.
- Staff from across education and childcare services have supported local children to undertake home learning following the closure of education and childcare facilities on 20 March. Each school has devised local plans and arrangements and have developed processes and 400/500 tablets and chrome books have been allocated to individual pupils and families to support home learning.
- Regulations to allow a limited number (450) of short-term prisoners nearing the end of their time in custody to be released early were laid in Parliament to help tackle the coronavirus (COVID-19) outbreak. The scheme is limited to those sentenced to 18 months or less and who on 4 May have 90 days or less left to serve in custody. 10 prisoners from Renfrewshire were released through this scheme.

Testing, PPE and Wider Support

- The organisation has responded to different developments at a national level in terms of coronavirus testing. Testing arrangements have become an important element of maintaining resilience across the workforce supporting key workers who are displaying symptoms of COVID-19, or live with people who are, to get tested early. If the early testing proves negative, this facilitates an earlier return to work for the employee than would be experienced under self-isolation arrangements without testing. This in turn supports services to maintain higher levels of available staff resource to continue to meet the significant demand for services.
- Initially the testing was available to specific groups of key workers (including health and social care staff), and groups of people within the community experiencing symptoms. Testing is now available to any person aged over 5 who displays any of the key symptoms of coronavirus. Services across the Council continue to be supported by HR&OD to refer eligible employees and their households for testing.
- In May, the Scottish Government published its test, trace isolate and support strategy, which sets out plans to disrupt community transmission of the virus going forward, by testing people at scale in the community who have symptoms consistent with

Coronavirus. Close contacts of those impacted will be traced and asked and supported where necessary to self isolate. The programme which is formally named Test and Protect, was launched on 28 May 2020, with the Council being required to support people to self isolate by assisting them with emergency access to food, medicine and in extreme circumstance accommodation. Two FTE equivalent Environmental Health Officers have been deployed for a 3 month period to support contact tracing within NHS Greater Glasgow and Clyde.

- Environmental Health Officers have also worked alongside the 5 other local authorities in the Greater Glasgow and Clyde Health Board area to develop a temporary morgue to alleviate pressure on hospital morgues that might be experienced during this time. The facility is based at Hillington within the Glasgow City Council boundary and was fully operational by 21 April 2020. The site will remain available to ensure a dignified place of rest for the deceased within the health board area should it be required until the end of the pandemic.
- Access to Personal Protective Equipment has been a significant challenge throughout the pandemic, with pressures being experienced in terms of supply and distribution at a local and a nation level. Guidance on use of PPE by staff undertaking roles across the Council and the HSCP has been updated on an ongoing basis. A local PPE hub was established in Renfrewshire to ensure the effective distribution of supplies to health and social care providers across the area.
- The corporate procurement unit (CPU) have also actively supported the sourcing of PPE stocks for the Council and Renfrewshire Health and Social Care Partnership (RHSCP). Levels of supplies have now stabilised to some degree and 7 days of supplies are now being held at any one time.
- In recent weeks, Scotland Excel have developed a co-ordinated response to the procurement of required levels of PPE across local authorities in Scotland.

Health and social care

- In May 2020, Jeanne Freeman, Cabinet Secretary for Health and Sport wrote to all health boards, local authorities, Health and Social Care Partnerships and care home providers, to implement new arrangements intended to strengthen oversight of care home activities during the current pandemic. From 18 May, clinical and care professionals at NHS boards and local authorities were designated as having a lead role in the oversight of care homes in their area, with every health board and local authority requiring to put in place a multi-disciplinary team comprised of key clinical leads and the area's Chief Social Work Officer. The role of the Executive Nursing Director within each health board has also been varied to be accountable for the provision of nursing leadership, support and guidance within the care home and care at home sector. Escalation procedures for significant issues have also been put into place through the health board and local authority to Scottish Government
- Each health board has prepared a mobilisation plan, effectively outlining the roadmap for a return to normal levels of health and social care provision. Renfrewshire HSCP has engaged in these discussions within NHS Greater Glasgow and Clyde, and at a local level with its Integration Joint Board.
- Specific testing arrangements in relation to care homes have been introduced and developed further as the pandemic has continued. A programme of priority testing for homes where care home residents become symptomatic, as well as an ongoing

surveillance testing programme for non-symptomatic residents and staff is now in place. Patients being discharged to a care home from hospital are also subject to testing before admission. In early June 2020, local authorities were to report weekly on planned and actual testing across care homes, and this information is also published by the Scottish Government on a weekly basis.

Support for business

- On 12 May 2020 the Chancellor of the Exchequer announced that the UK Government would extend the furlough scheme until the end of October 2020. Furloughed workers will continue to receive 80% of their current salary, up to £2,500 per month up to end of July 2020 with additional flexibility being considered that would be built into the scheme from August to support employees back to work and to share the costs of the scheme with businesses
- Local Authorities have been delivering 2 business grant programmes on behalf of the Scottish Government since 24 March 2020:
 - The first is a £10,000 grant for businesses in receipt of the small business bonus scheme aimed at supporting those in premises with a rateable value of up to £18,000 annually.
 - The second is a £25,000 grant for businesses in the retail, hospitality and leisure sector occupying premises with a rateable value of between £18,001 and £50,999 annually.
- Multi property grants are now available, with additional support schemes available to support people with self-employed status.
- As at 9 June, over 2700 Coronavirus Business Support Fund applications have been processed by the Council, with 2075 grants awarded. This equates to £23.4 million of funding support.

General policy changes:

- To support physical distancing the Scottish Government created a new infrastructure programme to develop pop-up walking and cycling routes and temporary improvements to existing routes. Initially on 28 April 2020, the Scottish Government announced that it had allocated £10 million from the 'Places for Everyone' budget to a new 'Spaces for People' fund, with no match funding required from local authorities to deliver projects in their area. The Council expressed an interest in the fund at an early stage and has had positive engagement with Sustrans on projects which include temporary footway widening around busy amenities such as shops and pharmacies and in relation to main arterial routes.

Appendix 3: Local Government Data Dashboard Submission - 12 June 2020

Ref	Indicator	Value	Data as at date	Comments
S3	Total number of individuals on shielding list in contact with LA	5785	8/06/20	
S5	Number of individuals assessed to be in need of food delivery but not pharmacy	89	8/06/20	This shows number of new individuals for week 1 st to 8 th June
S7	Number of individuals assessed to be in need of pharmacy delivery but not food	4	8/06/20	This shows number of new individuals for week 1 st to 8 th June
S9	Number of individuals assessed to be in need of both food and pharmacy delivery	0	8/06/20	This shows number of new individuals for week 1 st to 8 th June
S12	Number of individuals who received other services	0	8/06/20	This shows number of new individuals for week 1 st to 8 th June
NS2	Total number of individuals calling helpline in LA area	7565	11/06/20	
PP1	How many children (including unborn babies) were added to the child protection register in the last week?	1	10/06/20	
PP5	How many children with child protection plans were seen face to face by a professional (education/health/social work) in the last two weeks?	84	10/06/20	
AB5	Overall % of staff on Sickness and Special Leave	14%	05/6/20	
R1	Total Number of Deaths Registered	664	10/6/20	This will now be reported as the cumulative position from 30 th March. 198 Renfrewshire residents had a death registered which mentioned COVID-19, up to 7 th June
F9	Net Council Additional Costs Financial Projection (Costs + Lost Income - Reduced Costs)	TBC	N/A	

Ref	Indicator	Value	Data as at date	Comments
CH2	Number of teaching staff physically working in schools/hubs or LA ELC settings today	583	10/06/20	
CH5	Total number who physically attended today (excluding those that only attended for a free school meal)	517	10/06/20	
FSM1	The total number of children and young people for whom vouchers, direct payments or home deliveries have been provided for	7,583	10/06/20	
BG1	Numbers of Coronavirus Business Support Fund grant applications	2,748	9/06/20	This includes both small business grants and retail, hospitality and leisure grants.
BG2	Number of Coronavirus Business Support Fund grants awarded	2,075	9/06/20	As above.
BG4	Total value of Coronavirus Business Support Fund grants made	£23,410,000	9/06/20	As above.
H7	Total number of Homeless applications received in the month	78	31/5/20	
H20	Current tenant arrears - end of period	£2,299,400	31/5/20	
HSCP1	Total Projected Additional HSCP Expenditure	£26,919,519	27/5/20	
HSCP7	Total all categories delayed discharges	26	8/6/20	
ASP1	Number of Adult at Risk / Adult Protection Referrals over the last week	20	10/06/20	
ASP2	Number of Adult Concerns (from Police Scotland) over the last week	31	10/06/20	
ASP3	Number of adults that were subject to an adult support and protection investigation over the last week	4	10/06/20	

Appendix 4: Current operational update

Children's Services

- Schools and early learning centres were closed on 20 March 2020 as part of the lockdown. While most buildings have been closed, learning has continued from home, with staff engaging remotely with children and young people.
- Emergency childcare provision has been established in some premises for the children of key workers and vulnerable families.
- As set out in the Scottish Government's Routemap it is intended that school and childcare facilities will reopen to pupils on 11 August 2020 with a blended approach of learning at home and in school. Officers are currently developing plans for the return of pupils and will be required to submit a Local Phasing Delivery Plan to Scottish Government to confirm these arrangements
- Staff returned to school buildings prior to the end of the current session in June 2020 on a phased basis, with headteachers and senior managers returning first, followed by teachers and in the final weeks of the current session by pupils that will be transitioning into Primary or Secondary education at the start of the new term in August. This has allowed time to ensure schools are ready to receive children and young people and that all appropriate measures have been put in place to protect both children and staff. In addition, this has given the opportunity to plan for implementing a blended learning approach with pupils attending schools on a part time basis when the new term commences on 11 August 2020.
- The existing childcare hubs closed on Monday 8th June with all participating children having returned to their home school for the final weeks of the term. The Council is required to continue with the operation of the childcare hubs for the children of key workers and vulnerable children over the summer and into the new school term in August.
- The service recently consulted with parents on their experience during lockdown, and continue to engage with the teaching unions on all key aspects of local planning for school return

Children's Social Work Services and Criminal Justice

- The protection of Renfrewshire's most vulnerable children and adults remains a priority. Social work staff from both children's and adult services are maintaining regular contact with those identified as most vulnerable through home visits or virtual contact. All social work visits are being undertaken using appropriate social distancing measures and all staff have access to appropriate PPE.
- Children's services are operating a hub from St. James' Street and can schedule appointments where required for a small number of people unable to be visited at home or provided with advice via the telephone.
- Under Phase 1 of the routemap, children's social workers will increase the number of home visits to vulnerable children following the completion of a risk assessment, the provision of PPE, physical distancing and considering the views of the family.
- Renfrewshire's Children's Houses and the Throughcare Service have continued to operate under the current lockdown arrangements. The service will respond to guidance from the Scottish Government on the gradual removal of lockdown measures.
- Criminal Justice has maintained regular contact with the highest risk offenders and those with highest needs. The high needs service users are mainly vulnerable women. The Unpaid Work scheme has been suspended on a temporary basis, as have Court operations. As the gradual removal of lockdown measures is taken

forward the criminal justice social workers will increase the nature and level of contact in the same manner as outlined for children's social work

Communities, Housing and Planning

- Most Housing Services have been delivered remotely since lockdown measures were introduced at the end of March. While the local housing offices and homeless services offices have been closed to visiting members of the public, staff have quickly and positively adapted to working remotely to continue to deliver essential services to tenants and other services users. Staff who have been making essential visits to tenants, high rise blocks, temporary accommodation and sheltered housing complexes have all been provided with guidance and PPE as required.
- Advice and assistance is being provided by telephone on a 24/7 basis to people who become homeless or are at risk of homelessness and temporary accommodation continues to be made available to people who need this. While most of the temporary accommodation provided to date has been self-contained furnished flats, it has been necessary to make some use of B&B accommodation.
- Routine lettings have been suspended, but it is possible to rehouse applicants with critical housing need including homeless people and those with other urgent needs if wraparound services can be arranged to allow the safe movement of people and to facilitate safe living arrangements (such as adaptations, essential furniture and fittings, utility connections, homecare services).
- The normal processes for dealing with rent arrears have been suspended, and officers are proactively contacting tenants where there have been missed rent payments or changes to rent payment patterns to offer advice on accessing benefits and other support services as appropriate. Housing Options advice is still being provided remotely and new housing applications are being registered, but numbers are well below normal monthly activity.
- The concierge and caretaking service within high rise blocks has continued to operate throughout, and all 14 high rise blocks have daily fire safety checks carried out. Wellbeing calls with appropriate physical distancing and PPE, are also being made to tenants in the amenity flats at Glencairn Court by concierge staff.
- In order to avoid non-essential visits to tenants' homes, routine and non-emergency repairs have been suspended. Only emergency repairs and gas servicing works are being undertaken in tenanted properties.
- The statutory gas servicing process has continued as normal throughout the lockdown period with tenants contacted 8 weeks in advance of their service date to arrange their appointment and to date, the vast majority of services have been carried out within the required 12-month timescale.

Community Protection

- In the Community Safety Partnership, Daily Tasking is continuing on a daily basis with Police and the Council triaging relevant incidents and ensuring they are passed to relevant agencies for action in line with the normal process.
- MARAC is also continuing to meet as normal using MS Teams to consider high risk domestic abuse cases. Arrangements have also been put in place to conduct Prevent Multi Agency Partnership (Counter Terrorism) case conferences if required, using the same technology.

- The CCTV Hub continues to be staffed and public space cameras are fully operational, supported by targeted Wardens patrols in mobile CCTV vehicles. These patrols continue to be deployed to respond to incidences and hotspots identified through daily tasking and complaints.
- An area for increased activity in terms of business regulation was the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020 which were enacted on 27 March, with powers for Councils to visit and prohibit businesses that were not compliant with the Regulations. In line with the Council Integrated Enforcement Policy, businesses have been supported by officers adopting an “engage, explain, encourage and then enforce” model which affords people the best opportunity to comply before any enforcement action is taken.

Environment and Infrastructure

Employees within Environment and Infrastructure were deployed to deliver only essential frontline services during the lockdown period:

- Burial Service – Both Admin & Lair Management
- Building Cleaning
- Street Cleaning – Litter Bin Emptying & sweeping of priority areas
- Emergency Housing & Public Building Repairs
- Waste Collections
- Emergency Response – Weather/Traffic Management & Road Defects
- Vehicle Maintenance – vehicles for Priority Services
- Drivers – to support service priorities & new service requirements
- Essential Catering
- A large number of day-to-day environment and infrastructure services were suspended, including large parts of building services and the grounds maintenance service with employees redeployed to support the continued delivery of essential services. Some of these are new services focused on responding to the COVID-19 pandemic – in particular the support provided to the Local Assistance Team to prepare and make deliveries of emergency Food supplies to shielded and vulnerable individuals across Renfrewshire.
- As the lockdown eases Local Authorities across Scotland worked together with COSLA, Waste Regulators and the Scottish Government to agree a national approach to the reopening of household waste recycling centres, on a phased basis. In Renfrewshire all five household waste recycling sites reopened from 1 June 2020, initially accepting bagged household waste only.
- Outdoor work including a programme of grass cutting is now underway.
- Roads maintenance and buildings services are beginning to make arrangements to recommence activities in line with the Scottish Government routemap and phasing approach. Sector specific guidance is also being issued by the Scottish Government to provide further direction to support the phased reintroduction of these services over coming weeks as part of future phases of the routemap.

Health and Social Care Partnership

Health and social care partnership services have provided an ongoing response throughout the current pandemic:

- Locality Services provide a full intake service including welfare contacts, phone calls and where required, home visits.
- Hospital admission / discharge services operate on a 7-day service basis.
- All Renfrewshire care homes are operating in line with national guidance.
- Care at Home Services, including community meals and responder services continue to operate for critical users.
- Adult Support and Protection Services have been maintained.
- District Nursing services continue to provide nursing care to those most in need, including end of life care.
- Rehabilitation work is focused around supporting care homes, community respiratory patients and rehabilitation from COVID-19.
- Addictions Services continue to carry out triage and assessment and operate essential services from Back Sneddon Street.
- Mental Health Community Services continue to provide essential treatment services from Charleston Centre
- Services developed to respond to COVID-19 - the Assessment Centre, Care Home Testing and the PPE Hub are operating in line with national guidance.

Care Homes

- The greatest impact of COVID-19 is in the population of older people and people with underlying health conditions, in particular in care homes. Renfrewshire has 22 care homes with an available bed capacity of 1,320 spaces. Sadly, 111 people have now been reported by care homes as dying with COVID-19 since 18 March 2020.
- From April, NHSGGC established a new testing pathway for symptomatic residents in all residential and nursing homes across the NHSGGC area and took steps to ensure that people discharged from a hospital based setting to a care home had been given two tests and that those were clear prior to discharge. All new residents and returning residents are also cared for in isolation for a period of 14 days isolation as part of infection control measures.
- The Scottish Government has indicated that there is likely to be a public inquiry in relation to the national response to the coronavirus pandemic. It is anticipated that within this process there will be a focus on people who were discharged to care homes.
- On 20 May 2020 the Interim Chief Medical Officer issued updated guidance to medical practitioners for death certification during the COVID-19 Pandemic. The Lord Advocate has now directed that with effect from 21 May 2020, in light of significant public anxiety around deaths in care homes and deaths of those who may have contracted COVID-19 in their place of work, any such deaths must be reported to the Procurator Fiscal by medical practitioners.
- In line with national guidance a local multi-disciplinary team of key clinical and care leads has been established to support care homes in responding to the challenge of COVID-19 and to provide the best care possible for residents
- One local care home has experienced a significant number of residents who have tested positive for COVID-19. Additional support has been given to this care home

including input from the clinical lead for palliative care, senior nurse manager for the enhanced care home liaison service, and palliative care nurse who have all visited and provided care to residents. An additional Staff Nurse has also been provided by the HSCP to the care home to supplement their staffing levels and the HSCP will continue to work closely with the care home, Public Health and the Care Inspectorate to ensure that all appropriate care and support is provided to the residents.

Care at Home

- At present, Renfrewshire HSCP is continuing to support approximately 1,600 service users through its internal and external Care at Home services.
- Catering services for Home Care, Care Homes and Community Meals and to provide care packages for vulnerable residents have been delivered by a consolidated service, supported by Environment and Infrastructure. Residents continue to receive two meals per day which are now delivered in one visit.
- As Phase 1 of the Scottish Government routemap is implemented a gradual, risk-based approach to extending HSCP services beyond critical, to those with substantial needs will be taken. This will take account of a range of key factors including: adherence to Scottish Government guidelines, including physical distancing and shielding; the needs of specific client groups and assessment of client vulnerability; workforce capacity; health and safety guidance; and alignment with clinical care governance standards.

Chief Executive's Service

- Meetings of the Chief Officers Group have moved from a quarterly frequency to monthly, and the Adult and Child Protection Committees have also been convened outwith usual meeting cycles to ensure robust oversight of protection issues.
- Effective communications have been absolutely critical to the Council response to the COVID-19 Pandemic. To support public communications, wherever possible the public have been signposted to reliable information from the NHS and Scottish Government – with the Council internet provision being rebuilt to facilitate a clear and effective source of information as a single source of truth on all relevant issues supported by effective sharing of vital and up to date information on all relevant social media platforms. The Council public website, social media channels and information line have been the main sources of live information for local people.
- Elected Members, Managers and employees have been updated on a regular basis. Updated guidance for employees has been made available on the public website and intranet with links to the latest information and advice on the NHS Inform website. Weekly messages from the Chief Executive have been issued. Information has been cascaded weekly to frontline workers supported by public health information posters in place around Council buildings, facilities and fleet.
- Given the current restrictions, and in line with other national events, and national guidance, the summer and autumn 2020 events programme, through to and including the Halloween Festival, has now been cancelled. This includes Renfrew and Barshaw Gala Days, Johnstone Fire Engine Rally, Sma' Shot day and Doors Open Day. A digital programme for Sma' Shot day has been developed so that this date continues to mark and honour local workers.

Finance and Corporate Services

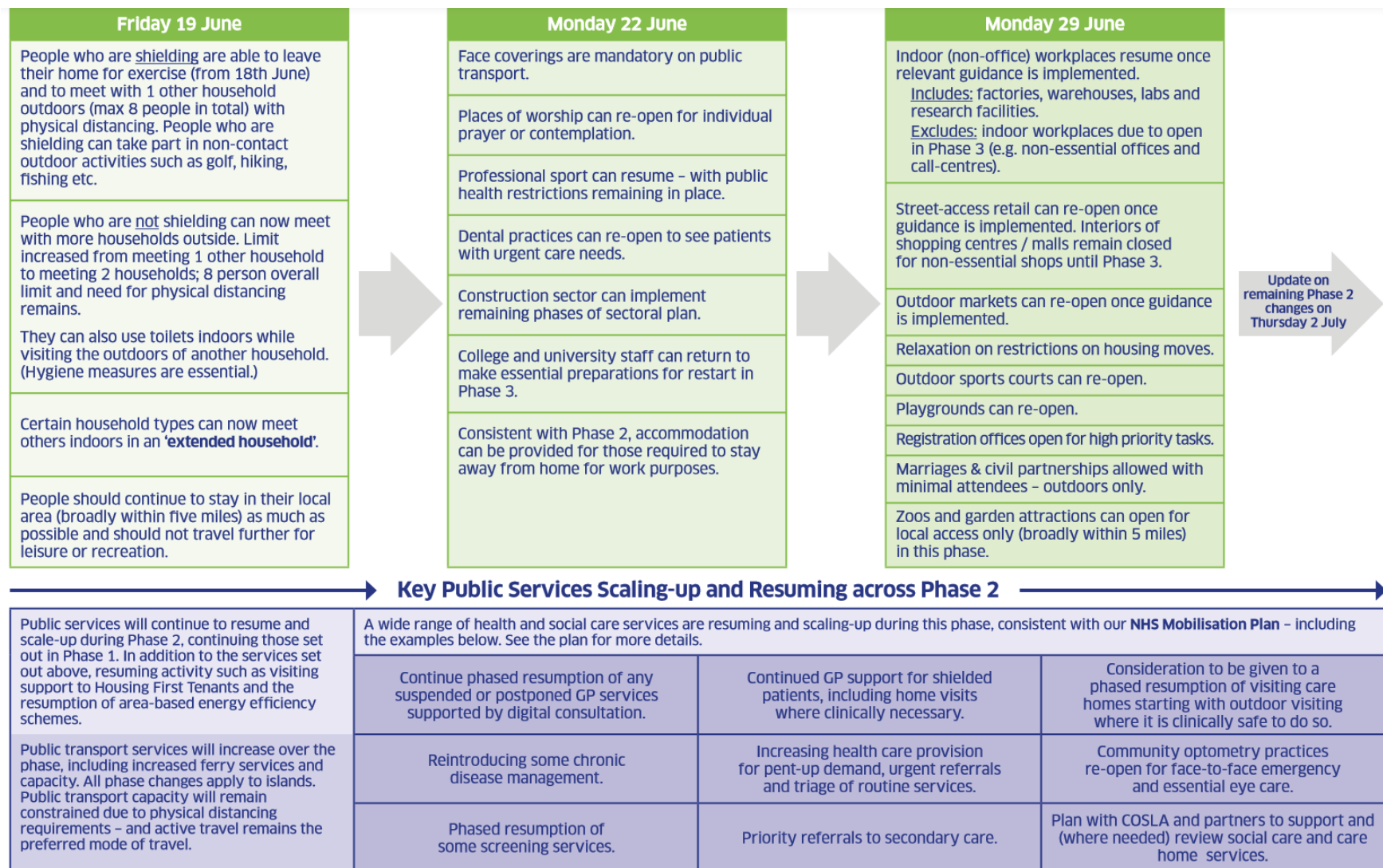
- Finance and Corporate Services employees have been mainly working from home since the lockdown. All service areas are coping well despite high demand in certain areas e.g. customer services and supporting the Scottish Welfare Fund. The Council Contact Centre has also developed new areas of work to support the Local Assistance Teams providing support to shielding and vulnerable residents and to provide support for national helplines at a local level in line with Scottish Government response expectations and guidance.
- The Registration Service initially extended opening hours to cover weekends and bank holidays. This has now been reduced to 6 days per week. This was required to improve the way in which information on the number of COVID-19 related deaths is recovered, making information available seven days per week on the numbers of deaths registered. The service is currently operating from the Community Safety Hub.
- Guidance on the use of PPE, has been regularly reviewed and updated throughout the lockdown period and has been consistently updated and disseminated to all relevant employees together with appropriate training in the proper use of PPE. The Council's Health and Safety team have worked with all relevant Council services to develop risk assessments which reflect PPE requirements, which are kept under regular review.
- UK Government guidance required the Council to allow staff to self-isolate in line with government advice aimed at reducing the spread of infection. A significant number of employees have also been required to minimise their contact with others and are consequently unable to carry out normal frontline duties – because they have an underlying health condition that places them at risk and they have been advised to stay at home. These employees have been supported to continue working from home - either in their own role where practical or fulfilling alternative roles that support priority frontline services. Currently around 1,000 employees have been redeployed within their Services to focus on the delivery of priority services for the community. Just over 200 employees have been redeployed into a range of other roles across council services such as drivers and call handlers.
- The Health and Wellbeing of employees has been a key priority for the Council especially as so many are working in unfamiliar roles. With more employees working from home, delivering essential services and adjusting to life following the current government guidelines, it has been important that they have access to the right support, information and advice to help them stay safe and healthy. The HR & OD Team have been working collaboratively with partners, such as Renfrewshire leisure and the Health and Social Care Partnership, to provide a package of Mental Health and Physical Wellbeing support that is accessible for all employees. There have already been some significant changes to the way frontline employees are supported, for example, providing an enhanced, bespoke counselling service for those working on the shielding telephone line. Spotlight topics have included home working, physical exercise and healthy eating.
- A key resilience and business continuity measure for the Council was the need to support workforce flexibility using ICT technology and agile working. The Council's ICT/Digital resilience has been enhanced and developed in recent years to cope with this requirement. During March 2020 the Council's ICT Infrastructure capacity was substantially stepped up to provide the capability for over 3,000 remote connections to Council systems. This ensured the Council could facilitate much larger numbers of employees being able to operate effectively without the need to

be physically located in a Council office and physically plugged into the Council network. Relevant employees have also been re-provisioned with new flexible ICT kit – e.g. the Customer Contact Centre. This resilience has significantly enhanced the ability of the Council to protect its employees and communities by maximising the numbers of employees working from home, maintaining physical distancing and minimising the numbers at risk and required to travel or access Council facilities or offices for operational reasons.

Renfrewshire Leisure Limited - RLL

- All RLL properties and services were closed in line with government guidance
- Employees that work in services that predominantly generate income were furloughed; equating to forty percent of the contracted workforce. This includes employees who provide and support leisure services, outdoor services, catering services and the spa. The RL employees placed on furlough are receiving 100% of their contracted pay.
- All other employees continued to work from home and / or were redeployed to priority services including support for the childcare hubs and the teams supporting the humanitarian response to shielding and vulnerable residents.
- Existing online services such as Library e-books and magazines have been maintained and seen an increase in traffic.
- Online culture and leisure services were immediately launched including for a range of physical activity, including children's weekly dance classes, which have been accessed by audiences across Scotland.
- As lockdown is eased the golf course and bowling greens outdoor facilities were reopened from 29 May 2020. Phase one of the Scottish Government routemap does not currently allow for club houses or pavilions to come back into use. This means that members of the public and associated clubs have been advised that changing facilities and WCs will remain closed and unavailable until Scottish Government guidance is updated and further phases of the routemap are implemented.

Appendix 5 – Summary of Phase 2 of the Scottish Government's Routemap





To: Council

On: 25 June 2020

Report by: Chief Executive

Heading: COVID 19 Recovery Planning

1. Summary

- 1.1 The emergence of the COVID-19 virus and the resulting pandemic, represents the biggest single event and challenge ever to face the Council. Services have worked very closely in partnership with local and national organisations to respond to the crisis, ensuring that critical frontline services continue to be provided, and that vulnerable people living in our communities are supported.
- 1.2 The impact that the pandemic has had on the provision of Council services has been significant, with no service areas being untouched by the lockdown measures and associated national guidance put into place. New services have also been introduced at pace in response to emerging national requirements such as for people who have been required to shield. A detailed report on the impact on Council operations has been provided separately on the agenda for this Council meeting.
- 1.3 As elected members will be aware the Scottish Government published a Routemap to support the country to come through the crisis, which sets out a number of key phases by which lockdown measures can be eased and services and functions can be restarted in line with associated national guidance.
- 1.4 The organisation has commenced work to support the short, medium and longer term recovery of Council services. There are three key stages to this process:
- **Restart** - incrementally restarting service provision in line with national guidance
 - **Recovery** - rebuilding levels of service capacity, confidence and resilience and supporting reconnection with communities and residents.
 - **Renew** - reimagining / building better and resetting Renfrewshire's ambition and vision for the future.

- 1.5 In taking forward these planning arrangements it should be recognised that whilst the commitment of staff has ensured that core services have continued to be delivered over the period of the crisis, it may not be possible for services to restart fully or be delivered as they were prior to the crisis. It should be noted that:
- The presumption is that home working will remain a default position for most employees as set out in the Scottish Government's Routemap.
 - Services will require to comply with current and emerging guidance in terms of physical distancing and use of personal protective equipment.
 - Services may have to respond to a potential second wave of cases, and changes to lockdown measures at a national and local basis.
 - Services will need to respond to the changing needs of local citizens and communities impacted by the COVID-19 pandemic, including in relation to employability or vulnerability.
 - The impact on the Council's financial position is unprecedented as reported to the Emergencies Board, and the delivery of services will require to be closely managed in terms of the resources available to the Council.
- 1.6 There remains significant uncertainty in terms of the timeframe associated with working through the phases of the Scottish Government's Routemap, as this is dependent on the suppression of the virus. For planning purposes, services are working on the basis that Restart and Recovery phases will continue to be the organisation's focus until at least the end of the calendar year, assuming a second wave of the virus does not emerge. 7 key workstreams have been put into place to drive forward recovery, each of which is lead by a Director or Head of Service. Specific detail on these workstreams is included at Section 5 of this report.
- 1.7 Moving into 2021/22, it may be possible for the Council to move forward with the Renewal phase in a comprehensive way – with the organisational capacity and stability in place to undertake further transformation and change work that will meet the future needs of local residents, communities and businesses within available resources. Officers will continue to consolidate and build on the Right for Renfrewshire programme, and will take full account of the changing context in which we now operate.
- 1.8 Regular progress updates on recovery planning arrangements will continue to be provided to the Emergencies Board over the summer period, with more detailed plans brought forward for elected members thereafter.

2. Recommendations

- 2.1 It is recommended that Council notes:

- (a) the work being undertaken to develop and take forward recovery planning arrangements for the Council, and

- (b) that regular reports will be provided to the Emergencies Board over the summer period, as Phase 2 and Phase 3 of the Government's routemap are actioned.
-

3. Background

- 3.1 Since the emergence of the pandemic crisis, services have been working intensively with local and national partners to respond to the needs of local people, businesses and communities, whilst ensuring that essential services continue to be provided.
- 3.2 The impact of the crisis has been significant, and no services have been untouched by the lockdown measures introduced on 20 March 2020. The commitment of frontline staff across the organisation has ensured that critical services such as care at home, child and adult protection, homelessness and waste collection amongst many others, have continued to be delivered. A significant proportion of staff across the organisation are also now working from home, and have adapted the way that they work to continue to provide services. This has been critical to ensure that the Council as a organisation has been able to continue to function and operate effectively and fully support front line service provision despite the significant impact on normal operational arrangement arising from the lockdown restrictions.
- 3.3 As outlined in the COVID-19 Update paper presented to Council on 25 June 2020, the organisation has also been required at some pace to deliver new services, in order to meet new requirements including support for people shielding, co-ordination of PPE, support for contact tracing, the establishment of neighbourhood hubs and volunteering amongst others.
- 3.4 It is now over 3 months since the lockdown measures were introduced, and the organisation remains in crisis response mode first and foremost, ready to respond in a flexible way to any new emerging needs or requirements. In parallel, work is also under way to plan for the remobilisation of services in line with current guidance.
- 3.5 At a Scottish and UK level, these plans are often referred to as recovery or increasingly renewal plans, as it is recognised that for organisations across all sectors, it will not simply be a matter of restarting and scaling up services and a return to normal. Many of the behavioural changes and social and economic impacts that COVID-19 and the associated lockdown has introduced, will require new and innovative solutions to be developed in partnership to ensure that services meet the changing circumstances of local residents, businesses and communities. There will also be a critical requirement for local authorities to adapt and change they way that they work in order to ensure the ongoing financial sustainability of the organisation, given the unprecedented pressure on resources that the crisis has and will continue to have on the Council's financial position.

4. Current context

4.1 As highlighted in section 3.2 above, all services provided by the Council have been impacted in some way by the crisis.

- Critical frontline services such as care and waste services have continued to be physically deployed within communities. Services such as homeless services and child and adult protection services have been maintained and have been delivered in different ways.
- All customer service centres, day centres, housing offices, and leisure and cultural facilities remain closed at this time to staff and to members of the public with many services being delivered remotely, either by phone, or on line.
- 2216 staff are currently working from home, with approximately 10% of staff currently absent or unable to work due to being 'At Risk'. An approach has been developed to support a safe route back to work for these employees which is being informed by government guidance and best practice.
- The Council's financial position remains under significant pressure, with the net financial impact on the Council's revenue budget estimated at this stage to be potentially in the region of £26 million in 2020/21 and anticipated to extend further. It will take some time for full impact on the Council's budget to be realised, through for example lost income and under-recovery of rent or council tax.
- Significant shocks to the economy are already being experienced, and it is estimated that one third of all employees in privately owned companies have been furloughed across the UK. There also has been a significant increase in unemployment rates and universal credit claimant rates. In Renfrewshire between March and April, data indicates that over 4000 new universal applications were made. Unemployment data published on 16 June 2020, indicates that over 3500 people became unemployed between March and May (an increase of 88% over the period).
- The impact of the virus and the lockdown have been universally experienced but the outcomes – health, social, economic, educational and cultural - will reflect and deepen existing inequalities.
- In addition, there have been major changes in how people work, travel and communicate that has seen behavioural shifts in relation to: use and appreciation of outdoor space, use of cars, planes and public transport and the ways people connect digitally for work and personal life.
- There is potential for future waves of the virus to emerge and in result a requirement for local authorities to respond to the reintroduction of lockdown measures, potentially on a regional rather than national basis.

4.2 On 21 May 2020, the Scottish Government published its COVID-19 Routemap which sets out a phased approach to moving the country through and out of the crisis. This phased approach is required as the country seeks to ease some of the lockdown measures in place, whilst continuing to suppress the transmission of

the virus over a potentially longer period until a potential vaccination or treatment can be developed.

- 4.3 These phases essentially set out the trajectory by which certain Council services can restart in some way. Based on the information published to date, it is likely that most Council services will be operational in some form by the end of Phase 4, although a specific timeline has not been set by the Scottish Government for each phase to commence. However, it is clear that as services are able to resume, they will not be able to be delivered in the same way as the country tries to work through ways of being able to regain some level of normality whilst living with the virus for a potentially extended period of many months and possibly years.
- 4.4 It is worth noting that in the Scottish Government's Routemap document, homeworking remains the default position for working practices where possible, physical distancing will remain in place in some form, and there will still be a requirement for citizens to utilise face coverings and for staff to use personal protective equipment in line with the prevailing national guidance.
- 4.5 A specific and very significant example to illustrate this change is in relation to the provision of learning through schools and early learning and childcare centres. As elected members are aware, schools are scheduled to return on August 11 2020, but will adopt a very different model of learning with a mix of in-school and home learning for an extended period of time. Staff have been working intensively to plan for this change, and will be required to innovate, to use new approaches and to support learning to a greater extent through digital platforms. This type of approach and innovation will require to be replicated across many other service areas.
- 4.6 As the Council begins to restart impacted services It will be important to work with partners to review existing priorities in light of all available data on the impact of COVID-19. There may be a specific requirement to support certain groups of people or localities across Renfrewshire. Initial work to review existing priorities and planned activities with the Community Planning Partnership Executive Group and the Economic Leadership Panel is now underway.
- 4.7 This intelligence will support the Council as it looks to move forward with the Right for Renfrewshire programme, as set out within Section 6 of this report.

5. Local Recovery Planning arrangements

- 5.1 Local recovery planning arrangements are now being progressed for Renfrewshire, which will be taken forward jointly with residents, communities, partners and businesses. These will focus on:
- **RESTART** - incrementally restarting service provision in line with national guidance
 - **RECOVER** - rebuilding levels of service capacity, confidence and resilience and supporting reconnection with communities and residents.

- **RENEW** - reimagining / building better and resetting Renfrewshire's ambition and vision for the future

5.2 The organisation's approach to recovery planning will be developed on an interim basis, recognising that the impact of the pandemic is likely to be deeply felt over the medium to long term, and there will be a requirement for Council services to continue to operate flexibly to meet the changing needs and behaviours of local communities, potentially providing new services or adapting others to reflect emerging Scottish Government guidance and considering the resources available at each stage. This includes responding to potential future waves of the epidemic should the requirement arise.

5.3 The organisation's approach to recovery planning will continue to reflect the Council's values:

We are **fair**: we treat each other and everyone we deal with respectfully and work hard to build trust in Renfrewshire Council

We are **helpful**: we care about getting things right and are always approachable.

We are great **collaborators**: we work as one team and with people who care about this place.

We value **learning**: to help us innovate, improve and deliver better services.

5.4 Our approach to rebuilding and renewing services will be progressed in line with the following high level principles.

Flexibility	<ul style="list-style-type: none"> • Continuing to adapt to changes in national guidance as this develops and changes in response to the pandemic • Considering how existing priorities can be taken forward in light of the current crisis.
Transparency	<ul style="list-style-type: none"> • Regularly reporting progress to elected members and to the public
Partnership	<ul style="list-style-type: none"> • Taking forward our plans on a collective basis, recognising the need to maximise skills, experience and resources across local and national partners
Engagement	<ul style="list-style-type: none"> • Engaging all key stakeholders. Making sure that we offer opportunities to listen and learn from communities and citizens, partners and businesses and staff about their experiences and ideas.
Intelligence	<ul style="list-style-type: none"> • Using data to consider the extent to which local people, communities and businesses have been disproportionately impacted by the pandemic in Renfrewshire.

5.5 The initial approach to this planning is based around 7 key areas or workstreams, each of which is being taken forward on a partnership basis and is being lead by a Director or Head of Service. The key workstreams are as follows:

	Initial priorities identified
Community wellbeing	<ul style="list-style-type: none"> • Working with partners to understand the changing nature of poverty and inequality in Renfrewshire from COVID-19 • Identifying opportunities to work differently to ensure vulnerable people receive support • Developing community networks and building on the joint pandemic response with community and third sector organisations across Renfrewshire. • Developing and sustaining volunteering opportunities • Promoting civic pride and supporting people to reconnect within communities including through digital opportunities
Economic Impact	<ul style="list-style-type: none"> • Providing support to businesses responding to the pandemic • Reviewing current Employability and training
Financial and contractual	<ul style="list-style-type: none"> • Financial Planning to support the financial sustainability of the organisation • Reviewing procurement and contractual obligations
Organisational recovery	<ul style="list-style-type: none"> • Ensuring appropriate governance and decision making processes are supported • Ensuring facilities are operational in line with recovery planning arrangements • Support for home working including access to Council systems and safe working practices. • Meeting the wellbeing needs of the workforce as it adapts to COVID19.
Health and social care	<ul style="list-style-type: none"> • Provision of care to those most vulnerable to the transmission of COVID 19 • Mobilisation plan for health and social care services locally/across NHS GGC
Learning	<ul style="list-style-type: none"> • Preparing for a physical return to education and childcare premises • Developing online learning as part of the blended model of provision • Provision of childcare hubs • Continuing to progress early years expansion plans and adapting these
Leisure and Culture	<ul style="list-style-type: none"> • Restarting services in line with guidance, with significant adaptations to current practice and spaces to comply with this guidance

- 5.6 The organisational capacity that will be required to take this forward will be significant, and it will be undertaken in parallel with existing work being undertaken in terms of managing the organisation's ongoing response to the pandemic crisis.
- 5.7 It should be noted that the health and social care workstream is being progressed by the Health and Social Care Partnership through its Integration Joint Board. A Recovery and Renewal Plan is being developed, linked to both the Council's recovery planning arrangements and the mobilisation plan for health and social care services at an NHS Greater Glasgow and Clyde level.

6 Next steps

- 6.1 In terms of taking forward these recovery planning arrangements, it should be recognised that the Council is in an unparalleled situation in which new information and requirements are emerging on a daily basis. The impact of COVID-19 in socio economic terms will also take time to fully emerge, as will the resulting financial impact on the Council's budget position and financial outlook going forward.
- 6.2 It is unprecedented for officers to be developing planning arrangements of this scale and significance with the level of uncertainty that exists in terms of the current crisis. Recovery planning arrangements will therefore require to be progressed with some flexibility and based on the best information available at this time, as the country moves through the different phases of the Scottish Government's Routemap and the organisation develops a much more detailed understanding of what this will mean in terms of the impact on service provision. In addition, there will also be a requirement to consider the impact of the UK's exit from the EU on recovery planning arrangements, with the transition period for EU withdrawal due to end on 31 December 2020.
- 6.3 In terms of the broad timescales for taking forward recovery planning arrangements, it is likely that current work to respond to the crisis and to restart services in line with national guidance, will last to the end of the current calendar year. This timeframe is likely as it will take some time to restart services and to adapt them to new working environments and guidance.
- 6.4 Completing this particular phase of recovery by December 2020, will only be possible if the virus continues to be suppressed throughout this period, as future waves or spikes in rates of infection would require the Council to shift its focus again more fully to crisis response activities.
- 6.5 It may then be possible to move forward fully with the renewal phase into 21/22, during which further transformation and change work can be undertaken to meet the future needs of local residents, communities and businesses within the resources likely to be available to the Council. Officers will continue to consolidate and build on the Right for Renfrewshire programme over this next period of 6 months, and will take full account of the changing context in which we now operate.
- 6.6 Regular updates will continue to be provided to the Emergencies Board on this work over the summer period.

Implications of the Report

1. **Financial** – it is forecast that the Council will experience a significant ongoing financial impact from COVID19 and maintaining immediate financial stability and medium term sustainability will remain a key objective and is covered as part of the workstreams being progressed. It is planned that a full report on options to manage this impact and appropriately adjust the 2020/21 and medium term financial strategy will be presented to Council in September.

2. **HR & Organisational Development** – the impact of the pandemic has been significant for the Council and its workforce. The organisation has provided ongoing support to the workforce to promote health and wellbeing, with risk assessments provided in line with national guidance. This will continue to be a significant focus for the Council going forward, as services restart and recover whilst adapting to national guidance.
3. **Community/Council Planning** – There has been a strong partnership response to the COVID-19 pandemic in Renfrewshire with community and third sector organisations working closely together to maximise the resources available at a local level to meet the needs of local people and communities. This will be a critical focus going forward as partners work collectively to mitigate the impact on those most negatively impacted in our communities.
4. **Legal** – New legislative requirements have been put into place by the Scottish Government to support the country's response to COVID-19. There may be further changes to these requirements or further legislation as the lockdown measures ease, which the Council will require to respond to.
5. **Property/Assets** – The use of Council's assets going forward will be a key element of local recovery planning arrangements, and there may be a requirement to adapt these in order to meet ongoing national guidance around for example, physical distancing.
6. **Information Technology** – In supporting significant numbers of Council employees to work from home over the last few months, the organisation has to adapt and respond to ensure existing systems and technology can support this. This approach will continue to be developed and as outlined in the report there will require to be a specific focus on supporting digital learning as part of the blended model for learning proposed from 11 August 2020.
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. As outlined in the report itself, the Council will need to continue to monitor the impact of COVID-19 and the disproportionate impacts it may have on certain communities or groups of people across Renfrewshire, including in relation to poverty, ethnicity, gender and disability amongst other protected characteristics.
8. **Health & Safety** – As highlighted above advice and guidance is being given to protect the health and safety of employees and service users when carrying out priority services for the Council in line with government and health guidance, and this will require to continue and support the adaptation of services going forward as these restart and recover.
9. **Procurement** – The Corporate Procurement team will support the restart, recovery and renewal of Council services, providing advice and guidance on all procurement issues.
10. **Risk** – Due to the severity of the global pandemic and Covid-19, there is a risk to the delivery of the services with staff levels being reduced. This is being closely monitored by the Emergency Management Team. Business Continuity Plans have been reviewed and the risk has been added to the Corporate Risk Register.
11. **Privacy Impact** - None.
12. **COSLA Policy Position** – Not Applicable
13. **Climate Risk** – The pandemic has led to fairly significant changes to behaviours in terms of the mode and level of transport use and there are a range of emerging opportunities to promote active travel going forward. The Council has committed to work towards having net

zero carbon emission by 2020, and the impact of COVID 19 will require to be reflected in future climate planning arrangements.

List of Background Papers

None

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To: Council

On: 25 June 2020

Report by: Director of Finance and Resources

Heading: Governance Arrangements until 24 September 2020

1. Summary

- 1.1 The purpose of this report is to seek the Council's approval to temporary governance arrangements being put in place over the summer recess and to approve the arrangements for the next cycle of Board meetings up to the next full Council meeting on 24 September 2020.
- 1.2 The arrangements in the report are necessary to provide a decision-making framework for the Council as it continues to respond to the Covid-19 pandemic and as it adapts to the phased removal of lockdown restrictions. These arrangements will enable the Council to respond to any changes in guidance or legislation relating to the Covid-19 emergency and to consider the impact of those changes on the Council and the services it provides.
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2. Recommendations

- 2.1 Council is asked to:
- a) approve the temporary governance arrangements for summer 2020 as set out in section 4 of this report including the arrangements for the Emergencies Board to meet every two weeks and for the revised membership and remit of the Emergencies Board;
 - b) approve the arrangements for the next cycle of Council and Board meetings set out in section 5 of this report;

- c) note that the arrangements for subsequent Board cycles will be the subject of a report to Council on 24 September 2020;
- d) agree that for the purposes of Section 35 of the Local Government (Scotland) Act 1973, where an elected member has been unable to attend a meeting of a Council or Board because it has been cancelled or attendance has been reduced due to the Council's response to the Covid-19 emergency, that will be regarded as an approved reason for not attending by the Council.

3. Background

- 3.1 The Council has put in place emergency governance arrangements to enable oversight of the Council's functions and services during the Covid-19 emergency, in circumstances where it was not possible for meetings of the Council's Boards to take place safely in Renfrewshire House.
- 3.2 These emergency arrangements that have been in place since 20 March 2020, included weekly meetings of the Emergencies Board, held remotely by Skype, extended emergency delegations to the chief executive and the cancellation of all Council and Board meetings up to 24 June 2020.
- 3.3 The emergency arrangements were put in place at a time when it was not possible to know the full impact of the virus and it was not known when it would be possible for Board meetings to recommence. However, to enable the position to be reviewed the Council meeting on 25 June 2020 was not cancelled.
- 3.4 Subsequently, it was agreed at the Emergencies Board on 29 May 2020 that the meeting today should go ahead and that a report would be brought to the meeting to outline proposals for governance arrangements over the summer recess and for the next cycle of meetings up to the Council meeting on 24 September 2020.

4. Arrangements for Summer 2020

- 4.1 In normal circumstances, after the Council meeting in June, the Council would go into recess with no meetings taking place until the first Board meetings in the August/September cycle of meetings.
- 4.2 However, for this year, due to the ongoing Covid-19 pandemic and its implications for Renfrewshire, it is proposed that the Emergencies Board continues to meet during the recess. The proposal is that the meetings will be held fortnightly with the next meeting on Friday, 3 July 2020 at 3pm. The meetings will be held remotely.

- 4.3 It is also proposed that as a temporary measure the membership of the Emergencies Board is expanded to 15 members with the membership comprising 8 members from the SNP Group, 3 members from the Labour Group, 2 members from the Conservative Group, 1 member for the Independent Group and the Liberal Democratic member. The Board will continue to be chaired by Cllr McGurk. The Group Leaders are asked to confirm their representatives on the Board to the Head of Corporate Governance by 5pm on 1 July 2020.
- 4.4 In addition, to clarify the continuing role of the Board in anticipation of the return of policy board meetings and the continued delegations to the chief executive it is proposed as a temporary measure to amend the remit of the Board so that it states:
- “To oversee the activities of the Council, including the deployment of resources, in the event of any emergency, such as may be defined by the Chief Executive. During the emergency, the Board will take decisions on any matter which involves a significant change to Council policy which due to urgency cannot wait until the next meeting of the relevant Policy Board or Council and which do not fall within delegations given to any officer.”
- 4.5 The existing emergency delegations to the chief executive will continue until the commencement of the next Board cycle on 19 August 2020. This will complement the delegation which the chief executive has during the summer recess each year to deal with any operational matter.
- 4.6 The temporary measures put in place for the Emergencies Board as outlined above, will be reviewed at the Council meeting on 24 September 2020.

5. Arrangements for the August/September Cycle of Meetings

- 5.1 The dates for meetings of the Council and Boards from August 2020 to June 2021 were approved by Council on 26 September 2019. Those dates, including those during the August and September Board cycle, have remained in place as scheduled and are listed in the appendix to this report.
- 5.2 The Council therefore needs to consider whether, in light of government guidance and legislation to tackle the Covid-19 pandemic currently in force, the next cycle of meetings should take place, and if so, what format those meetings should take.
- 5.3 It is proposed that the planned meetings in August and September do take place and that the meetings take place remotely using video or audio links. The reason for the meetings taking place in this way is that although there is no specific guidance relating to formal meetings of bodies such as local authorities, there is government guidance that advises against indoor gatherings of people not from the same household.

Therefore, until the position is clarified, it is not possible to hold meetings in the Council Chamber or any of the committee rooms in Renfrewshire House or any other indoor venue.

- 5.4 It is recognised that for the meetings to take place effectively, all members of the Boards will require to have the necessary equipment to enable them to take part. Relevant training and technical support will also be made available for elected members.
- 5.5 It is also recognised that holding meetings in this way means that the public are excluded from the meetings and cannot watch proceedings as they occur. To partly address this issue, it is proposed that the meetings will be recorded and broadcast as soon as possible after the meeting has finished. Officers will also continue to investigate ways of enabling public attendance at meetings held by video/audio link and at the potential for streaming each meeting as it happens.
- 5.6 Due to the re-convening of the Policy Boards, there will be no need for the emergency delegations given to the chief executive on 20 March to continue after 18 August 2020. However, although the Policy Boards will begin to meet again from August, the governance of the Council still needs to be sufficiently flexible to respond to the rapidly changing situation during the pandemic. Accordingly, it is proposed that the Emergencies Board will continue to meet fortnightly to deal with any matters that require urgent decisions to be taken until the Council meeting on 24 September 2020.
- 5.7 Although it is not possible to predict how long the current emergency will last, it is hoped that guidance may change as the relaxation of lockdown restrictions continues through the phases of the route-map issued by the Scottish Government. Therefore, the arrangements for future Council and Board meetings will continue to be reviewed and will be the subject of a report to Council on 24 September 2020.

6. Attendance at Meetings

- 6.1 Section 35 of the Local Government (Scotland) Act 1973 provides that if a member of a local authority fails throughout a period of six consecutive months to attend any meeting of the authority, they shall, unless the failure was approved by the authority, cease to be a member of the authority. It is proposed that for the purposes of section 35, where an elected member has been unable to attend any meeting of the Council or a Board because it has been cancelled or attendance has been reduced due to the Council's response to the Covid-19 emergency, that will be regarded as an approved reason by the Council.
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Implications of the Report

1. **Financial** – None
2. **HR & Organisational Development** - None
3. **Community/Council Planning** – None
4. **Legal** – As detailed in the report.
5. **Property/Assets** – None
6. **Information Technology** – None
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – The proposals in the report recognise that it is not currently possible for formal council and board meetings to take place safely in Renfrewshire House.
9. **Risk** - None
10. **Privacy Impact** – None
11. **Cosla Policy Position** - None
12. **Climate Risk** - None

List of Background Papers –

- 1) Minute of the meeting of the Emergencies Board on 20 March 2020.
- 2) Report to the Emergencies Board on 29 May 2020 headed "Arrangements for the Council meeting on 25 June 2020."

Author: Ken Graham, Head of Corporate Governance.

August 2020						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 Public Holiday	4 recess	5 recess	6 recess	7 recess	8
9	10 recess	11 recess	12 recess	13 recess	14 recess	15
16 - 1/1	17	18 – 1pm: Communities, Housing & Planning 3pm: - Police and Fire & Rescue Scrutiny	19 – 10am: Regulatory Functions	20 - 1pm: Education & Children's Services	21	22
23 - 2/1	24 – 10am: Audit, Risk & Scrutiny	25	26 – 1pm: Infrastructure, Land & Environment	27 - 9.30am: Appeals	28	29
30 - 3/1	31 – 2pm: Petitions					
September 2020						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 – 2pm: JNC	2 – 2pm: Finance, Resources & Customer Services	3 - 10am: Regulatory Functions	4	5
6 - 4/1	7	8 – 2pm: Local Review Body	9	10	11	12
13 - 5/1	14	15	16 – 1pm: Leadership	17	18	19
20 - 6/1	21 - 10am: Audit Risk & Scrutiny	22	23	24 – 9.30 am Council	25 Public Holiday	26
27 - 7/1	28 Public Holiday	29	30			



To: Council

On: 25 June 2020

Report by: Director of Finance & Resources

Heading: Annual Accounts 2019/20

1. Summary

- 1.1 The Council's Accounts and Group Accounts for 2019/20 will be submitted for audit by the statutory deadline of 30 June 2020 and a copy of the Council's annual accounts is attached for members' approval, along with the accounts of the charities the Council controls.
 - 1.2 Once approved the unaudited accounts and associated working papers will be passed to the external auditor (Audit Scotland) for their review. Their report on the Accounts will be submitted to a future meeting of the Audit, Risk & Scrutiny Board for consideration prior to the audited accounts being presented to Council for approval.
 - 1.3 Owing to the ongoing Coronavirus pandemic, flexibility in terms of the timescales for approval of the audited annual accounts has been provided under the Coronavirus (Scotland) Act 2020; however Scottish Ministers have indicated their expectation that audited annual accounts are published by 30 November 2020.
-

2. Recommendations

- 2.1 Consider, subject to audit, the Renfrewshire Council Annual Accounts for 2019/20; and delegate authority to the Director of Finance & Resources to submit the accounts to external audit within the relevant timescales
- 2.2 Approve the annual governance statement for 2019/20

- 2.3 Note that Audit Scotland will endeavour to complete the audit of the annual accounts in line with the timescales indicated by Scottish Ministers; and that an update on this position will be provided to the next meeting of Council
- 2.4 Note the revenue outturn position for the Council and approve the sums earmarked within the General Fund reserves and HRA reserves as outlined in 3.3 below.
- 2.5 Approve the deployment of unallocated reserves to support costs incurred in relation to the Coronavirus pandemic; and note that a planned actions to rebuild unallocated reserves will require to be developed as part of a revised financial strategy for the Council to be considered as part of a report to be presented to the September Council meeting.
- 2.6 Approve the transfer of resources outlined in Table 1 below.
- 2.7 Approve, subject to audit, the annual accounts attached for the Renfrew, Paisley and Johnstone Common Good Funds and the Coats Observatory Trust Fund which under accounting regulations require to be separately prepared and audited from the Council's accounts.
- 2.8 Consider the findings of the Accounts Commission in relation to the 2018/19 annual accounts as outlined in 9.2 below.

3. **Background**

- 3.1 The Council's Accounts and Group Accounts for 2019/20 will be submitted for audit by the statutory deadline of 30 June - a copy is attached for members' consideration. The accounts have been produced to comply with International Financial Reporting Standards (IFRS) and relevant government accounting regulations. In order to comply with charity accounting requirements, the Council's Accounts do not incorporate statements relating to the Common Good Funds and the Coats' Observatory Trust Fund which the Council controls. In both these instances, separate accounts have been prepared in accordance with registered charities accounting requirements and are also included for members' approval. The Annual Governance Statement has been incorporated into the annual accounts document and this also requires specific approval by Council.
- 3.2 Owing to the ongoing Coronavirus pandemic and the impact associated restrictions may have in terms of allowing the audit of the accounts to progress, additional flexibility in terms of the approval process for the audited accounts has been provided under the Coronavirus (Scotland) Act 2020. In essence, each council may set its own timetable for approval of the audited accounts; however Scottish Ministers have indicated in Finance Circular 10/2020 that they consider audited accounts should be published (and are therefore approved by Council) no later than 30 November 2020. The external auditor (Audit Scotland) will endeavour to complete the audit process in line with these timescales and an update will be provided to the next meeting of Council in this regard. It is

possible however that in order to meet Scottish Minister's expectations that the Council may be required to consider options to support the approval of the audited accounts outwith the normal Council meeting cycles. The external audit report on the Accounts will be made available to all members and will be submitted to a meeting of the Audit, Risk & Scrutiny Board for consideration prior to the Council meeting where the audited accounts are considered.

3.3 The Management Commentary prefacing the Accounts provides an overview of the Council's financial performance and the key features are:-

- (a) General fund revenue spending has been broadly contained within overall budget limits, however a net overspend of £0.538 million (0.1% of turnover) was incurred after adjusting for planned carry forwards, the carry forward of committed resources and making a prudent provision for increased levels of bad debt anticipated in relation council tax. Excluding the increase in bad debt provision, the position would have reflected a general fund underspend of £1.333 million (0.3% of turnover).
- (b) This outturn position is broadly in line with the forecast breakeven position previously reported to members. Unallocated balances have decreased to £6.599 million moving into 2020/21, slightly below the minimum £7 million level recommended. As outlined in agenda item 2 and as reported to the Emergencies Board on 15 May 2020, it is forecast that there will be significant unbudgeted costs which the Council will incur over the course of 2020/21 and beyond in relation to both the immediate response to the COVID19 outbreak and the following recovery period which at present has potentially limited prospect of being funded by the Scottish Government. In this context unallocated reserves will require to be deployed in full to support the financial response to the pandemic; and that the Council develops as part of its revised financial strategy plans to re-establish an unallocated reserve balance at the recommended minimum level of £7 million.
- (c) Of the overall General Fund reserves, the significant majority are earmarked as detailed at page 39 of the accounts documents. This represents funding set aside by the Council to support a wide range of key priorities, investments and long term funding arrangements. In response to COVID19 pandemic and its associated financial impact, there will be a requirement to review each of the earmarked reserves, reconsidering where appropriate options in relation to their underlying funding approaches and or their proposed use as part of the Council's consideration of a revised financial strategy
- (d) Unallocated HRA reserves as at 31 March 2020 have been maintained at £6.807 million. Although not to the same extent as the General Fund, it is anticipated that there may be a requirement to draw on a proportion of the unallocated HRA balances as part of responding to the impact of costs associated with the overall COVID19 impact.

- (e) As detailed in Table 1 below, specific reserves now total £88.550 million, an increase in year of £7.912 million, which relates primarily to resources committed to the Council's capital investment programme and resources retained as part of delivering the council's debt smoothing strategy.

Table 1

	Opening balance	Contributions to Reserves	Reserves Used / Transferred	Closing balance
	£m	£m	£m	£m
Insurance Fund	2.543	-	-	2.543
Reservoir Repair Fund	0.315	-	-	0.315
Education Capital Items	1.047	0.010	-	1.057
Investment Capital Fund	76.733	8.751	(0.849)	84.635
Total	80.638	8.761	(0.849)	88.550

- (f) Capital spending of £53.284 million on non-housing projects was managed within the overall expenditure control limits approved by Council.
- (g) The Council's in year council tax collection performance for 2019/20 was 96% and is consistent with that reported in the previous year, equalling the highest ever performance achieved by the Council. It is however anticipated that as a result of COVID19, overall council tax income yield and collection performance will be materially impacted in 2020/21.

4. FINANCIAL PERFORMANCE 2019/20

- 4.1 An overview of the revenue budget performance for each service is appended to this report, including explanatory narrative in respect of the main budget variances. In summary, the position across departments is as follows:

Service	Year end outturn £000s Under/(over)spend
Chief Executives	0
Children's Services	(43)
Adult Services (HSCP)	0
Environment & Infrastructure	(49)
Communities, Housing and Planning	544
Finance and Resources	1
Miscellaneous Services (including council tax)	(994)
Renfrewshire Council General Fund	(538)
Housing Revenue Account	0

4.2 Council Tax Income - £373,000 over-recovery

Council tax income has over recovered against budget and the in-year collection level of 96% is consistent with that reported in the previous year. This represents a continued positive level of collection performance in what remains a challenging economic environment for both residents and the Council. This position includes a prudent increase in the bad debt provision of £1.873 million reflecting an anticipated increase in the levels of write offs which may be required given the impact of Coronavirus on the general economy and household finances.

4.3 Housing Revenue Account (HRA) – Break-even

The final year-end breakeven position is in line with the projection previously reported and reflects the net effect of an underspend in employee costs and an overspend on repairs costs. The transfer payments budget highlights underspends delivered through continuing improvements in performance regarding rent collection and void rent losses.

Additional investment in property maintenance costs, including void properties resulted in an overspend in repairs within premises related costs.

An overspend in depreciation and impairment relates to the increased capital contributions made as part of the HRA Business Plan Strategy to utilise in year underspends to assist mitigate the impact of future capital borrowing costs arising from the delivery of investment in housing stock.

Unallocated HRA reserves as at 31st March 2020 have been maintained at £6.807 million. This represents a prudent level of unallocated reserves for the HRA which remain available to mitigate the impact of any unforeseen risks. As outlined above, it is anticipated that there is likely to be a draw on unallocated reserves during 2020/21 in response to the COVID19 impact.

5. BUDGET PERFORMANCE - CAPITAL

5.1 Non-Housing Capital Budget Performance

Non-Housing capital expenditure totalled £53.284 million during 2019/20. Capital receipts of £1.732 million were generated from asset sales. These receipts along with £8.017 million available within the Useable Capital Receipts Reserve provided total receipts of £9.748 million. From this, £0.296 million was utilised to support current year investment leaving a balance of £9.453 million which has been earmarked to support the ongoing investment programme in future years. The capital investment performance was delivered within the approved prudential expenditure and borrowing limits set by the Council.

5.2 Housing Capital Budget Performance

Housing capital expenditure totalled £32.064 million during 2019/20. Capital receipts of £0.408 million were realised from asset sales during 2019/20. These receipts were fully utilised in 2019/20 to support the current year investment programme.

6 PRUDENTIAL FRAMEWORK

- 6.1 The Prudential Framework approved by the Council is supported by a number of indicators and the Council's performance against these indicators is reported in the Management Commentary in the Accounts. A further report outlining the treasury management activity undertaken during 2019/20 is also on the agenda for this meeting.

7. GROUP ACCOUNTS

- 7.1 The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 – ("the Code"), requires local authorities to consider accounting for their interests in all types of entity e.g. Joint Boards & Committees, Leisure Trusts, companies etc. This includes other local authorities or similar bodies as defined in section 106 of the Local Government (Scotland) Act 1973 e.g. statutory bodies such as Valuation Joint Boards plus all Joint Committees. Under the Code 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.
- 7.2 To comply with the mandatory requirement for such disclosures we have once again reviewed over the last year a number of organisations with which the Council is involved against the accounting guidelines as detailed in the code. We have concluded that the Council is required to prepare Group Accounts and to consolidate the results of the Council with a share of a number of other entities.
- 7.3 The entities that are deemed to fall within the Council's group boundary are:

Joint Boards encompassing the Strathclyde Concessionary Travel Scheme Joint Committee, Strathclyde Partnership for Transport, the Renfrewshire Valuation Joint Board and the Renfrewshire Integration Joint Board,

Paisley, Renfrew & Johnstone Common Good Funds and the Observatory Trust administered by the Council,

Renfrewshire Leisure Limited,

Park Lane Developments (Renfrewshire) LLP,

Paisley Museum Reimagined Limited.

- 7.4 Both the Council's own Accounts and the Group Accounts will be submitted by 30 June to external audit in accordance with the statutory deadline.

8. Common Good Funds and Coats Observatory Trust Fund Accounts

- 8.1 Under accounting requirements introduced in 2010/11, the Council is required to present the annual accounts of both the Common Good Funds and the Observatory Trust separately from the Council's main accounts. In addition, the Council is also required to put in place audit arrangements which are separated from the audit of the Council and its own financial statements.
- 8.2 Enclosed therefore for members approval for submission for audit are the annual accounts for both the Common Good Funds and the Coats' Observatory Trust which have been prepared in line the Charities Statement of Recommended Accounting Practice (Charities SORP).

9. Accounts Commission report

- 9.1 As reported to members previously, the Council did not meet the statutory deadline for approval of the audited accounts in 2018/19. The Accounts Commission requested further information in regard to the position and the issues which arose over the course of the audit of the 2018/19 accounts.
- 9.2 This report which has been circulated to all members was discussed by the Commission on 12 March 2020. The Commission found as follows:

The Commission accepts the Controller of Audit's report on matters relating to the closure of 2018/19 accounts in Renfrewshire Council.

Timely closure of accounts is an important part of the assurance that audit provides on the stewardship of public finances. The auditor delayed issuing their opinion on the Council's financial statements beyond the statutory deadline to allow for appropriate adjustments to the accounts to be made by the Council and for the audit team to complete their work to an appropriate standard. We therefore note the Controller's support of the auditor's decision.

We also note that the Controller and auditor are content with the actions that the Council has put in place to avoid a recurrence of the issue, which involve process changes to a business support system. We are assured about how the Council responded to and learned lessons from the matter.

The auditor will report to the Controller on the outcome of the 2019/20 audit, and we ask the Controller to update us accordingly.

- 9.3 The Council has fully addressed the agreed actions in relation to the contributory issues that impacted on the 2018/19 audit and has provided the timely closure of the 2019/20 draft accounts and provision of all working papers to Audit Scotland despite the major challenges presented by the onset of the COVID19 working restrictions. The Council will support the Audit Scotland team

throughout their audit process to meet the extended deadline of 30th November 2020 for the publication of audited accounts.

Implications of the Report

1. **Financial** – the report provides an overview of the Council’s financial performance over the course of 2019/20 and as at 31 March 2020. The annual accounts will be presented for audit with the audit findings being reported to the Audit, Risk and Scrutiny Board. The report outlines continued sound budgetary control and management of council expenditure within available resources, but also indicates the likelihood of significant pressures on council finances driven by the Council response to the Coronavirus pandemic.
2. **HR & Organisational Development** - none
3. **Community/Council Planning** – the report outlines continued sound financial management which supports the council to deliver on its key community and council plan objectives.
4. **Legal** – subject to approval by Council, the annual accounts will be released to external audit within the statutory timescales.
5. **Property/Assets** - none
6. **Information Technology** - none
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals’ human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council’s website.
8. **Health & Safety** - none
9. **Procurement** – none
10. **Risk** - none.
11. **Privacy Impact** - none
12. **Cosla Policy Position** – none
13. **Climate Risk** – none

Author: Alan Russell, Director of Finance & Resources

RENFREWSHIRE COUNCIL						
REVENUE BUDGET MONITORING OUTTURN REPORT 2019/2020						
1 April 2019 to 31 March 2020						
CHIEF EXECUTIVE'S						
Objective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %	Note
Chief Executive and management	368	368	365	3	0.8%	
Policy and Commissioning	4,418	4,418	4,326	92	2.1%	Underspend in employee costs arising from vacancies in the service in varying posts over the financial year.
Marketing and Communications	3,133	3,133	3,179	-46	-1.5%	Overspend on the events programme due to expenditure on the Fireworks event approved by Council mid way through the financial year in addition to the existing programme - partially offset by vacancies in varying posts of the course of the financial year.
City Deal	658	658	658	0	0.0%	
Regeneration & Economic Development	1,509	1,509	1,488	21	1.4%	Over-recovery of income due to management of voids in letting of industrial units
Leisure services	11,163	11,163	11,233	-70	-0.6%	Overspend on property costs as a result of retrospective one off charges in respect of maintenance and backdated rent reviews together with a variation to the RL requisition charge (not Covid related)
Total	21,249	21,249	21,249	0		

Subjective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %
Employees	9,399	9,399	9,204	195	2.1%
Premises Related	548	548	606	-58	-10.6%
Transport Related	14	14	24	-10	-71.4%
Supplies and Services	13,390	13,390	13,609	-219	-1.6%
Third Party Payments	128	128	128	0	0.0%
Transfer Payments	4,053	4,053	4,045	8	0.2%
Support Services	107	107	53	54	50.5%
Depreciation & Impairment Losses	912	912	912	0	0.0%
Gross Expenditure	28,551	28,551	28,581	-30	
Income	-7,302	-7,302	-7,332	30	-0.4%
Net Expenditure	21,249	21,249	21,249	0	

RENFREWSHIRE COUNCIL						
REVENUE BUDGET MONITORING OUTTURN REPORT 2019/2020						
1 April 2019 to 31 March 2020						
CHILDRENS SERVICES						
Objective Analysis	Annual Budget £000	Revised Budget £000	Full Year Actual £000	Variance (Adverse) / Favourable	Variance %	Note
Directorate	0	669	637	32	4.8%	Underspend mainly relates to transfer payments, in relation to Disclosure Scotland
Early learning and childcare	0	24,363	23,876	487	2.0%	Underspend mainly relates to employee costs owing to vacancies
Primary	0	53,663	53,475	188	0.4%	Underspend mainly relates to employee costs, offset by overspends in premises related costs.
Secondary	0	59,511	59,378	133	0.2%	Underspend mainly relates to employee costs, offset by overspends in premises related costs.
ASN (Special) Schools	0	9,036	9,067	-31	-0.3%	Overspend mainly relates to employee costs and premises related costs.
Additional support for learning (ASL)	0	9,800	9,814	-14	-0.1%	Overspend mainly relates to ASL transport costs
Psychological services	0	697	745	-48	-6.9%	Overspend mainly relates to employee costs
Education development	0	1,406	1,462	-56	-4.0%	Overspend mainly relates to employee costs
Attainment Challenge	-540	-540	-540	0	0.0%	
Facilities management	0	493	542	-49	-9.9%	Overspend relates to employee costs and supplies & services.
Children & Families	-1	30,808	31,493	-685	-2.2%	Overspend mainly relates to employee costs and residential placements.
Total	-541	189,906	189,949	-43		

Subjective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %
Employees	141,441	144,696	143,773	923	0.6%
Premises Related	9,987	9,987	10,456	-469	-4.7%
Transport Related	4,678	4,919	5,252	-333	-6.8%
Supplies and Services	17,102	12,204	12,243	-39	-0.3%
Third Party Payments	14,749	14,749	14,691	58	0.4%
Transfer Payments	10,375	10,406	11,599	-1,193	-11.5%
Support Services	184	1,555	1,612	-57	-3.7%
Gross Expenditure	198,516	198,516	199,626	-1,110	
Income	-8,610	-8,610	-9,677	1,067	-12.4%
Net Expenditure	189,906	189,906	189,949	-43	

RENFREWSHIRE COUNCIL						
REVENUE BUDGET MONITORING OUTTURN REPORT 2019/2020						
1 April 2019 to 31 March 2020						
ADULT SERVICES (HSCP)						
Objective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %	Note
Older People	45,915	43,939	44,249	-310	-0.7%	Underspend reflects vacancies due to recruitment issues, offset by pressures in Care at Home services, reflecting increasing demand including keeping delayed discharges to a minimum.
Physical or Sensory Difficulties	6,028	7,576	7,442	134	1.8%	
Learning Difficulties	14,659	15,341	15,561	-220	-1.4%	Pressures on the adult placement budget reflecting increasing demand and SDS, plus costs associated with Ordinary Residence client care packages transferring to Renfrewshire HSCP.
Mental Health Needs	2,349	3,026	2,707	319	10.5%	
Addiction Services	666	803	726	77	9.6%	Underspend reflects planned hold on recruitment to enable new structures to be implemented in line with the review of addiction services
Total	69,617	70,685	70,685	0		

Subjective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %
Employees	31,809	32,177	31,798	379	1.2%
Premises Related	352	570	614	-44	-7.7%
Transport Related	800	815	737	78	9.6%
Supplies and Services	2,469	1,900	2,339	-439	-23.1%
Third Party Payments	57,718	67,006	67,461	-455	-0.7%
Transfer Payments	3,309	3,023	2,835	188	6.2%
Support Services	70	70	58	12	17.1%
Gross Expenditure	96,527	105,561	105,842	-281	
Income	-26,910	-34,876	-35,157	281	-0.8%
Net Expenditure	69,617	70,685	70,685	0	

RENFREWSHIRE COUNCIL						
REVENUE BUDGET MONITORING OUTTURN REPORT 2019/2020						
1 April 2019 to 31 March 2020						
ENVIRONMENT & INFRASTRUCTURE						
Objective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %	Note
Directorate & Change Management	1,421	1,421	1,422	-1	-0.1%	Additional cost of revised waste collection services implementation
Refuse collection	5,726	5,726	5,950	-224	-3.9%	
Household Waste Recycling Centres	709	709	653	56	7.9%	
Refuse disposal	7,647	7,647	7,658	-12	-0.2%	
StreetScene	5,588	5,588	5,661	-73	-1.3%	Delay in the implementation of the BCCP programme
Sustainability & Place	481	481	467	13	2.8%	
Fleet Management	-286	-286	-300	14	-4.7%	
Drivers & Garaging	1,432	1,432	1,640	-208	-14.5%	
Vehicle Maintenance	-79	-79	-205	125	-157.6%	An increase in repairs to council vehicles, resulting in an over recovery of income.
Roads Operations	2,722	2,722	2,899	-177	-6.5%	Increased potholing and repairs work
Infrastructure & Assets	637	637	573	63	9.9%	Under recovery of income from parking fines of £200k, due to a consistent drop in
Flooding	179	179	165	14	7.9%	
Structures	126	126	116	10	7.9%	
Street lighting	912	912	966	-54	-6.0%	
Traffic management	1,223	1,223	1,031	192	15.7%	Increased management focus and controls resulted in underspends on employee
Parking of Vehicles	-876	-876	-522	-354	40.4%	
Strathclyde Partnership for Transport requisition	3,168	3,168	3,161	7	0.2%	
Schools and Other Catering	4,914	4,914	4,574	340	6.9%	
Cleaning and Janitorial	7,520	7,520	7,170	349	4.6%	Increased management focus and controls resulted in underspends on employee
School crossing patrols	643	643	572	72	11.1%	Contractor payments for ongoing maintenance contracts within council buildings
Public Buildings Repairs & Compliance	3,630	3,630	3,862	-232	-6.4%	
Street Lighting Maintenance	367	367	339	27	7.5%	
Building Services	125	125	122	3	2.4%	
Tackling Poverty - facilities management	100	100	100	0	0.0%	
Total	48,026	48,026	48,075	-49		

Subjective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %
Employees	40,851	40,851	40,712	139	0.3%
Premises Related	4,575	4,575	5,106	-531	-11.6%
Supplies and Services	21,156	21,156	24,156	-3,000	-14.2%
Transport Related	7,661	7,661	8,036	-376	-4.9%
Support Services	1,137	1,137	1,129	8	0.7%
Third Party Payments	3,216	3,216	3,195	21	0.7%
Transfer Payments	47	47	173	-126	-266.4%
Depreciation and Impairment Losses	-6	-6	-6	0	0.0%
Gross Expenditure	78,637	78,637	82,501	-3,865	
Income	-30,610	-30,610	-34,426	3,816	-12.5%
Net Expenditure	48,026	48,026	48,075	-49	

RENFREWSHIRE COUNCIL						
REVENUE BUDGET MONITORING OUTTURN REPORT 2019/2020						
1 April 2019 to 31 March 2020						
COMMUNITIES, HOUSING & PLANNING						
Objective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %	Note
HRA	0	0	0	0	0.0%	See main report
Other housing	6,446	6,446	6,912	-466	-7.2%	Mainly attributable to staff turnover
Planning	596	596	-167	763	128.0%	Significant one-off planning fee income received
Communities & Public Protection	5,581	5,581	5,335	246	4.4%	Mainly attributable to staff turnover
Total	12,623	12,623	12,080	543		

Subjective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %
Employees	17,164	17,164	16,671	493	2.9%
Premises Related	16,006	16,006	16,721	-715	-4.5%
Transport Related	240	240	245	-5	-2.1%
Supplies and Services	3,258	3,258	3,321	-63	-1.9%
Third Party Payments	363	363	363	0	0.0%
Transfer Payments	69,502	69,502	60,051	9,451	13.6%
Support Services	3,867	3,867	3,893	-26	-0.7%
Loan repayments	21,286	21,286	24,866	-3,580	-16.8%
Gross Expenditure	131,686	131,686	126,131	5,555	
Income	-119,063	-119,063	-114,051	-5,012	4.2%
Net Expenditure	12,623	12,623	12,080	543	

RENFREWSHIRE COUNCIL						
REVENUE BUDGET MONITORING OUTTURN REPORT 2019/2020						
1 April 2019 to 31 March 2020						
FINANCE AND RESOURCES						
Objective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %	Note
Finance and Resources Directorate	(633)	(472)	(996)	525	-111.2%	Variance is due to Misc Property Costs Underspend.
Audit, Risk and Insurance	541	585	526	59	10.1%	Variance is due to recharge income, together with underspends on supplies and external services.
Change Fund	0	2,278	2,284	(6)	-0.2%	
Corporate Governance	3,280	3,391	3,203	188	5.5%	Variance is due to staffing turnover/part year vacancies, together with an over-recovery on licencing income.
Customer and Business Services	15,971	14,678	13,914	764	5.2%	Variance attributable to: additional Statutory Addition income, DWP grant income and underspends on Supplies
Finance	3,197	3,426	3,402	24	0.7%	
HR, Transformation and Organisational Development	2,401	2,456	2,456	(0)	0.0%	
ICT Services (including Business World)	6,304	8,200	9,604	(1,403)	-17.1%	Variance predominantly relates to ICT/BW development and staff costs; balance attributable to telephony costs (mobile and desk based)
Property Services	229	634	776	(142)	-22.4%	FY variance relates to Contractor costs incurred, but not recovered via fee recharges.
Corporate Social Care	845	824	836	(13)	-1.6%	
Tackling Poverty	0	31	26	5	16.1%	
Total	32,135	36,031	36,030	1		

	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %
Subjective Analysis					
Employees	31,321	34,714	34,538	176	0.5%
Premises Related	2,517	2,597	2,049	547	21.1%
Transport Related	82	79	109	(31)	-38.6%
Supplies and Services	6,608	7,703	9,525	(1,823)	-23.7%
Third Party Payments	1,382	1,495	1,494	1	0.1%
Transfer Payments	676	702	738	(36)	-5.1%
Support Services	1,573	620	562	58	9.4%
Depreciation & Impairment Losses	3	0	0	0	
Gross Expenditure	44,161	47,909	49,015	-1,106	
Income	(12,026)	(11,879)	(12,986)	1,107	-9.3%
Net Expenditure	32,135	36,031	36,030	1	

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING OUTTURN REPORT 2019/2020
1 April 2019 to 31 March 2020
MISCELLANEOUS SERVICES

Subjective Analysis	Annual Budget	Revised Budget	Full Year Actual	Variance (Adverse) / Favourable	Variance %	Notes
Employees	10,363	10,363	10,985	-622	-6.0%	Underspend on NDR and council tax payments
Premises Related	1,076	1,076	273	803	74.6%	
Transport Related	6	6	1	5	83.3%	
Supplies and Services	1,071	1,071	3,984	-2,913	-272.0%	Variance predominantly due to increased insurance provision requirements, also includes transformation programme support, and legal fees
Third Party Payments	484	484	130	354	73.1%	
Transfer Payments	871	871	967	-96	-11.0%	
Support Services	1,095	1,095	766	329	30.0%	
Depreciation and Impairment Losses	29,128	29,128	28,814	314	1.1%	
Gross Expenditure	44,094	44,094	45,920	-1,826		
Income	-13,056	-13,056	-13,888	832	-6.4%	includes CT over-recovery
Net Expenditure	31,038	31,038	32,032	-994	-3.2%	

Renfrewshire Council

Unaudited accounts 2019–2020



Contents

Management Commentary.....	1	Note 25: Agency services	60
Statement of Responsibilities	11	Note 26: Related parties	60
Annual Governance Statement.....	12	Note 27: External audit costs	61
Remuneration Report	20	Note 28: Pension schemes accounted for as defined contribution schemes	61
Comprehensive Income and Expenditure Statement ...	28	Note 29: Defined benefit pension schemes.....	62
Movement in Reserves Statement	29	Note 30: Contingent assets and liabilities.....	67
Balance Sheet.....	30	Note 31: Events after the balance sheet date	67
Cashflow Statement.....	31	Note 32: Assumptions made about the future	68
Note 1: Expenditure and Funding Analysis	32	Note 33: Accounting Standards Issued not Adopted	68
Note 2: Financing and investment income and expenditure	34	Note 34: Judgements in Applying Accounting Policies .	69
Note 3: Expenditure and income analysed by nature ..	34	Note 35: Accounting Policies – Renfrewshire Council ..	70
Note 4: Taxation and non-specific grant income.....	34	Housing Revenue Account	82
Note 5: Grant income	35	Council Tax Income Account	84
Note 6: Adjustment between accounting basis and funding basis under regulations.....	35	Non-Domestic Rates Income Account	86
Note 7: Usable reserves	37	Group Accounts.....	87
Note 8: Unusable reserves.....	40	Notes to the Group Accounts.....	90
Note 9: Property, Plant and Equipment.....	45	Group Accounting Policies	104
Note 10: Investment properties	47		
Note 11: Assets held for sale	48		
Note 12: Heritage Assets	48		
Note 13: Intangible assets.....	48		
Note 14: Capital expenditure and capital financing	49		
Note 15: Public Private Partnerships	49		
Note 16: Leases	50		
Note 17: Intangible assets (current assets)	51		
Note 18: Inventories	51		
Note 19: Debtors.....	52		
Note 20: Cash and cash equivalents	52		
Note 21: Creditors.....	52		
Note 22: Provisions	52		
Note 23: Financial Instruments.....	53		
Note 24: Nature and extent of risks arising from Financial Instruments.....	57		

Management Commentary

The purpose of the Management Commentary is to present an overview of Renfrewshire Council's performance during the 2019/20 financial year and to help readers understand its financial position at 31 March 2020. In addition, it outlines the main issues and risks that may impact the performance of the Council in the future.



270 square km

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.

We provide services to around 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.

The Council is governed by 43 elected members, or councillors, comprised as follows:



The kind of services that the Council provides includes housing, nursery, primary and secondary education; social services; regeneration and waste services.

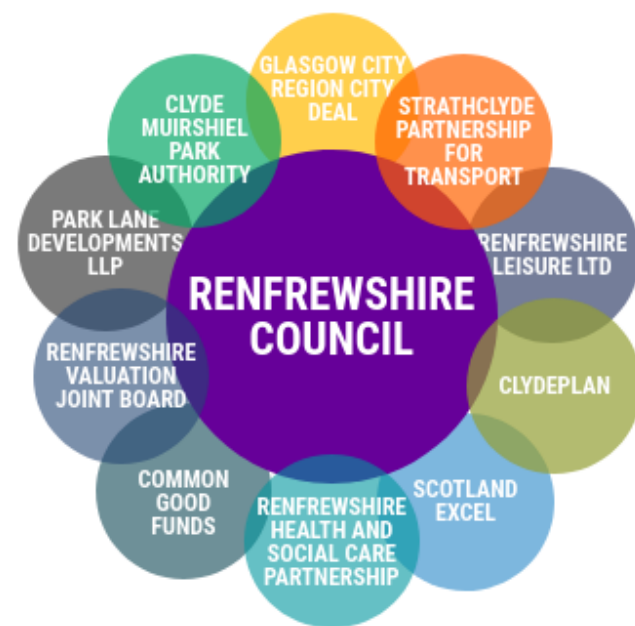


It also works closely with the Renfrewshire Health and Social Care Partnership, which delivers care services across the region.

Renfrewshire Council is organised into five directorate services, as follows:



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



Our Aims and Objectives

The Council and its community partners aim to achieve the objectives agreed in the 'Our Renfrewshire Community Plan 2017-2027' (<http://www.renfrewshire.gov.uk/communityplan>), with the overriding vision of:

"Working together to make Renfrewshire a fairer, more inclusive place where all our people, communities and businesses thrive"

Performance against the Plan outcomes and objectives is monitored by the Community Planning Partnership Board, chaired by the Leader of the Council. The specific responsibilities and actions the Council will undertake to support the delivery of the Community Plan are detailed in the Council Plan 2017-2022, which can be found on the Council's website at: <http://www.renfrewshire.gov.uk>Your Council>Our key priorities>Council Plan>.

The Council Plan "Thriving People, Connected Communities" was agreed in September 2017. The Plan outlines five strategic outcomes for the Council over the period to 2022:

- Reshaping our place, our economy and our future
- Building strong, safe and resilient communities
- Tackling inequality, ensuring opportunities for all
- Creating a sustainable Renfrewshire for all to enjoy
- Working together to improve outcomes

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 deployed in line with corporate objectives; and ensure resources are managed sustainably and in a way that continues to ensure the stability of council services.

The medium-term Financial Outlook 2019-21 was reported to the Council on 27 September 2018, and the following range of financial planning principles from the existing Financial Strategy were confirmed:

- i) The Council has an ongoing commitment to efficiency, modernisation of service delivery and prioritisation of resources on the delivery of key strategic outcomes;
- ii) The Council strives to maximise income, grow its tax base and attract external funding;
- iii) Investment in service transformation and early intervention / prevention, including lifecycle maintenance to protect existing investments in our assets, is given appropriate priority;
- iv) Any new borrowing decisions taken by the Council are capable of repayment on a sustainable basis and overall debt levels are contained within affordable long-term parameters;
- v) The Council's core budget is not underwritten by the use of general reserves or speculative capital receipts;
- vi) Council reserves are maintained at a level which provides appropriate financial resilience to the Council and the core services it provides and should be subject to ongoing annual review in the context of the risk profile faced by the Council.

In light of the Coronavirus pandemic and the significant costs the Council has incurred and continues to incur in response, the financial strategy will require to be fundamentally reviewed. The above principles, however, remain sound.

Our Performance

The Council Plan outlines priorities and actions against which progress is reported bi-annually to the Council's Leadership Board, most recently on 4 December 2019.

A Service Improvement Plan (SIP) for each of the Council departments is also agreed annually, detailing how each service will support and deliver the aims and objectives of the Council and Community Plan. Performance against SIPs is regularly reported to the Council's Policy Boards, the main scrutiny and decision-making committees within the Council.

Key Performance Indicators

The annual report to Audit, Risk and Scrutiny Board was presented to Board on 16 March 2020. This provides the Board and the public, with a full assessment of all 90 indicators in the Local Government Benchmarking Framework for 2018/19.

Highlighting those indicators in the top and bottom quartile, trend data and ranked position over the two years, Scottish average and the family group range for all indicators. This year for those indicators that had significant movement (i.e. moved nine or more places in the rankings since 2017/18) an explanation was also provided.

The Council also has a public performance report section on our website. One of the approaches to PPR is the 'It's all about you' story map, which provides an overview of performance for the LGBF indicators and the key priority areas for the Council. It includes case studies, infographics, performance indicators and even videos this year. Further information can be found on the Council's website at:

[www.renfrewshire.gov.uk>Your Council> Information, performance and statistics> Council Performance> Our current performance](http://www.renfrewshire.gov.uk/Your-Council/Information-performance-and-statistics/Council-Performance/Our-current-performance)

Board reports can be found on the Council Committee Management Information System at:

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

Key Financial Ratios

The following tables provide information regarding the financial performance of the Council in 2019/20 and the affordability of its ongoing commitments:

Financial Indicator	2019/20		2018/19	Commentary
	Estimate	Actual	Actual	
Reserves				
Uncommitted General Fund reserves as a % of budgeted net expenditure	1.9%	1.6%	1.9%	Reflects the level of funding available to meet unplanned expenditure and manage financial risk.
Movement in uncommitted General Fund balance	n/a	-7.5%	0.6%	Reflects the extent to which the Council is using uncommitted reserves.
Council Tax				
In-year collection rate	96.0%	96.0%	96.0%	Reflects the Council's effectiveness in collecting council tax debt
Council tax income as a proportion of total taxation and non-specific grant income	18.9%	19.0%	18.4%	Reflects the Council's ability to vary expenditure by raising council tax, the principal local authority controlled source of finance

Financial Indicator	2019/20		2018/19	Commentary
	Estimate	Actual	Actual	
Debt/Long term borrowing				
Capital Financing Requirement (CFR)	£392.0m	£369.9m	£344.6m	The information in this section demonstrates that external debt levels are below our capital financing requirement, and that the level of borrowing is affordable, owing to the low proportion of our budget spent on servicing debt. Further information is available in the Treasury Management Annual Report presented to Council on 25 June 2020.
External debt	£330.3m	£292.7m	£298.9m	
Ratio of financing costs to net revenue stream (General Fund)	4.0%	4.0%	5.4%	

Financial Performance

Primary Financial Statements

The annual accounts summarise the Council's transactions for the year, its financial position at 31 March 2020 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.

The Comprehensive Income and Expenditure Statement (CIES) presents the total cost of providing Council services in 2019/20 along with the income available to fund those services.

The outturn explained in the following section differs from the accounting deficit of £33.6m 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. After adjusting for planned carry forwards and debt repayments, the General Fund had a deficit of expenditure over income in 2019/20 of £4.3m. The budgeted position was an overspend of £3.8m, which results in an overspend of £0.5m against budget.

The main reasons for the variance against the approved budget, as indicated in the following table, was an overspend in employee costs resulting, in part, from exit costs associated with the Right for Renfrewshire transformation programme, as outlined in the Remuneration Report, along with various overspends in supplies and services during the year and an increase in the provisions required in anticipation of increased levels of bad debt write-off being required in future. This was offset by a one-off over-recovery of income due to a higher level of planning fees than anticipated.

The Council also recovered £0.4m over budget of Council Tax revenue from an excellent 96% collection rate in 2019/20.

2019/20	Budget £m	Actual £m	Variance £m
Children's Services	193.235	193.278	(0.043)
Communities, Housing & Planning	13.246	12.702	0.544
Environment & Infrastructure	48.026	48.073	(0.047)
Finance & Resources	36.031	36.030	0.001
Chief Executive's Service	21.249	21.249	0.000
Miscellaneous Services	31.038	32.402	(1.364)
Adult Services	70.685	70.685	0.000
Net Expenditure	413.510	414.419	(0.909)
Revenue Support Grant	(226.987)	(226.985)	(0.002)
Council Tax Income	(78.311)	(78.684)	0.373
Non-Domestic Rates Income*	(104.417)	(104.417)	0.000
Funding	(409.715)	(410.086)	0.371
Contribution to General Fund Balances	3.795	4.333	(0.538)

*The Council was due £104.4m of Non-Domestic Rate Income from the Scottish Government as its share of the national pool.

The Council collected £113.3m directly from local businesses with the excess of £8.9m due back to the Scottish Government.

The Council's Reserves

The Council holds the following balances in reserve. Further details can be found in Note 7: Usable Reserves. The General Fund balance of £54.8m will be carried forward to 2020/21. Of this balance, £48.2m has been earmarked for a particular purpose as outlined in Note 7: Usable Reserves.

This leaves unallocated reserves of £6.6m (1.6% of the Council's net annual running costs), which is slightly below the level recommended in the Council's financial planning principles. It is anticipated that this full balance will be required in order to support costs incurred in response to Coronavirus in 2020/21, and a strategy to rebuild general reserves over the medium term will require to be developed.

As at 31 March 2019 £m	Usable Reserves	As at 31 March 2020 £m
59.144	General Fund Balance	54.811
6.807	Housing Revenue Account	6.807
8.017	Capital Receipts Reserve	9.453
80.638	Other Statutory Funds	88.550
154.606	Total	159.621

Housing Revenue Account

The balance on the Housing Revenue Account (HRA) as at 31 March 2020 has been maintained at £6.8m. This represents a prudent level of unallocated reserves for the HRA that remains available to mitigate the impact of any unforeseen risks and to provide an element of mitigation against forecast pressures related to Coronavirus.

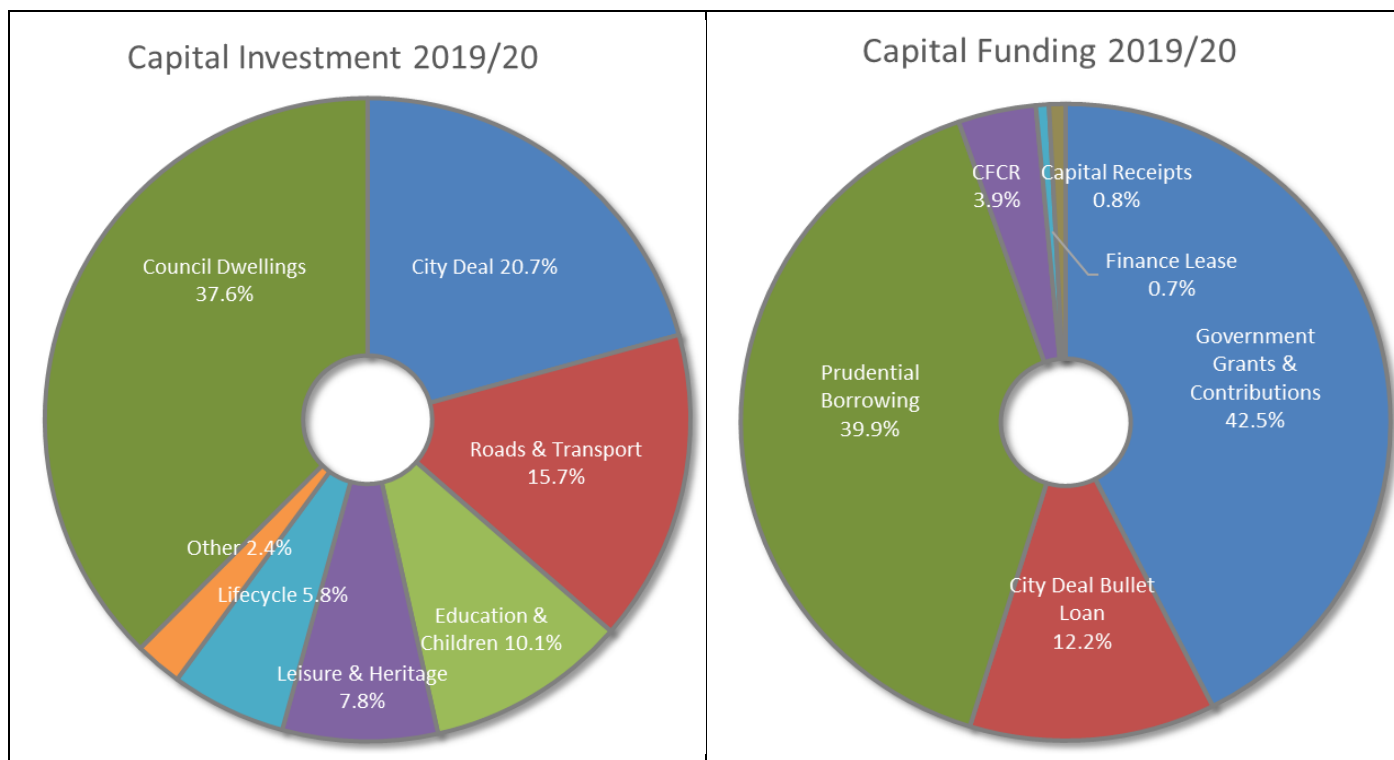
The year-end breakeven position is in line with projections reported during 2019/20 and reflects the net effect of underspends in employee costs and transfer payments that have been used to fund a repairs overspend and increased debt repayment as part of the overall housing debt smoothing strategy.

Capital and Borrowing

Renfrewshire Council continues to make significant capital investment in council housing, schools, culture, roads and the town centre estate. On 28 February 2019, the Council approved the housing capital investment programme for 2019/20 of £26.3m; and the general fund capital investment programme of £65.7m.

These programmes have been re-profiled during the year to reflect the planned expenditure timescales of individual projects or where project completion dates have been delayed, resulting in actual capital spend for the year of £85.3m.

Further detail is provided in Note 14.



During the course of 2019/20 there was no new external borrowing. The level of cash balances available to the Council remains consistent with daily cash requirements, treasury and capital investment plans. The reduction in cash balances compared to 31 March 2019 is attributable to a number of issues that resulted in a higher than usual balance last year.

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 23: Financial Instruments.

For a number of years an important element of the Council's medium-term financial planning has been the strategy of debt smoothing, which ensures the Council's debt profile remains appropriate and sustainable over the medium term. This process involves the planned repayment of debt over the medium term as part of the Council's planned budget, capital investment and treasury management strategies. While it had been planned that this process would reach a natural conclusion, the Council will now explore options as to whether refocussing the strategy may help deliver short term financial capacity in order to support the costs being incurred in response to the Coronavirus pandemic.

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 28 February 2019 and revised on 5 December 2019. The TMSS for 2019/20 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 2020 was £369.9m, which is within the approved limit of £392.0m.

The Council's external borrowings have only been applied for capital investment purposes, with the Council's net external debt being £224.8m at 31 March 2020 compared to the operational boundary of £392m. The Council's costs of borrowing remain consistently one of the lowest of all Scottish local authorities; are affordable and match the Council's medium to long-term financial strategy.

The Council's non-housing financing costs are 4.0% as a proportion of the Council's non-housing net revenue stream. Housing related financing costs as at 31 March 2020 were 43.6% of net housing revenues, higher than the forecast of 42.2% due to additional debt repaid in the year. Excluding these repayments, the actual position was 40.5%.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed in Notes 28 and 29. The appointed actuaries, have confirmed a decrease of £106.0m in their assessment of the Council's share of the actuarial deficit position of the local government pension fund as at 31 March 2020. This can be attributed to a higher net discount rate, which serves to reduce the value placed on the obligations (corporate bond yields are at a similar level to 2019 but inflation expectations are significantly lower).

There is no further impact in 2019/20 relating to the McCloud / Sargeant case noted in last year's accounts, whereby transitional protections on implementation of the new pension benefit structure in 2015 for members close to retirement age are argued to be unlawful on the grounds of age discrimination. The 2018/19 impact was an additional £14.2m of pension liability.

The assessment provides only a snapshot as at 31 March 2020 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.

Provisions, Contingencies and Write-offs

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 22.

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 £2.5m for uninsured claims. While the Council has financial monitoring arrangements in place with regards costs being incurred in response to the Coronavirus pandemic, the Council cannot know with certainty the full costs and income loss which may arise over the medium term.

The Council has been made aware of an issue relating to Guaranteed Minimum Pension that could increase the future value of pension liability recognised in the balance sheet by around £4.1m. Further detail is provided at Note 32.

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 (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, Paisley Museum Reimagined Ltd and Park Lane Developments (Renfrewshire) Limited Liability Partnership. 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 Clyde Muirshiel Park Authority, Scotland Excel, Glasgow and the Clyde Valley Strategic Development Planning Authority and Glasgow City Region – City Deal Cabinet.

Financial Outlook and Key Risks

The Financial Outlook reported to the Leadership Board in September 2019 outlined continued and considerable uncertainty for local government finances – even prior to the world-wide impact of the Coronavirus pandemic which has fundamentally altered the financial outlook of the Council and public finances across the UK. The performance of both the UK and Scottish economies in the coming years will be severely impacted by the cost of supporting individuals, communities and businesses respond to Coronavirus and resulting lockdown measures; with, consequently, a high risk of this impacting on public finances at all levels of government.

The shock to global finances is ongoing and it will take some time for the full impact of the pandemic to be

fully understood. What is clear however, is that the levels of public spending to support the economy and employment levels is unprecedented; and is likely to take many years to recover from. Economists debate as to what type of recovery will be experienced; but what is becoming clear is that initial expectations of an immediate 'bounce-back' in the economy at a UK level are less certain, despite the significant level of borrowing which has been required to fund measures to support the economy such as the furlough of large numbers of the UK workforce, business support grants and other reliefs for businesses. It is also expected that unemployment levels will continue to increase, to levels possibly not seen since the early 1980s, as government support to business tapers off in the coming months.

While Coronavirus concerns dominate the headlines, it is not the only uncertainty facing the public finances and the UK's impending exit from the European Union will generate further risks for the economy and therefore the public finances. In addition and as has been highlighted in previous commentaries, as the transition of powers moves the Scottish budget towards almost 50% of spending being supported by devolved tax raising powers, the economic performance of the Scottish economy relative to that of the UK becomes a key determinant in the overall level of resources that will be available to the Scottish Government's budget each year.

Lagging economic growth in Scotland compared to that of the UK and projected income tax reconciliation adjustments over 2020 to 2022 were already very challenging for the Scottish Government to accommodate without difficult tax and spending decisions. The costs of the Scottish Government response to the Coronavirus run to several billion pounds in 2020/21 – necessitating an in-year revision to the Scottish Budget.

This uncertain climate is likely to present continuing challenges over the medium-term for core local government grant levels in Scotland. While the medium-term financial plans for the Council will require substantial revision, they will remain based on an assumption that its grant settlement is likely to

further reduce given Scottish Government policy commitments and funding pressures. For context, each 1% cut to the Council's general revenue grant represents a £3m loss in resource.

The local government grant settlement for 2020/21 (again only a single year settlement being announced) was initially cut, with Renfrewshire Council facing a reduction in funding of 1.1%. Following the conclusion of the Scottish Parliamentary budget approval process, and subsequent revision to the local government settlement, the final like-for-like comparison reflects a 0.2% reduction in the general revenue grant received in 2020/21 compared to 2019/20.

A balanced budget position moving into 2020/21 was agreed by the Council on 9 March 2020, reflecting well on the budget decisions taken to date by the Council towards addressing the medium-term savings requirement it is facing, while also incorporating significant temporary investment in measures to invest in Renfrewshire's infrastructure and communities. The Council also agreed a 4.64% council tax increase for 2020/21, which was lower than the cap set by the Scottish Government.

The Council will require to consider the Scottish Government Budget revision; and continue to assess the impact of Coronavirus on the 2020/21 budget and over the medium term. It is anticipated an updated financial outlook will be presented to Council in September 2020 which will outline the measures necessary to ensure the Council remains financial sustainable.

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 in the short term will be fully understanding and assessing the financial impact of Coronavirus. This is expected to manifest itself in both additional costs of services adapting and responding to the pandemic and resulting lockdown and social distancing measures, but more significantly in terms of income loss. Reduced levels of council tax income

are anticipated; along with many other income streams eg commercial waste, parking income and planning fees. In addition, the Council will require to support the substantial levels of commercial income loss being experienced by its subsidiary, Renfrewshire Leisure.

In the face of these challenges, it remains critical that the Council continues to proactively invest in a range of measures to stimulate the local economy and improve the lives of residents. The Council has agreed a capital programme including spend of £130m in 2020/21 across public infrastructure, schools, nurseries, public buildings and council housing. These will run alongside the Glasgow and Clyde Valley City Deal programme that is planned to be delivered during the course of this decade, generating 29,000 new jobs. However, it is expected that the Council's planned capital programme will potentially require to be reshaped, linked to the risk of increased construction costs, as many public and private organisations try to make up time lost during the construction shutdown, and there may also be an impact on future tender prices should the construction market contract as a result of existing contractors being unable to weather and ultimately survive the current economic challenges.

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 objective of reducing the level of cash deposits held by the Council, whilst generating ongoing savings in overall 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.

Charitable Funds

The Council administers the Common Good Funds for the areas of Paisley, Renfrew and Johnstone. Each of these Funds is a registered charity. In addition, the Council controls the Coats Observatory Charitable Trust. In order to comply with the Code, Audit Scotland and OSCR requirements, the Council separately prepares the financial statements of the three Common Good Funds and the Coats Observatory Trust, with the balances included in the Group Accounts. Audit Scotland is the appointed auditor for the Council's charitable funds.

Overall, the Common Good Funds incurred a combined in-year surplus of £0.5m which is added to the previous surplus brought forward. The total net asset value increased by £1.3m, with investments increasing by £1.1m. Both the market values of investments and income generated from dividends are likely to be subject to considerable volatility over the course of 2020/21 as the economic impact of Coronavirus unfolds.

The unaudited annual accounts of the Common Good Funds and Observatory Trust will be reported to the Council on 25 June 2020 and can be accessed on the Committee Management Information System at: <http://renfrewshire.cmis.uk.com/renfrewshire/Home.aspx>.

Conclusion and Acknowledgements

We would like to acknowledge the significant effort required to both produce the annual accounts and successfully manage the finances of the Council; and to record our thanks to both the Finance and Resources team and 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 0141 618 7363.

Cllr Iain Nicolson
Leader of the Council
25 June 2020

Sandra Black
Chief Executive
25 June 2020

Alan Russell
Director of Finance and Resources
25 June 2020

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 were approved for signature by the Council at its meeting on 25 June 2020.

Signed on behalf of Renfrewshire Council.

Cllr Iain Nicolson
Leader of the Council
25 June 2020

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 which 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 Authority and its group at the reporting date and the transactions of the Authority and its group for the year ended 31 March 2020.

Alan Russell CPFA
Director of Finance and Resources
25 June 2020

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 www.renfrewshire.gov.uk

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 2017-2022 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. The Council's scheme of decentralisation was reviewed during 2018 and the five Local Area Committees were replaced with 7 Local Partnerships adopting a more informal and inclusive approach as part of a

drive to ensure community voices are heard on local issues and to distribute their delegated resources in accordance with community need identified in their respective local action plans and community plan key priorities;

- 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 monitors a quarterly scorecard of performance information. The Council regularly publishes information about its performance, e.g. "It's all about you", a publication outlining the performance of the Council published annually. An annual benchmarking report on the performance of the Council is submitted to the Audit, Risk and Scrutiny Board;
- 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;
- 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, Information Governance 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'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 policy for expressing concerns outwith line management;
- There are adequate cyber security controls in place including a dedicated cyber security officer and conformance to industry cyber security standards such as PSN, PCI and Cyber Essentials;
- Clear and independent governance arrangements are in place with Renfrewshire Leisure Ltd and the Renfrewshire Health and Social Care Partnership with oversight from 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 majority of the year ended 31 March 2020. However, the outbreak of Coronavirus and subsequent UK and Scottish Government advice on social distancing required the Council to implement temporary emergency governance structures. The main changes included cancellation of council, policy and regulatory boards and local partnership meetings.

Delegations to officers have been increased temporarily, with any decisions requiring approval by elected members being taken by the Emergencies Board which was established on 20 March 2020. The Council's corporate management team meet on a more regular basis and service leads are directly liaising with the Chief Executive through the Emergency Management Team arrangements.

Within the 2018/19 report, Audit Scotland conclude that “the Council has appropriate governance arrangements in place that support the scrutiny of decisions, and, it is open and transparent in the way it conducts business”.

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 includes:

- 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 recommendation 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 Chief Auditor provides an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control.

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services. 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, including 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 a self-assessment tool six key areas of governance:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity
- Conflicts of Interest and Gifts and Hospitality
- Impact of coronavirus (COVID-19).

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 has a well embedded approach to continuous improvement through self-assessment. Registered services within education, social care and housing undertake regular self-assessment as part of the delivery of their services, including aspects such as multi agency file reading and practice and improvement groups in place. Staff from across services are also invited to participate in improvement sessions linked to the service improvement plans on an annual basis, or in relation to specific exercises such as the "Our Values" staff engagement process in

2019. The Council previously utilised the Public Services Improvement Framework and is now piloting a streamlined version of this model with Renfrewshire Community Planning Executive Group. The first stage of this has been completed, with the consensus session to agree improvement actions delayed due to the Coronavirus crisis.

The Council continues to recognise the need to exercise strong financial management arrangements to manage the financial pressures common to all local authorities.

There have been specific challenges facing the Council arising from the decision to leave the European Union 'Brexit' and also in responding to the ongoing COVID19 pandemic. The following should be noted:

- The Council concluded its "Better Council" change programme and embarked on a new phase of change, a three-year programme "Right for Renfrewshire". The aim is to ensure the Council continues to be financially sustainable, responsive to changing local demands, and able to deliver services that put people's needs first. The programme will fundamentally look at the Council's purpose, how it operates and the services it delivers, its processes, technology, information and assets, people and structures, and improve every aspect of what it does. The outbreak of the pandemic in March 2020, and the impact of the virus on council services, the need for the Council to focus on immediate emergency response activities and people in our community resulted in a decision being taken to pause the programme and to focus our resources to tackle the crisis. The Council's capital investment programme has also been necessarily disrupted as construction sites have been required to temporarily close, with re-opening subject to strict additional measures in relation to social distancing, etc.
- All essential services are continuing to be delivered through the period of 'lockdown' and business continuity arrangements are in place operating highly effectively. There have been no significant changes to internal controls although

new and amended processes have been put in place to allow the Council to appropriately respond to the pandemic and support local communities and businesses.

- The Council commenced planning for Brexit during the year and has implemented a specific Brexit risk register which is monitored by the Corporate Management Team. Similarly, there is a risk register in place relating to the pandemic and this is monitored by the Emergency Management Team.

Regular reviews of the Council's arrangements are undertaken by internal audit and overall the Council's internal financial control arrangements are sound.

As part of the ongoing relationship which is in place under the new best value methodology, Audit Scotland continuously engage with the Council in relation to the improvement plan, regularly attending Council and board meetings and reviewing information provided. Each year Audit Scotland provide an assessment of the ongoing position in relation to best value, within the Annual Audit Report. The Annual Audit Report for 2018/19 was published in October 2019 noted that the Council continues to make good progress in implementing the recommendations from the 2016/17 Best Value and Assurance Report.

Audit Scotland provided an unqualified but modified audit opinion on the 2018/19 annual accounts, highlighting that adequate accounting records in respect of trade receivable and payable balances had not been kept, being largely attributable to the implementation of a new accounting system. Investigation and subsequent audit of this issue resulted in the audited accounts not being approved within the statutory timescales. Audit Scotland in their report on accounts closure detailed that the issue was unusual and uncharacteristic for the Council; and further noted that the Council's response was credible and appropriate.

The programme of work undertaken by internal audit identified 3 occasions where a limited assurance level

was given in relation to the internal control, risk management and governance objectives for the specific areas of each audit review. The following areas are those identified as requiring improvement:

- The audit identified that, within the service area reviewed, there was insufficient evidence available to demonstrate that the Council's Supporting Attendance at Work Policy was being followed consistently. The limited assurance rating should be taken in context of the scope of the review being restricted to a small number of service areas.
- The review identified that there was scope to improve the cloud security control environment, a number of areas identified were already known to management and work was already underway to address. Recommendations were made in relation to formal Cloud Security Assessments for all contractors. We also identified processes that would benefit from completion and implementation of a formal framework for supplier assurance and performance. Management have implemented the majority of the recommendations and the remainder will be progressed during the year and followed up as part of the annual audit review.
- The review of a small sample of service areas for compliance with the payment card industry standards, identified that card data was found to be stored securely although some improvements were required in relation to staff aware training, and the processes for dealing with the physical equipment installations. The limited assurance rating should be taken in context of the scope of the review being restricted to a small number of service areas.
- At the request of management, reviews have been undertaken in relation to capital and revenue budgetary control within Environment & Infrastructure. Recommendations in relation to project management, oversight, communications and clarification of roles and responsibilities in relation to capital projects have been implemented, and no further action is required.

Recommendations in relation to revenue monitoring are being progressed by management.

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 (ARSB). This work highlighted that a high proportion of recommendations (79%) have been implemented by the due date and a further 2% have been deemed to be redundant as a result of new or revised processes being in operation. Of the 26 recommendations followed up which were deemed to be critical, 21

have been fully implemented and five have been partially implemented. Revised implementation dates have been agreed for each of these recommendations.

It is our view that the Council has in place a sound system of 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 Assurance Statement prepared by the Chief Auditor stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's governance, risk management and internal control framework.

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
Review of creditor and debtor balances, improved reconciliation process and production of audited annual accounts within statutory timescales	Head of Finance	30 November 2020
Review the arrangements for revenue budget monitoring within Environment & Infrastructure to ensure that they are fit for purpose and there is clarity of roles and responsibilities.	Head of Finance	30 September 2020

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

Update on the 2018/19 Action Plan

The 2018/19 Governance Statement identified a number 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	Revised Date
Complete Actions				
Pilot the revised Renfrewshire continuous improvement model of self-assessment.	A new model is being piloted with the Community Planning Partnership Executive Group. We are no longer planning to roll out the wider model but will instead focus on staff engagement and involvement in service improvement planning processes.	Head of Policy and Commissioning	March 2020	Complete
Continue to complete the recommendations to	A further audit was undertaken in November 2019, which has identified	Head of ICT	Summer 2019	Complete

Agreed action	Progress Update	Responsible person	Date	Revised Date
ensure full compliance with the PCI DSS standards.	a small number of devices that require to be removed from the network. Regular scans periodically take place to address any gaps on an ongoing basis.			
Undertake a comprehensive review of catering service arrangements for purchasing and stock control and provide training to relevant staff on the revised arrangements.	New processes have been put in place the service is progressively removing cards from site. A small number still require to be removed and the sites are currently closed. All cards will be removed prior to the sites re-opening.	Head of Facilities Management	Spring 2019	Complete
Undertake a comprehensive review of selected inspection service arrangements and update the policy in line with the code of practice.	The New Code of Practice was adopted by the Board and with the recent recruitment of the Inspectors the resources are in place to ensure inspection frequencies are maintained at the required level.	Head of Operations and Infrastructure	Autumn 2019	Complete
Continue the development of the Business World System under the oversight of the Change Advisory Board	A Business World Team have been implemented within ICT and now undertake business as usual activities to continue to deploy Business World Self Service across those Council services and Partner organisations not fully utilising the application, including outstanding core functionality e.g. P2P. They also continue developing and deploying new functionality that delivers organisational benefits in consultation with the Finance & Resources SMT, Partner Organisations and Service Stakeholders.	Business World SRO	Ongoing	Complete
Ongoing Actions				
Review and update where necessary the policy for expressing concerns outwith line management 'whistleblowing' for approval by Board.	The review has been delayed into the new audit year.	Chief Auditor	March 2020	30 September 2020

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2019/20 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
25 June 2020

Sandra Black
Chief Executive
25 June 2020

Remuneration Report

The Local Authority Accounts (Scotland) Amendment Regulations 2011 (SSI No. 2011/64) amend the Local Authority Accounts (Scotland) Regulations 1985 (SI No 1985/267) and requires local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. All information disclosed in sections three to eight in this Remuneration Report has been audited by the Council's appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

1. 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 2019. The salary for the Leader of the Council in 2019/20 was £34,848 per annum (£33,990 in 2018/19) and the salary for the Provost was £26,136 per annum (£25,493 in 2018/19).

In terms of the same Regulations, the Scottish Government permits Renfrewshire Council to nominate up to fourteen senior councillors (in addition to the Leader of the Council and the Provost), whose salaries in aggregate must not exceed a specified amount, in 2019/20 being £305,746 per annum; and whose salaries individually must be on a specified scale, in 2019/20 £17,470 to £26,136. In May 2017 the Council approved that Renfrewshire would have twelve senior councillors: four Policy Board Conveners (salary of £25,841 per annum in 2019/20); four Regulatory Board Conveners (salary of £21,311 in 2019/20); Chair of Renfrewshire Leisure Board; Chair/Vice-Chair of Integration Joint Board and two Leaders of the Opposition (salary of £21,311 in 2019/20).

2. 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 & Resources Policy Board on 14 May 2014. Senior employees receive no other benefits.

Senior employees received a 3.0% pay award in 2019/20.

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 Renfrewshire Leisure.

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 2020, whether or not those amounts were actually paid to, or received by, those persons within that period.

2018/19	Senior employees		2019/20		
Total Remuneration £	Name	Post held	Annual Salary £	Election Allowances £	Total Remuneration £
141,802	Sandra Black	Chief Executive	146,056	12,190	158,246
56,815	Shona MacDougall	Director of Environment & Infrastructure Services until 30/09/2018	0	0	0
55,380	Gordon McNeil	Director of Environment & Infrastructure Services from 01/10/2018	116,046	200	116,246
115,507	Mary Crearie	Director of Communities, Housing & Planning Services	118,971	0	118,971
4,693	Alasdair Morrison	Acting Director of Communities, Housing & Planning Services until 15/04/2018	0	0	0
88,629	Peter MacLeod	Director of Children's Services until 06/01/2019	0	0	0
104,132	Steven Quinn	Director of Children's Services from 22/05/2019 (<i>Acting Director from 09/05/2018 to 02/12/2018 and 07/01/2019 to 21/05/2019</i>)	118,971	200	119,171
115,507	Alan Russell	Director of Finance and Resources	118,971	4,894	123,865
682,465	Total		619,015	17,484	636,499

2018/19	Senior Employees of Subsidiary Bodies		2019/20
Total Remuneration £	Name	Post held	Total Remuneration £
57,004	Joyce McKellar	Chief Executive, Renfrewshire Leisure until 31/10/2018	0
29,920	Victoria Hollows	Chief Executive, Renfrewshire Leisure from 03/12/2018	97,329
20,284	Fiona Naylor	Acting Chief Executive (15/10/2018 to 31/12/2018)	0
107,208	Total		97,329

There were no non-consolidated bonuses or performance-related payments made to any senior officer in 2019/20.

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, or receivable by, each of the persons named for the year to 31 March 2020, whether or not those amounts were actually paid to, or received by, those persons within that period.

No payments were made in connection with loss of employment or office, nor were any other payments made which are not included in the following table.

2018/19	Senior Councillors		2019/20		
Total £	Name	Position held	Salary, fees and allowances £	Expenses allowance chargeable to UK income tax £	Total £
33,990	Iain Nicolson	Leader Of the Council	34,848	0	34,848
25,837	Lorraine Cameron	Provost	26,136	745	26,881
25,194	Cathy McEwan	Policy Board Convener	25,841	0	25,841
25,194	Marie McGurk	Policy Board Convener	25,841	0	25,841
25,194	Jim Paterson	Policy Board Convener	25,841	0	25,841
25,194	John Shaw	Policy Board Convener	25,841	0	25,841
20,778	John McNaughtan	Regulatory Board Convener	21,311	0	21,311
20,778	Bill Binks	Regulatory Board Convener	21,311	0	21,311
20,778	Jennifer Adam-McGregor	Regulatory Board Convener	21,311	0	21,311
20,778	Andy Steel	Regulatory Board Convener	21,311	0	21,311
25,194	Lisa-Marie Hughes	Chair Renfrewshire Leisure	25,841	0	25,841
25,194	Jacqueline Cameron	Chair/Vice Chair IJB	25,841	0	25,841
21,155	Audrey Doig	Convener Renfrewshire Valuation Joint Board	21,824	0	21,824
20,778	Eddie Devine	Leader of largest opposition group	21,311	0	21,311
20,778	James MacLaren	Leader of 2nd largest opposition group	21,311	0	21,311
356,814	Total		365,720	745	366,465

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 2019/20		Equivalent bandings for 2018/19
Up to £21,800	5.5%	Up to £21,300
£21,801 to £26,700	7.25%	£21,300 to £26,100
£26,701 to £36,600	8.5%	£26,100 to £35,700
£36,601 to £48,800	9.5%	£35,700 to £47,600
Over £48,801	12%	Over £47,601

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 2020 are shown in the table below, together with the contribution made by the Council to each individual's pension during the year.

Senior employees							
Name	Post held	In-year pension contributions by Renfrewshire Council		Accrued pension benefits as at 31 March 2020		Change in accrued pension benefits since 31 March 2019	
		2019/20 £	2018/19 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Sandra Black	Chief Executive	28,223	27,413	81	143	8	4
Mary Crearie	Director of Communities, Housing & Planning Services	22,994	22,325	53	79	6	2
Shona MacDougall	Director of Environment & Infrastructure Services until 30/09/2018	0	11,022	n/a	n/a	n/a	n/a
Gordon McNeil	Director of Environment & Infrastructure Services from 01/10/2018	22,427	10,718	31	30	5	4
Peter MacLeod	Director of Children's Services until 06/01/2019	0	17,105	n/a	n/a	n/a	n/a
Alasdair Morrison	Acting Director of Communities, Housing & Planning Services until 15/04/2018	0	906	n/a	n/a	n/a	n/a
Steven Quinn	Director of Children's Services from 22/05/2019 (<i>Acting Director from 09/05/2018 to 02/12/2018 and 07/01/2019 to 21/05/2019</i>)	23,444	20,130	16	0	5	0
Alan Russell	Director of Finance and Resources	22,994	22,325	50	71	5	2
Total		120,082	131,944	231	323	29	12

Senior Employees of Subsidiary Bodies							
Name	Post held	In-year pension contributions by Renfrewshire Leisure		Accrued pension benefits as at 31 March 2020		Change in accrued pension benefits since 31 March 2019	
		2019/20 £	2018/19 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Joyce McKellar	Chief Executive, Renfrewshire Leisure until 31/10/2019	n/a	10,988	n/a	n/a	n/a	n/a
Victoria Hollows	Chief Executive, Renfrewshire Leisure from 03/12/2019	18,338	5,812	3	0	2	0
Fiona Naylor	Acting Chief Executive (15/10/2018 to 31/12/2019)	n/a	3,778	n/a	n/a	n/a	n/a
Total		18,338	20,578	3	0	2	0

Leader of the Council, Provost, Senior councillors							
Name	Post held	In-year pension contributions by Renfrewshire Council		Accrued pension benefits as at 31 March 2020		Change in accrued pension benefits since 31 March 2019	
		2019/20 £	2018/19 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Iain Nicolson	Leader Of the Council	6,747	6,576	7	2	2	0
Cathy McEwan	Policy Board Convener	5,003	4,874	4	0	1	0
Marie McGurk	Policy Board Convener	5,003	4,874	2	0	1	0
Jim Paterson	Policy Board Convener	5,003	4,874	2	0	1	0
John Shaw	Policy Board Convener	5,003	4,874	2	0	1	0
Lisa-Marie Hughes	Chair Renfrewshire Leisure	5,003	4,874	2	0	1	0
Jacqueline Cameron	Chair/Vice Chair Integration Joint Board	5,003	4,874	2	0	1	0
John McNaughtan	Regulatory Board Convener	4,126	4,020	2	0	1	0
Jennifer Adam-McGregor	Regulatory Board Convener	4,126	4,020	2	0	1	0
Andy Steel	Regulatory Board Convener	4,126	4,020	2	0	1	0
Eddie Devine	Leader of largest opposition group	4,126	4,020	5	1	0	0
James MacLaren	Leader of 2nd largest opposition group	4,126	4,020	3	0	0	0
Total		57,395	55,920	35	3	11	0

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

6. Councillors' remuneration

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

2018/19 £		2019/20 £
798,473	Salaries	836,165
3,046	Travel costs – reimbursed	2,395
13,262	Travel costs – paid directly by the Council	13,533
106	Subsistence expenses - accommodation	689
25	Subsistence expenses - meals	42
890	Training and Conferences	1,741
0	Telephone and information technology expenses – reimbursed	60
4,925	Telephone and information technology expenses – paid directly by the Council	9,029
344	Other allowances and expenses	745
821,071	Total	864,399

The public record of members' salaries, allowances and expenses for 2019/20 is available for inspection on the Register of Councillors' Interests page of the Council's website: www.renfrewshire.gov.uk.

7. Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2019/20, in bands of £5,000; and also details of the number of those employees highlighted who left the employment of the Council during 2019/20. 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.

2018/19			Remuneration band	2019/20		
Teachers	Non-teachers	Total		Teachers	Non-teachers	Total
88	53	141	£50,000 to £54,999	148	56	204
66	29	95	£55,000 to £59,999	85	57	142
8	34	42	£60,000 to £64,999	64	16	80
2	3	5	£65,000 to £69,999	6	27	33
6	2	8	£70,000 to £74,999	3	4	7
1	4	5	£75,000 to £79,999	5	5	10
2	1	3	£80,000 to £84,999	2	3	5
0	9	9	£85,000 to £89,999	3	2	5
0	2	2	£90,000 to £94,999	0	9	9
0	5	5	£95,000 to £99,999	0	3	3
0	0	0	£100,000 to £104,999	0	2	2
0	0	0	£105,000 to £109,999	1	0	1
0	1	1	£110,000 to £114,999	0	0	0
0	2	2	£115,000 to £119,999	0	4	4
0	1	1	£140,000 to £144,999	0	0	0
0	0	0	£145,000 to £149,999	0	1	1
173	146	319		317	189	506

Of the staff noted above, four are included because they left during the year and their termination payments pushed their remuneration over the £50k threshold (three in 2018/19). Most Teachers received pay inflation in 2019/20 of 7%, which resulted in many employees newly exceeding the £50k threshold.

8. Exit Packages

The Council has agreed a number of exit packages in 2019/20 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:

	2019/20	2018/19
Future Life expectancy at age 65 – males	22.2 years	23.4 years
Future Life expectancy at age 65 – females	24.6 years	25.8 years
Pension increase rate	1.9%	2.5%
Discount Rate	2.3%	2.4%

Exit Package Cost	2018/19		2019/20	
	Number of Employees	Value £m	Number of Employees	Value £m
£0 - £20,000	10	0.086	91	0.770
£20,001 - £40,000	3	0.065	27	0.778
£40,001 - £60,000	2	0.098	14	0.701
£60,001 - £80,000	0	0.000	17	1.207
£80,001 - £100,000	2	0.173	8	0.728
£100,001 - £150,000	10	1.256	12	1.517
£150,001 - £200,000	5	0.879	10	1.796
£200,001 - £250,000	5	1.120	3	0.666
£250,001 - £300,000	0	0.000	3	0.795
£300,001 - £350,000	0	0.000	1	0.318
Total	37	3.677	186	9.276

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	54
FTE employee number	53.53

Percentage of pay bill spent on facility time	
Total cost of facility time	£365,207
Total pay bill	£257,097,745
Percentage of the total pay bill spent on facility time	0.14%

Percentage of time spent on facility time		
Number of representatives		% time
	14.00	0%
	35.00	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	28.25%

Cllr Iain Nicolson
Leader of the Council
25 June 2020

Sandra Black
Chief Executive
25 June 2020

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.

2018/19			Note	2019/20		
Gross expenditure £m	Gross income £m	Net expenditure £m		Gross expenditure £m	Gross income £m	Net expenditure £m
211.227	(18.119)	193.108		230.636	(27.504)	203.132
125.509	(115.190)	10.319		116.488	(106.472)	10.016
88.432	(22.387)	66.045		83.743	(13.650)	70.093
55.686	(6.865)	48.821		58.774	(7.901)	50.873
31.601	(8.073)	23.528		32.457	(7.002)	25.455
25.738	(13.577)	12.161		14.562	(13.003)	1.559
195.171	(124.484)	70.687		206.913	(131.240)	75.673
733.364	(308.695)	424.669		743.573	(306.772)	436.801
3.007	0.000	3.007		0.000	(0.651)	(0.651)
24.813	(1.170)	23.643	2	26.590	(1.118)	25.472
0.000	(409.399)	(409.399)	4	0.000	(427.986)	(427.986)
761.184	(719.264)	41.920		770.163	(736.527)	33.636
		(16.672)	(Surplus)/Deficit on the revaluation of non-current assets		8	(88.570)
		0.639	Impairment (gain)/loss on non-current assets charged to the Revaluation Reserve		8	0.000
		(0.139)	(Surplus)/Deficit from investments in equity instruments designated as Fair Value through Other Comprehensive Income		8	0.111
		79.998	Actuarial (gain)/loss on pension assets and liabilities		29	(140.143)
		63.826	Other comprehensive (income) and expenditure			(228.602)
		105.746	Total comprehensive (income) and expenditure			(194.966)

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.

		General Fund Balance £m	Housing Revenue Account £m	Revenue statutory funds £m	Capital Funds £m	Total Usable Reserves £m	Unusable Reserves £m	Total reserves £m
Note								
	Balance at 1 April 2019	59.144	6.807	2.858	85.797	154.606	747.199	901.805
	Movement in reserves during the year							
	Total Comprehensive Income and Expenditure	(25.361)	(8.275)	0.000	0.000	(33.636)	228.602	194.966
7	Transfers to or (from) other statutory reserves	0.000	0.000	0.000	0.000	0.000	0.000	0.000
6	Adjustments between accounting basis and funding basis under regulations	21.028	8.275	0.000	9.348	38.651	(38.651)	0.000
	Increase / (Decrease) in year	(4.333)	0.000	0.000	9.348	5.015	189.951	194.966
	Balance at 31 March 2020	54.811	6.807	2.858	95.145	159.621	937.150	1,096.771

		General Fund Balance £m	Housing Revenue Account £m	Revenue statutory funds £m	Capital Funds £m	Total usable reserves £m	Unusable reserves £m	Total reserves £m
Note								
	Balance at 1 April 2018	45.208	6.807	2.858	94.534	149.407	858.144	1,007.551
	Movement in reserves during the year							
	Total Comprehensive Income and Expenditure	(36.351)	(5.569)	0.000	0.000	(41.920)	(63.826)	(105.746)
7	Transfers to or (from) other statutory reserves	6.062	0.000	0.000	(6.062)	0.000	0.000	0.000
6	Adjustments between accounting basis and funding basis under regulations	44.225	5.569	0.000	(2.675)	47.119	(47.119)	0.000
	Increase / (Decrease) in year	13.936	0.000	0.000	(8.737)	5.199	(110.945)	(105.746)
	Balance at 31 March 2019	59.144	6.807	2.858	85.797	154.606	747.199	901.805

Balance Sheet

The balance sheet shows the value as at 31 March 2020 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 2019 £m		Note	As at 31 March 2020 £m
1,340.737	Property, plant and equipment	9	1,452.215
39.303	Heritage assets	12	39.303
1.601	Investment property	10	1.502
5.845	Intangible assets	13	5.037
3.785	Long-term investments	23	10.789
2.614	Long-term debtors	19	2.172
1,393.885	Long-term assets		1,511.018
1.500	Assets held for sale	11	0.700
0.037	Short-term intangible assets	17	0.000
103.292	Short-term investments	23	86.341
1.120	Inventories	18	0.989
44.037	Short-term debtors	19	49.602
46.342	Cash and cash equivalents	20	12.696
196.328	Current assets		150.328
(72.438)	Short-term borrowing	23	(53.227)
(87.359)	Short-term creditors	21	(70.521)
(6.718)	Short-term provisions	22	(7.864)
(166.515)	Current liabilities		(131.612)
(71.442)	Long-term creditors	21	(70.081)
(5.420)	Long-term provisions	22	(4.745)
(168.357)	Long-term borrowing	23	(187.497)
(276.674)	Other long-term liabilities	29	(170.640)
(521.893)	Long-term liabilities		(432.963)
901.805	Net assets		1,096.771
(154.606)	Usable reserves	7	(159.621)
(747.199)	Unusable reserves	8	(937.150)
(901.805)	Total reserves		(1,096.771)

Alan Russell CPFA
Director of Finance
and Resources
25 June 2020

The unaudited accounts were issued on 25 June 2020.

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.

2018/19 £m		2019/20 £m
(41.920)	Net surplus/(deficit) on the provision of services	(33.636)
	Adjustment for non-cash movements:	
73.865	Depreciation, amortisation, impairment and revaluations	62.661
22.927	Increase/(decrease) in creditors	(3.677)
11.722	(Increase)/decrease in debtors	(5.086)
(0.363)	(Increase)/decrease in inventories	0.131
36.210	Pension (liability)/asset	34.109
5.941	Carrying amount of non-current assets sold	1.487
(0.564)	Other non-cash items charged to the net surplus or deficit on the provision of services	0.440
(33.812)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(38.435)
74.006	Net cash flows from operating activities	17.994
	Net cash flows from investing activities :	
(66.544)	Purchase of property, plant and equipment, investment property and intangible assets	(97.034)
(5.308)	Purchase of short-term and long-term investments	0.000
2.932	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2.140
0.000	Proceeds from short-term and long-term investments	9.947
30.880	Other receipts from investing activities	36.295
	Net cash flows from financing activities	
0.327	Cash receipts of short-term and long-term borrowing	0.000
(2.904)	Cash payments for the reduction of the outstanding liability relating to finance leases and on-balance sheet PFI /PPP contracts	(2.917)
0.000	Repayment of short-term and long-term borrowing	(0.071)
33.389	Net increase/(decrease) in cash and cash equivalents	(33.646)
12.953	Cash and cash equivalents at the beginning of the reporting period	46.342
46.342	Cash and cash equivalents at the end of the reporting period	12.696

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

2018/19 £m	Interest Paid and Received	2019/20 £m
(1.170)	Interest received	(1.118)
11.122	Interest paid	10.588
5.741	Interest element of finance lease and PPP payments	5.525
15.693		14.995

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.

2019/20	Net Expenditure chargeable to the General Fund and HRA £m	Adjustments between Funding and Accounting basis £m	Net Expenditure in the CIES £m
Children's Services	193.278	9.855	203.133
Communities, Housing & Planning	12.702	(2.686)	10.016
Environment & Infrastructure	48.073	22.020	70.093
Finance & Resources	36.030	14.844	50.874
Chief Executive's Service	21.249	4.207	25.456
Miscellaneous Services	32.402	(30.845)	1.557
Adult Services	70.685	4.988	75.673
Net cost of services	414.419	22.383	436.802
Other income and expenditure	(410.086)	6.920	(403.166)
(Surplus) / Deficit	4.333	29.303	33.636
Opening General Fund and HRA balance	(65.951)		
Less (Surplus) / Deficit in the year	4.333		
Closing General Fund and HRA at 31 March*	(61.618)		

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

2019/20	Adjustments for capital purposes £m	Net change for the pensions adjustments £m	Other differences £m	Total Adjustments £m
Children's Services	18.896	8.908	(17.950)	9.854
Communities, Housing & Planning Services	10.442	2.953	(16.082)	(2.687)
Environment & Infrastructure	7.235	6.291	8.494	22.020
Finance & Resources	3.337	6.243	5.264	14.844
Chief Executive's Service	2.704	1.684	(0.181)	4.207
Miscellaneous Services	(10.944)	(4.262)	(15.638)	(30.844)
Adult Services	0.000	5.229	(0.240)	4.989
Net cost of services	31.670	27.046	(36.333)	22.383
Other income and expenditure	(36.946)	7.063	36.803	6.920
Total adjustments between accounting basis and funding basis	(5.276)	34.109	0.470	29.303

- 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.

2018/19	Net Expenditure chargeable to the General Fund and HRA £m	Adjustments between Funding and Accounting basis £m	Net Expenditure in the CIES £m
Children's Services	172.351	20.757	193.108
Communities, Housing & Planning	12.514	(2.195)	10.319
Environment & Infrastructure	47.071	18.974	66.045
Finance & Resources	34.720	14.101	48.821
Chief Executive's Service	22.131	1.397	23.528
Miscellaneous Services	23.535	(11.374)	12.161
Adult Services	67.200	3.487	70.687
Net cost of services	379.522	45.147	424.669
Other income and expenditure	(385.458)	2.709	(382.749)
(Surplus) / Deficit	(5.936)	47.856	41.920
Opening General Fund and HRA balance	(52.015)		
Less (Surplus) / Deficit in the year	(5.936)		
Add other items not charged to the Surplus / (Deficit)	(8.000)		
Closing General Fund and HRA at 31 March*	(65.951)		

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

2018/19	Adjustments for capital purposes £m	Net change for the pensions adjustments £m	Other differences £m	Total Adjustments £m
Children's Services	24.080	5.307	(8.630)	20.757
Communities, Housing & Planning Services	10.644	2.581	(15.420)	(2.195)
Environment & Infrastructure	8.566	4.030	6.378	18.974
Finance & Resources	4.880	4.052	5.169	14.101
Chief Executive's Service	0.169	1.044	0.184	1.397
Miscellaneous Services	(16.677)	10.873	(5.570)	(11.374)
Adult Services	0.000	3.513	(0.026)	3.487
Net cost of services	31.662	31.400	(17.915)	45.147
Other income and expenditure	(16.879)	4.810	14.778	2.709
Total adjustments between accounting basis and funding basis	14.783	36.210	(3.137)	47.856

Note 2: Financing and investment income and expenditure

2018/19 £m		2019/20 £m
20.003	Interest payable and similar charges	19.527
4.810	Net interest on the net defined benefit liability	7.063
(1.045)	Interest receivable and similar income	(1.078)
(0.125)	Income and expenditure in relation to investment properties and changes in their fair values	(0.040)
23.643	Total	25.472

Note 3: Expenditure and income analysed by nature

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

2018/19 £m		Note	2019/20 £m
	Expenditure		
295.376	Employee benefits expenses		316.574
364.123	Other service expenses		364.338
73.865	Depreciation, amortisation, impairment		62.661
24.813	Interest Payments	2	26.590
3.007	Loss on the disposal of assets	8	0.000
761.184	Total expenditure		770.163
	Income		
(308.695)	Fees, charges and other service income		(306.772)
(1.170)	Interest and investment income	2	(1.118)
0.000	Gain on the disposal of assets	8	(0.651)
(195.504)	Income from council tax and non-domestic rates	4	(183.102)
(213.895)	Government grants and contributions	4	(244.884)
(719.264)	Total income		(736.527)
41.920	(Surplus) or deficit on the provision of services		33.636

Note 4: Taxation and non-specific grant income

2018/19 £m		2019/20 £m
(75.399)	Income from Council Tax and community charge	(78.685)
(120.105)	Distribution from the national non-domestic rate pool	(104.417)
(183.015)	General Revenue Grant from the Scottish Government	(208.589)
(30.880)	Capital grants and contributions	(36.295)
(409.399)	Total	(427.986)

Note 5: Grant income

The Council credited the following grants, contributions and donations direct to services in the CIES during 2019/20.

2018/19 £m		2019/20 £m
58.937	Housing benefit	51.011
0.778	Housing benefit and Council Tax administration	0.700
0.347	Discretionary Housing Payment	0.146
0.900	Private sector housing grant	0.500
0.640	Education Maintenance Allowance	0.631
0.020	Gaelic Education	0.017
0.018	School Milk	0.021
4.272	Pupil Equity Fund	4.273
2.667	Early Years Expansion	11.537
5.662	Other Education	6.754
3.172	Children's Services	2.568
12.254	Adult Services	12.471
2.576	Employability	4.434
2.131	Other grants	2.977
94.374	Total	98.040

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.

2019/20	Usable reserves				Unusable reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Statutory Funds	Capital Receipts Reserve	
	£m	£m	£m	£m	
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items charged to the CIES:					
Charges for depreciation and impairment of non-current assets	(36.468)	(25.268)	0.000	0.000	61.736
Revaluation losses on property, plant and equipment	0.000	0.000	0.000	0.000	0.000
Movements in the market value of investment property	0.000	0.000	0.000	0.000	0.000
Amortisation of intangible assets	(0.925)	0.000	0.000	0.000	0.925
Capital grants and contributions applied	32.558	3.737	0.000	0.000	(36.295)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the CIES	1.557	(0.906)	0.000	0.000	(0.651)
Insertion of items not charged to the CIES:					
Statutory provision for the repayment of Loans Fund & Finance Lease principal	4.105	15.670	0.000	0.000	(19.775)
Capital expenditure charged against the General Fund and HRA Balances	11.214	0.000	(7.912)	0.000	(3.302)
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	(2.140)	2.140
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	0.704	(0.704)
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	0.304	0.192	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	(61.233)	(2.912)	0.000	0.000	64.145
Employer’s pension contributions and direct payments to pensioners payable in the year	28.879	1.157	0.000	0.000	(30.036)
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	(1.019)	0.055	0.000	0.000	0.964
Total adjustments	(21.028)	(8.275)	(7.912)	(1.436)	38.651

2018/19	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	(45.334)	(28.331)	0.000	0.000	73.665
Amortisation of intangible assets	(0.200)	0.000	0.000	0.000	0.200
Capital grants and contributions applied	25.249	5.631	0.000	0.000	(30.880)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the CIES	(3.289)	0.282	0.000	0.000	3.007
Insertion of items not charged to the CIES:					
Statutory provision for the repayment of Loans Fund & Finance Lease principal	9.251	18.537	0.000	0.000	(27.788)
Capital expenditure charged against the General Fund and HRA Balances	3.421	0.000	3.075	0.000	(6.496)
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	(2.932)	2.932
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	2.532	(2.532)
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	0.263	0.234	0.000	0.000	(0.497)
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	(61.538)	(2.884)	0.000	0.000	64.422
Employer’s pension contributions and direct payments to pensioners payable in the year	27.151	1.061	0.000	0.000	(28.212)
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	0.801	(0.099)	0.000	0.000	(0.702)
Total adjustments	(44.225)	(5.569)	3.075	(0.400)	47.119

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, however a summary is shown below.

2018/19 £m		2019/20 £m
(59.144)	General Fund Balance	(54.811)
(6.807)	Housing Revenue Account Balance	(6.807)
(8.017)	Capital Receipts Reserve	(9.453)
(80.638)	Other Statutory Funds	(88.550)
(154.606)	Total	(159.621)

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 2019/20.

	Balance at 1 April 2018 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2019 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2020 £m
Insurance Fund	2.543	0.000	0.000	2.543	0.000	0.000	2.543
Reservoir Repair Fund	0.315	0.000	0.000	0.315	0.000	0.000	0.315
Revenue statutory funds	2.858	0.000	0.000	2.858	0.000	0.000	2.858
Education Capital Items Fund	1.132	(0.331)	0.246	1.047	(0.429)	0.439	1.057
Investment Capital Fund	85.785	(11.075)	2.023	76.733	(0.849)	8.751	84.635
Capital statutory funds	86.917	(11.406)	2.269	77.780	(1.278)	9.190	85.692
Total	89.775	(11.406)	2.269	80.638	(1.278)	9.190	88.550

- 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 2020/21 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 2018 £m	Sale proceeds £m	Capital exp funded £m	Balance at 31 March 2019 £m	Sale proceeds £m	Capital exp funded £m	Balance at 31 March 2020 £m
Capital Receipts Reserve	7.617	2.932	(2.532)	8.017	2.140	(0.704)	9.453

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 £6.599m represents 1.6% of the Council's net annual running costs.

	Balance at 1 April 2018 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2019 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2020 £m
Service Modernisation and Reform Fund	3.681	(1.370)	8.032	10.343	(3.518)	0.003	6.828
PPP Future Replacement Establishment Fund	12.670	0.000	0.000	12.670	0.000	0.000	12.670
M74 Fund	0.566	0.000	0.000	0.566	(0.566)	0.000	0.000
Alcohol and Drugs Commission	0.000	0.000	0.000	0.000	0.000	1.000	1.000
Leisure: Inclusive Play Facility	0.000	0.000	0.000	0.000	0.000	0.050	0.050
School Music Participation Funding	0.000	0.000	0.000	0.000	0.000	0.375	0.375
Development Contribution – Paisley Town Centre	1.059	(0.003)	0.000	1.056	0.000	0.001	1.057
Early Years Change Fund	2.461	(1.410)	0.000	1.051	(1.051)	1.900	1.900
Pupil Equity Fund	1.613	(0.187)	0.000	1.426	0.000	0.044	1.470
Waste Management Strategy	1.783	(1.783)	0.000	0.000	0.000	0.000	0.000
Invest in Renfrewshire	0.479	(0.479)	0.000	0.000	0.000	1.829	1.829
Community Safety	0.031	0.000	0.000	0.031	0.000	0.000	0.031
Private Sector Housing Grant	2.399	0.000	0.288	2.687	(0.114)	0.000	2.573
Paisley Town Centre Heritage Asset Strategy	3.195	(0.693)	0.130	2.632	(0.737)	0.000	1.895
Culture Bid Legacy	1.531	0.000	0.880	2.411	(0.228)	0.737	2.920
City Deal	1.481	(0.208)	0.000	1.273	(0.658)	0.566	1.181
Renfrewshire Health & Social Care Partnership	1.656	(0.424)	0.000	1.232	(1.232)	0.000	0.000
Town Centre Public WiFi	0.503	(0.159)	0.000	0.344	(0.142)	0.000	0.202
Tackling Poverty	0.703	(0.703)	4.002	4.002	(0.998)	0.000	3.004
Employability	0.000	0.000	4.500	4.500	0.000	0.204	4.704
Environment & Place	0.000	0.000	2.500	2.500	(0.500)	0.000	2.000
Digital Infrastructure	0.000	0.000	0.440	0.440	(0.030)	0.000	0.410
Community Empowerment Fund	0.000	0.000	0.472	0.472	(0.040)	0.000	0.432
Kilbarchan AAC	0.000	0.000	0.250	0.250	(0.250)	0.000	0.000
Welfare Reform	0.000	0.000	0.603	0.603	(0.405)	0.000	0.198
British Sign Language	0.000	0.000	0.099	0.099	(0.004)	0.000	0.095
Villages Improvement Fund	0.000	0.000	0.370	0.370	0.000	0.000	0.370
Year end flexibility:							
Children's Services	1.161	(0.112)	0.000	1.049	(0.031)	0.000	1.018
Adult Services	0.010	(0.010)	0.000	(0.000)	0.000	0.000	(0.000)
General Fund Ring-fenced Total	36.982	(7.541)	22.566	52.007	(10.504)	6.709	48.212
Additional Scottish Government Grant - related to 2018/19	1.132	(1.132)	0.000	0.000	0.000	0.000	0.000
Unallocated element of the General Fund Balance	7.094	0.000	0.043	7.137	(0.538)	0.000	6.599
Total General Fund Balance	45.208	(8.673)	22.609	59.144	(11.042)	6.709	54.811

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 2019 £m	Unusable Reserves	As at 31 March 2020 £m
(468.331)	Revaluation Reserve	(538.692)
276.674	Pension Reserve	170.640
(574.484)	Capital Adjustment Account	(588.619)
12.918	Financial Instruments Adjustment Account	12.422
(0.598)	Financial Instruments Revaluation Reserve	(0.487)
6.622	Employee Statutory Adjustment Account	7.586
(747.199)	Total Unusable Reserves	(937.150)

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:

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

The 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.

2018/19 £m	Revaluation Reserve	2019/20 £m
(471.731)	Balance at 1 April	(468.331)
(16.672)	Upward/(downward) revaluation of non-current assets	(88.570)
0.639	Impairment (gain)/loss on non-current assets charged to the Revaluation Reserve	0.000
17.496	Difference between fair value depreciation and historic cost depreciation written off to the Capital Adjustment Account	17.994
1.937	Accumulated gains or (losses) on disposal of non-current assets transferred to the Capital Adjustment Account	0.215
3.400	Amount posted to the Capital Adjustment Account	(70.361)
(468.331)	Balance at 31 March	(538.692)

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.

2018/19 £m	Pension Reserve	2019/20 £m
160.466	Balance at 1 April	276.674
79.998	Actuarial gains or (losses) on pension assets and liabilities	(140.143)
64.422	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	64.145
(28.212)	Employer's pension contributions payable in the year	(30.036)
276.674	Balance at 31 March	170.640

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.

2018/19 £m	Capital Adjustment Account	2019/20 £m
(567.159)	Balance at 1 April	(574.484)
	Reversal of items relating to capital expenditure charged to the CIES:	
73.665	Charges for depreciation, impairment and revaluation losses of non-current assets	61.736
0.200	Amortisation of intangible assets	0.925
	Revenue expenditure funded from capital under statute	
2.932	Non-current assets sale proceeds	2.140
3.007	(Gain)/Loss on disposal of non-current assets charged to the CIES	(0.651)
(19.433)	Adjusting amounts written out of the Revaluation Reserve	(18.209)
60.371	Net written out amount of non-current assets consumed in the year	45.941
	Capital financing applied in the year:	
(2.532)	Use of the Capital Receipts Reserve to finance new capital expenditure	(0.704)
(30.880)	Capital grants and contributions credited to the CIES that have been applied to capital financing	(36.295)
(27.788)	Loans Fund and Finance Lease principal repayments	(19.775)
(6.496)	Capital expenditure charged against the General Fund and Housing Revenue Account balances	(3.302)
(67.696)		(60.076)
(574.484)	Balance at 31 March	(588.619)

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.

Financial Instruments Adjustment Account	Refinancing premiums and discounts £m	Borrowing on stepped interest rate loans £m	Loans to third parties at less than market rate £m	Total £m
Balance at 1 April 2019	11.966	0.922	0.030	12.918
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)
Balance at 31 March 2020	11.494	0.901	0.027	12.422

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:

- i) revalued downwards or impaired and the gains are lost; or
- ii) disposed of and the gains are realised.

2018/19 £m	Financial Instruments Revaluation Reserve	2019/20 £m
(0.459)	Balance at 1 April	(0.598)
(0.139)	Downward/(Upward) revaluation of investments	0.111
(0.598)	Balance at 31 March	(0.487)

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.

2018/19 £m	Employee Statutory Adjustment Account	2019/20 £m
7.324	Balance at 1 April	6.622
(7.324)	Settlement or cancellation of accrual made at the end of the prior year	(6.622)
6.622	Amounts accrued at the end of the current year	7.586
6.622	Balance at 31 March	7.586

Note 9: Property, Plant and Equipment

2019/20	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 PPP £m
Gross carrying amount at 1 April 2019	504.680	290.159	544.300	307.221	31.939	28.263	1,706.562	111.448
Assets reclassified (to)/ from the "held for sale" category	0.000	0.000	0.000	0.000	0.000	0.700	0.700	0.000
Other asset reclassifications	6.953	4.313	4.749	0.000	(16.015)	(0.290)	(0.290)	0.000
Additions	9.099	9.179	14.949	10.765	41.229	0.010	85.231	1.851
Disposals	(0.398)	(0.020)	(2.940)	0.000	0.000	(1.100)	(4.458)	0.000
Revaluation increases/(decreases) taken to the Revaluation Reserve	48.529	2.864	7.340	0.000	0.000	(0.001)	58.732	0.000
Revaluation increases/(decreases) recognised in the surplus or deficit on the provision of services	0.000	0.168	(1.193)	0.000	0.000	(0.355)	(1.380)	0.000
Gross carrying amount at 31 March 2020	568.863	306.663	567.205	317.986	57.153	27.227	1,845.097	113.299
Accumulated depreciation and impairment at 1 April 2019	0.000	15.853	202.573	141.800	0.278	5.321	365.825	4.882
Depreciation on other reclassifications	0.000	(0.326)	0.326	0.000	0.000	0.000	0.000	0.000
Depreciation charge for the year	16.823	6.862	33.221	6.443	0.000	0.136	63.485	4.138
Depreciation and impairment on disposals	(0.013)	(0.001)	(2.867)	0.000	0.000	(0.190)	(3.071)	0.000
Depreciation written out to the Revaluation Reserve	(16.810)	(2.703)	(10.237)	0.000	0.000	(0.088)	(29.838)	0.000
Depreciation written out to the surplus or deficit on the provision of services	0.000	(1.692)	(1.817)	0.000	0.000	(0.010)	(3.519)	0.000
Accumulated depreciation and impairment at 31 March 2020	0.000	17.993	221.199	148.243	0.278	5.169	392.882	9.020
Balance sheet net carrying amount at 31 March 2020	568.863	288.670	346.006	169.743	56.875	22.058	1,452.215	104.279
Balance sheet net carrying amount at 1 April 2019	504.680	274.306	341.727	165.421	31.661	22.942	1,340.737	106.566

2018/19	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 PPP £m
Gross carrying amount at 31 March 2019	522.946	287.210	517.446	298.126	37.450	28.463	1,691.641	101.265
Assets reclassified (to)/from the "held for sale" category	0.000	0.000	0.000	0.000	0.000	(1.500)	(1.500)	0.000
Other asset reclassifications	0.048	1.712	23.356	0.000	(31.784)	1.161	(5.507)	0.000
Additions	6.105	10.829	12.306	9.095	26.273	0.000	64.608	0.992
Disposals	(0.495)	(1.670)	(8.551)	0.000	0.000	(1.148)	(11.864)	0.000
Revaluation increases/(decreases) taken to the Revaluation Reserve	(23.924)	(1.271)	8.323	0.000	0.000	2.089	(14.783)	7.318
Revaluation increases/(decreases) recognised in the surplus or deficit on the provision of services	0.000	(6.651)	(8.580)	0.000	0.000	(0.802)	(16.033)	1.873
Gross carrying amount at 31 March 2019	504.680	290.159	544.300	307.221	31.939	28.263	1,706.562	111.448
Accumulated depreciation and impairment at 1 April 2018	0.000	17.130	188.203	135.585	0.000	4.250	345.168	8.083
Depreciation on other reclassifications	0.014	(0.617)	0.561	0.000	0.000	0.042	0.000	0.000
Depreciation charge for the year	17.432	6.812	34.799	6.215	0.000	0.119	65.377	3.637
Depreciation and impairment on disposals	(0.016)	(0.239)	(5.914)	0.000	0.000	(0.005)	(6.174)	0.000
Depreciation written out to the Revaluation Reserve	(17.430)	(3.440)	(10.503)	0.000	0.000	(0.081)	(31.454)	(6.534)
Depreciation written out to the surplus or deficit on the provision of services	0.000	(3.793)	(4.573)	0.000	0.000	(0.030)	(8.396)	(0.304)
Impairment losses taken to the Revaluation Reserve	0.000	0.000	0.000	0.000	0.000	0.639	0.639	0.000
Impairment losses recognised in the surplus or deficit on the provision of services	0.000	0.000	0.000	0.000	0.278	0.387	0.665	0.000
Accumulated depreciation and impairment at 31 March 2019	0.000	15.853	202.573	141.800	0.278	5.321	365.825	4.882
Balance sheet net carrying amount at 31 March 2019	504.680	274.306	341.727	165.421	31.661	22.942	1,340.737	106.566
Balance sheet net carrying amount at 1 April 2018	522.946	270.080	329.243	162.541	37.450	24.213	1,346.473	93.182

Note 10: 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.

2018/19 £m	Investment Properties	2019/20 £m
(0.111)	Rental income from investment property	(0.139)
(0.111)	Net Loss / (Gain)	(0.139)

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:

2018/19 £m	Fair Value of Investment Properties	2019/20 £m
1.587	Opening balance at 1 April	1.601
0.014	Net gains or (losses) from fair value adjustments	(0.389)
0.000	Transfers from inventories and property, plant and equipment	0.290
1.601	Closing balance at 31 March	1.502

Fair Value Hierarchy

Detail of the authority's investment properties and information about the fair value hierarchy as at 31 March 2020 are as follows:

	Quoted Prices in active markets for identical assets (level 1) £m	Other significant observable inputs (level 2) £m	Other significant unobservable inputs (level 3) £m	Fair Value as at 31 March 2020 £m
Commercial Units	0.000	0.310	0.000	0.310
Office Units	0.000	0.060	0.000	0.060
Commercial Sites	0.000	0.973	0.000	0.973
Other	0.000	0.159	0.000	0.159
Total	0.000	1.502	0.000	1.502

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 11: Assets held for sale

The following table summarises the movement in the fair value of assets held for sale during the year:

2018/19 £m	Assets Held for Sale	2019/20 £m
0.251	Opening balance at 1 April	1.500
	Assets reclassified as held for sale:	
1.500	Other Land and Buildings	(0.700)
(0.251)	Assets sold	(0.100)
1.500	Closing balance at 31 March	0.700

Note 12: Heritage Assets

There were no movements in the fair value of the Council's Heritage Assets during 2019/20 or 2018/19. The value at 31 March 2020 was £39.303m (£39.303m at 31 March 2019).

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 a combination of external valuations and those undertaken by museum curators for insurance purposes. Internal valuations are generally derived on a collection basis as opposed to valuing individual objects.

The details of the valuations of the assets are as follows:

- Art collection: 2013 (Sotheby's)
- Shawls and textiles: 2017 (internal)
- Natural and human history: 2017 (internal)

An inventory of objects is currently held in a variety of both manual and electronic formats. A centralised electronic collections management system has been procured and a project is underway to transfer records to this new system. It is recognised however that this is a significant task and may take a substantial period of time to complete.

Over the past five years, there have been no acquisitions, donations, or disposals of Heritage Assets. The only revaluations over this period (in 2017/18) amounted to £0.326m.

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 as follows:

2018/19 £m	Purchased Software Licences	2019/20 £m
	Balance at 1 April	
1.033	Gross carrying amount	6.421
(0.628)	Accumulated amortisation	(0.576)
0.405	Net carrying amount at 1 April	5.845
0.134	Additions: purchases	0.117
5.506	Asset Reclassification	0.000
(0.252)	Disposals	(0.456)
0.252	Disposal amortisation	0.456
(0.200)	Amortisation for the year	(0.925)
5.845	Net carrying amount at 31 March	5.037
	Comprising:	
6.421	Gross carrying amount	6.082
(0.576)	Accumulated amortisation	(1.045)
5.845	Balance at 31 March	5.037

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 2019/20 total spending on capital projects was £85.348m (£64.672m in 2018/19) and was within the overall prudential limits approved by Council. Capital receipts of £0.704m (£2.532m in 2018/19) were used to fund spending on capital projects.

The net capital expenditure for the year of £45.047m (£24.834m in 2018/19) 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 PFI/PPP contracts.

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.

2018/19 £m		2019/20 £m
347.471	Opening Capital Financing Requirement	344.567
	Capital investment:	
64.608	Property, plant and equipment	84.676
0.000	Credit Arrangements (Finance Lease/PPP)	0.555
0.134	Intangible assets	0.117
	Sources of finance:	
(0.479)	Capital receipts – sale of council houses	(0.385)
(2.053)	Capital receipts – sale of other council assets	(0.319)
(30.880)	Government grants and other contributions	(36.295)
(6.496)	Sums set aside from revenue – direct revenue contributions	(3.302)
(27.738)	Loans Fund/Finance Lease principal repayments	(19.724)
344.567	Closing Capital Financing Requirement	369.890
	Explanation of movements in year:	
0.000	Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	27.671
(2.904)	Increase/(decrease) in PPP finance lease creditor	(2.348)
(2.904)	Increase/(Decrease) in Capital Financing Requirement	25.323

At 31 March 2020 the Council had commitments on capital contracts for non-housing projects of £35.742m (£35.072m in 2018/19) and for housing projects of £39.072m (£37.975m in 2018/19). This expenditure will be funded from a combination of government grants, external borrowing, income from selling assets and contributions from revenue budgets.

Note 15: Public Private Partnerships

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).

Future Repayment Periods	Service Charges £m	Liability Repayment £m	Interest Repayment £m	Contingent Rentals £m	Total £m
Payable within 1 year	6.053	2.543	5.317	3.639	17.552
Payable within 2-5 years	25.073	11.698	19.214	17.195	73.180
Payable within 6-10 years	36.190	17.054	18.784	26.521	98.549
Payable within 11-15 years	35.814	25.262	10.962	35.002	107.040
Payable within 16-20 years	25.911	14.881	1.893	19.588	62.273
Total	129.041	71.438	56.170	101.945	358.594

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay to the contractor for capital expenditure (the outstanding finance lease obligation) is as follows:

2018/19 £m	Outstanding PPP Finance Lease Obligation	2019/20 £m
77.178	Balance at 1 April	74.274
2.904	Payments during the year	2.836
74.274	Balance at 31 March	71.438

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%.

Note 16: Leases

Renfrewshire Council as Lessee

Operating Leases

The Council has 28 properties and 6 vehicles classed as operating leases, with average lives of 11 years. The future minimum lease payments due under non-cancellable leases in future years are:

As at 31 March 2019 (restated) £m		As at 31 March 2020 £m
1.010	Not later than one year	0.932
2.876	Between one and five years	2.306
4.234	Later than five years	3.909
8.120		7.147

The expenditure charged to the CIES during the year in relation to these leases was:

2018/19 (restated) £m		2019/20 £m
1.102	Minimum lease payments	1.021
1.102		1.021

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 2019 £m		As at 31 March 2020 £m
0.252	Not later than one year	0.183
0.700	Between one and five years	0.675
6.781	Later than five years	6.623
7.733		7.481

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: Intangible assets (current assets)

The Council accounts for Carbon Reduction Commitment (CRC) allowances purchased prospectively as intangible assets. These allowances will be surrendered in accordance with the CRC scheme's requirements. The scheme was closed on 31 March 2020.

2018/19 £m	Intangible Assets (Current)	2019/20 £m
0.266	Balance at 1 April	0.037
0.000	Additions: purchases	0.000
(0.229)	Disposals	(0.037)
0.037	Balance at 31 March	0.000

Note 18: Inventories

2018/19 £m	Inventories	2019/20 £m
0.757	Balance at 1 April	1.120
6.934	Additions during the year	7.572
(6.562)	Recognised as an expense during the year: inventories sold, exchanged or distributed	(7.706)
(0.072)	Recognised as an expense during the year: inventories written down	0.000
0.063	Reversals during the year of previous inventory write-downs	0.003
1.120	Balance at 31 March	0.989

Note 19: Debtors

As at 31 March 2019			As at 31 March 2020	
Short-term £m	Long-term £m		Short-term £m	Long-term £m
11.872	0.000	Trade receivables	6.927	0.000
4.871	1.350	Prepayments	4.932	1.260
27.294	1.264	Other receivables	37.743	0.912
44.037	2.614	Total Debtors	49.602	2.172

Note 20: 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.

2018/19 £m		2019/20 £m
(4.407)	Current account balances with the council's banker	(10.282)
18.855	Callable deposits with UK banks and building societies	0.603
31.846	Callable deposits in money market funds	22.205
0.048	Imprest accounts held at council establishments	0.170
46.342	Total cash and cash equivalents	12.696

Note 21: Creditors

The analysis below details the main creditor balances.

As at 31 March 2019			As at 31 March 2020	
Short-term £m	Long-term £m		Short-term £m	Long-term £m
(17.897)	0.000	Trade payables	(22.090)	0.000
(69.462)	(71.442)	Other payables	(48.431)	(70.081)
(87.359)	(71.442)	Total Creditors	(70.521)	(70.081)

Note 22: 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. There are two classes of provision: short and long-term. The accrual associated with short-term accumulating compensated absence is classed as a short-term provision and is matched by the Employee Statutory Adjustment Account (an unusable reserve – see Note 8). The accrual associated with teacher's maternity pay is also a short-term provision. This provision has been 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	Short term accumulating compensated absence £m	Teachers' maternity pay £m	Other £m	Total £m
Balance at 1 April 2019	(6.622)	(0.096)	0.000	(6.718)
Additional provisions made during the year	(7.587)	(0.104)	(0.173)	(7.864)
Reversal of existing provisions	6.622	0.096	0.000	6.718
As at 31 March 2020	(7.587)	(0.104)	(0.173)	(7.864)

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	Other £m	Total £m
Balance at 1 April 2019	(0.561)	(3.639)	(1.220)	(5.420)
Additional provisions made during the year	0.116	(1.461)	0.000	(1.345)
Amounts used during the year	0.000	0.800	1.220	2.020
As at 31 March 2020	(0.445)	(4.300)	0.000	(4.745)

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 outstanding and potential claims.

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 £1.461m 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 23: 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 2019		Financial Assets	As at 31 March 2020	
Long-term £m	Current £m		Long-term £m	Current £m
0.000	103.000	<i>At amortised cost:</i>		
0.000	0.295	Principal	7.000	86.000
0.000	(0.003)	Accrued interest	0.000	0.341
3.785	0.000	Loss allowance	0.000	0.000
		At fair value through other comprehensive income - designated equity instruments	3.789	0.000
3.785	103.292	Total Investments	10.789	86.341
0.000	14.496	<i>At amortised cost:</i>		
0.000	0.007	Principal	0.000	(9.512)
0.000	(0.007)	Accrued interest	0.000	0.003
0.000	31.846	Loss allowance	0.000	0.000
		At fair value through profit or loss	0.000	22.205
0.000	46.342	Total Cash and cash equivalents	0.000	12.696
3.690	56.656	<i>At amortised cost:</i>		
4.998	0.123	Trade receivables	1.273	56.074
0.725	0.000	Loans made for service purposes	4.927	0.114
(6.799)	(19.505)	Accrued interest	0.794	0.000
		Loss allowance	(4.822)	(19.332)
2.614	37.274	Total Financial Assets included in Debtors	2.172	36.856

As at 31 March 2019		Financial Liabilities	As at 31 March 2020	
Long-term £m	Current £m		Long-term £m	Current £m
(168.357)	(3.317)	Principal sum borrowed	(167.131)	(1.227)
0.000	(2.620)	Accrued interest	0.000	(2.622)
(168.357)	(5.937)	Total Public Works Loan Board (PWLB) borrowing	(167.131)	(3.849)
0.000	(52.916)	Principal sum borrowed	(20.000)	(32.916)
0.000	(0.883)	Accrued interest	0.000	(0.890)
0.000	(0.922)	EIR adjustments	(0.366)	(0.535)
0.000	(54.721)	Total non-PWLB borrowing ("market debt")	(20.366)	(34.341)
0.000	(11.780)	Borrowing from group entities	0.000	(15.037)
(168.357)	(72.438)	Total Borrowing	(187.497)	(53.227)
0.000	(57.830)	At amortised cost trade payables	0.000	(44.910)
(71.438)	(2.836)	PFI/PPP and finance lease liabilities	(69.275)	(2.651)
(0.004)	0.000	Financial guarantees	(0.002)	0.000
(71.442)	(60.666)	Total Financial Liabilities included in Creditors	(69.277)	(47.561)

Loans to other entities and individuals comprise a loan to Park Lane Developments (Renfrewshire) LLP of £0.275m (2018/19 £0.275m), a loan to Kilbarchan Amateur Athletic Club of £0.081m (2018/19 nil),

home loans of £0.670m (2018/19 £0.834m), £0.030m soft loans to service users (2018/19 £0.031m) and soft loans to employees of £0.024m (2018/19 £0.024m).

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 Aberdeen Standard Capital.

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 £3.789m at 31 March 2020 (£3.785m as at 31 March 2020). 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 2020.

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, Aberdeen Standard Capital.

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 2020, 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.

- The value of 'Lender's Option Borrower's Option' (LOBO) loans have been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- 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 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 2019		Financial Assets	Fair value level	As at 31 March 2020	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
31.846	31.846	Callable deposits in money market funds	1	22.205	22.205
3.785	3.785	Investments in pooled funds (insurance fund)	1	3.789	3.789
35.631	35.631	Total Financial assets measured at fair value		25.994	25.994
95.279	95.346	Fixed term deposits with UK local authorities	2	93.341	93.443
8.013	8.013	Fixed term deposits with UK building societies	2	0.000	0.000
14.448	14.440	Callable deposits with UK banks and building societies (including current account balances with the Council's banker)	2	(9.679)	(9.683)
0.048	0.048	Imprest accounts held at council establishments	2	0.170	0.170
1.644	1.696	Loans made for service purposes	3	1.542	1.598
119.432	119.543	Total Financial assets measured at amortised cost		85.374	85.528
155.063	155.174	Total financial assets for which fair value is disclosed		111.368	111.522
		<i>Financial assets measured at amortised cost:</i>			
1.091	n/a	Trade receivables: long-term		0.740	n/a
37.153	n/a	Trade receivables: short-term		36.746	n/a
38.244		Total financial assets for which fair value is not disclosed		37.486	

As at 31 March 2019		Financial Liabilities	Fair value level	As at 31 March 2020	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
		<i>Financial liabilities measured at amortised cost:</i>			
(174.294)	(250.972)	Public Works Loan Board borrowing	2	(170.980)	(237.264)
(54.721)	(82.270)	Non-PWLB borrowing (“market debt”)	2	(54.707)	(75.291)
		<i>Other liabilities:</i>			
(74.270)	(74.270)	PFI/PPP and finance lease liabilities	3	(71.926)	(71.926)
(0.004)	(0.004)	Financial guarantees	3	(0.002)	(0.002)
(303.289)	(407.516)	Total financial liabilities for which fair value is disclosed		(297.615)	(384.483)
		<i>Financial liabilities measured at amortised cost:</i>			
(11.780)	n/a	Borrowing from group entities		(15.037)	n/a
(57.830)	n/a	Trade payables: short-term		(44.910)	n/a
(69.610)		Total financial liabilities for which fair value is not disclosed		(59.947)	

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.

2018/19 £m		Financial Assets			Financial liabilities at amortised cost £m	2019/20 £m
		Amortised cost £m	Elected to Fair Value through Other Comprehensive Income £m	Fair Value through Profit or Loss £m		
17.704	Interest expense	0.000	0.000	0.000	16.113	16.113
0.245	Impairment losses	2.295	0.000	0.000	0.000	2.295
17.949	Total expense in the Surplus / Deficit on the Provision of Services	2.295	0.000	0.000	16.113	18.408
(0.789)	Interest income	(1.358)	0.000	(0.128)	0.000	(1.486)
(0.114)	Dividend income	0.000	(0.116)	0.000	0.000	(0.116)
(0.002)	Other income	(0.001)	0.000	0.000	0.000	(0.001)
(0.905)	Total income in the Surplus/Deficit on the Provision of Services	(1.359)	(0.116)	(0.128)	0.000	(1.603)
(0.140)	Net (gain) or loss on revaluation	0.000	0.111	0.000	0.000	0.111
(0.140)	(Surplus)/Deficit on the revaluation of financial assets	0.000	0.111	0.000	0.000	0.111
16.904	Net (Gain)/Loss for the year	0.936	(0.005)	(0.128)	16.113	16.916

Note 24: 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.

2018/19 £m	Total Investment Portfolio by Credit Rating	2019/20 £m
31.846	AAA (Money Market Funds)	22.206
8.005	AA-	0.000
8.002	A+	0.003
9.396	A	0.100
1.475	BBB+	0.500
95.280	Unrated local authorities	93.341
154.004	Total	116.150

The Council does not generally allow credit for customers, such that as at 31 March 2020, £7.581m of the £9.720m (£6.498m of £10.271m in 2018/19) sundry income debtors balance is past its due date for payment. The past due amount can be analysed by age as follows:

2018/19 £m	Sundry Income Debt Past Due	2019/20 £m
0.746	Less than three months	1.837
0.145	Three to six months	0.457
0.777	Six months to one year	0.754
4.830	More than one year	4.533
6.498	Total	7.581

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 2020 the outstanding value of loans advanced by the Council was £0.670m (£0.834m as at 31 March 2020).

Liquidity risk

The Council's main source of borrowing is HM Treasury's Public Works Loans Board, but the Council also has loans classed as 'Lender's option, borrowers 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 2019		Principal Borrowing Maturity Analysis	As at 31 March 2020	
£m	%		£m	%
56.233	25.04%	Less than one year*	34.143	15.43%
1.227	0.55%	Between one and two years	20.834	9.42%
3.538	1.57%	Between two and five years	7.712	3.48%
163.592	72.84%	More than five years	158.585	71.67%
224.590	100.00%	Total	221.274	100.00%

*The principal maturing in less than one year exceeds the 15% target above due to the technical possibility that the call option on LOBO loans could be called by the lender. This is highly unlikely in the current economic climate.

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 2019/20, with all other variables held constant.

Interest rate risk	As at 31 March 2020 £m
Increase in interest receivable on deposits placed during the year	(1.575)
Notional impact on the Surplus/Deficit on the Provision of Services	(1.575)
Share of this impact which would be attributable to the Housing Revenue Account	(0.610)
<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	0.120
Decrease in the fair value of fixed rate borrowing	51.842

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 Aberdeen Standard Capital 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 LIBOR+2% per annum. During 2019/20 the book cost of investments increased by £0.116m (£0.114m increase during 2018/19).

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 2020 would have resulted in a £0.055m gain or loss being recognised in Other Comprehensive Income and Expenditure for 2019/20.

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.

2018/19 £m	Agency Services	2019/20 £m
120.105	Scottish Government - Contributions (to)/from the non-domestic rates pool	104.417
14.668	Non-domestic rates collected: East Renfrewshire	14.111
0.056	Service income from East Renfrewshire Council for collection of non-domestic rates	0.059
29.836	Domestic water and sewerage charges collected	30.738
(29.836)	Domestic water and sewerage charges paid over to Scottish Water	(30.738)
0.636	Service income from Scottish Water for collection of domestic water and sewerage charges	0.636
0.010	Service income Paisley First Business Improvement District for collection of BID levy	0.010

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.

Central and Scottish Government

Central and Scottish Government have the potential to influence the general operations of the Council, being responsible for providing the statutory framework within which the Council operates. The Scottish Government provides the majority of the Council's 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 billing.

Grants received from the Scottish Government are set out in the analysis in Note 5.

Elected Members

Elected Members have direct control over the Council's financial and operating policies. The total of Members' allowances paid is shown in the Remuneration Report. Details of Elected Members' interests are available on the Council website, www.renfrewshire.gov.uk. Services totalling £0.373m (£4.566m at 31 March 2019) were commissioned from organisations in which one elected member had a financial interest. The relevant member played no role in the decision relating to services commissioned and contracts were entered into in full compliance with contract standing orders. Payments for services and grants totalling £0.446m (£0.305m at 31 March 2019) were paid to organisations in which four elected members had a non-financial interest. The relevant members did not take part in discussions regarding grant awards or commissioning of services.

Officers

A register of Senior Officers' Interests is available on the Council website, www.renfrewshire.gov.uk.

Entities controlled or significantly influenced by the Council

The Council also has interests in several Joint Boards and Committees as outlined in the Group Accounts Notes G1 and G2.

Note 27: External audit costs

Audit fees are restated for the prior year owing to an additional fee being charged after the balance sheet date for 2018/19.

The amounts charged for both current and prior years are shown in the table that follows.

2018/19 (restated) £m	Audit Fees	2019/20 £m
0.362	Fees payable with regard to external audit services carried out by the appointed auditor for the year	0.348
0.000	Fees payable with regard to other services carried out by the appointed auditor	0.008
0.362	Total	0.356

Note 28: 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 2012 which set the contribution rates from 1 April 2015 to 31 March 2019. The next valuation will be based on scheme data as at 31 March 2016 and began in 2016/17. This will set contribution rates from 1 April 2019. 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. The current employer contribution rate of 17.2% has applied from 1 September 2015. While the employee

rate applied is a 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 a supplementary rate of 4.5% of employers' pension contributions for fifteen years from 1 April 2015. This contribution is included in the 17.2% employers' contribution rate.

Based on the proportion of employer contributions paid in 2018/19, Renfrewshire Council's level of participation in the scheme is 3.4%. The Council paid £14.859m (£11.451m in 2018/19) for employer's contributions to the Scottish Public Pensions Agency. £0.444m of expenditure (£0.436m in 2018/19) was charged to service revenue accounts in respect of "added years" pension enhancement termination benefits, representing 0.6% of teachers' pensionable pay (0.7% in 2018/19). The estimated contribution for 2020/21 is £11.560m.

Note 29: Defined benefit pension schemes

29a: Participation in pension schemes

The pension scheme for teachers (the Scottish Teachers' Superannuation Scheme) is explained in Note 28, 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.

29b: 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:

2018/19 £m		2019/20 £m
	Included within net cost of services:	
43.492	Current service cost	56.782
16.120	Past service cost/(gain)	0.300
	Included within Financing and Investment income and expenditure:	
38.149	Interest cost	38.440
(33.339)	Expected return on scheme assets	(31.377)
64.422	Total of Post-employment benefits charged to the Surplus/Deficit on the Provision of Services	64.145
	Included within Other Comprehensive Income and Expenditure:	
(40.039)	Return on Assets excluding amounts included in net interest	87.121
0.000	Actuarial gains and losses arising on changes in Demographic Assumptions	(52.031)
116.700	Actuarial gains and losses arising on changes in Financial Assumptions	(167.097)
3.337	Actuarial gains and losses arising on changes in Other Assumptions	(8.136)
144.420	Total of LGPS post-employment benefits charged to the CIES	(75.998)
	Movement in reserves statement:	
79.998	Actuarial losses or (gains)	(140.143)
64.422	Reversal of items relating to post-employment benefits debited or credited to the Surplus/Deficit on the Provision of Services	64.145
(28.212)	Employer contributions and direct payments to pensioners payable in the year	(30.036)
116.208	Movement in the year on the Pension Reserve	(106.034)

The cumulative amount of actuarial gains and losses recognised in the CIES as at 31 March 2020 is a loss of £52.392m (£192.535m as at 31 March 2019).

Past service cost is the estimated increase in liabilities arising from current year decisions that relates to years of service earned prior to this year. For 2018/19, this included an estimate for the impact of potential removal of transitional arrangements (McCloud judgement) amounting to £14.212m. There is no further impact in 2019/20.

29c: 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 2020, the defined benefit obligation exceeded scheme assets by £170.640m (£276.674m as at 31 March 2019). 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 2020 was 2.3% 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 2017.

The common position for employers participating in the Strathclyde Pension Fund is that, based on a snapshot valuation as at 31 March 2020, a net pension liability is disclosed as a result of prevailing market conditions at that date. The net pension position of £170.460m represents a decrease in liability of £106.034m between 31 March 2019 and 31 March 2020. The net pension liability has a substantial impact on the net worth of the Council as

recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains assured. The deficit on the Strathclyde Pension Fund will be made good by contributions over the remaining working life of employees, as assessed by the Fund's actuaries.

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.

29d: Movement in defined benefit obligation (scheme liabilities)

The following is a reconciliation of the 2019/20 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).

2018/19 £m		2019/20 £m
1,396.320	Balance at 1 April	1,583.745
43.492	Current service cost	56.782
16.120	Past service cost (including curtailments)	0.300
38.149	Interest cost	38.440
6.775	Member contributions	7.888
120.037	Actuarial losses or (gains)	(227.640)
	<i>Losses or (gains) on curtailment</i>	
(4.525)	Estimated benefits paid: unfunded	(4.548)
(32.623)	Estimated benefits paid: other	(32.623)
1,583.745	Balance at 31 March	1,422.344

29e: Movement in scheme assets

The following is a reconciliation of the 2019/20 opening and closing balances of the fair value of Renfrewshire Council's share of the Strathclyde Pension Fund's scheme assets.

2018/19 £m		2019/20 £m
1,235.854	Balance at 1 April	1,307.071
33.339	Expected return on scheme assets	31.377
6.775	Member contributions	7.888
23.687	Employer contributions	25.488
4.525	Contributions in respect of unfunded benefits	4.548
40.039	Actuarial (losses) or gains	(87.121)
(4.525)	Estimated benefits paid: unfunded	(4.548)
(32.623)	Estimated benefits paid: other	(32.801)
1,307.071	Balance at 31 March	1,251.902

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 2019 to 31 March 2020 was 4.3%.

The fair value of the assets held in the scheme may be analysed as follows:

As at 31 March 2019				As at 31 March 2020		
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
301.513	0.791	302.304	Equity instruments	288.786	0.758	289.544
41.011	0.001	41.012	Debt instruments (bonds)	39.280	0.001	39.281
0.000	156.189	156.189	Private Equity	0.000	149.597	149.597
0.000	118.343	118.343	Real Estate	0.000	113.348	113.348
429.040	128.022	557.062	Investment Funds	410.931	122.618	533.549
0.027	0.000	0.027	Derivatives	0.026	0.000	0.026
67.287	64.847	132.134	Cash and cash equivalents	64.447	62.110	126.557
838.878	468.193	1,307.071	Fair value of scheme assets	803.470	448.432	1,251.902

29f: 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 2019 £m		As at 31 March 2020 £m
(801.805)	Current employee members	(735.770)
(87.218)	Pre-local government reorganisation (1996) liabilities	(78.906)
(142.502)	Deferred pensioners	(121.646)
(450.960)	Pensioners	(399.582)
(1,482.485)	Total Present Value of the Defined Benefit Obligation - Funded liabilities	(1,335.904)
(88.379)	Retirals from Renfrewshire Council	(76.212)
(12.881)	Retirals pre-local government reorganisation (1996)	(10.426)
(101.260)	Total Present Value of the Defined Benefit Obligation - Unfunded liabilities	(86.638)
(1,583.745)	Present value of defined benefit obligation	(1,422.542)
1,307.071	Fair value of scheme assets	1,251.902
(276.674)	Net liability arising from defined benefit obligation	(170.640)

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 2019/20, and the Council's share of the Strathclyde Pension Fund's defined benefit obligation (scheme liabilities) and scheme assets as at 31 March 2020:

2018/19		2019/20
2.4%	Discount rate for defined benefit obligation	2.3%
2.4%	Long-term expected rate of return on scheme assets*	2.3%
3.7%	Rate of increase in salaries	3.0%
2.5%	Rate of increase in pensions	1.9%
2.5%	Rate of inflation	1.9%
	Mortality assumptions (years):	
	<i>Longevity at age 65 for current pensioners:</i>	
21.4	Men	20.7
23.7	Women	22.9
	<i>Longevity at age 65 for future pensioners:</i>	
23.4	Men	22.2
25.8	Women	24.6
	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.

Impact on the Defined Benefit Obligation on the Scheme	%	£m
0.5% decrease in the Real Discount Rate	10%	148.341
0.5% increase in the Salary Increase Rate	2%	29.629
0.5% increase in the Pension Increase Rate	8%	116.068

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 2019/20 to 2020/21. The total contributions expected to be made by the Council to the Strathclyde Pension Fund in the forthcoming year to 31 March 2021 is £23.971m. The weighted average duration of the defined benefit obligation is 20.1 years.

Note 30: Contingent assets and liabilities

The Coronavirus pandemic has had a global impact in health, economic and financial terms. The Council has incurred significant costs in relation to the initial response to the pandemic and is likely to incur considerable further costs as the full implications of the pandemic become clear. This is likely to take many months, and will be influenced by both the lockdown arrangements put in place by UK and Scottish Governments, the form and duration of social distancing and the economic impact of the pandemic locally and nationally. The Council recognises a contingent liability in terms of the costs of ongoing additional services which have been put in place to support individuals, communities and businesses; the reconfiguration of services to enable continued delivery recognising social distancing measures; the loss of income to both the Council and its subsidiaries; and the potential increased costs of capital projects.

Following recent Employment Tribunal decisions, the Council recognises a contingent liability for potential historic claims related to enhanced holiday payments. Further tribunal and legal decisions are anticipated, and this will provide clarity with regards to potential costs to the Council. It is not considered practicable at this stage to estimate the financial effect.

The Council has been notified of a number of contractor claims for additional costs incurred on a construction contract. 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.

The Limitation (Childhood Abuse) (Scotland) Act is intended to remove the limitation period for actions of damages in respect of personal injuries resulting from childhood abuse. The Council recognises a contingent liability for possible obligations which may arise from past events whose existence will be confirmed only by the occurrence of one or more

uncertain future events not wholly within the control of the authority. It is not considered practicable at this stage to estimate the financial effect.

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women; however overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension.

The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits.

Strathclyde Pension Fund's actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £4.178m for Renfrewshire Council.

This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 31: 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 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no non-adjusting events.

Note 32: 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 2020 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 effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £148.3m. However, the assumptions interact in complex ways. At 31 March 2020, the Council's actuaries advised that the net pensions liability had decreased by £8.1m as a result of estimates being corrected as a result of experience and by £52.0m and £167.1m as a result of updating of both demographic and financial assumptions retrospectively.
Debt Impairment	At 31 March 2020, the Council had a balance for long and short term debtors (including council tax, rent arrears and trade debtors) of £51.8m. A review of significant balances suggested that an impairment of doubtful debts of £33.4m was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, the provision for bad debts would require to be reviewed to consider the appropriate level of provision. However, based upon experience, the bad debt provision is considered adequate.

Note 33: 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 2020/21 Code:

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015–2017 Cycle;
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.

The Code requires implementation from 1 April 2020 and there is therefore no impact on the 2019/20 accounts. There is no material impact anticipated in future years from the implementation of these standards.

Note 34: 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.

Leases	Following an examination of all property and other asset leases, the Council has concluded that all land leases are operating leases. Leases relating to buildings in a number of cases meet the criteria for a finance lease as opposed to an operating lease, and they have been accounted for on this basis.
PFI/PPP and similar arrangements	The Council is deemed to control the services provided under the agreement for the provision of educational establishments. 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. Note 15 provides further details.
Public Sector Funding	There is uncertainty about future levels of funding for local government in the medium term. However, the Council has assessed that this uncertainty is not sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.
Valuation of assets	<p>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.</p> <p>There is valuation uncertainty in light of the COVID-19 pandemic and its impact on property markets. The impact is considered less on operational specialised assets, such as schools, where there is no diminution in the economic service potential or demand for it. In relation to surplus assets, assets held for sale and investment properties, the impact may be more significant, however there is limited evidence on which to base an adjustment to asset valuations.</p>
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.
Employee Benefits short-term provision	The Council has used a sampling approach to calculating the short-term provision for employee short-term compensated absences. A 10% random sample of non-teachers and 100% of teachers were used to calculate the short-term provision necessary for annual leave owed or owing at 31 March 2020. Flexi leave is no longer included and was removed from the Balance Sheet in 2019/20.

Note 35: Accounting Policies – Renfrewshire Council

The Financial Statements for the year ended 31 March 2020 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) Suppliers 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 2020 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 Carbon Reduction Commitment Scheme

The Council was required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme and to purchase allowances, either prospectively or retrospectively, and surrender them on the basis of emissions i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. energy is used) a liability and an expense are

recognised. The liability will be discharged by surrendering allowances.

The liability is measured at the best estimate of the expenditure required to meet the obligation, normally the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Council is recognised and reported in the costs of services and is apportioned on the basis of energy consumption.

The UK government announced in 2016 that the CRC energy efficiency scheme will be abolished following the 2018/19 compliance year and it therefore came to an end on 31 March 2020.

D 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.

E 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.

F 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.

G Employee Benefits

Benefits payable during employment

All salaries and wages earned up to 31 March 2020 are included in the Accounts irrespective of when payment was made. An accrual is made for the cost of holiday and flexi-leave 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.

H 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.

I 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.

J 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. These were previously classified as loans and receivables at 31 March 2019.

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 Comprehensive Income and Expenditure Statement.

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 Comprehensive Income and Expenditure Statement. 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).

K 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.

L Heritage Assets

The Council's heritage assets are held in the museums operated by Renfrewshire Leisure Limited (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. Valuations are undertaken on a cyclical basis (approximately every 3-5 years). 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. Valuations are undertaken on a cyclical basis (approximately every 3-5 years). 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. Valuations are undertaken on a cyclical basis (approximately every 3-5 years). 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. Valuations are undertaken on a cyclical basis (approximately every 3-5 years). 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.

M Intangible Assets

The Council accounts for purchased software licences and CRC allowances purchased prospectively 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.

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.

N 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.

O Inventories

Inventories (generally consumable stock) are included in the Balance Sheet at weighted average cost.

P 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.

Q 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.

R 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.

S PFI Schemes – School Buildings Maintenance and Other Facilities

The Council carries the assets used under PFI 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 PFI scheme is in accordance with IFRIC12 *Service Concession Arrangements*.

T 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 40 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.

U 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.

V 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.

W 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.

X VAT

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.

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.

2018/19 £m		2019/20 £m
13.374	Repairs and maintenance	15.703
13.002	Supervision and management	15.825
28.331	Depreciation and impairment of non-current assets	25.268
0.074	Increase/(Decrease) in the allowance for bad debts	0.211
0.732	Other expenditure	0.628
55.513	Total Expenditure	57.635
(46.397)	Dwelling rents	(47.091)
(1.468)	Non-dwelling rents	(1.484)
(0.942)	Other income	(2.118)
(48.807)	Total Income	(50.693)
6.706	Net Cost of HRA services as included in the CIES	6.942
	HRA share of the operating income and expenditure included in the CIES:	
(0.282)	(Gain)/Loss on sale of HRA non-current assets	0.906
4.561	Interest payable and similar charges	3.986
0.000	Interest and investment income	(0.143)
0.215	Pensions interest cost and expected return on pensions assets	0.321
(5.631)	Taxation and non specific grant income	(3.737)
5.569	Deficit for the year on HRA services	8.275

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.

2018/19 £m		2019/20 £m
(6.807)	Balance on the HRA at 1 April	(6.807)
5.569	Deficit for the year on the HRA income and expenditure statement	8.275
(5.569)	Adjustments between accounting basis and funding basis under statute	(8.275)
(6.807)	Net (Increase)/Decrease before transfers to or from reserves	(6.807)
0.000	Transfers to/(from) reserves	0.000
(6.807)	Balance on the HRA at 31 March	(6.807)

Notes to the Housing Revenue Account income and expenditure statement

1. The number and types of dwelling in the Council's housing stock

The Council was responsible for managing 12,066 dwellings during 2019/20 (12,002 in 2018/19). The following shows an analysis of these dwellings by type. The figures below exclude void initiative properties.

As at 31 March 2019		Type of dwelling	As at 31 March 2020	
Number	Average weekly rent		Number	Average weekly rent
417	£60.74	One-apartment	416	£63.41
3,668	£68.88	Two-apartment	3,675	£71.69
5,727	£77.81	Three-apartment	5,753	£81.09
1,981	£86.97	Four-apartment	2,015	£90.62
209	£93.62	Five-apartment	207	£97.46
12,002		Total	12,066	

2. Gross rent income

This is the total rental income chargeable for the year and includes a deduction for voids (£0.863m in 2019/20 and £0.729m in 2018/19), but excludes irrecoverable and bad debts. Average rents were £79.61 per week in 2019/20 (£76.31 in 2018/19). The total rent income for 2019/20 reflects the decision of the Council to charge only a nominal rent in respect of initiative voids.

3. Amount of rent arrears

At 31 March 2020 total rent arrears amounted to £2.743m (£2.305m at 31 March 2020). This is 5.86% of the total value of rents due at 31 March 2020.

4. Provision for uncollectable rent arrears

In the financial year 2019/20 the rental bad debt provision has been decreased by £0.068m (£0.074 increase in 2018/19). The provision to cover the potential loss of income stands at £1.504m at 31 March 2020 (£1.572m at 31 March 2020). This is 3.21% of the total value of annual rents due.

5. Share of corporate costs

In the financial year 2019/20 the HRA share of Corporate and Democratic Core costs amounted to £0.035m (£0.035m in 2018/19).

Council Tax Income Account

Councils raise taxes from residents by way of a property tax – the Council Tax – which is based on property values. Each dwelling house in a local authority area is placed into one of eight valuation bands, “A” to “H”. The Council declares an annual charge for band D properties and all other properties are charged a proportion of this – lower valued properties pay less; higher valued properties pay more. The Council Tax income account shows the gross income raised from Council Taxes levied and deductions made under statute. 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.

2018/19 £m		2019/20 £m
103.961	Gross council tax levied	110.290
(14.838)	Other discounts and reductions	(15.663)
(12.390)	Council tax reduction scheme	(12.749)
(1.595)	Write-off of uncollectable debts and allowance for impairment	(2.262)
0.261	Adjustment to previous years’ community charge and council tax	(0.932)
75.399	Transfer to the Comprehensive Income and Expenditure Statement	78.684

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 Council Tax base is the number of chargeable dwellings across all valuation bands (adjusted for dwellings where discounts apply), after providing for non-payment, expressed as an equivalent number of band D dwellings. 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 2019/20 was £1,257.09 (£1,199.63 in 2018/19).

In 2019/20 if only one person over 18 lived in a property a discount of 25% was applied. From 15 July 2016, unoccupied and unfurnished properties were exempt from Council Tax for the first six months. A discount of 10% was then available for the next six months. A 100% additional Council Tax levy was then payable for as long as the property remains empty.

The 10% Council Tax 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 people who are in detention, students and people who are severely mentally impaired. Reductions in Council Tax payable are also available for people with disabilities.

Charges for water and sewerage services are the responsibility of Scottish Water. Renfrewshire Council collects total monies and makes a precept payment to Scottish Water on the basis of collection levels based on a pre-determined formula. The figures below exclude the water and sewerage charges.

Annual Council Tax charges

2018/19 £	Council Tax Band	2019/20 £
799.75	A	838.06
933.05	B	977.74
1,066.34	C	1,117.42
1,199.63	D	1,257.09
1,576.18	E	1,651.68
1,949.40	F	2,042.77
2,349.28	G	2,461.81
2,939.09	H	3,079.88

Calculation of the Council Tax base

Band	Number of dwellings	Number of exemptions	Disabled relief	Discounts	Council Tax Reduction	Total equivalent dwellings	Ratio to Band D	2019/20 Band D equivalent	2018/19 *Band D equivalent
A	13,519	1,972	7	2,041	4,076	5,515	0.67	3,676	3,615
B	25,795	1,539	92	3,363	5,942	14,920	0.78	11,604	11,471
C	14,832	493	61	1,565	1,965	10,796	0.89	9,596	9,488
D	12,576	278	48	1,129	686	10,508	1.00	10,508	10,328
E	11,172	173	73	686	399	9,889	1.31	12,993	12,829
F	6,450	65	48	285	111	5,962	1.63	9,688	9,434
G	3,896	78	21	133	48	3,616	1.96	7,080	6,828
H	226	18	0	8	1	199	2.45	488	486
Band A dwellings subject to disabled relief								5	3
Class 17 and 24 dwellings								77	108
Sub-total								65,715	64,590
Less: Provision for non-payment and future award of discounts and reliefs								(3,854)	(3,293)
Council Tax Base								61,861	61,297

*2018/19 Band D equivalent figures have been restated to account for dwellings subject to Council Tax Reduction.

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.

2018/19 £m		2019/20 £m
150.114	Gross rates levied	147.597
(20.847)	Reliefs and other deductions	(20.946)
(2.039)	Write-off of uncollectable debts and allowance for impairment	(2.553)
127.228	Net Non-Domestic Rates income	124.098
(9.746)	Adjustment to previous years' non-domestic rates	(10.817)
2.623	Contribution (to)/from the National Non-Domestic Rate pool	(8.864)
0.000	Non-domestic rate income retained by authority (BRIS)	0.000
120.105	Transfer to the Comprehensive Income and Expenditure Statement	104.417

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 2019/20 the charge was 49.0 pence in the pound, with a 2.6 pence supplement for properties with a rateable value over £51,000. 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	2019/20 £m
Commercial	109.132
Industrial and freight transport	48.443
Education and public service	32.533
Communications	0.010
Others	110.224
Rateable Value at 1 April	300.342
Adjustments (Full Year Rateable Value)	(10.830)
Rateable Value at 31 March	289.512
Less: Wholly Exempt Subjects	(1.421)
Net Rateable Value at 31 March	288.091

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.

2018/19 (restated)			Note	2019/20		
Gross expenditure £m	Gross income £m	Net expenditure £m		Gross expenditure £m	Gross income £m	Net expenditure £m
211.227	(18.119)	193.108		230.636	(27.504)	203.132
125.509	(115.190)	10.319		116.488	(106.472)	10.016
88.432	(22.387)	66.045		83.743	(13.650)	70.093
55.686	(6.865)	48.821		58.774	(7.901)	50.873
43.663	(17.313)	26.350		38.371	(13.071)	25.300
26.638	(14.024)	12.614		16.038	(13.212)	2.826
195.171	(124.484)	70.687		206.913	(131.240)	75.673
746.326	(318.382)	427.944		750.963	(313.050)	437.913
3.007	0.000	3.007		0.000	(0.651)	(0.651)
24.786	(2.600)	22.186	G6	26.563	(2.127)	24.436
0.000	(409.399)	(409.399)	4	0.000	(427.986)	(427.986)
774.119	(730.381)	43.738		777.526	(743.814)	33.712
		(1.661)				(6.926)
		42.077				26.786
		(16.337)				(88.465)
		0.639				0.000
		(0.769)				1.139
		83.078				(140.143)
		1.278				(3.228)
		67.889				(230.697)
		109.966				(203.911)

*FVOCI: Fair Value through Other Comprehensive Income.

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 2019	154.606	747.199	901.805	56.055	957.860
Movement in reserves during the year					
Total Comprehensive Income and Expenditure	(21.526)	228.602	207.076	(3.165)	203.911
Adjustments between Group accounts and Council accounts	(12.110)	0.000	(12.110)	12.110	0.000
Adjustments between accounting basis and funding basis under regulations G5	38.651	(38.651)	0.000	0.000	0.000
Increase / (Decrease) in year	5.015	189.951	194.966	8.945	203.911
Balance at 31 March 2020	159.621	937.150	1,096.771	65.000	1,161.771

Comparative movements in 2018/19					
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 (restated) £m	Total Reserves £m
Balance at 1 April 2018	149.407	858.144	1,007.551	60.275	1,067.826
Movement in reserves during the year					
Total Comprehensive Income and Expenditure	(32.025)	(63.826)	(95.851)	(14.115)	(109.966)
Adjustments between Group accounts and Council accounts	(9.895)	0.000	(9.895)	9.895	0.000
Adjustments between accounting basis and funding basis under regulations G5	47.119	(47.119)	0.000	0.000	0.000
Increase / (Decrease) in year	5.199	(110.945)	(105.746)	(4.220)	(109.966)
Balance at 31 March 2019	154.606	747.199	901.805	56.055	957.860

Group Balance Sheet

The group balance sheet shows the value as at 31 March 2020 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 2019 (restated) £m		Note	As at 31 March 2020 £m
1,355.691	Property, plant and equipment	G11	1,466.443
39.522	Heritage assets	G10	39.522
2.229	Investment property	G9	2.020
5.845	Intangible assets	13	5.037
22.021	Long-term investments	G15	28.057
29.369	Investments in associates and joint ventures	G3	38.679
2.614	Long-term debtors	19	2.172
1,457.291	Long-term assets		1,581.930
1.500	Short-term assets held for sale	11	0.700
0.037	Short-term intangible assets	17	0.000
103.292	Short-term investments	G15	86.341
1.197	Inventories		1.072
47.434	Short-term debtors	G12	54.580
47.422	Cash and cash equivalents	G15	13.142
200.882	Current assets		155.835
(68.947)	Short-term borrowing	G15	(50.273)
(91.056)	Short-term creditors	G13	(73.878)
(6.718)	Short-term provisions	22	(7.864)
(166.721)	Current liabilities		(132.015)
(75.460)	Long-term creditors		(74.260)
(5.420)	Long-term provisions	22	(4.745)
(168.357)	Long-term borrowing	G15	(187.497)
(1.642)	Liabilities in associates and joint ventures	G3	(0.798)
(282.713)	Other long-term liabilities		(176.679)
(533.592)	Long-term liabilities		(443.979)
957.860	Net assets		1,161.771
(179.360)	Usable reserves	G7	(184.534)
(778.500)	Unusable reserves	G8	(977.237)
(957.860)	Total reserves		(1,161.771)

Alan Russell CPFA
Director of Finance
and Resources
25 June 2020

The unaudited accounts were issued on 25 June 2020.

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.

2018/19 (restated) £m		2019/20 £m
(42.077)	Group surplus/(deficit)	(26.786)
149.639	Adjustment for non-cash movements	82.581
(33.812)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(38.435)
73.750	Net cash flows from operating activities	17.360
(38.040)	Net cash flows from investing activities	(48.652)
(2.577)	Net cash flows from financing activities	(2.988)
33.133	Net increase/(decrease) in cash and cash equivalents	(34.280)
14.289	Cash and cash equivalents at the beginning of the reporting period	47.422
47.422	Cash and cash equivalents at the end of the reporting period	13.142

Notes to the Group Accounts

The 2018/19 Group results are restated in the Group Accounts and some accompanying notes either because the Council's share in the entity has marginally changed since the 2018/19 Audited Accounts were published, or the entity has advised restated 2018/19 results.

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 2020. 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.

Renfrewshire Leisure Limited, the Paisley, Renfrew and Johnstone Common Good Funds, Paisley Museum Reimagined Ltd, 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 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. 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 5a High Street, Paisley PA1 2AE.

Park Lane Developments (Renfrewshire) Limited Liability Partnership (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 £0.176m (2018/19 net comprehensive expenditure of £5.881m) for Renfrewshire Leisure Limited, total net comprehensive expenditure for the year of £1.094m (2018/19 net comprehensive income of £1.299m) for the Paisley, Renfrew and Johnstone Common Good Funds, total net comprehensive income for the year of nil (2018/19 nil) for Park Lane Developments

(Renfrewshire) LLP, total net comprehensive expenditure for the year of £0.270m (2018/19 nil) for Paisley Museum Reimagined Limited and total net comprehensive expenditure for the year of £0.021m (2018/19 £0.021m) for the Coats' Observatory Trust.

The **group balance sheet** includes net liabilities of £5.505m (2018/19 £5.681m) for Renfrewshire Leisure Limited, net assets of £35.622m (2018/19 £36.716m) for the Common Good Funds, net liabilities of £3.318m (2018/19 £3.318m) for Park Lane Developments (Renfrewshire) LLP, net liabilities of £0.270m (2018/19 nil) for Paisley Museum Reimagined Limited and net assets of £0.590m (2018/19 £0.611m) 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 2019/20, Renfrewshire Council contributed £0.320m or 7.93% of the committee's estimated running costs (2018/19 £0.320m or 7.83%) and its share of the year-end net asset was £0.058m (2018/19 £0.099m) 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 £2.820m

(7.95%) to the committee's estimated running costs in 2019/20 (2018/19 £2.876m or 8.01%) and its share of the year-end net asset was £33.862m (2018/19 £26.533m) 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 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 2019/20, Renfrewshire Council contributed £1.408m or 56.3% of the board's estimated running costs (2018/19 £1.251m or 56.3%) and its share of the year-end net liability was £0.798m (2018/19 £1.642m) 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.

Renfrewshire Valuation Joint Board £m	Renfrewshire Council's Share £m		Renfrewshire Valuation Joint Board £m	Renfrewshire Council's Share £m
As at 31 March 2019 (restated)		Balance Sheet Summary	As at 31 March 2020	
0.081	0.045	Long-term assets	0.081	0.045
0.381	0.215	Current assets	0.539	0.303
(0.295)	(0.166)	Current liabilities	(0.168)	(0.094)
(3.083)	(1.736)	Long-term liabilities	(1.868)	(1.052)
(2.916)	(1.642)	Net assets/(liabilities)	(1.416)	(0.798)
2018/19 (restated)		Income and Expenditure Summary	2019/20	
2.350	1.323	Income	2.695	1.518
2.909	1.638	Expenditure	2.786	1.569
(0.559)	(0.315)	Surplus/(deficit) for the year	(0.091)	(0.051)

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 2019		Balance Sheet Summary	As at 31 March 2020	
5.473	2.737	Current assets	9.517	4.759
5.473	2.737	Net assets/(liabilities)	9.517	4.759
2018/19 (restated)		Income and Expenditure Summary	2019/20	
297.361	148.681	Income	311.824	155.912
295.330	147.665	Expenditure	307.780	153.890
2.031	1.016	Surplus/(deficit) for the year	4.044	2.022

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.

Clyde Muirshiel Park Authority is a joint committee of three councils – Renfrewshire, Inverclyde and North Ayrshire. The authority is responsible for the management and maintenance of the Clyde Muirshiel Park that extends from Greenock in the north down the Clyde coast to Inverkip, Largs and West Kilbride and inland to Lochwinnoch. Renfrewshire Council contributed £0.360m (65.8%) to the authority’s estimated running costs in 2019/20 (£0.381m in 2018/19).

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 £0.115m (3.2%) to the committee’s estimated running costs in 2019/20 (£0.113m in 2018/19).

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 £0.052m (12.5%) to the committee’s estimated running costs in 2019/20 (£0.072m in 2018/19).

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.

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 (£33.122m + £4.759m = £37.881m) equates to the net of two figures disclosed in the group balance sheet as 'Investments in associates and joint ventures' (£38.679m) and 'Liabilities in associates and joint ventures' (£0.798m).

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 2019 (restated)		Balance Sheet Summary	As at 31 March 2020	
249.850	20.053	Long-term assets	276.847	22.053
180.656	14.651	Current assets	175.601	14.223
(27.469)	(2.341)	Current liabilities	(20.962)	(1.747)
(73.456)	(7.373)	Long-term liabilities	(6.331)	(1.407)
329.581	24.990	Net assets/(liabilities)	425.155	33.122
2018/19 (restated)		Income and Expenditure Summary	2019/20	
92.330	8.523	Income	145.358	12.861
80.906	7.878	Expenditure	83.137	7.957
11.424	0.645	Net surplus/(deficit) for the year	62.221	4.904

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 2019		Balance Sheet Summary	As at 31 March 2020	
5.473	2.737	Current assets	9.517	4.759
5.473	2.737	Net assets/(liabilities)	9.517	4.759
2018/19 (restated)		Income and Expenditure Summary	2019/20	
297.361	148.681	Income	311.824	155.912
295.330	147.665	Expenditure	307.780	153.890
2.031	1.016	Net surplus/(deficit) for the year	4.044	2.022

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 2020 in relation to any of its associates or joint ventures. The Council is unaware that any capital commitments have been entered into by any of its associates or joint ventures as at 31 March 2020, 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.

2018/19 (restated) £m	Material items of group income and expenditure	2019/20 £m
	Share of (surplus) or deficit:	
	Subsidiaries:	
(1.004)	Paisley, Renfrew and Johnstone Common Good Funds	(0.039)
0.021	Coats' Observatory Trust	0.021
2.801	Renfrewshire Leisure Limited	(0.176)
0.000	Paisley Museum Reimagined Limited	0.270
	Associates:	
(0.983)	Strathclyde Partnership for Transport	(4.998)
0.023	Strathclyde Concessionary Travel Scheme Joint Committee	0.043
0.315	Renfrewshire Valuation Joint Board	0.051
	Joint Ventures:	
(1.016)	Renfrewshire Health and Social Care Integration Joint Board	(2.022)
0.157	Aggregate share of (surplus) or deficit	(6.850)
	Share of other comprehensive (income) and expenditure:	
	Subsidiaries:	
(0.295)	Paisley, Renfrew and Johnstone Common Good Funds	1.133
3.080	Renfrewshire Leisure Limited	0.000
	Associates:	
0.779	Strathclyde Partnership for Transport	(2.331)
0.000	Strathclyde Concessionary Travel Scheme Joint Committee	(0.002)
0.499	Renfrewshire Valuation Joint Board	(0.895)
4.063	Aggregate share of other comprehensive (income) and expenditure	(2.095)
4.220	Aggregate share of total comprehensive (income) and expenditure	(8.945)

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:

2018/19 £m	Adjustments between Group accounts and Council accounts	2019/20 £m
0.145	Grants made by the Paisley, Renfrew and Johnstone Common Good Funds to Renfrewshire Council in contribution towards the funding of community events and projects	0.155
0.059	Governance costs charged to the Paisley, Renfrew and Johnstone Common Good Funds by Renfrewshire Council	0.059
(0.027)	Interest income received from Renfrewshire Council by the Paisley, Renfrew and Johnstone Common Good Funds	(0.027)
(10.072)	Service charge and other expenditure payable by Renfrewshire Council to Renfrewshire Leisure Limited	(13.091)
0.000	Expenditure payable by Renfrewshire Leisure Limited to Renfrewshire Council	0.522
0.000	Expenditure payable by Paisley Museum Reimagined Limited to Renfrewshire Council	0.272
(9.895)	Total adjustments between Group accounts and Council accounts	(12.110)

Note G6: Group financing and investment income and expenditure

2018/19 £m	Group financing and investment income and expenditure	2019/20 £m
19.976	Interest payable and similar charges	19.500
4.810	Pensions net interest expense	7.063
(1.045)	Interest receivable and similar income	(1.078)
(0.440)	Income and expenditure in relation to investment properties and changes in their fair values	(0.355)
(1.115)	Other investment income	(0.694)
22.186	Total financing and investment income and expenditure	24.436

Note G7: Group Usable reserves

2018/19 £m	Group Usable Reserves	2019/20 £m
(154.606)	Council Usable Reserves - Note 7	(159.621)
	Group Usable Reserves:	
(23.597)	Paisley, Renfrew and Johnstone Common Good Funds: unrestricted funds	(23.635)
(0.334)	Coats' Observatory Trust: usable balances	(0.313)
(0.358)	Renfrewshire Leisure Limited	(0.534)
0.000	Paisley Museum Reimagined Limited	0.270
(0.465)	Renfrewshire Health and Social Care Integration Joint Board	(0.701)
(179.360)	Total Group Usable Reserves	(184.534)

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.

2018/19 (restated) £m	Group Unusable Reserves	2019/20 £m
(747.199)	Council Unusable Reserves - Note 8	(937.150)
	Group Unusable Reserves:	
(4.041)	Paisley, Renfrew and Johnstone Common Good Funds: financial instruments revaluation reserve	(3.014)
(9.078)	Paisley, Renfrew and Johnstone Common Good Funds: revaluation reserve	(8.973)
(0.277)	Coats' Observatory Trust: revaluation reserve	(0.277)
6.039	Renfrewshire Leisure Limited: pension reserve	6.039
3.318	Park Lane Developments (Renfrewshire) Limited Liability Partnership	3.318
	Council share of the Reserves of associates and joint ventures:	
(26.533)	Strathclyde Partnership for Transport	(33.862)
(0.099)	Strathclyde Concessionary Travel Scheme Joint Committee	(0.058)
1.642	Renfrewshire Valuation Joint Board	0.798
(2.272)	Renfrewshire Health and Social Care Integration Joint Board	(4.058)
(778.500)	Total Group Unusable Reserves	(977.237)

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:

2018/19 £m	Group Investment Properties	2019/20 £m
(0.426)	Rental income from investment properties	(0.454)
(0.426)	Net (gain) or loss	(0.454)

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:

2018/19 (restated) £m	Group Investment Properties	2019/20 £m
2.262	Balance at 1 April	2.229
(0.026)	Net losses from fair value adjustments	(0.494)
0.000	Transfers from inventories and property, plant and equipment	0.290
(0.007)	Other changes	(0.005)
2.229	Balance at 31 March	2.020

Note G10: Group heritage assets

There were no movements in the fair value of the Group's Heritage Assets during 2019/20 or 2018/19. The value at 31 March 2020 was £39.522m. 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 2020 (£0.219 at 31 March 2019).

Note G11: Group Property, plant and equipment

2019/20	Council PPE (Note 9) £m	Council share of Group PPE £m	Total Group PPE £m
Gross carrying amount at 1 April 2019	1,706.562	18.486	1,725.048
Assets reclassified (to) or from the "held for sale" category	0.700	0.000	0.700
Other asset reclassifications	(0.290)	0.000	(0.290)
Additions	85.231	0.026	85.257
Disposals	(4.458)	0.000	(4.458)
Revaluation increases/(decreases) taken to the Revaluation Reserve	58.732	0.000	58.732
Revaluation increases/(decreases) recognised in the surplus or deficit on the provision of services	(1.380)	0.000	(1.380)
Gross carrying amount at 31 March 2020	1,845.097	18.512	1,863.609
Accumulated depreciation and impairment at 1 April 2019	365.825	3.532	369.357
Depreciation charge for the year	63.485	0.752	64.237
Depreciation and impairment on disposals	(3.071)	0.000	(3.071)
Depreciation written out to the Revaluation Reserve	(29.838)	0.000	(29.838)
Depreciation written out to the surplus or deficit on the provision of services	(3.519)	0.000	(3.519)
Accumulated depreciation and impairment at 31 March 2020	392.882	4.284	397.166
Balance sheet net carrying amount at 31 March 2020	1,452.215	14.228	1,466.443
Balance sheet net carrying amount at 1 April 2019	1,340.737	14.954	1,355.691

2018/19	Council PPE (Note 9) £m	Council share of Group PPE £m	Total Group PPE £m
Gross carrying amount at 1 April 2018	1,691.641	18.899	1,710.540
Assets reclassified (to) or from the "held for sale" category	(1.500)	0.000	(1.500)
Other asset reclassifications	(5.507)	0.000	(5.507)
Additions	64.608	0.070	64.678
Disposals	(11.864)	0.000	(11.864)
Revaluation increases/(decreases) taken to the Revaluation Reserve	(14.783)	(0.483)	(15.266)
Revaluation increases/(decreases) recognised in the surplus or deficit on the provision of services	(16.033)	0.000	(16.033)
Gross carrying amount at 31 March 2019	1,706.562	18.486	1,725.048
Accumulated depreciation and impairment at 1 April 2018	345.168	2.879	348.047
Depreciation charge for the year	65.377	0.796	66.173
Depreciation and impairment on disposals	(6.174)	0.000	(6.174)
Depreciation written out to the Revaluation Reserve	(31.454)	0.000	(31.454)
Depreciation written out to the surplus or deficit on the provision of services	(8.396)	0.000	(8.396)
Impairment losses taken to the Revaluation Reserve	0.639	(0.143)	0.496
Impairment losses recognised in the surplus or deficit on the provision of services	0.665	0.000	0.665
Accumulated depreciation and impairment at 31 March 2019	365.825	3.532	369.357
Balance sheet net carrying amount at 31 March 2019	1,340.737	14.954	1,355.691
Balance sheet net carrying amount at 1 April 2018	1,346.473	16.020	1,362.493

Note G12: Group short-term debtors

The balances detailed below are composed mostly of the debtors of the Council, to which the debtors of Renfrewshire Leisure Limited, Park Lane Developments (Renfrewshire) LLP and the Paisley, Renfrew and Johnstone Common Good Funds have been added.

As at 31 March 2019 (restated) £m	Group Short-term Debtors	As at 31 March 2020 £m
14.928	Trade receivables	11.743
4.871	Prepayments	4.932
27.635	Other receivables	37.905
47.434	Total	54.580

Note G13: Group short-term creditors

The balances detailed below are composed mostly of the creditors of the Council, to which the creditors of Renfrewshire Leisure Limited, Park Lane Developments (Renfrewshire) LLP and the Paisley, Renfrew and Johnstone Common Good Funds have been added.

As at 31 March 2019 (restated) £m	Group Short-term Creditors	As at 31 March 2020 £m
(21.590)	Trade payables	(25.443)
(69.466)	Other payables	(48.435)
(91.056)	Total	(73.878)

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.

As at 31 March 2019 (restated) £m		As at 31 March 2020 £m
	Amounts owing to Renfrewshire Council:	
0.000	Loans	0.000
0.737	Other balances	0.928
0.737	Total	0.928
	Amounts owed by Renfrewshire Council:	
(5.678)	Loans	(10.050)
(0.002)	Other balances	0.000
(5.680)	Total	(10.050)

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 at Note 23.

As at 31 March 2019 (restated)		Financial Assets	As at 31 March 2020	
Long-term £m	Current £m		Long-term £m	Current £m
0.000	103.000	At amortised cost: Principal	7.000	86.000
0.000	0.295	At amortised cost: Accrued interest	0.000	0.341
0.000	(0.003)	At amortised cost: Loss allowance	0.000	0.000
22.021	0.000	At fair value through other comprehensive income - designated equity instruments	21.057	0.000
22.021	103.292	Total Investments	28.057	86.341
0.000	15.576	At amortised cost: Principal	0.000	(9.066)
0.000	0.007	At amortised cost: Accrued interest	0.000	0.003
0.000	(0.007)	At amortised cost: Loss allowance	0.000	0.000
0.000	31.846	At fair value through profit or loss	0.000	22.205
0.000	47.422	Total Cash and cash equivalents	0.000	13.142
3.690	60.053	At amortised cost: Trade receivables	1.273	61.052
4.998	0.123	At amortised cost: Loans made for service purposes	4.927	0.114
0.725	0.000	At amortised cost: Accrued interest	0.794	0.000
(6.799)	(19.505)	At amortised cost: Loss allowance	(4.822)	(19.332)
2.614	40.671	Total Financial Assets included in Debtors	2.172	41.834

As at 31 March 2019 (restated)		Financial Liabilities	As at 31 March 2020	
Long-term £m	Current £m		Long-term £m	Current £m
(168.357)	(3.317)	Principal sum borrowed	(167.131)	(1.227)
0.000	(2.620)	Accrued interest	0.000	(2.622)
(168.357)	(5.937)	Total Public Works Loan Board (PWLB) borrowing	(167.131)	(3.849)
0.000	(52.916)	Principal sum borrowed	(20.000)	(32.916)
0.000	(0.883)	Accrued interest	0.000	(0.890)
0.000	(0.922)	EIR adjustments	(0.366)	(0.535)
0.000	(54.721)	Total non-PWLB borrowing ("market debt")	(20.366)	(34.341)
0.000	(8.289)	Borrowing from group entities	0.000	(12.083)
(168.357)	(68.947)	Total Borrowing	(187.497)	(50.273)
(4.018)	(61.527)	At amortised cost: Trade payables	(4.179)	(48.090)
(71.434)	(2.836)	PFI/PPP and finance lease liabilities	(69.275)	(2.651)
(0.004)	0.000	Financial guarantees	(0.002)	0.000
(75.456)	(64.363)	Total Financial Liabilities included in Creditors	(73.456)	(50.741)

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, Aberdeen Standard Capital.

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 eg cashflow forecasts or estimated creditworthiness. See table below:

As at 31 March 2019 (restated)		Financial Assets	Fair value level	As at 31 March 2020	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
31.846	31.846	Callable deposits in money market funds	1	22.205	22.205
22.021	22.021	Investments in pooled funds (insurance fund)	1	21.057	21.057
53.867	53.867	Total Financial assets measured at fair value		43.262	43.262
95.279	95.346	Fixed term deposits with UK local authorities	2	93.341	93.443
8.013	8.013	Fixed term deposits with UK building societies	2	0.000	0.000
15.528	15.520	Callable deposits with UK banks and building societies (including current account balances with the Council's banker)	2	(9.233)	(9.237)
0.048	0.048	Imprest accounts held at council establishments	2	0.170	0.170
1.644	1.696	Loans made for service purposes	3	1.542	1.598
120.512	120.623	Total Financial assets measured at amortised cost		85.820	85.974
174.379	174.490	Total financial assets for which fair value is disclosed		129.082	129.236
		Financial assets measured at amortised cost:			
1.091	n/a	Trade receivables: long-term		0.740	n/a
40.550	n/a	Trade receivables: short-term		41.724	n/a
41.641		Total financial assets for which fair value is not disclosed		42.464	

The short-term nature of cash and cash equivalents means that their fair value equates to their balance sheet carrying amount. Additional qualitative information on the fair value of financial instruments can be found at Note 23.

As at 31 March 2019 (restated)		Financial Liabilities	Fair value level	As at 31 March 2020	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
(174.294)	(250.972)	Financial liabilities measured at amortised cost:		(170.980)	(237.264)
(54.721)	(82.270)	Public Works Loan Board borrowing	2	(54.707)	(75.291)
		Non-PWLB borrowing ("market debt")	2		
(74.270)	(74.270)	Other liabilities:		(71.926)	(71.926)
(0.004)	(0.004)	PFI/PPP and finance lease liabilities	3	(0.002)	(0.002)
		Financial guarantees	3		
(303.289)	(407.516)	Total financial liabilities for which fair value is disclosed		(297.615)	(384.483)
(8.289)	n/a	Financial liabilities measured at amortised cost:		(12.083)	n/a
(4.018)	n/a	Borrowing from group entities		(4.179)	n/a
(61.527)	n/a	Trade payables: long-term		(48.090)	n/a
		Trade payables: short-term			
(73.834)		Total financial liabilities for which fair value is not disclosed		(64.352)	

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' in the group CIES.

2018/19 £m		Financial Assets			Financial liabilities at amortised cost £m	2019/20 £m
		Amortised cost £m	Elected to Fair Value through Other Comprehensive Income £m	Fair Value through Profit or Loss £m		
17.681	Interest expense	0.000	0.000	0.000	16.113	16.113
0.245	Impairment losses	2.295	0.000	0.000	0.000	2.295
17.926	Total expense in the Surplus / Deficit on the Provision of Services	2.295	0.000	0.000	16.113	18.408
(0.789)	Interest income	(1.358)	0.000	(0.128)	0.000	(1.486)
(0.731)	Dividend income	0.000	(0.752)	0.000	0.000	(0.752)
(0.501)	Other income	(0.001)	(0.057)	0.000	0.000	(0.058)
(2.021)	Total income in the Surplus/Deficit on the Provision of Services	(1.359)	(0.809)	(0.128)	0.000	(2.296)
(0.769)	Net (gain) or loss on revaluation	0.000	1.139	0.000	0.000	1.139
(0.769)	(Surplus)/Deficit on the revaluation of financial assets	0.000	1.139	0.000	0.000	1.139
15.136	Net (Gain)/Loss for the year	0.936	0.330	(0.128)	16.113	17.251

Group Accounting Policies

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 ("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
2. Paisley Museum Reimagined Limited
3. Park Lane Developments (Renfrewshire) Limited Liability Partnership (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 Renfrewshire Leisure Limited, 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 Renfrewshire Leisure Limited 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 – Renfrewshire Leisure Limited'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) Renfrewshire Leisure Limited 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. Renfrewshire Leisure Limited 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 Renfrewshire Leisure Limited is accounted for within income and expenditure to the extent that it is irrecoverable from HM Revenue and Customs.



Renfrewshire
Council

Finance and Resources, Renfrewshire House, Cotton Street, Paisley PA1 1JB
Telephone: 0141 618 7364 www.renfrewshire.gov.uk

RENFREWSHIRE COUNCIL COMMON GOOD FUNDS

PAISLEY SCo19478

RENFREW SCo19479

JOHNSTONE SCo19480

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

2019-20



TABLE OF CONTENTS

TRUSTEES' ANNUAL REPORT.....	1
STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS.....	7
AUDITORS REPORT TO THE TRUSTEES OF PAISLEY, JOHNSTONE AND RENFREW COMMON GOOD FUNDS.....	8
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2020.....	9
BALANCE SHEET AS AT 31ST MARCH 2020.....	11
CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH 2020.....	12
NOTES TO THE FINANCIAL STATEMENTS.....	13
1: ACCOUNTING POLICIES.....	13
2: INCOME AND ENDOWMENTS	15
3: EXPENDITURE.....	16
4: TANGIBLE FIXED ASSETS.....	17
5: FIXED ASSET INVESTMENTS.....	19
6: RESERVES COVER.....	20
7: CASH FLOW STATEMENT.....	20
8: TRUSTEES' REMUNERATION AND EXPENSES.....	21
9: RELATED PARTIES.....	21
10: COMMITMENTS.....	21
11: STAFF COSTS AND EMOLUMENTS.....	21
12: AUDIT COSTS.....	21
13: DEBTORS.....	22
14: CREDITORS.....	22
15: SHORT TERM DEPOSITS.....	22
16: EVENTS AFTER THE BALANCE SHEET DATE.....	22

Trustees' Annual Report

Introduction

Renfrewshire Council acts as sole trustee for the Common Good Funds listed below which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR):

SC019478	Paisley Common Good Fund
SC019479	Renfrew Common Good Fund
SC019480	Johnstone Common Good Fund

The principal address of the Common Good Funds is:

Renfrewshire Council
Finance and Resources
Renfrewshire House
Cotton Street
Paisley
PA1 1JB

Renfrewshire Council administers the Common Good Funds and separately accounts for them. Renfrewshire Council was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. The Council provides a wide range of public services such as education, social services, environmental services and housing and economic regeneration.

They do not form part of the Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Common Good "vest[s] in" the relevant local authority. However they are included within the group accounts of the Council. A copy of the group accounts can be obtained from the address above.

Auditors: Audit Scotland
 4th Floor, South Suite
 The Athenaeum Building
 8 Nelson Mandela Place
 Glasgow
 G2 1BT

Investment Managers: Aberdeen Standard Capital Limited
 1 George Street
 Edinburgh
 EH2 2LL

Investment Advisors: Hymans Robertson LLP
 20 Waterloo Street
 Glasgow
 G2 6DB

Trustees

The Common Good is not a Trust, and is not governed by trust law. Therefore in terms of the "Trustees" of the Common Good, the guidance provided by OSCR is that those who have "general control and management" of the charity are the charity trustees. Decisions regarding the general control and management of the Common Good Funds are made by the Finance, Resources and Customer Services Policy Board (FRCSPB) of the Council, which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. We have therefore interpreted the above guidance as meaning all elected members are charity trustees.

The following individuals were the Trustees of the Common Good Funds in their capacity as elected members of Renfrewshire Council during the 2019/20 financial year:

William Brown	Lorraine Cameron
Lisa-Marie Hughes	Eileen McCartin
John Shaw	Kevin Montgomery
Jane Strang	Jacqueline Cameron
Edward Grady	John Hood
Catherine McEwan	Alistair MacKay
Jim Paterson	Andrew Steel
Jennifer Adam-McGregor	Derek Bibby
Neill Graham	William Binks
Jim Sharkey	Andrew Doig
Karen Kennedy	Emma Rodden
John McIntyre	Alison Dowling
Kenneth MacLaren	Scott Kerr
Margaret MacLaren	James Sheridan
Carolann Davidson	Natalie Don
John McNaughtan	Colin McCulloch
William Mylet	James MacLaren
Edward Devine	Tom Begg
Marie McGurk	Michelle Campbell
Paul Mack	Jim Harte
Stephen Burns	Iain Nicolson
Audrey Doig	

Day to day management of the Common Good Funds is delegated to the Director of Finance and Resources of Renfrewshire Council. All the trustees for the accounts are normally elected or re-elected at local government elections. By-elections are held to elect new members in the event of existing members vacating their position. New members automatically become trustees.

Structure, Governance and Management

The Common Good is a fund of money and assets which the Council has a statutory obligation (under Section 15(4) of the Local Government etc (Scotland) Act 1994) to administer “having regard to the interests of the inhabitants of the area to which the Common Good formerly related” (i.e. the former burghs of Paisley, Renfrew and Johnstone). Although the Common Good is administered separately from mainstream local authority funding, it is owned outright by the Council (s222 of the Local Government (Scotland) Act 1973) and does not have an identity separate from the Council, nor a constitutional form distinct from the Council.

The charity test, set out in Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 provides that “a body meets the charity test if –

- (a) its purposes consist of only one or more charitable purposes, and
- (b) it providespublic benefit in Scotland or elsewhere.”

The Common Good Funds are not “bodies” separate from the Council, and the Council’s purposes consist of much more than the charitable purposes listed in the Act.

History

The Common Good comprises 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 the 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.

Governance and Management

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. He manages the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given the 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.

The Director of Finance and Resources has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Director of Finance and Resources is responsible for keeping proper accounting records which are up to date and which ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006.

Decisions regarding the operation, assets, processes or policies of the Common Good Funds are delegated by the Council to the Finance, Resources and Customer Services Policy Board (FRCSPB). 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 5 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 each elected member is 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.

Regular training is offered to the members of the Investment Review Board through information sessions at each meeting.

Risk

The Trustees have overall responsibility for the Common Good Funds' systems of internal control that are designed by senior management to ensure effective and efficient operations, including financial reporting and compliance with laws and regulations. The Trustees acknowledge that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The main risk for the Common Good relates to the investment income available for disbursement through grants. As mentioned above, investment performance is monitored quarterly by officers of the Council and they receive specialist advice in this regard from Hymans Robertson LLP, appointed investment advisors. A Statement of Investment Principles has been agreed by the Investment Review Board and this is regularly reviewed to ensure the benchmark against which performance is monitored remains relevant and appropriate.

Objectives and Activities

As mentioned above, there is no governing document for the Common Good. The assets were gifted for the common good of the inhabitants of the burgh. The most concise statement of the administration of the Common Good is contained in a judgement by Lord Kyllachy:

"The Common Good is corporate property and falls as such to be administered by the Council – and applied by them for the benefit of the community in such a manner as, and using such reasonable judgement as, they think proper".

Therefore in terms of the aims of the Common Good, they can not be narrowed down from that detailed above, i.e. that the funds are used for the benefit the inhabitants of the burgh to which they are related.

Grantmaking

There are two elements to the grants awarded from Common Good Funds: recurring grants (i.e. those awarded for a period of some years) or large grant awards that are agreed by the FRCPB. In addition the FRCPB also agrees the budget available to Local Partnerships (successor bodies to local area committees) for subsequent award to community groups. Local Partnerships were set up in an effort to involve communities more directly in the decision-making of the Council, and they are comprised of the elected members of the relevant wards, along with representatives from local community groups e.g. Community Councils, Elderly Forums, Youth Groups etc. Each Local Partnership now is allocated an annual budget, and they consider at relevant meetings (held in public) the grant requests they have received. Only eligible grants may be considered – further information on the eligibility criteria may be obtained from the Council.

Achievements and Performance

In 2019-20 grants totalling £169,736 were awarded by Local Partnerships to a wide variety of community organisations. Other grant expenditure totalling £154,540 was made throughout the year.

Investment performance

The Common Good Funds have adopted a total return policy for investment income and have agreed income targets which the Investment Manager exceeded in year. During the year the average yield on investments was -1.8% (10.2% in 2018-19). The average return on cash balances held within Renfrewshire Council's Loans Fund was 0.86% (0.71% in 2018-19).

Overall, the Common Good Funds reported a combined net decrease in funds of £1.094 million which will reduce the previous fund balance brought forward. The total funds held by Paisley Common Good decreased by £0.247 million and the funds held by Renfrew Common Good decreased by £0.847 million. The movement in funds this year reflects the reduced investments valuation due to stock market movements in light of the impact of the Coronavirus in the final months of the financial year.

Income

Renfrew Common Good other income last year included a one-off amount of £0.592 million. This was received from a former tenant for dilapidation compensation in accordance with the lease conditions.

Financial Review

The Common Good Funds have no explicit reserves policy, but as a general principle the "capital" of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year.

No individual Common Good Fund is in deficit.

The main funding sources for the Common Good Funds this year are dividend and investment income (68%) and property rental income (32%).

The Investment Review Board has agreed a Statement of Investment Principles (SoIP) which regulates the relationship between the Council and the Investment Manager. The SoIP details benchmark asset class holdings and also the restrictions which the Council has agreed i.e. no direct holdings in tobacco stocks or companies involved in the manufacture or supply of military equipment; and a minimum holding of 15% of the total funds to be held in fixed interest stocks.

Future Plans

On 5 September 2018 the Finance, Resources & Customer Service Policy Board of Renfrewshire Council agreed that a formal application be submitted to the Office of the Scottish Charity Regulator (OSCR) requesting the de-registration of all three Common Good Funds.

The Council has contacted OSCR to start the process of de-registration, however due to the unique nature of Common Good Funds this is not a simple matter of a normal de-registration and OSCR are currently reviewing the situation and will provide an update of the timescales and procedures in due course.

Regardless of registration status, Common Good Funds will continue to make grants available to local organisations through the Local Partnership grant making process, and will also continue to fund recurring commitments such as Christmas Lights displays.

The Council will also continue to review the funding provided by the Common Good Funds to ensure it remains appropriate and in line with the objectives of the Funds and to the benefit of the inhabitants of the relevant Burghs.

The Community Empowerment (Scotland) Act 2015 places new obligations on Councils with regards recording and the use of Common Good assets. As required by the Act the Council has published a register of all Common Good properties and will assess any responses received. The Act also requires local authorities to publish any proposals and consult with community bodies before disposing of or changing the use of Common Good assets.

The Trustees wish to thank the Renfrewshire Council officers involved in producing the Annual Report and Financial Statements

Signed:

Alan Russell
Director of Finance and Resources
Renfrewshire Council

Date: 25 June 2020

On behalf of the Trustees:
Councillor John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Date: 25 June 2020

Statement of Trustees' Responsibilities in respect of the Annual Report and Accounts

a) Statement of responsibilities in respect of the annual report and accounts

The Trustees are responsible for preparing the annual report and financial statements for each financial year, in accordance with the accounting policies set out in note 1 to the accounts and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. The financial statements give a true and fair view of the incoming resources and application of the resources of the charity during the year and of the charity's state of affairs at the end of the financial year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

b) Statement of disclosure of information to auditors

The trustees who held office at the date of approval of this annual report and accounts confirm that, so far as they are each aware, there is no relevant audit information of which the auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Signed:

Cllr John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Date: 25 June 2020

Independent Auditors Report to the Trustees of Renfrewshire Council Common Good Funds and the Accounts Commission

The accounts are still subject to audit. The appointed auditor is:

Mark Ferris FCCA
Audit Scotland
4th Floor, 8 Nelson Mandela Place,
Glasgow.
G2 1BT

Date

Mark Ferris is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Statement of Financial Activities for the Year Ended 31st March 2020

This Account summarises the resources that have been generated and consumed in providing services and managing the Common Good Funds during the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed. This Account also includes the Statement of Total Recognised Gains and Losses which brings together all of the gains and losses of the Funds for the year and shows the aggregate movement in their net worth. All Common Good Funds have unrestricted funds only; there were no restricted or endowment funds during 2019-20 or in 2018-19.

		Year to 31 st March 2020				Year to 31 st March 2019			
		Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
		SC019478	SC019480	SC019479		SC019478	SC019480	SC019479	
Notes		£m	£m	£m	£m	£m	£m	£m	£m
Income and Endowments from:									
Grants, Interest & Dividend Income	2(a)	0.149	0.000	0.514	0.663	0.144	0.000	0.499	0.643
Rental and Other Income	2(b)	0.049	0.000	0.266	0.315	0.049	0.000	0.859	0.908
Total Income and Endowments		0.198	0.000	0.780	0.978	0.193	0.000	1.358	1.551
Expenditure on:									
Raising Funds									
Fundraising Trading		0.000	0.000	0.031	0.031	0.000	0.000	0.042	0.042
Investment Management Costs		0.017	0.000	0.058	0.075	0.017	0.000	0.055	0.072
Total Raising Funds		0.017	0.000	0.089	0.106	0.017	0.000	0.097	0.114
Charitable Activities									
Charitable Activities	3(a)	0.121	0.000	0.203	0.324	0.111	0.000	0.198	0.309
Governance Costs	3(b)	0.015	0.000	0.049	0.064	0.015	0.000	0.049	0.064
Depreciation and Impairment		0.071	0.000	0.432	0.503	0.071	0.000	0.488	0.559
Total Charitable Activities		0.207	0.000	0.684	0.891	0.197	0.000	0.735	0.932
Total Expenditure		0.224	0.000	0.773	0.997	0.214	0.000	0.832	1.046
Net Income / (Expenditure) and net movement in funds before gains and losses on investments		(0.026)	0.000	0.007	(0.019)	(0.021)	0.000	0.526	0.505
Gains/(losses) on Investment Assets	5	(0.221)	0.000	(0.749)	(0.970)	0.258	0.000	0.871	1.129
Net Income/(Expenditure)		(0.247)	0.000	(0.742)	(0.989)	0.237	0.000	1.397	1.634

Statement of Financial Activities for the Year Ended 31st March 2020

	Notes	Year to 31 st March 2020				Year to 31 st March 2019			
		Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
		SC019478	SC019480	SC019479		SC019478	SC019480	SC019479	
		£m	£m	£m	£m	£m	£m	£m	£m
Transfer between Funds		0.000	0.000	0.000		0.000	0.000	0.000	0.000
Total after funds transfer		(0.247)	0.000	(0.742)	(0.989)	0.237	0.000	1.397	1.634
Other Gains or Losses									
Gains/(Losses) on Revaluation of Fixed Assets	4	0.000	0.000	(0.105)	(0.105)	0.000	0.000	(0.335)	(0.335)
Total Other Recognised Gains or Losses		0.000	0.000	(0.105)	(0.105)	0.000	0.000	(0.335)	(0.335)
Net Movement in Funds		(0.247)	0.000	(0.847)	(1.094)	0.237	0.000	1.062	1.299
Total Funds Brought Forward		5.494	0.052	31.170	36.716	5.257	0.052	30.108	35.417
Total Funds Carried Forward		5.247	0.052	30.323	35.622	5.494	0.052	31.170	36.716

The notes on pages 13 to 22 form part of these financial statements.

Balance Sheet as at 31st March 2020

The Balance Sheet summarises in its top half all the assets that the Common Good Funds own and the liabilities that they owe to others. The bottom half sets out how the net assets of the Funds are allocated between usable resources and statutory reserves needed to comply with accounting rules.

		At 31 st March 2020				At 31 st March 2019			
	Notes	Paisley SC019478 £m	Johnstone SC019480 £m	Renfrew SC019479 £m	Total £m	Paisley SC019478 £m	Johnstone SC019480 £m	Renfrew SC019479 £m	Total £m
Fixed Assets									
Tangible Fixed Assets	4	0.702	0.000	12.510	13.212	0.773	0.000	13.047	13.820
Heritage Assets	4	0.063	0.047	0.109	0.219	0.063	0.047	0.109	0.219
Investments	5	3.943	0.000	13.325	17.268	4.163	0.000	14.073	18.236
		4.708	0.047	25.944	30.699	4.999	0.047	27.229	32.275
Current Assets									
Debtors	13	0.000	0.000	0.008	0.008	0.000	0.000	0.026	0.026
Short term deposits	15	0.573	0.005	4.447	5.025	0.535	0.005	3.960	4.500
		0.573	0.005	4.455	5.033	0.535	0.005	3.986	4.526
Less: Current Liabilities									
Creditors: Amounts Falling Due Within One Year	14	(0.034)	0.000	(0.076)	(0.110)	(0.040)	0.000	(0.045)	(0.085)
		(0.034)	0.000	(0.076)	(0.110)	(0.040)	0.000	(0.045)	(0.085)
Net Current Assets		0.539	0.005	4.379	4.923	0.495	0.005	3.941	4.441
Net Assets		5.247	0.052	30.323	35.622	5.494	0.052	31.170	36.716
Funds of the Charities									
Unrestricted Funds									
Income Funds		3.572	0.036	20.027	23.635	3.580	0.036	19.981	23.597
Revaluation reserve:		0.698	0.000	2.316	3.014	0.937	0.000	3.104	4.041
Investments Revaluation reserve:		0.977	0.016	7.980	8.973	0.977	0.016	8.085	9.078
Other Fixed Assets		5.247	0.052	30.323	35.622	5.494	0.052	31.170	36.716

Signed

Date: 25 June 2020

Alan Russell

Director of Finance and Resources

Renfrewshire Council

Signed

Date: 25 June 2020

Councillor John Shaw

Convener – Finance, Resources and Customer Services

Policy Board. Renfrewshire Council.

Cash Flow Statement for Year Ended 31st March 2020

This statement summarises the inflows and outflows of cash arising from the transactions with third parties on both day to day revenue transactions and expenditure on capital activities. For the purposes of this statement, cash is defined as cash in hand and deposits repayable on demand.

	Notes	Year ended 31st March 2020				Year ended 31st March 2019			
		Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Net Cash Inflow from Operating Activities	7	0.039	0.000	0.488	0.527	0.044	0.000	0.975	1.019
Capital Expenditure and Financial Investment									
Cash paid for fixed asset investment		(0.651)	0.000	(2.169)	(2.820)	(0.789)	0.000	(2.824)	(3.613)
Receipts from sales of fixed asset: investments		0.709	0.000	2.355	3.064	0.769	0.000	2.778	3.547
Receipts from sales of fixed asset: property		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Payments to acquire tangible fixed assets		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net cash flow from capital expenditure and financial investments		0.058	0.000	0.186	0.244	(0.020)	0.000	(0.046)	(0.066)
(Increase)/decrease in cash held for investments		(0.058)		(0.188)	(0.246)	0.029	0.000	0.077	0.106
Increase/(decrease) in cash held in the year		0.039	0.000	0.486	0.525	0.053	0.000	1.006	1.059
Reconciliation of net cash flow to movement in net funds									
(Decrease)/increase in cash in year		0.039	0.000	0.486	0.525	0.053	0.000	1.006	1.059
net funds at 1 April		0.534	0.005	3.961	4.500	0.481	0.005	2.955	3.441
Net funds at 31 March		0.573	0.005	4.447	5.025	0.534	0.005	3.961	4.500

Notes to the Financial Statements

1: Accounting Policies

Introduction

The Financial Statements for the year ended 31 March 2020 have been compiled in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006(as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014. They are designed to give a true and fair view of the financial performance and position of the Common Good Funds and comparative figures for the previous financial year are provided. There are no significant departures from accounting standards other than that outlined specifically below.

The accounting concepts of “materiality” and “going concern” have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accounts have been prepared on a going concern basis. The going concern concept assumes that the Charities will not significantly curtail the scale of their operations.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of assets. The following accounting policies used in its preparation have been reviewed following the introduction of Financial Reporting Standard 18 “Accounting Policies” (FRS18).

Income and Endowments

Recognition of income and endowments

These are included in the Statement of Financial Activities (SOFA) when:

- The charity becomes entitled to the resources;
- The trustees are virtually certain they will receive the resources; and
- The monetary value can be measured with sufficient reliability.

Grants and Donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Gifts in Kind

Gifts in kind are not reflected in the SORP, but are referred to when necessary in the Trustees Annual Report.

Investment Income

This is included in the accounts when receivable.

Investment Gains and Losses

This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Charitable Activities

Decisions regarding the way the Common Good Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board, whose membership comprises of 15 of the trustees of the Common Good Funds. Voluntary groups are encouraged to apply for funding from the available funds allocated to Renfrewshire Council Local Partnerships.

Governance Costs

Governance costs include the:

- costs of the preparation and examination of statutory accounts;
- cost of any legal advice to trustees on governance or constitutional matters;
- cost of administering grants; and
- property maintenance.

Grants Payable without Performance Conditions

These are recognised in the accounts when the grant has been paid.

Assets

Valuation

Land and buildings have been valued on the basis of market value in relation to existing use, assessed either on a comparative basis or on a depreciated replacement cost basis. The valuations have been compiled by the Council Valuer who is Member of the Royal Institute of Chartered Surveyors (MRICS) qualified. Assets under construction are shown at historic cost. Land and buildings are revalued every five years, with increases in valuation matched by credits to the Revaluation Reserve.

A de-minimis of £9,000 is applied for capitalisation of expenditure.

The civic regalia and equipment (heritage assets) have been valued on a present value insurance basis.

Investments are valued at market value.

Depreciation

Depreciation is charged on a straight -line basis on all assets other than land, heritage assets and assets under construction. The Council Valuer determines the useful life of property assets. Depreciation is based on expected life of costs capitalised.

Impairment

The value of each category of asset is reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a revaluation exercise, the loss is charged to the SOFA.

Departures from the Charities SORP

Operational land and buildings have been valued on a depreciated replacement costs basis, not a historic basis as per the Charities SORP. The main reason for this is the obligation under the Local Government Code of Practice on local authority accounting to apply a depreciated replacement cost valuation basis, and it is under the Local Government Code that the Common Good Accounts have been audited in previous years.

Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the 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 Statement are adjusted to reflect such events; and
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 16 provides further information.

2: Income and Endowments

a) Investments

	2019-20				2018-19			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Grant income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Dividend income	0.145	0.000	0.491	0.636	0.140	0.000	0.476	0.616
Interest income	0.004	0.000	0.023	0.027	0.004	0.000	0.023	0.027
Total grant & investment income	0.149	0.000	0.514	0.663	0.144	0.000	0.499	0.643

b) Rental and Other Income

	2019-20				2018-19			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Rental income from properties	0.049	0.000	0.266	0.315	0.049	0.000	0.266	0.315
Other Income	0.000	0.000	0.000	0.000	0.000	0.000	0.593	0.593
Total rental and other income	0.049	0.000	0.266	0.315	0.049	0.000	0.859	0.908

3: Expenditure

a) Charitable Activities

	2019-20				2018-19			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Voluntary organisation grants	0.024	0.000	0.146	0.170	0.024	0.000	0.146	0.170
Civic related grants	0.097	0.000	0.057	0.154	0.087	0.000	0.052	0.139
Total charitable activities grants	0.121	0.000	0.203	0.324	0.111	0.000	0.198	0.309

b) Governance Costs

	2019-20				2018-19			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Accountancy and Administrative Services	0.011	0.000	0.034	0.045	0.011	0.000	0.034	0.045
Property Services	0.004	0.000	0.015	0.019	0.004	0.000	0.015	0.019
Total Governance Costs	0.015	0.000	0.049	0.064	0.015	0.000	0.049	0.064

4: Tangible Fixed Assets

a) Paisley Common Good Fund

	Operational Land and Buildings	Non- Operational Assets – Surplus Assets	Total Tangible Fixed Assets	Heritage Assets
	£m	£m	£m	£m
Gross Book Value				
At 1 st April 2019	0.711	0.275	0.986	0.063
Additions	0.000	0.000	0.000	0.000
Disposals	0.000	0.000	0.000	0.000
Revaluations	0.000	0.000	0.000	0.000
At 31st March 2020	0.711	0.275	0.986	0.063
Depreciation				
At 1 st April 2019	0.213	0.000	0.213	0.000
Depreciation for Year	0.071	0.000	0.071	0.000
Depreciation on Revaluation	0.000	0.000	0.000	0.000
At 31st March 2020	0.284	0.000	0.284	0.000
Net Book Value at 31st March 2020	0.427	0.275	0.702	0.063
Net Book Value at 31st March 2019	0.498	0.275	0.773	0.063

b) Renfrew Common Good Fund

	Operational Land and Buildings	Plant and Equipment	Non- operational assets – Investment Properties	Non- Operational Assets – Surplus Assets	Total Tangible Fixed Assets	Heritage Assets
	£m	£m	£m	£m	£m	£m
Gross Book Value						
At 1 st April 2019	9.568	3.284	0.644	0.015	13.511	0.109
Additions	0.000	0.000	0.000	0.000	0.000	0.000
Disposals	0.000	0.000	0.000	0.000	0.000	0.000
Transfers	0.000	0.000	0.000	0.000	0.000	0.000
Revaluations	0.000	0.000	(0.105)	0.000	(0.105)	0.000
At 31st March 2020	9.568	3.284	0.539	0.015	13.406	0.109
Depreciation						
At 1 st April 2019	0.320	0.129	0.015	0.000	0.464	0.000
Depreciation for year	0.192	0.234	0.006	0.000	0.432	0.000
Impairment	0.000	0.000	0.000	0.000	0.000	0.000
Depreciation writeback on revaluations	0.000	0.000	0.000	0.000	0.000	0.000
Impairment losses written out on revaluation	0.000	0.000	0.000	0.000	0.000	0.000
At 31st March 2020	0.512	0.363	0.021	0.000	0.896	0.000
Net Book Value at 31st March 2020	9.056	2.921	0.518	0.015	12.510	0.109
Net Book Value at 31st March 2019	9.249	3.155	0.628	0.015	13.047	0.109

c) Johnstone Common Good Fund

	Heritage Assets
	£m
Gross Book Value	
At 1 st April 2019	0.047
Additions	0.000
Disposals	0.000
Revaluations	0.000
At 31st March 2020	0.047
Depreciation	
At 1 st April 2019	0.000
Depreciation for year	0.000
At 31st March 2020	0.000
Net Book Value at 31st March 2020	0.047
Net Book Value at 31st March 2019	0.047

d) Heritage Assets

Heritage Assets include items of civic regalia and equipment formerly used by the Provost of the Council on civic occasions. The assets are now held in Renfrewshire museums.

5: Fixed Asset Investments

Investments are held specifically to provide the funds from which donations and civic activities can be funded from.

a) Analysis of market values

	2019-20			2018-19		
	Paisley	Renfrew	Total	Paisley	Renfrew	Total
	£m	£m	£m	£m	£m	£m
Market Value						
At 1 st April 2019	4.163	14.073	18.236	3.915	13.233	17.148
Additions	0.652	2.169	2.821	0.789	2.824	3.613
Disposals	(0.709)	(2.355)	(3.064)	(0.769)	(2.778)	(3.547)
Net gain/(loss) on revaluation	(0.221)	(0.749)	(0.970)	0.257	0.871	1.128
Increase/(decrease) in cash in bank awaiting investment	0.058	0.188	0.246	(0.029)	(0.077)	(0.106)
At 31st March 2020	3.943	13.326	17.269	4.163	14.073	18.236

b) Asset Allocation Analysis

	2019-20			2018-19		
	Paisley	Renfrew	Total	Paisley	Renfrew	Total
	£m	£m	£m	£m	£m	£m
Bonds:						
UK Government Bonds	0.244	0.824	1.068	0.228	0.825	1.053
Other UK Bonds	0.282	0.900	1.182	0.277	0.876	1.153
Overseas Bonds	0.119	0.455	0.574	0.132	0.445	0.577
Equities:						
UK Equities	1.456	4.905	6.361	1.835	6.197	8.032
Overseas Equities	1.646	5.576	7.222	1.463	4.947	6.410
Non-Region Specific	0.036	0.121	0.157	0.045	0.153	0.198
Property Investments	0.043	0.145	0.188	0.044	0.148	0.192
Cash	0.113	0.388	0.501	0.135	0.470	0.605
Accrued Interest	0.004	0.012	0.016	0.004	0.012	0.016
Total Investment Assets	3.943	13.326	17.269	4.163	14.073	18.236

All investments during 2019-20 and in 2018-19 were held in unrestricted funds.

6: Reserves Cover

	2019-20				2018-19			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Free Reserves								
Unrestricted Funds	3.572	0.036	20.027	23.635	3.580	0.036	19.981	23.597
Allocation Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Unrestricted Funds from SOFA	(0.026)	0.000	0.007	(0.019)	(0.021)	0.000	0.526	0.505
Total Unrestricted Funds	3.546	0.036	20.034	23.616	3.559	0.036	20.507	24.102
Less Funds tied up in fixed assets	(3.943)	0.000	(13.325)	(17.268)	(4.163)	0.000	(14.073)	(18.236)
Total Free Reserves	(0.397)	0.036	6.709	6.348	(0.604)	0.036	6.434	5.866
Annual Running Costs exclude impairment	0.224	0.000	0.773	0.997	0.214	0.000	0.832	1.046
Number of months held in reserve	0	0	104		0	0	93	n/a

Funds tied up in fixed assets are represented by investments held by the Common Good Funds.

7: Cash Flow Statement

a Reconciliation of net income/expenditure to net cash inflow/ (outflow) from operating activities

	Year to 31 st March 2020			Year to 31 st March 2019		
	Paisley	Johnstone	Renfrew	Paisley	Johnstone	Renfrew
	£m	£m	£m	£m	£m	£m
Net Incoming / (Expenditure) and net movement in funds before gains and losses on investments	(0.026)	0.000	0.007	(0.021)	0.000	0.526
Transfer of revaluation reserve realised on investment movement	0.000	0.000	0.000	0.000	0.000	0.000
Depreciation and impairment	0.071	0.000	0.432	0.071	0.000	0.488
Decrease/(increase) in debtors	0.000	0.000	0.018	0.000	0.000	(0.018)
Increase/(decrease) in creditors	(0.006)	0.000	0.031	(0.006)	0.000	(0.021)
Net cash (inflow)/outflow from operating activities	0.039	0.000	0.488	0.044	0.000	0.975

b Analysis of changes in net funds

	At 1 April 2019	Cash- flow	At 31 March 2020	At 1 April 2018	Cash- flow	At 31 March 2019
	£m	£m	£m	£m	£m	£m
Short term deposits						
Paisley	0.535	0.040	0.575	0.481	0.053	0.534
Johnstone	0.005	0.000	0.005	0.005	0.000	0.005
Renfrew	3.960	0.490	4.450	2.955	1.006	3.961
	4.500	0.530	5.030	3.441	1.059	4.500

8: Trustees' remuneration and expenses

Neither the Trustees of the Common Good Funds nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the Trustees during 2019-20.

9: Related Parties

During the year, the Common Good Fund balances were invested by Renfrewshire Council, who manage the administration of the Funds on behalf of the Trustees. The costs of this are disclosed in note 3(b), Governance Costs. The Council also acts as the banker for the Common Good Funds and all transactions, incoming and outgoing, are made via the Council's accounts. This creates a debtor as detailed in the respective Funds' balance sheets. There are no outstanding balances due to or from Renfrewshire Council other than those that appear in the balance sheet.

10: Commitments

As at 31 March 2020, no Common Good Fund had outstanding commitments on capital contracts. There were no outstanding commitments for operating lease rentals.

11: Staff Costs and Emoluments

No members of staff were employed directly via the Common Good Funds during 2019-20 (2018-19 nil). All costs were incurred by Renfrewshire Council and recharged as detailed in note 3(b) Governance Costs. There are therefore no employees with emoluments above £60,000 (2018-19 nil).

12: Audit Costs

Costs of £4,550 were incurred in relation to the audit of the 2019-20 financial statements.

13: Debtors

	Year to 31 st March 2020				Year to 31 st March 2019			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Accrued Income	0.000	0.000	0.008	0.008	0.000	0.000	0.007	0.007
Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.019	0.019
Total Debtors	0.000	0.000	0.008	0.008	0.000	0.000	0.026	0.026

14: Creditors

	Year to 31 st March 2020				Year to 31 st March 2019			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Trade Creditors	0.034	0.000	0.072	0.106	0.040	0.000	0.041	0.081
Rents in Advance	0.000	0.000	0.004	0.004	0.000	0.000	0.004	0.004
Total Creditors	0.034	0.000	0.076	0.110	0.040	0.000	0.045	0.085

15: Short Term Deposits

Short term deposits are accounts held with Renfrewshire Council who process receipts, payments and accounting entries on behalf of the Common Good Funds.

16: Events after the Balance Sheet date

Events taking place after the authorised issue date 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 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non adjusting events.

RENFREWSHIRE COUNCIL

COATS OBSERVATORY TRUST FUND

SC019454

TRUSTEES' REPORT
AND FINANCIAL STATEMENTS
1 APRIL 2019 to 31 MARCH 2020



Table of Contents

TRUSTEES' REPORT..... 1

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COATS OBSERVATORY TRUST FUND AND
THE ACCOUNTS COMMISSION FOR SCOTLAND5

TRUST ACCOUNTS FINANCIAL STATEMENTS OVERVIEW6

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST MARCH 20207

STATEMENT OF BALANCES AS AT 31ST MARCH 20207

NOTES TO THE FINANCIAL STATEMENTS8

Trustees' Report

1. INTRODUCTION

Renfrewshire Council acts as sole trustee for the Coats Observatory Trust Fund which has charitable status and is registered with the Office of the Scottish Charity Regulator (OSCR):

The financial statements of the Trust are included in this report:

The principal address of the Trust Fund is:

Renfrewshire Council
Finance and Resources
Renfrewshire House
Cotton Street
Paisley
PA1 1JB

Renfrewshire Council administers the Trust Fund and separately accounts for it. Renfrewshire Council was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. The Council provides a wide range of public services such as education, social services, environmental services, council housing and economic regeneration.

The Trust Accounts do not form part of Renfrewshire Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Trust "vest[s] in" the relevant local authority. However, the Trust Fund accounts are included within the group accounts of the Council. A copy of the group accounts can be obtained from the address above.

Independent Auditors: Audit Scotland
 4th Floor, South Suite
 The Athenaeum Building
 8 Nelson Mandela Place
 Glasgow G2 1BT

TRUSTEES

In terms of the “Trustees” of the Trust, the guidance provided by OSCR is that those who have “general control and management” of the charity are the charity trustees. Decisions regarding the general control and management of the Trust Fund are made by the Finance, Resources and Customer Services Policy Board (FRCSPB), which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. We have therefore interpreted the above guidance as meaning all elected members are charity trustees

The following individuals were the Trustees of the Trust Fund in their capacity as elected members of Renfrewshire Council during the 2019/20 financial year:

William Brown	Eileen McCartin
Lisa-Marie Hughes	Kevin Montgomery
John Shaw	Jacqueline Cameron
Jane Strang	John Hood
Edward Grady	Alistair MacKay
Catherine McEwan	Andrew Steel
Jim Paterson	Derek Bibby
Jennifer Adam-McGregor	William Binks
Neill Graham	Andrew Doig
Jim Sharkey	Emma Rodden
Karen Kennedy	Audrey Doig
John McIntyre	Alison Dowling
Kenneth MacLaren	Scott Kerr
Margaret MacLaren	James Sheridan
Carolann Davidson	Natalie Don
John McNaughtan	Colin McCulloch
William Mylet	James MacLaren
Edward Devine	Tom Begg
Marie McGurk	Michelle Campbell
Paul Mack	Jim Harte
Stephen Burns	Iain Nicolson
Lorraine Cameron	

Day to day management of the Trust Fund is delegated to the Director of Finance and Resources of Renfrewshire Council. All of the trustees for the accounts are normally elected or re-elected at local government elections. By-elections are held to elect new members in the event of existing members vacating their position. New members automatically become trustees.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Coats Observatory Fund was inherited by the local authority in early 1963 from the Paisley Philosophical Society. The Council as Trustees own the buildings comprising the Coats Observatory. These buildings are leased to Renfrewshire Leisure Ltd for zero consideration.

HISTORY

The original purpose of the Trust when it was set up was: “for the upkeep of Coats Observatory equipment”. This purpose was relevant while there were cash funds available; however these funds have been exhausted, and only the property assets remain.

GOVERNANCE AND MANAGEMENT

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. They manage the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given the Trust Fund is controlled by the Council, these specific provisions are supplemented by general provisions relating to the administration of local authority monies, i.e. the duty to obtain best value.

The Director of Finance and Resources has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Director of Finance and Resources is responsible for keeping proper accounting records which are up to date and which ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006(as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014.

Decisions regarding the operation, assets, processes or policies of the Trust Fund are delegated by the Council to the Finance, Resources and Customer Services Policy Board (FRCSPB).

RISK

The Trustees have overall responsibility for the Trust Funds’ system of internal control. This system is designed by senior management to ensure effective and efficient operation, including financial reporting and compliance with laws and regulations. The Trustees acknowledge that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

3. FINANCIAL REVIEW

The Trust Fund has no explicit reserves policy. The Trust Fund is not in deficit and no donations to the Fund are solicited.

4. FUTURE PLANS

Given there are no cash funds remaining, nor are any anticipated, the Council will explore with OSCR the future of the charity, always considering the ongoing sustainability of the Observatory and ensuring appropriate governance arrangements remain in place.

The Trustees wish to thank the Renfrewshire Council officers involved in producing the Report and Financial Statements.

Signed:

Date: 25 June 2020

Alan Russell
Director of Finance and Resources
Renfrewshire Council

On behalf of the Trustees:

Date: 25 June 2020

Councillor John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Independent Auditor's Report to the Trustees of Coats Observatory Trust Fund and the Accounts Commission for Scotland

The accounts are still subject to audit. The appointed auditor is:

Mark Ferris FCCA
Audit Scotland
4th Floor, 8 Nelson Mandela Place,
Glasgow.
G2 1BT

Date

Mark Ferris is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Trust Accounts Financial Statements Overview

1. INTRODUCTION

The following pages detail the Statement of Receipts and Payments, the Statement of Balances and relevant Notes to the Accounts, as required by the Charities Accounts (Scotland) Regulations 2006. A Cash Flow Statement is not required as the charity is classified as a small charity as defined in the Charities Statement of Recommended Practice (SORP) and therefore is exempt from producing a Cash Flow Statement.

2. STATEMENT OF RECEIPTS AND PAYMENTS

The Statement of Receipts and Payments provides an analysis of the incoming and outgoing cash and bank transactions for the period. If applicable, the Statement would also show any cash movements in relation to fixed assets. In the case of the Trust Fund, there have been no purchases or sales of fixed assets.

3. STATEMENT OF BALANCES

The Statement of Balances reconciles the cash and bank balances at the beginning and end of the financial year with the surpluses or deposits shown in the Statement of Receipts and Payments. The Statement of Balances also summarises final closing balances at the end of the period.

4. NOTES TO THE ACCOUNTS

Notes to the accounts expand on or explain the information contained in the Statement of Receipts and Payments and the Statement of Balances.

Statement of Receipts and Payments for the year ended 31st March 2020

year ended 31st March 2020			
2019			2020
Total	Unrestricted	Restricted	Total
£	£	£	£
0 Total receipts	0	0	0
0 Total payments	0	0	0
0 Surplus / (deficit) for period	0	0	0

Statement of Balances as at 31st March 2020

As at 31st March 2020			
2019			2020
Total	Unrestricted	Restricted	Total
£	£	£	£
Cash funds			
<i>Balances held with Renfrewshire Council:</i>			
0 Opening balance	0	0	0
0 Surplus / (deficit) for period	0	0	0
0	0	0	0
Other assets (at current valuation)			
<i>Land and buildings:</i>			
610,850.73 Coats Observatory, Paisley	0	590,104.00	590,104.00
0 Long Term Investments	0	0	0
610,850.73	0	590,104.00	590,104.00

Signed
Date: 25 June 2020
Alan Russell
Director of Finance and Resources

Renfrewshire Council

Signed
Date: 25 June 2020
Councillor John Shaw
Convenor – Finance, Resources and Customer
Services Policy Board
Renfrewshire Council

Notes to the Financial Statements

1. ACCOUNTING POLICIES

INTRODUCTION

The Financial Statements for the year ended 31 March 2020 have been prepared in accordance with the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are designed to give a true and fair view of the financial performance and position of the Trust Fund and comparative figures for the previous financial year are provided. There are no significant departures from accounting standards other than that outlined specifically below.

The accounting concepts of “materiality” and “going concern” have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accounts have been prepared on a going concern basis. The going concern concept assumes that the Trustees will not significantly curtail the scale of the charities’ operations, however it is anticipated that the Observatory Fund will not continue indefinitely. This has no impact on the financial statements as the assets of the Fund comprise solely of the Observatory buildings which are independently valued.

The accounting concept of “accruals” is not relevant to these statements, which have been prepared on a receipts and payments basis.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of assets. The following accounting policies used in its preparation have been reviewed following the introduction of Financial Reporting Standard 18 “Accounting Policies” (FRS18).

Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanations of the nature and purpose of each fund is included in the notes to the financial statements.

The 2018-19 comparative figures have been brought forward unchanged.

INCOMING/OUTGOING RESOURCES

Recognition of incoming resources

All income is recognised and included in the Statement of Receipts and Payments (SoRP) when the money is actually received.

Recognition of expenditure

Expenditure is recognised and included in the Statement of Receipts and Payments (SoRP) when it is paid for.

Charitable Activities

Decisions regarding the way the Trust Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board, whose membership comprises 15 of the trustees of the Trust Fund.

Costs of Generating Funds

The cost of administering the Trust Fund including the audit fee is borne entirely by Renfrewshire Council.

Governance Costs

Governance costs, where applicable, include the:

- costs of the preparation and examination of statutory accounts;
- cost of any legal advice to trustees on governance or constitutional matters; and
- cost of administering grants.

ASSETS

The Fund includes the land and buildings of Coats Observatory, Paisley. The valuation is based on fair value, determined as the market value that would be paid for the asset in its current use. Valuations are provided by the Council Valuer who is MRICS qualified, and are updated as a minimum every five years. The Observatory building is being depreciated on a straight-line basis over 30 years.

2. ANALYSIS OF RECEIPTS/PAYMENTS

No income was received in the year.

3. TRUSTEES' REMUNERATION AND EXPENSES

Neither the trustees of the Trust Fund nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the trustees during the period (2018-19 nil).

4. RELATED PARTIES

During the period the Council also acted as the banker for the Trust Fund and all transactions, incoming and outgoing, are made via the Council's bank accounts. There are no outstanding balances due to or from Renfrewshire Council nor were there any cash transactions during 2019-20.



To: Council

On: 25 June 2020

Report by: Director of Finance and Resources

Heading: Treasury Management Annual Report for 2019-20

1. Summary

- 1.1 An annual report to Council outlining the treasury management activity undertaken during the year is a requirement of the Local Government Investments (Scotland) Regulations 2010.
 - 1.2 This report meets the requirements of these regulations, and both the CIPFA Code of Practice on Treasury Management 2009 (as amended 2017) (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
 - 1.3 All aspects of the Treasury Policy Statement were complied with in 2019-20.
-

2. Recommendations

- 2.1 It is recommended Council approves the Treasury Management Annual Report for 2019-20.
-

3. Review of 2019-20 Treasury Activities

3.1 Treasury Portfolio Position at 31.03.20

The Council's external borrowing position at the beginning and end of the last financial year was as follows:-

	Borrowing Position as at 31 March 19		Borrowing Position as at 31 March 20		Change
	£ m (b)	Average Interest Rate	£ m (b)	Average Interest Rate	(b) - (a)
Long Term Borrowings					
Public Work Loans Board - (PWLB) Fixed Interest	171.67	4.70%	168.36	4.58%	(3.32)
Market Loans	52.92	4.69%	52.92	4.69%	-
Total Long Term	224.59	4.70%	221.27	4.61%	(3.32)
Short Term Borrowings					
Common Good Funds	3.79	0.71%	5.03	0.86%	1.24
Agencies, Joint Boards	2.75	0.71%	10.01	0.86%	7.26
Total Short Term	6.54	0.71%	15.04	0.86%	8.50
Total Borrowings	231.13	4.78%	236.31	4.78%	5.18
Temporary Investments	153.68	0.88%	115.80	0.88%	(37.88)

4. Review of Borrowing and Investment Outturn for 2019-20

4.1 Overall, the Council's total external borrowings increased by £5.18 million, predominantly due to increased funds held on behalf of Renfrewshire HSCP in line with their approved medium term financial plan and reserves strategy; less the scheduled repayment of maturing loans to Public Works Loan Board (PWLB).

4.2 Temporary investments held by the Council decreased by £37.88 million. The decrease in investments is attributable to a number of issues: the impact of the ongoing medium term debt smoothing strategy, the delay in settling the 2018/19 pay award, and significant approved capital expenditure. In line with the Council's Treasury Management Strategy no new borrowing was undertaken and investment balances were also used to fund capital investment requirements for the year. The level of cash balances held are required to fund the agreed capital programme, scheduled PWLB repayments and a number of cash-backed provisions and reserves that the Council has made for specific purposes in closing the 2019-20 accounts.

5. Review of Borrowing Strategy and New Borrowing during 2019-20

- 5.1 The agreed strategy for 2019-20 was approved by Council on 28 February 2019. Based on the Council's planned programme of investments and interest rate forecasts for the year, the Council's borrowing strategy was to use internal cash balances to finance the Capital Investment Programme, acknowledging that this principle did not include the short and longer term financing impact of City Deal projects. As outlined above and in line with this strategy, no new borrowing was undertaken in 2019-20.

6. Review of Investment Strategy and Investment Outturn for 2019-20

- 6.1 In carrying out investment activities, the Council will have regard to The Local Government Investment (Scotland) Regulations 2010, the accompanying Scottish Government Finance Circular 5/2010 and the CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes ("the Treasury Management Code").

The Council's investment priorities are the :

- security of capital and
- liquidity of its investments

The Council's investment policy was outlined in the Council's Annual Investment Strategy Report 2019-20 which was approved by Council on 28 February 2019. This policy set out the Council's approach for choosing investment categories and counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

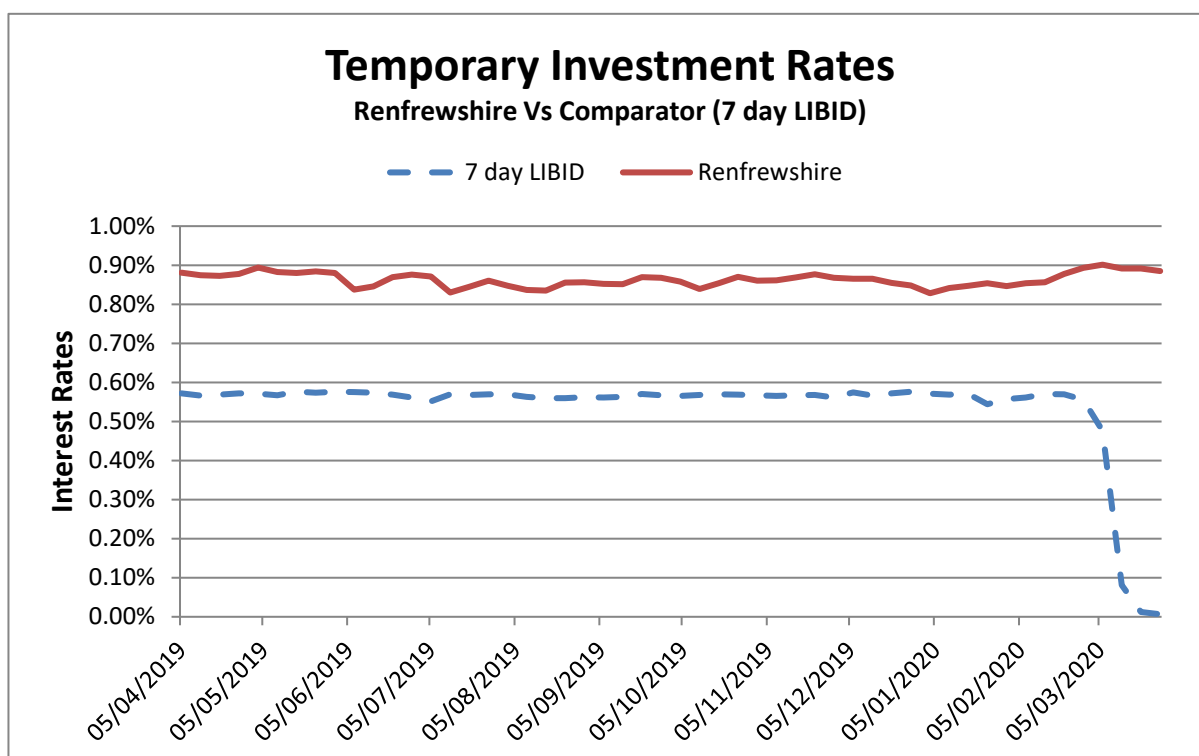
- 6.2 The Investment Strategy for 2019-20 anticipated the Bank Rate staying low for the bulk of the year, with marginal increases commencing in the final quarter of the year. The strategy agreed was therefore to continue to avoid locking into longer term deals while investment rates remained at historically low levels. However, if attractive rates became available with appropriate counterparties making longer-term deals worthwhile then these investments would be considered.
- 6.3 Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled but would only rise to 1.0% during 2020. Shorter term investment interest rates were fairly flat during most of the year until the two cuts in Bank Rate in March 2020 in response to the Coronavirus pandemic

caused investment rates to fall sharply. Rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets.

- 6.4 The Council followed the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. This approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.
- 6.5 During 2019-20, the Council only invested with institutions listed in the Council's approved Counterparty list and in the permitted investment categories. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 6.6 The table below shows interest rates achieved by the Council on its temporary investments during the year and for comparison the benchmark comparator, the average 7 day LIBID rate (uncompounded).

Temporary investments - internally managed	2018/19	2019/20
Average Investment	£153.93m	£159.33m
Actual rate of return	0.71%	0.86%
Benchmark return	0.51%	0.53%

- 6.7 The graph below shows the trend of interest rates on our investments over the course of the year. The Council out-performed the average benchmark for the year. Throughout the year the Council made use of opportunities where appropriate to invest for longer periods with appropriate counterparties up to one year when better rates were available. These rates offered some value over the year however, deposit rates remained depressed during the year due to the potential impact of Brexit on the UK economy and continuing weak expectations for the global economy.
- 6.8 The current treasury strategy remains appropriate to the Council's ongoing financial, investment and treasury requirements, but is continually reviewed to ensure it remains supportive to the Council's overall financial position, investment priorities and medium-term financial forecasts. While the strategy was recently approved in March 2020, it is continually being reviewed to ensure as the economic and political landscape changes, and as the Council's financial strategy develops, that borrowing and investments are managed to accommodate both short to medium term treasury requirements and also to ensure that best value is secured from longer term investment in instruments appropriate for this purpose and consistent with the Council's risk profile.



7. Debt Rescheduling

- 7.1 No rescheduling was undertaken during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling uneconomic and the Council continued to use internal cash balances to finance ongoing capital investment in the short term.

8. Compliance with Treasury Limits

- 8.1 The Prudential Code for Capital Finance in Local Authorities came into force on 1 April 2004 and replaced the previous system of “Section 94” Government controls over capital investment and borrowing. The Prudential Code allows greater local flexibility for investment decisions that are informed and supported by a “basket” of performance indicators. The 2019/20 indicators were approved by Council on 28 February 2019, and subsequently revised on 5 December 2019.
- 8.2 The Council's overall performance against the basket of these indicators provides a firm basis for the monitoring and control of capital investment and borrowing and for determining that it is affordable. Certain headline indicators are sub-divided per recommended best practice into two programmes – housing and non-housing.
- 8.3 The key performance indicators for Treasury are:
1. An “operational boundary” for the Council's external borrowing (the upper limit for the aggregate external borrowing needed) plus an

“authorised limit” for the Council’s external borrowing (the upper limit of aggregate external borrowing that is affordable and prudent).

2. A ratio of financing costs to net revenue stream (an affordability measure for debt repayments).
3. An upper limit for fixed rate borrowing maturing within the short, medium and long term (to ensure that the Council is not exposed to a significant re-financing requirement in the short to medium term).

In addition, it is a requirement of the Council's Treasury Policy Statement that the maximum amount of long term borrowings maturing in any one year will be no more than 15% and the maximum amount of long term borrowings maturing in any five year period will be no more than 50%. The objective of these limits is to ensure that the Council is not exposed to a significant re-financing requirement over a short period when interest rates could be relatively high.

8.4 The main source of the Council’s borrowing is from the Public Works Loan Board (PWLB). The borrowing rates are based on, and are determined by, the yield on UK Government bonds (gilts). HM Treasury determine a specified margin to add to gilt yields to determine borrowing rates. During the year HM Treasury imposed two changes in the margins over gilt yields for PWLB rates in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. The increase was then partially reversed for some forms of borrowing on 11 March 2020.

8.5 Following the changes on 11 March 2020 in margins over gilt yields, the current situation for borrowing is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

8.6 There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover the momentum lost in the sharp recession that will be caused during the Coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

8.7 External Borrowing at the Year-end

The Council's aggregate external debt was contained within both the operational boundary and the authorised limit. The outturn compared to the prudential limits is as follows:

2018/19 Outturn £m		2019/20 Borrowing Limits £m	2019/20 Outturn £m
298.86	Aggregate external debt of the Council at 31 March 2019		£292.71
370	Operational Boundary	377	
385	Authorised Limit	392	

8.8 Ratio of Financing Costs to Net Revenue Stream

This indicator is expressed as a proportion. Both the Housing and Non-housing programme were within estimate.

2018/19 Outturn %		2019/20 Estimated Ratio %	2019/20 Outturn %
51.72	Housing	42.17	46.51
5.42	Non-Housing	4.04	3.97

The higher than forecast outturn position on the housing revenue account reflects adjustments made to planned debt repayments linked to the housing investment plan and associated debt management arrangements.

8.9 Fixed Rate Borrowing Maturing within the Short, Medium and Long Term

This indicator is expressed as a proportion of the total debt of the Council. The maturity profile of the Council's external debt is well within the approved limits. The outturn compared to the estimate is as follows:

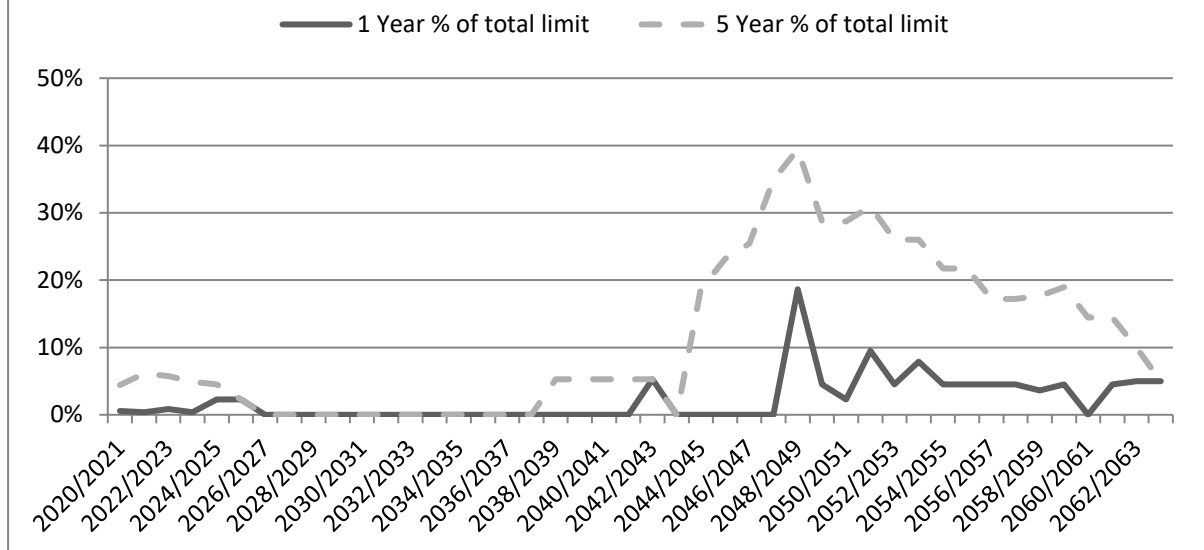
2018/19 Outturn		2019/20 Approved Upper Limits	2019/20 Outturn
%		%	%
Short term			
1.48	Under 12 months	15	0.55
Medium term			
0.55	12 months and within 24 months	15	0.38
1.57	24 months and within 5 years	15	3.49
4.47	5 years and within 10 years	50	2.28
Long term			
91.93	10 years and above	100	93.30

8.10 Long Term Borrowing Maturity Profile

During the financial year, the Council operated within the treasury limits set out in the Council's Treasury Policy Statement and Treasury Strategy Statement. The Council's debt maturity profile at 31 March 2020 was within these limits with the exception of the debt maturing in the year 2048/49. The debt maturing in the year 2048/49 is 18.65% of the portfolio as compared to a target of 15%. This marginal breach on the 15% target emerged as a consequence of a change implemented in 2007/08, in the way Lender Option/Borrower Option (LOBO) loans are treated in calculating the Council's maturity profile. Previously the next option date was used as a "potential" maturity date for each loan and this has been changed to the actual maturity end date for each loan. This better reflects the maturity risk in relation to these loans and although it does marginally breach our 15% target in 2048/49, it is expected that the debt will be subject to re-profiling well in advance of the 2048/49 maturity date.

The table below shows the "maturity profile" of the Council's long-term borrowing. The heavy black line shows the debt maturing - and therefore requiring to be replaced - during each year up to 2064. The lighter broken line shows the debt maturing in the five-year period for each year up to 2064. All years are below 40% and well within our policy limit of 50%.

Maturity Profile - Spread of Debt From 2020/21 through to 2063/64



Implications of the Report

1. **Financial** - As described in this report
2. **HR & Organisational Development** - None
3. **Community Planning** – None
4. **Legal** - None
5. **Property/Assets** None
6. **Information Technology** – None
7. **Equality & Human Rights** – The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** None
9. **Procurement** – None

10. **Risk** – the report outlines a range of measures taken during the course of 2019/20 to manage treasury risks and the risk issues associated with the investment regulations in respect to borrowing and investment activity of the Council and the proposals for managing these risks.
11. **Privacy Impact** – None
12. **COSLA implications** - None
13. **Climate risk** - None

List of Background Papers

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