

EAST RENFREWSHIRE COUNCIL26 February 2025Report by Chief ExecutiveBEST VALUE: EAST RENFREWSHIRE COUNCIL –  
REPORT BY CONTROLLER OF AUDIT**PURPOSE OF REPORT**

1. This report presents Members with a copy of East Renfrewshire Council's Controller of Audit Report for Best Value, published by the Accounts Commission in February 2025.

**RECOMMENDATIONS**

2. It is recommended that Council:

- a) notes the Controller of Audit's Best Value Report as attached at Appendix 1; and
- b) commends the positive findings of the Accounts Commission on Best Value delivered by East Renfrewshire Council as detailed on pages 4-5 of Appendix 1.

**BACKGROUND**

3. It is a statutory requirement for local authorities in Scotland to deliver [Best Value](#) across all their activities and it is the responsibility of the Accounts Commission to scrutinise this and report on whether councils are delivering on this duty.

4. East Renfrewshire's last Best Value Assurance report was completed in [2017](#), with follow-up reports to Cabinet on the resulting action plan in [2018](#) and [2019](#). All actions arising have been concluded.

5. In 2023, Audit Scotland [announced](#) a change to the national approach to auditing Best Value. This fully integrated Best Value audit work into the wider scope audit work which is completed annually within each council. This was aimed at increasing impact and efficiency, as well as reducing the scrutiny burden on councils. This has resulted in short annual 's102' reports on Best Value thematic work, most recently 'Workforce Innovation', alongside the Annual Audit Report. The latest thematic report for East Renfrewshire was considered by Audit & Scrutiny Committee in [September 2024](#).

6. In addition to these annual reports, the Accounts Commission committed to considering a report on each council at least once over the five-year audit appointment. Today's report presents East Renfrewshire's Controller of Audit report.

## REPORT

7. The Controller of Audit's report is attached at Appendix 1 with Audit Scotland's Controller of Audit concluding that the Council has made consistently good progress with actions from previous Best Value reports, developing action plans to address the previous recommendations.

8. The report is derived from the 2023/24 Annual Audit Report and Thematic Report on Workforce Innovation, with some references to previous best value audit work. As such, Members may be familiar with the content and messages included in the report.

9. The report was presented to the Accounts Commission, Scotland's "Public Spending Watchdog," at their meeting on [16 January 2025](#), where the report was positively received. The Commission welcomed and endorsed the Controller of Audit's report on Best Value in East Renfrewshire Council and the recommendations made by auditors. Following consideration of the reports at its meeting on 16 January 2025, the Accounts Commission made the following headline findings, with further detail available in Appendix 1 (pages 4-5):

- The Commission is impressed by the consistently strong performance of East Renfrewshire Council.
- The Council has the building blocks in place in relation to long-term financial planning.
- The Commission notes the prudent approach to financial management adopted by the Council.
- The Council has taken an incremental approach to the transformation of service delivery over recent years, including through its digital transformation programme and investment in data analysis.
- The Commission is particularly encouraged to see that the Council's performance is extremely strong, even when compared to other similar councils in its Local Government Benchmark Framework 'family group'.
- In relation to its workforce, the council has taken proactive steps including a refreshed People Strategy and workforce planning approach, a Health and Wellbeing programme, and benchmarking against other Scottish councils in relation to its hybrid working policy.

10. The Commission noted the need for further savings and income plans for the years ahead including monitoring the impact on service users; further work on in-year budget monitoring; the need to build on strong partnerships to deliver innovation and change in the next phase of transformation; and the importance of measuring the impact of investment in the Council's workforce.

11. There was a follow-up meeting with Accounts Commission representatives to discuss the report, as is standard practice with these audits.

12. Progress on best value will be monitored through the Council's annual external audit work in September each year and the theme for this year's national focus is 'Transformation'.

## **CONCLUSION**

13. This report is a very positive independent overview of East Renfrewshire Council. The Accounts Commission press release accompanying the report, titled "East Renfrewshire Council's services excel", states that: "With high performing services, excellent engagement with local communities and strong relationships with key partners, East Renfrewshire Council is an exemplar to others".

14. The Corporate Management Team, Leader of the Council and Vice Chair of the Audit & Scrutiny Committee met with members of the Accounts Commission to discuss the report and any matters arising. It was agreed that the newly launched 'Place to Grow' community planning vision, our People Strategy, and our new medium term financial strategy give us a clear focus and a clear direction for the future to ensure that East Renfrewshire remains one of the best places to live and work in Scotland.

15. This report is a credit to our employees, elected members and partners both past and present, and our thanks go to them for their hard work, commitment and dedication.

## **RECOMMENDATIONS**

16. It is recommended that Council:

- a) notes the Controller of Audit's Best Value Report as attached at Appendix 1; and
- b) commends the positive findings of the Accounts Commission on Best Value delivered by East Renfrewshire Council as detailed on pages 4-5 of Appendix 1.

Chief Executive

February 2025

### **Report Author**

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## Background Papers

- Local External Audit Report – Best Value Thematic Report on Workforce Innovation, Audit & Scrutiny Committee, 26 September 2024
- External Auditor’s Report on the Best Value Thematic Report for Year-Ended 31 March 2023 – Leadership and Development of New Local Strategic Priorities, Audit & Scrutiny Committee, 26 September 2023
- Best Value in Scotland – 20 years of auditing Best Value and next steps in Best Value reporting in Scottish councils, Audit Scotland, September 2023
- Best Value Assurance Report – Action Plan Update, Cabinet, 25 April 2019
- Best Value Assurance Report – Action Plan Update, Cabinet, 26 April 2018
- East Renfrewshire Council – Best Value Assurance Report, Council, 13 December 2017.

Best Value

# East Renfrewshire Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit  
February 2025

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# Key facts

	<b>67</b>	Square miles
	<b>97,160</b>	Population
	<b>3,968</b>	Workforce (FTE)
	<b>18</b>	Elected members 5 Labour, 5 Conservative, 5 SNP, 3 Independent (Labour led minority administration)
	<b>£32.2m</b>	Savings required by 2024/25 – 2026/27
	<b>£285m</b>	Net revenue expenditure 2023/24
	<b>£46.5m</b>	Capital investment 2023/24

# Commission findings

**The Accounts Commission is pleased to endorse the Controller of Audit's report on Best Value in East Renfrewshire Council (presented at [page 6](#)) and the recommendations made by the auditors. Following consideration of these reports at its meeting on 16 January, the Commission has made the findings presented below:**

- 1** The Commission is impressed by the consistently strong performance of East Renfrewshire Council across a broad range of corporate and service areas, against the context of recent leadership changes. Notable examples of good practice include cross-party working, budget scenario planning (despite single year settlements), relationships with health and other key partners, community engagement, strategic planning and performance management. This is a good example of a small urban council delivering high-quality services to its residents, despite financial constraints.
- 2** The council has the building blocks in place in relation to long-term financial planning – early engagement with communities, a cross-party budget strategy group (including a representative from its Integration Joint Board (IJB)), identification of challenges, budget scenario planning and outline revenue financial plans up to 2030. The Commission would now expect to see the council develop detailed income and savings plans for the years ahead to ensure the council can meet its strategic objectives. Tough decisions linked to transformation now need to be taken to secure the council's financial sustainability over the longer term.
- 3** The Commission notes the prudent approach to financial management adopted by the council. The Commission is keen to see further work on in-year budget monitoring to ensure elected members get the most accurate and timely information, including in relation to additional income sources, to support them in making key decisions during the year.
- 4** The council has taken an incremental approach to the transformation of service delivery over recent years, including through its digital transformation programme and investment in data analysis. This analysis has enabled a deeper understanding of East Renfrewshire's communities and has allowed services to be targeted towards the most vulnerable. Given its size and scale, likely future demand and



financial constraints, the council will need to build on its strong track record and relationships with the IJB and community planning partners to drive the innovation and scale of change required in its next phase of transformation.

- 5** The Commission is particularly encouraged to see that the council's performance is extremely strong, even when compared to other similar councils in its Local Government Benchmarking Framework (LGBF) 'family group'. This includes performance in key areas like education, emissions, hospital admissions and affordable housing. The impact of financial challenges and savings plans including within the IJB will need to be monitored closely, and the council and IJB will need to ensure it fully understands the impact on outcomes for service users.
  - 6** In relation to its workforce, the council has taken proactive steps including a refreshed People Strategy and workforce planning approach, a Health and Wellbeing programme, and benchmarking against other Scottish councils in relation to its hybrid working policy. Despite these initiatives, the Commission is concerned about the low response rates to the staff wellbeing survey. Given the importance of having an engaged workforce, the Commission expects the council to continue to use key metrics such as absence rates and turnover to monitor and scrutinise employee engagement, ensuring a return on its investment and a positive impact on staff.
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# Controller of Audit report

- 1.** This report is made by the Controller of Audit to the Accounts Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 and 2023/24 annual audits of the council, with the latter reported in September 2024. [Appendix 1](#) includes links to the 2022/23 and 2023/24 Annual Audit Reports (AAR) and [Appendix 2](#) includes a link to the Best Value Statutory Guidance.
- 2.** The reporting of Best Value is undertaken through the annual audit of each council and includes detailed work focusing on a Scotland-wide theme. The Best Value theme for 2022/23 was councils' leadership of the development of new local strategic priorities while the 2023/24 theme focused on workforce innovation.
- 3.** East Renfrewshire Council (the council) continues to demonstrate a commitment to continuous improvement and has made consistently good progress in delivering recommendations from previous Best Value reports.
- 4.** The council has an established long-term planning framework in place with the Community Planning Partnership that ensures the vision and strategic priorities are aligned across partners. The Community Plan, 'A Place to Grow' was approved in September 2024, setting the partnership's vision for the period to 2040. The vision is based on three strategic pillars, which refocus and prioritise the previous five strategic outcomes. The council's own medium-term planning framework will be aligned to the priority themes, and a detailed three-year delivery plan is expected to be considered in April 2025.
- 5.** The council has drawn upon significant stakeholder engagement and engagement with partners to refine and refresh the vision for the area. This included targeted research and community engagement, interviews with resident and community groups, along with businesses and key stakeholders. The council demonstrates its understanding of its communities, including key equalities groups. As a result, the council's strategic planning adopts cross-cutting themes of equality and inclusion. A Place to Grow identifies themes of inclusion across every area of the plan and human rights are incorporated into the council's Equality, Fairness and Rights Impact Assessments.

**6.** It has also invested in data analysis tools to ensure it builds a deeper understanding of communities and vulnerabilities allowing services to be more targeted at a local level. There are clear links between the outcomes of this engagement and the themes that form the basis of the refreshed vision.

**7.** The council has undergone a period of significant change in both the officer leadership team and elected members. It has taken steps to ensure that the respective roles and strategic priorities are well understood. The council has developed and delivered a programme of essential scrutiny skills training for elected members and refreshed the induction and training programme following the 2022 elections. There are strong examples of effective cross-party working, examples include the cross-party budget strategy group and cross-party support for the direction of travel for the council's longer-term strategic plan. The council has demonstrated good oversight and support of the East Renfrewshire Integration Joint Board (IJB), which has faced financial challenges, and the council has provided financial support to the IJB. The Chief Officer and Chief Financial Officer of the IJB attend the council's budget strategy group.

**8.** The 2023/24 annual audit noted that the council recorded a deficit on the provision of services of £10.3 million before the budgeted application of reserves (£10.2 million). The outturn performance was broadly in line with the approved budget but reflects significant movements within individual reserves. This continues a trend of significant underspends, beyond the level reported to elected members throughout the financial year. In 2022/23, auditors recommended improvements to budget monitoring and forecasting. While the council's approach ensures that actual spend is compared to budget, it does not take into account additional income sources that may become available until outturn reporting. While this means that budget monitoring remains prudent and there is a reduced risk of overspends, it does mean that the financial outturn may be better than elected members could reasonably expect throughout the financial year. The auditors have concluded that the council's publicly available budget papers set out key financial information clearly [Exhibit 1 \(page 8\)](#).

**9.** The council has a good track record of making savings and has achieved £25.2 million of recurring savings over the past five years, including £3.9 million in 2023/24. The council demonstrates good practice regarding the identification and delivery of savings. Plans were informed by significant public consultation on savings options for 2023-26 and the council enters into early discussions with cross-party elected members to support a phased agreement of savings before the formal budget-setting meeting.

## Exhibit 1.

### East Renfrewshire Council – key financial information for 2022/23, 2023/24 and 2024/25

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
Budget gaps	9.5	18.1	12
Planned to be met via:			
• Recurring savings	2.2	4.1	3.1
• Use of reserves	5.3	–	0.8
• Increase in Council Tax	2.1	3.8	–
• Funding for Council Tax freeze	–	–	3.1
• Use of service concessions reserve	–	10.2	5.0
Actual savings	2.2	3.9	–
Actual use of reserves	5.3	10.2	–
Reserves balance	52.1	41.8	–

Source: East Renfrewshire Council Revenue Budget papers for 2021/22, 2022/23 and 2023/24

**10.** The council continues to prepare an outline revenue financial plan (the most recent, from February 2024, covers the period 2024-30) and draws upon scenario planning to prepare for the scale of the budget gaps ahead. Alongside the outline revenue plan, the council prepares a three-year financial plan. The current projected gap for 2025/26 is £15.1 million, falling to £5.1 million in 2026/27, though uncertainties remain. The gap will be partly bridged using the remaining balance available in the council's Service Concessions reserve (£2.3 million), but there is still a significant future budget gap to be addressed by council tax increases and the identification of recurring savings.

**The council should continue its development of a realistic and costed medium-term financial plan that supports the delivery of strategic objectives while recognising significant future uncertainty.**

**11.** The 2023/24 annual audit noted that the council's reserves balances fell in 2024/25, in line with the council's budget strategy. As in prior years, operational underspends were used to replenish reserves and while the council's reserves fell by £10.3 million overall, the unearmarked General Reserves increased by £0.6 million, to £7.3 million. This represents 2.3 per cent of the council's annual budgeted net revenue expenditure and is within the target level set in the council's Reserves Policy. As of 2023/24, the level of General Fund reserves held by the council was £41.8 million (£52.1 million in 2022/23).

**12.** The council balanced the 2024/25 budget using £5 million of financial flexibilities and savings of £3.1 million. The council's approach to public consultation and early consideration by the cross-party budget strategy group meant that £2.1 million of the required savings were approved prior to the 2024/25 budget-setting meeting. Similar plans are in place to secure early savings in advance of the 2025/26 budget, including £0.5 million approved to date by the council.

**13.** The council has taken advantage of the opportunity presented by reduced pension contributions to establish an Investment in the Future reserve, allowing investment in areas that can provide recurring benefits. The total one-off resource available to the council is estimated at £12.6 million. Clear criteria has been set for the use of the fund, including sustainability, alignment to the overall strategic priorities and projects should support spend to save initiatives or investment and development of the workforce. A further £2 million has been set aside to support the next phase of the council's transformation.

**14.** In recent years, the council has seen its digital transformation programme (DTP) as a key mechanism to drive change and help deliver savings across all services. The current DTP was launched in April 2022, which replaced the previous Modern Ambitious Programme and combines the themes of data, modernisation and digital change across three main programmes of work: customer experience, workforce productivity, and business systems and processes.

**15.** Projects delivered to date include automation projects, the development of management dashboards, significant system changes and upgrades, the roll-out of hand-held devices for frontline staff, including those in social care, and the implementation of a housing management and revenue/benefits system. The council reports on outcomes from the programme on an annual basis and note that productivity gains in 2023/24 included over 10,000 hours of staff time (equivalent to over six full-time equivalent (FTE) roles) across the organisation, and a further seven FTE in cost avoidance measures.

**16.** The DTP has incorporated co-design with communities and the council carried out several customer feedback sessions and received feedback from customers when designing or redesigning processes, allowing greater understanding of the problems customers face and what matters to them most.

**17.** The council's ten-year capital plan includes a programme of investment of £240 million, focused on significant investments in the learning estate, leisure facilities, and information and communications technology (ICT) projects. The plan identified £25.5 million for improvements necessary to council property, including energy efficiency measures. In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, the Audit and Scrutiny Committee is responsible for ensuring effective

inspection of treasury management activities. The council recognises the revenue implications of borrowing and the capital programme is considered by the budget strategy group.

**18.** The council has benefitted from a programme of Glasgow City Region City Deal projects that are intended to stimulate economic growth in East Renfrewshire and allow improved public transport routes across the area, aligned to the Get to Zero (GTZ) Plan. East Renfrewshire's City Deal programme (M77 Strategic corridor) will result in a total investment of £44 million comprising £38 million from the Scottish and UK governments and co-funded by the council's £6 million capital contribution. The 2023/24 annual audit noted that the council's significant City Deal investments made progress in 2023/24.

**19.** The council refreshed its approach to workforce planning in 2023/24 to support the development of its strategic planning framework, A Place to Grow. As part of the updated arrangements, a People Strategy has been developed to support the council's aim to become a learning organisation.

**20.** The council has made recent improvements to further strengthen workforce planning arrangements within service improvement planning documentation. This process supports the identification and understanding of specific risk areas within services and allows escalation to the Organisational Development Board (ODB).

**21.** The Corporate Management Team (CMT) maintains good oversight over workforce planning and the development of key skills and capabilities to support wider strategic planning via the ODB. Elected members are kept aware of elements of workforce planning that may impact strategic planning. There are key indicators that may impact the council's ability to deliver the improvements envisaged in the People Strategy, such as the age profile and turnover of staff. These indicators are available for managers to support the delivery of their service but are not currently reported regularly to elected members. There is scope to further improve elected members' understanding with inclusion of a more comprehensive workforce planning summary to be included in the annual financial planning report for elected members in March 2025.

**22.** The council transformed the technology available to employees to support home working through the pandemic and has a hybrid working policy in place to support employees who can work at home for part of the week. Main council offices are being refurbished to support modern, flexible, digital working. A review has been completed to benchmark the council's practices with other Scottish local authorities and a report detailing an overview of the advantages and disadvantages of working from home, drawing on local experience and the findings of research on this issue at a more national level, was presented to the Audit and Scrutiny Committee in September 2024.

**23.** The council's updates to service improvement planning processes are supporting it to gather additional data about the current workforce and challenges identified by individual services. In addition, the introduction of data dashboards ensures that up-to-date indicators are directly available to the managers of individual services.

**24.** The employee survey response rate was lower than the council anticipated, and further work is under way to increase staff engagement, improve participation rates and facilitate effective monitoring, with more comprehensive reporting planned for elected members in March 2025.

**25.** The partnership working arrangements are good and the council continues to work collaboratively with bodies across the sector, including the Glasgow City Region to maximise the opportunities to increase capability. A Regional Local Government Skills Working Group is working with the University of the West of Scotland to launch courses to respond to the shortage in planning skills. The group is also addressing skills gaps in other areas such as trading standards, health and social care.

**26.** The council has committed to achieving net zero by 2045 and published its GTZ action plan in February 2024 that sets out its approach that will mean significant change to the fleet and estate and acknowledges that there will be residual emissions by 2045. The council will continue to work towards the full costing of its GTZ action plan and has set aside a further £0.2 million in year to prepare assessments. The balance on this reserve as at 31 March 2024 was £0.6 million. The council is aware that this remains an area of risk. As a result, the council acknowledges that the pledges within the GTZ action plan are unlikely to be achievable without additional funding. The council should continue to work towards fully costing the investment plans necessary to deliver net zero by 2045.

**27.** The council regularly reports on its performance. A comprehensive Performance Framework is in place to report on performance against the strategic outcomes within the previous Strategic Plan. The annually-refreshed Outcome Delivery Plan provides a direct link to the priorities within the Community Plan. The Annual Performance Report for 2023/24 was published in September 2024. The council considers a six-monthly strategic performance report mapped to the strategic outcomes and updating on the Outcome Delivery Plan. This includes an assessment of performance against targets, along with trend information and a description from the service including reasons for slippage against targets.

**28.** The council reported that it delivered 76 per cent of targets against the strategic outcomes within the Outcome Delivery Plan in 2023/24.

Key achievements include:

- educational achievement, where the council has consistently high performance in primary and secondary, strong inspection evaluations from Education Scotland and very high levels of young people going to positive destinations, while its multiagency childrens' services have been rated 'excellent'
- the reduction of operational emissions by eight per cent
- exceeding the target to build 270 new affordable homes over the period 2017-23 (413 were completed in partnership between the council and its social housing partners)
- meeting the target 65 per cent of Citizens' Panel respondents who reported that they are satisfied with services.

**29.** The council reports on overall benchmarking with other Scottish local authorities. National benchmarking data shows that the council performs above the Scottish average in 64 per cent of indicators. Of the 95 LGBF indicators for 2022/23 reported in May 2024 to East Renfrewshire's Cabinet, the council ranked first or second in 25 per cent (ranked first in 16 and second in eight indicators). There are key strengths in adult social care, including the proportion of adult care services graded 'good' or better (first nationally); the second lowest rates of readmission to hospital following discharge; and the response to climate change including the percentage of waste recycled and emissions from transport.



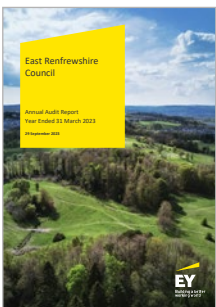
# Appendix 1

## 2022/23 and 2023/24 Annual Audit Reports

These reports summarise the findings from the 2022/23 and 2023/24 annual audits of East Renfrewshire Council.

Each Annual Audit Report comprises:

- significant matters arising from the audit of the council's Annual Accounts
- conclusions on the council's performance in meeting its Best Value duties
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
  - Financial management
  - Financial sustainability
  - Vision, leadership and governance
  - Use of resources to improve outcomes.



### 2022/23 Annual Audit Report East Renfrewshire Council September 2023



### 2023/24 Annual Audit Report East Renfrewshire Council September 2024



# Appendix 2

## Best Value Statutory Guidance

The Local Government in Scotland Act 2003 introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Best Value

# East Renfrewshire Council



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